PARGESA

GBL

BERTELSMANN

IMERYS

TOTAL

SUEZ

LAFARGE

TRANSCOR

QUICK

ENTREMONT ALLIANCE

Annual Report 2005

DISTRIPAR

CHEVAL BLANC

RIEUSSEC

IJSBOERKE

NPM/CNP

COMPAGNIE NATIONALE À PORTEFEUILLE
NATIONALE PORTEFEUILLEMAATSCHAPPIJ

NPM/CNP: a holding company, a professional shareholder

WHAT IS NPM/CNP?

NPM/CNP is a holding company incorporated in Belgium, listed on EURONEXT Brussels and controlled by the FRÈRE family.

MISSION STATEMENT

NPM/CNP's mission is that of a family company managed with a strong sense of responsibility: its long-term aim is balanced growth in the value of the assets entrusted to it by its shareholders and in the dividend distributed to them, with a limited risk profile. This value creation involves the generating of net operating profits from invested capital that are greater than the weighted average cost of capital; this capital cost of course takes into account the risk connected with the activities to which the capital is dedicated.

INTENTION AND STRATEGY

Driven by big ambitions, NPM/CNP intends to play a role and be respected by investors and by its peers as a value processor contributing to the creation of business Europe. This intention is adapted to the strategy applied to a portfolio of assets held:

- either directly, including shareholdings that are consolidated (DISTRIPAR, UNIFEM/ENTREMONT ALLIANCE, IJSBOERKE and TRANSCOR), consolidated proportionally (QUICK- through GIB, RIEUSSEC / L'EVANGILE and CHEVAL BLANC), or other shareholdings that are more limited in terms of percentage but are often worth more (TOTAL, EIFFAGE since 2006).
- or through the PARGESA / GBL Group, over which NPM/CNP exercises joint control with the POWER Group (Canada), and which controls IMERYS, applies equity accounting to BERTELSMANN and holds major shareholdings in international companies (TOTAL, SUEZ, LAFARGE).

MANAGEMENT PHILOSOPHY

The simple, organisational and temporal strategy rests on a set of processes and projects, based on plans that are interwoven tightly enough to capture the scenario that corresponds to the reality of the moment and seize any opportunity that may present itself. This organisation by project is implemented by a multi-disciplinary team whose manager, the managing director, is responsible for its orientation, coherence, coordination and emulation, while favouring individual entrepreneurship.

This value management is process-oriented and is applied by the holding's restricted, unified management team both to the structures themselves and to the shareholdings that they hold.

NPM/CNP intends to limit its role to performing the basic roles making up its activity as a professional shareholder:

- Strategic decisions and orientations, including asset arbitrage, investments and disinvestments (based on the net operating profit on invested capital);
- Selecting and motivating of managers;
- Financial engineering and the management of financing sources (optimisation of the weighted average cost of capital).

This professional shareholder activity is exercised with a decreasing intensity according to whether the shareholdings:

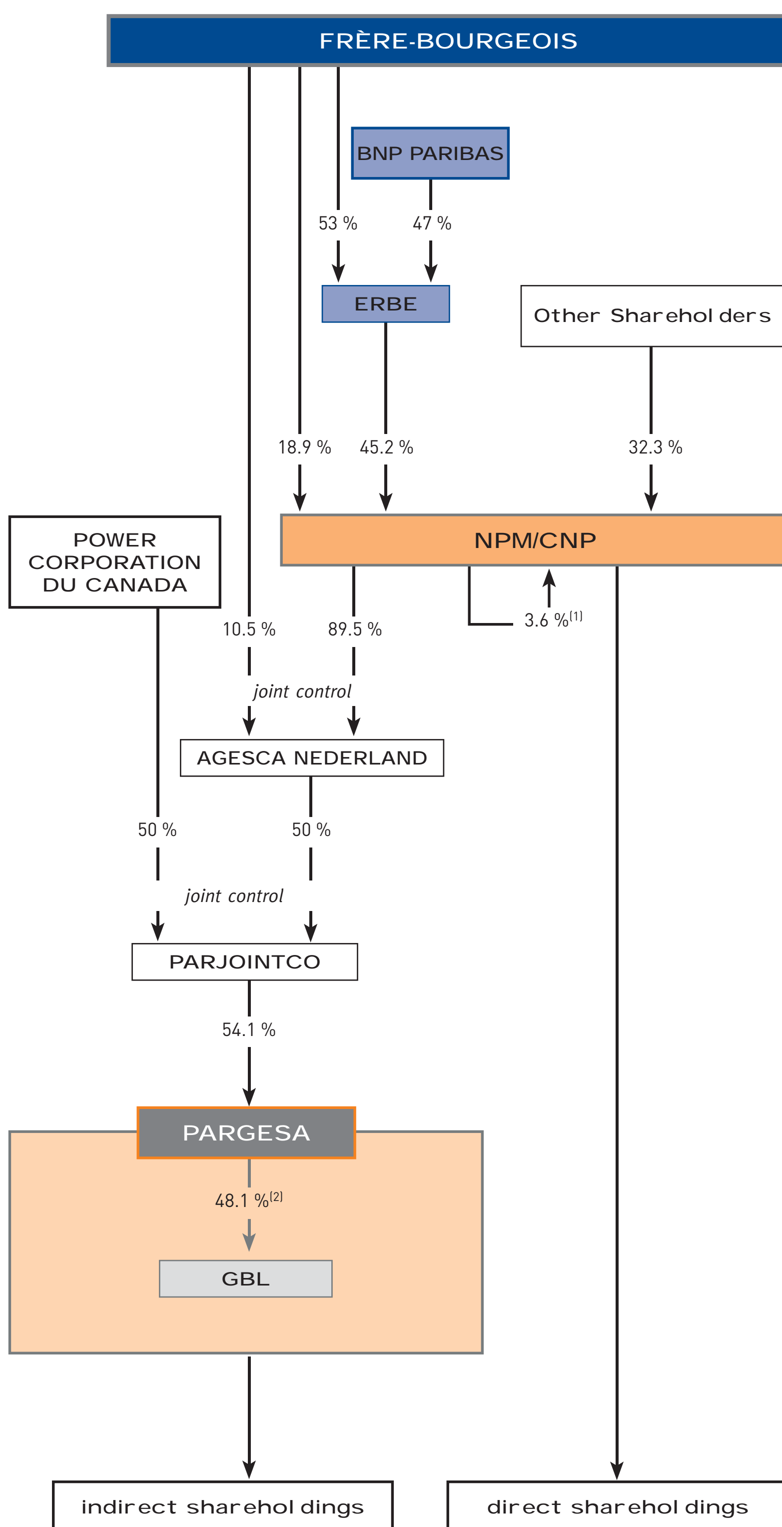
- are within the consolidation perimeter (consolidated, proportionally consolidated or equity-accounted shareholdings);
- are outside the consolidation perimeter.

Positioned as a value, volatility and risk manager, NPM/CNP tries to effectively collaborate with the management of the companies in which it has a shareholding, in order to better tackle these various aspects; this dialogue involves periodic reporting focused on the monitoring of key indicators, allowing the shareholder to follow the development of business, assess its risks and opportunities, and, with the support of a strategic monitoring process, manage the timing of major decisions.

The shareholder's role is therefore different from that of the manager, who is responsible for day-to-day management and accordingly has a great deal of independence to ensure the flexibility and speed of his actions. As trust does not exclude control, NPM/CNP's representatives reconcile the roles of supporting the management and acting as its counterbalance, within the framework of a reciprocally assumed Corporate Governance.

Structure and shareownership of the Group

This organisation chart, presented here as at 31 December 2005, is regularly updated on the NPM/CNP website (www.npm-cnp.be).



(1) Stock option plan on 3.5% of the capital.
(2) More than 50% of the voting rights.

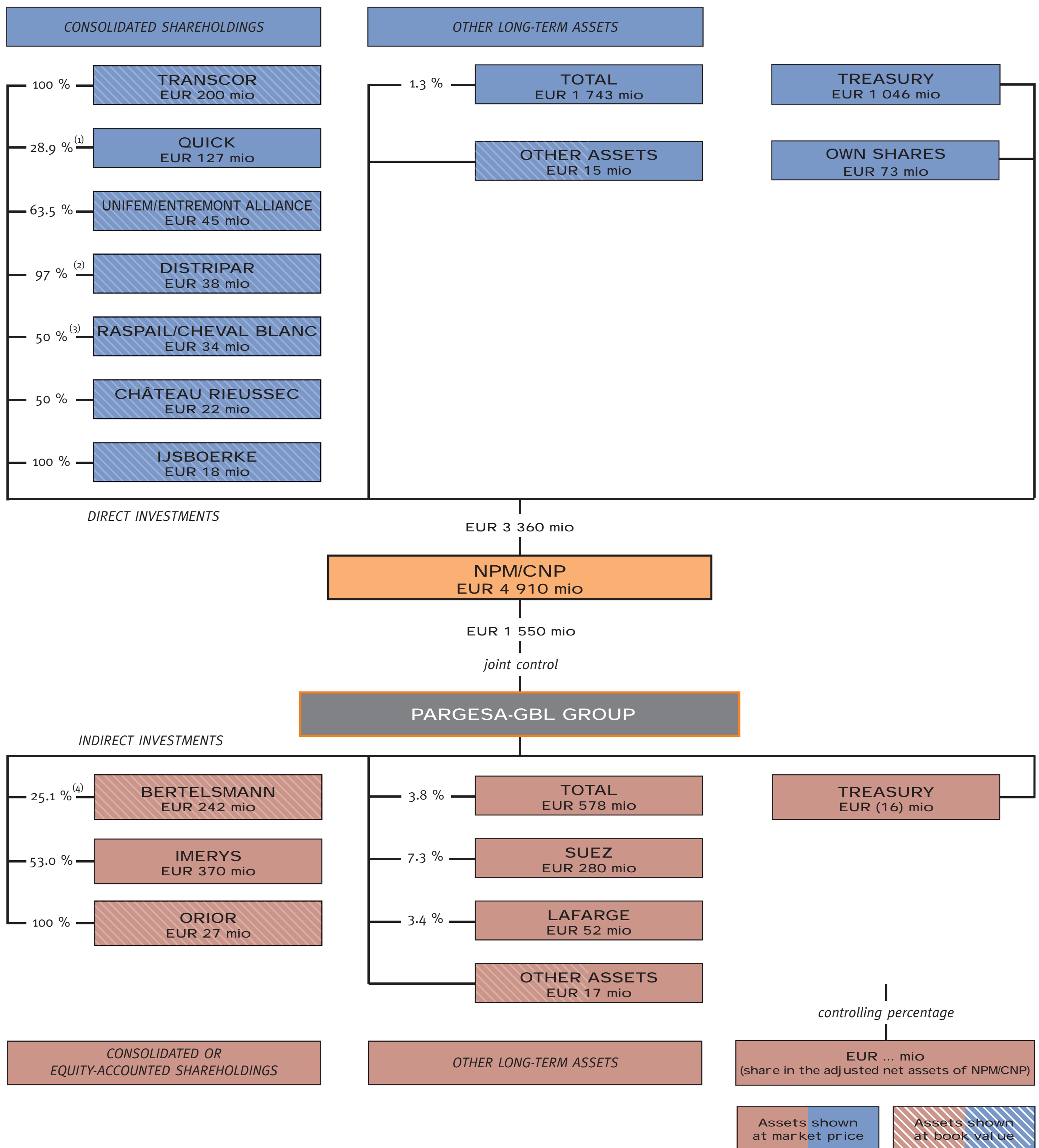
NPM/CNP is the listed entity of the Group commonly known as the "Groupe de Charleroi". Controlled by Baron FRÈRE and his family, it consists of three levels:

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

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

Group Assets
as at 31 December 2005

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



(1) 57.9 % through GIB, owned at 50 %.
(2) 100 % of voting rights.
(3) Through an 80 %-owned company.
(4) Of which 0.1 % without voting rights.

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This English version is a translation of the French version of the Annual Report as approved by the board of directors of NPM/CNP; the French version alone is therefore authoritative.

Financial highlights: value

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Adjusted net assets (EUR million)		1 740	2 172	2 514	3 186	3 601	3 452	2 999	3 292	**3 965**	**4 909**
Annual TPS[1]		19.6%	28.4%	33.1%	43.0%	19.0%	-2.5%	-11.3%	11.9%	**22.5%**	**33.1%**
Annual cumulative TPS since 1988[1]		7.0%	9.2%	10.8%	12.7%	13.0%	11.9%	10.5%	10.6%	**11.1%**	**13.0%**
Number of shares (,000)		27 040	27 040	23 000	20 741	20 000	20 000	20 000	20 000	**20 000**	**18 863**
Adjusted net assets per share (EUR)		67.92	83.86	109.30	153.62	180.04	172.58	149.97	164.58	**198.27**	**260.28**
Annual TPS per share (EUR) [1]		18.7%	27.2%	33.4%	43.0%	19.0%	-2.5%	-11.3%	11.9%	**22.5%**	**33.1%**
Annual cumulative TPS since 1988[1]		7.0%	9.2%	11.6%	14.0%	14.4%	13.1%	11.3%	11.4%	**12.0%**	**13.0%**
Stock market price	(high)	50.20	71.15	92.96	95.00	118.90	127.80	133.00	109.70	**157.60**	**243.20**
	(low)	43.38	48.09	58.25	72.00	85.00	91.00	92.00	85.00	**105.00**	**152.70**
	(close)	49.58	60.49	74.37	93.00	103.40	118.40	106.00	105.00	**156.00**	**242.30**

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

Financial highlights: results

Restricted consolidated profit (EUR million)	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
operating profit	64.85	70.65	83.58	140.56	87.13	85.02	77.07	92.71	94.72	**123.7**
net profit	94.84	90.65	508.17	615.56	88.22	108.17	99.87	125.13	157.16	**464.6**
Average number of shares considered (,000)	25 340	25 340	23 949	21 997	20 223	20 000	20 000	20 000	20 000	**19 928**
Restricted consolidated profit per share (EUR)										
operating profit	2.56	2.79	3.49	6.39	4.31	4.25	3.85	4.64	4.74	**6.20**
net profit	3.74	3.58	21.22	27.98	4.36	5.41	4.99	6.26	7.86	**23.31**

Consolidated profit (Belgian GAAPs) (EUR million)	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
operating profit	97.56	119.87	105.50	162.84	128.16	111.02	104.08	123.39	n.a.	n.a.
net profit	126.00	190.85	603.13	759.15	145.28	169.13	61.88	166.64	n.a.	n.a.
Average number of shares considered (,000)	25 340	25 340	23 949	21 997	20 223	20 000	20 000	20 000	n.a.	n.a.
Consolidated profit (Belgian GAAPs) per share (EUR)										
operating profit	3.85	4.73	4.40	7.40	6.34	5.55	5.20	6.17	n.a.	n.a.
net profit	4.97	7.53	25.18	34.51	7.18	8.46	3.09	8.33	n.a.	n.a.

Consolidated data (IFRS) (EUR million)	2003	2004	2005
operating profit (group share)	137.9	161.8	**243.5**
net profit (group share)	212.3	298.8	**600.6**
Average number of shares considered (diluted) (,000)	19 316	18 316	**18 482**
Diluted data per share (IFRS) (EUR)			
operating profit	7.14	8.84	**13.18**
net profit	10.99	16.31	**32.50**

Dividends (EUR)	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
gross dividend per share	2.53	2.58	2.72	2.80	2.94	3.09	3.24	3.40	3.57	**3.82***

* Subject to approval by the annual general meeting.

Stock market data and Shareholders' calendar

STOCK MARKET DATA

Financial instruments listed on Euronext Brussels

- Shares
- VVPR Strips

Average daily volumes traded (Euronext Brussels)

(number of shares)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
shares	2 910	4 480	14 985	22 237	6 296	5 230	2 886	2 623	6 185	8 485
VVPR Strips	-	-	-	1 204	1 584	814	633	326	837	411
Warrants	3 389	19 168	15 942	11 906	-	-	-	-	-	-
Total (excluding strips)	**6 299**	**23 648**	**30 927**	**34 143**	**6 296**	**5 230**	**2 886**	**2 623**	**6 185**	**8 485**

Market price and adjusted net assets per share

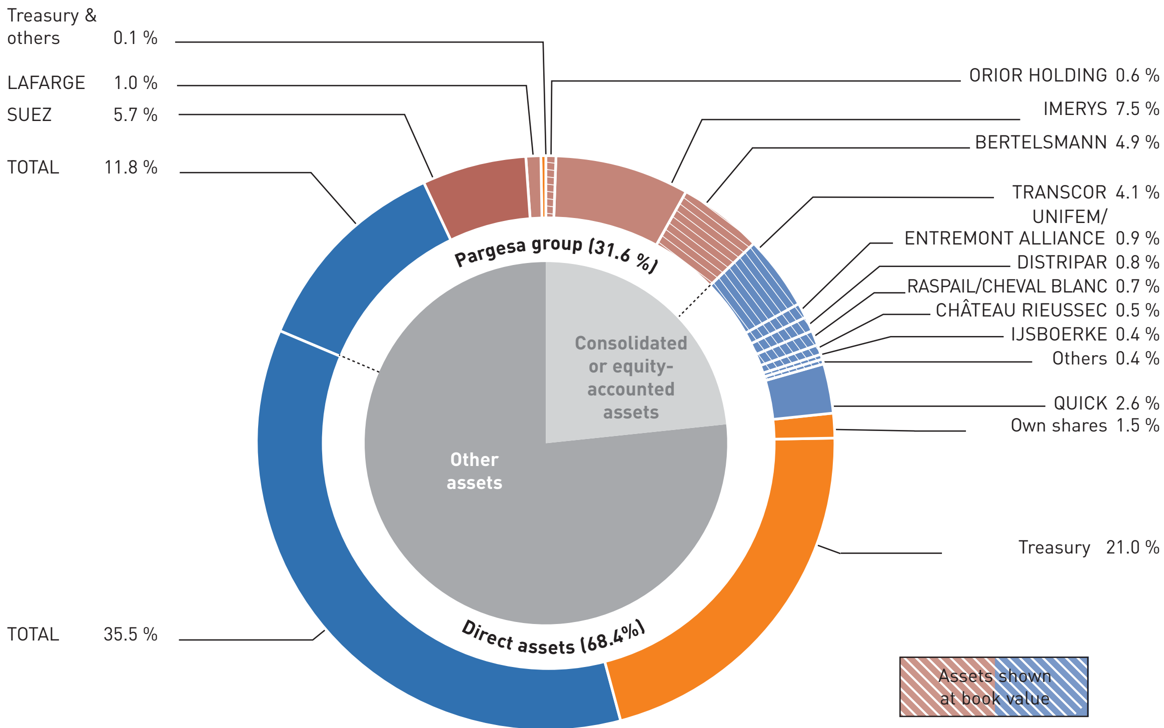
SHAREHOLDERS' CALENDAR

20 April 2006	Ordinary General Meeting of Shareholders at the registered office at 10 a.m.
27 April 2006	Subject to approval by the Ordinary General Meeting, payment of dividends (EUR 3.82 gross per share).
May 2006 *	Publication of the results at 31 March 2006.
14 September 2006	Publication of the results at 30 June 2006.
9 November 2006	Publication of the results at 30 September 2006.

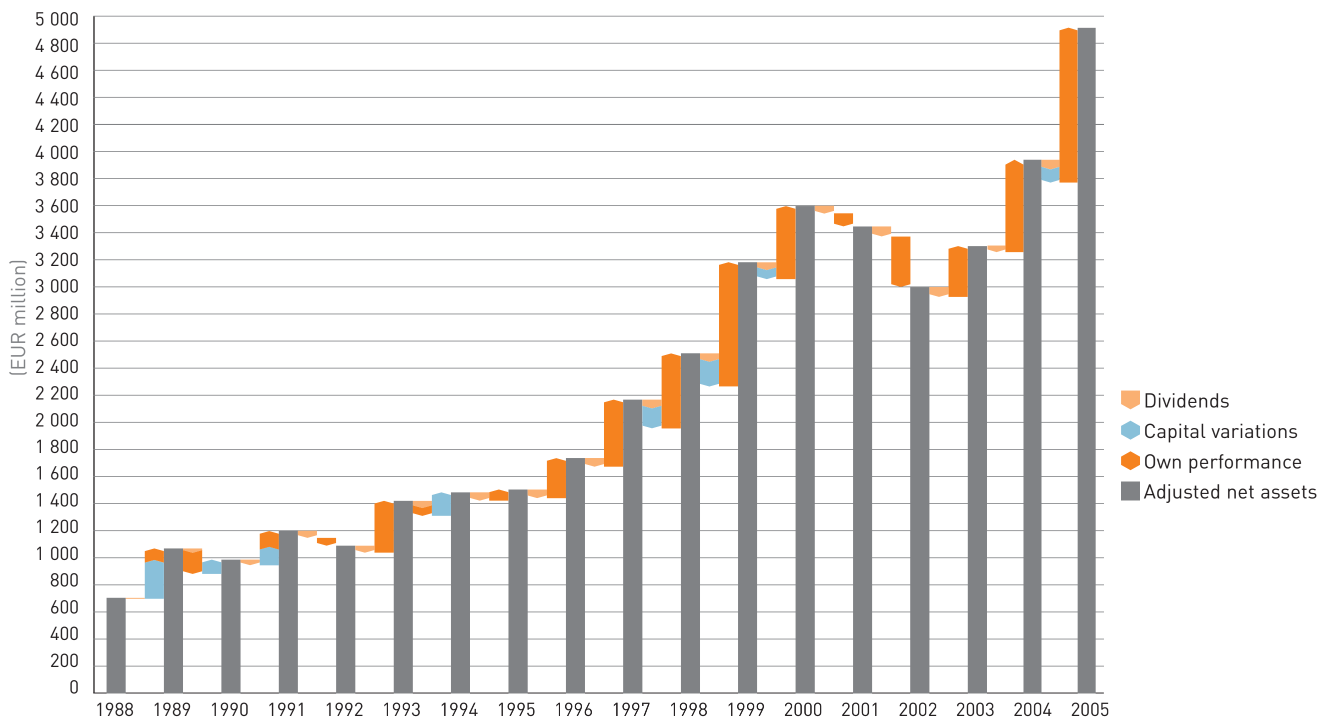
(*) The publication originally planned on May 4 will most probably be postponed due to accounting treatment of recently acquired shareholdings.

Breakdown and evolution of the adjusted net assets

Transitive breakdown of adjusted net assets (as at 31 December 2005)



Evolution of the adjusted net assets



Message to shareholders

Dear Shareholders,

It was on 1st April 1988 that the FRERE-BOURGEOIS Group took control of the COMPAGNIE NATIONALE A PORTFEUILLE / NATIONALE PORTEFEUILLEMAATSCHAPPIJ and increased its market capitalisation from EUR 40 million to EUR 150 million.

As a "responsible holding company with sex appeal", to repeat the words used at the time, NPM/CNP set itself the objective of increasing the value of its share and its dividend over the long-term.

This objective has been met. In data per share, the adjusted net assets grew from EUR 54 in April 1988 to EUR 260 at the end of 2005 (and to EUR 290 at the time of writing). As for the dividend, this has grown from EUR 1.93 per share (1987 dividend distributed in 1988) to EUR 3.82 per share in 2005. During the same period, the dividend's initial annual growth rate of 3% increased to 5% in 2000 and 7% in 2005[1] and for the foreseeable future, excluding major upheavals.

Since 1988, you have therefore benefited from a total return (net of management costs) equal to a compound average annual rate of around 13%.

	adjusted net assets	stock market price
from 01/04/1988 to 31/12/2005	+13.0%	+12.6%
from 01/04/1988 to 31/03/2006	+13.5%	+13.6%

In relation to a required return[2] estimated at 9.9% in April 1988, the added value, in terms of adjusted net assets, therefore stands at more than 3% per year and represents a cumulated figure of nearly EUR 2 billion at the end of 2005.

Over the same period 1988-2005, the returns of the various European reference indexes were between 10.3 and 12.2% (before costs), confirming NPM/CNP's "overperformance".

This is thanks to a diversified portfolio mainly made up of leading shares, cash and, for the remainder, consolidated industrial and commercial companies (including some with a more marked risk profile: TRANSCOR or, in the past, HELIO CHARLEROI), giving it the "sex appeal" referred to above, the compound annual performance of 13% achieved over 18 years (2.7% in the form of dividends, themselves experiencing an average growth over the period of 4.4% and 10.3% in the form of non-distributed added value) proving the meeting of the initial objectives.

These figures illustrate the achievements but, first and foremost, provide a measurement of the challenges that await us in the future.

NPM/CNP was created on 20 November 1906 under the name "LE GAZ RICHE". It will be our pleasure to celebrate the company's centenary, as is the custom; we therefore suggest holding an Extraordinary General Meeting during the upcoming months so that you can decide on the stock split of every existing NPM/CNP share into six new shares.

This figure is not insignificant as the market price of NPM/CNP's shares, at the time of writing (March 2006), fluctuated at around EUR 290, or around EUR 48 after division by six, a level equal to that of NPM/CNP 18 years ago. How's that for a sign!

After a 7% increase in the dividend in 2005[1] and for the foreseeable future (excluding major

(1) If the general assembly of shareholders of 20 April 2006 accepts this proposal.
(2) Required return = Risk-free rate + market risk premium ß.

upheavals) and the entry in the BEL20 index, here's another way of celebrating the centenary.

Since the publication of our 1996 annual report we have communicated our financial performances taking 1st April 1988 as the departure point. We believed at the time that by referring to a 9 year period we would objectivise the results achieved by relating them to an "apprehendable" past.

We now realise that using a reference that dates back so far takes us further away each year from all those used for comparison with expected or required returns, even by observers who are highly oriented towards the long-term. This year is therefore the last time that we will express our performances in these terms. In future we will limit ourselves to a ten year period.

Performances of the NPM/CNP share

	Annual performance		Compound annual performance			
			since 01.04.1988		over the ten last years	
	adjusted net assets	stock market price	adjusted net assets	stock market price	adjusted net assets	stock market price
1988	34,6 %	-11,1 %	34,6 %	-11,1 %		
1989	9,9 %	0,1 %	14,5 %	0,7 %		
1990	-14,2 %	-1,8 %	-0,6 %	-0,5 %		
1991	10,8 %	3,8 %	3,4 %	1,0 %		
1992	-4,9 %	-4,8 %	1,2 %	-0,6 %		
1993	36,0 %	12,9 %	7,3 %	4,0 %		
1994	-3,8 %	-1,3 %	5,3 %	3,1 %		
1995	5,5 %	-0,3 %	5,3 %	2,6 %		
1996	18,7 %	10,5 %	7,0 %	3,5 %		
1997	27,2 %	27,1 %	9,2 %	6,3 %		
1998	33,4 %	27,2 %	11,6 %	7,7 %	11,1 %	7,8 %
1999	43,0 %	28,7 %	14,0 %	9,4 %	13,6 %	10,2 %
2000	19,0 %	14,2 %	14,4 %	9,7 %	17,1 %	11,8 %
2001	-2,5 %	17,4 %	13,1 %	10,3 %	15,8 %	13,2 %
2002	-11,3 %	-7,9 %	11,3 %	9,0 %	15,5 %	13,4 %
2003	11,9 %	2,1 %	11,4 %	8,6 %	13,2 %	11,2 %
2004	22,5 %	52,8 %	12,0 %	10,5 %	16,2 %	16,0 %
2005	33,1 %	57,8 %	13,0 %	12,6 %	18,9 %	21,4 %

Over the last ten years (from 1st January 1996 to 31 December 2005) you have benefited from a global yield of 18.9% per year in terms of adjusted net assets and 21.4% based on the market price, to be compared with return requirements of around 9% at the start of 1996 and DJ EUROSTOXX 50, BEL20 and CAC 40 index effective annual yields (reinvested dividends) of between 11.6 and 12.6% for the period.

The returns posted by your Company between 1996 and 2005 are therefore very much higher than those observed over the period 1988 – 1995 (5.3% for the adjusted net assets and 2.5% for the market price), corresponding to the "new" NPM/CNP's start-up years. You need to sow in order to reap and this initial period was characterised by seven capital increases, raising more than EUR 1.3 billion and building up significant shareholdings that form the basis of today's NPM/CNP.

The ten years that followed (1996-2005) were marked by a 30% reduction in the fully diluted number of shares and by significant capital gains as a result of disposals, partnerships and integrations into larger European groups.

At the start of 2006, NPM/CNP had a net cash position (under restricted consolidation) of nearly EUR 1.1 billion (more than EUR 1.7 billion when long-term debt is added). To a certain degree, ... the cycle is starting again,... with one major difference, however: this time, the amounts to be invested represent only a fifth of the adjusted net assets; this doesn't make the task any easier, however.

To illustrate the challenge of repeating past levels of performance, it should be remembered that the last two decades have seen the considerable revaluation of the financial assets. This is the mechanical consequence of the reduction in the capital cost, of around 1.5 to 2%, on average and depending on the source, connected to a large extent to the fall in interest rates over the period.

The average 13% internal return achieved during each of the last eighteen years...

We believe that, out of the average 13% internal return achieved during each of the last eighteen years, around one third is attributable to this revaluation; otherwise, the performance would have equalled around 9% (and that of the European indexes taken as a reference 7% on average). As NPM/CNP had no or few debts over the period, these yields relate to the assets held by the NPM/CNP Group, in other words to the equity of its various shareholdings.

In view of the risk-free long-term rates of less than 4%, our objective will be to exceed the "real" 9% of the past, while maintaining a risk profile considered to be acceptable. This rate of return, net of management costs, must be achieved by NPM/CNP on assets mainly consisting of shares, but also, to a lesser degree, of cash and equivalents. As the return on the latter is lower, the objective to be achieved on shareholdings will probably approximate 10%; this is consistent with return expectations of around 8% on "blue chips" such as TOTAL and 12 to 15%, or even more, on certain higher risk lines.

The billion euros of liquid assets available at the start of 2006 should allow us to make excellent investments. Until now, we have already invested some EUR 350 million in GROUPE FLO and EIFFAGE.

Where appropriate, certain acquisition vehicles may use debt (if this is permitted or required by the quality of the asset acquired). Nor do we exclude the possibility of having some debt at the level of NPM/CNP itself (restricted consolidation), however, this will not exceed 10 to 15% of the total value; this more or less corresponds to the long-term debt of EUR 650 million contracted at the end of 2005 for an eight year period.

To arrive at the consolidated cash position, the net debt of the operational companies must be added. Indebtedness is usual practice for such companies, but within reasonable limits, with the obtaining of credit lines on their own merits, in other words without a guarantee from their shareholder, NPM/CNP.

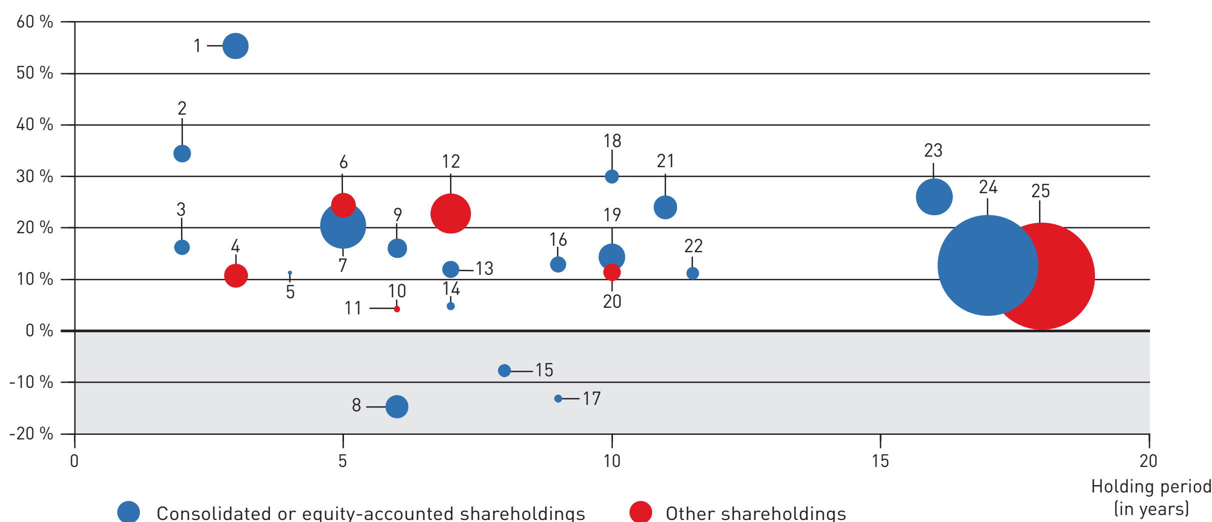
We wish to reconcile limited global indebtedness with the effective use of leverage each time that this will help us optimizing the value creation process. Neglecting this last aspect might take us out of a highly competitive capital market.

To go beyond a purely superficial study, the diversified nature of our patrimony requires a more detailed analysis of the past, also allowing us to illustrate what has gone before.

The performances since 1988 may be broken down as follows (in net annual rates after tax):

Consolidated or equity-accounted shareholdings	15.0%	(from -100 to +55%)
Other shareholdings	11.3%	(from +4 to +24%)
Total shareholdings	**12.2%**	
G&A expenses, trading and treasury income	7.2%	
Total adjusted net assets	**11.9%**	
Cancellation of own shares	1.1%	
Adjusted net assets per share	**13.0%**	

Compound internal rate of return



EUR 100 million
The size of the circles represents the realised or potential profit.

1 QUICK
2 SAINT LOUIS SUCRE
3 SCI & ASSOCIÉS
4 FCC
5 PALAIS DU VIN
6 CIE GÉNÉRALE DES EAUX
7 TAITTINGER / LOUVRE
8 UNIFEM/ENTREMONT ALLIANCE
9 PROJECT SLOANE / JOSEPH
10 ESPIRITO SANTO FH
11 PARIBAS
12 SOCIÉTÉ GÉNÉRALE DE BELGIQUE
13 DISTRIPAR
14 WINE ASSETS
15 IJSBOERKE
16 BERNHEIM-COMOFI
17 ARTEMIS
18 HELIO CHARLEROI
19 ROYALE BELGE
20 COBEPA
21 DUPUIS
22 ACP
23 TRANSCOR
24 PARGESA/GBL
25 TOTAL

Over a long period, the dispersion of the returns within each category of assets is higher the higher their average level is.

The analyses performed also indicate that the returns on the various assets do not significantly correlate with the period of time for which they have been held.

This last observation is vital in our opinion, as it shows that there is no specific disadvantage to holding our shareholdings over the very long-term.

Quite the contrary, we see this as a major advantage, as the risk connected with keeping a well known asset is lower than that for a new investment in an environment that cannot fail to hold surprises.

> ...there is no specific disadvantage to holding our shareholdings over the very long-term. Quite the contrary, we see this as a major advantage...

Investing long-term does not, however, alter our obligation to sell any asset for which a "better holder" makes an offer that would attribute to one of our shareholding a significantly higher value than the one we see for it.

Let us remember that one of the bases of our vision of a professional shareholder's role is, on the one hand, to act so that the shareholdings are managed as if permanently held and, on the other hand, to be open to any disposal opportunities if we believe that we are no longer the best shareholder.

In addition to this latter, we are led by further characteristics and processes:

- In agreement with the Corporate Governance Charter as adopted by NPM/CNP, the Company's organisation is based upon a SMALL OPERATIONAL TEAM, made up of individuals who offer professionalism, imagination, enthusiasm and team spirit. Even if, for all the team's members, their first responsibility is the success of the projects that they manage, our focus is on unity; to this end, the holding managers' annual salaries consist solely of fixed remuneration; motivation comes from a long-term stock option scheme, giving each a reason for working towards global value creation. This limits the management expenses, which represent an annual rate of around 0.2% of the assets managed[3]. ENTREPRENEURSHIP is demanded from all. The expertise accumulated by the managers and their teams allows an organic or external growth that is comparatively less risky than that connected with entering new sectors. This is why we are promoting an entrepreneurial spirit at all levels: within the restricted consolidation holdings, in Loverval; in our partnerships (from PARGESA/GBL to GIB), in our specialised clusters (DISTRIPAR, the wine assets, etc.) and of course within each of our shareholdings (TRANSCOR, ENTREMONT, IJSBOERKE, and so on). In terms of activity, 2005 and the start of 2006 have been very busy, which is all for the better!

(3) Not taking into account the theoretical cost of the employee stock option plan, as determined by IFRS ; this cost has no real grounds in the case of NPM/CNP, as the plan is hedged by own shares held by the Group and dividends cashed on these shares are higher than the financial cost linked to their acquisition.

- THINKING "OUT OF THE BOX", based on the principles of chaos theory, is encouraged alongside Cartesian analyses, which do not always allow the flexibility of mind needed to deal with the highly changeable current environments. Our aim is to effectively take up and thoroughly exploit real options and market opportunities. To be ready at all times, if not for anything, at least to deal with a maximum of "possible scenarios".

- As a professional shareholder we wish to concentrate on FUNCTIONAL ABILITIES (rather than the SECTORIAL ones that are a matter for the companies in which we hold shareholdings or for the specialised clusters). We see ourselves as a value manager focused on choosing and motivating managers and deciding on strategies (in other words investments and disinvestments) and financial structuring (as well the resulting risk/return arbitrage operations).

- With regard to direct investments, we operate within a PREFERRED ACTION ZONE: Belgium, Luxembourg, France, Germany, Italy and the Iberian peninsula. The exception that confirms the rule is TRANSCOR/AOT, whose nerve centre has gradually moved from Brussels to Los Angeles.

  On the opposite, the geographic scope of our shareholdings is WORLDWIDE.

- Priority is given to the development of NETWORKS and PARTNERSHIPS, which are often family-based, for example, the DESMARAIS Family (PARGESA/GBL); the ARNAULT Group (CHEVAL BLANC) ; the ROTHSCHILD family (RIEUSSEC/ L'EVANGILE); ACKERMANS & van HAAREN (GIB); and so on, without forgetting the historic partnership between our controlling shareholder, the FRERE Group, and BNP PARIBAS.

  The CONTROLLING of NPM/CNP by Mr Albert FRERE and his family, as well as the respecting of this situation, are, in this regard, a differentiating factor and a strategic advantage. As well as favouring the concluding of alliances with other families, it is propitious to the acquisition of shareholdings in family owned companies.

- Our mission is to INVEST "WELL". The acquisition prices must allow us to generate a return higher than the required one; this will often come from the opportunities offered by real options (not necessarily valued initially, but identified), from which we take maximum advantage. The most positive example in this respect is the Pasadena refinery owned by TRANSCOR /AOT and the most negative is that of ENTREMONT.

- OPPORTUNISM (in its favorable sense, in other words, the ability to seize opportunities) has always governed our choice of investments. The performances achieved in the past have led us to continue along this path. The size of the investments in which your Company invests will have a natural tendency to increase, reflecting the growth in the adjusted net assets, although some smaller potential investments may also attract its attention, precisely out of opportunism, a healthy distribution of risks causing it to make much larger investments, through or with the help of subsidiaries, or in partnership with other groups.

  The type of action we take also highlights the differences existing between portfolio companies and "private equitors":

- the positions that NPM/CNP acquires are not necessarily controlling, as long as we are persuaded that the management approach of the controlling shareholders and managers is aimed

at long-term value; this is more difficult for our "Private Equity" colleagues;

- our investment time horizon is unlimited (although, as explained above, this doesn't prevent us from looking out for disposal opportunities) whereas "Private Equity" funds usually have a limited lifetime;

- keeping it brief, we should also explain that NPM/CNP mainly operates from its own cash position, bearing the cost of a relatively low remuneration on this latter, but benefiting from an unrivalled response speed to any opportunities that present themselves. Many "private equitors" depend largely on external financing.

• As well as acquiring shareholdings, NPM/CNP tries to optimise its restricted consolidation treasury returns by taking market trading positions, particularly with the aim of covering its general expenses. Generally, only shares that it are worth our while to keep over the long-term (based on their fundamentals) are the object of such investments. Generally speaking, a trading position that grows will become a shareholding.

To return to value creation, returns in excess of the risk-free yield rate can only be achieved by taking entrepreneurial risks.

There are many sayings to this effect: from "no guts, no glory" to the well-known "no risk, no return".

...returns in excess of the risk-free yield rate can only be achieved by taking entrepreneurial risks.

Make no mistake then: if you don't want to take risks, don't invest in NPM/CNP! Shares, even if they are managed responsibly, still remain shares.

An absence of risks, or their complete covering, would make NPM/CNP stock no different from a Government bond.

That being said, there are some risks to which we do not wish to be exposed. In other words, those risks that are likely to cause the disappearance of the company. These "unacceptable" risks of course vary from one company to the next and, furthermore, will be understood differently by different people. This is why we believe transparency to be vital: the investor must know what he is getting himself into.

Communication prevents misunderstandings: the taking of unwanted risks or the absence of exposure to desired risks.

It is true that some risk factors are difficult to quantify.

Although it is easy to assess the potential effect of risks that are very "physical" in nature, it is trickier to judge the impact of less "direct" risks, whose effects are felt over the longer term. For a holding company such as ours, this mainly means market risks.

In our opinion, the main risks to which NPM/CNP's shareholders are exposed are:

- A sharp reduction in market multiples. If such a risk arose, the trend would be the reverse of that experienced during the last quarter of a century. Such a development might be caused by a significant increase in the long-term interest rates, which are currently at an objectively low level. Although the risk of the rates increasing is real, this would probably result from an upturn in the economy and therefore better growth prospects; the occurrence of only one of these factors – stagflation, combining a resurgence in the inflation of retail prices, an increase in interest rates and a lack of growth, which would fail to produce a corresponding inflation of assets – is the worst case scenario.

  The market multiples are also affected by the required risk premium. For the market as a whole, we estimate this to be 3 to 4%, which seems more reasonable than the 6 to 7% proposed by some, not because these lower figures correspond to the observations made in retrospect over the last two centuries (indeed, there is no reason why expectations should correspond to past performances), but simply because to justify the current level of the markets, the top of the range of risk premiums implies real growth rates (in other words rates excluding inflation) over a very long period (in theory, infinitely long) creating an unreasonable discrepancy with the growth rate foreseeable for the economy as a whole.

- A major recession, causing a deflation that would affect the entire economy, including the oil sector.

- The dependency of the value of NPM/CNP's shares on the value of the dollar; we estimate the correlation coefficient to be between 0.45 and 0.55, concentrated to a large degree on the shareholding in TOTAL and TRANSCOR. In other words, this means that, all being equal, a 10% fluctuation in the value of the dollar over the long-term should cause a variation, in the same direction, equal to 4.5 to 5.5% of NPM/CNP's adjusted net asset value.

- The sensitivity to fluctuations in the oil price, the correlation with which is estimated at around 0.20 to 0.25[4] (mainly TOTAL).

- The computer, environmental, natural, credit, counterparty, market and technological risks, and so on, specific to each of our shareholdings and managed by them directly. Of course, the listed international companies in which we own shareholdings can expect nothing from us in terms of the management of the risks specific to their industrial activities; they have developed systems for the internal monitoring and management of their own risks. Smaller companies, in whose shareholding structure NPM/CNP often holds a more important place, have also developed their own risk assessment systems appropriate to the specific nature of their activities and to their scale. Based on the principle that the risks of an activity are best known by the activity's manager, NPM/CNP's role as shareholder is limited to making sure that the system put in place is adequate and operates effectively.

(4) These estimations were in particular performed based on information regarding the sensitivity of the results communicated by TOTAL, to which were applied the market price/net profit multiple at 31/12/2005 and, with regard to the sensitivity to the value of the dollar, based on TRANSCOR's net assets. The estimated correlation coefficients (and the fluctuation margin taken into account) should cover the effects (none of which is individually significant) on the NPM/CNP Group's other assets.

We are committed to this task. For example, a major step was taken in this regard within the TRANSCOR/ASTRA Group in early 2006: the hiring of a person entirely dedicated to risk monitoring and management was judged necessary, following significant changes in the nature and volume of the operations handled.

Finally, as everything depends on the people in charge, a major risk is that of not having adequate managers; this is why we particular care over our managers and are developing a culture of mutual transparency. They have spared no effort over the past year, either within the holding companies or the industrial shareholdings themselves.

We would like to take this opportunity to thank them.

Gérald Frère
Chairman

Gilles Samyn
Managing Director

Directors' report

MAIN EVENTS OF THE FINANCIAL YEAR 2005 AND THE FIRST MONTHS OF 2006

DIRECT SHAREHOLDINGS

JOSEPH

In May 2005, NPM/CNP sold its 58% shareholding in PROJECT SLOANE to the Japanese Group ONWARD KASHIYAMA, generating capital gains of EUR 24 million (restricted consolidation) and EUR 42 million (consolidation accounts). The compound annual yield rate realised on this investment stood at 16% over a holding period of five and a half years.

TAITTINGER/LOUVRE

In accompanying the TAITTINGER family in the sale of its family group to STARWOOD CAPITAL, during summer 2005, NPM/CNP generated restricted consolidation capital gains of EUR 290 million and consolidated capital gains of EUR 275 million on its shareholdings in GROUPE TAITTINGER and SOCIÉTÉ DU LOUVRE. The compound yield rate achieved by the NPM/CNP Group over the holding period (4 and a half years) was 20.5%.

ELECTRABEL

During the fourth quarter of 2005, the NPM/CNP Group responded positively to the takeover bid launched by SUEZ, by contributing the 131 501 ELECTRABEL securities that it held; in doing so it generated a capital gain of EUR 23 million.

UNIFEM / ENTREMONT ALLIANCE

In autumn 2005, the UNICOPA Group merged its dairy branch with FEM/ENTREMONT to form a new entity named ENTREMONT ALLIANCE. Following this operation, FEM, renamed UNIFEM, is 36.5% owned by UNICOPA and 63.5% owned by NPM/CNP. The agreement concluded provides for the eventual possibility of parity between the two groups.

Prior to this reconciliation, the NPM/CNP Group invested an additional EUR 45 million in FEM/ENTREMONT to pay off FEM's creditors.

TRANSCOR/ASTRA

At the start of 2005, PASADENA REFINING SYSTEM, a subsidiary of the TRANSCOR/ASTRA Group, acquired an oil refinery of a capacity of more than 100 000 barrels a day, located in Pasadena (Texas). In 2006, PETROBRAS and ASTRA announced the concluding of a 50/50 sharing agreement relating to the refinery and also including the connected trading activities. Part of the sale price will be cashed by the TRANSCOR/ASTRA group as a preferred trading income allocation spread over the next two years. The revaluation of the TRANSCOR shareholding on the basis of the value considered for 100% of the refinery and the related trading activities have resulted in an increase (after management bonuses and taxes) of the adjusted net assets value of some EUR 15 per NPM/CNP.

At the start of 2006, ASTRA and US OIL's shareholders announced that they had concluded an agreement relating to the acquisition of US OIL by ASTRA for an amount equal to around USD 200 million. US OIL mainly owns and operates a refinery with a capacity of around 38 000 barrels a day in the Tacoma region, near Seattle, in the North West of the United States.

DISTRIPAR

In early 2005, DISTRIPAR, NPM/CNP's distribution cluster, responded positively to the takeover bid launched by A.S. WATSON on MARIONNAUD, producing capital gains of EUR 5.6 million (NPM/CNP share of EUR 5.5 million) on the disposal of the 5% shareholding that it acquired at the end of 2004. In the third quarter, the DISTRIPAR Group also acquired the remaining capital (the 50% that it didn't yet hold) of the companies operating the PLANET PARFUM brand companies. At the start of 2006, it concluded

an agreement relating to the acquisition – subject to the approval of the competition authorities – of all the capital of CLUB, a company active in Belgium in the distribution of stationery and books.

TOTAL

In October 2005 and at the end of January 2006, KERMADEC issued call options, each time on 1 250 000 TOTAL shares, at the exercise price of EUR 265 and EUR 285 respectively, producing total premiums standing at EUR 31 million.

EIFFAGE

In March 2006, NPM/CNP announced the acquisition of a 6.1% shareholding in EIFFAGE, the European number 6 in construction and concessions, investing some EUR 307 million.

BANCA LEONARDO

NPM/CNP should invest (subject to certain conditions, mainly the approval by the relevant authorities) some 20% in the capital of BANCA LEONARDO, together with other European institutional investors under Gerardo Braggiotti's leadership. This investment would amount to some EUR 180 million for NPM/CNP (half of which should be invested in 2006).

GIB SHAREHOLDINGS

GIB, a company jointly controlled by the ACKERMANS & van HAAREN and NPM/CNP Groups, has continued its development:

- In December 2005, GIB (66%) and TIKEHAU CAPITAL (34%) concluded an agreement relating to the acquisition of all of the capital of FINANCIERE FLO (55.6% shareholder of GROUPE FLO), belonging to the BUCHER family and BUTLER CAPITAL PARTNERS, and of bonds redeemable in shares issued by GROUPE FLO. The acquisition relates to 66.6% of GROUPE FLO's diluted capital in diluted earnings. This resulted in the obligation to launch a simplified takeover bid on GROUPE FLO, in accordance with the stock market regulations.

  GROUPE FLO, listed on Euronext, generates a turnover of around EUR 300 million through more than 150 restaurants. The company owns a number of Paris leading brasseries (Flo, la Coupole, le Bœuf sur le Toit and Bofinger), as well as the Hippopotamus, Bistro Romain and Petit Bofinger restaurant chains.

- In February 2006, GIB concluded an agreement with the SUEZ Group relating to the acquisition of 100% of the capital of TRASYS, a company specialising in IT consultancy and services that generates a turnover of EUR 60 million and employs a staff of 550 people. This operation, which is subject to the approval of the competition authorities, will take place with the support of the management, which will eventually take a minority shareholding in the company's capital.

PARGESA/GBL GROUP

At the end of March 2005, GBL issued EUR 435 million bonds convertible into 5 million GBL shares; these bonds reach maturity in 2012 and bear interest at a rate of 2.95%.

During 2005, GBL invested around EUR 440 million in SUEZ to counter the dilution that will result, in terms of its shareholding percentage, from the Takeover and Exchange Bid launched on ELECTRABEL.

During the last quarter of 2005 and during the first quarter of 2006, GBL has built up a position in LAFARGE; as of March 24, 2006, GBL's shareholding amounted to some 8.1% of the capital.

End of January 2006, GBL announced that it would initiate, at the end of May 2006, the procedure provided for by the agreement with the MOHN family regarding the IPO of BERTELSMANN, if market conditions are favourable.

At the end of March 2006, GBL announced a EUR 709 million capital increase (issue of one new share for every fifteen existing shares). In order to finance its investment in this capital increase, PARGESA has decided to issue convertible bonds for an amount of CHF 660 million (including CHF 60 million reserved for registered shareholders, of which 70% for PARJOINTCO). These bonds mature in 2013, bear interest at a rate of 1.7% and are convertible into PARGESA shares at a price of CHF 159.72 per bearer share (CHF 15.972 per registered share).

OWN SHARES

At the end of 2004, the NPM/CNP Group held 1 836 703 own shares. On 8 December 2005, an extraordinary general meeting of NPM/CNP's shareholders approved the cancellation of 1 136 703 own shares, which it held following the merger through absorption of its 100% subsidiary SLP S.A. Following the sale of 20 000 shares, at 31 December 2005 the NPM/CNP Group held 680 000 own shares, mainly intended to cover its commitments with regard to its staff stock option scheme. It should be remembered that, according to IFRS norms, own shares are deducted from equity and are therefore not included on the consolidated balance sheet. Beside these operations, it should be noted that, under the contract intended to improve the liquidity of NPM/CNP's shares, the company acquired and sold 245 658 shares during the financial year 2005.

TREASURY

The treasury available for financial investments by NPM/CNP is the one of the parent company, of its swiss financial branch (the financial activity of which has been reduced very significantly since 2002) and of its subsidiaries included in the restricted consolidation perimeter. The cash position considered here is net of all financial debt and provisions.

In this respect, KERMADEC, a 100%-subsidiary of NPM/CNP, concluded, with the guarantee of its parent company, a EUR 650 million loan, maturing in 2013 and bearing interest at the rate of 3.38%.

At the start of the financial year 2005, the net liquid assets for the NPM/CNP Group's financial holdings, as defined above, stood at EUR 388 million, before profit appropriation and excluding own shares held.

At 31 December 2005, from an economic viewpoint, this figure came to EUR 1 062 million. The improvement in the cash position mainly results from the disposal of shareholdings (around EUR 660 million, coming from the disposal of TAITTINGER/LOUVRE, JOSEPH and ELECTRABEL).

The net consolidated cash position (around EUR 320 million), as it appears on the consolidated balance sheet produced according to IFRS accounting norms (see page 69), has little economic meaning; indeed, it is arrived at by adding up the financial position of companies that have operational independence and no other link between them than that of having a common ultimate shareholder.

RESULTS

Since 2004, the consolidated accounts have been established in accordance with IFRS. It should be borne in mind, however, that the consolidated or equity-accounted shareholdings represent only a small part of the adjusted net assets: less than 23% at 31 December 2005.

Although its legal accounts are presented according to the schema recommended by the IFRS norms (see financial supplement), the Group nevertheless considered it opportune to continue publishing a restricted consolidation economic analysis, presenting the holding-specific activities.

The IFRS consolidated accounts differ very significantly, at least in their presentation, from the restricted consolidation economic analysis; the latter is produced according to Belgian accounting principles and presented in terms of Group's share; the consolidation perimeter is limited as it does not include either PARGESA or the industrial or commercial companies in which NPM/CNP holds interests, regardless of their control. Based mainly on cash flow elements, it allows shareholders and analysts to see, on a comparable basis, the development of the profits generated by the group, as a holding company, from its portfolio of activities, independently of the equity-accounting or consolidation of one shareholding or another.

The IFRS consolidated accounts are produced on the basis of the restricted consolidated accounts, to which the following main changes are made:

- replacing of the dividends from the various shareholdings with NPM/CNP's share of capital gains in the accounts of equity-accounted companies (TAITTINGER / LE LOUVRE until mid-2005) and with the details of the costs and proceeds for globally (DISTRIPAR, UNIFEM / ENTREMONT ALLIANCE, IJSBOERKE) or proportionally (QUICK, CHEVAL BLANC / RASPAIL INVESTISSEMENT, RIEUSSEC and PARGESA, a group that consolidates GBL and IMERYS and applies equity accounting to BERTELSMANN) consolidated shareholdings;

- valuation of the financial assets at their market value;

- recording of impairments using strict cash flow discounting methods;

- cancelling of own shares held, with the resulting impact on earnings per share.

This additional analysis is vital, given the adding, according to the IFRS schema, of costs and proceeds from various consolidated shareholdings that are not linked and because the Group is active in extremely diversified sectors; line by line reading of the consolidated accounts therefore makes very little economic sense and is not sufficient for a good understanding of the developments noted. It has therefore been judged opportune to present the contribution of each shareholding to NPM/CNP's share in the consolidated profit using a format comparable to that of the restricted consolidation analysis. The consolidated economic analysis that results, therefore also separately presents the capital profits connected with the disposal of (and recognition of any impairment loss on) shareholdings and activities or with operations of a particular kind.

Contribution of the various shareholdings to the profit, group share (economic analysis) (in thousands of EUR)	Restricted consolidation			IFRS consolidated		
	2004		2005	2004		2005
Operating profit						
BERTELSMANN	-		-	**29 337**		**30 646**
DISTRIPAR	289		284	**3 513**		**5 725**
DUPUIS [1]	-		-	**926**		**-**
ELECTRABEL	1 973		2 129	1 973		2 129
ENTREMONT ALLIANCE (UNIFEM)	-		210	**(16 253)**		**3 200**
IJSBOERKE	625		1 500	**2 354**		**2 840**
IMERYS	-		-	**23 138**		**27 870**
JOSEPH (PROJECT SLOANE) [2]	4 489		2 443	**4 328**		**(338)**
PARGESA	23 961		26 239	**-**		**-**
QUICK	559		2 796	**4 127**		**7 890**
SUEZ	-		-	5 291		5 942
TAITTINGER / LOUVRE [3]	4 377		5 885	**11 787**		**4 178**
TOTAL	37 061		48 164	48 431		62 622
TRANSCOR	6 170		6 601	**34 950**		**63 911**
Wine assets	1 761		1 719	**3 817**		**3 505**
Other consolidated or equity-accounted shareholdings	-		-	**2 083**		**2 152**
Other shareholdings	334		365	675		428
Operating profit from shareholdings (group share)	81 599	+ 21%	98 335	160 477	+ 39%	222 700
SHARE FROM CONSOLIDATED OR EQUITY-ACCOUNTED SHAREHOLDINGS	**-**		**-**	**104 107**		**151 579**
Other operating profits	13 119		25 318	1 357		20 826
OPERATING PROFIT (GROUP SHARE)	**94 718**	**+ 31%**	**123 653**	**161 834**	**+ 50%**	**243 526**
Profit on capital operations						
Disposal of TAITTINGER / LOUVRE	-		289 693	-		274 979
Disposal of JOSEPH / PROJECT SLOANE	-		24 234	-		42 261
Disposal of ELECTRABEL	-		22 972	-		22 972
Disposal of MARIONNAUD by DISTRIPAR	-		-	-		5 472
Disposal of EDITIONS DUPUIS	66 944		-	67 016		-
HELIO CHARLEROI earn-out	8 547		-	8 547		-
Impairment losses and capital profit at UNIFEM	(76 281)		-	(20 817)		121
Release of provisions for unmaterialised GIB risks	38 680		2 048	38 680		2 048
Non-recurring share of the TOTAL dividend	18 954		-	24 759		-
BERTELSMANN's capital profit	-		-	9 886		718
IMERYS' capital profit	-		-	(166)		2 122
Various, net	5 602		2 004	9 018		6 430
PROFIT ON CAPITAL OPERATIONS (GROUP SHARE)	**62 446**		**350 951**	**136 923**		**357 123**
NET PROFIT (GROUP SHARE)	157 164	**+ 196%**	464 604	298 757	**+ 101%**	600 649

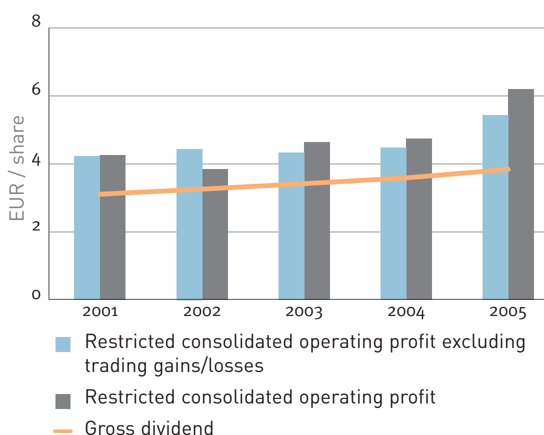
(1) until 31 March 2004
(2) until 31 March 2005
(3) until 30 June 2005

DILUTED EARNINGS PER SHARE	Restricted consolidation			IFRS consolidated		
	2004		2005	2004		2005
Operating profit	**4.74**	**+ 31%**	**6.20**	**8.84**	**+ 49%**	**13.18**
Profit on capital operations	3.12		17.11	7.47		19.32
Net profit	**7.86**	**+ 197%**	**23.31**	**16.31**	**+ 99%**	**32.50**
Average number of shares considered (in thousands of shares)	20 000		19 928	18 316		18 482

Restricted consolidation operating profit

The restricted consolidation operating profit increased by 31%, to EUR 123.7 million (EUR 6.20 per share), in relation to 2004 (EUR 94.7 million or EUR 4.74 per share). This growth is to a large extent attributable to the improvement in the income from shareholdings (EUR 98.3 million – including EUR 10.5 million from shareholdings disposed of during the financial year – compared with EUR 81.6 million a year earlier), under the effect of a sometimes considerable increase in the dividends collected from almost all the shareholdings kept in the portfolio. This remark should be considered after taking into account the change in the timetable for payment of the TOTAL dividend, whose non-recurring impact was classed as capital profit in 2004.

The other financial income and expenses (EUR 31.6 million, compared with EUR 19.3 million in 2004) mark the favourable effects of the increase – following the disposals performed – of the average level of the liquid assets and the improvement in the short-term trading profits (EUR 15.5 million compared with EUR 5.4 million in 2004).



Consolidated operating profit

The economic analysis conducted on the basis of the IFRS consolidated accounts shows an operating profit (EUR 243.5 million expressed as the Group share) up 50% on 2004 (49% diluted).

NPM/CNP's share of the profit from shareholdings before capital operations increased by 39% to EUR 222.7 million, under the effect of the improvement in the vast majority of the shareholdings kept. For example, TRANSCOR/ASTRA achieved a performance up 83%, in particular thanks to the acquisition of a refinery by one of its subsidiaries at the start of 2005, which contributed 40% of the group's profit. UNIFEM/ENTREMONT ALLIANCE is back to a slight profitability, although one that is still lower than expectations, after a particularly black 2004. TOTAL, whose profits, which are not consolidated in NPM/CNP's accounts, are at an excellent level – more than EUR 12 billion in 2005 – has once more very significantly increased its dividend.

For more detailed information on the development of each of the companies, please refer to the section in our report dealing with shareholdings (pages 47 to 65) and, for those that are consolidated, to the segment reporting of the IFRS profit and loss account (pages 90 and 91).

PROSPECTS AND DIVIDEND POLICY

For 2006, the restricted consolidation operating profit will depend on the level of the dividends that will be distributed by each of the shareholdings; with a constant portfolio,NPM/CNP expects a noticeable increase in these dividends. The income from liquid assets will be affected by their average level (and, consequently, by the size of the investments that will be made in 2006), as well as by the share trading profit; under restricted consolidation, the income will still benefit from the amortisation pro rata temporis (around EUR 10 million in 2006) of the premiums collected from the 3 year call options issued on TOTAL shares in October 2005 (1 250 000 calls at an exercise price of EUR 265) and at the end of January 2006 (1 250 000 calls at EUR 285).

This last element will also affect the consolidated accounts, but in a much more random way, as the options issued are taken at their market value (IAS 39) and in the main are therefore influenced by changes in the TOTAL share price. For the rest, it is too early to comment on the developments that may be experienced by the consolidated or equity-accounted shareholdings during 2006. However, it should be mentioned that the Pasadena refinery owned by the TRANSCOR Group was shut down for a large part of the first quarter of 2006 for major maintenance works; this should negatively affect the accounts for the first quarter.

The 2006 net profit will also be influenced by capital results that will be realised on disposals: the closing of the sale by TRANSCOR/ASTRA of a 50% shareholding in the Pasadena refinery and the related activities to PETROBRAS is expected for the second quarter of 2006.

With regard to the dividend policy, an annual growth of 7% is anticipated in the foreseeable future, excluding major and unexpected changes in the economic and financial environment.

APPROPRIATION OF PROFIT

In view mainly of the restricted consolidation operating profit, at the general meeting of shareholders of 20 april 2006, the board of directors will propose the distribution of a unit dividend of EUR 3.82 for the financial year 2005, up 7% compared with the previous financial year. Regular growth of the dividend is favoured, while over the short-term profits may be more volatile, and particularly the consolidated profits, owing to the applying of the IFRS norms. At the end of the financial year 2005, the balance available for appropriation stood at EUR 2 633 064 536.38, representing the profit to be appropriated for the financial year of EUR 1 485 301 712.10, plus the balance carried forward of EUR 1 147 762 824.28. The latter comes from the profit carried forward from the previous financial year of EUR 1 248 379 636.40, less the allocation to the unavailable reserve for own shares of EUR 100 616 812.12 (following the buying back of 1 053 765 NPM/CNP shares resulting from the merger through absorption of SLP by NPM/CNP).

Following the cancelling by the Extraordinary General Meeting of Shareholders of 8 December 2005 of 1 136 703 own shares, the unavailable reserve for own shares has been reduced by EUR 109 667 755.12 (in other words, the total unavailable reserve at 31 December 2004, standing at EUR 9 050 943.00, plus the allocation referred to above of EUR 100 616 812.12).

The Board of Directors proposes the following appropriation of profits:
(EUR)

Profit available for appropriation	2 633 064 536.38
Gross dividend per share of EUR 3.82 paid on 18 867 297 shares	(72 057 794.54)
Available reserve (following the transferring of the unavailable reserve for the own shares disposed of)	(55 918 409.63)
Profits carried forward	2 505 088 332.21

Subject to the approval of the ordinary general meeting of shareholders of 20 April 2006, the net dividend made payable will be:

- EUR 2.865 per share, after a 25% withholding tax;

- EUR 3.247 per share accompanied by a VVPR strip, after a 15% withholding tax.

The dividend will be made payable from 27 April 2006, on presentation of coupon no. 55 at the registered office or at the following financial institutions:

in Belgium	in Luxembourg
BANK DEGROOF	BNP PARIBAS LUXEMBOURG
DEXIA BANK	
FORTIS BANK	
ING BELGIUM	

ADJUSTED NET ASSETS AND TOTAL PERFORMANCE FOR SHAREHOLDERS

Your Company's adjusted net assets at the end of 2005 came to EUR 4 910 million (corresponding to EUR 260.28 per share), after the payment in April 2005 of gross dividends in the amount of EUR 71 million (EUR 3.57 per share), compared with EUR 3 965 million (EUR 198.27 per share) in the previous year.

At the risk of repeating ourselves, we would like to recall here that the adjusted net asset amount does not constitute an assessment of the value of our shares; it is more of a basis for valuation that shareholders and analysts can use to form their own opinions, by replacing the amount for which each shareholding or investment is included in the assets with the value that they effectively intend to assign to it.

At the end of 2005, BERTELSMANN's shareholding appeared in GBL's adjusted net assets for an amount equal to EUR 2 090 million, representing the share (25.1%) in BERTELSMANN's 2005 IFRS equity (EUR 8 328 million).

At 31 March 2006, the adjusted net assets stood at EUR 291.8 per share, after taking into account the effect, estimated at EUR 15 per share, of the revaluing of some of the TRANSCOR Group's activities, based on the amount accepted for the transaction with PETROBRAS.

The adjusted net assets are published on a weekly basis in the Saturday issue of two Belgian financial newspapers (L'ÉCHO and DE TIJD); they are also available on the Company's web site (www.npm-cnp.be) from the Friday evening. The information thus published is established according to the criteria described above, with some simplifying assumptions, however: indeed, some changes to the portfolio or the equity of unlisted companies since the accounts were last closed cannot be taken into account; the effect of this simplification should not be greater than 2% of the adjusted net assets.

The criteria used by NPM/CNP to calculate the adjusted net assets are as follows:

PARGESA and GBL	Own net assets determined according to the same criteria as those applied by NPM/CNP;
Unlisted companies	At 31 December 2005: Book value (acquisition value or equity-accounted value if this is greater; however, if the value decreases, the restricted consolidation book value is applied); Since February 2006, following the agreement between PETROBRAS and TRANSCOR / ASTRA regarding the Pasadena refinery, TRANSCOR's adjusted net assets have been revalued to take into account the value given to the refinery for this transaction;
Own shares	Market price, capped, however, at the exercise price for the shares intended to cover the staff stock option plan;
Other listed assets	Market price;
Other assets and liabilities	Book value.

THE AUDITOR'S OPINION ON THE ADJUSTED NET ASSETS

To the Shareholders of the NATIONALE PORTEFEUILLEMAATSCHAPPIJ/COMPAGNIE NATIONALE À PORTEFEUILLE,

We have examined the calculation of the adjusted net assets per NPM/CNP share at 31 December 2005. This calculation was performed by NPM/CNP based on its own capital, that of the holding companies controlled, solely or jointly, and the shareholdings that they hold in their portfolios, the latter being valued according to the criteria described above. The present opinion is in no way related to any valuation made by us of the Company or its assets and does not imply any judgement of the relevance of the method used or the criteria applied. In conclusion, we confirm that the mathematical application of the criteria mentioned above gives an amount of EUR 260.28 per NPM/CNP share at 31 December 2005.

31 March 2006

DELOITTE
Reviseurs d'Entreprises S.C. s.f.d. S.C.R.L.
Represented by Michel DENAYER

EVOLUTION OF THE ADJUSTED NET ASSETS IN 2005

(EUR million)

Assets	31-Dec-04			variation			31-Dec-05		
	criteria	adjusted net assets	%	share-holders	value	interest	criteria	adjusted net assets	%
	(1)	(2)		(3)	(4)	(5)	(1)	(6)	
PARGESA	ana	1 287.0	32.5%	-	263.3	-	ana	1 550.3	31.6%
TOTAL	sm	1 320.1	33.3%	-	423.1	-	sm	1 743.2	35.5%
TRANSCOR	se	100.4	2.5%	-	77.7	21.9	se	200.0	4.1%
QUICK	sm	75.2	1.9%	-	51.4	-	sm	126.6	2.6%
UNIFEM/ENTREMONT ALLIANCE	bv	-	0.0%	-	-	45.4	bv	45.4	0.9%
DISTRIPAR	se	26.5	0.7%	-	11.6	-	se	38.1	0.8%
RASPAIL / CHEVAL BLANC	bv	33.8	0.9%	-	-	-	bv	33.8	0.7%
CHÂTEAU RIEUSSEC	bv	22.3	0.6%	-	-	-	bv	22.3	0.5%
IJSBOERKE	bv	18.1	0.5%	-	-	-	bv	18.1	0.4%
TAITTINGER / LOUVRE	sm	346.9	8.7%	-	(92.8)	(254.1)		-	0.0%
ELECTRABEL	sm	43.1	1.1%	-	(11.7)	(31.4)		-	0.0%
PROJECT SLOANE / JOSEPH	bv	38.9	1.0%	-	-	(38.9)		-	0.0%
Other shareholdings		2.0	0.1%	-	0.8	0.2		3.0	0.1%
Tangible fixed assets	bv	10.8	0.3%	-	-	0.1	bv	10.9	0.2%
Long-term assets		**3 325.1**	**83.9%**		**723.4**	**(256.8)**		**3 791.7**	**77.2%**
Deposits, cash and debt	bv	324.9	8.2%	(248.7)	462.9	426.8	bv	965.9	19.7%
Shares and bonds	sm	63.2	1.6%		6.1	9.4	sm	78.7	1.6%
Own shares	sm (13)	252.2	6.4%		0.6	(179.4)	sm (13)	73.4	1.5%
Net cash position		**640.3**	**16.1%**	**(248.7)**	**469.6**	**256.8**		**1 118.0**	**22.8%**
Adjusted net assets		**3 965.4**		**(248.7)**	**1 193.0**	**-**		**4 909.7**	
Adjusted net assets (EUR/share)		**198.27**						**260.28**	

(1) Valuation criteria:
a) ana: adjusted net assets;
b) sm: stock market price;
c) se: share in equity;
d) bv: book value.
(2) Adjusted net assets at 31.12.2004.
(3) Flows with the shareholders: dividens (71 400) and cancellation of own shares.
(4) Value creation.
(5) Internal allocation of funds: investments and (divestments) at book value.
(6) Adjusted net assets at 31.12.2005: (2) + (3) + (4) + (5).

Restricted consolidated profit (group share)

with cash effect		without cash effect	Total	Assets	Performance for Shareholders	
operating	non operating				Total	%
(7)	(8)	(9)	(10)		(11)	(12)
26.2	-	-	26.2	PARGESA	289.5	22.5%
48.2	-	-	48.2	TOTAL	471.3	35.7%
6.6	-	-	6.6	TRANSCOR	84.3	84.0%
2.8	-	-	2.8	QUICK	54.2	72.1%
0.2	-	-	0.2	UNIFEM/ENTREMONT ALLIANCE	0.2	0.4%
0.3	-	-	0.3	DISTRIPAR	11.9	44.9%
0.9	-	-	0.9	RASPAIL / CHEVAL BLANC	0.9	2.7%
0.8	-	-	0.8	CHÂTEAU RIEUSSEC	0.8	3.6%
1.5	-	-	1.5	IJSBOERKE	1.5	8.3%
5.9	289.7	-	295.6	TAITTINGER / LOUVRE	202.8	58.5%
2.1	23.0	-	25.1	ELECTRABEL	13.4	31.1%
2.4	24.2	-	26.6	PROJECT SLOANE / JOSEPH	26.6	68.4%
0.4	0.3	1.0	1.7	Other shareholdings	1.5	75.0%
-	-	-	-	Tangible fixed assets	-	0.0%
98.3	**337.2**	**1.0**	**436.5**	**Long-term assets**	**1 158.9**	**34.8%**
7.7	-	-	7.7	Deposits, cash and debt	7.7	
14.8	-	0.7	15.5	Shares and bonds	20.9	
8.4	-	-	8.4	Own shares	9.0	
30.9	**-**	**0.7**	**31.6**	**Net cash position**	**37.6**	**n.s.**
(6.2)	2.7	-	(3.5)	Other revenues / (costs)	(3.5)	
462.9		**1.7**	**464.6**	**Restricted consolidated profit**	**1 193.0**	**30.1%**
				Anti-dilution effect of restructuring operations		**3.0 %**
				After the anti-dilution effect of restructuring operations		**33.1 %**

(7) Restricted consolidation operating profit (before write-downs).
(8) Restricted consolidation non-operating profit (before write-downs).
(9) Write-downs (operating and non-operating).
(10) Total restricted consolidated result (part of the group): (7) + (8) + (9).
(11) Total Performance for the Shareholders over the period: (4) + (7) + (8).
(12) Total Performance for the Shareholders over the period: (11)/(2).
(13) Exercise price for the 662,100 shares covering the stock option plan for staff.

EVOLUTION OF THE ADJUSTED NET ASSETS BETWEEN 1988 AND 2005

(EUR million)

Assets	1-Apr-88			variation			31-Dec-05		
	criteria	adjusted net assets	%	share-holders	value	interest	criteria	adjusted net assets	%
	(1)	(2)		(3)	(4)	(5)	(1)	(6)	
PARGESA		-	0.0%	-	1 193.2	357.1	ana	1 550.3	31.6%
TOTAL	sm	13.2	32.0%	-	763.4	966.7	sm	1 743.2	35.5%
TRANSCOR		-	0.0%	-	154.9	45.1	se	200.0	4.1%
QUICK		-	0.0%	-	97.4	29.2	sm	126.6	2.6%
UNIFEM/ENTREMONT ALLIANCE		-	0.0%	-	(111.7)	157.1	bv	45.4	0.9%
DISTRIPAR		-	0.0%	-	25.9	12.2	se	38.1	0.8%
RASPAIL / CHEVAL BLANC		-	0.0%	-	-	33.8	bv	33.8	0.7%
CHÂTEAU RIEUSSEC		-	0.0%	-	-	22.3	bv	22.3	0.5%
IJSBOERKE		-	0.0%	-	(26.0)	44.1	bv	18.1	0.4%
TAITTINGER / LOUVRE		-	0.0%	-	-	-		-	0.0%
ELECTRABEL		-	0.0%	-	-	-		-	0.0%
PROJECT SLOANE / JOSEPH		-	0.0%	-	-	-		-	0.0%
Other shareholdings		23.6	57.1%	-	(72.4)	50.8		3.0	0.1%
Tangible fixed assets		-	0.0%	-	-	10.9	bv	10.9	0.2%
Long-term assets		**36.8**	**89.1%**		**2 024.7**	**1 729.3**		**3 791.7**	**77.2%**
Deposits, cash and debt	bv	4.5	10.9%	(198.8)	2 967.7	(1 807.5)	bv	965.9	19.7%
Shares and bonds		-	0.0%	-	2.6	76.1	sm	78.7	1.6%
Own shares		-	0.0%	-	71.3	2.1	sm (13)	73.4	1.5%
Net cash position		**4.5**	**10.9%**	**(198.8)**	**3 041.6**	**(1 729.3)**		**1 118.0**	**22.8%**
Adjusted net assets		**41.3**		**(198.8)**	**5 066.3**	**-**		**4 909.7**	
Adjusted net assets (EUR/share)		**53.83**						**260.25**	

(1) Valuation criteria:
(a) ana: adjusted net assets;
(b) sm: stock market price;
(c) se: share in equity;
(d) bv: book value.
(2) Adjusted net assets at 01.04.1988.
(3) Flows with the shareholders: net capital increases, less dividends and cancellation of own shares.
(4) Value creation.
(5) Internal allocation of funds: investments and (divestments) at book value.
(6) Adjusted net assets at 31.12.2005: (2) + (3) + (4) + (5).

Restricted consolidated profit (group share)

with cash effect		without cash effect	Total	assets	Performance for Shareholders	
operating	non operating				Total	%
(7)	(8)	(9)	(10)		(11)	(12)
288.7	1.0	-	289.7	PARGESA	1 482.9	12.8%
383.7	515.6	-	899.3	TOTAL	1 662.7	10.6%
40.8	2.7	-	43.5	TRANSCOR	198.4	26.0%
3.8	-	-	3.8	QUICK	101.2	55.3%
8.8	(9.6)	(111.7)	(112.5)	UNIFEM/ENTREMONT ALLIANCE	(112.5)	(14.7%)
16.0	-	-	16.0	DISTRIPAR	41.9	12.0%
5.4	-	-	5.4	RASPAIL / CHEVAL BLANC	5.4	3.7%
4.3	-	-	4.3	CHÂTEAU RIEUSSEC	4.3	4.6%
2.1	-	(26.0)	(23.9)	IJSBOERKE	(23.9)	(7.7%)
21.7	289.7	-	311.4	TAITTINGER / LOUVRE	311.4	20.5%
6.0	23.0	-	29.0	ELECTRABEL	29.0	19.5%
32.0	24.2	-	56.2	PROJECT SLOANE / JOSEPH	56.2	16.0%
182.8	754.6	(24.3)	913.1	Other shareholdings	865.0	13.6%
-	-	-	-	Tangible fixed assets	-	n.s.
996.1	**1 601.2**	**(162.0)**	**2 435.3**	**Long-term assets**	**4 622.0**	**12.2%**
163.8	-	-	163.8	Deposits, cash and debt	163.8	
227.8	-	(8.1)	219.7	Shares and bonds	230.4	
20.0	20.7	-	40.7	Own shares	112.0	
411.6	**20.7**	**(8.1)**	**424.2**	**Net cash position**	**506.2**	**n.s.**
(78.2)	16.3	-	(61.9)	Other revenues / (costs)	(61.9)	
2 967.7		**(170.1)**	**2 797.6**	**Restricted consolidated profit**	**5 066.3**	**12.0%**
				Anti-dilution effect of restructuring operations		**1.0%**
				After the anti-dilution effect of restructuring operations		**13.0%**

(7) Restricted consolidation operating profit (before write-downs).
(8) Restricted consolidation non-operating profit (before write-downs).
(9) Write-downs (operating and non-operating).
(10) Total restricted consolidated result (Group): (7) + (8) + (9).
(11) Total Performance for the Shareholders over the period: (4) + (7) + (8).
(12) Total Performance for the Shareholders (compound annual rate of return).
(13) Exercise price for the 662,100 shares covering the stock option plan for staff.

MAIN RISK FACTORS CONNECTED WITH THE COMPANY'S ACTIVITIES

Risks are understood to mean elements likely, in the short or longer term, to have an effect on the value of the Company's shares.

The market value of any industrial or financial assets depends on the discounted value of the cash flows that these assets may generate; this therefore depends on general, economic and market conditions (interest rates and risk premiums, value of the dollar, price of certain raw materials and growth rate) and on elements specific to the company (customer, products, staff, legal and environmental aspects, and so on).

The message to shareholders describes some of these aspects on pages 12 to 14 of the present report.

Market risks and economic influences

Interest rates and risk premiums

Given the current absence of significant indebtedness at NPM/CNP Group level (including restricted consolidation subsidiaries, whose net cash position stands at more than EUR 1 billion, and the other consolidated subsidiaries, resulting in a consolidated net indebtedness of around EUR 320 million), an increase in the interest rates should not, within reasonably foreseeable limits, have a significant effect on the interest expenses paid by the NPM/CNP Group or on the market value of this indebtedness.

On the other hand, the interest rates and the level of the risk premiums required by the market have a direct influence on market multiples or, for unlisted assets, on their market value, owing to the impact that these factors have on the discount rates. They therefore have a considerable effect on the value of NPM/CNP's shares.

Economic climate

The economic climate has a direct effect on the level of profits from shareholdings and, therefore, on the cash flows they generate, which are discounted to determine the market value of financial assets or the underlying real assets.

As described in the message to shareholders, stagflation, combining an increase in the interest rates connected with a rise in inflation and a depressed economic climate, is the worst case scenario for shareholders. A similarly undesirable situation would be a major recession causing deflation affecting the entire economy, including the oil sector, to which NPM/CNP is particularly exposed.

Exchange rates

A distinction should be made here between the direct effects that exchange rate fluctuations may have on the profit and loss accounts and the indirect effects that these may have on the value of the various investments. Excluding the TRANSCOR / ASTRA Group and, to a lesser degree, IMERYS, as these two companies represented less than 12% of adjusted net assets at 31 December 2005, almost all the assets of the companies within the NPM/CNP Group have a book value denominated in euros and make their sales mainly within the Euro zone. In reality, and contrary to these "deceptive" appearances, the risk in terms of value for NPM/CNP's shareholders differs greatly, mainly owing to the high degree of sensitivity of the value of TOTAL's shares to the value of the dollar.

According to our estimate, the value of NPM/CNP's shares is positively correlated by up to around 50%[1] (confidence interval of 45 to 55 %) with fluctuations in the value of the USD against the EUR. In other words, a 1% variation in the value of the dollar over the long-term would cause a fluctuation in the same direction in the value of NPM/CNP's shares of between 0.45 and 0.55%. Apart from the dollar, fluctuations in other currencies, within reasonable and foreseeable limits, are not likely to have a significant effect on the value of NPM/CNP's shares.

Price of raw materials

Given the composition of NPM/CNP's portfolio, the value of the shares offers a certain degree of sensitivity to the price of oil. According to our estimates, the correlation with the fluctuations in the oil price per barrel is positive by up to 0.20 to 0.25[1] and comes mainly from TOTAL.

With regard to the risks connected with other raw materials, which differ from one activity to the next, the reader is invited to refer to the specific risks analysed below.

Specific risks

Beyond the general elements described above, as a holding company NPM/CNP is of course subject to the specific risks to which its shareholdings are exposed, mainly relating to industrial, commercial, technological, financial, environmental and legal aspects. These risks are highly diversified in terms of the type and number of shareholdings making up NPM/CNP's portfolio.

Adequacy of risk monitoring and management procedures

The listed or leading international companies in which the Group holds shares have developed specific internal risk monitoring and management systems such as may be expected from such organisations. Each of them is exposed to specific risks that are described and analysed in their management reports or other documents made public in accordance with the current regulations, to which the reader is invited to refer.

Smaller companies, in whose shareholding structure NPM/CNP often holds a more important place, have also developed their own risk assessment systems appropriate to the specific nature of their activities and to their scale, based on the principle that the risks of an activity are best known by the management of the entity responsible for it, the various subsidiaries having a large degree of independence in this regard. In particular, each of them has taken out insurance policies that provide them with the cover that they consider necessary. NPM/CNP's role as a shareholder is limited to making sure that the system put in place is appropriate to the situation (in other words does not allow the existence of risks that are unacceptable for NPM/CNP or includes the processes needed to limit the likelihood of such risks occurring) and operates adequately.

For example, we believed that the structure and systems existing within TRANSCOR, which were previously found to be satisfactory, needed to be reinforced. Indeed, the major development

(1) The correlation coefficients indicated above were estimated in particular based on information regarding the sensitivity of the results communicated by TOTAL, to which were applied the market price/net profit multiple at 31 December 2005 and, with regard to the sensitivity to the dollar exchange rate, on TRANSCOR's net assets. The estimated correlation coefficients (and the fluctuation margin taken into account) should cover the effects (none of which is individually significant) on the NPM/CNP Group's other assets.

undergone by this Group during 2005, following its acquisition of refining facilities, has led to a highly significant increase in the transaction volume and the appearance of new types of operations, in particular relating to the covering of buying and selling commitments. A major step was therefore taken within TRANSCOR / ASTRA at the start of 2006, with the hiring of a high level manager entirely dedicated to risk monitoring and management. His first task will be to reinforce the checks within the Group's various entities and to equip it with an information system more appropriate to its new situation.

Industrial and environmental aspects

The various industrial companies that the Group controls rely on both internal and external expertise to detect, analyse and manage the various industrial and environmental risks. The efforts devoted to the management of these risks of course depend on the type of activity and are, for example, more considerable for activities such as refining at TRANSCOR, which involve more significant risks in terms of accidents and pollution. Particular attention is also paid within this Group to aspects relating to the storage and transporting of materials; in this last case, the use of recent, double hull, oil tankers is preferred.

Owing to their location, some of the Group's activities are exposed to risks connected with natural events, in particular the refinery in Pasadena (near Houston, Texas), which is a region that often experiences hurricanes coming from the gulf of Mexico at the end of the hot season. Such events are covered by specific insurance policies with certain limits (intervention ceiling, excess, minimum and maximum activity stoppage time for the covering of damages resulting from operating losses).The refining sector provides a perfect illustration of the fact that the existence of a risk may result in favourable effects for some economic agents. Of course, the hurricanes that hit Texas and Louisiana during the summer and autumn of 2006 had devastating human and material consequences for the Southern United States. For their part, the TRANSCOR Group's refining facilities have certainly suffered as a result of production stoppages and some minor material damage, but have also, owing to the fact that prolonged shutdowns of other facilities have pushed up refining margins in this part of the world to previously unknown levels, achieved record profits and seen their market value significantly grow.

Risks connected with products

Procedures aimed at ensuring product safety and traceability (HACCP) are in force for products within the food industry. Some sectors of activity are also more exposed than others to epidemics or pandemics and to their psychological consequences for consumers (mad cow disease, bird flu, and so on); by way of example, for several years QUICK has been expanding its product range to different types of meat and to products with a higher vegetarian content. Special precautions have also been taken to prevent the risk of the counterfeiting of certain top-of-the-range products (CHÂTEAU CHEVAL BLANC).

Other operational risks

Generally speaking, the companies that make up NPM/CNP's portfolio are exposed to the risk of rises in the price of the materials used to make their products. The effect of these factors on their profitability depends on their ability to compensate for these increases through their selling prices. In particular, ENTREMONT ALLIANCE has suffered greatly over recent years from its inability to compensate for the milk price fixed locally in France by increasing the price of its industrial products (serum, butter, powder, etc.) affected by international markets. The changes, effective from 2006, to the fixing of the price of milk will take more account of the international price lev-

els of these industrial products (with a time lag, however), which, all things being equal, should in future reduce the volatility of the Group's profits.

Any company is of course subject to the risks of competition within its sector; the only instruments able to combat these risks are innovation, the delivery of high quality products and services and the making of appropriate investments so that these can be offered at the right price.

A company's risk is greater if it concentrates on a single activity, sector, geographic location or customer, which increases its vulnerability to the occurrence of a given event.

Excluding its declared and intentional concentration in the energy sector, NPM/CNP tends to limit this risk by having a diversified portfolio of shareholdings. Within each of these, however, sectorial concentration is the order of the day, while geographic diversification and expansion are encouraged.

The TRANSCOR Group, which operates in the energy product trading sector, deserves a particular comment; TRANSCOR and its subsidiaries mainly conduct their activities through product arbitrage based on quality, location and provisioning timetable. These arbitrage operations are made possible by the business skills of a team of traders and the use of processing (refining and blending), transport (ships and pipelines) and storage facilities, owned by the Group or rented. The divergence on the concluding of buying and selling operations between the various aspects of quality, time and location require recourse to coverage instruments, mainly listed on liquid and organised markets (NYMEX, for example). The commitments made are covered as effectively as possible, but this cover is not perfect, given the factors specific to each situation. In particular, the failure of one of the elements (shutdown of refining facilities, delivery delay, defaulting counterparty, etc.) of the whole that constitutes a transaction may result, if there is a significant change in the markets, in a considerable loss or lack of profit, which is not, however, likely to endanger the Company.

The risks connected with the credit granted to customers are analysed by each company and, where applicable, covered through insurance according to the factors specific to each sector. The counterparty risks are taken into account and analysed whenever any significant business deal is concluded.

Political risks

Excluding a few exceptions, the shareholdings consolidated by NPM/CNP have few operations in politically unstable countries. However, when such situations exist, specific measures are taken that are appropriate to each situation (limiting of the amounts invested, credit limit, recourse to franchising, etc.) to reduce the risks in question.

Liquidity risk

As a holding company, NPM/CNP does not wish to be significantly indebted. As mentioned in the message to shareholders on page 8, the net indebtedness should not exceed, at restricted consolidation holding company level, 10 to 15% of your Company's value. Alongside this, the PARGESA/GBL Group and each of its industrial and commercial shareholdings regularly has recourse to independent, reasonable indebtedness, by obtaining credit lines on their own merits. As a general rule, they do not benefit from any guarantee from NPM/CNP as a shareholder. The objective pursued is to avoid any risk of a potential liquidity crisis at holding company level, an event which, if it occurred, might force the company to dispose of investments under unfavourable conditions.

Legal risks

Any group is subject to a number of legal risks relating to disputes of varying importance arising in the course of its activities. To the best of the Board of Directors' knowledge, any disputes involving the Company and its consolidated subsidiaries that have reasonable risk to result in financial consequences have given rise to adequate provisions in the accounts or a detailed description in the notes attached to them.

NPM/CNP undertakes to comply with the relevant regulations in all matters. The Board has no knowledge of any violation of such regulations that would be likely to have a significant effect on the Company's financial statements.

RESOLUTIONS PROPOSED TO THE SHAREHOLDERS

Agenda of the Ordinary General Meeting of 20 April 2006, at 10.00 am, at the Company's head office, located at 6280 Gerpinnes (Loverval), rue de la Blanche Borne, 12.

1. Reports and annual accounts

- Discussion of the Board of Directors' management report and the Auditor's report for the financial year 2005;
- Discussion of the consolidated annual accounts for the financial year 2005;
- Discussion and proposal for the approval of the Company's annual accounts closed at 31 December 2005, including the appropriation of the Company's profits and the distribution of a gross dividend of EUR 3.82 per share.

2. Reports and annual accounts of SLP S.A., a subsidiary of NPM/CNP, at 30 September 2005

- Discussion of the Board of Directors' management report and the Auditor's report for the financial year closed on 30 September 2005;
- Discussion and proposal for the approval of the annual accounts at 30 September 2005 of SLP S.A., following the transferring of all its assets to its sole shareholder, NPM/CNP, as part of the operation equivalent to the merger through absorption decided on by the Extraordinary General Meetings of SLP and NPM/CNP, held on Thursday 8 December 2005.

3. Discharging of the directors and the Auditor

Proposal for the discharging of the directors and Auditor of NPM/CNP and SLP for the exercising of their mandate during the financial year 2005.

4. Statutory elections

Board of Directors

- The mandates of Messrs Jean CLAMON, Victor DELLOYE, Pierre-Alain DE SMEDT, Thierry de RUDDER and Philippe WILMES and Mrs Ségolène GALLIENNE will expire following the Ordinary General Meeting of 20 April 2006.

Proposal for the reappointing of these people, who are re-electable and are again putting themselves to the vote, for a 3 year period ending with the Ordinary General Meeting of 2009.

- Declaring of director independence, in accordance with article 524 of the Code on Companies and the criteria of NPM/CNP's Corporate Governance Charter.

Proposal for declaring the independence, in accordance with article 524 of the Code on Companies and the criteria of NPM/CNP's Corporate Governance Charter, of Mr Pierre-Alain DE SMEDT, subject to the renewal of his director mandate referred to above.

Grounds for the resolution:

The abovementioned director does not have any links with the Company, or with any companies or people connected with it, likely to bring his independence into question, with regard, more specifically, to the criteria given in article 524 §4 paragraph 2, 2nd and 4th of the Code on Companies and appendix 1 of NPM/CNP's Corporate Governance Charter.

5. Temporary authorisation to be given to the Company to acquire its own shares

Proposal for authorising the Board of Directors, for a new eighteen (18) month period, taking effect on the date of the General Meeting that will decide on the granting of this authorisation, to acquire on the Stock Market a maximum number of one million eight hundred and twenty six thousand three hundred and twenty nine (1,886,329) of the Company's shares, at a unit price that may not be less, by more than twenty percent (20 %), than the lowest closing price for the last twenty (20) trading days preceding the operation, or greater, by more than twenty percent (20 %), than the highest closing price for the last twenty (20) trading days preceding the operation and proposal for authorising the Company's subsidiaries, in accordance with article 627 of the Code on Companies, to acquire the Company's shares under the same conditions.
Consequently, a proposal for the terminating, on the effective date of the authorisation referred to above, of the temporary authorisation to acquire the Company's shares on the Stock Market granted by the Ordinary General Meeting of the twenty first of April two thousand and five.

6. Miscellaneous

Corporate governance

In accordance with the Belgian corporate governance code, the present section describes the relevant elements regarding the corporate governance of your Company in 2005. Readers are invited to refer to the Corporate Governance Charter (CG Charter) made available to the public on the Company's website (www.npm-cnp.be) and applicable since 1st January 2006.

COMPOSITION OF THE BOARD OF DIRECTORS

Following the General Meeting of 20 April 2006, and subject to the proposed renewal of the expired mandates, the Board will be composed of 13 directors. The long-term aim, however, is to reduce their number to 12, whilst maintaining the current balanced distribution of directors' mandates.

In accordance with the rules enacted by the CG Charter, the distribution of the thirteen seats will be as follows: four seats, including the chairmanship, allocated to controlling family shareholders, two seats reserved for the family's historical partner (BNP PARIBAS), two for the executive directors and five seats allocated to non-executive directors, including four with independent status.

The rules relating to the appointment and renewal of the directors' mandates and the performance of their duties are set out in the terms of reference of the Board of Directors and the Nominations and Remunerations Committee, presented in the appendices of the CG Charter.

These mandates last for 3 years (6 years prior to 2001) and are renewable. The age limit has currently been set at 72 years by the Nominations and Remunerations Committee.

Board of Directors

Directors [1]	Nomination	Renewal	Expiry	Main mandate or function
Executive directors				
Gilles SAMYN, Vice Chairman	1988	2005	2008	Managing Director (Chief Executive Officer)
Victor DELLOYE [2]	1994	2006	2009	Director and General Counsel
Non-executive directors representing dominant shareholders [3]				
Gérald FRÈRE, Chairman	1988	2004	2007	Managing Director of FRÈRE-BOURGEOIS
Jean CLAMON [2]	1988	2006	2009	General Manager at BNP Paribas
Thierry DORMEUIL	1994	2004	2007	Manager of the Corporate Finance Department of the BNP PARIBAS Group
Christine FRÈRE-HENNUY	2005	-	2008	Director of FRÈRE-BOURGEOIS
Ségolène GALLIENNE [2]	1998	2006	2009	Director of ERBE
Thierry de RUDDER [2] [4]	1988	2006	2009	Managing Director of GROUPE BRUXELLES LAMBERT
Non-executive independent directors				
Pierre-Alain DE SMEDT [2]	1997	2006	2009	Company Director
Jacques FOREST	1992	2005	2008	Chairman of the Executive Committee of P&V ASSURANCES
Philippe HUSTACHE	1995	2004	2007	Adviser to the Chairman of GROUPE DASSAULT
Henri MESTDAGH	1999	2005	2008	Chairman of the Board of the MESTDAGH Group
Non-executive director				
Philippe WILMES [2]	1988	2006	2009	Managing Director of SOCIÉTÉ FÉDÉRALE D'INVESTISSEMENT

(1) The directors are categorised on the basis of the nomenclature produced by the Board of Directors on the proposal of the Nominations and Remunerations Committee.

(2) The directors' mandates of Mrs Ségolène GALLIENNE and Messrs Victor DELLOYE, Jean CLAMON, Thierry de RUDDER, Pierre-Alain DE SMEDT and Philippe WILMES will expire at the end of the Ordinary General Meeting of Shareholders of 20 April 2006. As these directors are re-electable, the Board, on the proposal of the Nominations and Remunerations Committee and in accordance with the rules of the CG Charter, will propose that the Meeting rules on the renewal of these directors' mandates and on the independence, in accordance with article 524 of the Code on Companies and the rules of the CG Charter, of Mr Pierre-Alain DE SMEDT (cfr p. 37).
If the director's mandate of Mr Pierre-Alain DE SMEDT is renewed following the Meeting of 20 April 2006, the Board of Directors will need to ratify the renewal of his appointment, for the duration of his mandate, as a member of the Nominations and Remunerations Committee and on his appointment for the first time to the Audit Committee.
If the director's mandate of Mr Philippe WILMES is renewed following the Meeting of 20 April 2006, he may no longer be included in the list of independent directors, by virtue of the CG Charter. Indeed, Mr WILMES has been a non-executive director since 1988 and has held three successive non-executive director mandates of six years each. As a result, Mr Philippe WILMES may not serve a further term as a member of the Audit and Nominations and Remunerations Committees, by virtue of the rules of these committees' terms of reference.

(3) This title covers the representatives of various direct or indirect shareholders that do not form a uniform group.

(4) When he was appointed in 1988, Mr Thierry de RUDDER represented GBL, which was an indirect shareholder in NPM/CNP through its shareholding in FIBELPAR. Although Mr Thierry de RUDDER is Managing Director of GBL, a subsidiary of NPM/CNP, it was decided not to include him as one of the executive directors, as GBL does not fall within NPM/CNP's restricted consolidation perimeter, but as one of the non-executive directors representing dominant shareholders, owing to his links with the FRÈRE family.

PRESENTATION OF THE DIRECTORS

Gérald FRÈRE, Chairman of the Board of Directors
Non-executive director representing dominant shareholders

Mr Gérald FRÈRE is Managing Director of FRÈRE-BOURGEOIS, Chairman of the permanent committee and Managing Director of GROUPE BRUXELLES LAMBERT, as well as Chairman of PARGESA HOLDING's Board of Directors. He is also Chairman of the Board of Directors of RTL TVi, a director of ERBE, RTL GROUP and SUEZ-TRACTEBEL, as well as of CORPORATION FINANCIÈRE POWER. In addition, he is a Member of the Board of BANQUE NATIONALE DE BELGIQUE and member of the supervisory board for financial services.

Gilles SAMYN, Vice Chairman of the Board of Directors and Managing Director (CEO)
Executive director

Mr Gilles SAMYN is Managing Director of FRÈRE-BOURGEOIS and ERBE. He is also the Chairman, a Director and/or a member of various committees in a number of companies in which the NPM/CNP Group holds direct or indirect shareholdings (in particular, PARGESA, GROUPE BRUXELLES LAMBERT, BERTELSMANN, RTL GROUP, etc.).

Jean CLAMON, Director
Non-executive director representing dominant shareholders

Mr Jean CLAMON is General Manager at BNP PARIBAS and a Director of various other companies, including the BNP PARIBAS LEASE GROUP, CETELEM, ARVAL SERVICE LEASE, CASSA DE RISPARMIO DI FIRENZE and ERBE. He is also a member of GALERIES LAFAYETTE's supervisory board.

Victor DELLOYE, Director and General Counsel
Executive director

Mr Victor DELLOYE is a Director of PARGESA, GROUPE BRUXELLES LAMBERT, GB-INNO-BM, FRÈRE-BOURGEOIS and other companies within the group.

Pierre-Alain DE SMEDT, Director
Independent non-executive director

Mr Pierre-Alain DE SMEDT is a Director of BELGACOM, VALEO, DECEUNINCK and ALCOPA.

Thierry DORMEUIL, Director
Non-executive director representing dominant shareholders

Mr Thierry DORMEUIL is the manager of the consumer goods, construction materials and oil and gas sectors of the BNP PARIBAS group's Corporate Finance Department.

Jacques FOREST, Director
Independent non-executive director

Mr Jacques FOREST is Chairman of the Executive Committee of P&V Assurances and VIVIUM Assurances, a Member of the Board of BANQUE NATIONALE DE BELGIQUE and a Director of several companies, including UNIPOL and MULTIPHARMA.

Christine FRÈRE-HENNUY, Director
Non-executive director representing dominant shareholders

Mrs Christine FRÈRE-HENNUY is a Director of ERBE, FRÈRE-BOURGEOIS and other companies within the family group. She is also a Director of the FONDS CHARLES-ALBERT FRÈRE and a member of a number of charity associations.

Ségolène GALLIENNE, Director
Non-executive director representing dominant shareholders

Mrs Ségolène GALLIENNE is Director of PARGESA HOLDING and ERBE.

Philippe HUSTACHE, Director
Independent non-executive director

Mr Philippe HUSTACHE is an Advisor to the Chairman of the DASSAULT GROUP and a Director of GROUPE INDUSTRIEL MARCEL DASSAULT, DASSAULT AVIATION and various companies.

Henri MESTDAGH, Director
Independent non-executive director

Mr Henri MESTDAGH is the Chairman of the Board of Directors of the MESTDAGH supermarket chain and a Director of a number of other companies. He is also a Member of Advisory Committee of FORTIS BANQUE, South-West Region, and the President of UNION WALLONNE DES ENTREPRISES.

Thierry de RUDDER, Director
Non-executive director representing dominant shareholders

Mr Thierry de RUDDER is Managing Director of GROUPE BRUXELLES LAMBERT. He is also a Director of SUEZ, IMERYS and TOTAL and of various subsidiaries of GROUPE BRUXELLES LAMBERT.

Philippe WILMES, Director
Non-executive director

Mr Philippe WILMES is Managing Director of SOCIÉTÉ FÉDÉRALE D'INVESTISSEMENT and Chairman of SOCIÉTÉ BELGE D'INVESTISSEMENT INTERNATIONAL. He is an Honorary Member of the Board of BANQUE NATIONALE DE BELGIQUE and a Director of various companies.

Independent directors

When Mr Pierre-Alain DE SMEDT's mandate is renewed, the Ordinary General Meeting of 20 April 2006 is invited to renew the acknowledgement of his independent status. Mr Pierre-Alain DE SMEDT has reiterated his declaration of independence.

If the director's mandate of Mr Philippe WILMES is renewed following the Meeting of 20 April 2006, he may no longer be included in the list of independent directors, by virtue of the CG Charter. Indeed, Mr WILMES has been a non-executive director since 1988 and has held three successive non-executive director mandates of six years each.

Consequently, following the ordinary general meeting of 20 April 2006, and if it accepts the proposals made it, the directors who shall be considered to be independent in accordance with article 524 of the Code on Companies and the rules of the CG Charter shall be:

- Pierre-Alain DE SMEDT ;
- Jacques FOREST ;
- Henri MESTDAGH ;
- Philippe HUSTACHE.

REPORT ON THE ACTIVITIES OF THE BOARD OF DIRECTORS

During 2005, the Board of Directors met 8 times, with an 80.77% attendance rate by the directors.

During its meetings, the Board of Directors' main tasks were:

- The closing of the periodic accounts;
- The monitoring of the Company's strategy;
- The approval of shareholding acquisition or disposal proposals, including the disposal of the shareholdings in PROJECT SLOANE/JOSEPH, the TAITTINGER GROUP and SOCIÉTÉ DU LOUVRE, the contribution of ELECTRABEL shares to the takeover/exchange bid launched by SUEZ, the merging of FEM/ENTREMONT with UNICOPA's milk division to create UNIFEM/ENTREMONT ALLIANCE and the acquiring of a shareholding in FINANCIERE FLO;*
- The monitoring of the management of the cash position and in particular the approval of the guarantee granted by NPM/CNP to KERMADEC on the loan of EUR 650 million – accompanied by the issuing of call options on 1 250 000 TOTAL shares – contracted by this subsidiary.
- The discussing of the corporate governance charter and of the issues relating to corporate governance;
- Preparation for the Ordinary and Extraordinary General Meetings, and in particular, the Extraordinary General Meeting of 8 December 2005, which decided on the merger through absorption of SLP by NPM/CNP, and the cancelling of 1 136 703 NPM/CNP own shares.

* The operations referred to are described in the management report (cf.pp. 15 and 16)

Individual director attendance rates

Directors	Board of Directors	Nominations and Remunerations Committee	Audit Committee
Gérald FRÈRE, Chairman	100%	100%	-
Gilles SAMYN, Vice Chairman Chief Executive Officer	100%	-	-
Victor DELLOYE, Director - General Counsel	100%	-	-
Jean CLAMON	37.5%	-	-
Pierre-Alain DE SMEDT	100%	100%	-
Thierry DORMEUIL	87.5%	-	100%
Jacques FOREST	75.0%	-	80%
Christine FRÈRE-HENNUY(1)	66.7%	-	-
Ségolène GALLIENNE	87.5%	-	-
Philippe HUSTACHE	87.5%	-	-
Henry MESTDAGH(2)	62.5%	-	-
Thierry de RUDDER	75.0%	-	-
Philippe WILMES	87.5%	100%	100%
Total	**80.77%**	**100%**	**93%**

(1) Mrs Christine FRÈRE-HENNUY was appointed as a director during the Ordinary General Meeting of 21 April 2005.

(2) Mr Henri MESTDAGH was unable to attend several meetings of the Board of Directors due to health reasons.

REPORT ON THE ACTIVITIES OF THE NOMINATIONS AND REMUNERATIONS COMMITTEE

During 2005, the committee met once to analyse and make proposals concerning the composition of the Board of Directors, in particular the appointment or re-electing of directors. In particular, it ruled on the Executive Management's remuneration and the adapting of the pension scheme.

Composition:

Gérald FRÈRE, Chairman

Pierre-Alain DE SMEDT (subject to the renewal of his mandate, his acknowledgement as an independent director by the General Meeting of 20 April 2006)

Philippe WILMES (until 30 March 2006)

Philippe HUSTACHE (from 30 March 2006)

The individual rate of the members' attendance at the Committee's meetings is given in the table on page 38.

REPORT ON THE ACTIVITIES OF THE AUDIT COMMITTEE

In accordance with the CG Charter, the Committee meets prior to each meeting of the Board of Directors ruling on issues relevant to its duties. As part of its mission, it periodically meets with the Auditors.

During 2005, the Committee met 5 times, with a member attendance rate of 93%.

For meetings that dealt with information relating to the financial year 2005, the Audit Committee ruled on the following points:

- the closing of the accounts and, in particular, whether or not it was necessary to record any impairment loss on the Group's assets;
- the content of the documents relating to the communication of the financial results;
- the monitoring of risks.

Composition:

Thierry DORMEUIL, Chairman

Jacques FOREST

Philippe WILMES (until 30 March 2006)

Pierre-Alain DE SMEDT (from 30 March 2006 - subject to the renewal of his mandate, his acknowledgement as an independent director by the General Meeting of 20 April 2006)

The individual rate of the members' attendance at the Committee's meetings is given in the table on page 38.

REMUNERATION OF DIRECTORS

The remuneration policy for directors is described in the CG Charter and in particular in appendix 7 of the charter.

For information about the remuneration policy for the executive directors, please refer to page 41. The gross amounts received by the executive directors, solely in return for performing their duties as directors, are given in the table below.

The directors each annually receive a fixed basic gross remuneration of EUR 7 436.81; non-executive directors with special duties or who are members of Board Committees receive an additional gross remuneration equivalent to the basic gross remuneration.

The gross remuneration granted to the Board members for the financial year 2005 is presented in the table below.

(gross EUR)

Directors	Board of Directors	Nominations and Remunerations Committee	Audit Committee	Total
Gérald FRÈRE, Chairman	14 873.62	7 436.81	-	22 310.43
Gilles SAMYN, Vice Chairman –Chief Executive Officer	7 436.81	-	-	7 436.81
Victor DELLOYE, Director - General Counsel	7 436.81	-	-	7 436.81
Jean CLAMON	7 436.81	-	-	7 436.81
Pierre-Alain DE SMEDT	7 436.81	7 436.81	-	14 873.62
Thierry DORMEUIL	7 436.81	-	7 436.81	14 873.62
Jacques FOREST	7 436.81	-	7 436.81	14 873.62
Christine FRÈRE-HENNUY(1)	4 957.87	-	-	4 957.87
Ségolène GALLIENNE	7 436.81	-	-	7 436.81
Philippe HUSTACHE	7 436.81	-	-	7 436.81
Henri MESTDAGH	7 436.81	-	-	7 436.81
Thierry de RUDDER	7 436.81	-	-	7 436.81
Pierre VAN OMMESLAGHE(2)	2 478.94	-	-	2 478.94
Philippe WILMES	7 436.81	7 436.81	7 436.81	22 310.43
Total	**104 115.34**	**22 310.43**	**22 310.43**	**148 736.20**

(1) Mrs Christine FRÈRE-HENNUY was appointed as a director during the Ordinary General Meeting of 21 April 2005.
(2) The director's mandate of Mr Pierre Van OMMESLAGHE ended at the Ordinary General Meeting of 21 April 2005.

Remuneration and other benefits granted to the non-executive directors by other companies belonging to the group

The amounts shown in the table above do not include sums that may have been received by the Company's directors for positions held in other entities belonging to the Group in which they perform executive duties independent of their duties as NPM/CNP directors.

Mr Gérald FRÈRE received a gross remuneration from AGESCA NEDERLAND in the amount of EUR 12 470.

The remuneration received by Mrs Ségolène GALLIENNE and Mr Gérald FRÈRE as payment for their duties within PARGESA equalled CHF 55 000 and CHF 165 000 respectively. The total remuneration received by Messrs Gérald FRÈRE and Thierry de RUDDER for the fulfilment of their functions within GBL may be consulted in this company's Annual Report.

The other non-executive directors do not receive remuneration or other benefits from companies belonging to the NPM/CNP Group.

EXECUTIVE MANAGEMENT

Composition of the Executive Management

The Executive Management is composed of the executive members of the Board of Directors and of three officers.

Members of the Executive Management

Gilles SAMYN Managing Director	Chief Executive Officer
Victor DELLOYE Director	General Counsel
Roland BORRES	Chief Financial Officer
Maximilien de LIMBURG STIRUM	Officer in charge of Shareholdings
Michel LOIR	Officer in charge of Treasury and Market Operations

Remuneration of the executive management

In accordance with the CG Charter, the Nominations and Remunerations Committee (see page 39) makes recommendations relating to the remuneration of executive directors and the Executive Management and the remuneration policy for the Company's staff according to the market conditions prevailing for equivalent positions and situations.

To this end, periodic benchmarking of the level of remuneration is performed by an independent expert. The last benchmarking was conducted in autumn 2002 by the firm BOYDEN. It has been decided to update this study during 2006 and to again call on an expert.

The intention is to ensure the loyalty of high quality staff and motivate them according to criteria that are completely in line with the objectives of shareholders based on the long-term creation of value. It has therefore been decided not to grant any annual variable remuneration (bonus) to members of staff.

The remuneration received by the executive directors solely for fulfilling their duties as directors is presented in the section «Remuneration of Directors» (cf. p. 40).

The staff and the executive managers also benefit from a pension scheme that will guarantee them, at age 62 and after a 35-year career (28 years for the executive directors and some officers), a capital providing an annuity equal to a percentage of the highest fixed annual remuneration allocated before the age of 57; this percentage is on a sliding scale in bands from 75% to 41.25%.

The remuneration, for 2005, of the CEO, the executive directors and the executive managers breaks down as follows (*):

(gross EUR)	Gilles SAMYN Managing Director	Total for the executive directors	Total for the executive management
Fixed remuneration allocated by the entities of the NPM/CNP Group [1]	1 043 579	1 611 338	2 252 412
Breakdown of the fixed remuneration paid by:			
- NPM/CNP itself	47 684	95 369	167 454
- companies consolidated proportionally or globally	709 363	1 217 213	1 781 887
- equity-accounted companies	286 531	298 756	303 071
Variable remuneration	-	-	-
Other benefits	8 132	10 314	15 947
Total remuneration excluding pension costs	1 051 711	1 621 652	2 268 359
taking into account the consolidation and equity-accounting percentages	727 446	1 260 635	1 944 016
Pension costs	653 961	938 793	1 254 479
Insurance (accident – decease – disability – medical care)	103 561	136 115	167 875

(1) Gilles SAMYN also receives EUR 397 053, paid by the FRÈRE-BOURGEOIS and ERBE groups, which are NPM/CNP shareholders, in consideration for the services that he performs for them. The total received by the Executive Directors at this level stands at EUR 477 053.

Long-term value creation and profit-sharing is based on a share option scheme set up in December 2003 (see page 45); this covers 662 100 shares, 467 500 of which have been allocated to the Executive Management (and 315 000 of which to the two executive directors).

In 2005, the Executive Management was not offered any shares, options or other rights to acquire shares.

Main contractual provisions relating to the hiring and departure of executive managers

There are no contractual provisions of this type.

Representation of the Company

In accordance with the articles of incorporation, the Company is validly bound by the signature of two directors or the signature of the Managing Director alone in the context of his day-to-day management. The Company has delegated this duty of representation mainly to the two executive directors or, if necessary, the Chairman of the Board of Directors. The Board of Directors has also delegated special, limited powers to persons chosen from outside the Board, in particular to members of the executive management.

Day-to-day management and General Management

As indicated by the CG Charter, the Board of Directors has delegated responsibility for the general and operational management of the Company to the CEO. The latter has a great deal of independence, granted by the Board of Directors, and is responsible for the implementation, monitoring and coordination of the Company's strategic orientations, in the operational, financial, administrative and legal, human resource and investment fields.

The CEO is assisted in the fulfilment of his mission by the Director and General Counsel and by one or several officers depending on the tasks to be accomplished.

Compliance with the provisions of the Belgian corporate governance code

NPM/CNP has deviated from article 8.9. of the Belgian Corporate Governance Code, by virtue of which "the threshold beyond which a shareholder may submit proposals to the General Meeting may not exceed 5 % of the capital". NPM/CNP complies with the spirit of the Belgian corporate governance code by allowing shareholders to ask any questions regarding the accounts and strategy at the General Meeting. It believes that the General Meeting of Shareholders, owing to the restricted number of shareholders who participate, is a privileged forum allowing discussion and dialogue between managers and shareholders. It should also be borne in mind that shareholders with a shareholding of more than 3% of the Company's capital are represented within its Board of Directors.

Relations with dominant shareholders and/or directors

NPM/CNP's Board of Directors has not been made aware of any shareholders' agreement relating to NPM/CNP shares.

The Board has, however, been informed that agreements exist between the shareholders of ERBE,

establishing sole control of NPM/CNP by the FRÈRE-BOURGEOIS Group.

All transactions between the companies within the NPM/CNP Group and the dominant shareholders, and persons connected with them, that fall within the competency of the Board of Directors, are audited by the Company Auditor and the Audit Committee. In the event of a conflict of interests, transactions or decisions are subject to the rules set out by articles 523 and 524 of the Belgian Code on Companies and by the CG Charter.

Policy relating to conflicts of interest

The Company has published, in appendix 5 of the CG Charter, the policy established by the Board of Directors with regard to transactions and other contractual relationships between the Company and its directors and executive managers.

These provisions did not need to be applied in 2005.

The FRÈRE-BOURGEOIS Group and NPM/CNP have common directors and share common shareholdings in subsidiaries, in particular the Dutch company AGESCA NEDERLAND and CENTRE DE COORDINATION DE CHARLEROI. The two Groups are parties to shareholder agreements with third-parties relating to certain shareholdings, in particular an agreement with the POWER CORPORATION OF CANADA regarding the joint control of PARGESA HOLDING.

Since some of the two groups' companies share personnel and premises, some costs are shared or reinvoiced.

Measures aimed at preventing insider trading and market manipulation

Appendix 6 of the CG Charter presents the measures applicable since 1st January 2006 that express the Company's internal policy with regard to preventing market abuses, as defined by the law of 2 August 2002 relating to the monitoring of the financial sector and financial services.

The Compliance Officer ensured that the people affected by these measures were informed of the existence and content of these regulations and has been entrusted with making sure that these rules are followed.

At 31 March 2006, no declaration of transaction had been submitted to the Compliance Officer.

ACCOUNT AUDITING

The Company Auditor's mandate, renewed at the ordinary general meeting of 15 April 2004, lasts for three years and is renewable.

The Company Auditor is:

DELOITTE
Reviseurs d'Entreprises S.C. s.f.d. S.C.R.L.,
Represented by Michel DENAYER

For many years, NPM/CNP has entrusted the auditing of its accounts to the firm DELOITTE, which is the auditor of the entire chain of holdings, from FRÈRE-BOURGEOIS down to GBL, as well as of most of the industrial and commercial subsidiaries.

The Auditor is also at the disposal of the Audit Committee to carry out any additional works permitted by law that it considers necessary.

The Auditor's remuneration is based on fees set by the general assembly of 15 April 2004, during which its mandate was renewed, at a total of EUR 25 000 per year for the parent Company, allowing him to comply with the standards of its profession.

With regard to any services outside the scope of their auditing mission, additional remuneration are paid, as applicable; its amount is communicated each year in the "Legal notices" section (see page 46). The fees paid by NPM/CNP's subsidiaries are also presented.

DONATIONS AND ART

- Since 2000, the NPM/CNP Group has contributed to the efforts of the FONDS CHARLES-ALBERT FRÈRE, an association formed to help the physically and mentally disabled, the socially disadvantaged and victims of poverty. NPM/CNP has continued to support this organisation, with a EUR 250 000 donation in 2005.
- NPM/CNP has also responded positively to the Walloon Region initiative by contributing EUR 50 000 in 2005 in support of the FREE foundation (Fondation pour la Recherche et l'Enseignement de l'esprit d'Entreprendre), aimed at bringing together a variety of schemes for developing entrepreneurship in Wallonia.
- As opportunities arise, the NPM/CNP Group is building up its own collection of contemporary works of art intended to decorate the company's offices; acquisitions made in 2005 amounted to EUR 232 000.

Staff and organisation

From left to right:

Jean-Charles d'ASPREMONT LYNDEN, Etienne COUGNON, Maximilien de LIMBURG STIRUM, Gilles SAMYN, Victor DELLOYE, Roland BORRES

Philippe GRUWEZ, Jacques LAMBEAUX, Sandro ARDIZZONE, Michel LOIR, Pascal CLAUSE, Frédéric POUCHAIN

Mathieu DEMARÉ, Jean-Marie LABRASSINE

Chief Executive Officer
Gilles SAMYN (*)

General Counsel
Victor DELLOYE (*)

Shareholdings
Maximilien de LIMBURG STIRUM (*)
Sandro ARDIZZONE
Roland BORRES (*)
Philippe GRUWEZ
Frédéric POUCHAIN

Markets
Michel LOIR (*)
Sandro ARDIZZONE
Étienne COUGNON

Finance and information
Roland BORRES (*)
Sandro ARDIZZONE
Pascal CLAUSE
Mathieu DEMARÉ
Jacques LAMBEAUX

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

Compliance Officer
Jean-Charles d'ASPREMONT LYNDEN

LUXEMBOURG
Geneviève PISCAGLIA
Valérie BARTHOL

NETHERLANDS
Ernst COOIMAN
Pieter SCHWENCKE

SWITZERLAND
Andrew ALLENDER
Fabienne RUDAZ
Gaël BALLERY

(*) Members of the executive management.

LONG-TERM STAFF MOTIVATION SCHEME

The long-term motivation of staff is ensured by the NPM/CNP share option scheme proposed to staff in December 2003, who accepted 662,100 options.

The options were purchased at a unit price of EUR 4.26 and each one entitles the holder to purchase one NPM/CNP share for EUR 100 until 3 December 2013. Except in specific circumstances (death, disability, retirement and, under certain conditions, redundancy), these rights will only be definitively vested in the holders on 30 June 2006 for the first quarter, 30 June 2007 for a second quarter and 30 June 2009 for the balance.

LEGAL NOTICES

1. Application of article 134 of the Code on Companies relating to special Auditors' fees.

The board of directors hereby informs you that the Auditor, DELOITTE, received the following special fees in 2005:

(,000 EUR)

DELOITTE	NPM/CNP	Fully or proportionally consolidated subsidiaries	Total	Total expenses considering consolidation percentage
Statutory duties	25	3 368	3 393	1 943
Other	320	516	836 (1)	679
Total	345	3 884	4 229	2 622

(1) Includes the works performed as part of the transition to IFRS (201), tax consultancy (113) and a special job related to potential acquisitions (450).

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

At 31 December 2004, the NPM/CNP Group held 1 836 703 own shares (representing 9.18% of the Company's capital), including the shares held by indirect subsidiaries.

The extraordinary general meeting of 8 December 2005 cancelled 1 136 703 own shares.

During the financial year 2005, in accordance with the authorisation granted by the general meeting of 21 April 2005, NPM/CNP acquired and sold 245 658 own shares within the framework of a liquidity contract. The average unit price of acquisitions equalled EUR 227.63 and that of disposals EUR 227.65.

At 31 December 2005, following the disposal of 20 000 NPM/CNP shares by an indirect subsidiary, the NPM/CNP Group still owned 680 000 own shares (representing 3.60% of the Company's capital) recorded in the restricted consolidation accounts for an amount equal to EUR 71 million. In the consolidated accounts, according to IFRS methods, these own shares are deducted from the equity and therefore no longer appear on the balance sheet. At 31 December 2005, out of the 680 000 own shares held by the Group, 662 100 were intended to cover the staff stock option scheme issued in 2003.

The general meeting of shareholders of 20 April 2006 will be called on to decide whether or not to renew the authorisation to acquire own shares on the stock market under conditions specified in the agenda of the ordinary general meeting given on page 33.

MAJOR SHAREHOLDINGS

Major shareholdings

The present table, produced here as at 31 December 2005, is periodically updated on NPM/CNP's website (www.npm-cnp.be).

The percentages given below are legal holding percentages, which may differ slightly from the percentages applied for the consolidation of the accounts according to IFRS norms (in particular owing to the cancellation of own shares in the IFRS accounts)

Shareholdings of	NPM/CNP	PARJOINTCO(1)	PARGESA	GBL	Transitive percentage (2)	Consolidation method	Page
In							
PARGESA Group		54.1%			24.2%	P	50
GBL			48.1%(3)		11.7%	P	51
Consolidated or equity-accounted shareholdings							
BERTELSMANN				25.1%	2.9%	E	52
IMERYS			26.8%	26.2%	9.7%	P	53
ORIOR HOLDING			100.0%		24.2%	P	54
Other shareholdings							
TOTAL				3.8%	0.4%	-	55
SUEZ				7.3%	0.9%	-	56
LAFARGE				3.4%	0.4%	-	57
Direct shareholdings							58
Fully or proportionally consolidated shareholdings							
TRANSCOR	100.0%				100.0%	F	59
QUICK	28.9%	(4)			28.9%	P	60
UNIFEM / ENTREMONT ALLIANCE	63.5%				63.5%	F	61
DISTRIPAR	97.0%	(5)			97.0%	F	62
RASPAIL / CHEVAL BLANC	40.0%	(6)			40.0%	P	63
CHÂTEAU RIEUSSEC	50.0%				50.0%	P	64
IJSBOERKE	100.0%				100.0%	F	65
Other shareholdings							
TOTAL	1.3%				1.3%	-	55

(1) PARJOINTCO is 50% owned by the AGESCA NEDERLAND group, which is in turn 89.5 % owned by NPM/CNP.
(2) Transitive holding including NPM/CNP's share in the controlling holdings incorporated by the PARGESA/GBL group.
(3) More than 50% of the voting rights.
(4) 57.9% through GIB, jointly controlled.
(5) 100% of voting rights.
(6) 50% held through an 80%-owned company.

F : fully consolidated
P : proportionnally consolidated
E : equity-accounted

PARGESA GROUP

50 PARGESA

51 GBL

CONSOLIDATED OR EQUITY-ACCOUNTED SHAREHOLDINGS

52 BERTELSMANN

53 IMERYS

54 ORIOR HOLDING

OTHER SHAREHOLDINGS

55 TOTAL

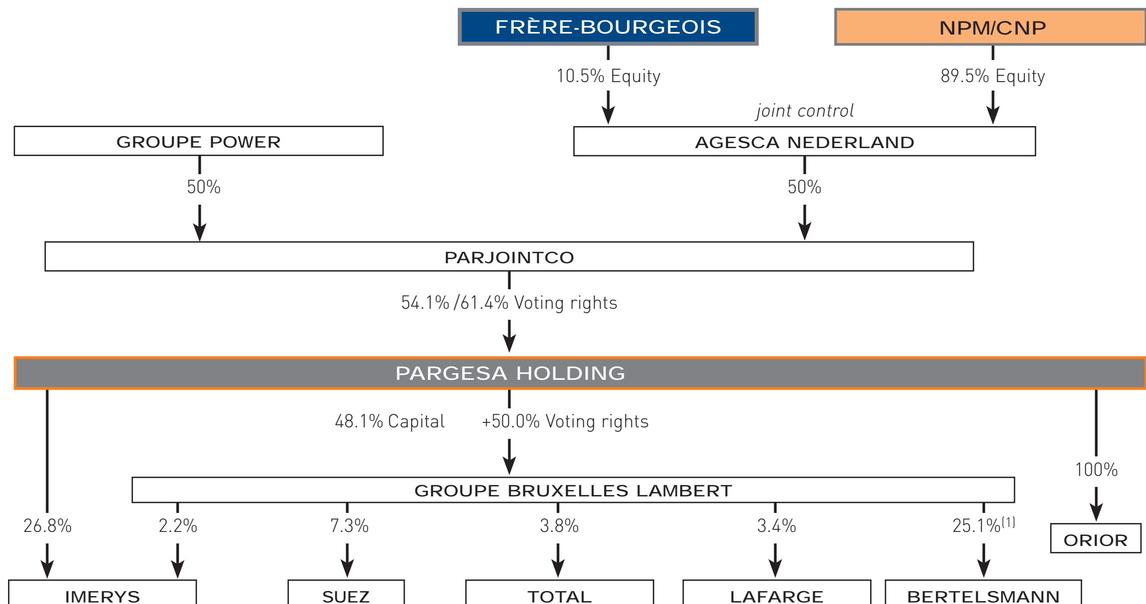
56 SUEZ

57 LAFARGE

PARGESA HOLDING S.A., a company founded in Switzerland, is the PARGESA group's apex institution and holds a portfolio of industrial shareholdings in Europe, either directly, or indirectly through GBL.

PARGESA

www.pargesa.ch



(1) 0.1% without voting right.

In 2005 the Group's shareholdings posted excellent operating performances. PARGESA's IFRS consolidated accounts nevertheless recorded a fall in net profit to EUR 533 million, compared with EUR 561 million in 2004; these latter accounts had been favourably affected by the change in the timetable for the payment of TOTAL's dividend, the disposal of the shareholding in BIAC and a higher level of non-recurring profits from BERTELSMANN.

To finance its share in the capital increase launched by GBL in April 2006, the PARGESA Group has decided to issue convertible bonds in an amount equal to CHF 660 million (of which the share for registered shareholders is CHF 60 million). These bonds, which will reach maturity in 2013 and bear interest at a rate of 1.7%, are convertible into PARGESA shares at a price of CHF 159.72 per bearer share (CHF 15.972 per registered share). Taking into account the market price of the listed shareholdings and BERTELSMANN's equity, the adjusted net assets per PARGESA share stood at around CHF 118 at 31 December 2005.

An increase in the dividend of 7.5% will be proposed at the General Meeting of Shareholders on 3 May 2006, which will bring the 2005 dividend to CHF 2.15 per share.

CONTRIBUTION TO:

	Restricted Consolidation		Consolidation (transitive)	
	EUR Mio	in %	EUR Mio	in %
Operating result 2005	26.2	21.2%	-	-
Adjusted net assets on 31.12.2005	1 550	31.6%	-	-

KEY CONSOLIDATED FIGURES (CHF MILLION)

	2003	2004	2005
Equity	6 074	6 768	8 755
Net result (Group share)	208	561	533
Gross dividend/share (CHF)	1.84	2.00	2.15*
Adjusted net assets per share (CHF)	79.8	97.7	118

* Subject to approval by the annual general meeting.

GBL is a company that owns a portfolio of shareholdings in a variety of sectors, focused on a small number of first-rate companies towards which it is able to act as a professional shareholder. GBL's portfolio contains five major shareholdings: BERTELSMANN (25.1% of the capital), TOTAL (3.8%), SUEZ (7.3%), IMERYS (26.2%) and LAFARGE (3.4%).

GBL

www.gbl.be

At the start of the financial year, GBL benefited from the positive market conditions to raise EUR 435 million by means of a bond convertible into GBL shares. The loan has a 7 year lifetime. The bonds issued bear a coupon of 2.95% per year and are exchangeable for 5 000 000 GBL shares.

Again during the first quarter, GBL created a company active in private equity, ERGON CAPITAL PARTNERS in partnership with PARCOM VENTURES (ING group).

At the start of August, SUEZ declared its intention to launch a takeover and exchange bid on the ELECTRABEL shares that it didn't yet hold. GBL offered its support for this initiative and took part in the capital increase of EUR 2.4 billion launched by SUEZ to finance its bid on ELECTRABEL. Taking into account the SUEZ shares acquired in order to counter the dilution of its shareholding as a result of the takeover/exchange bid, GBL thus invested around EUR 440 million in SUEZ shares during the financial year 2005.

During the last quarter of 2005, GBL gradually created a position within the cement production group LAFARGE, through acquisitions on the stock market, and since end of March 2006 has owned around 8.1% of the latter's capital (3.4% at the end of 2005).

At the end of January 2006, GBL announced, in accordance with the shareholder agreement concluded between GBL and the MOHN family, its decision to request, from the end of May 2006, the taking up of the opportunity offered it to introduce the BERTELSMANN group onto the stock market, if the market conditions are favourable.

GBL's IFRS consolidated accounts recorded a net profit of EUR 523 million, compared with EUR 594 million in 2004; these latter were favourably affected by the change in the timetable for the payment of TOTAL's dividend, the disposal of the shareholding in BIAC and a higher level of non-recurring profits from BERTELSMANN.

Taking into account the market price of listed shareholdings and BERTELSMANN's equity, the adjusted net assets per GBL share stood at around EUR 80.3 at 31 December 2005.

An increase in the dividend of 7.5% will be proposed at the general meeting of shareholders on 25 April 2006, increasing the 2005 dividend to EUR 1.72 per share.

KEY CONSOLIDATED FIGURES (EUR MILLION)

	2003	2004	2005
Equity	6 966.4	7 911.6	10 159.7
Net profit	210	594	523
Net profit/share (EUR)	1.59	4.50	3.94
Gross dividend/share (EUR)	1.49	1.60	1.72*
Adjusted net assets/share (EUR)	54.43	64.27	80.33

* Subject to approval by the general meeting of shareholders.

BERTELSMANN is a worldwide media and entertainment group with important positions on the main international markets in each of its six divisions: RTL GROUP, RANDOM HOUSE, GRUNER + JAHR, BMG, ARVATO and DIRECT GROUP.

BERTELSMANN

www.bertelsmann.com

RTL GROUP is the European number one in broadcasting and televised production; its activities cover a network of 34 commercial television stations, and as many radio stations, broadcasting in 11 countries (RTL Television, M6, RTL Radio, Five in the United Kingdom, Antena 3 in Spain, and so on). In 2005, the company's income totalled EUR 5.1 billion, up 4.8 % on 2004; at the same time, the operating EBIT increased by 13.2 % to reach EUR 756 million. These results are ultimately attributable to the group's strong commercial positioning on its markets and, in particular, to the positive performance of its activities in France, the United Kingdom and Spain, which have more than compensated for the weakness of the German market.

RANDOM HOUSE, which brings together a portfolio of around one hundred independent publishing companies, generates a turnover of EUR 1.8 billion (up 2.1 %) and an operating EBIT of EUR 166 million (+18.6 %).

GRUNER + JAHR is the leading European publisher of journals and magazines. It resumed its growth in 2005, producing a 7.6 % higher turnover equal to EUR 2.6 billion, and a 19.0 % higher operating profit equal to EUR 250 million, thanks to effective cost management, particularly in Germany, and the successful launching of new TV magazines in France.

The BERTELSMANN MUSIC GROUP (BMG), which includes the 50/50 joint-venture SONY BMG MUSIC ENTERTAINMENT and music publishing activities, had to face new market conditions in 2005 that were difficult for the music industry and resulted in a sharp 16.5 % fall in the total income for the division, bringing it to EUR 2.1 billion. However, BMG successfully increased its operating profit by 9.3 %, to EUR 177 million, in particular thanks to cost reduction measures.

ARVATO, which is one of the main international suppliers of media services in fields as diverse as printing, the management and processing of data, logistics, and so on, recorded a significant improvement in its performances, notwithstanding a moderate growth in the macroeconomic environment on its main markets (2005 turnover up 16 % to EUR 4.4 billion and operating profit up 10 % to EUR 341 million).

DIRECT GROUP BERTELSMANN brings together an international collection of direct sales activities (book, music and DVD clubs, book shops, and so on). It resumed its growth in 2005, generating a turnover of EUR 2.4 billion (+ 9.6 %, under the effect of the acquisitions made during the year) and an operating EBIT of EUR 53 million (+65 %).

Overall, the Group's consolidated turnover came to EUR 17.9 billion in 2005, up 5.1 % on its 2004 level (EUR 17.0 billion). Excluding perimeter and exchange rate effects, the organic growth of the activities reached 2.3 %.

Overall, the 2005 operating EBIT totalled EUR 1,610 million, representing a 12.7 % increase on 2004 (EUR 1,429 million). This is the result of an operating profit of 9.0 %, compared with 8.4 % the previous year, all the divisions being included in this improvement.

In 2005, the net profit, Group share, came to EUR 880 million, down EUR 152 million on its 2004 level (EUR 1 032 million), under the effect of non-recurring positive elements limited to EUR 61 million compared with EUR 318 million in 2004.

At the end of December 2005, the Group's economic debt, including the net financial debts, provisions for pensions and shareholding certificates, stood at EUR 3.9 billion, compared with EUR 3.2 billion at the end of 2004. This increase remains within the Group's financial criteria and reflects the investments made during the financial year.

At the end of January 2006, GBL announced that, in accordance with the shareholder agreement concluded with the MOHN family, it had decided to request, from the end of May 2006, the taking up of the opportunity offered it to introduce the BERTELSMANN Group onto the stock market, if the market conditions are favourable.

CONTRIBUTION TO:

	restricted consolidation		consolidation (transitive)	
	EUR Mio	in %	EUR Mio	in %
2005 operating profit	-	-	30.6	12.6%
Adjusted net assets on 31.12.2005	-	-	242	4.9%

KEY CONSOLIDATED FIGURES (EUR MILLION)

	2003	2004	2005
Equity	6 666	7 510	8 328
Turnover	16 801	17 016	17 890
Net profit, group share	154	1 032	880
Dividend	240	324	287*

* Subject to approval by the annual general meeting.

IMERYS is the world's leading Mineral Processing company. The Group has strong positions in each of its four sectors of activity: Speciality Minerals (26% of the Group's 2005 turnover), Pigments for Paper (25%), Materials & Monolithics (30%) and Refractories, Abrasives & Filtration (19%).

IMERYS

www.imerys.com

In 2005, the markets on which IMERYS operates remained sluggish overall and some one-off unfavourable factors affected activity: a harsh winter in France in the first quarter, a seven week strike affecting the Finnish paper industry in the second and hurricanes in the United States in the third. The financial year was also marked by the high inflation of variable costs, particularly energy costs. In this context, IMERYS succeeded in recording a net operating profit, Group share, up for the 14th year in a row, while maintaining a high operating margin.

The turnover stood at EUR 3 045 million in 2005, up 6.1% on 2004. This development is partly attributable to the significant effect of changes to the perimeter (+3.1%), the contribution of the strategic acquisitions made since the start of the financial year (mainly LAFARGE REFRACTORIES, WORLD MINERALS and DENAIN-ANZIN MINÉRAUX) having largely exceeded the impact of the disposals (LARIVIÈRE). With a comparable perimeter and exchange rates, the turnover increased by 2.9% (+ 3.3% in the 1st half of the year and + 2.7% in the second), thanks to a positive change in the price/product mix couple (+ 3.0%) in the Group's four branches of activity. The sales volumes were stable compared with 2004.

Sales of Speciality Minerals came to EUR 815 million, representing an increase of 2.5%. With a comparable perimeter and exchange rates, there was a slight downturn (- 0.5%), the fall in sales volumes, which was particularly significant in the second half of the year, being almost compensated for by the improvement in the price/product mix couple.

The Pigments for Paper turnover, at EUR 755 million, was down 0.6% (+ 3.4% with a comparable perimeter and exchange rates). The printing and writing paper market recorded growth in 2005 (+ 1.7% compared with + 5.1% in 2004), but this was concentrated in Asia. The sales volumes grew slightly and the price/product mix couple improved, but to a degree that far from compensated for the increase in variable costs.

Sales of Materials & Monolithics came to EUR 922 million, up 8.4% (+ 5.5% with a comparable perimeter). The branch made the most of the good performance of its markets, particularly new home construction in France. The growth in turnover reflects the combined impact of the improvement in the price/product mix couple and the increase in sales volumes.

The Refractories, Abrasives & Filtration turnover rose by 19.1% to EUR 598 million. With a comparable perimeter and exchange rates, sales grew by 5.2%, thanks to a noticeable improvement in the price/product mix couple, largely compensating for the fall in volumes, mainly recorded in the 2nd half of the year.

The Group's operating profit grew by 3% to EUR 434 million, thanks to the improvement in the price/product mix couple and the contribution of the financial year's acquisitions. Combined with the effective management of fixed costs, these positive elements absorbed the high inflation of external costs - particularly energy - and a slightly negative currency effect (Brazilian real). Overall, the operating margin stayed at a high level (14.3% in 2005, compared with 14.7% in 2004).

The net operating profit, Group share, rose to EUR 288 million, compared with EUR 261 million in 2004, with a significant decrease in the tax burden (EUR 101 million, compared with EUR 122 million in 2004), resulting from the sharp fall in the tax rate to 26.1%.

The net profit, Group share, increased by 29% to EUR 310 million, compared with EUR 240 million in 2004. This includes a net amount of EUR 22 million for other proceeds and expenses, mainly consisting of capital gains on disposals, restructuring costs and various asset value adjustments.

In earnings per share, the net profit grew by 10% to EUR 4.53. Subject to the approval by the general meeting of shareholders, the dividend per share rise in the same proportion to EUR 1.65.

CONTRIBUTION TO:

	restricted consolidation		consolidation (transitive)	
	EUR Mio	%	EUR Mio	%
2005 operating profit	-	-	27.9	11.4%
Adjusted net assets on 31.12.2005	-	-	370	7.5%

KEY CONSOLIDATED FIGURES (EUR MILLION)

	2003*	2004	2005
Equity	1 401	1 363	1 686
Turnover	2 729	2 871	3 045
Net profit, group share	160	240	309
Dividend per share (EUR)	1.25	1.50	1.65**

* French GAAPS
** Subject to approval by the annual general meeting.

The ORIOR Group, which is fully owned by PARGESA, is entirely given over to the food industry through its 95.9% subsidiary ORIOR FOOD SA.

ORIOR HOLDING

www.orior.ch

ORIOR FOOD has three divisions: Cooked meats (dried and cured meats and ham), Fresh Products (pâtés, terrines, fresh pasta and precooked dishes) and Poultry and Vegetarian (foods based on poultry and vegetarian products).

It owns strong brands and is a leading provider of high added value fresh products on the Swiss market, in the distribution, retail and catering sectors.

ORIOR FOOD developed its product mix in 2005, favouring high added value innovations. Its turnover consequently fell by 3.7% to CHF 303 million, but its operating profit grew by 8.6% to CHF 18.9 million, the improvements in industrial productivity also compensating for the high increase in certain external costs, such as energy, transport and packaging. The net profit, Group share, equalled CHF 12.9 million.

TOTAL is a major international player in the oil and gas sector. Its activities cover the entire chain: exploration and production of oil and gas, downstream gas operations, trading, transport, refining and distribution. TOTAL also operates in the chemistry sector through ARKEMA, a business line that will give rise to a "spin-off" in 2006.

TOTAL

www.total.com

2005 was marked by market conditions that were favourable for the oil industry.

The net profit came out at EUR 12.3 billion. Excluding non-recurring elements and the amortisation of the intangibles resulting from the SANOFI-AVENTIS merger, the adjusted net profit stands at EUR 12.0 billion, up 31% compared with 2004. The adjusted net profit per share grew by 35%, illustrating the Group's capacity to make the most of the environment, despite the pressures on the costs of oil services.

For 2005 as a whole, the adjusted net operating profit for upstream activity came to EUR 8,029 million, compared with EUR 5,589 million in 2004, representing a 37% increase.

During the financial year 2005, hydrocarbon production fell by 3.7%. After adjustment for the price effect and excluding the consequences of the hurricanes, hydrocarbon production remained stable.

The proven hydrocarbon reserves established according to the SEC rules stood at 11,106 Mbep at 31 December 2005. At the current level of production, the lifetime of the reserves is equal to 12.2 years. Excluding the effect of price variations (stable Brent price at USD 40 / barrel), the reserve replenishment rate over the period 2003-2005 came out at 118% for the Group. For 2005, it equalled 120%.

The continued exploration successes, the launching of YEMEN LNG and the acquisition of DEER CREEK in Canada, amongst other things, increased the level of proven and probable reserves to 20 billion barrels of oil equivalent at the end of 2005, which represents a lifetime of nearly 22 years at the current production rate.

TOTAL intends to continue its strategy of profitable growth, which should translate into an average increase in hydrocarbon production of nearly 4% per year between 2005 and 2010.

For 2005 as a whole, the adjusted net operating profit for downstream activity came to EUR 2,916 million, compared with EUR 2,331 million in 2004, representing a 25% increase.

The volumes refined decreased by 3% to 2,410 kb/d, compared with 2,496 kb/d in 2004. The refinery utilisation rate therefore equalled 88% in 2005. If the effect of the social movements in France and the consequences of hurricane Rita are excluded, the utilisation rate comes out at 91% for 2005.

For 2005 as a whole, the adjusted net operating profit for Chemistry activity stood at EUR 957 million, compared with EUR 767 million in 2004, representing a 25% increase.

ARKEMA continued its reorganisation with a view to the «spin-off», whose planned effective date is 18 May 2006.

The implementation of TOTAL's growth strategy rests on a sustained programme of investments. The Group made investments equal to USD 13.9 billion in 2005, representing a 26% increase in relation to 2004, with USD 1.8 billion invested in targeted acquisitions. Based on a 1.20 USD/EUR parity, the budget for 2006 stands at around USD 13.5 billion, with USD 10 billion invested in upstream activity, excluding acquisitions.

The Board of Directors, after closing the accounts, decided to propose the distribution of a dividend of EUR 6.48 per share for 2005, up 20% in relation to the previous year, at the General Meeting of Shareholders of 12 May 2006. The Board of Directors also intends to propose the split of the shares into four new shares at the General Meeting of Shareholders.

CONTRIBUTION TO:

	restricted consolidation		consolidation (transitive)	
	EUR Mio	%	EUR Mio	%
2005 operating profit	48.2	39.0%	62.6	25.7%
Adjusted net assets on 31.12.2005	1 743	35.5%	2 321	47.3%

KEY CONSOLIDATED FIGURES (EUR BILLION)

	2003*	2004	2005
Equity	30.41	31.61	40.65
Turnover	1104.65	122.00	143.17
Net profit, group share	7.03	10.87	12.00
Dividend per share (EUR)	4.70	5.40	6.48**

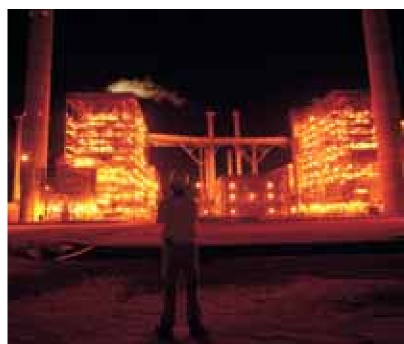
* French GAAPS.
** Subject to approval by the annual general meeting.

The international industrial Group SUEZ designs sustainable and innovative solutions in the management of public utility services, as a partner of local authorities, companies and private customers. The Group's mission is to meet essential electricity, gas, energy service, water and cleaning needs. SUEZ employs more than 157,000 people and generated a turnover of EUR 41.5 billion in 2005.

SUEZ

www.suez.com

For SUEZ, 2005 was characterised by a large improvement in its results in the energy and environment sectors, with an organic growth that exceeded the objectives. This new improvement in SUEZ's performances translated into a net profit, Group share, of EUR 2.5 billion and an organic growth (excluding perimeter and exchange rate effects) in the gross operating profit (+ 9.0%) greater than that of the turnover (+ 6.3%).



The Group's operating performances are the fruits of a clear strategy across all the energy and environment business lines, marked particularly by the success of the takeover/exchange bid launched in autumn by SUEZ on ELECTRABEL.

The indebtedness rate was reduced to 72%, compared with 91% at the end of 2004, following the takeover bid of EUR 11.1 billion on ELECTRABEL. The gross self-financing margin before financial expenses and tax stood at EUR 5.8 billion at 31 December 2005. The operational activity flows also benefited from a new improvement in the working capital need. Excluding the ELECTRABEL operation, the investments came to EUR 3.5 billion, which was an increase on 2004.

An ordinary dividend of EUR 1 per share, up 25%, will be proposed at the general meeting, for payment on 8 May 2006.

In 2006, SUEZ intends to continue its development in all its business lines, with an objective for the organic growth of the Group's turnover of between 4 and 7% and an objective for the growth of the gross operating profit of more than 7% for 2006, in particular thanks to the acceleration of its profit improvement programmes (Optimax and synergies connected with the integration of ELECTRABEL).

SUEZ now holds a pivotal place in Europe and its growth engines are international in scale. As the Group is prepared to take up the major challenges faced by its activity sectors, its prospects for 2006 and over the medium-term are highly attractive.

The completion of the proposed merger with GAZ DE FRANCE will make the new Group a world class European player in the energy and environment fields, in terms of both growth and profit.

This ambitious European industrial project, likely to generate significant added value, will be put before SUEZ's Extraordinary General Meeting of Shareholders planned for the end of 2006. The proposed parity is one SUEZ share for one GAZ DE FRANCE share, accompanied by an exceptional dividend of EUR 1 per SUEZ share paid prior to the merger.

CONTRIBUTION TO:

	restricted consolidation		consolidation (transitive)	
	EUR Mio	%	EUR Mio	%
2005 operating profit	-	-	5.9	2.4%
Adjusted net assets on 31.12.2005	-	-	280	5.7%

KEY CONSOLIDATED FIGURES (EUR MILLION)

	2003 *	2004	2005
Equity	6 896	7 838	16 511
Turnover	39 622	38 058	41 489
Net profit, group share	(2 165)	1 696	2 513
Dividend / share (EUR)	0.71	0.80	1.00**

* French GAAPS.
** Subject to approval by the general meeting of shareholders.

LAFARGE, which operates in 75 countries, is a world leader in construction materials, particularly Cement, Aggregates & Concrete, Roofing and Plaster.

LAFARGE

www.lafarge.com

In 2005, the sustained growth of LAFARGE's activities continued. On most of its markets, the price rises enabled the group to absorb the significant increase in energy costs. The operating profit therefore increased in every branch, except for Roofing, whose activity was negatively affected by the particularly difficult climate of the German construction market.

LAFARGE has continued and intensified its investments in facilities or created new partnerships on emerging markets. The company has also consolidated and modernised its facilities in Western Europe and North America.

The volumes sold by the Cement branch mainly rose in the emerging countries, whose contribution to the operating profit now represents 47%, compared with 44% in 2004. Accordingly, the Cement branch's turnover grew by 12.3% to EUR 8,314 million in relation to 2004. The impact of the rise in selling prices (under the effect of the energy prices) is the main cause of this development, except in the cases of Brazil, South Korea and Malaysia, as with a constant perimeter, the volumes only increased by 2.2%. Volumes were therefore stable in Western Europe, rising by 1.1% in North America and 6.5% in the emerging countries.

The increase in the Aggregates & Concrete division's turnover (+ 13.3% to EUR 5 392 million) was also largely influenced by the repercussions of the rise in energy costs.

The Roofing branch's turnover (+1.4% to EUR 1 514 million), despite the high growth in turnover in the United States, in Europe remained under the effect of the continued weakness of the construction market in Germany, where the fall in volumes led to a bitter price war and to a decline in production capacities, leading to operating losses.

The Plaster division, whose turnover increased by 9.3% to EUR 1 479 million, was able to benefit from the buoyancy of the residential construction market in North America, where the price environment was also highly favourable. In Western Europe, volumes have been developing favourably, as well as prices, with the exception of Germany, whose construction sector was persistently sluggish.

Overall, the operating profit grew from 7.1% to EUR 2 357 million, following a positive exchange rate and perimeter effects of EUR 45 million and EUR 24 million respectively. With a constant perimeter and exchange rate, the operating profit was up 3.6%, while, on the same bases, the turnover grew by 8.2% to EUR 16.0 billion. The net operating profit, Group share, stood at EUR 1 096 million (+ 4.8%), in particular taking into account a reduction of the net financial expenses compensated for by an increase in income tax following a 2004 comparison basis that benefited from non-recurring tax reductions.

The profit per share stood at EUR 6.39, up 2.2% under the effect of the increase in the number of shares, mainly resulting from the shares issued in favour of the shareholders who opted for the stock dividend in June 2005. The distribution of a net dividend per share of EUR 2.55, up 6.3% compared with 2004, will be proposed at the General Meeting of Shareholders of 24 May 2006.

At the start of 2006, Bruno LAFONT, the new Managing Director of LAFARGE, presented his strategic plan aimed at developing and increasing the Group's technological edge, simplifying its organisation and reducing its costs, in order to improve the return on the capital invested and accelerate the growth of the net profit per share.

CONTRIBUTION TO:

	restricted consolidation		consolidation (transitive)	
	EUR Mio	%	EUR Mio	%
2005 operating profit	-	-	-	-
Adjusted net assets on 31.12.2005	-	-	52	1.0%

KEY CONSOLIDATED FIGURES (EUR MILLION)

	2003	2004	2005
Equity	8 185	7 782	9 758
Turnover	13 658	14 436	15 969
Net profit, group share	728	1 046	1 096
Dividend / share (EUR)	2.30	2.40	2.55*

* Subject to approval by the annual general meeting.

DIRECT SHAREHOLDINGS

CONSOLIDATED SHAREHOLDINGS

59 TRANSCOR

60 QUICK

61 UNIFEM / ENTREMONT ALLIANCE

62 DISTRIPAR

63 RASPAIL CHEVAL BLANC

64 CHÂTEAU RIEUSSEC

65 IJSBOERKE

OTHER SHAREHOLDINGS

55 TOTAL

The TRANSCOR Group distributes and trades in oil products, natural gas, coal and coke, thanks to rental of pipelining capacities, storage facilities and oil tankers. Since 2005, it is also active in the refining business. It operates on a worldwide basis, with offices in North America, Europe and Asia.

TRANSCOR

www.transcor.be

2005 was a very important year in the development of the TRANSCOR/ASTRA Group ; the beginning of the year saw the acquisition from Crown, for an amount of some USD 42.5 million, of the Pasadena (near Houston, Texas) refinery, with which a processing deal had been signed for most of the 2004 financial year.

The purpose of this acquisition was to benefit from the trading abilities of the ASTRA/TRANSCOR Group in order to boost the combined value of both activities, optimizing the valuation of real options. ASTRA successfully revamped the management structure of the PASADENA REFINING SYSTEM (PRS) operation and created a commercial group to support the business as well as interact with other ASTRA trading offices.

During the year 2005, increasing demand, political instability and severe weather propelled energy prices and refining margins to record highs; the precarious supply/demand balance that has existed in most markets maintained upward pressure on prices throughout the first half of the year and the arrival of hurricane season in North America resulted in major disruptions to offshore oil and gas production and significant damage to numerous US gulf coast refining facilities.

Under those circumstances and although Rita resulted in a brief shutdown of the Pasadena refinery, the acquisition of PRS, at the beginning 2005, happened to be an operational and financial success beyond any reasonable expectation: at the end of 2005, a partnership was negotiated with PETROBRAS, the brazilian state associated energy company, whereby the ASTRA Group will sell to its partner a 50% interest in the refinery (and the related trading activities) for a net present value of some USD 330 million payable in three installments (net profit group share of some USD 150-180 million depending on the effective tax rates). The deal should be closed during the second quarter of 2006. As part of the partnership, PETROBRAS will provide the technical expertise to upgrade the Pasadena refinery to process 70mbd of heavier marlim crude. After completion of the revamp project, the refinery will be fully EPA qualified and its competitive position will improve substantially.

In addition to the business associated with PRS, ASTRA OIL bought in 2006 100% of the capital of US OIL AND REFINING CO, owning a Tacoma (Washington state) based refinery. The refinery is a 38,000 b/d plant that was previously privately owned. it is a fully EPA qualified facility that has operated at high capacity rates for many years and has been historically profitable; the acquisition price, including inventory, amounts to some USD 200 million.

Both PRS and our basic trading businesses maintained a high level of profitability for 2005. in particular, our Zug trading operations and pacific basin shipping and trading activities had an excellent year. Zug concluded an agreement to process crude with an Egyptian state associated refinery and also successfully entered the gasoline blendstock business. The Dallas natural gas group once again proved to be capable of generating very good margins in an extremely volatile environment. The implementation of a revised organizational structure for the Brussels operations and this business turned in much improved 2005 results. The CALGARY office also continued its track record of good performance as well and initiated activities at several controlled blending terminals as an important part of its business.

The 2005 financial year was closed with a USD 63.9 million after taking into account a long-term management motivation scheme, which previously resulted in a dilution at shareholders' level. After correction for this, the results are up 83% vs 2004. Out of the 2005 profit, the PRS refinery and related trading business account for more than 40%.

2006 will present numerous challenges. Energy markets will remain unsettled as Iran, Iraq, Venezuela and West Africa all represent potential instability that could impact TRANSCOR businesses at anytime. A first major, planned turnaround took place at PRS in February/March 2006 and resulted in reduced activity. Over the course of the year, TRANSCOR/ASTRA will also have the challenge of integrating both the PETROBRAS partnership and the US OIL purchase with the expanding traditional business. In order to achieve this, the Group has decided to hire additional competencies in terms of risk management and Mergers & Acquisitions capabilities.

CONTRIBUTION TO :

	Restricted consolidation		Consolidated (transitive)	
	EUR Mio	%	EUR Mio	%
2005 operating profit	6.2	5.3%	63.9	26.2%
Adjusted net assets at 31/12/2005	200	4.1%	200	4.1%

KEY CONSOLIDATED FIGURES (EUR MILLION)

	2003	2004	2005
Equity	96.0	122.0	200.0
Turnover	4 595	6 239	8 603
Net profit, group share	23.5	42.3	63.9
Dividend	6.2	7.5	6.6

With 404 restaurants, 307 of which are franchised, QUICK is at the head of the fast food market in Belgium and is number 2 in France, where it generates 80 % of its sales.

QUICK

www.quick-restaurants.com

In a fast food market with a buoyant hamburger segment, QUICK has taken advantage of this positive trend and benefited from the efforts deployed in recent years to achieve a record-breaking year.

The company's sales grew by 5.3% in 2005 to EUR 760.5 million. Sales in France and Belgium increased, with a comparable perimeter, by 5.2% and 2.1% respectively, particularly under the effect of the launching of new products: large salad plates, rolls, "Good Soup" and "Zapples".

The gross recurring operating cash flow (EBITDA) rose by 20% to reach EUR 68.7 million, and the net profit, Group share, came to EUR 27.3 million, up 86% compared with the previous year.

In view of this performance, at the general meeting of shareholders, QUICK's board of directors will propose the distribution of a dividend of EUR 0.60 per share, up 20% compared with 2004.

2006 will see the redeployment and pursuing of the initiatives connected with responsible behaviour. QUICK will reinforce the actions included in its Taste and Nutrition Programme launched in 2004. From now on, each packaging unit will indicate the product's calories and its protein, fat, sugar and salt content, as well as the proportion of the daily nutritional requirements of consumers that they represent. With its daily nutritional guidelines, QUICK will give consumers the information they need to balance their daily food intake. For the second edition of Campus QUICK, 800 young people aged between 10 and 14 (400 in 2005), guided by former football and basketball international players and by nutritional advisors, will follow a training programme designed to improve their awareness of the importance of a balanced diet and regular exercise.

The financial year will see the resumption of sustained, controlled development. Between twelve and fifteen restaurant openings are planned in Belgium and France. Internationally, development will take place through franchises. QUICK wishes to establish itself in a number of countries in North Africa and the Middle East and is also exploring the possibility of launching operations in countries such as Russia and China.

The company will continue the efforts begun during the previous financial years with regard to the renovation of its restaurants, Research and Development, the diversification of its menus by offering new products and the constant reinforcing of its differentiating factor: Taste.

CONTRIBUTION TO :

	Restricted consolidation		Consolidated (transitive)	
	EUR Mio	%	EUR Mio	%
2005 operating profit	2.8	2.3%	7.9	3.3%
Adjusted net assets at 31/12/2005	127	2.6%	127	2.6%

KEY CONSOLIDATED FIGURES (EUR MILLION)

	2003	2004	2005
Equity	168.3	172.0	190.2
Turnover	483.4	468.3	455.5
Net profit, group share	11.9	15.0	27.3
Dividend per share (EUR)	0.10	0.50	0.60*

* Subject to the approval of the general meeting of shareholders.

ENTREMONT ALLIANCE is the leading European producer of hard cheese, with a full range that includes Emmental, Raclette cheese, Comté, Beaufort and Cheddar. Through its COFRANLAIT and EUROSERUM subsidiaries, it is one of the leading international producers of composite dairy products and demineralised serum intended for infant and dietetic foods.

UNIFEM/ENTREMONT ALLIANCE

www.entremont-alliance.fr

Within the general context of a reduction in the consumption of branded products, the plan for the relaunching of the ENTREMONT brand has contained the fall in sales, particularly thanks to the success of two of the range's flagship products: «Light» and «Dégustation». The development efforts will come to fruition in 2006 with the launching of new products such as functional and flavoured grated cheese, "Feuillantines" ultra-thin slices and "Apéricrème au Comté".

The end of 2005 was marked by the merging of GROUPE ENTREMONT with the dairy activities of the Breton cooperative UNICOPA, to create ENTREMONT ALLIANCE. This operation has several aims: consolidating the French Emmental offering, accessing an integrated Comté production facility, expanding the portfolio and optimising costs. This new entity will collect 1.7 billion litres of milk in France and sell 200 000 tons of cheese and 310 000 tons of industrial products, generating a turnover of EUR 1.7 billion and employing around 4 000 people.

This merger has resulted in UNICOPA acquiring 36.5% of FEM's (renamed UNIFEM) capital. This holding company owns 100% of the new operational entity's capital. UNICOPA will be entitled to increase its shareholding to 50%, thanks to a call option that may be exercised when certain profitability and indebtedness thresholds are reached. The latter also dictate the passing on of dividends from ENTREMONT ALLIANCE to UNIFEM, in order to strengthen the operational entity's financial bases. It is also in this spirit that, to make the alliance with UNICOPA possible, the NPM/CNP Group has invested an additional sum of around EUR 45 million to acquire the banking debts contracted by FEM on the acquisition of GROUPE ENTREMONT in 1999.

UNIFEM's consolidated profit stands at EUR 6.0 million for the financial year 2005.

Although it is predicted that the integration of UNICOPA's dairy branch will have a positive effect on the 2006 operating profit, its effect was negative, to the tune of EUR 0.6 million, in 2005. The net external financial indebtedness has also been affected by the creation of the new entity, as it has added around EUR 280 million to that of GROUPE ENTREMONT at the end of 2003. The bilateral credit lines have been replaced by a short- and medium-term syndicated loan equal to a total of EUR 300 million.

The 2006 results should benefit from the price agreement concluded in France within the «milk» sector, which, from 1st January 2006, introduced a differentiated price for milk intended for Consumer Products and for that intended for industrial products (butter-powder). The latter will be fixed according to international market quotations, which will hopefully put an end to the considerable losses generated by these products during the last four years.

CONTRIBUTION TO :

	Restricted consolidation		Consolidated (transitive)	
	EUR Mio	%	EUR Mio	%
2005 operating profit	0.2	0.2%	3.2	1.3%
Adjusted net assets at 31/12/2005	45	0.9%	45	0.9%

KEY CONSOLIDATED FIGURES (EUR MILLION)

UNIFEM	2003	2004	2005
Equity	1.1	(15.8)	72.2
Turnover	1 134.7	1 060.9	1 022.1
Net profit, group share	(7.6)	(39.9)	6.0
Dividend	-	-	-

DISTRIPAR operates airport shops through its subsidiary BELGIAN SKY SHOPS and holds an 80% shareholding in VANPARYS CHOCOLATIER, a producer / distributor of luxury chocolates. Since July 2005, DISTRIPAR has owned 100% of PLANET PARFUM, which is active in the selective distribution of perfumes and cosmetics. DISTRIPAR should also acquire 100% of the capital of CLUB, which distributes books and stationery items and owns the e-commerce website PROXIS.

DISTRIPAR

BELGIAN SKY SHOPS

BELGIAN SKY SHOPS' 2005 turnover was stable in relation to 2004. It was negatively affected by the fall in cigarette sales, by the additional security measures at Brussels airport, and finally, by the works that BELGIAN SKY SHOPS carried out in its shops during the first quarter in one of its terminals.

MACQUARIE, the airport's new operator since the end of 2004, has completely reviewed the layout of the Terminal's other shopping and non-shopping zones.

At BRUSSELS SOUTH CHARLEROI AIRPORT (1.9 million passengers in 2005, down 8% on 2004), BELGIAN SKY SHOPS saw its turnover fall by 11%.

PLANET PARFUM

The PLANET PARFUM shops cover the whole of Belgium and Luxembourg, with 67 sales outlets and a turnover standing at EUR 75 million for 2005, up 3.5% on 2004. DISTRIPAR took 100% control of the company in July 2005, by buying back the 50% previously held by the Cloquet family.

VANPARYS CHOCOLATIER

VANPARYS produces and distributes luxury own brand CORNÉ PORT-ROYAL chocolates through exclusive sales points in Belgium and France, and also through corner shops in major cities worldwide. After implementing an investment plan aimed at its production facilities in 2005 and after a change in Managing Director, in 2006 all efforts will be concentrated on commercial expansion.

CLUB

In February 2006, DISTRIPAR signed an agreement regarding its acquisition of 100% of CLUB's capital.

CLUB generates a turnover of around EUR 50 million in the book and stationery distribution sector, through a network of 26 sales points in Belgium and the e-commerce website PROXIS.

The transaction is subject to the approval of the Competition Council, expected by mid-April.

The Group's net profit benefited from the capital gain of EUR 5.6 million realised on the sale of the MARIONNAUD shares acquired in December 2004 and sold in March 2005.

CONTRIBUTION TO :

	Restricted consolidation		Consolidated (transitive)	
	EUR Mio	%	EUR Mio	%
2005 operating profit	0.3	0.2%	5.7	2.4%
Adjusted net assets at 31/12/2005	38	0.8%	38	0.8%

KEY CONSOLIDATED FIGURES (EUR MILLION)

	2003	2004	2005
Equity	8.6	14.8	25.3
Turnover	144.0	144.7	166.5
Net profit, group share	4.3	3.2	11.2
Dividend	-	-	n.a.

The CHEVAL BLANC vineyard consists of around 37 hectares of vines in the Saint-Emilion appellation. In addition to CHEVAL BLANC, a Saint-Emilion Premier Grand Cru Classé A, the estate produces a second wine known as PETIT CHEVAL.

RASPAIL / CHEVAL BLANC

www.chateau-chevalblanc.com

The current shareholders purchased the estate at the end of 1998 and are naturally continuing the high-quality wine growing and production methods put in place by the founders of the estate, the Fourcaud-Laussac family. Their ambition is to sustain and develop their philosophy. In this context, they deemed it prudent to hold back a certain quantity when selling their wines, in order to provide the château with a stock of previous vintages to compensate for any lack of production in years when the wine produced does not meet the high quality standards set by the estate.

Spring 2005 saw the "primeur" sale of the wines from the 2004 vintage marked by favourable climatic conditions and satisfactory yields: 100 000 bottles of the first wine and 45 000 bottles of the second wine were produced. The property sold 89% of the first wine and 77% of the second at the prices of EUR 120 and EUR 30 respectively.

In 2005, the grape harvest took place in ideal climatic conditions; dryness and warm, but not excessively high, temperatures, characterised the 2005 vintage. When combined with the CHEVAL BLANC "grand terroir", this produced small, highly concentrated grapes of a perfect maturity.

This vintage should be put on sale in spring 2006, in a favourable context.

From an accounting viewpoint, the financial year 2005 saw the generating of a turnover of around EUR 15 million, split between the delivery of the 2003 primeur wines (67%) and the sale of previous vintages (33%).

CHÂTEAU CHEVAL BLANC is jointly held by the NPM/CNP group and GROUPE ARNAULT through a structure which calls on bank loans for EUR 50 million at the level of RASPAIL INVESTISSEMENTS.

The net profit stands at EUR 3.7 million, in particular affected by the fixing of the interest rate (3.43%), for five years, of its bank financing.

CONTRIBUTION TO :

	Restricted consolidation		Consolidated (transitive)	
	EUR Mio	%	EUR Mio	%
2005 operating profit	0.9	0.7%	2.7	1.1%
Adjusted net assets at 31/12/2005	34	0.7%	34	0.7%

KEY CONSOLIDATED FIGURES (EUR MILLION)

	2003	2004	2005
Equity	10.2	14.1	17.8
Turnover	12.4	14.2	15.1
Net profit, group share	3.1	3.9	3.7
Dividend	-	-	-

CHÂTEAU RIEUSSEC is jointly owned by NPM/CNP and DOMAINES BARONS DE ROTHSCHILD (LAFITE); the Company operates the RIEUSSEC vineyard, which produces a Sauternes Premier Grand Cru. It also fully owns CHÂTEAU L'EVANGILE (Pomerol) and 55 % of QUINTA DO CARMO, one of the leading Portuguese vineyards.

CHÂTEAU RIEUSSEC

CHÂTEAU RIEUSSEC produces the famous Premier Grand Cru Classé of the same name and a second wine, CARMES DE RIEUSSEC, on its 90 hectare vineyard in the Sauternes appellation. The "primeur" campaign of spring 2005, relating to the sale of the 2004 vintage, was not as dynamic as that of the previous year, which benefited from an exceptional quality. The volume sold was significantly less (61 400 bottles of the first wine and 88 000 bottles of the second) compared with the previous year, which saw a high production volume. The EUR 21 "primeur" price of the Grand Vin was lower than for the previous vintage (EUR 22). The 2005 vintage will more closely resemble that of 2003, both in its very high quality and in the yield obtained, which was at its highest for the Sauternes appellation.

CHÂTEAU L'ÉVANGILE, which has a 13 hectare vineyard in the Pomerol appellation, produces a first wine, L'ÉVANGILE, and a second wine under the name of BLASON DE L'ÉVANGILE. The 2003 L'ÉVANGILE vintage was sold en primeur in spring 2005 at a price of EUR 45 (down 33%) in considerably higher volumes (+ 62%). The 2005 harvest produced a slightly lower quantity of wine than normal (38 hl/ha) of a very high quality.

QUINTA DO CARMO's 150 hectare vineyard has felt the effects of international competition, and in particular the weakness of the dollar, despite its unanimously acknowledged high quality.

CHÂTEAU RIEUSSEC's consolidated net profit stood at EUR 1.3 million in 2004 (compared with EUR 2.4 million a year earlier); this includes the recording in the accounts of sales of the RIEUSSEC 2002 and L'ÉVANGILE 2003 vintages.

CONTRIBUTION TO :

	Restricted consolidation		Consolidated (transitive)	
	EUR Mio	%	EUR Mio	%
2005 operating profit	0.8	0.7%	0.8	0.3%
Adjusted net assets at 31/12/2005	22	0.5%	22	0.5%

KEY CONSOLIDATED FIGURES (EUR MILLION)

	2003	2004	2005
Equity	38.7	39.7	39.6
Turnover	4.5	8.3	5.5
Net profit, group share	1.4	2.4	1.3
Dividend	1.4	1.4	n.a.

IJSBOERKE is the leading Belgian ice cream brand and is the leader or challenger in all Belgium's sales channels. At European level, it is increasingly establishing itself as a preferred partner for the development and production of sophisticated and innovative products, developed specifically for its customers.

IJSBOERKE

www.ijsboerke.be

IJSBOERKE's activities include:

- the production of own brands IJSBOERKE and MIO, and third-party brand, ice cream;
- homes sales of its products using 130 vans that operate daily throughout Belgium and Luxembourg, making deliveries to private individuals (175 000 families), hotels, restaurants and catering companies and local authorities (7 000 establishments).

Notwithstanding meteorological conditions that were scarcely more favourable than those in 2004, the turnover grew by 5% with a constant perimeter and exceeded the EUR 50 million bar for the first time. This performance is mainly the result of the growth of sales in the Belgian supermarket distribution sector, in which IJSBOERKE succeeded in increasing its market share, despite the competition from its main competitor, for the third consecutive year.

In July 2005, IJSBOERKE bought the company that produces MIO ice cream, with the aim of optimising its production tools and developing a flagship brand for export. A restructuring plan has been implemented to allow the company acquired to once more achieve a break-even operating profit from 2007. For 2006, this acquisition will have a negative effect on the Group's results.

At industrial level, a new "deco cups" production line was set up to meet customers' demands and follow new market trends. This investment amounted to some EUR 3 million.

The recurring consolidated operating profit reached EUR 2.8 million, up 21%. The net profit came to EUR 3.1 million.

In 2006, IJSBOERKE will be concentrating on internal growth and the integrating and restructuring of its 2005 acquisition; a new external growth operation cannot, however, be ruled out, should an interesting opportunity arise.

CONTRIBUTION TO :

	Restricted consolidation		Consolidated (transitive)	
	EUR Mio	%	EUR Mio	%
2005 operating profit	1.5	1.2%	2.3	1.2%
Adjusted net assets at 31/12/2005	18	0.4%	18	0.4%

KEY CONSOLIDATED FIGURES (EUR MILLION)

	2003	2004	2005
Equity	22.6	17.1	18.4
Turnover	47.6	49.1	54.7
Net profit, group share	2.9	2.3	3.1
Dividend	0.6	1.5	n.d.

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CONSOLIDATED INCOME STATEMENT

For the year ended 31 December

,000 EUR	**Note**	**2004**	**2005**
Revenue	2	9,126,884	11,534,793
Other operating income	4	87,522	125,467
Changes in inventories		51,900	298,600
Raw materials, goods for resale and consumables used		(7,696,785)	(10,102,979)
Staff costs	5	(546,368)	(619,743)
Depreciation expenses		(119,706)	(132,140)
Amortization expenses		(6,412)	(7,269)
Gains/losses and impairments on shareholdings and activities	8	2,359	(1,200)
Other operating expenses	4	(600,367)	(726,210)
Results of operating activities		**299,027**	**369,319**
Dividends and interests from long-term investments	10	173,844	145,674
Dividends from current assets held for trading		2,060	4,350
Interest income from current assets		25,931	41,811
Interest expenses		(67,263)	(77,786)
Gains/(losses) on trading activities (including derivatives)		8,655	28,542
Other financial income/(expenses)	7	3,853	(6,810)
Net finance income/(expenses)		**147,080**	**135,780**
Profit/(loss) from operations after net finance income/(expenses)		**446,107**	**505,099**
Income tax	12	(80,193)	(91,676)
Income from associates	18	119,418	101,658
Net profit/(loss) from continuing operations		**485,332**	**515,080**
Net profit/(loss) from discontinued operations	40	87,150	320,598
Net profit/(loss) for the period		**572,482**	**835,678**
attributable to minority interests		273,725	235,029
attributable to shareholders of NPM/CNP (Group share)		**298,757**	**600,649**
Weighted average number of ordinary shares (,000 shares)		18,188	18,163
Diluted weighted average number of ordinary shares (,000 shares)		18,316	18,482
Basic earnings per share (EUR/share)		**16.43**	**33.07**
from continuing operations	33	11.82	15.43
from discontinued operations	33	4.61	17.64
Diluted earnings per share (EUR/share)		**16.31**	**32.50**
from continuing operations	33	11.74	15.17
from discontinued operations	33	4.57	17.33

The figures presented in the income statement for 2004 differ from those published last year. The difference in the presentation relates to the classification of PROJECT SLOANE / JOSEPH and TAITTINGER / LOUVRE under discontinued operations in 2004 as required by IFRS 5.

As at 31 December

,000 EUR	Note	2004	2005
ASSETS			
Non-current assets		**6,656,712**	**8,298,004**
Intangible assets	13, 14	114,219	127,701
Goodwill	15	514,290	481,845
Property, plant and equipment	16	1,068,102	1,338,081
Investment property		0	1,706
Investments in associates	17	1,134,259	959,330
Long-term advances		264	81
Available-for-sale investments	18	3,745,299	5,316,335
Deferred tax assets	12	55,323	49,429
Other non-current assets	19	24,956	23,496
Current assets		**2,565,171**	**4,314,619**
Inventories	20	543,036	967,395
Trade and notes receivable	21	767,983	928,786
Short-term interest bearing advances	22	112,609	133,148
Financial assets held for trading	18	169,899	151,309
Cash and cash equivalents	23	804,463	1,896,609
Assets classified as held for sale and discontinued operations		0	0
Other current assets	24	167,181	237,371
TOTAL ASSETS		**9,221,883**	**12,612,623**

,000 EUR		2004	2005
EQUITY AND LIABILITIES			
Total equity		**6,541,947**	**8,552,769**
Shareholders' equity		**3,438,393**	**4,650,004**
Share capital	25	126,500	126,500
Share premium		1,052,870	1,052,870
Treasury shares (-)		(182,070)	(70,897)
Revaluation reserve (available-for-sale investments)		687,997	1,316,076
Hedging reserve		(3,224)	(1,598)
Translation reserve		(21,593)	17,315
Accumulated profit		1,777,913	2,209,738
Other reserves		0	0
Minority shareholders' equity		**3,103,554**	**3,902,765**
Non-current liabilities		**1,138,071**	**1,832,679**
Provisions	26	106,674	112,196
Employee retirement and post-employment benefit obligations	27	96,649	118,172
Deferred tax liabilities	12	75,991	104,961
Obligations under finance lease	28	25,520	26,929
Other long-term interest bearing borrowings	29	817,521	1,432,369
Other non-current liabilities		15,716	38,052
Current liabilities		**1,541,865**	**2,227,175**
Provisions	26	21,646	24,027
Trade and notes payable		717,077	964,538
Income taxes payable and accrued		48,429	51,921
Current portion of obligations under finance lease	28	3,278	6,352
Current portion of long-term borrowings, short-term borrowings and overdrafts	29	496,042	868,710
Other financial liabilities	30	39,609	33,450
Liabilities classified as held for sale and discontinued operations		0	0
Other current liabilities	31	215,784	278,176
TOTAL EQUITY AND LIABILITIES		**9,221,883**	**12,612,623**

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December

,000 EUR	**2004**	**2005**
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit from continuing operations before income taxes and minority	**565,525**	**606,757**
Adjustments for:		
(Income from associates)	(119,418)	(101,658)
Dividends received from associates	25,456	31,424
(Gain)/loss on disposal of property, plant and equipment	(4,425)	4,855
(Gain)/loss on disposal of intangible assets	401	(3,547)
(Gain)/loss on disposal of available-for-sale investments	(14,892)	(32,028)
(Gain)/loss on disposal of subsidiaries	(10,382)	(41,865)
Depreciation, amortization and impairments	162,851	226,011
Miscellaneous profit and loss elements without any cash effect	3,301	1,593
(Interest income)	(24,376)	(33,928)
Interest expense	66,467	74,641
Operating cash flows from continuing operations before working capital changes	**650,508**	**732,255**
Changes in working capital		
Decrease/(increase) in other non-current assets	6,956	(3,100)
Decrease/(increase) in inventories	(51,013)	(335,009)
Decrease/(increase) in trade and notes receivable	(115,763)	(12,182)
Decrease/(increase) in interest bearing advances	(3,259)	(61,257)
Decrease/(increase) in financial assets held for trading	(66,666)	4,840
Decrease/(increase) in other current assets	22,317	(74,145)
Increase/(decrease) in employee retirement and post-employment benefit obligations	(609)	2,059
Increase/(decrease) in provisions	(42,781)	(7,423)
Increase/(decrease) in other non-current liabilities	(487)	20,864
Increase/(decrease) in trade and notes payable	160,940	138,918
Increase/(decrease) in other current liabilities	42,145	32,337
Cash provided by operations	**602,288**	**438,157**
Income taxes received/(paid)	(97,358)	(77,811)
Operating cash flows from continuing operations	**504,930**	**360,346**
Operating cash flows from discontinued operations	**24,379**	**12,083**

,000 EUR		
CASH FLOWS FROM INVESTING ACTIVITIES		
(Acquisition)/disposal of subsidiaries, net of cash	(17,369)	(165,082)
(Acquisition)/disposal of investment in an associates	(413)	38,658
(Acquisition)/disposal of intangible assets (including patents and trade marks)	(2,602)	(5,039)
(Acquisition)/disposal of tangible assets	(135,767)	(174,170)
(Acquisition)/disposal of available-for-sale investments	23,228	(319,073)
Investment grants received and others	2,025	(142)
Investing cash flows from continuing operations	**(130,898)**	**(624,848)**
Investing cash flows from discontinued operations	**98,982**	**606,921**

For the year ended 31 December

,000 EUR	2004	2005
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of NPM/CNP shares or stock options	2,820	0
Proceeds from capital increases by minority shareholders	13,951	12,245
Sale of treasury shares	0	1,774
Proceeds from non current financial borrowings	164,442	853,453
Proceeds from current financial borrowings	15,440	84,284
Proceeds from shareholders' advances	0	0
Proceeds from minority shareholders' advances	745	3,745
Interests received	25,539	42,893
(Interests paid)	(75,321)	(83,480)
(Acquisition of treasury shares)	(5,260)	0
(Dividends paid by the parent company to its shareholders)	(61,933)	(64,808)
(Dividends paid to minority shareholders)	(85,221)	(91,900)
(Repayment of non current borrowings, finance lease (including current portion)	(268,994)	(252,696)
(Repayment of current borrowings)	(36,902)	232,436
(Repayment of other current financial liabilities)	(80,859)	(11,836)
(Repayment of minority shareholders' advances)	0	(2,329)
Financing cash flows from continuing activities	**(391,553)**	**723,781**
Net effect of currency translation on cash and cash equivalents	(10,421)	13,863
Net change in cash and cash equivalents	**95,419**	**1,092,146**
Cash and cash equivalents at beginning of year	**709,044**	**804,463**
Cash and cash equivalents at end of year	**804,463**	**1,896,609**

STATEMENT OF CHANGES IN EQUITY

,000 EUR	Share capital and premium	Treasury shares (-)	Revaluation and hedging reserve	Translation reserve	Accumulated profit	**Total NPM/CNP shareholders**	Minority interest	**Total equity**
At 31 December 2003	**1,179,370**	**(176,810)**	**487,995**	**(9,545)**	**1,533,902**	**3,014,912**	**2,748,151**	**5,763,063**
Change in fair value	0	0	196,327	0	0	196,327	188,751	385,078
Others	0	0	451	(12,048)	0	(11,597)	(21,852)	(33,449)
Elements of expenses and income directly booked in the equity	*0*	*0*	*196,778*	*(12,048)*	*0*	*184,730*	*166,899*	*351,629*
Net profit for the year	0	0	0	0	298,757	298,757	273,725	572,482
Share-based payment	0	0	0	0	7,187	7,187	0	7,187
Total of expenses and income for the period	*0*	*0*	*0*	*0*	*305,944*	*305,944*	*273,725*	*579,669*
Dividend paid	0	0	0	0	(61,933)	(61,933)	(85,221)	(147,154)
Movements on treasury shares	0	(5,260)	0	0	0	(5,260)	0	(5,260)
Total of movements	*0*	*(5,260)*	*196,778*	*(12,048)*	*244,011*	*423,481*	*355,403*	*778,884*
At 31 December 2004	**1,179,370**	**(182,070)**	**684,773**	**(21,593)**	**1,777,913**	**3,438,393**	**3,103,554**	**6,541,947**
Change in fair value	0	0	629,705	0	0	629,705	591,793	1,221,498
Others	0	0	0	38,908	(265)	38,643	64,289	102,932
Elements of expenses and income directly booked in the equity	*0*	*0*	*629,705*	*38,908*	*(265)*	*668,348*	*656,082*	*1,324,430*
Net profit for the year	0	0	0	0	600,649	600,649	235,029	835,678
Share-based payment	0	0	0	0	5,337	5,337	0	5,337
Total of expenses and income for the period	0	0	0	0	605,986	605,986	235,029	841,015
Dividend paid	0	0	0	0	(64,808)	(64,808)	(91,900)	(156,708)
Movements on treasury shares	0	111,173	0	0	(109,088)	2,085	0	2,085
Total of movements	*0*	*111,173*	*629,705*	*38,908*	*431,825*	*1,211,611*	*799,211*	*2,010,822*
At 31 December 2005	**1,179,370**	**(70,897)**	**1,314,478**	**17,315**	**2,209,738**	**4,650,004**	**3,902,765**	**8,552,769**

Deloitte.

Reviseurs d'Entreprises
Berkenlaan 8B
B-1831 Diegem
Belgium

Tel: +32 2 800 20 00
Fax: +32 2 800 20 01
http://www.deloitte.be

COMPAGNIE NATIONALE A PORTEFEUILLE SA

STATUTORY AUDITOR'S REPORT TO THE SHAREHOLDERS' MEETING ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

To the Shareholders

As required by law and the company's articles of association, we are pleased to report to you on the audit assignment which you have entrusted to us.

We have audited the accompanying consolidated financial statements of Compagnie Nationale à Portefeuille SA ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium. Those consolidated financial statements comprise the consolidated balance sheet as at 31 December 2005, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated balance sheet shows total assets of EUR 12,612,623 (000) and a consolidated profit for the year (group share) then ended of EUR 600,649 (000). We have also performed those specific additional audit procedures required by the Companies Code.

The Board of Directors of the company is responsible for the preparation of the consolidated financial statements and the directors'report on the consolidated financial statements, for the assessment of the information that should be included in the directors'report on the consolidated financial statements, and for the company's compliance with the requirements of the Companies Code and the articles of association.

Our audit of the consolidated financial statements was conducted in accordance with legal requirements and auditing standards applicable in Belgium, as issued by the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren".

The financial statements of several significant entities included in the scope of have been audited by other auditors. Our opinion on the accompanying consolidated financial statements, insofar as it relates to the amounts contributed by those entities, is based solely upon the reports of those other auditors.

Unqualified audit opinion on the consolidated financial statements

The forementioned auditing standards require that we plan and perform our audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

Member of
Deloitte Touche Tohmatsu

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COMPAGNIE NATIONALE A PORTEFEUILLE SA

In accordance with these standards, we considered the group's administrative and accounting organization as well as its internal control processes. We have obtained the explanations and information required for our audit. We have examined, on a test basis, the evidence supporting the amounts in the consolidated financial statements. We have assessed the basis of the accounting methods used, the consolidation policies and significant estimates made by management as well as evaluating the presentation of the consolidated financial statements taken as a whole. We believe that our audit, together with the reports of other auditors on which we have relied, provides a reasonable basis for our opinion.

In our opinion, and based, to the extent necessary upon the reports of other auditors, the consolidated financial statements give a true and fair view of the group's financial position as of 31 December 2005, and of its results and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the EU and with the legal and regulatory requirements applicable in Belgium.

Additional attestations

We supplement our report with the following attestations which do not modify our audit opinion on the consolidated financial statements:

- The directors'report on the consolidated financial statements includes the information required by law and is in agreement with the consolidated financial statements. However, we are unable to express an opinion on the description of the principle risks and uncertainties confronting the group, or on the status, future evolution, or significant influence of certain factors on its future development. We can, nevertheless, confirm that the information given is not in obvious contradiction with any information obtained in the context of our appointment.

31 March 2006

The Statutory Auditor

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

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COMPAGNIE NATIONALE A PORTEFEUILLE S.A. / NATIONALE PORTEFEUILLEMAATSCHAPPIJ N.V. (“the Company”) is a holding company incorporated in Belgium. The consolidated financial statements of the Company for the financial years ended 31 December 2004 and 31 December 2005 include those of the Company, of its subsidiaries (fully consolidated) of joint ventures (proportionally consolidated), together referred to as the Group, as well as the Group’s interests in associates. The consolidated financial statements were authorized for release by the Board of Directors on 30 March 2006.

Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS (“International Financial Reporting Standards”) as approved by the European Union.

NPM/CNP adopted IFRS for the first time in 2004. In this context, the Group opted for the early application as from 1st January 2003 (transition date) of the following standards:

- The 15 IAS (International Accounting Standards) revised in December 2003,
- IFRS 2 – Share-based Payments,
- IFRS 3 – Business Combinations and, consequently the revised versions of IAS 36 - Impairment of Assets and IAS 38 - Intangible Assets,
- IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations

The Group anticipated the application of IFRS 6 - *Exploration for and Evaluation of Mineral Resources*, effective on 1 January 2006. The accounting principles changes linked to the adoption of this standard are detailed in the section on “mineral resources” hereafter. The Group also opted for the early application of IFRIC 4 – *Determining whether an arrangement contains a lease*.

The Group did not anticipate the application of the following standards and interpretations effective after 31 December 2005 and issued before the release of the consolidated financial statements:

- IFRS 7 – *Financial instruments : disclosures*
- IFRIC 5 – *Right to interests arising from Decommissioning, Restoration and environmental Rehabilitation funds*
- IFRIC 6 – *Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment*
- IFRIC 7 – *Application of the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies*
- IFRIC 8 – *Scope of IFRS 2*
- IFRIC 9 – *Reassessment of Embedded Derivatives.*

IFRS 7, which will be effective on 1 January 2007, will involve changes in the presentation of the notes related to financial instruments. The Company has not decided yet whether it would opt for the recognition of actuarial differences directly in equity according to the modification of the IAS 19 – Employee Benefits, which will be effective from 2006.

The adoption of the above standards and interpretations should not have any significant influence on the consolidated financial statements.

Basis of preparation

The objective of the consolidated financial statements is to give a fair view of the financial situation, the financial performance and the cash flows of the Group. They are prepared on a going-concern basis. Their presentation is identical from year to year to ensure comparability, and is only modified to meet the provisions of a new standard or interpretation, or to give more reliable or more relevant information. Elements with the same nature or function are presented under the same caption line by line according to the relative significance principle. Assets and liabilities on the one hand and revenue and expenses on the other hand, are only offset if required by a standard or an interpretation. Assets and liabilities are disclosed per ascending liquidity and maturity degree distinguishing non-current from current elements based upon the fact that their realization or maturity date is expected to take place after or before the end of a twelve month period following the closing date of the financial statements.

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

The accounting policies have been applied in a comparable and consistent manner throughout the Group. The consolidated financial statements are prepared as of and for the periods ending 31 December 2004 and 31 December 2005 and they are presented before the profit appropriation of the parent company proposed to the annual general meeting of shareholders.

NOTE 1 - ACCOUNTING PRINCIPLES AND METHODS

Accounting Policies, Changes in Accounting Estimates and Errors

A change in the accounting policies is only applied to meet the requirements of a standard or an interpretation, or if it gives a more reliable or more relevant information. Changes in accounting policies are recognized retrospectively, except in case of specific transitional provision stated in a standard or an interpretation. The financial statements impacted by accounting policies changes are modified for disclosed previous financial years, as if the new policy had always been applied. When an error is detected, it is also retrospectively adjusted.
Uncertainties inherent to the activities of the Group require estimates to be made when preparing the financial statements. These estimates result from judgements aiming at providing a true and fair view based upon available and reliable information. An estimate is revised to reflect changes in circumstances, new information available and effects linked to experience.

Events after the balance sheet date

Events occurring between the financial statements closing date and the authorisation for release by the Board of Directors only give rise to an adjustment when they reveal, specify or confirm existing situations prevailing at the financial statements closing date.

Consolidation principles

The consolidated financial statements include those of all entities that are controlled, jointly controlled and significantly influenced by the Group. Intercompany transactions, balances, gains and losses have been eliminated.

(1) Subsidiaries

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

(2) Interests in joint ventures

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

(3) Associates

An associate is an entity over which the Group has significant influence, through participation in the financial and operating policy decisions of the investee, but which is not a subsidiary, nor a joint venture. This is generally evidenced by ownership of 20% or more but less than 50% of the voting rights. Investments in associates are accounted for using the equity method from the date that significant influence commences until the date that significant influence ceases. The carrying amount of such investments is reduced to recognize any decline in the value of individual investments.

A list of the company's significant subsidiaries, joint ventures and associates is set out in note 43.

Goodwill

(1) Goodwill

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

(2) Negative goodwill

Negative goodwill represents the excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities at the date of acquisition over the acquisition cost.

A negative goodwill is immediately stated in the income statement when it subsists after re-examining and re-estimating the values.

Foreign currencies

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

The following exchange rates have been used for the conversion of the financial statements of the consolidated entities :

1 euro is equal to :	Closing exchange rate for the year		Average exchange rate for the year	
	2004	2005	2004	2005
USD	1,3621	1,1797	1,2439	1,2441
CHF	1,5429	1,5561	1,5438	1,5482
GBP	0,7050	0,6853	0,6787	0,6838

Intangible assets

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

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

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

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

The estimated useful lives are as follows:

Softwares	1 - 5 years
Patents, licences and concessions	5 - 20 years
Other intangible assets with a finite useful life	1 - 20 years

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

Mineral resources

After obtaining exploration rights in a geographical area, the exploration costs mainly made of research of new knowledge on mining potential, the technical feasibility and the commercial viability of the area are expensed when incurred. The extraction rights are recognized as intangible assets. They are valuated at acquisition cost reduced by the depreciation and impairment losses. The costs of these rights are depreciated based upon extracted quantities.

The mining reserves are recognized in the balance sheet as property, plant and equipment. They are initially evaluated at cost excluding the subsoil, and increased by drilling costs incurred to broaden the knowledge and geological reliability of the explored site.

The pre-production operations aimed at securing access to the deposit are also considered as property, plant and equipment. Their initial valuation integrates the production cost and the present value of the rehabilitation obligation when a present obligation exists. The mining assets are further evaluated at their cost reduced by a depreciation calculated on the extracted quantities. The subsoil is not depreciated.
The intangible and tangible mining resources are allocated to cash-generating units like the other assets of the Group, and are submitted to impairment tests.

IMERYS proceeded with the early application of IFRS 6 as from the 2005 financial year, which does not have any significant consequences for the consolidated financial statements of the Group.

Property, plant and equipment

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

The estimated useful lives are as follows:

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

Land is not depreciated as its useful life is infinite.

Biological assets

With regard to the vineyards owned by the NPM/CNP group, their value resides in the soil (subject to a controlled appellation and a classification) and not in the biological assets – the vines. Due to the absence of an organized market, vines are valuated against cost (acquisition price and costs linked to the plantation) and depreciated against their useful life. When determining the fair value of the assets of vineyards purchased, the surplus between the price paid and the value of the net assets of the acquired entities have been totally allocated to the soil.

Investment property

An investment property is a property (land, building, part of a building or both) held to collect rents, to benefit from its increase of value or both and not to produce goods, provide services or sell it in the ordinary course of business.

An investment property is recognized as an asset if and only if it is likely that the future economic benefits of the investment property will be attributed to the entity and if the cost of the investment property can be evaluated in a reliable manner. An investment property is evaluated against acquisition price and the transaction costs are included in the acquisition price.

Leases

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

Impairment

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

In addition, the Group reviews, at each balance sheet date, the carrying amounts of its investments in associates, tangible and intangible assets with finite useful lives to determine whether there is an indication that those assets may be impaired.

If any such indication exists, the recoverable amount of the asset (or the cash-generating unit – CGU – to which it is allocated) is estimated and compared with its carrying amount, and, if such is the case, an impairment loss is recognized for the surplus. The recoverable amount is the higher of fair value less costs to sell and its value in use. The value in use is the present value of expected future cash flows associated with the asset or a CGU. An impairment loss is immediately recognized as a loss.

When this impairment loss recognized in the previous years no longer exists, the carrying amount is entirely or partially reversed; a reversal of an impairment loss is recognized as income immediately. An impairment loss on goodwill shall never be reversed.

Investments in securities

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

- **Available-for-sale securities:** available-for-sale securities are measured at subsequent reporting dates at fair value. The changes in fair value are directly recognized in equity except for impairment losses, which are recognized in the income statement. The cumulated gain or loss initially booked in the equity (revaluation reserve) is reversed and stated in the income statement when the asset is disposed.
- **Held-to-maturity investments:** at subsequent reporting dates, investments that the Group has the positive intention and ability to hold to maturity (held-to-maturity instruments) are measured at amortized cost, less any impairment loss recognized to reflect irrecoverable amounts.

  Any discount or premium on the acquisition of a held-to-maturity security is amortized over the term of the instrument so that the revenue recognized in each period represents a constant yield on the investment.
- **Held for trading securities:** held for trading securities are measured at subsequent reporting dates at fair value. The changes in fair value are recognized in the income statement in the period in which they occur.

Inventories

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

Trade receivables

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

Cash and cash equivalents

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

Share capital

(1) Costs of issuing equity instruments

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

(2) Treasury shares

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

(3) Dividends

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

Bank borrowings

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

Convertible and exchangeable loan notes

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

Trade payables

Trade payables are stated at their nominal value.

Derivative financial instruments

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

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

(1) Cash flow hedges

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

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

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

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

(2) Fair value hedges

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

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

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

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

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

(4) Derivative financial instruments not qualifying as hedging instruments

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

Government grants

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

Provisions

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

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

The amount recognized under provisions are the best available estimate of the expenses necessary to settle the present obligation at the closing date.

Post-employment benefits

(1) Defined contribution plans

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

(2) Defined benefit plans

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

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

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

Share-based payments

The fair value of stock options granted to employees is expensed against equity over the vesting period (if any) based on the best available estimate of the number of options expected to vest. That estimate is revised at each balance sheet date.
The fair value of each stock option granted to employees is measured at grant date based on Black & Scholes model. In case the terms and the conditions, on which the equity instruments are granted, are modified, the incremental fair value of stock options is expensed over the remaining vesting period (if any).

Revenue recognition

Disposals of assets are recognized when risks and rewards inherent to the ownership have been transferred to the buyer. In case of goods delivery, it is generally the case when goods are delivered and title has passed. Interest income is accrued on a time basis using the effective interest rate method. Dividend income from investments is recognized when the shareholders' rights to receive payment have been established.

Borrowing costs

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

Taxation

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

Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction which affects neither the tax profit nor the accounting profit.
Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.
Deferred tax is calculated at the tax rates that are substantially enacted and expected to apply to the period when the asset is realized or the liability is settled. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.
Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle on a net basis.

Non-current assets held for the sale and discontinued operations

Non current assets, group of assets and liabilities are qualified as assets held for sale when it is more than likely that at closing date these liabilities will be disposed of. Their disposal is considered as more than likely when at closing date, a plan to sell them for a reasonable price in relation to their fair value and to find a buyer and to realize the disposal within one year, has been initiated. The non-current assets held for sale (and the groups for disposals), are evaluated at the lowest between their carrying amount and their fair value reduced by the costs of the disposal. These are separately presented on the face of the balance sheet.

A discontinued operation is a component of an entity that either has been disposed of, or that is held for sale. It represents an activity line or a major and separate geographical area of operations; it is part of an organized process to dispose of an activity line or a major line of business or geographical area of operations, or it is a subsidiary acquired exclusively with a view to resale. A component of an entity means operations and cash-flows that can be clearly distinguished, operationally and for financial reporting purposes from the rest of the entity. The discontinued operations are stated separately in the income statement.

Business combinations

When the Group acquires an entity or a company, the assets, the liabilities and the identifiable contingent liabilities of the acquired company are recognized at fair value. The positive difference between the cost of the business combination and the Group's interests in the net fair value of the assets, the liabilities and the identifiable contingent liabilities, is recognized as goodwill. When this difference is negative, it is immediately recognized in the income statement.

The interests of the minority shareholders reflect their share in the fair value of the assets, the liabilities and the identifiable contingent liabilities.

Goodwill is considered as an asset and is subject to an impairment test at least once a year. The impairments on goodwill are recognized in the income statement immediately and are not reversed afterwards.

When a subsidiary, an affiliate or a joint venture is disposed, the goodwill is included in the disposal result.

The increase or the decrease in the percentage of interests of a subsidiary does not qualify for a business combination but is assimilated to a transaction with minority interests and is directly booked in the equity.

Segment reporting

The NPM/CNP group is a non-integrated holding company; it owns shareholdings which do not have significant commercial and industrial relationships between each other. Those shareholdings are acquired, managed and disposed of with the objective of maximizing shareholders' value. In this respect, the management philosophy of the Group is based on individual assessment of each shareholding, regardless of its sector of activity. Consequently, as far as segment reporting is concerned, primary segment reporting format is based upon businesses, each significant shareholding being considered as a segment. The activities of the holding companies jointly controlled and managed directly by NPM/CNP have been presented separately as one specific segment (restricted consolidation perimeter). Secondary segment reporting format is based upon geographical location.
Segment reporting as described here above is presented in note 2.

Critical accounting judgements and key sources of estimation uncertainty

The deferred tax assets are only recognized provided it is likely that they will offset a tax payment in the future.

Tangible and intangible assets with a definite useful life are depreciated using the straight line method based on the estimated useful life of the asset.

In order to perform impairment tests on assets, the recoverable value of an asset (or a cash-generating unit - CGU - to which it is linked) is estimated on the basis of the present value of the future cash flows generated by the asset or by the CGU.

As far as provisions are concerned, the amount recognized corresponds to the best estimate of the expense necessary to settle the present obligation (legally or constructive) on the closing date.

NOTE 2 – SEGMENT REPORTING

Segment reporting information is presented in two ways:

- the primary segment reporting is a presentation per business segment, each major significant consolidated shareholding being considered as an entity or stand-alone subgroup.
- the secondary segment reporting is organized per geographical area (location of the Group's activities and customers' geographical location).

1. Financial information per business segment

The table below presents the costs incurred during the period to acquire segment assets (property, plant and equipment and intangible assets). These costs include the acquisitions of property, plant and equipment and intangible assets, as well as the acquisitions through business combinations.

	2004		2005	
,000 EUR	**Costs**	**%**	**Costs**	**%**
PARGESA GROUP	104,260	62.4%	114,897	32.5%
UNIFEM/ENTREMONT ALLIANCE	27,491	16.5%	113,354	32.1%
SLOANE/JOSEPH	1,562	0.9%	0	0.0%
TRANSCOR	1,697	1.0%	62,723	17.8%
IJSBOERKE	3,024	1.8%	15,119	4.3%
RASPAIL/CHEVAL BLANC	391	0.2%	194	0.1%
DISTRIPAR	6,343	3.8%	25,744	7.3%
RIEUSSEC	1,342	0.8%	474	0.1%
QUICK	20,233	12.1%	20,334	5.8%
Other	642	0.5%	407	0.1%
Total	**166,985**	**100.0%**	**353,246**	**100.0%**

2. Financial information per geographical segment

The table below shows the Group's turnover per geographical location of customers:

,000 EUR	**2004**	**2005**
Germany	608,122	433,728
Belgium	1,344,636	1,344,389
Spain	244,004	242,754
France	212,606	194,929
Italy	4,646	4,393
Luxembourg	310,328	221,690
Netherlands	183,595	213,381
Other Eurozone	250,524	286,071
Subtotal Eurozone	**3,158,461**	**2,941,335**
United Kingdom	291,649	340,982
Other Europe	481,705	568,021
Subtotal Europe	**3,931,815**	**3,850,338**
North America	4,105,093	5,827,208
Others	1,089,976	1,857,247
Total	**9,126,884**	**11,534,793**

TRANSCOR contributes for the largest part to the Group's turnover and realized almost 75% of the consolidated turnover, of which 65% in the United States by means of its trading and refining activities.

The table hereunder provides an overview of the segment assets per geographical location of the Group's activities:

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

Figures for the year ended 31 December 2005 in ,000 EUR	Europe	North America	Others	Total
Non-current assets	**7,631,794**	**457,943**	**208,267**	**8,298,004**
Intangible assets	119,754	4,676	3,271	127,701
Goodwill	325,631	125,810	30,404	481,845
Property, plant and equipment	873,977	304,841	159,263	1,338,081
Investment property	1,706	0	0	1,706
Investments in associates	957,483	0	1,847	959,330
Long-term advances	81	0	0	81
Available-for-sale investments	5,313,507	953	1,875	5,316,335
Deferred tax assets	26,773	14,485	8,171	49,429
Other non-current assets	12,882	7,178	3,436	23,496
Current assets	**3,526,099**	**639,955**	**148,565**	**4,314,619**
Inventories	624,406	310,824	32,165	967,395
Trade and notes receivable	600,892	248,557	79,337	928,786
Short-term interest bearing advances	133,148	0	0	133,148
Financial assets held for trading	151,309	0	0	151,309
Cash and cash equivalents	1,834,308	37,097	25,204	1,896,609
Assets classified as held for sale and discontinued operations	0	0	0	0
Other current assets	182,036	43,477	11,858	237,371
TOTAL ASSETS	**11,157,893**	**1,097,898**	**356,832**	**12,612,623**

The table below presents the costs incurred during the period to acquire segment assets (property, plant and equipment and intangible assets). These costs include the acquisitions of property, plant and equipment and intangible assets, as well as the acquisitions through business combinations, according to the geographical location of the activities.

	2004		**2005**	
,000 EUR	**Costs**	**%**	**Costs**	**%**
Europe	125,684	75.3%	247,611	70.1%
North America	21,459	12.9%	89,173	25.2%
Others	19,842	11.8%	16,462	4.7%
Total	**166,985**	**100.0%**	**353,246**	**100.0%**

3. Classification of the turnover per category

,000 EUR	**2004**	**2005**
Sales of goods	8,957,882	11,339,572
Services rendered	167,935	194,088
Others	1,067	1,133
Total revenue	**9,126,884**	**11,534,793**

NOTE 2 – SEGMENT REPORTING

Primary segment reporting information is presented as follows:

BALANCE SHEET AS AT 31 DECEMBER 2004

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

RECONCILIATION OF MINORITY INTERESTS

		Introduction of minority interests on restr perimeter	Imerys	other Pargesa
Consolidated percentage shown in the consolidated accounts	1		44.8%	44.8%
Portion of consolidation percentage belonging to NPM/CNP	2		21.6%	54,1%
Percentage of company equity belonging to NPM/CNP	3 = 1 x 2		9.7%	24.1%
Minority interests in subsidiary		-	111,501	791,018
Minority interests from subsidiary		69,843	365,573	1,686,215
Elimination entry		-	-	
Minority shareholders' equity		**69,843**	**477,074**	**2,477,233**

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

FEM/Entremont	Sloane/Joseph	Transcor	Dupuis (discontinued)	Ijsboerke	Raspail/Ch. Blc	Distripar	Rieussec	Quick	Taittinger/Louvre	Consolidation eliminating entries	Consolidation IFRS
100.0%	100.0%	100.0%		100.0%	50.0%	100.0%	50.0%	50.0%	25.0% and 15.6%		
100.0%	57.6%	82.3%		100.0%	80.0%	97.0%	100.0%	57.9%	100.0%		
100.0%	57.6%	82.3%		100.0%	40.0%	97.0%	50.0%	28.9%	25.0% and 15.6%		
-	26,844	21,662	-	-	1,413	443	-	36,224	-	(989,106)	-
1,626	651	-	-	-	-	-	-	-	-	979,647	3,103,554
-		(7,935)	-	-	(1,524)	-	-	-	-	9,459	-
1,626	**27,495**	**13,727**	**-**	**-**	**(111)**	**443**	**-**	**36,224**	**-**	**-**	**3,103,554**

NOTE 2 – SEGMENT REPORTING

BALANCE SHEET AS AT 31 DECEMBER 2005

, 000 EUR	Restricted consolidation Belgian GAAP	reclass.	own shares and profit allocation	IAS 19 IFRS 2	Application of IAS 39 on restr. perimeter	Introduction of minority interests on restr perimeter	PARGESA GROUP	
							Imerys	other Pargesa
ASSETS								
Non-current assets	**1,437,196**	**-**	**-**	**1,386**	**885,241**	**4,098**	**1,222,945**	**4,602,761**
Intangible assets	99	-	-	-	-	-	16,012	999
Goodwill / (negative goodwill)	-	-	-	-	-	-	365,008	52,660
Property, plant and equipment	10,781	-	-	-	-	95	794,153	49,360
Investment property	-	-	-	-	-	-	-	1,706
Investments in subsidiaries or associates	475,365	-	-	-	-	1,524	14,281	940,006
Long-term advances to shareholdings	83,962	-	-	-	-	2,287	-	81
Available-for-sale investments	866,988	-	-	-	885,241	192	7,149	3,556,306
Deferred tax assets	-	-	-	-	-	-	15,506	434
Other non-current assets	1	-	-	1,386	-	-	10,836	1,210
Current assets	**1,965,523**	**-**	**(70,897)**	**-**	**7,206**	**22,272**	**639,160**	**102,950**
Inventories	-	-	-	-	-	-	213,012	10,003
Trade and notes receivable	789	-	-	-	-	1	264,311	9,337
Interest bearing advances	158,046	-	-	-	-	3,030	-	4
Own shares	70,897	-	(70,897)	-	-	-	-	-
Financial assets held for trading	71,500	-	-	-	7,206	-	56,990	15,610
Cash and cash equivalents	1,627,960	-	-	-	-	19,168	60,315	62,689
Assets classified as held for sale and discontinued operations	-	-	-	-	-	-	-	-
Other current assets	36,331	-	-	-	-	73	44,533	5,306
TOTAL ASSETS	**3,402,719**	**-**	**(70,897)**	**1,386**	**892,447**	**26,370**	**1,862,105**	**4,705,711**
SHAREHOLDERS' EQUITY AND LIABILITIES								
Total equity	**2,473,485**	**-**	**1,161**	**4,593**	**891,467**	**68,824**	**754,941**	**4,393,109**
Shareholders' equity	2,473,485	-	1,161	4,593	891,467	-	300,480	2,218,525
Minority shareholders' equity	-	-	-	-	-	68,824	454,461	2,174,584
Non-current liabilities	**684,680**	**-**	**-**	**(386)**	**-**	**-**	**649,501**	**252,999**
Long term shareholders' advances	-	-	-	-	-	-	-	-
Provisions	33,843	-	-	-	-	-	74,670	2,078
Employee retirement and post-employment benefit obligations	837	-	-	(386)	-	-	103,568	0
Deferred tax liabilities	-	-	-	-	-	-	34,215	5,267
Obligations under finance lease	-	-	-	-	-	-	3,504	0
Other long-term interest bearing borrowings	650,000	-	-	-	-	-	418,709	245,620
Other non-current liabilities	-						14,834	35
Current liabilities	**244,554**	**-**	**(72,058)**	**(2,821)**	**980**	**(42,454)**	**457,663**	**59,604**
Provisions	-	-	-	-	-	-	5,741	245
Trade and notes payable	1,448	-	-	-	-	-	140,176	9,159
Income tax payable and accrued	1,491	-	-	-	-	8	6,189	1,580
Current portion of obligations under finance lease	-	-	-	-	-	-	1,088	(0)
Current portion of long-term borrowings, bank short-term borrowings and overdrafts	93,351	-	-	-	-	-	192,374	18,312
Other financial liabilities	48,237	-	-	-	-	(42,430)	12,367	5,552
Liabilities classified as held for sale and discontinued operations	-	-	-	-	-	-	-	-
Other current liabilities	100,027	-	(72,058)	(2,821)	980	(32)	99,727	24,756
TOTAL EQUITY AND LIABILITIES	**3,402,719**	**-**	**(70,897)**	**1,386**	**892,447**	**26,370**	**1,862,105**	**4,705,711**

RECONCILIATION OF MINORITY INTERESTS

			Imerys	other Pargesa
Consolidated percentage shown in the consolidated accounts	1		44.8%	44.8%
Portion of consolidated assets/liabilities belonging to NPM/CNP	2		21.6%	54,1%
Portion belonging to NPM/CNP	3 = 1 x 2		9.7%	24.1%
Minority interests in subsidiary		-	138,220	1,022,231
Minority interests from subsidiary		68,824	454,461	2,174,584
Elimination entry		-	-	
Minority shareholders' equity		**68,824**	**592,681**	**3,196,815**

INDUSTRIAL AND COMMERCIAL SHAREHOLDINGS										Consolidation eliminating entries	Consolidation IFRS
UNIFEM Entremont Alliance	Sloane/Joseph (discontinued)	Transcor	Dupuis (discontinued)	Ijsboerke	Raspail/Ch. Blc	Distripar	Rieussec	Quick	Taittinger/Louvre (discontinued)		
269,700		**82,319**		**16,729**	**62,756**	**95,858**	**22,014**	**147,459**		**(552,458)**	**8,298,004**
42,586		468		559	27	24,504	-	42,448		-	127,701
-		-		-	-	47,825	-	5,674		10,679	481,845
209,982		59,078		16,142	62,727	22,587	20,299	92,877		-	1,338,081
-		-		-	-	-	-	-		-	1,706
377		-		-	-	-	1,712	2,953		(476,888)	959,330
-		-		-	-	-	-	-		(86,249)	81
456		-		-	-	-	3	-		-	5,316,335
13,909		17,632		-	-	821	-	1,126		-	49,429
2,390		5,141		28	2	121	-	2,381		-	23,496
469,744		**1,095,297**		**22,047**	**11,612**	**39,975**	**3,827**	**34,517**		**(28,615)**	**4,314,618**
195,328		502,384		9,179	2,346	27,524	2,730	4,889		-	967,395
221,629		401,328		7,460	2,072	5,066	312	16,481		-	928,786
338		730		-	-	-	-	-		(29,000)	133,148
-		-		-	-	-	-	-		-	-
3		-		-	-	-	-	-		-	151,309
18,494		84,811		4,608	6,982	4,792	512	6,278		-	1,896,609
-		-		-	-	-	-	-		-	-
33,952		106,044		800	212	2,593	273	6,869		385	237,371
739,444		**1,177,616**		**38,776**	**74,368**	**135,833**	**25,841**	**181,976**		**(581,073)**	**12,612,623**
2,428		**199,994**		**18,422**	**8,924**	**25,271**	**19,788**	**95,099**		**(404,737)**	**8,552,769**
(1,514)		199,994		18,422	8,924	25,271	19,788	95,099		(1,605,691)	4,650,004
3,942		-		-	-	-	-	-		1,200,954	3,902,765
229,164		**24,537**		**6,175**	**59,681**	**31,061**	**3,049**	**34,685**		**(142,467)**	**1,832,679**
119,375		-		-	27,716	12,223	3,049	-		(162,363)	-
-		-		142	-	1,327	-	6,698		(6,562)	112,196
9,607		1,703		902	-	1,404	-	537		-	118,172
24,920		5,202		1,412	-	3,671	-	5,274		25,000	104,961
18,089		-		-	-	-	-	5,336		-	26,929
51,802		-		3,719	31,965	12,433	-	16,663		1,458	1,432,369
5,371		17,632		-	-	3	-	177		-	38,052
507,852		**953,085**		**14,179**	**5,763**	**79,501**	**3,004**	**52,192**		**(33,869)**	**2,227,175**
15,118		383		2,540	-	-	-			-	24,027
205,181		541,619		7,086	4,195	23,354	2,632	29,688		-	964,538
5,190		17,009		119	578	3,938	-	15,819		-	51,921
3,591		-		-	-	-	-	1,673		-	6,352
215,237		329,644		1,314	-	44,078	51	3,349		(29,000)	868,710
9,658		-		66	-	-	-	-		-	33,450
-		-		-	-	-	-	-		-	-
53,877		64,430		3,054	990	8,131	321	1,663		(4,869)	278,176
739,444		**1,177,616**		**38,776**	**74,368**	**135,833**	**25,841**	**181,976**		**(581,073)**	**12,612,623**

UNIFEM Entremont Alliance	Sloane/Joseph	Transcor	Dupuis	Ijsboerke	Raspail/Ch. Blc	Distripar	Rieussec	Quick	Taittinger/Louvre	Consolidation eliminating entries	Consolidation IFRS
63,5%		100.0%		100.0%	50.0%	100.0%	50.0%	50.0%	100.0%		
63,5%		100.0%		100.0%	80.0%	97.0%	100.0%	57,9%	100.0%		
63,5%		100.0%		100.0%	40.0%	97.0%	50.0%	28,9%	100.0%		
(553)	-	-	-	-	1,785	758	-	40,038	-	(1,202,478)	-
3,942	-	-	-	-	-	-	-	-	-	1,200,954	3,902,765
-	-	-	-	-	(1,524)	-	-	-	-	1,524	-
3,389	**-**	**-**	**-**	**-**	**261**	**758**	**-**	**40,038**	**-**	**-**	**3,902,765**

NOTE 2 – SEGMENT REPORTING

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2004

, 000 EUR	Restricted consolidation Belgian GAAP	reclass.	cancellation of own shares	IAS 19 and IFRS 2	Application of IAS 39 on restr. perimeter	Introduction of minority interests on restr perimeter	PARGESA GROUP Imerys	PARGESA GROUP other Pargesa
INCOME STATEMENT								
Revenue	1,356	-	-	-	-	19	1,285,140	89,190
Other operating income	43,206	-	-	-	-	(11)	39,279	1,046
Changes in inventories	-	-	-	-	-	-	6,076	(660)
Raw materials, goods for resale and consumables used	-	-	-	-	-	-	(462,436)	(50,107)
Staff costs	(7,570)	-	-	(3,110)	-	(61)	(254,365)	(22,622)
Depreciation expenses	(381)	6	-	-	-	(5)	(69,912)	(4,808)
Amortization expenses	(12)	-	-	-	-	-	(2,928)	(62)
Gains/(losses) on disposals of (and impairments on) shareholdings and activities	2,897	-	-	-	-	-	(2,614)	16,480
Other operating expenses	(4,055)	(6)	-	-	-	40	(369,609)	(18,428)
Results of operating activities	**35,441**	**-**	**-**	**(3,110)**	**-**	**(18)**	**168,631**	**10,030**
Dividends and interests from long-term investments	100,553	-	-	-	-	1,437	1,197	113,178
Dividends from current assets held for trading	903	-	-	-	-	-	963	194
Dividends on own shares	6,067	-	(6,067)	-	-	-	-	-
Interest income from current assets	19,203	-	-	-	-	164	-	3,099
Interests expenses	(13,558)	-	-	-	-	907	(24,083)	(3,566)
Gains/(losses) on trading activities (including derivatives)	5,435	738	-	-	1,545	-	-	961
Other financial income/(expenses)	1,229	(738)	-	-	-	20	4,266	(282)
Net finance income/(expenses)	**119,832**	**-**	**(6,067)**	**-**	**1,545**	**2,528**	**(17,658)**	**113,585**
Profit/(loss) from operating activities after net finance income/(expenses)	**155,273**	**-**	**(6,067)**	**(3,110)**	**1,545**	**2,510**	**150,972**	**123,614**
Income tax	1,891	-	-	-	-	(57)	(44,953)	(1,374)
Income from associates	-	-	-	-	-	-	1,495	115,997
Net profit/(loss) from continuing operations	**157,164**	**-**	**(6,067)**	**(3,110)**	**1,545**	**2,453**	**107,515**	**238,237**
Net profit/loss from discontinued operations	-	-	-	-	-	-	-	-
Net profit/(loss)	**157,164**	**-**	**(6,067)**	**(3,110)**	**1,545**	**2,453**	**107,515**	**238,237**
attributable to								
- Minority interests	**-**	**-**	**-**	**-**	**-**	**2,453**	**64,889**	**118,709**
- NPM/CNP Shareholders	**157,164**	**-**	**(6,067)**	**(3,110)**	**1,545**	**-**	**42,626**	**119,528**

RECONCILIATION OF MINORITY INTERESTS IN INCOME STATEMENT

			Imerys	other Pargesa
Consolidation percentage shown in the above column	1		44.8%	44.8%
Portion of income shown attributable to NPM/CNP	2		21.6%	54.1%
Portion of company income attributable to NPM/CNP	3 = 1 x 2		9.7%	24.1%
Minority interests in subsidiary		-	19,637	55,064
Minority interests from subsidiary		2,453	64,889	118,709
Elimination entry		-	-	
Total minority interests in net profit		**2,453**	**84,526**	**173,773**

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2005

, 000 EUR	Restricted consolidation Belgian GAAP	reclass.	cancellation of own shares	IAS 19 IFRS 2	Application of IAS 39 on restr. perimeter	Introduction of minority interests on restr perimeter	PARGESA GROUP Imerys	PARGESA GROUP other Pargesa
INCOME STATEMENT								
Revenue	1,512	-	-	-	-	21	1,363,354	85,586
Other operating income	7,673	-	-	-	-	(8)	27,502	825
Changes in inventories	-	-	-	-	-	-	16,494	(148)
Raw materials, goods for resale and consumables used	-	-	-	-	-	-	(472,557)	(45,957)
Staff costs	(6,574)	-	-	(2,884)	-	(57)	(278,125)	(23,777)
Depreciation expenses	(384)	-	-	-	-	(5)	(79,825)	(4,817)
Amortization expenses	-	-	-	-	-	-	(3,848)	(89)
Gains/(losses) on disposals of (and impairments on) shareholdings and activities	338,221	-	-	-	-	-	39,167	3,147
Other operating expenses	(5,789)	-	-	-	-	53	(419,065)	(18,562)
Results of operating activities	**334,659**	**-**	**-**	**(2,884)**	**-**	**4**	**193,098**	**(3,792)**
Dividends and interests from long-term investments	98,335	-	-	-	-	97	470	94,457
Dividends from current assets held for trading	1,879	-	-	-	-	-	-	2,471
Dividends on own shares	6,592	-	(6,592)	-	-	-	-	-
Interest income from current assets	29,606	-	-	-	-	236	2,316	4,494
Interests expenses	(20,075)	-	-	-	(987)	1,223	(21,501)	(6,285)
Gains/(losses) on trading activities (including derivatives)	15,474	(275)	(1,774)	-	5,525	-	-	7,964
Other financial income/(expenses)	(1,903)	275	-	-	-	3	(2,463)	(1,028)
Net finance income/(expenses)	**129,908**	**-**	**(8,366)**	**-**	**4,538**	**1,559**	**(21,178)**	**102,073**
Profit/(loss) from operating activities after net finance income/(expenses)	**464,567**	**-**	**(8,366)**	**(2,884)**	**4,538**	**1,563**	**171,920**	**98,281**
Income tax	37	-	-	-	-	(7)	(34,250)	(446)
Income from associates	-	-	-	-	-	-	2,060	99,524
Net profit/(loss) from continuing operations	**464,604**	**-**	**(8,366)**	**(2,884)**	**4,538**	**1,556**	**139,730**	**197,359**
Net profit/loss from discontinued operations	-	-	-	-	-	-	-	-
Net profit/(loss)	**464,604**	**-**	**(8,366)**	**(2,884)**	**4,538**	**1,556**	**139,730**	**197,359**
attributable to								
- Minority interest	**-**	**-**	**-**	**-**	**-**	**1,556**	**1,219**	**181,736**
- NPM/CNP Shareholders	**464,604**	**-**	**(8,366)**	**(2,884)**	**4,538**	**-**	**138,511**	**15,622**

RECONCILIATION OF MINORITY INTERESTS

			Imerys	other Pargesa
Percentage shown in the above column	1		44.8%	44.8%
Portion of income shown attributable to NPM/CNP	2		21.6%	54,1%
Portion attributable to NPM/CNP	3 = 1 x 2		9.7%	24.1%
Minority interests in subsidiary	4 = - (1 - 3) x Net Profit / (Loss)	-	-	71,006
Minority interests from subsidiary		1,556	1,219	181,736
Elimination entry		-	-	
Total minority interests in Income Statement		**1,556**	**1,219**	**252,742**

INDUSTRIAL AND COMMERCIAL SHAREHOLDINGS										Consolidation	Consolidation
FEM/Entremont	Sloane/Joseph (discontinued)	Transcor	Dupuis (discontinued)	Ijsboerke	Raspail/Ch. Blc	Distripar	Rieussec	Quick	Taittinger/Louvre (discontinued)	eliminating entries	IFRS
1,060,924	-	6,239,240	-	49,083	7,100	144,703	4,156	245,973	-	-	9,126,884
3,331	-	102	-	418	245	1,040	1,381	-	-	(2,515)	87,522
(17,019)	-	64,708	-	679	(331)	241	(1,241)	(553)	-	-	51,900
(739,840)	-	(6,183,313)	-	(18,419)	(166)	(76,983)	(348)	(165,173)	-	-	(7,696,785)
(116,460)	-	(50,716)	-	(15,364)	(817)	(26,747)	(682)	(47,854)	-	-	(546,368)
(22,934)	-	(680)	-	(2,731)	(323)	(4,202)	(380)	(13,356)	-	-	(119,706)
(1,763)	-	-	-	-	-	(1,647)	-	-	-	-	(6,412)
(23,508)	-	-	-	-	-	-	-	(234)	-	9,338	2,359
(157,619)	-	(7,538)	-	(10,655)	(815)	(29,276)	(776)	(3,104)	-	1,474	(600,367)
(14,888)	**-**	**61,803**	**-**	**3,011**	**4,893**	**7,129**	**2,110**	**15,699**	**-**	**8,297**	**299,027**
71	-	-	-	-	-	-	-	-	-	(42,592)	173,844
-	-	-	-	-	-	-	-	-	-	-	2,060
-	-	-	-	-	-	-	-	-	-	-	-
621	-	1,610	-	58	55	654	23	444	-	-	25,931
(21,585)	-	(3,355)	-	(105)	(1,849)	(2,122)	(140)	(3,033)	-	5,226	(67,263)
(24)	-	-	-	-	-	-	-	-	-	-	8,655
75	-	908	-	(166)	-	144	-	-	-	(1,603)	3,853
(20,842)	**-**	**(837)**	**-**	**(213)**	**(1,794)**	**(1,324)**	**(117)**	**(2,589)**	**-**	**(38,969)**	**147,080**
(35,730)	**-**	**60,966**	**-**	**2,798**	**3,099**	**5,805**	**1,993**	**13,110**	**-**	**(30,672)**	**446,107**
(6,044)	-	(18,676)	-	(454)	(1,133)	(2,626)	(690)	(6,077)	-	-	(80,193)
1,579	-	-	-	-	-	-	(119)	466	-	-	119,418
(40,195)	**-**	**42,290**	**-**	**2,344**	**1,966**	**3,179**	**1,184**	**7,499**	**-**	**(30,672)**	**485,332**
-	7,187	-	926	-	-	-	-	-	12,021	67,016	87,150
(40,195)	**7,187**	**42,290**	**926**	**2,344**	**1,966**	**3,179**	**1,184**	**7,499**	**12,021**	**36,344**	**572,482**
(316)	**468**	**-**	**-**	**-**	**-**	**-**	**-**	**180**	**-**	**87,342**	**273,725**
(39,879)	**6,719**	**42,290**	**926**	**2,344**	**1,966**	**3,179**	**1,184**	**7,319**	**12,021**	**(50,998)**	**298,757**
100.0%	100.0%	100.0%	100.0%	100.0%	50.0%	100.0%	50.0%	50.0%	25.0% and 15.6%		
75.0-100.0%	57.6%	82.3%	100.0%	100.0%	80.0%	97.0-100.0%	100.0%	57.9%	100.0%		
75.0-100.0%	57.6%	82.3%	100.0%	100.0%	40.0%	97.0-100.0%	50.0%	28.9%	25.0% and 15.6%		
(552)	3,467	7,506	-	-	393	73	-	3,083	-	(88,671)	-
(316)	468	-	-	-	-	-	-	180	-	87,342	273,725
-		(1,329)	-	-	-	-	-	-	-	1,329	-
(868)	**3,935**	**6,177**	**-**	**-**	**393**	**73**	**-**	**3,263**	**-**	**-**	**273,725**

INDUSTRIAL AND COMMERCIAL SHAREHOLDINGS										Consolidation	Consolidation
UNIFEM Entremont Alliance	Sloane/Joseph (discontinued)	Transcor	Dupuis (discontinued)	Ijsboerke	Raspail/Ch. Blc	Distripar	Rieussec	Quick	Taittinger/Louvre (discontinued)	eliminating entries	IFRS
1,022,073	-	8,603,024	-	54,693	7,545	166,468	2,766	227,751	-	-	11,534,793
3,291	-	204	-	3,671	74	1,316	1,459	4,122	-	75,337	125,467
(1,594)	-	283,215	-	977	192	617	(871)	(281)	-	-	298,600
(707,946)	-	(8,618,444)	-	(21,323)	(408)	(87,874)	(261)	(148,209)	-	-	(10,102,979)
(114,937)	-	(98,370)	-	(16,070)	(885)	(30,357)	(729)	(46,978)	-	-	(619,743)
(19,946)	-	(4,765)	-	(2,946)	(249)	(5,592)	(447)	(13,164)	-	-	(132,140)
(1,474)	-	(142)	-	(1)	-	(1,604)	-	(111)	-	-	(7,269)
(228)	-	(45)	-	750	-	5,641	-	(216)	-	(387,637)	(1,200)
(155,194)	-	(72,088)	-	(16,481)	(894)	(32,139)	(768)	(2,080)	-	(3,204)	(726,210)
24,045	**-**	**92,589**	**-**	**3,270**	**5,375**	**16,476**	**1,149**	**20,834**	**-**	**(315,504)**	**369,319**
31	-	-	-	-	-	-	-	-	-	(47,716)	145,674
-	-	-	-	-	-	-	-	-	-	-	4,350
-	-	-	-	-	-	-	-	-	-	-	-
24	-	3,977	-	56	483	111	13	494	-	-	41,811
(18,841)	-	(11,618)	-	(187)	(2,305)	(1,926)	(128)	(1,833)	-	6,677	(77,786)
656	-	972	-	-	-	-	-	-	-	-	28,542
112	-	(1,650)	-	(60)	-	318	-	-	-	(414)	(6,810)
(18,018)	**-**	**(8,319)**	**-**	**(191)**	**(1,822)**	**(1,497)**	**(115)**	**(1,339)**	**-**	**(41,453)**	**135,780**
6,027	**-**	**84,270**	**-**	**3,079**	**3,553**	**14,979**	**1,034**	**19,495**	**-**	**(356,957)**	**505,099**
648	-	(20,404)	-	45	(1,695)	(3,791)	(334)	(6,480)	-	(25,000)	(91,676)
(486)	-	-	-	-	-	-	(57)	617	-	-	101,658
6,189	**-**	**63,866**	**-**	**3,124**	**1,858**	**11,188**	**643**	**13,632**	**-**	**(381,957)**	**515,080**
-	(580)	-	-	-	-	-	-	-	3,938	317,240	320,598
6,189	**(580)**	**63,866**	**-**	**3,124**	**1,858**	**11,188**	**643**	**13,632**	**3,938**	**(64,717)**	**835,678**
209	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**50,309**	**235,029**
5,980	**(580)**	**63,866**	**-**	**3,124**	**1,858**	**11,188**	**643**	**13,632**	**3,938**	**(115,026)**	**600,649**
100.0%	100.0%	100.0%	100.0%	100.0%	50.0%	100.0%	50.0%	50.0%	100.0%		
100.0%	57.6%	100.0%	100.0%	100.0%	80.0%	97.0-100.0%	100.0%	100.0%	100.0%		
100.0%	57.6%	100.0%	100.0%	100.0%	40.0%	97.0-100.0%	50.0%	50.0%	100.0%		
-	(242)	-	-	-	372	336	-	5,742	-	(77,213)	-
209	-	-	-	-	-	-	-	-	-	50,309	235,029
-		-	-	-	-	-	-	-	-	-	-
209	**(242)**	**-**	**-**	**-**	**372**	**336**	**-**	**5,742**	**-**	**(26,904)**	**235,029**

NOTE 3 – ACQUISITIONS AND DISPOSALS OF ACTIVITIES

Acquisitions of activities

,000 EUR	**2004**	**2005**
Non-current assets	9,546	196,999
Current assets	8,665	273,852
Non-current liabilities	(4,318)	(201,070)
Current liabilities	(5,767)	(151,937)
Estimated market value of contingent liabilities	(2,561)	0
Net assets acquired	**5,565**	**117,844**
Goodwill/(badwill)	17,338	138,649
Total cost of the combination	**22,903**	**256,493**
Satisfied by		
Cash	(22,903)	(223,619)
Deferred consideration	0	(32,874)
Net cash outflow on acquisition		
Cash	(22,903)	(223,619)
Bank balances and cash acquired	1,169	26,406
	(21,734)	(197,213)

In 2005, the major acquisitions of activities have been realized by DISTRIPAR, IMERYS, UNIFEM and TRANSCOR.

- DISTRIPAR, a 97% subsidiary of the Group specialized in retail (airport shops, perfumes/cosmetics and chocolate), acquired the residual part of the capital (50% which it did not yet own) of the companies operating the PLANET PARFUM shops. PLANET PARFUM commercializes perfumes and cosmetics in Belgium and Luxembourg through 63 sales outlets and realizes a yearly turnover of approximately EUR 77.8 million and a net result of EUR 4.8 million. The effective acquisition date is September 19th, 2005 and the PLANET PARFUM Group has been fully consolidated since July 1st, 2005. The cost of the combination amounted to EUR 38.2 million and resulted in the recognition of a goodwill of EUR 33.7 million. The results taken into account since the acquisition of the remaining 50% are EUR 2.3 million.

- In December 2005, after obtaining the necessary authorizations, UNICOPA contributed its milk division to FEM/ENTREMONT, to constitute a new entity called ENTREMONT ALLIANCE. FEM, the parent company of ENTREMONT was renamed UNIFEM and the shareholding of the new entity is henceforth held at 36.5% by UNICOPA beside NPM/CNP, the majority shareholder. The agreements stipulate the possibility of parity between both groups in the long run. For your information, the UNICOPA milk division achieved a turnover of EUR 300 million in 2005 and a negative net result amounting to EUR 3 million. The effective date of the business combination was December 1st, 2005 and since this date the acquired activities recorded a loss of EUR 470 (000).

- TRANSCOR, a subsidiary of NPM/CNP active in the trading of energy acquired a refinery in Pasadena (PASADENA REFINING SYSTEM) near Houston (Texas) in the beginning of 2005. The refinery was consolidated for the first time on January 1st, 2005; it achieved a turnover of EUR 95.8 million in 2005 and a net industrial result of EUR 1.9 million (excluding the trading results achieved within other Group entities around these operations). The cost of the acquisition amounted to EUR 37.7 million.

- IMERYS, a 53% subsidiary of PARGESA, acquired, in July 2005, 100 % of the capital of WORLD MINERALS, world leader in mineral filtration (diatomite and perlite). The price paid for the shares amounted to EUR 184.3 million (EUR 82.5 million in NPM/CNP financial statements) and the result recognized since the acquisition amounts to EUR 4.3 million (of which EUR 1.9 million in NPM/CNP financial statements). WORLD MINERALS, located in Santa Barbara (California), achieved a turnover of USD 286 million in 2004 with regard to the extraction, transformation and selling of diatomite and perlite, two industrial minerals which are sold by the company on the market of filtration of liquid nutrients (such as beer, wine, fruit juices, etc.). IMERYS also acquired, in January 2005, 100% of LAFARGE RÉFRACTAIRES MONOLITHIQUES ("LRM"). With a turnover of nearly EUR 200 million, LRM is one of the European leaders in the production and sale of monolithic refractory to the steel industry, metals, foundries and other thermal applications. The company has been consolidated in the IMERYS financial statements since January 1st, 2005. The amount of the acquisition is EUR 130 million (EUR 58 million in NPM/CNP financial statements) and the result recognized amounts to EUR 16.6 million, (i.e. EUR 7.4 million in NPM/CNP financial statements). The figures taken into account by IMERYS are reported at 44.8% in NPM/CNP consolidated financial statements given the proportional consolidation of PARJOINTCO, which controls PARGESA and thus IMERYS.

Disposals of activities

,000 EUR	**2004**	**2005**
Non-current assets	44,000	137,456
Current assets	57,016	91,545
Non-current liabilities	(8,017)	(2,584)
Current liabilities	(42,727)	(157,001)
Net assets disposed of	**50,272**	**69,416**
Gain/(loss) on disposal	72,210	83,654
Total consideration received	**122,482**	**153,070**
Satisfied by		
Cash	115,134	153,070
Deferred consideration	7,348	0
Net cash inflow on disposal		
Cash	115,134	153,070
Bank balances and cash disposed of	(345)	(778)
	114,789	152,292

In 2005, the main disposals of activities were achieved by the companies included in the restricted consolidation perimeter and by the IMERYS group.

- In June 2005, NPM/CNP has sold its 58 % shareholding in PROJECT SLOANE / JOSEPH to the Japanese Group, ONWARD KASHIYAMA, specialized in the production and distribution of textiles and ready-to-wear. The realized gain amounted to EUR 42 million. PROJECT SLOANE / JOSEPH reported a turnover of EUR 102.3 million in 2004 and a net result of EUR 7.1 million. The net result of PROJECT SLOANE / JOSEPH booked in the consolidation for the 1st quarter of 2005 was a loss of EUR 580 (000). Please see note 40 regarding the discontinued operations for more information on this subject.

- In April 2005, IMERYS (proportionally consolidated at 44.8% through PARJOINTCO and PARGESA) has sold 100% of the capital of LARIVIÈRE and has realized a gain of EUR 93.0 million. LARIVIÈRE net result contribution to IMERYS accounts was around EUR 1.0 million in 2005.

NOTE 4 – OTHER OPERATING EXPENSES AND INCOME

,000 EUR	**2004**	**2005**
Impairment on assets (note 9)	(29,019)	(87,048)
Taxes other than income taxes	(32,528)	(35,673)
Research and development expenditure	(10,163)	(12,233)
Maintenance expenses	(42,258)	(67,817)
Advertising and promotion	(20,013)	(21,384)
Rent costs	(32,574)	(37,323)
Energy costs	(36,205)	(60,524)
Insurance expenses	(12,818)	(17,889)
Miscelleanous goods and services	(384,789)	(386,319)
Total other operating expenses	**(600,367)**	**(726,210)**

The operating charges mainly comprise transportation costs (fret) and subcontractor costs incurred by IMERYS.

,000 EUR	**2004**	**2005**
Gain on the acquisition of UNIFEM receivable (note 9)	0	73,588
Net gain on disposal of property, plant and equipment and on intangible assets	7,096	8,746
Grants released to income	1,139	2,352
Others	79,287	40,781
Total other operating income	**87,522**	**125,467**

NOTE 5 – STAFF COSTS

,000 EUR	**2004**	**2005**
Wages, salaries and bonuses	(423,246)	(490,586)
Social security contribution	(97,801)	(99,070)
Defined contribution plans costs and defined benefit plans costs (IAS 19)	(18,668)	(17,846)
Others	(6,653)	(12,241)
Total	**(546,368)**	**(619,743)**

NOTE 5 – STAFF COSTS

Wages, salaries and bonuses also include the costs recognized on the various stock option plans granted within the Group, i.e. at NPM/CNP, PARGESA (as well as GBL and IMERYS) and QUICK. More information on this subject is available in note 38.

Average number of full-time equivalents

	2004	2005
Employees	5,211	5,106
Workers	7,101	8,039
Directors and Management	1,366	1,254
Total	**13,678**	**14,399**

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

NOTE 6 – RESTRUCTURING COSTS

Breakdown of the costs incurred by major category :

,000 EUR	2004	2005
Personnel costs	(5,217)	(3,969)
Fixed assets impairment	(459)	204
Inventory write-offs	0	0
Relocation costs	0	0
Others	(7,945)	(14,473)
Total	**(13,621)**	**(18,238)**

The restructuring costs mainly relates to IMERYS which booked reorganization charges, in particular in its paper pigments and special minerals divisions in Great Britain, but also in Italy and in the United States, and several assets value adjustments. Restructuring costs have also been incurred by ENTREMONT ALLIANCE (EUR 1.5 million) and by IJSBOERKE (EUR 2.1 million) which accrued the announced restructuring plan after the acquisition of MIO.

NOTE 7 – OTHER FINANCIAL EXPENSES AND INCOME

The other financial expenses and income of the financial year amounted to EUR – 6.8 million and mainly include various financial elements of IMERYS as well as the positive exchange rate differences for EUR 762 (,000).

NOTE 8 – GAINS (LOSSES) AND IMPAIRMENTS ON SHAREHOLDINGS AND ACTIVITIES

The gains (losses) and impairments on shareholdings and activities amount to EUR -1.2 million and include the gain realized by IMERYS on the disposal of LARIVIÈRE (EUR 41.8 million in NPM/CNP consolidated financial statements) and the gain realized by DISTRIPAR (EUR 5.6 million) after the sale MARIONNAUD shares to AS WATSON.

An impairment loss of EUR 73.7 million was booked on UNIFEM/ENTREMONT ALLIANCE (see note 9).

NOTE 9 – IMPAIRMENT ON ASSETS

In accordance with IAS 36 - Impairment of assets, the Group companies have tested locally, and in coordination with the Group, whether it was necessary to recognize or not an impairment loss on their cash generating units.

In 2005, an impairment test was performed at UNIFEM on the goodwill existing on ENTREMONT ALLIANCE according to a method similar to the one applied in 2004. This resulted in the recognition of an impairment loss of EUR 73.7 million in NPM/CNP consolidated financial statements. The impairment loss was determined on the basis of the utility value of the future cash flows of ENTREMONT ALLIANCE on a 5-year business plan taking into account the merger with UNICOPA's dairy activities and a discount rate of 8.1%. This impairment loss is the accounting and economic counterparty of the acquisition of UNIFEM's receivable at a market value which was lower than the nominal value; this acquisition generated a gain of EUR 73.6 million, which equals the difference between the acquisition cost and the nominal value (see note 4).

NOTE 10 – DIVIDENDS AND INTERESTS FROM LONG-TERM INVESTMENTS

	Gross amounts		Net amounts	
,000 EUR	**2004**	**2005**	**2004**	**2005**
Dividend TOTAL at NPM/CNP	58,325	49,288	56,015	48,164
Dividend TOTAL at GBL	74,631	63,082	63,396	53,636
Dividend SUEZ at GBL	23,011	25,967	19,610	22,072
Dividend BERTELSMANN at GBL	29,012	17,326	29,012	17,326
Dividend ELECTRABEL at NPM/CNP	1,973	2,129	1,973	2,129
Others	3,838	2,347	3,838	2,347
Total	**190,790**	**160,139**	**173,844**	**145,674**

NOTE 11 – OPERATING LEASE

The operating lease obligations have not been recognized in the balance sheet. They have the following payment schedule:

,000 EUR	**2004**	**2005**
Within one year	(47,630)	(65,661)
In the second to fifth years inclusive	(95,456)	(142,016)
After five years	(117,474)	(135,528)
Total of future minimum lease payments under non-cancellable operating leases	**(260,560)**	**(343,205)**

The Group rents a certain number of commercial premises under operating leases with a duration generally longer than 5 years. This is the case for QUICK, PLANET PARFUM, BSS and VAN PARYS; at contract maturity, the lessee has usually the option to renew these contracts.

TRANSCOR also concluded some leases arrangements with commitments up to 5 years, representing an amount of EUR 88.2 million, mainly for oil tankers.

During the financial year, a expense of EUR 37.3 million was recognized in the profit and loss statement for operating leases.

Considerations in connection with IFRIC 4

Regarding lease arrangements under operating leases, the IFRIC 4 (« Determining whether an arrangement contains a lease») issues were considered by each subsidiary in the preparation of its financial statements.

NOTE 12 – INCOME TAX

1. Component of the tax charge in the income statement

,000 EUR	**2004**	**2005**
Current taxes related to current year	(79,168)	(80,180)
Current taxes related to prior years	616	9,484
Total current taxes	**(78,552)**	**(70,696)**
Deferred taxes relating to origination or reversal of temporary differences	7,654	11,908
Tax effect of changes in the nominal tax rates on deferred taxes	(71)	(129)
Recognition (use) of deferred tax assets resulting from loss of the (previous) period(s)	(9,037)	(7,316)
Other deferred tax income (expense)	(187)	(25,443)
Total deferred taxes	**(1,641)**	**(20,980)**
Total tax income/(expense)	**(80,193)**	**(91,676)**

2. Source of deferred tax income/(expense)

,000 EUR	**2004**	**2005**
Intangible assets	1,387	(358)
Property, plant and equipment	1,469	7,224
Financial long-term assets	(803)	2,331
Employee benefit liabilities	(2,270)	(1,207)
Inventories, receivables, payables and provisions	1,621	(1,033)
Unused tax losses and tax credits	(11,816)	(223)
Change in the nominal tax rates	1,578	(129)
Others	7,193	(27,585)
Total deferred tax income/(expense)	**(1,641)**	**(20,980)**

3. Source of deferred tax assets/liabilities

	Deferred tax assets		**Deferred tax liabilities**	
,000 EUR	**2004**	**2005**	**2004**	**2005**
Intangible assets	790	998	4,752	6,365
Property, plant and equipment	9,340	23,127	84,548	115,463
Financial long-term assets	1,465	2,313	5,823	4,670
Employee benefit liabilities	27,292	30,215	(66)	(75)
Inventories, receivables, payables and provisions	21,080	26,656	4,902	6,942
Unused tax losses and tax credits	18,658	10,142	(335)	1,581
Offsets and others	(23,302)	(44,022)	(23,633)	(29,985)
Total deferred taxes (as shown in the balance sheet)	**55,323**	**49,429**	**75,991**	**104,961**

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

,000 EUR	**2004**	**2005**
Profit before tax from continuing activities	565,525	606,757
(Income from associates)	(119,418)	(101,658)
Profit from continuing activities before tax and before income from associates	446,107	505,099
Nominal tax rate of the parent company	33.99%	33.99%
Tax charge of the group entities computed on the basis of the parent company nominal tax rate	**(151,632)**	**(171,683)**
Effect of different tax rates in foreign countries	2,175	8,136
Tax effect of tax-exempt revenues	94,908	66,637
Tax effect of non-deductible expenses	(18,925)	(6,185)
Tax effect of changes in tax rates	(71)	(162)
Tax effect of adjustments related to prior years or previously unrecognized deferred tax assets	3,908	5,557
Tax effect of withholding tax on dividends paid by subsidiaries (associates)	(258)	(230)
Others	(10,299)	6,254
Total tax income/(expense)	**(80,193)**	**(91,676)**

5. Effective tax rate

,000 EUR	**2004**	**2005**
Profit before tax from continuing activities	565,525	606,757
Income from associates (-)	(119,418)	(101,658)
Profit from continuing activities before tax and before income from associates	446,107	505,099
Total income tax expense	(80,193)	(91,676)
Effective tax rate (%)	**17.98%**	**18.15%**

Temporary differences for which no deferred tax asset is recognized

The tax loss carry-forward for which no deferred tax asset is recognized amounts to EUR 244.7 million on December 31st, 2005. No deferred tax asset is recognized on a tax loss carry-forward when it is unlikely that a sufficient profit will be realized in the future allowing the involved entity to use this tax loss.

Maturity of tax losses for which deferred tax assets are recognized
The tax losses which gave rise to the recognition of a deferred tax asset have generally no time limit. The Group's tax losses which gave rise to recognition of deferred tax assets amount to EUR 57.3 million on December 31st, 2005.

Contingent tax assets and liabilities
On December 31st, 2005, there is no significant contingent tax asset or liability to be reported for the Group.

Tax charges of the discontinued operations
The tax charge of the discontinued operations was separately presented in the income statement. On December 31st, 2005, the tax charges of the discontinued operations amounted to EUR 1.3 million; it represents the tax charge booked by PROJECT SLOANE / JOSEPH during the part of the year 2005 it was held by NPM/CNP. For more information on discontinued operations, please refer to note 40.

The discontinued operations disposed of during the financial year (PROJECT SLOANE / JOSEPH and TAITTINGER / LOUVRE) were located in Belgian entities; consequently, these disposals did not result in any tax charge on the capital gain.

NOTE 13 – INTANGIBLE ASSETS WITH A FINITE USEFUL LIFE

,000 EUR	Development costs	Computer software	Patents, licences and concessions	Others	Total
Gross carrying amount					
At 31 December 2003	**710**	**23,614**	**62,961**	**15,478**	**102,763**
Currency translation differences	5	(425)	7	(52)	(465)
Additions	1	2,099	115	1,455	3,670
Perimeter changes	0	103	26	229	358
Disposals and others	(558)	536	(1,736)	(4,847)	(6,605)
At 31 December 2004	**158**	**25,927**	**61,373**	**12,263**	**99,721**
Currency translation differences	9	1,108	88	360	1,565
Additions	6	2,747	510	1,507	4,770
Perimeter changes	810	6,295	3,535	5,133	15,773
Disposals and others	(79)	606	797	(4,901)	(3,577)
At 31 December 2005	**904**	**36,683**	**66,303**	**14,362**	**118,252**
Accumulated amortization					
At 31 December 2003	**(487)**	**(12,099)**	**(26,857)**	**(8,697)**	**(48,140)**
Currency translation differences	(3)	252	(6)	71	314
Amortization	(3)	(4,276)	(2,343)	(194)	(6,816)
Disposals and others	336	886	1,245	2,057	4,524
At 31 December 2004	**(157)**	**(15,237)**	**(27,961)**	**(6,763)**	**(50,118)**
Currency translation differences	(9)	(627)	(55)	(193)	(884)
Amortization	0	(4,567)	(2,363)	(328)	(7,258)
Disposals and others	(683)	(2,012)	(2,737)	290	(5,142)
At 31 December 2005	**(849)**	**(22,443)**	**(33,116)**	**(6,994)**	**(63,402)**
Net carrying amount					
At 31 December 2004	**1**	**10,690**	**33,412**	**5,500**	**49,603**
At 31 December 2005	**55**	**14,240**	**33,187**	**7,368**	**54,850**

NOTE 14 – INTANGIBLE ASSETS WITH AN INDEFINITE USEFUL LIFE

These intangible assets include the milk collection areas of ENTREMONT ALLIANCE (EUR 30.4 million) which are considered as identifiable areas, transferable on a standalone basis and over which it exercises control. Milk collection areas are assimilated to intangible assets with indefinite useful life because of their renewable nature in the long run.

The intangible assets with an indefinite useful life also include various business elements (key money and other items of a similar nature) mainly at QUICK (EUR 42.1 million).

NOTE 14 – INTANGIBLE ASSETS WITH AN INDEFINITE USEFUL LIFE

,000 EUR	Patents and trademarks	Milk collection areas	Key money and others	Total
Gross carrying amount				
At 31 December 2003	**11**	**42,339**	**40,347**	**82,697**
Currency translation differences	0	0	0	0
Additions	0	0	2,358	2,358
Acquisitions through business combination	0	0	331	331
Disposals and others	0	0	(291)	(291)
At 31 December 2004	**11**	**42,339**	**42,745**	**85,095**
Currency translation differences	0	0	0	0
Additions	20	0	5,237	5,257
Acquisitions through business combination	0	3,918	0	3,918
Disposals and others	0	(42)	(1,899)	(1,941)
At 31 December 2005	**31**	**46,215**	**46,083**	**92,329**
Accumulated impairment losses				
At 31 December 2003	**(4)**	**(15,734)**	**(4,331)**	**(20,069)**
Currency translation differences	0	0	0	0
Impairment losses recognized (reversed)	0	0	0	0
Disposals and others	0	(22)	(388)	(410)
At 31 December 2004	**(4)**	**(15,756)**	**(4,719)**	**(20,479)**
Currency translation differences	0	0	0	0
Impairment losses recognized (reversed)	0	0	260	260
Disposals and others	0	0	741	741
At 31 December 2005	**(4)**	**(15,756)**	**(3,718)**	**(19,478)**
Net carrying amount				
At 31 December 2004	**7**	**26,583**	**38,026**	**64,616**
At 31 December 2005	**27**	**30,459**	**42,365**	**72,851**

NOTE 15 – GOODWILL

,000 EUR	Positive	Negative	Total
Gross carrying amount			
At 31 December 2003	**574,191**	**0**	**574,191**
Currency translation differences	(5,244)	0	(5,244)
Acquisitions through business combination	17,832	0	17,832
Disposals and others	9,980	0	9,980
At 31 December 2004	**596,759**	**0**	**596,759**
At 31 December 2003	15,362	0	15,362
Acquisitions through business combination	141,379	0	141,379
Disposals and others	(141,244)	0	(141,244)
At 31 December 2005	**612,256**	**0**	**612,256**
Accumulated impairment losses			
At 31 December 2003	**(53,684)**	**0**	**(53,684)**
Currency translation differences	21	0	21
Impairment losses for the year	(31,672)	0	(31,672)
Disposals and others	2,866	0	2,866
At 31 December 2004	**(82,469)**	**0**	**(82,469)**
Currency translation differences	(406)	0	(406)
Impairment losses for the year (note 9)	(76,425)	0	(76,425)
Disposals and others	28,889	0	28,889
At 31 December 2005	**(130,411)**	**0**	**(130,411)**
Net carrying amount			
At 31 December 2004	**514,290**	**0**	**514,290**
At 31 December 2005	**481,845**	**0**	**481,845**

The main variations of 2005 relate to the acquisitions of WORLD MINERALS and LAFARGE RÉFRACTAIRES MONOLOTHIQUES by IMERYS (acquisitions which generated a goodwill of EUR 100.7 million in NPM/CNP consolidated financial statements) and to the acquisition by DISTRIPAR of the remaining part (50%) of the capital of PLANET PARFUM (goodwill of EUR 32.2 million).

,000 EUR	Land, vineyards, constructions and mining reserves	Furniture, fixtures, production and transportation equipment	Fixed assets under construction	Other PP&E	Total
Gross carrying amount					
At 31 December 2003	**901,085**	**1,425,177**	**21,754**	**77,971**	**2,425,987**
Additions	21,644	59,600	51,063	25,664	157,971
Acquisitions through business combination	2,850	8,669	17	394	11,930
Currency translation differences	(19,560)	(22,095)	(1,129)	(75)	(42,859)
Disposals and others	(4,689)	(75,802)	(27,759)	(30,053)	(138,303)
At 31 December 2004	**901,330**	**1,395,549**	**43,946**	**73,901**	**2,414,726**
Additions	23,373	76,892	64,235	16,152	180,652
Acquisitions through business combination	79,673	252,779	6,192	2,266	340,910
Currency translation differences	34,471	61,572	2,443	(22,131)	76,355
Disposals and others	(93,653)	(76,389)	(33,070)	(8,123)	(211,235)
At 31 December 2005	**945,194**	**1,710,403**	**83,746**	**62,065**	**2,801,408**
Accumulated depreciation and impairment losses					
At 31 December 2003	**(309,222)**	**(1,023,178)**	**58**	**(23,017)**	**(1,355,359)**
Depreciation charge for the year	(36,689)	(82,096)	(75)	(3,094)	(121,954)
Impairment losses recognized/(reversed)	187	370	0	43	600
Currency translation differences	6,342	12,101	0	198	18,641
Disposals and others	(4,889)	116,083	0	254	111,448
At 31 December 2004	**(344,271)**	**(976,720)**	**(17)**	**(25,616)**	**(1,346,624)**
Depreciation charge for the year	(36,455)	(89,291)	(935)	(4,748)	(131,429)
Impairment losses recognized/(reversed)	(655)	(12,138)	0	0	(12,793)
Currency translation differences	(7,160)	(35,432)	6	(224)	(42,810)
Disposals and others	60,888	4,195	(202)	5,448	70,329
At 31 December 2005	**(327,653)**	**(1,109,386)**	**(1,148)**	**(25,140)**	**(1,463,327)**
Net carrying amount					
At 31 December 2004	**557,059**	**418,829**	**43,929**	**48,285**	**1,068,102**
At 31 December 2005	**617,541**	**601,017**	**82,598**	**36,925**	**1,338,081**

On December 31st, 2005, the Group's property, plant and equipment are mainly composed by IMERYS assets, namely the mining reserves valued at cost reduced by the depreciation calculated on the basis of the extracted quantities.

The recognized impairment losses on property, plant and equipment during the 2005 financial year amount to EUR 12.8 million and mainly relate to adjustments of some technical installations of IMERYS.

Generally, the depreciation period for property, plant and equipment is determined by each subsidiary based on the nature of the assets and their utility value.

Property, plant and equipment held under finance lease

The Group owns buildings and installations and equipment under financial leases. On December 31st, 2005, the net book value of buildings held under financial lease arrangements amounts to EUR 21.2 million and the net book value of the installations, machines, equipment and other tangible assets held under financial lease amounts to EUR 40.3 million.

NOTE 17 – INVESTMENT IN ASSOCIATES

,000 EUR	Carrying amount 2004	Carrying amount 2005	Amount of goodwill included in the carrying amount 2004	Amount of goodwill included in the carrying amount 2005
Value at 1 January	**1,027,835**	**1,134,259**	**94,262**	**95,375**
Disposed of during the year (-)	(29,369)	(254,663)	0	(95,375)
Acquired during the year	25,271	23,008	0	0
Results	119,418	101,658	0	0
Dividend paid (-)	(25,642)	(43,139)	0	0
Impairment of goodwill (-)	0	0	0	0
Others	16,746	(1,793)	1,113	0
Value at 31 December	**1,134,259**	**959,330**	**95,375**	**0**

In July 2005, the Group sold its shareholding in TAITTINGER / LOUVRE to STARWOORD CAPITAL. This disposal generated a capital gain of EUR 274.9 million (recognized as « net profit/(loss) from discontinued operations »). The product of the disposal was received in September 2005. The dividend booked in 2005 amounted to EUR 5.8 million and the result booked in NPM/CNP accounts for the first Semester of 2005 amounted to EUR 3.9 million.

On December 31st, 2005, GBL held a shareholding of 25.1% in BERTELSMANN (11.2% at the level of NPM/CNP after proportional consolidation of PARGESA/GBL). This shareholding is accounted for in the Group's financial statements under the equity method.

Aggregated amounts relating to investments in associates

,000 EUR	2004	2005
Non-current assets	1,485,297	1,609,699
Current assets	1,138,257	970,657
Non-current liabilities	(370,520)	(648,454)
Current liabilities	(1,043,220)	(876,524)
Minority interests	(170,930)	(96,048)
Net equity's group share	1,038,884	959,330
Goodwill (included in the carrying amount)	95,375	0
Total carrying amount of investments in associates	**1,134,259**	**959,330**
Key P&L information regarding investments in associates		
Revenue	7,648,235	8,018,985
Profit/(loss) for the period	464,517	398,235
Group's share of associates' profit for the period	119,418	101,658

Analytical breakdown of investments in associates

,000 EUR	2004	2005
Carrying amount at 31 December	**1,134,259**	**959,330**
BERTELSMANN	845,416	935,849
TAITTINGER/LOUVRE	268,999	0
Others	19,844	23,481

Analytical breakdown of income from associates

,000 EUR	2004	2005
Contribution to income from associates for the year ended 31 December :	**119,418**	**101,658**
BERTELSMANN	115,890	98,899
Others	3,528	2,759

1. Available-for-sale investments

In 2005, GBL has taken a significant shareholding in LAFARGE. This shareholding was booked as available-for-sale financial assets because of its long-term investment nature.

The changes in fair value of available-for-sale investments are immediately recognized in equity as revaluation reserve. Regarding financial assets acquired during the 2005 financial year, the Group did not apply the « fair value option » and still continue to recognize the changes in fair value in equity.

	Equity instruments				Non-equity instruments	Total
,000 EUR	TOTAL	SUEZ	LAFARGE	Others		
Fair value at 31 December 2003	**2,760,648**	**516,792**	**0**	**94,742**	**5**	**3,372,187**
Acquisitions	0	0	0	25,094	0	25,094
Disposals	0	0	0	(38,451)	(2)	(38,453)
Impairments	0	0	0	(623)	0	(623)
Change in fair value recognized in equity	249,076	119,673	0	16,329	0	385,078
Currency translation differences	0	0	0	(168)	0	(168)
Other	0	0	0	2,184	0	2,184
Fair value at 31 December 2004	**3,009,724**	**636,465**	**0**	**99,107**	**3**	**3,745,299**
Acquisitions	0	196,903	190,008	22,835	0	409,746
Disposals	0	0	0	(64,673)	0	(64,673)
Impairments	0	0	0	0	0	0
Change in fair value recognized in equity	964,565	249,285	11,461	(7,063)	0	1,218,248
Currency translation differences	0	0	0	(209)	0	(209)
Other	0	0	0	7,923	0	7,923
Fair value at 31 December 2005	**3,974,289**	**1,082,653**	**201,469**	**57,920**	**3**	**5,316,335**

2. Financial assets held for trading

The changes in fair value of the financial assets held for trading are booked in the income statement. These financial assets are considered as current assets because of their short-term nature in the context of the trading activities performed by certain Group entities.

,000 EUR	Equity instruments	Non-equity instruments	Total
Fair value at 31 December 2003	**35,748**	**23,917**	**59,665**
Acquisitions	114,797	2,176	116,973
Disposals	(8,731)	0	(8,731)
Change in fair value recognized in P&L	(208)	685	477
Currency translation differences	0	1	1
Other	0	1,514	1,514
Fair value at 31 December 2004	**141,606**	**28,293**	**169,899**
Acquisitions	145,640	915	146,555
Disposals	(173,195)	0	(173,195)
Change in fair value recognized in P&L	7,383	652	8,035
Currency translation differences	454	187	641
Other	0	(626)	(626)
Fair value at 31 December 2005	**121,888**	**29,421**	**151,309**

NOTE 19 – OTHER NON-CURRENT ASSETS

,000 EUR	2004 Estimated fair value	2004 Carrying amount	2005 Estimated fair value	2005 Carrying amount
Long-term receivables, advances, loans and deposits	**6,962**	**6,962**	**8,143**	**8,143**
Long-term trade receivables	0	0	0	0
Long-term interest bearing advances and deposits	6,962	6,962	8,143	8,143
Other long-term assets	**17,994**	**17,994**	**15,353**	**15,353**
Pension or post-retirement benefit assets	1,123	1,123	1,509	1,509
Guarantees and other deposits	5,448	5,448	2,810	2,810
Others	11,423	11,423	11,034	11,034
Total	**24,956**	**24,956**	**23,496**	**23,496**

Repayment schedule of long term receivables, advances, loans and deposits at 31 December 2005

,000 EUR	< 1 year	In the 2nd year	In the 3rd to the 5th year inclusive	> 5 years	Total
Long-term trade receivables	0	0	0	0	0
Long-term advances	0	67	627	0	694
Long-term loans and deposits	4,218	461	1,160	1,610	7,449
Total	**4,218**	**528**	**1,787**	**1,610**	**8,143**

The other long-term assets are valued against their fair value, which corresponds mostly to their cost.

NOTE 20 – INVENTORIES

,000 EUR	2004	2005
Raw material, consumables and spare parts	164,596	600,643
Work-in-progress	35,452	23,930
Finished goods and goods purchased for resale	357,725	359,105
Others	413	426
Total inventories (at cost)	**558,186**	**984,104**
Write-downs (-) on inventories:	(15,150)	(16,709)
Raw material, consumables and spare parts	(3,860)	(5,473)
Work-in-progress	(64)	(83)
Finished goods and goods purchased for resale	(11,226)	(11,153)
Net total inventories	**543,036**	**967,395**

The inventories include a patchwork of components such as oil, coal, cheese, wine, perfume, chocolate ... Within each entity, procedures exist in order to control the inventory level and to ensure a proper valuation.

Write-downs are recognized on inventory items in order to reflect obsolescence, downgrading, expiry date of foodstuff and other similar factors.

On December 31st, 2005, the inventories were mainly made of fossil raw materials (largely crude oil), which had been used for TRANSCOR's activities, i.e. for his refinery in Houston.

The inventory costs recognized in the income statement of the 2005 financial year under the section "raw material, goods for resale and consumables used" amounted to EUR 10,102.9 million for 2005, and the amount of inventories pledged amounted to EUR 465.2 million on December 31st, 2005 and mainly related to TRANSCOR activities.

NOTE 21 – TRADE AND NOTES RECEIVABLE

,000 EUR	2004	2005
Trade receivables	778,773	946,173
Notes receivable	0	0
Total trade and notes receivable	**778,773**	**946,173**
Allowance for doubtful amounts	(10,790)	(17,387)
Net total trade and notes receivable	**767,983**	**928,786**

The credit risk or the counterparty's risk is quite heterogeneous because of the diversity in the companies' activities that are part of the consolidation perimeter. Within each entity, specific internal procedures exist aiming at limiting the counterparty's risk through different means, such as diversification of the customers' portfolio and the follow-up of the amounts to be collected. For some subgroups, the counterparty's risk remains very limited, since payments are made directly by the customers upon purchase of the goods. This is the case for QUICK and DISTRIPAR (PLANET PARFUM, VAN PARYS and BELGIAN SKY SHOPS).

On December 31st, 2005, the trade receivables which were hedged by an insurance policy amounted to EUR 235.3 million (mainly at ENTREMONT ALLIANCE) and the amount of the trade receivables subject to pledge was EUR 196.1 million. The trade receivables are valued against their fair value, which corresponds usually to their nominal value less allowances for doubtful amounts.

NOTE 22 – SHORT-TERM INTEREST BEARING ADVANCES

,000 EUR	2004	2005
Advances to related companies (FRERE-BOURGEOIS Group)	111,562	132,076
Advances to associates	0	0
Other short-term advances	1,047	1,072
Total	**112,609**	**133,148**

The main portion of the figures presented in this section relate to the advances granted by CENTRE DE COORDINATION DE CHARLEROI (CCC) to the FRÈRE-BOURGEOIS group companies. This results from the « cash pooling » function executed by CENTRE DE COORDINATION DE CHARLEROI. The above-mentioned amounts do not significantly differ from the amounts invested by the FRÈRE-BOURGEOIS group in CCC increased with the excess cash of this Group. The interest-bearing advances are valued against fair value, which is generally equal to nominal value.

NOTE 23 – CASH AND CASH EQUIVALENTS

,000 EUR	2004	2005
Cash at bank and in hand	349,822	557,915
Short-term bank deposits	454,641	1,338,694
Total	**804,463**	**1,896,609**

Each company in which the NPM/CNP group owns a shareholding is responsible for its own cash management. On December 31st, 2005, the cash mainly included short-term bank deposits (< 3 months).

The increase in cash and cash equivalents during the 2005 financial year is essentially due to the long-term loan, which was concluded by the NPM/CNP group (EUR 650.0 million) and by the sale of the shareholdings in PROJECT SLOANE / JOSEPH (EUR 63.1 million) and in TAITTINGER / LOUVRE (EUR 543.8 million). The cash and cash equivalents are valued against fair value.

NOTE 24 – OTHER CURRENT ASSETS

,000 EUR	2004	2005
VAT and taxes other than income taxes	45,930	50,609
Income taxes	16,248	9,651
Prepaid expenses, accrued income and deferred charges	25,718	47,976
Receivable from sale of securities	28,305	16,205
Fair value on open positions at TRANSCOR	13,754	40,920
Others	37,226	72,010
Total	**167,181**	**237,371**

NOTE 25 – SHARE CAPITAL

The issued capital amounts to EUR 126.5 million. The NPM/CNP shareholders' extraordinary general meeting, on December 8th, 2005, approved the merger through absorption of its 100% subsidiary, SLP, by NPM/CNP, as well as the cancellation of 1,136,703 own shares. Consequently, NPM/CNP's capital is represented by 18,863,297 ordinary shares issued and fully-paid without no par value. Each share is entitled to a dividend and to one vote during Shareholders' meeting.

	2004	2005
Number of shares issued at 1st January	**20,000,000**	**20,000,000**
(Treasury shares held)	(1,794,647)	(1,836,703)
Number of shares representing the IFRS equity at 1st January	**18,205,353**	**18,163,297**
Disposal/(Acquisition) of treasury shares during the period	(42,056)	20,000
Number of shares representing the IFRS equity at 31st December	**18,163,297**	**18,183,297**

On December 31st, 2005, the Group owned 680,000 own shares held by COMPAGNIE IMMOBILIÈRE DE ROUMONT, of which 662,100 own shares are intended to hedge the stock option plan granted to the personnel. None of these options have been exercised as of December 31st, 2005. For more information on this subject, please refer to note 38 (share-based payments).

NOTE 26 – PROVISIONS

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

For the year ended 31 December 2005 ,000 EUR	Pending litigation	Environmental provisions	Restructuring provisions	Guarantees given on disposals of shareholdings or activities	Others (warranty,...)	Total
At 1 January 2005	**25,488**	**32,043**	**15,813**	**29,398**	**25,578**	**128,320**
Additional provisions in the period	4,680	220	9,709	0	2,029	16,638
Utilisation of provision	(7,167)	(3,371)	(8,039)	0	(7,303)	(25,880)
Amount reversed	(3,883)	(200)	(2,897)	(2,486)	(850)	(10,315)
Acquisition through business combination	3,846	3,834	154	0	6,573	14,407
Discount factor	0	0	0	0	0	0
Currency translation difference	671	1,789	566	0	1,706	4,732
Others	(165)	4,399	(2,277)	0	6,363	8,321
At 31 December 2005	**23,471**	**38,715**	**13,030**	**26,912**	**34,096**	**136,223**
of which included in current liabilities	8,964	4,100	5,178	0	5,785	24,027
of which included in non-current liabilities	14,506	34,615	7,852	26,912	28,311	112,196

- Provisions for litigations are booked to cover costs of settling litigations arising in the ordinary course of business with customers, suppliers, tax authorities and other third parties.

- The environmental provisions are mainly intended to cover costs to be incurred regarding recovery of sites which endured damages from mine exploitation operations. These provisions, estimated for each IMERYS's quarry, are subject to an exhaustive review in the course of the financial year. Their valuation reflects the level and the actual expiry date of the liability at closing date.

- The restructuring provisions relate to reorganization plans announced and launched before the closing of the financial year.

- The provisions for guarantees given on disposals of shareholdings or activities are mainly related to guarantees granted by GIB on disposal of subsidiaries and activities.

1. Description of the pension plans and the post-employment benefits

Defined contribution plans :

For this kind of plan, the employer commits himself to allocate regular contributions to vehicles in charge of managing the plans (pension funds, insurance companies, financial institutions) on a mandatory (legal or statutory regulations) or on an optional basis (compensatory system at the initiative of the company) without any guarantee on the level of the benefits.

The amounts expensed are recognized in the course of the financial year in which they are due. The contributions for defined contribution plans amounted to EUR 7.6 million during the 2005 financial year.

Defined benefit plans :

The defined benefit plans can be funded through insurance companies, pension funds or separate entities. An actuarial valuation is annually performed by independent actuaries. For this type of plan, the employer guarantees the benefits the employees will obtain in the form of a lump sum payment or periodical payments, on a legal or contractual basis. Such plans were mainly adopted by NPM/CNP, TRANSCOR, DISTRIPAR and by the PARGESA group (GBL, IMERYS). The post-employment benefits are granted by different Group companies based on the local practices. In the framework of pension funds settled to fund the defined benefit plans, no such plan has invested in NPM/CNP shares nor in any property used by the company.

On December 31st, 2005, the provisions for post employment benefits obligations amounted to EUR 115.2 million. An amount of EUR 10.2 million was expensed in 2005 in relation with the existing defined benefit plans.

2. Key actuarial assumptions used for the calculation of defined benefit plans

	2004		**2005**	
In % at the end of the period	Min.	Max.	Min.	Max.
Discount rate	4.0%	5.4%	3.5%	5.5%
Expected return on plan assets	4.0%	6.7%	3.5%	6.7%
Expected rate of salary increases	2.0%	8.0%	2.0%	8.0%
Expected inflation rate	2.0%	2.5%	2.0%	2.8%
Expected rate of increase of medical costs	0.0%	8.4%	0.0%	6.3%

3. Amounts recognized in the balance sheet for defined benefit plans

,000 EUR	**2004**	**2005**
Present value of wholly or partly funded defined benefit obligation (-)	(387,702)	(532,157)
Fair value of plan assets at the end of the period	328,596	449,386
Deficit in funded plans	**(59,106)**	**(82,771)**
Present value of wholly unfunded defined benefit obligations	(36,591)	(39,749)
Deficit in funding defined benefits obligation	**(95,697)**	**(122,520)**
Unrecognised actuarial gains/(losses)	3,797	15,486
Unrecognised past service costs	(242)	(492)
Amount not recognised as asset due to asset ceiling	(2,793)	(7,647)
Net (liability)/net asset (as recognised in the balance sheet)	**(94,935)**	**(115,173)**
as non-current liability	(96,058)	(116,683)
as current liability	0	0
as non-current assets	1,123	1,509
as current assets	0	0

4. Movement of (net liabilities) / plan assets booked in the balance sheet

,000 EUR	**2004**	**2005**
Opening net (liability)/asset at 1st January	**(99,315)**	**(94,935)**
Expense recognized in the income statement	(10,452)	(10,218)
Contributions paid by the company	14,601	10,824
Impact of acquisitions/disposals	985	(20,979)
Currency translation differences	1,074	135
Others	(1,828)	0
Closing net (liability)/asset at 31st December	**(94,935)**	**(115,173)**

NOTE 27– EMPLOYEE RETIREMENT AND POST-EMPLOYMENT BENEFIT OBLIGATIONS

5. Amount recognized in the income statement during the period

,000 EUR	**2004**	**2005**
Current service cost	(11,231)	(11,079)
Interest cost on obligations	(23,044)	(24,122)
Expected return on plan assets	23,162	25,459
Net actuarial gain/(loss) recognised during the year	(862)	(1,030)
Past service costs	45	(424)
Gain/(loss) on curtailments or settlements	1,478	978
Net expenses recognized in the income statement	**(10,452)**	**(10,218)**

6. Actuarial return on plan assets

,000 EUR	**2004**	**2005**
Expected return on plan assets	22,805	24,777
Actuarial gain/(loss) on plan assets	357	682
Actual return on plan assets	**23,162**	**25,459**

NOTE 28 – OBLIGATIONS UNDER FINANCE LEASE

Repayment schedule	Present value of minimum finance lease payments	
,000 EUR	**2004**	**2005**
Within one year	4,114	7,147
In the second to the fifth year inclusive	19,085	20,039
After five years	8,342	9,259
Total lease obligations	**31,541**	**36,445**
Less : future finance charges	(2,743)	(3,163)
Present value of finance lease obligations	**28,798**	**33,282**
Less : amount due for settlement within 12 months	(3,278)	(6,352)
Amount due for settlement after 12 months	**25,520**	**26,929**

In finance lease arrangements, the lessee takes all the risks and rewards linked to the property of an asset. The related liabilities are recognized in the balance sheet on the basis of their current value reduced by the financial costs to incur during the duration of the contract. The initial cost of the leased assets is the lowest value between the fair value of the asset and the net present value of the minimal lease payments. On December 31st, 2005, financial lease obligations include mainly buildings held under financial lease arrangements by UNIFEM and QUICK for the amount of EUR 25.3 million.

NOTE 29 – BORROWINGS AND OVERDRAFTS

Non-current financial liabilities

,000 EUR except interest rates	2004 Interest rates Min.	Max.	Carrying amount
Long-term obligations under finance lease	2.80%	7.80%	25,520
Other long-term interest bearing borrowings :			817,521
Bank loans	1.49%	4.82%	406,189
Bonds issued	3.40%	6.00%	402,683
Convertible loans	-	-	0
Exchangeable loans	-	-	0
Minority shareholders' advances	-	2.63%	6,965
Other	-	2.50%	1,684
Total			**843,041**

,000 EUR except interest rates	2005 Interest rates Min.	Max.	Carrying amount
Long-term obligations under finance lease	3.20%	7.80%	26,929
Other long-term interest bearing borrowings :			1,432,369
Bank loans	3.00%	5.20%	826,395
Bonds issued	3.40%	6.00%	412,133
Convertible loans	-	-	0
Exchangeable loans	-	2.95%	183,114
Minority shareholders' advances	-	2.40%	6,965
Other	-	2.50%	3,762
Total			**1,459,298**

Current financial liabilities

,000 EUR except interest rates	2004 Interest rates Min.	Max.	Carrying amount
Current portion of long-term obligations under finance lease	2.80%	7.80%	3,278
Current portion of bank borrowings and overdrafts			496,042
Bank short-term borrowings	2.79%	3.89%	65,070
Bank overdrafts	-	2.50%	340,894
Current portion of other long-term borrowings	-	3.43%	90,078
Other current financial liabilities	2.75%	3.92%	39,609
Total			**538,929**

,000 EUR except interest rates	2005 Interest rates Min.	Max.	Carrying amount
Current portion of long-term obligations under finance lease	3.20%	7.80%	6,352
Current portion of bank borrowings and overdrafts			868,710
Bank short-term borrowings	3.00%	4.75%	50,921
Bank overdrafts	2.50%	3.65%	407,671
Current portion of other long-term borrowings	2.75%	3.75%	410,118
Other current financial liabilities	2.75%	3.92%	33,450
Total			**908,512**

Payment schedule of financial liabilities

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

,000 EUR	2005 On demand < 1 year	In the 2nd to the 5th year	> 5th year	Total after 1 year
Long-term obligations under finance lease	0	4,824	22,105	26,929
Other long-term interest bearing borrowings	0	77,012	1,355,357	1,432,369
Current portion of long-term obligations under finance lease	6,352	0	0	0
Current portion of bank borrowings and overdrafts	868,710	0	0	0
Other current financial liabilities	33,450	0	0	0
Total	**908,512**	**81,836**	**1,377,462**	**1,459,298**

NOTE 29 – BORROWINGS AND OVERDRAFTS

Analysis by currency

,000 EUR	2004 EUR	CHF	GBP	USD	Others
Long-term obligations under finance lease	22,629	0	2,504	387	0
Other long-term interest bearing borrowings	588,715	64,025	69,750	69,187	25,845
Current portion of long-term obligations under finance lease	2,329	0	368	581	0
Borrowings reimbursable within one year and overdrafts	248,304	29,876	44,416	172,475	971
Other current financial liabilities	38,002	0	0	1,580	26
Total	**899,979**	**93,901**	**117,038**	**244,210**	**26,842**
					1,381,970

,000 EUR	2005 EUR	CHF	GBP	USD	Others
Long-term obligations under finance lease	24,372	2,161	0	396	0
Other long-term interest bearing borrowings	1,306,888	53,552	21	71,908	0
Current portion of long-term obligations under finance lease	5,815	0	397	139	0
Borrowings reimbursable within one year and overdrafts	459,433	18,312	2,962	388,002	0
Other current financial liabilities	22,061	4,925	2,200	4,264	0
Total	**1,818,570**	**78,950**	**5,581**	**464,710**	**0**
					2,367,810

The main part of the consolidated debt is expressed in Euro and consists of long-term borrowings:

- bonds and similar loans mainly include listed and non-listed bonds issued by IMERYS, the value of which amounts to EUR 381.8 million (NPM/CNP's share presented on the face of the balance sheet as at December 31st, 2005) compared to a fair value of EUR 392.2 million. These loans are expressed in different currencies (USD, JPY and EUR) and have fixed rates ranging from 3.40% to 6.00%.
- exchangeable loans relate to bonds (issued by GBL) exchangeable into existing GBL shares held as treasury shares ; the nominal amount is EUR 194.7 million (NPM/CNP's share). This convertible loan has a fair value of EUR 222.0 million (NPM/CNP's share) and falls due in 2012. The nominal interest rate amounts to 2.95% and the effective annual average interest rate amounts to 3.64%.
- the bank loans mainly include a long-term debt of EUR 650 million contracted by the NPM/CNP Group in 2005 and maturing in October 2013 ; its fair value is equal to EUR 644.8 million at the end of 2005. This loan was concluded with an interest rate of 3.38% and, on December 31st, 2005, current assets (cash and cash equivalents for an amount of EUR 650 million) are pledged to guarantee this loan.

The Group's debt is at fixed or at floating rate depending the case. In case of variable floating rate, the different entities can hedge the interest rate risk by entering into swap and other similar agreements (please refer to note 32 on derivative financial instruments).

On December 31st, 2005, the Group's companies had unused credit lines. This is the case for TRANSCOR (unused credit line of EUR 520 million which fall due within the year) and for the PARGESA group (unused credit line of EUR 857 million, of which half falls due within 3 to 5 years and the other half after 5 years).

NOTE 30 – OTHER CURRENT FINANCIAL LIABILITIES

,000 EUR	2004	2005
Derivative financial liabilities	18,738	19,553
Other financial liabilities	20,871	13,897
Total	**39,609**	**33,450**

NOTE 31 – OTHER CURRENT LIABILITIES

,000 EUR	2004	2005
Social debtors	76,766	145,047
Accrued charges and deferred income	10,144	13,351
Taxes payable other than income tax	4,086	11,654
Other amounts payable	124,788	108,124
Total	**215,784**	**278,176**

,000 EUR	2004 Notional	2005 Notional	2005 Fair value
Fair value hedges			
Currency forwards, futures and swaps	*(56,303)*	*50,505*	
Asset component	0	50,505	(353)
Liability component	(56,303)	0	(208)
Interest rate swaps	*329,067*	*154,059*	
Asset component	329,067	446,862	25,935
Liability component	0	(292,802)	(6,351)
Commodity futures	*0*	*(367,662)*	
Asset component	0	921,482	(210)
Liability component	0	(1,289,144)	(51,385)
Options	*(5,918)*	*(331,250)*	
Asset component	0	0	0
Liability component	(5,918)	(331,250)	(15,223)
Cash flow hedges			
Currency forwards, futures and swaps	*30,500*	*183,174*	
Asset component	30,500	183,174	77
Liability component	0	0	(686)
Interest rate swaps	*(134,811)*	*(315,325)*	
Asset component	44,771	120,882	733
Liability component	(179,582)	(436,207)	(4,915)
Interest rate and currency swaps	*0*	*0*	
Asset component	17,500	0	0
Liability component	(17,500)	0	0
Options on interest rates and commodities	*0*	*22,386*	
Asset component	0	22,386	2,576
Liability component	0	0	(1,083)
Trading			
Currency derivatives	9,651	529	9
Interest derivatives	164,906	156,891	144
Commodity derivatives	1,664,850	0	0
Total derivative financial instruments	**2,001,942**	**(446,694)**	**(50,940)**

The Group uses derivative financial instruments to hedge risks linked to interest rates, exchange rates and fluctuations in raw material prices (crude oil, coal, milk and others).

The interest rate swaps shown in the section on fair value hedges include interest rate swaps issued by IMERYS.

The commodity futures contracts mentioned in the section on fair value hedges mainly comprise the futures relating to oil products, which will be settled in the course of 2006 in the framework of TRANSCOR's commercial transactions.

The options in the section on fair value hedges comprise 1,250,000 issued call-options relating to the TOTAL shares. These options are exercisable till October 2008 against the unit price of EUR 265.

The interest rate swaps mentioned in the section on cash flow hedges include an interest rate swap settled by GBL in order to fix its financing cost for 7 years (maturity January 2013).

On December 31st, 2005, EUR 2.0 million were expensed to reflect the fair value of derivative financial instruments.

The fair value of the derivative financial instruments mostly represents the estimated amounts which would have been collected by the Group's companies on the closing date, if the settlement were to their benefit or which would have to be paid by the Group when the settlement of the transaction were to their disadvantage. The fair value is the amount for which an asset can be traded between well informed and non-related parties who are willing to trade.

The fair value of the equity instruments of listed companies is determined on the basis of the official quotation at the closing date. When there is no active market for a specific financial instrument, the Group determines the fair value by means of valuation techniques which are based on the existing market data.

All instruments that do not qualify for hedge accounting are considered as instruments trading instruments. In order to apply hedge accounting and to test the effectiveness of the closed hedging transactions, the Group's shareholdings have developed prospective and retrospective tests.

Risk management :

For risk management, please refer to pages 28 to 32.

NOTE 33 – BASIC AND DILUTED EARNING PER SHARE

NPM/CNP computes in its annual financial statements the net basic earning per share and the net diluted earning per share. The net basic earning per share is equal to the net result (Group share) divided by the weighted average outstanding number of shares during the period (excluding own shares). Since NPM/CNP granted options to his personnel, the diluted weighted average number of shares is calculated in accordance with the requirements of IAS 33.

From continuing and discontinued operations

	2004	2005
Weighted average number of ordinary shares for the purpose of basic earning per share	18,188	18,163
Effect of dilutive potentiel ordinary shares :	128	319
• Share options	128	319
• Convertible loan notes	0	0
• Others	0	0
Weighted average number of ordinary shares for the purpose of diluted earning per share	18,316	18,482

,000 EUR	2004	2005
Net profit (Group share) basic	298,757	600,649
Effect of dilutive potential ordinary shares :	0	0
• Interests on convertible loan notes (net of tax)	0	0
• Others	0	0
Net profit (Group share) diluted	298,757	600,649

EUR/share	2004	2005
Earning per share - basic	16.43	33.07
Earning per share - diluted	16.31	32.50

From continuing operations

,000 EUR	2004	2005
Net profit attributable to equity holders of the parent	298,757	600,649
Adjustement to exclude net result for the period from discontinued operations	(83,683)	(320,356)
Basic net profit attributable to equity holders of the parent from continuing operations	**215,074**	**280,293**
Effect of dilutive potential ordinary shares	0	0
Diluted net profit attributable to equity holders of the parent from continuing operations	**215,074**	**280,293**

EUR/share	2004	2005
Earning per share from continuing operations - basic	11.82	15.43
Earning per share from continuing operations - diluted	11.74	15.17

From discontinued operations

EUR/share	2004	2005
Earning per share from discontinued operations - basic	4.61	17.64
Earning per share from discontinued operations - diluted	4.57	17.33

NOTE 34 – DIVIDENDS

Amounts recognized as distribution to shareholders of NPM/CNP during the year

,000 EUR	2004	2005
Dividend declared during the financial year	68,000	71,400
(EUR 3,40 per share in 2004 and EUR 3,57 per share in 2005)		
Reduced by dividend on treasury shares	(6,067)	(6,592)
Dividend paid during the year (excl. dividend on treasury shares)	**61,933**	**64,808**

The proposed dividend for the financial year closed on December 31st, 2005, will amount to EUR 3.82 per share. The proposed dividend will be submitted for approval to the general assembly of shareholders and was not recognized as a liability in the financial statements.

NOTE 35 – CAPITAL COMMITMENTS

On December 31st, 2005, the Group concluded capital commitments for an amount of EUR 260.3 million (of which EUR 45,0 million for NPM/CNP's part in the take-over by GIB of 66% of the FINANCIÈRE FLO capital and EUR 180 million for BANCA LEONARDO; this latter investment is subject to different conditions, including the approval by the competent authorities). For further information, please refer to the Board of Directors' report (pages 15 to 17).

In the course of the last quarter of 2005, a subsidiary of the TRANSCOR group signed a letter of intent with PETROBRAS regarding the acquisition by this latter of a shareholding (the percentage of which still needed to be determined) in the capital of PASADENA REFINING SYSTEM. The transaction should be closed by the transfer of 50% of the capital of PRS to PETROBRAS during the second quarter of 2006.

NOTE 36 – CONTIGENT ASSETS AND LIABILITIES

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

   In particular, within the framework of the 1990 agreement - renewed in 1996 - between the FRÈRE-BOURGEOIS-NPM/CNP and POWER with respect to the joint control of PARGESA HOLDING S.A., the partners acknowledged the following mutual rights and commitments: in case of the loss of control by the FRÈRE-BOURGEOIS-NPM/CNP Group or by the POWER Group of PARJOINTCO N.V. or, should that company be liquidated, of the companies to which ownership of the PARGESA shares will be transferred, subject to settlement by arbitration, the defaulting Group will grant an option to the other Group to acquire the shareholding in PARGESA held by PARJOINTCO N.V. or by companies of the defaulting Group, at the stock market price at the time of arbitration settlement for PARGESA shares and at the issue price for any other PARGESA security.

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

2. In the context of the disposal of several shareholdings, NPM/CNP had to make some representations and give some warranties to buyers mainly in terms of net assets of companies that were sold; these warranties are capped and concern HÉLIO CHARLEROI, DUPUIS and PROJECT SLOANE / JOSEPH.

   Upon printing this document, the Company had not been informed of any significant claim that could result in a cash outflow for the Company. Depending on the occurrence of some future events, the NPM/CNP Group might cash, in 2006 or later, additional amounts on some shareholdings sold during previous financial years; the Company does not expect these amounts to be significant.

3. Upon acquiring 50% of the GIB group, the NPM/CNP Group has taken over 50% of GIB's off balance sheet commitments, which can be summarized as follows (expressed as NPM/CNP's share) as of December 31st, 2005:

   - warranties given on sale of BRICO : EUR 26.5 million (until 2007)
   - warranties on sale of INNO: unlimited amounts for tax liabilities (until 2007)

   A provision amounting to EUR 26.8 million in the accounts as of 31 December 2005 is intended to cover those risks.

NOTE 37 – GOVERNMENT GRANTS

The government grants are recognized in the balance sheet under « other non-current liabilities » and in the income statement under « other operating income ».

On December 31st, 2005, the government grants recognized in the balance sheet and in the income statement amounted to EUR 6.5 million and EUR 2.3 million respectively; these amount mainly relate to UNIFEM/ENTREMONT ALLIANCE.

NOTE 38 – SHARE-BASED PAYMENT

The tables below represent the share-based payments in NPM/CNP shares; they do not include payments based on shares of other entities; these latter are mentioned in the comments below.

	2004		2005	
	Number of d'options	Weighet average exercise price	Number of d'options	Weighet average exercise price
Outstanding at the beginning of the period	**0**	**0.00**	**662,100**	**100.00**
Granted during the period	662,100	**100.00**	0	0.00
Cancelled during the period	0	**0.00**	0	0.00
Exerced during the period	0	**0.00**	0	0.00
Expired during the period	0	**0.00**	0	0.00
Outstanding at the end of the period	**662,100**	**100.00**	**662,100**	**100.00**

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

%	2004	2005
Personnel turnover	0.00%	n.a
Expected volatility	20.00%	n.a
Expected dividends	5.00%	n.a
Risk free rate	4.50%	n.a

Outstanding share options at the end of the period

	Number	Exercise price (EUR)	Maturity	Beginning of exercise period
NPM/CNP	165,525	100.00	3/12/2013	(1)1/01/2007
NPM/CNP	165,525	100.00	3/12/2013	30/06/2007
NPM/CNP	331,050	100.00	3/12/2013	30/06/2009
Total	**662,100**			

(1) Rights acquired on 30 June 2006

On December 31st, 2005, the total charge of the Group with regard to the option plans recognized as personnel costs, amounted to EUR 5.3 million. The most important part relates to the stock options of NPM/CNP for which a charge of EUR 3.3 million was recognized in 2005.

Option plans were also granted by QUICK and by companies of the PARGESA group:

- on December 31st, 2005 , the QUICK group had issued 766,628 options on QUICK's shares against the exercise price ranging from EUR 6.1 to EUR 18.5 per share, and which fall due in April 2011. Among these options, 231,628 options could be exercised as of December 31st, 2005 against a price of EUR 18.5.

- within the PARGESA HOLDING, 329,900 options of PARGESA were exercised in the course of the financial year. There is also a stock option plan (100,000 options) outstanding on IMERYS' shares against an exercise price of EUR 30.5 with expiry date in June 2009.

- within IMERYS, 2,987,703 options on IMERYS' shares were outstanding as at December 31st, 2005, with an exercise price included between EUR 24.7 and EUR 57.5 with expiry date in May 2015.

- within GBL 360,190 options on GBL' shares were outstanding as of December 31st, 2005; these options had an exercise price of EUR 32.78 with expiry date in June 2012.

In accordance with IFRS 2, the fair value of the options at grant date is recognized in the income statement over the vesting period. The options are valuated by means of a generally accepted valuation model (BLACK & SCHOLES) taking into account the market situation (exchange rates, volatility, interest rates…) at grant date.

The interests in joint ventures represent the interests of the Group in PARGESA, RASPAIL, RIEUSSEC, QUICK, AGESCA and GIB.

,000 EUR	2004	2005
Assets held in Joint Ventures :	**5,360,863**	**7,245,704**
Current assets	4,525,530	6,436,710
Non-current assets	835,333	808,994
Liabilities held in Joint Ventures :	**1,241,913**	**1,649,599**
Current liabilities	831,429	1,050,530
Non-current liabilities	410,484	599,069
Profit and loss of Joint Ventures :	**400,961**	**195,104**
Income	1,984,050	2,009,264
Expenses	(1,583,089)	(1,814,160)
Cash flow of Joint Ventures :	**(83,668)**	**(75,002)**
from operating activities	323,627	468,187
from financing activities	(105,519)	(619,726)
from investing activities	(301,776)	76,538

NOTE 40 – DISCONTINUED OPERATIONS

In 2005, NPM/CNP has disposed of his shareholdings in PROJECT SLOANE / JOSEPH and in TAITTINGER / LOUVRE.

In accordance with IFRS 5, the capital gain realized on the disposals of these two investments and the results of these shareholdings prior to their disposal have been presented on a separate line of the income statement. The 2004 figures have been restated in the income statement as required by IFRS 5.

The disposal of PROJECT SLOANE / JOSEPH occurred in the first half of 2005; the investment was disposed of through a competitive bid; ONWARD KASHIYAMA's offer was eventually retained.
The disposal of TAITTINGER / LOUVRE occurred in the second half of 2005 after receiving several bids; STARWOOD CAPITAL's offer was eventually selected.

Detail of discontinued operations

,000 EUR		2004	2005
Capital gain or loss on disposal of discontinued operations		**67,016**	**317,241**
Tax on disposal of discontinued operations		0	0
Net capital gain/(loss) on disposal of discontinued operations	**(1)**	**67,016**	**317,241**
Turnover (sales)		117,086	27,048
Other operating income		4,087	1,238
Changes in inventories		1,460	(1,872)
Raw materials, goods for resale and consumables used		(47,813)	(11,815)
Staff costs		(22,406)	(4,988)
Depreciation expenses		(2,246)	(742)
Amortization expenses		(1,019)	(4)
Gains/(losses) and impairments on shareholdings and activities		0	(1)
Other operating expenses		(31,759)	(6,868)
Dividends and interests from long-term investments		0	0
Dividends from current assets held for trading		0	0
Interest income from current assets		82	26
Interest expenses		(5,426)	(1,306)
Gains/(losses) on financial trading (including derivatives)		0	0
Other financial income/(expenses)		0	0
Income from associates		12,246	3,918
Minority interests		0	42
Profit/(loss) before income tax of the discontinued operations (excl. capital gains)		**24,292**	**4,676**
Tax expense on profit/(loss) from the ordinary activities of the discontinued operations		(4,158)	(1,319)
Net profit/(loss) after tax of the discontinued operations (excl. capital gains)	**(2)**	**20,134**	**3,357**
Net profit/(loss) from discontinued operations (1) + (2)		**87,150**	**320,598**

TAITTINGER / LOUVRE was previously accounted for according to the equity method, and thus did not contribute to the turnover and the different sections of the income statement. For your information, the TAITTINGER / LOUVRE group achieved a turnover in the 2004 financial year of EUR 842.8 million and a net result (Group share) of EUR 40.4 million.

NOTE 40 – DISCONTINUED OPERATIONS

Net cash flow related to discontinued operations

,000 EUR	**2004**	**2005**
Net cash flow attributable to operating activities of discontinued operations	24,379	12,083
Net cash flow attributable to investing activities of discontinued operations	98,982	606,921
Net cash flow attributable to financing activities of discontinued operations	**0**	**0**
Net cash flow attributable to discontinued operations	**123,361**	**619,004**

NOTE 41 – CHANGES IN ACCOUNTING METHODS AND ESTIMATES

In the course of the financial years closed in 2004 and 2005, the Group did not modify the accounting nor the estimation methods. Currently, we are not aware of any facts which would indicate that the estimates used for the financial year closed on December 31st, 2005 would have an impact on future financial statements of the Company.

IMERYS anticipated the application of IFRS 6 as from the 2005 financial year, which did not have any significant impact on the annual financial statements of the Group.

NOTE 42 – EVENTS AFTER THE BALANCE SHEET DATE

Please refer to pages 15 to 17 of the Board of Directors’ report.

NOTE 43 – LIST OF CONSOLIDATED COMPANIES

For clarity reasons, the list of the consolidated companies is simplified and only states the name of the parent company of the various consolidated groups not included in the restricted consolidation perimeter. Please refer to the relevant pages of the individual annual reports of each shareholding for the entire list of companies included in the consolidation perimeter of each entity.

1. FULLY CONSOLIDATED COMPANIES

Companies (or groups)	Country	Consolidation percentage	Transitive ownership percentage in capital	Percentage of voting rights controlled	Main activity
COMPAGNIE NATIONALE À PORTEFEUILLE	Belgium	100.0%	Parent	Parent	Holding company
BSS INVESTMENTS	Belgium	100.0%	80.0%	80.0%	Holding company
CARPAR	Belgium	100.0%	100.0%	100.0%	Holding company
CENTRE DE COORDINATION DE CHARLEROI	Belgium	100.0%	96.7%	96.7%	Treasury pooling
COMPAGNIE IMMOBILIERE DE ROUMONT	Belgium	100.0%	100.0%	100.0%	Services to the Group
GROUPE JEAN DUPUIS	Belgium	100.0%	100.0%	100.0%	Holding company
ERBE FINANCE	Luxemburg	100.0%	100.0%	100.0%	Holding company
FIBELPAR	Belgium	100.0%	100.0%	100.0%	Holding company
FINIMPRESS	Belgium	100.0%	100.0%	100.0%	Holding company
INVESTOR	Belgium	100.0%	100.0%	100.0%	Holding company
KERMADEC	Luxemburg	100.0%	100.0%	100.0%	Holding company
NEWCOR	Belgium	100.0%	100.0%	100.0%	Holding company
NEWTRANS TRADING	Belgium	100.0%	100.0%	100.0%	Holding company
PAM	Netherlands	100.0%	100.0%	100.0%	Holding company
SWIFIN	Luxemburg	100.0%	100.0%	100.0%	Holding company
SWILUX	Luxemburg	100.0%	100.0%	100.0%	Holding company
DISTRIPAR	Belgium	100.0%	97.0%	100.0%	Retailing
UNIFEM/ENTREMONT ALLIANCE	France	100.0%	63.5%	63.5%	Cheese production
IJSBOERKE/STARCO	Belgium	100.0%	100.0%	100.0%	Ice cream
TRANSCOR	Belgium	100.0%	100.0%	100.0%	Energy trading and refining of crude oil

2. PROPORTIONALY CONSOLIDATED COMPANIES

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

(1) Joint-control agreement, although NPM/CNP only holds 49% of the voting rights
(2) 50% held by AGESCA NEDERLAND (proportionally consolidated at 89,5% and jointly controlled with FRERE-BOURGEOIS) and 50% held by the Canadian group POWER
(3) 54,1% held by PARJOINTCO, which controls more than 61% of the voting rights
(4) Companies controlled by PARGESA, which controls more than 50% of the voting rights of GBL and IMERYS and 100% of ORIOR
(5) Jointly controlled with ACKERMANS & VAN HAAREN through GIB, which owns and controls 57,9%

3. EQUITY-ACCOUNTED COMPANIES

Companies (or groups)	Country	Consolidation percentage	Transitive ownership percentage in capital	Percentage of voting rights controlled	Main activity
BERTELSMANN	Germany	11.2%	3.0%	**(1)**	Media industry

(1) 25,0% of voting rights controlled by GROUPE BRUXELLES LAMBERT

NOTE 44 – LIST OF NON-CONSOLIDATED COMPANIES

Some companies were not included in the consolidation perimeter because for immateriality reasons at Group level or because of the early development stage of their project:
This is the case for:
- CHEVAL DES ANDES, 20% owned by the Group (25% of the voting rights), active in wine production.
- MOLIGNÉE ÉNERGIE (MESA), 74.99% controlled by the Group, active in the development of wind energy projects.

NOTE 45 – RELATED PARTIES

Salaries and directors' fees paid to directors and to executive management

During the financial year 2005 (,000 EUR)	by NPM/CNP, its subsidiaries and joint ventures (1)	by associates (2)	by other companies
Amount of gross salaries and directors' fees granted to executive directors and management of the Parent Company regardless of the consolidation percentages			
- executive directors and management	3,387	303	0
- non-executive directors	298	0	0
	3,685	303	0
Considering the consolidation percentages			
- executive directors and management	3,263	103	0
- non-executive directors	80	0	0
	3,343	103	0
Loans granted to Execcutive Directors and management	174	0	0

(1) The NPM/CNP Group also paid an amount of EUR 300 (000) for services rendered by representatives of the FRÈRE-BOURGEOIS Group and EUR 41 (000) for services rendered by representatives of SOCIÉTÉ DES QUATRE CHEMINS (linked to Mr SAMYN).

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

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NOTICE

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

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

BALANCE SHEETS

,000 EUR		2004		2005	
NON-CURRENT ASSETS			**2,377,454**		**4,232,199**
II.	**Intangible assets**		**-**		**99**
III.	**Tangible fixed assets**		**2,054**		**1,969**
	A. Lands and buildings	101		101	
	C. Furniture and vehicles	50		35	
	E. Other	1,903		1,833	
IV.	**Long-term investments**		**2,375,400**		**4,230,131**
	A. Subsidiaries				
	1. Shareholdings	2,374,499		4,228,169	
	B. Related companies				
	1. Shareholdings	900		1,956	
	C. Other investments				
	1. Shareholdings	1		6	
CURRENT ASSETS			**259,332**		**3,074,125**
V.	**Long-term receivables**		**224**		**176**
	B. Other receivables	224		176	
VII.	**Amounts receivable within one year**		**209,555**		**3,002,080**
	A. Trade receivables	450		399	
	B. Other receivables	209,105		3,001,681	
VIII.	**Short-term investments**		**29,056**		**35,000**
	A. Own shares	9,051		-	
	B. Other short-term investments	20,005		35,000	
IX.	**Cash and cash equivalents**		**19,154**		**35,264**
X.	**Deferred expenses and acrued income**		**1,343**		**1,605**
TOTAL ASSETS			**2,636,786**		**7,306,324**

EQUITY			**2,449,456**		**3,753,032**
I.	**Capital**		**126,500**		**126,500**
	A. Issued capital	126,500		126,500	
II.	**Share premium**		**1,052,870**		**1,052,870**
IV.	**Reserves**		**21,706**		**68,574**
	A. Legal reserve	12,650		12,650	
	B. Unavailable reserve				
	1. Own shares	9,051		-	
	2. Other	5		5	
	C. Tax-free reserve	-		-	
	D. Distributable reserves	-		55,919	
V.	**Profit carried forward**		**1,248,380**		**2,505,088**
PROVISIONS AND DEFERRED TAXATION			**-**		**-**
VII.	**A. Provisions for liabilities and charges**		**-**		**-**
	4. Other liabilities and charges	-		-	
LIABILITIES			**187,330**		**3,553,292**
IX.	**Amounts payable within one year**		**185,528**		**3,549,945**
	B. Financial debts				
	2. Other loans	112,000		680,237	
	C. Trade payables				
	1. Suppliers	680		348	
	E. Taxes, salaries and social charges payable				
	1. Taxes	737		554	
	2. Salaries and social charges	114		193	
	F. Other liabilities	71,997		2,868,613	
X.	**Accrued expenses and deferred income**		**1,802**		**3,347**
TOTAL LIABILITIES AND EQUITY			**2,636,786**		**7,306,324**

,000 EUR		2004		2005	
EXPENSES					
II.	**Operating expenses**		**4,239**		**8,791**
	B. Outside goods and services	3,752		7,781	
	C. Payroll expenses	575		585	
	D. Depreciation and amortisation	100		93	
	E. Amounts written off /(back) on receivables	48		(227)	
	F. Provisions for liabilities and charges and (releases)	(248)		-	
	G. Other operating expenses	12		559	
V.	**Financial expenses**		**8,871**		**5,081**
	A. Interest expenses	8,446		4,331	
	B. Write-downs and (reversals) on current investments	-		-	
	C. Other financial expenses	425		750	
VIII.	**Exceptional expenses**	-	**68,403**		**2,428**
	B. Write-downs on non-current investments	68,403		-	
	D. Losses on disposals of non-current assets	-		2,428	
X.	**Income tax expenses**		**-**		**3**
XI.	**Net profit**		**26,894**		**1,485,301**
TOTAL EXPENSES			**108,407**		**1,501,604**
INCOME					
I.	**Revenue**		**1,240**		**918**
	D. Other operating income	1,240		918	
IV.	**Financial income**		**37,252**		**42,444**
	A. Income from non-current investments	27,062		36,013	
	B. Income from current investments	8,617		5,006	
	C. Other financial income	1,573		1,425	
VII.	**Exceptional income**		**69,805**		**1,458,184**
	B. Reversals of write-downs on non-current investments	1		979	
	D. Gains on disposals of non-current assets	68,728		1,457,205	
	E. Other exceptional income	1,076		-	
X.	**Income tax adjustments and release of income tax provisions**		**110**		**58**
TOTAL INCOME			**108,407**		**1,501,604**
APPROPRIATION OF PROFITS					
A1.	**Profit for the year available for appropriation**		**26,894**		**1,485,301**
A2.	**Profit brought forward from the previous year**		**1,298,146**		**1,248,380**
PROFIT AVAILABLE FOR APPROPRIATION			**1,325,040**		**2,733,681**
C3.	**Transfer to the reserve for own shares**		**(5,260)**		**(156,535)**
D1.	**Profit carried forward**		**(1,248,380)**		**(2,505,088)**
F1.	**Dividend distribution**		**(71,400)**		**(72,058)**
APPROPRIATION OF PROFIT AVAILABLE			**(1,325,040)**		**(2,733,681)**

Name, registered and administration offices
NATIONALE PORTEFEUILLEMAATSCHAPPIJ N.V. / COMPAGNIE NATIONALE À PORTEFEUILLE S.A., abbreviated to NPM/CNP.
The registered office of the Company is at 6280 Loverval (Gerpinnes), rue de la Blanche Borne, 12. It may be transferred to any place in the Walloon or Brussels region by a Board of Directors' resolution.

Date of incorporation and duration
The Company was incorporated for an unlimited duration on 20 November 1906 under the name « LE GAZ RICHE » as a public company with limited liability (« société anonyme »), by public deed executed by Maître Émile LEFÈBVRE, public Notary in Antwerp, published in the annex to the Belgian « Official Gazette » dated 3-4 December 1906, under number 6133.
The last time the articles of incorporation were amended was by public deed executed by Maître Hubert MICHEL, public Notary in Charleroi, on 8 December 2005.

Objects of the Company
According to Article 3 of the statutes:
«The objects of the Company are the purchase, the sale, the assignment, the exchange and the management of any securities, shares, bonds, government bonds or any other financial or non financial assets or rights; the acquisition of interests under any form, in any company or business in the production and/or distribution of energy, or in industry, commerce, finance, real estate or other, existing or to be incorporated.
Among other things, NPM/CNP may acquire through purchase, exchange, contribution, subscription, underwriting, option or any other means, any securities, assets, receivables or intangible assets; participate in any association or merger; manage or enhance the value of its securities and shareholdings portfolio; realise or liquidate such assets by assignment, sale or any other means.
NPM/CNP may conduct any financial, commercial, industrial or real estate operations or transactions directly or indirectly related to its objects or designed to realise such objects.».

Company registration
The Company is registered in Charleroi under nr 0404.676.971.

Places of consultation of public documents
The co-ordinated articles of incorporation of NPM/CNP may be consulted at the Commercial Court in Charleroi and in the registered office of NPM/CNP and on the website (www.npm-cnp.be).
The annual accounts are filed with the NATIONAL BANK OF BELGIUM. All appointments and dismissals of the representatives of NPM/CNP are published in the annex to the Belgian « Official Gazette ».
Financial notices are published in the financial press and on the website. The other documents available to the public and which may be mentioned in a prospectus may be consulted at the registered office of NPM/CNP or on the website.
The annual reports are sent to the registered shareholders and to anyone who requested them from the Company.

Issued capital
The fully paid share capital of the Company amounts to EUR 126,500,000. It is represented by 18,863,297 shares with no designated nominal value.

The rights attached to the shares are the following:

a. *Right to vote at General Meetings*
Each share carries one vote.

b. *Preferential rights in the event of capital increases*
In the event of a capital increase by cash subscription, the new shares must be offered in the first instance to existing shareholders pro rata to the number of shares held on the day of issue, as prescribed by law.
The General Meeting nonetheless has the right to cancel or to limit the preferential subscription rights in the interest of the Company to the extent permitted by the applicable laws or to suspend the preferential subscription rights for a limited period.
Any proposal by the Board of Directors to limit or to suspend the preferential subscription rights must be justified in a detailed report, which covers in particular the issue price and the financial consequences for the shareholders. A report is also made up by the Auditors, in which they state that the financial information and the accounts contained in the report by the Board are correct. These reports are filed with the Commercial Court.
In the event of a capital increase by cash subscription, the holders of convertible bonds, of bonds redeemable in shares, of subscription rights or of other securities, may convert their bonds or exercise their subscription rights and thus participate in the new issue to the extent that this right is granted to existing shareholders.
The Board of Directors always has the right to conclude agreements, under conditions which it deems appropriate, with any third party in order to ensure the subscription of all or part of the issued shares.

c. *Appropriation of profits*
Net profits are allocated as follows:
1. A minimum of 5% is transferred to a legal reserve fund as stipulated by law until this reaches 10% of share capital.
2. The remaining amount is allocated as decided upon by the General Meeting following a proposal by the Board of Directors.
The Board of Directors may, within the conditions laid down by law, distribute advances on the dividend for the year.

d. *Dissolution / liquidation*
Except in the event of contributions or mergers remunerated by shares, the net assets, after payment of all debts, charges and liquidation costs, will be used in the first instance to reimburse the paid-up portion of share capital, in cash or in shares. The remaining balance will be distributed equally over all shares.

Authorised share capital
By decision of the Shareholders' Extraordinary General Meeting of 15 April 2004, the Board of Directors was authorised, for a period of five years starting on 14 May 2004, to increase the share capital by up to EUR 50,000,000 in one or more steps. The method used to increase the share capital is to be determined by the Board. This authorisation may be renewed in accordance with the relevant laws. The increase in share capital decided on with regard to this authorisation may consist in contributions in cash or in kind, in transfer from available or unavailable reserves or from the share premium account, with or without creation of new shares, preferred or not, with or without voting right, with or without preferential subscription right.
The Board of Directors is expressly authorised to proceed with share capital increases under the conditions laid down by the applicable laws, in the case of a take-over bid on the shares of the Company and provided that notice to this effect is given to the BANKING FINANCE AND INSURANCE COMMISSION within 3 years of the Extraordinary General Meeting of 15 April 2004. In the event where the Board of Directors decides, in the framework of the authorisation, to increase the share capital by the issue of shares subscribed in cash, of convertible bonds, of bonds redeemable in shares, of subscription rights or other financial instruments attached or not to bonds or to other securities, it may, in the interest of the Company and under the conditions laid down by the applicable laws, limit or cancel the preferential subscription rights of existing shareholders in favour of one or several specific person(s), even if these persons are not staff members of the Company or its subsidiaries.
Under the same conditions and in accordance with the applicable laws, the Board of Directors is also authorised to proceed with the issue of convertible bonds or bonds redeemable in shares (whether subordinated or non-subordinated), of subscription rights or other financial instruments (whether or not attached to bonds), or other securities which could lead to an increase in share capital of up to EUR 50,000,000.

Shares not representing the capital
There are no such shares.

Conditions for changes to the capital and to the rights of the various categories of shares
The statutes of the Company do not include provisions regarding capital and rights modifications which would be more restrictive than the legal provisions.

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

Shareholders	Number of shares	Percentage (1)	Date
COMPAGNIE IMMOBILIÈRE DE ROUMONT	680,000	3.60	12,12.05
ERBE	8,526,581	45.20	12.12.05
FINGEN	3,569,171	18.92	12.12.05
FRÈRE-BOURGEOIS and associated companies	***12,775,752***	***67.72***	***12.12.05***
P&V ASSURANCES	941,255	4.99	11.06.98
P&V RÉASSURANCES	80,000	0.42	11.06.98
P&V Group	***1,021,255***	***5.41***	***11.06.98***

(1) percentages computed based upon the number of shares outstanding as at 31 December 2005, i.e. 18,863,297 shares.

Own shares

Subject to approval by the General Shareholders' Meeting of 20 April 2006, the Board of Directors is authorised, for a period of 18 months, to acquire up to 1,886,329 shares of the Company, at a price not more than 20% lower than the lowest closing market price during the 20 trading days preceding the transaction nor more than 20% higher than the highest closing market price during the 20 trading days preceding the transaction and the subsidiaries of the Company are also authorised (according to article 627 of Companies Code) to acquire shares of the Company under the same conditions.

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

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

Responsible editor :

Roland BORRES, Chief Financial Officer
Coussin Ruelle, 16
1490 Court-Saint-Etienne

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Glossary

Restricted consolidation

As a supplement to the consolidated accounts, since 1990, NPM/CNP has been publishing (and will continue to publish) a restricted consolidation analysis; this is based on Belgian accounting principles and is presented as the Group share; the consolidation perimeter is limited and does not include either PARGESA or the industrial or commercial companies in which NPM/CNP has a shareholding, even if it is a controlling one. Based mainly on cash flow elements, it allows shareholders and analysts to see, on a comparable basis, the development of the profits generated by the group, as a holding company, from its portfolio of activities, independently of the equity-accounting or consolidation of one shareholding or another.
The shareholdings contribute to the profits in an amount equal to the dividends paid to the NPM/CNP Group.

Consolidated

Perimeter within which, unlike restricted consolidation, the PARGESA Group and the industrial or commercial shareholdings are consolidated, globally in the case of control (DISTRIPAR, IJSBOERKE, UNIFEM/ENTREMONT ALLIANCE and TRANSCOR) and proportionally in the case of joint control (PARGESA and its subsidiaries, QUICK, RASPAIL / CHEVAL BLANC and RIEUSSEC), or are equity accounted in the case of significant influence (BERTELSMANN, through PARGESA). The consolidated accounts are prepared according to IFRS norms.

I.F.R.S. (International Financial Reporting Standards)

New accounting principles applicable to NPM/CNP Group's consolidated accounts since 2004.

Operating profit

Portion of the net profit (Group share) resulting from an economic analysis, excluding the capital profit.

Capital profit

Portion of the net profit (Group share) resulting from an economic analysis that includes the capital gains or losses and impairments on shareholdings and activities or operations of a particular kind.

Adjusted net assets per share

Net book assets per share adjusted according to the principles described on page 23. This is in no way a valuation of NPM/CNP's shares, but a basis for evaluation in which only the listed assets are revalued at their market value; it is therefore up to the analyst to estimate the value of NPM/CNP's shares on this basis, by replacing the book value of the unlisted assets with the value that he intends to assign to them.

Total Performance for Shareholders

Cumulated annual internal rate of return realised both in the form of a dividend and an increase in the adjusted net assets. Used as an internal performance measuring instrument (see pages 24 to 27).

Non diluted earnings per share

Earnings per share excluding the potential effect of the exercising of the stock option plans.

Fully diluted earnings per share

Earnings per share taking into account outstanding stock options.

Corporate Governance

Corporate governance is a set of rules and behaviours according to which companies are managed and controlled.
(Belgian Corporate Governance Code – www.corporategovernancecommittee.be)

NPM/CNP

Compagnie Nationale à Portefeuille S.A.
Nationale PortefeuilleMaatschappij N.V.
Rue de la Blanche Borne, 12 - 6280 Loverval - Belgium
VAT BE 0404.676.971 - Registered in Charleroi
e-mail: cnp@cnp.be
Website: www.npm-cnp.be