

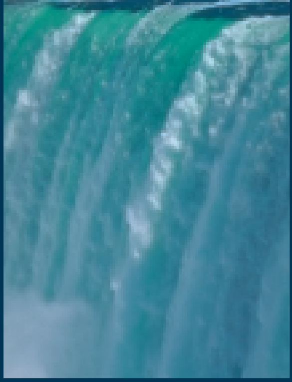
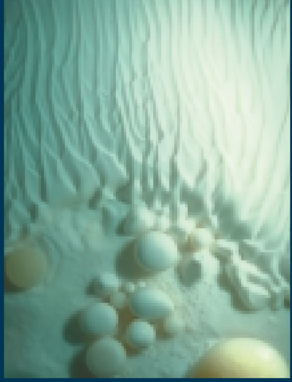

ANNUAL REPORT 2000

Pargesa

Holding SA

Pargesa

Holding SA

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CONTENTS

Pargesa
Holding SA

BOARD OF DIRECTORS

CHAIRMAN

Paul DESMARAIS	Chairman of the Executive Committee, Power Corporation of Canada

VICE-CHAIRMEN

Baron FRÈRE	Chairman of the Board of Directors, Frère-Bourgeois S.A.
Michel FRANÇOIS-PONCET	Vice-Chairman of the Supervisory Board, BNP Paribas
André de PFYFFER	Attorney-at-Law

DIRECTORS

Fahad AL-RAJAAN	Director-General, The Public Institution for Social Security
Marc-Henri CHAUDET	Attorney-at-Law
Tom GUNN **	Senior Vice President Investments, Ontario Municipal Employees Retirement System (OMERS)
Amaury-Daniel de SEZE **	Member of the Executive Committee, BNP Paribas Chairman of PAI Management
André DESMARAIS	President and Co-Chief Executive Officer, Power Corporation of Canada
Paul DESMARAIS Jr. *	Chairman of the Board and Co-Chief Executive Officer, Power Corporation of Canada
Gérald FRÈRE *	Managing Director, Frère-Bourgeois S.A.
Luzius GLOOR	
Robert GRATTON *	President and Chief Executive Officer, Power Financial Corporation
Aimery LANGLOIS-MEURINNE *	Managing Director, Pargesa Holding S.A.
Pierre LANGUETIN	
Gérard MESTRALLET *	Chairman of the Board of Management, Suez
Michel PLESSIS-BÉLAIR	Vice-Chairman of the Board and Chief Financial Officer, Power Corporation du Canada
Gilles SAMYN *	Managing Director, Compagnie Nationale à Portefeuille S.A.

* Term of office due to expire, renewal proposed to the Annual General Meeting
** Appointment as director proposed to the Annual General Meeting

COMMITTEES, MANAGEMENT, AUDITORS

Pargesa Holding SA

EXECUTIVE COMMITTEE

CHAIRMAN
Paul DESMARAIS Jr.

VICE-PRÉSIDENT
André DESMARAIS

MEMBERS
Paul DESMARAIS
Baron FRÈRE
Gérald FRÈRE
André de PFYFFER
Gilles SAMYN

AUDITORS

ERNST & YOUNG S.A.
DELOITTE & TOUCHE EXPERTA S.A.

COMPENSATION COMMITTEE

CHAIRMAN
André de PFYFFER

MEMBERS
Jacques MOULAERT
Michel PLESSIS-BÉLAIR
Gilles SAMYN

AUDIT COMMITTEE

CHAIRMAN
Marc-Henri CHAUDET

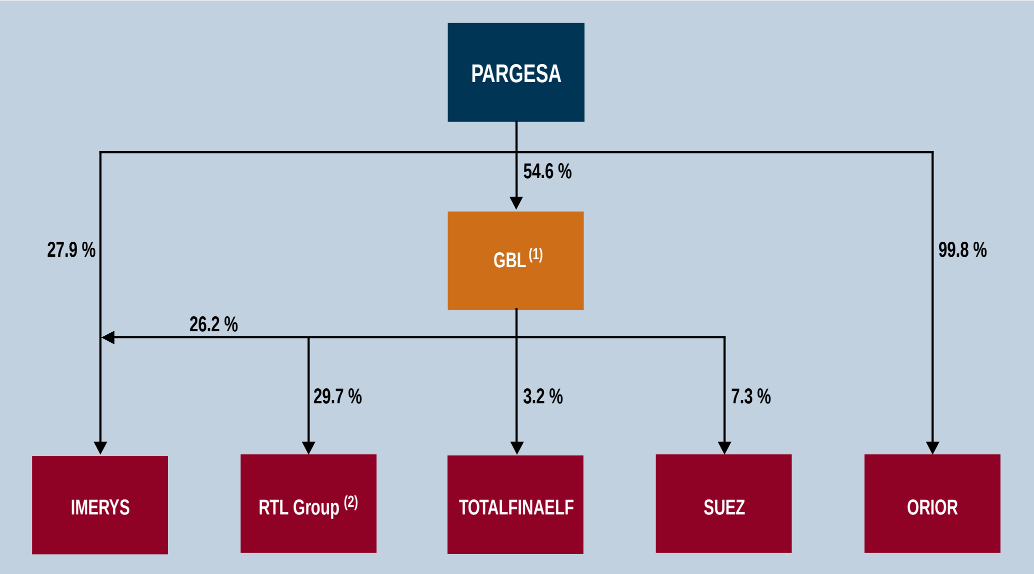
MEMBERS
Pierre LANGUETIN
Michel PLESSIS-BÉLAIR
Gilles SAMYN

MANAGEMENT

Paul DESMARAIS	Chairman and Managing Director
Baron FRÈRE	Vice-Chairman and Managing Director
Aimery LANGLOIS-MEURINNE	Managing Director
Pierre HAAS	Advisor to the Chairman
Jacques DRIJARD	Deputy Managing Director
Andrew ALLENDER	Financial Director
Mark KELLER	Chief Accountant
Fabienne RUDAZ BOVARD	Treasurer

PARGESA GROUP

ECONOMIC DIAGRAM AT DECEMBER 31, 2000 *



* Ownership expressed as a percentage of share capital

(1) The holdings in TotalFinaElf and Suez are held by Electrafina, an 82.8% subsidiary of GBL. The holding in RTL Group is held 9.3% by GBL and 20.4% by Electrafina.
Following the merger between GBL and Electrafina, annouced on March 13, 2001, Pargesa's holding in GBL will decrease from 54.6% to 48.2% of capital and from 59.1% to 50.1% of voting rights.

(2) According to the terms of an agreement signed on March 30, 2001, this holding is due to be exchanged for a 25% holding in the Bertelsmann group.

KEY DATA OF SHAREHOLDINGS AT DECEMBER 31, 2000

Company	Currency	Direct interest %	Total interest %	% of total voting rights	Flow-through interest [1]	2000 Net Profit (CHF million)	2000 Equity Capital (CHF million)
GBL	EUR	54.6%	54.6%	59.1%	54.6%	784	9,705
IMERYS	EUR	27.9%	54.1%	69.5%	42.2%	214	2,296
RTL Group	EUR		29.7% [2]	26.9% [3]	14.3% [2]	102	11,047
TOTALFINAELF	EUR		3.2%	3.2%	1.4%	10,514	49,343
SUEZ	EUR		7.3%	12.8%	3.3%	2,923	20,002
ORIOR	CHF	99.8%	99.8%	99.8%	99.8%	15	182

(1) economic interest assessed at the level of Pargesa
(2) assuming the acquisition of all RTL Group shares subject to call options
(3) without RTL Group shares subject to call options

Pargesa

Holding SA

GLOBAL DATA

CHF million	1996	1997	1998	1999	2000	
Consolidated shareholders' equity	2,773.4	3,259.2	3,975.4	5,053.2	5,096.4	
Operating income	189.7	200.0	161.2	184.9	206.2	
Non-operating income (1)	81.8	530.7	684.6	901.5	218.4	
Consolidated net profit	271.5	730.7	845.8	1,086.4	424.6	
Gross dividend	117.4	119.2	121.7	123.6	125.5	(2) (3)
Shares entitled to dividend	1,653,042	1,655,617	1,667,692	1,670,242	1,673,442	(3)
Market capitalisation at year-end	2,449	2,975	3,607	4,340	5,269	
Estimated net asset value at year-end	4,091	4,652	5,612	7,970	8,999	

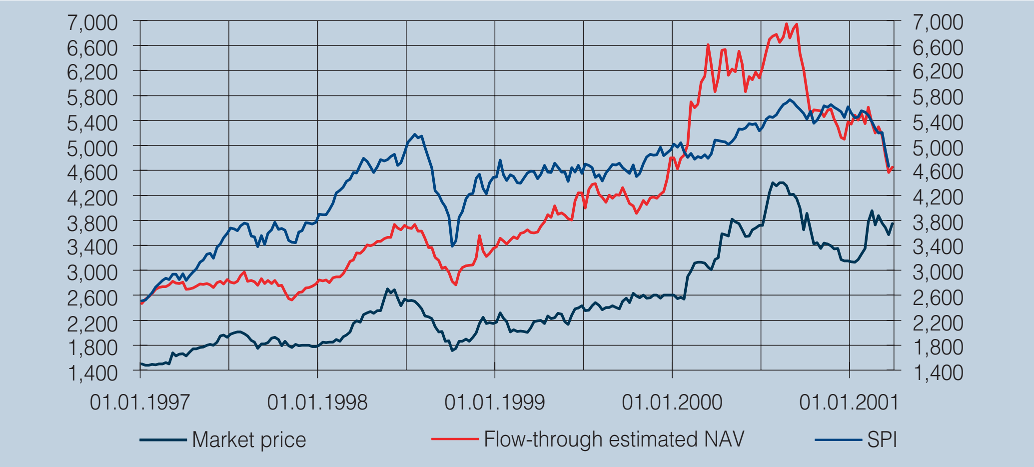
(1) including depreciation of goodwill / (2) proposed to the Annual General Meeting / (3) subject to the issue of reserve bearer shares between the publication of the Annual Report and the Annual General Meeting

DATA PER SHARE

CHF per share		1996	1997	1998	1999	2000	
Share price	year-end	1,495	1,800	2,170	2,600	3,150	
	high	1,520	2,020	2,725	2,684	4,600	
	low	1,340	1,461	1,712	2,000	2,515	
	average	1,445	1,768	2,156	2,347	3,535	
Consolidated shareholders' equity		1,633	1,919	2,340	2,975	3,047	
Estimated net asset value at year-end		2,497	2,814	3,376	4,775	5,380	
Operating income (1)		115.8	121.0	97.0	110.8	123.3	
Non-operating income (1)		49.9	321.0	411.9	540.1	130.5	
Consolidated net profit (1)		165.7	442.0	508.9	650.9	253.8	
Gross dividend		71.0	72.0	73.0	74.0	75.0	(2)
Average gross yield		4.9%	4.1%	3.4%	3.2%	2.1%	
Percentage of share capital traded		9%	17%	11%	16%	15%	

(1) calculated on the average number of shares outstanding during the year / (2) proposed to the Annual General Meeting

STOCK MARKET INFORMATION



MESSAGE FROM THE CHAIRMAN

MESSAGE FROM THE CHAIRMAN

A year ago, I expressed my satisfaction about the work of reorganisation and expansion carried out at Pargesa with my partner, Albert Frère, since we took joint control in 1990.

The year 2000 and the first months of 2001 have confirmed our confidence and shown that Pargesa Group is pursuing its value creation strategy with energy and insight.

Regarding Group structures, we are in the final phase of the simplification process we started several years ago. In 2000, we merged Audiofina and CLT-UFA to foster the creation of RTL Group. We have just announced the merger of GBL and Electrafina. Our structure is now extremely simple, with Pargesa as the cornerstone of the Group, with the control of GBL at its core.

Pargesa Group's four main holdings significantly increased their earnings and improved their strategic positions during 2000, in spite of a gradually deteriorating economic environment. This report provides a detailed analysis of their performance, so I will only make a few comments on their strategic developments.

RTL Group was created by the merger of CLT-UFA, Audiofina and Pearson Television. Pargesa Group owns 30% of the resulting company, which is already a European leader in free television and radio, and has also benefited from the addition of Pearson's content and production. In 2000, operating income increased by 29%.
In March 2001, we signed a final agreement to exchange our 30% of RTL Group against 25% of Bertelsmann. This agreement remains subject to some regulatory authorisations and is expected to be implemented at the beginning of July.
I am pleased to say that it is extremely promising. First of all, it perfectly reflects the strategic value of our controlling block in RTL, but moreover, it associates Pargesa with the development and the future listing of one of the main multimedia groups, which has European origins but a global scale. We are taking our bets on one of the most prominent players in a high growth industry which is undergoing fundamental changes. I firmly believe that Bertelsmann's drive will strongly contribute to Pargesa's value enhancement.

TotalFinaElf quickly demonstrated its merger's soundness and deserves praise for the speed and efficiency of the ensuing integration process. The group now ranks as one of the “majors” and compares favourably with the industry leaders, in terms of the quality and renewal rate of its oil and gas reserves. It still has substantial scope for improving its productivity and we believe that it will continue the remarkable process of value increase begun in the 1990s.

Suez invested heavily in its strategic businesses and broadened its multi-service approach to the needs of its industrial client base. It successfully met this challenge while accomplishing economic and financial performances well ahead of its projections. This twofold achievement confirmed the company's choices and revealed the excellence of its management. I am pleased to be able to make this statement and to reiterate Pargesa Group's support for Suez's business model.

Lastly, Imerys reorganised and relaunched its pigments operations. The company is the world leader in this sector, following the acquisition of ECC. At the same time, Imerys made selective and sensible acquisitions and generated a growth in operating income of more than 15%. I am sure that the market will ultimately acknowledge our subsidiary's fundamental qualities: leadership in its business sectors, enabling profitable external growth, ability to generate free cash flow and very high management standards.

As you can see, I have confidence in Pargesa Group's portfolio and believe that our holdings are well equipped, even if there were to be a real deterioration in the economy or the stock markets, because each of them enjoys decisive competitive advantages and possesses the necessary resources for powerful growth.

Pargesa Group is at present fully invested. It has the teams and structures it needs to generate a high absolute return for its shareholders, while keeping a moderate risk profile, as it has done in the past decade.

Geneva, April 10, 2001 Paul Desmarais

1. INTRODUCTION

Pargesa Holding S.A., whose registered office is in Geneva, is the parent company of Pargesa Group, which acts in various industry and services sectors through its holdings in a number of operating companies.

Pargesa Group's strategy is based on the following principles:

- concentrating the portfolio on a limited number of major holdings, with the aim of creating long-term value;
- seeking to exercise control, or major influence, over the companies in which the Group holds interests;
- ongoing professional activity as a strategic shareholder in the companies in which Pargesa invests, particularly in the following matters:
  - selecting senior management;
  - discussing and approving development strategies proposed by management;
  - monitoring the course of business on a regular basis and participating in important decision making;
  - participation in the definition of financial policy.

Applying these principles, the Group's portfolio as at December 31, 2000 was concentrated in four major holdings representing approximately 96% of its estimated net asset value: RTL Group, TotalFinaElf, Suez and Imerys. Details of their operations and results are provided in pages 23 to 32 of this report.

2. HIGHLIGHTS OF 2000 AND EARLY 2001

During the period, Pargesa implemented a number of initiatives designed to create long-term shareholder value and to continue simplifying the Group's structures.

Pargesa Group's holdings mainly allocated their resources to strengthening existing holdings:

- During the 2000 financial year, Pargesa raised its stake in GBL from 49.3% to 54.6% and its stake in Imerys from 52.7% to 54.1% by purchases through the market. In addition, the Group increased its holding in Orior from 85.9% to 99.8% by means of a public repurchase offer.
- GBL raised its stake in Electrafina from 80.1% to 82.8% and bought 2.6% of its own stock. Moreover, in order to increase the stock's liquidity, GBL and its subsidiaries sold 5.3% of Audiofina's capital in the market, after increasing their holding in Audiofina by 28% at the end of 1999. The plan to merge Audiofina, CLT-UFA and Pearson Television was announced in April and executed in July. The merged entity, Europe's leading radio-television and content group, was named RTL Group. Pargesa Group's holding in RTL Group amounts to 29.7%.

- On February 5, 2001, GBL et and Bertelsmann announced their intention to strengthen their partnership, and agreed that GBL should bring its 29.7% stake in RTL Group to Bertelsmann (already the owner of a 37% holding in RTL Group) and receive in exchange a 25% stake in Bertelsmann AG, Bertelsmann's parent holding company. Completion of the transaction signed on March 30, 2001 is subject to the approval of the relevant authorities in various countries.

  The acquisition of a long-term holding in Bertelsmann will provide Pargesa Group's shareholders with a unique opportunity to participate in the growth of one of the world's leading media groups which is due to be listed in the medium term.

- GBL and Electrafina announced their merger plan on March 13, 2001. The proposed transaction will be submitted for approval to both companies' Annual General Meetings on April 26, 2001. It is designed to increase the efficiency, simplicity and transparency of group structures. Once effective, the merger would reduce Pargesa's holding in GBL from 54.6% to 48.2% of capital and from 59.1% to 50.1% of voting rights.

- In June 2000, Orior Holding S.A. disposed of its watch components division, to focus exclusively on the food industry through its subsidiary Orior Food S.A.

  Orior Food S.A. realised consolidated 2000 sales of CHF 306 million, representing an 8% increase, and operating income of CHF 23.3 million, up 22%. Group share of net profit amounted to CHF 12.3 million. All three divisions – prepared meat products, fresh products, as well as poultry and organic – contributed to this positive trend. Orior expects to maintain its momentum, notably with new developments in the sector of high value-added prepared fresh products.

Concerning the four major holdings, the following points can be noted:

In 2000, Imerys, the world leader in Mineral Processing, pursued its dynamic growth strategy, achieving a sustained level of internal growth – 6.4% – and making strategic acquisitions in each of its business sectors. The Building Materials division entered the Portuguese market by acquiring Campos, a tile and brick producer. Refractories & Abrasives became a world leader in minerals for abrasives through the acquisition of Treibacher Schleifmittel. Ceramics & Specialties established a market foothold in New Zealand (New Zealand China Clays) and will soon finalise the take-over of K-T (Kentucky-Tennessee) in the US and Mexico. Pigments & Additives mainly expanded its calcium carbonate business through the acquisitions of Quimbarra in Latin America (Brazil, Argentina and Mexico) and Honaik in Asia (Malaysia, Thailand and China).

The group's operating income rose 20.9% to EUR 347 million. Group share of net recurring income gained 16.6% to EUR 167 million and net income amounted to EUR 140 million.

RTL Group was created in July 2000 from the merger of CLT-UFA, Pearson Television and Audiofina. RTL is the largest European radio and television broadcaster and important in new media. The group's television production activity ranges across the globe. The 2000 financial year brought a substantial rise in advertising revenues, enabling established TV channels to increase their profitability and recently launched stations to break even.

The group's earnings before interest, tax and amortisation (EBITA) amounted to EUR 555 million, an increase of 29.4% compared to the 1999 pro forma result. RTL Group realised a net profit of EUR 67 million.

TotalFinaElf, the world's fourth-ranking oil group, took full advantage of the favourable environment created in 2000 by the rise in crude-oil prices, refining margins and the US dollar's, while also benefiting from implementation of the productivity programmes drawn up after the merger of TotalFina and Elf Aquitaine.
Operating income, excluding non-recurring elements, amounted to EUR 14.9 billion, a 134% increase on the 1999 pro forma result. Group share of net profit showed a pro forma increase of 97% to EUR 6.9 billion. Allowing for the share repurchases carried out by the group, net earnings per share rose by 126%. The dividend proposed to the General Shareholders' Meeting amounts to EUR 3.30 per share, which represents a 40.4% increase on the previous year. GBL Group holds 3.2% of the capital and 5.9% of voting rights in TotalFinaElf.

Suez Lyonnaise des Eaux, which is shortly to adopt the name "Suez", pursued its industrial strategy aimed at strengthening the company's international leadership in Energy, Water and Waste Services. The Suez group also aims to establish itself in the areas of communications and industrial services. The 2000 financial year was highlighted by robust organic growth of 12.3%, underpinned by accelerating international growth and development towards the group's industrial client base. Group share of current net income from core businesses soared 67% to EUR 1.0 billion. Group share of net profit rose 32% to EUR 1.9 billion, with current net earnings per share gaining 15% to EUR 7.4. GBL Group holds 7.3% of Suez's capital and 12.8% of the company's voting rights.

3. SOURCES OF INCOME – ESTIMATED NET ASSET VALUE

The following tables and commentaries are based on a flow-through analysis of the results and the portfolio. This analysis looks through the Group's holding companies – GBL, Electrafina and Audiofina – which possess interests in the operating companies, in order to provide an overview of how Pargesa's income is generated and what its estimated net asset value is.

3.1 Sources of income

The tables below are obtained by calculating directly Pargesa's flow-through share in the main items of the profit and loss accounts of the holding companies: this presentation highlights the contribution of each company as well as the other components of operating income (financial income, income from securities management, overheads, etc.) and the non-operating income of Pargesa and its holdings.
To facilitate comprehension of the consolidated results, the contribution from affiliates subject to equity accounting is separated into the operating contribution (composed of Pargesa's share in the

net operating income of each affiliate, after depreciation of goodwill) and non-operating income (composed of Pargesa's share in the non-operating income of each affiliate).

Table 1 - Economic presentation of result

CHF million	1998	1999	2000
Operating contribution of the major holdings			
• **Consolidated:**			
Imerys	63.5	81.2	91.0
RTL Group (CLT-UFA in 1998, 1999 and the first half of 2000)	(7.7)	20.0	28.9
PetroFina	52.0	–	–
• **Non-consolidated:**			
TotalFinaElf [1]	–	29.3	36.9
Suez [1]	14.2	27.5	32.3
Total operating contribution of the major holdings	**122.0**	**158.0**	**189.1**
per share (CHF)	*73.4*	*94.7*	*113.1*
Operating income of other companies subject to equity accounting	10.2	5.7	11.9
Operating income of holding companies	29.0	21.2	5.2
Operating income	**161.2**	**184.9**	**206.2**
per share (CHF)	*97.0*	*110.8*	*123.3*
Non-operating income of companies subject to equity accounting	10.6	104.2	(0.8)
Non-operating income of holding companies	692.8	807.0	251.7
Depreciation of goodwill (holding companies)	(18.8)	(9.7)	(32.5)
Net income	**845.8**	**1,086.4**	**424.6**
per share (CHF)	*508.9*	*650.9*	*253.8*
Average shares in circulation	*1,662,117*	*1,669,192*	*1,672,692*
Average exchange rate EUR/CHF	1.6102	1.6003	1.5576

[1] for holdings not subject ot equity accounting, the contribution is calculated on the basis of dividends received

Operating income: The operating contribution of the major holdings rose 19% to CHF 189 million, compared to CHF 158 million in 1999, owing to the increased contributions of Imerys and RTL, two affiliates subject to equity accounting, and to the dividends of TotalFinaElf and Suez, two non-consolidated holdings.

Operating income for Pargesa Group consequently advanced 11% to CHF 206 million, as the higher results achieved by other affiliates subject to equity accounting offset the fall in operating income of the holding companies, which had enjoyed high levels of net financial income in 1999.

Non-operating income: The non-operating income of CHF (1) million recorded by the affiliates subject to equity accounting cannot be compared with the result recorded in 1999, which included substantial capital gains realised by CLT-UFA on the sale of its stake in Premiere and by Imerys on its disposal of Copperweld.

The non-operating income of CHF 252 million recorded by holding companies includes the capital gains realised in the first half on the sale of Audiofina shares, as well as other capital gains realised by GBL and Electrafina on certain portfolio holdings. In 1999, the non-operating income of CHF 807 million mainly represented the gain on the contribution of PetroFina shares to Total. The increase in the holding companies' goodwill amortisation charge is due to recent acquisitions, in particular GBL's enlarged Audiofina stake in 1999 as well as Pargesa's increased holding in GBL.

3.2 Additional analysis of Pargesa's operating income

The table below provides shareholders with two additional pro-forma views of the contributions made by the main holdings to Pargesa's operating income.

Table 2 - Additional analysis of Pargesa's operating income

	Reported earnings		Flow-through cash earnings		Flow-through consolidated earnings	
CHF million	1999	2000	1999	2000	1999	2000
Operating income contributed by the major holdings						
Imerys	81.2	91.0	28.0	31.7	81.2	91.0
RTL Group (CLT-UFA in 1999 and first half of 2000)	20.0	28.9	–	12.6	20.0	28.9
TotalFinaElf	29.3	36.9	29.3	36.9	74.7	162.3
Suez	27.5	32.3	27.5	32.3	59.4	72.4
Operating income contributed by the major holdings	**158.0**	**189.1**	**84.8**	**113.5**	**235.3**	**354.6**
per share (CHF)	*95*	*113*	*51*	*68*	*141*	*212*
Operating income contributed by other holdings	5.7	14.8	3.6	2.9	6.2	20.8
Operating income of holding companies	21.2	2.3	21.2	2.3	21.2	2.3
Operating income	**184.9**	**206.2**	**109.6**	**118.7**	**262.7**	**377.7**
per share (CHF)	*111*	*123*	*66*	*71*	*157*	*226*

Flow-through cash earnings

In this approach, the portion of operating income generated by holdings subject to equity accounting (Imerys and CLT-UFA, which became RTL Group in July 2000) is replaced by dividends received from these holdings, considered at the level of Pargesa. This representation shows the cash earnings, at the level of Pargesa, that would result from the non-consolidation of holdings in which the Group's interest exceeds 20%.

Flow-through consolidated earnings

Contrary to the previous presentation, this one shows the contributions that would result if the Group's holdings, currently represented by their dividend payments in Pargesa's accounts (TotalFinaElf and Suez), were to be consolidated by the equity method.

3.3 Estimated net asset value

Estimated net asset value per share amounted to CHF 5,380 at the end of 2000, compared to CHF 4,775 at the end of 1999. Estimated net asset value is calculated according to the following principles:

- investments in listed companies in the Group portfolio, owned by the holding companies, are valued at their market price;
- per-share values refer to the bearer shares with a par value of CHF 1,000, registered shares with a par value of CHF 100 being retained at one-tenth of their number.

Table 3 - Flow-through analysis of Pargesa's estimated net asset value

CHF million	31.12.98		31.12.99		31.12.00	
	amount	% of total	amount	% of total	amount	% of total
RTL Group (Audiofina in 1998 and 99)	779	13.9%	1,632	20.5%	2,617	29.1%
Call options on RTL Group	–	–	894	11.2%	318	3.5%
TotalFinaElf (PetroFina in 1998)	1,246	22.2%	2,026	25.4%	2,546	28.3%
Suez	1,666	29.7%	1,671	21.0%	1,946	21.6%
Imerys	858	15.3%	1,463	18.4%	1,204	13.4%
Major hodings	**4,549**	**81.1%**	**7,686**	**96.5%**	**8,631**	**95.9%**
Other holdings	307	5.4%	473	5.9%	596	6.6%
Total portfolio	**4,856**	**86.5%**	**8,159**	**102.4%**	**9,227**	**102.5%**
Net cash [1]	756	13.5%	(189)	(2.4%)	(228) [2]	(2.5%)
Estimated net asset value	**5,612**	**100.0%**	**7,970**	**100.0%**	**8,999**	**100.0%**
per share CHF	*3,376*		*4,775*		*5,380*	
Market price CHF	2,170		2,600		3,150	
CHF/EUR exchange rate (year-end)	1.6078		1.6047		1.5229	

[1] the market value of trading securities as well as the net balance of current assets and liabilities are added to the net cash position

[2] after deduction of CHF 197 million in 2000 for the acquisition of Audiofina shares subject to options

With the exception of Imerys, the 12.3% increase in the value of the Group's major holdings during the year was essentially due to their positive stock market performances. The increase of Pargesa's stake in GBL from 49.3% to 54.6%, as well as GBL's additional holding in Electrafina, also generated value during the financial year. They more than offset the combined effects of selling certain portfolio holdings (mainly positions in Audiofina and Suez) and the euro's 5% depreciation against the Swiss franc.

Other holdings notably include Pargesa's stake in Orior and GBL's interest in Rhodia.

The Group's global net cash was slightly negative at the end of 2000, as investment amounted to more than the proceeds of divestment.

3.4 Estimated net asset value at March 30, 2001

Pargesa's net asset value, calculated on the basis of the portfolio's market price and current exchange rates, decreased from CHF 5,380 per share at December 31, 2000 to CHF 4,655 per share at March 30, 2001 and breaks down as follows:

Table 4 - Flow-through analysis of Pargesa's estimated net asset value at March 30, 2001

	Controlling interest	Economic interest	Share price in local currency	Flow-through value in CHF millions	Weight in % of total
RTL Group	30%	14.4%	*EUR 64*	1,931	25%
RTL Group call options				233	3%
TotalFinaElf	3.2%	1.4%	*EUR 154*	2,474	32%
Suez	7.3%	3.3%	*EUR 167*	1,676	21%
Imerys	53.8%	41.9%	*EUR 112*	1,113	14%
Sub-total				7,427	95%
Other holdings				355	4%
Total Portfolio				7,782	99%
Net cash [1]				8	1%
Estimated net asset value				**7,790**	**100%**
per share			*CHF 3,750*	*CHF 4,655* [2]	

[1] after deduction of CHF 198 milion for the purchase of RTL Group shares subject to options

[2] The estimated net asset value diluted by non-dividend bearing reserved shares amounts to CHF 4,621 per share

At that date, the decrease in estimated net asset value reflects the market correction recorded during the first quarter of 2001. The Group's global net cash became positive following the sale, in January 2001, of Electrafina's stake in Lasmo.

4. CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements are drawn up according to the principles of equity accounting. According to this method, Pargesa's portion of shareholders' equity in direct holdings, namely GBL, Imerys and Orior, is stated in the balance sheet and their contributions correspond to the share of net income attributable to Pargesa. The tables below provide an overview of the profit and loss account and the balance sheet, detailed at pages 33 to 46 of this report.

The financial statements are presented in accordance with the Swiss Accounting and Reporting Recommendations (ARR). Furthermore, consolidated shareholders' funds and consolidated net income are the same, in all material respects, as would have been obtained if International Accounting Standards (IASC) had been applied.

Table 5 - Consolidated profit and loss account (accounting presentation)

CHF million	1998	1999	2000
Contribution from GBL	693.5	1,035.0	392.5
Contribution from Imerys	21.9	90.5	47.7
Contribution from Parfinance	96.8	–	–
Contribution from Orior	3.6	(0.3)	14.1
Other companies subject to equity accounting	0.2	0.6	0.9
Contribution of companies subject to equity accounting	816.0	1,125.8	455.2
Pargesa's operating income	(9.3)	(4.2)	(16.4)
Sub-total	**806.7**	**1,121.6**	**438.8**
Pargesa's non-operating income	53.4	0.2	0.3
Depreciation of GBL, Imerys (Parfinance) and Orior goodwill	(14.3)	(35.4)	(14.5)
Net profit	**845.8**	**1,086.4**	**424.6**
Average number of shares outstanding	*1,662,117*	*1,669,192*	*1,672,692*
Earnings per share	*508.9* [1]	*650.9*	*253.8*
Note: GBL net profit (EUR million)	882 [2]	1,278	515
average % consolidated by Pargesa	48.8% [3]	48.8%	51.1%
Imerys net profit (EUR million)	52	227	140
average % consolidated by Pargesa	26.3%	26.2%	26.4%
Parfinance net profit (EUR million)	129	–	–
average % consolidated by Pargesa	45.8%	–	–
Orior net profit (CHF million)	4.2	(0.3)	14.8
average % consolidated by Pargesa	84.5%	85.9%	92.9%

(1) Net profit for H2 1998
(2) Net profit for H1 1998
(3) at June 30, 1998

The contribution from GBL reflects operating income and capital gains realised in 2000, notably on the sale of Audiofina shares in the first half, as well as capital gains by GBL and Electrafina on certain portfolio holdings. The exceptionally high contribution recorded in 1999 included the gain on the contribution of PetroFina shares to Total. The contribution from Imerys in 1999 also reflected capital gains, notably the gain realised on the sale of Copperweld in the second half.

Goodwill depreciation mainly includes the ordinary charge for the fiscal year. In 1999, it additionally comprised the depreciation of the net balance of goodwill on GBL attributable to Petrofina, which was deconsolidated when the merger with Total took place.

Table 6 - Consolidated balance sheet (analytical presentation)

CHF million					31.12.00
• Affiliates subject to equity accounting	GBL	Imerys	Orior	Other	
Share of shareholders' equity	4,442.7	603.7	182.0	20.0	5,248.4
Net goodwill	140.1	21.3	3.6	–	165.0
	4,582.8	625.0	185.6	20.0	
• Non-consolidated holdings					39.3
• Loans to affiliates					0.8
• Trading securities					18.3
• Frozen deposits (reserve shares)					20.6
Total assets					**5,492.4**
• Short-term debt (net of cash and equivalents)					367.7
• Loan from affiliates					0.4
• Provision of risks and expenses					27.9
• Shareholders' equity					5,096.4
Total liabilities					**5,492.4**

Holdings subject to equity accounting represented virtually all of balance sheet assets at the end of 2000 and were financed, in terms of liabilities, by shareholders' equity representing 93% of the balance-sheet total. Net debt represented 7% of the consolidated balance sheet and consisted of drawdowns on credit lines expiring in 2004 and 2005.

5. PARENT COMPANY NET PROFIT AND PROPOSED DIVIDEND

The parent company's net profit amounted to CHF 132.0 million or CHF 78.9 per share.

The Board of Directors proposes that the Annual General Meeting should approve payment of a dividend of CHF 75.0 per bearer share and CHF 7.5 per registered share. If accepted, this would bring the total dividend distribution for 2000 to CHF 125.5 million. The sum of CHF 70.6 million would be carried forward, allowing for the allocation of CHF 6.6 million to the general reserve.

Table 7 - Parent company income and dividend

	1998	1999	2000	
Parent company income (CHF million)	153.1	122.3	132.0	
per share (CHF)	*92.1*	*73.3*	*78.9*	
Total dividend (CHF million)	121.7	123.6	125.5	(1)
per share (CHF)	*73.0*	*74.0*	*75.0*	(1)

(1) proposed to the Annual General Meeting

6. COMPANY ORGANISATION

The Company has an Audit Committee and a Compensation Committee, composed of members of the Board of Directors and external experts who report on their work to the Board of Directors.

The task of the Audit Committee, which is chaired by Mr. Marc-Henri Chaudet, is to ensure the relevance and permanence of the accounting methods and to check that internal procedures for the collection and control of information guarantee these aims. The committee met three times during 2000.

The Compensation Committee, which is chaired by Mr. André de Pfyffer, is responsible for fixing and implementing the remuneration policy for the General Management and the members of the Board of Directors. The committee met twice during 2000.

7. PROPOSALS TO THE ANNUAL GENERAL MEETING OF MAY 10, 2001

7.1 Allocation of earnings

The Board of Directors proposes to the Annual General Meeting that the net profit for the year of CHF 132.0 million, in addition to the balance carried forward of CHF 70.7 million, corresponding to a total amount available for distribution of CHF 202.7 million, be allocated as follows:

• Dividend	CHF	125.5 million
• General legal reserve	CHF	6.6 million
• Retained earnings to be carried forward	CHF	70.6 million

7.2 Elections

The terms of office of Messrs. Paul Desmarais Jr., Gérald Frère, Robert Gratton, Aimery Langlois-Meurinne, Gérard Mestrallet and Gilles Samyn are due to expire. The Board of Directors proposes to the Annual General Meeting that they be renewed for a period of three years.

The Board of Directors will also propose that Mr. Amaury-Daniel de Seze, Member of the Executive Committee of BNP Paribas and President of PAI Management, as well as Mr. Tom Gunn, Senior Vice President, Investments, at Ontario Municipal Employees Retirement System (OMERS), be elected for a period of three years.

Messrs. Ian D. Collier, André Lévy-Lang, Hans-Jörg Rudloff and Pierre Scohier have resigned from the Board of Directors, which warmly thanks them for their contribution and dedication during their terms of office.

The Board of Directors proposes that the Annual General Meeting should renew the appointment of Ernst & Young S.A. and Deloitte & Touche Experta S.A. as the Group's auditors for a term of one year.

MAIN SHAREHOLDINGS

GROUPE BRUXELLES LAMBERT

GBL

Through Electrafina and until their proposed merger becomes effective, GBL owns, directly or indirectly, Pargesa Group's holdings in RTL Group, TotalFinaElf, Suez and Rhodia. GBL also has a direct stake in Imerys, which is jointly controlled by Pargesa and GBL.

	1998	1999	2000
Global Data (EUR million)			
Shareholders's equity at December 31	3,726	5,021	6,373
Market capitalisation at December 31	4,240	4,886	6,181
Consolidated net profit	882	1,278	515
Total distribution	126	134	141
Data per share (EUR)			
Consolidated net profit	36.3	52.3	21.1
Dividend	5.35	5.50	6.00
Shares outstanding	24,432,025	24,432,025	24,432,025
Pargesa's shareholding	**48.9**	**49.3**	**54.6**

In the first half of 2000, GBL participated in the creation of RTL Group, which resulted from the merger between Audiofina, CLT-UFA and Pearson Television and jointly controlled by Bertelsmann and GBL/Electrafina through stakes of 37% and 30% respectively.

During the financial year, GBL continued progressively to increase its stake in Electrafina, bringing its holding in this subsidiary to 82.8% at year-end, compared to 80.1% a year earlier, and repurchased 2.6% of its own capital.

In the second half of 2000, Electrafina sold 0.1% of TotalFinaElf and 1.0% of Suez. Reducing these two substantial portfolio positions, which had no effect on the relations with both companies, increased the group's treasury by EUR 608 million.

In early 2001, Electrafina contributed its 7.3% stake in Lasmo to ENI's bid to acquire Lasmo, launched in December 2000 at the price of 200 pence per share, overbidding the previous offer made by Amerada Hess. The sale of the Lasmo shares generated a cash inflow of EUR 313 million.

In early February 2001, GBL and its subsidiaries agreed with Bertelsmann that GBL should exchange its 30% stake in RTL Group against a 25% interest in Bertelsmann AG, which would as a result control 67% of RTL Group. The medium-term objective of seeking a stock exchange listing for Bertelsmann was also announced. Completion of this transaction is subject to the approval of the relevant authorities in various countries.

GBL and Electrafina announced their merger plan on March 13, 2001. The proposed transaction will be submitted for approval to both companies' Annual General Meetings on April 26, 2001. Its completion would involve the absorption of GBL by Electrafina, after which Electrafina will change its name to GBL.

For the 2000 financial year, GBL's group share of consolidated profit amounted to EUR 515 million, compared to EUR 1,278 million for the previous year. Operating income rose to EUR 205 million, compared to EUR 167 million for the preceding year. The Board proposes that the Annual General Meeting of April 26, 2001 should approve a per share distribution of EUR 6.00 representing a 9% increase on the dividend for the 1999 financial year, which shall be paid out on June 19, 2001.

IMERYS

Imerys ranks among the world's biggest Minerals Processing companies and holds leading positions in each of its four core sectors: Pigments & Additives; Building Materials; Refractories & Abrasives; Ceramics & Specialties.

Imery follows a value generating growth strategy from substantial mineral reserves, using sophisticated transformation processes, the group supplies essential technical products to a diversified customer base.

	1998	1999	2000	
Global data (EUR million)				
Shareholders' equity at December 31	1,177	1,452	1,508	
Market capitalisation at December 31	1,368	2,383	1,932	
Consolidated net profit	106	227	140	
Total distribution	45.2	51.5	57.5	
Data per share (EUR)				
Net operating income	7.30	8.91	10.42	
Dividend	2.82	3.20	3.60	
Shares outstanding	16,019,581	16,101,841	15,965,109	
Pargesa's shareholding (%)	**53.3**	**52.7**	**54.1**	(1)

(1) including 27.9% directly held by Pargesa

In a globally favourable economic environment, despite a slowdown observed in the United States at year-end, the group pursued its dynamic growth strategy through strategic acquisitions in each of its business sectors, while investing in new product launches and selectively expanding its production capacity.

The group's total turnover amounted to EUR 2,805 million in 2000, against EUR 2,615 million in 1999, a 7.3% advance. Turnover from Minerals Processing – the group's new core industrial activity – rose 37.9%.

Based on a constant scope of consolidation and exchange rate, group turnover increased by 6.4%. Changes in the scope of consolidation during the period notably include the full-year consolidation of English China Clays (ECC) and of the kaolin operations (RCC) in Brazil, compared to an 8-month consolidation basis in 1999, as well as the discontinuation of contributions from the Metals Transformation business, divested in early November 1999. Consolidation changes also reflect the impact of strategic acquisitions made since the beginning of the 2000 financial year in each of the group's business sectors. The appreciation of the US dollar and pound sterling added 8.1% to group turnover.

- Turnover in Pigments and Additives rose to EUR 1,275 million, up 46% compared to 1999. This increase reflects the acquisitions of ECC and RCC in 1999, as well as the impact of those made during the 2000 financial year in the calcium carbonate segment: consolidation of Quimbarra (the leading South-American producer) and of AGS-BMP in the second half, as well as of Honaik (Southeast Asia) in the fourth quarter.
  After a favourable start into the year in all markets and geographical zones, activity slowed markedly in the United States during the fourth quarter, both in the paper market and in specialty pigments: overall, based on a constant scope of consolidation and exchange rate, turnover rose by 0.7% over the financial year.
  The impact of higher sales prices should be felt during the first half of 2001: these increases reflect the constant improvement in the group's products and services, and also serve to offset the increase in energy and transport costs.

- Turnover in Building Materials amounted to EUR 605 million, up 20.4% on 1999. Since the beginning of the 2000 financial year, this figure includes the contribution from Campos, one of Portugal's leading producers of clay tiles and bricks, as well as input from the new businesses that have been added to the division's French distribution network for roofing products. After an exceptionally strong first half, owing to the storms that hit Continental Europe in late December 1999, activity remained healthy in the second half. Based on a constant scope of consolidation and exchange rate, turnover rose 16.4% in 2000.
- Sales of Refractories & Abrasives advanced 52% to EUR 596 million. Following the expansion of the range of minerals for refractories in 1999 with acquisitions in the United States and South Africa, the key event in 2000 was the acquisition of Treibacher Schleifmittel, the world's leading producer of white and brown fused aluminium oxide for the abrasives industry. This company was consolidated in the group's activities as of July 1, 2000. Based on a constant scope of consolidation and exchange rate, sales at Refractories & Abrasives rose by 7.0%, reflecting rising demand in its main markets, although a downturn was recorded in the US steel market at year-end.
- Sales of Ceramics & Specialties advanced 24.9% to EUR 341 million. This progression was due to the full-year consolidation of ECC's ceramics activities and to the contribution, as of July 1, 2000, from New Zealand China Clays, a company specialising in highest-grade kaolin. Based on a constant scope of consolidation and exchange rate, sales recorded a 9.4% increase, reflecting a sustained level of activity throughout the financial year in such sectors as ceramic paste for tableware, raw materials for tiles and sanitary ware, as well as graphite.

The total turnover of all consolidated companies advanced 20.9% to EUR 346.8 million, up from EUR 286.8 million in 1999. Operating income from Minerals Processing rose 42.8%, reflecting the excellent performance of Building Materials, Refractories & Abrasives and Ceramics & Specialties. In Pigments & Additives, the positive impact of synergy arising from the absorption of ECC was offset by a substantial rise in production costs (energy and transport) – which could not immediately be passed on through sales prices – as well as by non-recurring manufacturing and sales problems stemming from divestment required by antitrust authorities. The group's operating margin stood at 12.4%, a substantial improvement on the 11% recorded in 1999.

Group share of net operating income rose 16.6% to EUR 166.7 million in 2000, compared to EUR 143.0 million in 1999. This figure takes into account non-operating expenses of EUR 91.4 million, against EUR 65.5 million in 1999, and a current tax charge of EUR 87.0 million, representing a rate of 34.1% (34.8% in 1999).

Group share of net profit amounted to EUR 140.4 million. This figure cannot be compared with the net profit recorded in 1999 (EUR 226.8 million), which included EUR 96.4 million of net extraordinary income, mainly pertaining to capital gains realised on the sale of the group's Metals Processing business. Net profit for 2000 accounts for an increase in goodwill depreciation, which amounted to EUR 19.9 million, compared to EUR 12.5 million in 1999, reflecting the group's ongoing external growth strategy. The figure also includes an extraordinary net loss of EUR 6.4 million, mainly corresponding to the one-off net charge on the first consolidation of ECC.

The group's free cash flow amounted to EUR 306 million and its investments totalled EUR 176 million. External growth represented EUR 371 million, whereas divestment totalled EUR 87 million. At December 31, 2000, the group's net debt of EUR 1,327 million represented 86% of consolidated shareholders' equity.

At the next Annual General Meeting, the board will propose distribution of a net dividend of EUR 3.60 per share, compared to EUR 3.20 for the preceding year, equivalent to a total distribution of EUR 57.5 million.

RTL Group

RTL Group is Europe's leading radio, television and content group, and was created in July 2000 by the merger of Audiofina, CLT-UFA and Pearson Television.

	1999	2000
Global data (EUR million)	**proforma**	**proforma**
Shareholder's equity at December 31	7,166	7,254
EBITA	429	555
Consolidated net profit	170	67
Total distribution	n.a.	131.6
Data per share (EUR)		
Consolidated net profit	1.08	0.42
Dividend	0.75	0.85
Shares outstanding	154,787,554	154,787,554
Pargesa's shareholding (%)	**50.0** (1)	**29.7**

(1) Group's shareholding in CLT-UFA

The year 2000 saw the creation of RTL Group, the leading European radio and television broadcasting and content group, born from the merger of CLT-UFA, Pearson TV and Audiofina, announced on April 7 and executed on July 24, 2000. RTL Group, the new group's parent company, controls 100% of CLT-UFA Holding, 100% of Pearson Television and 28% of Groupe Jean-Claude Darmon. At December 31, 2000, GBL held a 30% interest in RTL Group, along with other shareholders: Bertelsmann/WAZ (37%), Pearson plc (22%), while 11% of the company remained in public hands. Previously traded on the Brussels and Luxembourg stock exchanges, RTL Group shares have also been listed on the London Stock Exchange since July 26, 2000.

This merger is the result of the strategy pursued by Audiofina which, after selling 45% of the German pay-television channel Premiere in 1999 (followed by the sale of its remaining 5% stake at the end of 2000), has sought to broaden its activities by increasing its holdings in existing private television channels, developing its content operations and accessing new national markets.

The group confirmed its four core expansion sectors: television, content, radio and new media. The acquisition of Pearson Television fitted this strategy by providing the new group with a majority stake in Britain's Channel 5, by broadening its position in the content sector through the integration of TV production companies on an international scale, and by offering the group access to the Spanish market through an interest in Antena 3.

In 2000, a further increase in advertising revenues enabled established television channels to increase their profit margins, while recently launched stations reached break-even point. Applying the "family concept" in each market involves cross-advertising to promote vertical integration of content, radio and television broadcasting and the Internet. This approach has proved highly successful in Germany, France, Belgium and the Netherlands.

In the fragmented German market, implementing the family concept contributed to sustained growth. In 2000, the acquisition of the 49.9% stake in Vox held by Canal+ increased the group's total holding to 99.7%. It enabled the completion of the four-channel family controlled by RTL Television, and of IP, the group's integrated advertising sales agency. Following its strategic drive to consolidate its holdings, the group also acquired Bertelsmann's 11% stake in RTL Television, thus bringing its interest to 100%.

Pursuing this strategy of consolidation within the limits of local regulations, RTL Group also strengthened its position in the French market by acquiring an additional 2.0% stake in M6, bringing its holding in France's second-ranking television channel to a total of 42.3%. With a 23.6% increase in advertising income and 18% sales growth, M6's net profit rose 34% compared to 1999.

RTL Group also strengthened its position in the Dutch market, where acquisition of the remaining 35% of share capital in HMG (Holland Media Groep) enabled RTL to become HMG's sole shareholder and thus efficiently apply the family concept to the RTL 4, RTL 5, Nieuws & Weer and Veronica television channels.

In the United-Kingdom, where the merger with Pearson Television raised RTL Group's holding in Channel 5 to 65%, both the channel's audience share and technical range improved considerably. In Hungary, RTL Klub recorded gains in its audience and in advertising market share, becoming profitable for the first time in 2000. However, RTL 7's position in Poland remained difficult.

RTL Group expanded in Southern Europe via Antena 3, the highly successful television channel: in addition to a 16.2% stake acquired through the merger with Pearson TV, the group bought an additional 1% holding, bringing the total to 17.2%.

Pearson TV, which today comprises RTL Group's content division, produces more than 200 different programmes and manages production companies in 35 countries. In 2000, it created more than 7,000 hours of original productions in a wide range of genres, selling television series and films in over 100 countries. Its most popular programmes include such productions as Smack the Pony, The Price is Right, Baywatch, Family Feud, Greed, Balko, Gute Zeiten Schlechte Zeiten.

New media, the group's fourth core activity, also benefited from the merger by exploiting the complementary aspects of the Internet, television and radio broadcasting in various markets. The 85 Internet sites bearing the company's brand in Europe have recorded approximately 250 million page views per month, attracting 3.9 million individual visitors and making RTL Group one of the leading Internet players in Europe. The creation of IP Web.net, the first pan-European Internet advertising sales agency, optimised the group's position in the income-generating e-commerce and Internet advertising sectors.

For the 1999 and 2000 financial years, RTL Group prepared pro forma financial statements (setting the date of its initial merger at January 1, 1999) according to IASC accounting standards. On that basis, the group's consolidated turnover amounted to EUR 4,044 million in 2000, representing a 14.3% increase on 1999, and earnings before interest, tax and amortisation (EBITA) totalled EUR 555 million, a 29.4% rise on the previous financial year. Group share of net profit amounted to EUR 67 million.

A dividend of EUR 0.85 per share, representing a pro forma increase of 13.3%, will be proposed to the next Annual General Meeting.

TOTALFINAELF

TotalFinaElf is an international oil and gas group with substantial petrochemical interests, active in more than 100 countries. It was created by the merger between TotalFina and Elf Aquitaine in 2000. TotalFinaElf spans all aspects of the petroleum industry, namely upstream activities such as exploration, extraction and production, as well as downstream operations including transportation, marketing, refining and distribution.

	1998	1999	2000
Global data (EUR million)	**proforma**	**proforma**	
Shareholders' equity at December 31	25,279	27,669	32,401
Market capitalisation at December 31	21,125	95,692	117,162
Consolidated net profit	1,810	3,496	6,904
Total distribution	n.a.	n.a.	2,300
Data per share (EUR)			
Consolidated net profit	2.58	4.98	9.76
Dividend	2.00	2.35	3.30
Shares outstanding	244,787,638	722,203,179	739,661,987
Pargesa Group shareholding (%)	**–**	**3.4**	**3.2**

On February 9, 2000, the European Commission approved the merger of TotalFina and Elf Aquitaine, which enabled the creation of TotalFinaElf. Within a few months, the divisions had been organised and, at most sites, teams had been pooled to operate at single locations. The first achievements confirmed the merger's high synergy potential.

Upstream, oil production amounted to 2.1 million barrels per day, an apparent increase of 3%. Excluding price adjustments and the impact of asset sales, the underlying rate of growth amounted to 6%. The increase in oil production in 2000 is attributable to rising output at the Peciko oil field in Indonesia, the liquefied natural gas (LNG) plant at Bonny Island, the Obite gas field in Nigeria, the TFT field in Algeria, Ekofisk II in Norway and Kuito in Angola. The group's reserves continued to expand and amounted to 10.8 billion barrels oil equivalent in 2000. On average over the 1998-2000 period, the renewal rate of reserves stood at 189% and the cost of renewal at USD 3.7/boe for consolidated subsidiaries.

Downstream, TotalFinaElf ranks first in Europe with a refining capacity of 2.4 million barrels per day and 3.7 million barrels per day in refined product sales.
Its distribution network of approximately 18,000 service stations, operating worldwide under the Total, Fina and Elf brands, enjoys a network market share of 12% in Europe and more than 20% in Africa. 2000 was marked by the rapid integration of operations in order to achieve refining and marketing leadership in Europe and Africa. In European refining, the group accelerated its plan to optimise its 13 refineries by creating hubs to facilitate integrated management of neighbouring sites and to promote the rapid generation of substantial synergy.
In addition, TotalFinaElf dynamically managed its downstream assets in 2000: in August it sold the Big Spring refinery in Texas and its associated network. Furthermore, the group fulfilled its commitment to the asset sales agreed to in the context of the European Commission's approval of the Elf Aquitaine merger.

The merger of TotalFina's and Elf Aquitaine's chemical divisions resulted in the creation of Atofina, a high-quality chemical manufacturer active in petrochemicals and commodity polymers, intermediates and performance polymers and specialties.

In the chemicals sector, 2000 was characterised by the integration of teams and operations, notably in petrochemicals and adhesives, by implementing a highly efficient worldwide organisation, reviewing group assets (which resulted in the sale of certain businesses at the end of the year), as well as sustained internal growth and targeted acquisitions.

During the 2000 financial year, the group benefited from a favourable business environment marked by the rise in crude-oil prices, refining margins and the dollar. Changes in market parameters represented a global positive impact of EUR 7.3 billion on operating income, which the combination of growth and productivity programmes further increased by EUR 1.2 billion, in line with the objectives set after the merger.

The group's consolidated turnover amounted to EUR 115 billion in 2000, a 53% increase on pro-forma 1999. Excluding non-recurring items, operating income totalled EUR 14.9 billion, a 134% pro-forma increase. Group share of net profit before non-recurring items amounted to EUR 7.6 billion for 2000, compared to EUR 3.3 billion in pro-forma 1999, representing a 128% increase. Group share of net profit amounted to EUR 6.9 billion, up 97% on the pro-forma figure of EUR 3.5 billion for 1999. On a per-share basis, net profit increased by 126% to EUR 10.8, excluding non-recurring items, due to the share repurchases conducted by the group.

At the Annual General Meeting of May 17, 2001, the Board of Directors will propose distribution of a net dividend of EUR 3.30 per share, representing a 40% increase on the dividend for the preceding year, to be paid out on May 29, 2001.

SUEZ LYONNAISE DES EAUX

The group, which is shortly to change its name to "Suez", operates in more than 120 countries and is a key international player in each of its three core sectors, Energy, Water and Waste Services, targeted at two categories of customers: municipalities and industry. In Europe, Suez is also active in communications.

	1998	1999 *	2000
Global data (EUR million)			
Shareholders' equity at December 31	8,931	11,271	13,134
Market capitalisation at December 31	25,860	31,550	39,534
Consolidated net profit	1,005	1,453	1,919
Total distribution	399	595	674
Data per share (EUR)			
Consolidated net profit	7.4	9.5	10.0
Dividend	2.70	3.00	3.30
Shares outstanding	147,767,737	198,429,306	203,261,927
Pargesa Group shareholding (%)	**10.7**	**8.4**	**7.3**

* including Group GTM (excluding Energy and Industry Services) subject to equity accounting since January 1, 1999.

During the 2000 financial year the group completed its reorientation towards its core activities and its ongoing drive to restructure its divisions. The year was also characterised by increased international sales which, owing to Suez's growth strategy and commercial success, now represent close to 50% of group turnover.

The Energy division, organised around Tractebel, pursued its restructuring with a view to providing industrial clients with a complete range of services adapted to their needs. Five operating entities were created: two in the energy industry – Electricité et Gaz Europe (EGE) and Electricité et Gaz International (EGI) – and three in energy and industrial services (Elyo, Groupe Fabricom and Tractebel Engineering). This refocusing was also highlighted by Tractebel's acquisition of the four GTM service subsidiaries purchased by Suez from Vinci, the repositioning of Tractebel's waste management operations and the sale of Tractebel's communications operations to Suez.
In addition, the Energy division expanded, acquiring a number of companies and shareholdings (Epon, Polaniec, Sircas, Cabot LNG, Trigen), and enjoyed considerable commercial success (Portugal, Mexico, Africa, New Caledonia).

In 2000, the Water division continued reorganising its subsidiaries and centralised its research, purchasing, knowledge-management and communications activities. Its development was highlighted by the procurement of significant concessions in China, India and Korea (where the first "Build, Operate and Transfer" contract with a foreign company was signed), as well as Brazil, Morocco (with a contract covering one third of Casablanca's water-management requirements for thirty years) and South Africa.

Waste Services also expanded strongly in 2000. Organic growth was underpinned by the Special Industrial Waste segment's strong performance, as well as by operations in Spain, the Netherlands, France and Scandinavia, where the group recently strengthened its market presence. External growth was mainly achieved in Australia (Pacific Waste Management), Scandinavia (Renoflex in Denmark and Waste Management International in Sweden), the United Kingdom (City Waste) and Argentina (Cliba).

In Communications, Lyonnaise Câble launched on May 3, 2000 Noos®, its new digital-cable service brand, which was awarded the largest cable network construction contract to be managed by a single operator, covering eight municipalities in the Paris area (Sippérec 3). Through the Firstmark France consortium, in July Suez Communication obtained two domestic licenses to operate wireless local loops. The group's strategy of enhancing its content range was reflected in a series of alliances and launches. These include the Paris Première and M6 Internet portals, the creation of Bayard Web, with Bayard Presse, extension of TPS's services, purchase of a 30% stake in Europ@web and the various interests acquired by Net Invest.

For the 2000 financial year, the group's turnover amounted to EUR 34.6 billion, up 36% on 1999. All divisions recorded significant increases in revenue: 38.4% for Energy, 44% for Water, 19.5% for Waste Services and 19.2% for Communication. The core businesses' rate of organic growth was 12.3%. Sales outside France and Belgium rose by 61% and accounted for 49% of total turnover, compared to 41% in 1999. 42% of this EUR 6.3 billion gain was generated in the European Union (EPON and Nalco), 33% was achieved in North America (Nalco, Calgon) and 18% in South America (Emos, Gerasul). The group's market presence on the American continent more than doubled in 2000.

Group share of net operating income from core businesses amounted to EUR 1,002 million, up 67% on 1999. Group share of total net operating income rose 43% to EUR 1,409 million. Group share of extraordinary after-tax income amounted to EUR 510 million, compared to EUR 468 million in 1999.

Group share of net profit thus totalled EUR 1,919 million, equivalent to EUR 10 per share. Net operating income per share rose 15% to EUR 7.4.

At the Annual General Meeting of May 4, 2001, the Board of Directors will propose distribution of a net dividend of EUR 3.30 per share, to be paid out on May 9, 2001.

ORIOR

ORIOR
HOLDING SA

The Orior group, now 100% controlled by Pargesa, has sold its watch components business to focus exclusively on the food industry through its subsidiary, Orior Food S.A.

	1998	1999	2000
Global data (CHF million)			
Shareholders' equity at December 31	170.1	167.4	182.4
Market capitalisation at December 31	157.2	117.8	–
Consolidated net profit	4.2	(0.3)	14.8
Total distribution	3.4	–	5.0
Data per share (CHF)			
Consolidated net profit	19.7	(1.5)	68.5
Dividend	16	–	23
Dividend-bearing shares	215,359	215,359	216,030
Pargesa's shareholding (%)	**84.5**	**85.9**	**99.8**

In April 2000, Pargesa, which then held 86% of the capital of Orior Holding S.A., made an offer to acquire the 30,163 shares held by the public at CHF 780 per share. This offer enabled Pargesa to increase its stake to 99.8%, before subsequently having the outstanding shares cancelled.

In June 2000, Orior Holding had the opportunity to sell its stake in the Stern group, which manufactures dials for the luxury watch market, realising a capital gain on Stern's book value. Since, Orior Holding has focused all its means on expanding Orior Food S.A., the subsidiary in which it holds 96.7% of the capital.

During the 2000 financial year, Orior Food pursued its development strategy and improved its profitability, recording consolidated turnover of CHF 306 million, up 8%, and achieving a 22% increase in operating income to CHF 23.3 million. Group share of net profit amounted to CHF 12.3 million. All three operating divisions now composing Orior Food contributed to this improvement:

- The Prepared Meat Division accounted for 45% of the group's turnover and 32% of EBIT. It is leader in the Swiss market for salami, mortadella and high-quality cooked ham, and holds a substantial share of the market for other cured meat products. Its leading brands are Rapelli, Ticinella, San Pietro and El Campeon.
- The Fresh Products Division generated 30% of group sales and 31% of EBIT. It includes a convenience food group, which is the Swiss market leader for pâtés, terrines and prepared meals through the Le Patron, Regina and Traiteur Seiler brands, as well as a fresh pasta group, which enjoys a very strong market share in Switzerland through the Agnesi (licensed), Traiteur Seiler and Trinca brands.
- The Poultry & Organic division contributed 25% to group sales and 37% to EBIT. It is leader in the Swiss market for chicken-based products (Fredag and Just a Minute brands) and is also successful on the international market through Fresico, its Chinese subsidiary, which in 2000 confirmed its profitability after three years in operation.

Orior Food's Lineafresca Division centrally manages the distribution of all group products and also offers its logistics services to third parties.

Orior Food plans to pursue its expansion, both in Switzerland and in international markets, by focusing on superior product quality and a high level of innovation, so that the group is able to adapt its product portfolio continually to changing consumer trends. In this context, the Rapelli and Fresico plants in Ticino and China obtained ISO 9001 certification. In addition, Orior is investing significant amounts in the high value-added prepared fresh products sector.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

ASSETS	2000	1999
	CHF million	CHF million
CURRENT ASSETS		
Sight deposits with banks	2.6	1.3
Short-term deposits with banks	13.9	172.0
Marketable securities (notes 2f and 3)	18.3	79.5
Other assets and receivables	1.8	1.2
TOTAL CURRENT ASSETS	**36.6**	**254.0**
LONG-TERM ASSETS		
Loan to affiliated company	0.8	1.2
Non-consolidated investments (notes 2g and 4)	39.3	39.6
Investments subject to equity accounting (notes 2b and 5)	5,248.4	4,695.7
Total investments	5,287.7	4,735.3
Frozen deposits (note 6)	20.6	29.5
TOTAL LONG-TERM ASSETS	**5,309.1**	**4,766.0**
INTANGIBLE ASSETS		
Goodwill (notes 2c et 5)	**165.0**	**69.9**
TOTAL	**5,510.7**	**5,089.9**

LIABILITIES	2000	1999
	CHF million	CHF million
COMMITMENTS		
Due to banks at sight	15.5	4.1
Bank loan (note 7)	364.5	–
Accrued liabilities	6.0	4.0
Total short-term commitments	386.0	8.1
Loans from affiliated companies	0.4	0.5
TOTAL COMMITMENTS	**386.4**	**8.6**
PROVISION FOR CONTINGENCIES AND EXPENSES (note 8)	**27.9**	**28.1**
SHAREHOLDERS' EQUITY		
Share capital (note 9)	1,698.7	1,698.7
Share premium	236.8	236.5
Treasury stock reserve (note 10)	47.7	33.4
Treasury stock (note 10)	(47.7)	–
Currency translation adjustment (note 11)	(280.2)	(44.2)
Profit reserves (note 12)		
General legal reserve	84.8	78.7
Consolidated reserves	2,931.7	1,963.7
Profit for the period	424.6	1,086.4
	3,441.1	3,128.8
TOTAL SHAREHOLDERS' EQUITY (note 13)	**5,096.4**	**5,053.2**
TOTAL	**5,510.7**	**5,089.9**

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	2000	1999
	CHF million	CHF million
INCOME FROM LONG-TERM INVESTMENTS		
– shares in the results of affiliates subject to equity accounting (note 16)	455.2	1,125.8
– dividends	1.7	0.9
	456.9	1,126.7
INCOME FROM CASH MANAGEMENT		
– interest on bank deposits	1.2	7.0
– interest expenses	(4.6)	–
– foreign exchange	(1.0)	(0.9)
	(4.4)	6.1
INCOME FROM MARKETABLE SECURITIES		
– dividends and interest	1.3	1.4
– net capital gains realised on sale of securities	1.7	4.6
– net constitution of provisions	(4.3)	(4.7)
	(1.3)	1.3
FINANCIAL OPERATING EXPENSES		
– interest on bank loan	–	0.3
	–	0.3
OPERATING EXPENSES		
– commissions and bank charges	0.2	0.2
– taxes	1.4	1.6
– directors' fees and payroll expenses	8.6	7.8
– general and administrative expenses	2.2	2.6
	12.4	12.2
OPERATING INCOME (I)	**438.8**	**1,121.6**

	2000	1999
	CHF million	CHF million
CHANGE IN LONG-TERM INVESTMENTS		
– realised capital gains	–	0.8
– realised capital losses	(0.2)	(0.4)
– dissolution of provisions	0.3	–
– constitution of provisions	–	(0.1)
	0.1	0.3
OTHER TRANSACTIONS		
– net depreciation of goodwill (note 5)	(14.5)	(35.4)
– net changes in the provision for contingencies and expenses	0.2	(0.1)
INCOME ON CAPITAL TRANSACTIONS (II)	**(14.2)**	**(35.2)**
NET PROFIT (I + II)	**424.6**	**1,086.4**

CONSOLIDATED CASH-FLOW STATEMENT

	2000	1999
	CHF million	CHF million
OPERATING ACTIVITIES		
Net income for the year	424.6	1,086.4
Profit share from affiliates subject to equity accounting	(455.2)	(1,125.8)
Gains on sale of investments	0.2	(0.4)
Depreciation, provisions and other items	16.7	29.6
Dividends received from affiliates subject to equity accounting	129.2	122.6
Net (purchase) sale of marketable securities	31.9	(59.7)
Change in accrued liabilities net of other assets, accounts receivable and other transactions	(0.2)	6.7
NET CASH PROVIDED BY OPERATING ACTIVITIES	**147.2**	**59.4**
INVESTMENT ACTIVITIES		
Purchase of long-term investments	(559.7)	(32.2)
Sale of long-term investments	0.4	2.9
Net repayment from affiliates	0.2	0.4
NET CASH (USED FOR) PROVIDED BY INVESTMENT ACTIVITIES	**(559.1)**	**(28.9)**
FINANCING ACTIVITIES		
Sale of reserved shares (nominal and share premium)	3.7	7.6
Repurchase of treasury stock	(20.3)	–
Sale of treasury stock	17.8	–
Repayment of bank loan	–	(50.0)
Dividend distribution	(122.0)	(121.7)
NET CASH (USED FOR) PROVIDED BY FINANCING ACTIVITIES	**(120.8)**	**(164.1)**
(DECREASE) INCREASE IN CASH AND EQUIVALENTS NET OF BANK BORROWING AND SIMILAR LIABILITIES	**(532.7)**	**(133.6)**
Cash and equivalents, net of bank borrowing and similar liabilities		
At beginning of year	169.2	302.8
At end of year	(363.5)	169.2
NET (DECREASE) INCREASE	**(532.7)**	**(133.6)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BUSINESS

Pargesa Holding SA is registered in the Commercial Register for the canton of Geneva (Switzerland). The company's principal object is to buy, sell, direct and manage investments in the financial, commercial, industrial sectors, both in Switzerland and in other countries.

2. SUMMARY OF SIGNFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared according to the following principles:

2a) Accounting Principles

The Company's financial statements have been prepared in accordance with the Swiss Accounting and Reporting Recommendations (ARR) and with Swiss law. In applying ARR, the accounting and valuation methods used lead to an evaluation of consolidated shareholders' equity and net profit identical, in all material respects, to that obtained by applying International Accounting Standards (IAS).

2b) Consolidation Basis

The Company applies the concept of uniform management for determining the consolidation basis. Full consolidation is applied to subsidiaries over which the Company has effective control by way of uniform management. Other investments, which do not meet the conditions of uniform management, are treated as affiliated companies and accounted for using the equity method in the consolidated financial statements. Holdings of minor importance are not included in the scope of consolidation.

FULLY CONSOLIDATED COMPANIES		
% of interest consolidated	2000	1999
Pargesa Netherlands B.V., Rotterdam	100.0	100.0
Pargesa Luxembourg S.A., Luxembourg	100.0	100.0
Financière du Parc B.V., Rotterdam	100.0	100.0

AFFILIATES SUBJECT TO EQUITY ACCOUNTING		
% of consolidated direct interest	2000	1999
Groupe Bruxelles Lambert S.A., Bruxelles	55.7	49.0
Imerys, Paris	26.7	25.5
SFPG, Paris	53.9	53.9
Orior Holding S.A., Vevey	99.8	85.9

2c) Consolidation Goodwill

Goodwill represents the difference between the purchase price of shareholdings and the portion of shareholders' equity assigned to the Company in proportion to such shareholding. Net goodwill is the residual value of the goodwill, allowing for its depreciation over 20 years and for any adjustments.

2d) Recognition of income and expenses

Income and expenses are accounted for as and when they are earned or incurred (and not at time of receipt or payment), and are included in the accounts for the period to which they relate.

2e) Translation of foreign currencies

Monetary assets and liabilities in foreign currencies are translated into Swiss francs at the exchange rates applicable at the balance sheet date. Unrealised gains and losses on such translation are recorded in the profit and loss account for the year. Non-monetary items denominated in foreign currencies are recorded at their historic exchange rate.

Exchange rate differences resulting from the use of equity accounting in respect of the Company's attributable share of equity, translated at the exchange rate prevailing at the balance sheet date, compared with the historical date, are recorded as shareholders' equity, under "Currency translation adjustment".

The following exchange rate was applied in preparing these annual accounts:

	2000	1999
EUR	1.5229	1.6047

The Company's share in the results of affiliates subject to equity accounting is converted at the average annual rate. The difference between the average annual rate and the closing rate is stated under shareholders' equity as "Currency translation adjustment". Other income and expenses are converted at the rate of exchange prevailing at the time of the transaction in question.

The following average annual rate was applied:

	2000	1999
EUR	1.5576	1.6003

2f) Marketable securities

Securities are carried in the balance sheet at cost or market value, whichever is lower. Value adjustments appear in the profit and loss account.

2g) Non-consolidated investments

Non-consolidated investments are carried in the balance sheet at their cost or estimated value, whichever is lower.

2h) Taxes

The Company creates a provision covering taxes on profits accrued at the date of the balance sheet, regardless of their due date.

3. MARKETABLE SECURITES: CHF 18.3 million (1999: CHF 79.5 million)

CHF million	Book value 2000	Book value 1999
Listed securities	18.3 [1]	79.5
Total	**18.3**	**79.5**

[1] Market value at December 31, 2000: CHF 19.7 million

4. NON-CONSOLIDATED INVESTMENTS: CHF 39.3 million (1999: CHF 39.6 million)

CHF million	Book value 2000	Book value 1999
Listed securities	37.4 [1]	38.0
Unlisted securities	1.9	1.6
Total	**39.3**	**39.6**

[1] Market value at December 31, 2000: CHF 67.2 million

5. AFFILIATES SUBJECT TO EQUITY ACCOUNTING AND GOODWILL

CHF million	GBL 2000	Imerys 2000	Orior 2000	SFPG 2000	Total 2000	Total 1999
Share in capital of investments subject to equity accounting	4,442.7	603.7	182.0	20.0	5,248.4	4,695.7
Net goodwill	140.1	21.3	3.6	–	165.0	69.9
Value of investments subject to equity accounting	4,582.8	625.0	185.6	20.0	5,413.4	4,765.6
Per share	*EUR 227*	*EUR 96*	*CHF 863*	*EUR 10*		
Pro memoria: Currrency translation adjustment	267.6	11.8	(0.6)	1.4	280.2	44.2

CHF million	2000	1999
Net goodwill at January 1	69.9	110.7
Net goodwill recorded during the year	109.6	(5.4)
Net depreciation during the year	(14.5)	(35.4)
Net goodwill as at December 31	165.0	69.9

The goodwill recorded for the 2000 financial year is attributable to the acquisition of securities.

Net depreciation of CHF 14.5 million for the financial year comprises ordinary depreciation of CHF 11.6 million and depreciation of residual goodwill amounting to CHF 2.9 million, for investments sold during the financial year.

6. FROZEN DEPOSITS: CHF 20.6 million (1999: CHF 29.5 million)

This amount represents frozen deposits guaranteeing the par value of the reserve shares created to cover:

- CHF 20.6 million for the exercise of options granted to beneficiaries of the Company's Incentive Plans.

5,456 Pargesa shares, at the disposal of the Board of Directors, are deducted from shareholders' equity.

7. LONG-TERM BANK BORROWINGS CHF 364.5 million (1999: CHF –.–)

At December 31, 2000, CHF 364.5 million was drawn on bank credit lines. These credit lines, which bear a floating rate of interest and amount to a total of CHF 400 million, are scheduled to expire in 2004 and 2005.

8. PROVISION FOR CONTINGENCIES AND EXPENSES: CHF 27.9 million (1999: CHF 28.1 million)

Risk provision: CHF 19.5 million

The provision is intended to enable the Company to cover a number of risks among the Group's holdings and commitments, which have been analysed and identified as such, but whose assessment is difficult and whose occurrence is unpredictable. In addition, detailing such risks would be contrary to good management and the protection of the best interests of the Company and the Group.

Provision for expenses relating to retirement benefits: CHF 8.4 million

This provision covers the expenses relating to retirement benefits for all companies in the Group. It is calculated on the basis of the prospective actuarial method.

9. SHARE CAPITAL: CHF 1,698.7 million (1999: CHF 1,698.7 million)

The Company's share capital is composed as follows:

CHF million	
• 1,544,294 registered shares, each with a CHF 100 par value, fully paid up	154.4
• 1,518,263 bearer shares, each with a CHF 1,000 par value, fully paid up	1,518.3
• 26,031 reserved bearer shares, each with a CHF 1,000 par value, fully paid up, with no dividend rights (see also Note 6)	26.0
Total	**1,698.7**

On June 1, 1994, the Company created an authorised capital with a par value of up to CHF 242.0 million by issuing 220,000 registered shares with a par value of CHF 100 and 220,000 bearer shares with a par value of CHF 1,000.

On May 11, 2000, the Company renewed its authorised capital. Consequently, the Board of Directors is authorised, up to May 11, 2002, to increase the share capital by CHF 148.5 million by issuing 135,000 registered shares with a par value of CHF 100 and 135,000 bearer shares with a par value of CHF 1,000.

The bearer shares are traded on the Swiss Exchange (SWX).

10. TREASURY STOCK RESERVE: CHF 47.7 million (1999: CHF 33.4 million)

CHF million	2000		1999	
	Number	Cost	Number	Cost
Balance at January 1	22,355	33.4	35,290	41.1
Purchases	5,679	20.3	3,640	8.9
Sales	(4,146)	(6.0)	–	–
Reclassification	–	–	(16,575)	(16.6)
Balance at December 31	**23,888** [1]	**47.7**	**22,355** [1]	**33.4**

[1] including – 5,456 shares (1999: 5,456) stated at par value under "Frozen deposits", which are at the disposal of the Board of Directors (see Note 6). These shares bear neither dividend nor voting rights.
– 18,432 shares (1999: 16,899) under "Securities" bear the right to a dividend but no voting rights

Treasury shares are now deducted from shareholders' equity.

11. CURRENCY TRANSLATION ADJUSTMENT: CHF – 280.2 million (1999: CHF – 44.2 million)

"Currency translation adjustment" essentially comprises the net negative difference relating to affiliates consolidated according to the equity method (see also Note 5).

The change in the currency translation adjustment breaks down as follows:

CHF million	2000	1999
Balance at January 1	(44.2)	(167.4)
GBL	(210.5)	82.1
Imerys	(24.6)	40.2
Orior	0.2	0.9
SFPG	(1.1)	–
Balance at December 31	**(280.2)**	**(44.2)**

12. PROFIT RESERVES: CHF 3,441.1 million (1999: CHF 3,128.8 million)

This item represents the share of retained earnings and reserves in companies consolidated or subject to equity accounting since the date they were consolidated or subjected to equity accounting.

13. RECONCILIATION OF SHAREHOLDERS' EQUITY

CHF million	2000	1999
Opening balance (January 1)	5,053.2	3,975.4
Dividend approved by the Annual General Meeting on May 11, 2000 (June 17, 1999)	(123.6)	(121.7)
Dividend on treasury shares	1.6	–
Reclassification of treasury shares	(47.7)	–
Capital gain on the sale of treasury shares	11.5	–
Share premium on the delivery of reserved shares	0.3	0.4
Net currency translation adjustment for the period	(236.0)	123.2
Other changes to the consolidated reserve	12.5	(10.5)
Sub-total	4,671.8	3,966.8
Net income for the year	424.6	1,086.4
Closing balance 31 December before distribution	**5,096.4**	**5,053.2**

14. OTHER COMMITMENTS

In the context of its cash flow management, the company from time to time enters into currency forward and interest-rate swap contracts. As of December 31, 2000, a number of forward contracts were outstanding. They are scheduled to expire within six months of the end of the financial year, at the latest.

In 1999, the Company introduced an incentive plan in favour of the executives and management of the Group by granting options on shares in Pargesa Holding SA, GBL and Imerys. At the grant date, these shares represented 1.9% of Pargesa's market capitalisation. The beneficiaries acquire the right to exercise the options gradually over an average of four years from the grant date. The plan is scheduled to last for ten years at most.

This item also includes residual liabilities under the incentive plan implemented by the Group in 1992.

Both incentive plans are entirely covered, and any expenses that could result from the exercise of all the options have been fully provisioned.

As at 31 December 2000, the nominal values of these commitments were as follows:

CHF million	2000	1999
Liabilities on currency forwards	9.8	16.9
Commitments to buy and sell shares	39.5	42.0
Guarantees issued in favour of third parties	0.1	0.1
Total	**49.4**	**59.0**

15. RELATED PARTY TRANSACTIONS

CHF million	2000	1999
Assets:		
• Other assets and accrued income	0.6	0.6
• Loan to an affiliated company	0.8	1.2
Liabilities:		
• Accrued liabilities	0.1	0.1
• Loans from affiliated companies	0.4	0.5

16. SHARE IN THE RESULTS OF AFFILIATES SUBJECT TO EQUITY ACCOUNTING: CHF 455.2 million
(1999: CHF 1,125.8 million)

CHF million	2000	1999
Contribution by GBL	392.5	1,035.0
Contribution by Imerys	47.7	90.5
Contribution by Orior	14.1	(0.3)
Contribution by SFPG	0.9	0.6
Total contributions	**455.2**	**1,125.8**

REPORT OF THE GROUP AUDITORS TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF PARGESA HOLDING S.A., GENEVA

Geneva, 21 March 2001

To the General Meeting of the shareholders
of Pargesa Holding S.A., Geneva

As auditors of the Group, we have audited the consolidated financial statements (balance sheet, income statement, statement of cash flows and notes) of Pargesa Holding SA for the year ended December 31, 2000.

These consolidated financial statements are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with auditing standards promulgated by the Swiss profession, which require that an audit be planned and performed to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. We have examined, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. We have also assessed the accounting principles used, significant estimates made and the overall consolidated financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the financial position, the results of operations and the cash flow are in accordance with the Accounting and Reporting Recommendations (ARR) and comply with Swiss law.

We recommend that the consolidated financial statements submitted to you be approved.

ADDITIONAL INFORMATION

We further confirm that consolidated shareholders' funds as at December 31, 2000 and consolidated net income for the year then ended, resulting from the methods of accounting and valuation adopted by Management in the application of ARR are the same, in all material respects, as would have been obtained if International Accounting Standards had been applied.

ERNST & YOUNG S.A.
Bernard F. Fishman   Prof. Dr. Claude Bourqui

DELOITTE & TOUCHE EXPERTA S.A.
Michèle Costafrolaz   Pierre-Alain Bracher

PARENT COMPANY FINANCIAL STATEMENTS

PARENT COMPANY BALANCE SHEET

ASSETS	2000	1999
	CHF million	CHF million
CURRENT ASSETS		
Sight deposits with banks	0.7	0.7
Marketable securities	42.3	28.0
Other assets	134.9	0.9
TOTAL CURRENT ASSETS	**177.9**	**29.6**
FROZEN DEPOSITS (note 1)	**26.0**	**29.5**
LONG-TERM ASSETS		
Long-term investments (note 2)	2,105.7	2,082.4
Loans to affiliated companies	0.8	122.6
TOTAL LONG-TERM ASSETS	**2,106.5**	**2,205.0**
TOTAL	**2,310.4**	**2,264.1**

LIABILITIES	2000	1999
	CHF million	CHF million
SHORT-TERM COMMITMENTS		
Due to banks at sight	0.3	0.1
Reserve for taxes and miscellaneous liabilities	5.5	1.8
TOTAL SHORT-TERM COMMITMENTS	**5.8**	**1.9**
LONG-TERM COMMITMENTS		
Loan from affiliate (note 3)	33.8	–
TOTAL LONG-TERM COMMITMENTS	**33.8**	**–**
SHAREHOLDERS' EQUITY		
Share capital (note 4)	1,698.7	1,698.7
Share premium	236.8	236.5
General legal reserve	84.8	78.7
Treasury stock reserve (note 5)	47.7	33.4
Earnings carried forward	70.8	92.6
Profit for the period	132.0	122.3
TOTAL SHAREHOLDERS' EQUITY	**2,270.8**	**2,262.2**
TOTAL	**2,310.4**	**2,264.1**
Other commitments (note 6)	400.1	302.7

PARENT COMPANY PROFIT AND LOSS ACCOUNT

INCOME	2000	1999
	CHF million	CHF million
OPERATING INCOME		
Interest	1.1	1.8
Income from securities		
– dividends	1.6	1.0
– capital gains realised on sales	11.7	–
Income from long-term investments		
– dividends	134.0	136.5
Other income	1.4	1.3
TOTAL OPERATING INCOME	**149.8**	**140.6**

EXPENSES	2000	1999
	CHF million	CHF million
OPERATING EXPENSES		
Interest expenses	0.2	–
Interest on bank loan	–	0.3
Commissions and bank charges	0.3	0.2
Directors' fees and payroll expenses	8.6	8.4
General and office overheads	3.4	3.7
TOTAL OPERATING EXPENSES	**12.5**	**12.6**
OPERATING INCOME BEFORE TAXES	**137.3**	**128.0**
Taxes	(1.7)	(1.5)
OPERATING INCOME AFTER TAXES	**135.6**	**126.5**
NON-RECURRING (EXPENSES) INCOME		
Constitution of provisions	(3.6)	(4.2)
TOTAL NON-RECURRING (EXPENSES) INCOME	**(3.6)**	**(4.2)**
NET PROFIT	**132.0**	**122.3**

PROPOSAL OF THE BOARD OF DIRECTORS FOR THE ALLOCATION OF AVAILABLE INCOME *

	2000	1999
	CHF million	CHF million
AVAILABLE INCOME		
Net income for the year	132.0	122.3
Retained earnings brought forward	85.0	84.9
(Increase in) decrease of the treasury stock reserve	(14.3)	7.6
AVAILABLE INCOME	**202.7**	**214.8**
ALLOCATION		
General legal reserve	6.6	6.2
Dividend	125.5	123.6
Retained earnings to be carried forward	70.6	85.0
INCOME ALLOCATED	**202.7**	**214.8**

* Subject to issue of reserved bearer shares between the date of publication of the annual report and the Annual General Meeting

If the proposal is approved, the dividend for the year ending December 31, 2000 will be payable as follows:

- For each bearer share with a par value of CHF 1,000, against remittance of coupon No. 26:

Gross dividend	CHF	75.00
Less 35% Federal withholding tax	CHF	(26.25)
Net dividend	CHF	48.75

These coupons will be payable from May 17, 2001 with BNP Paribas (Suisse) S.A., UBS S.A. and Crédit Suisse.

- For each registered share with a par value of CHF 100, payable directly by the Company:

Gross dividend	CHF	7.50
Less 35% Federal withholding tax	CHF	(2.63)
Net dividend	CHF	4.87

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS

1. FROZEN DEPOSITS: CHF 26.0 million (1999: CHF 29.5 million)

This amount represents frozen deposits guaranteeing the par value of the reserve shares created to cover:

- CHF 20.6 million for the exercise of options held by beneficiaries of the Company's incentive plans;
- CHF 5.4 million at the disposal of the Board of Directors.

2. LONG-TERM INVESTMENTS: CHF 2,105.7 million (1999: CHF 2,082.4 million)

CHF million	2000		1999	
	% held	Book value	% held	Book value
Orior Holding S.A., Vevey	99.8	160.9	85.9	137.6
Pargesa Luxembourg S.A., Luxembourg	100.0	103.9	100.0	103.9
Pargesa Netherlands B.V., Rotterdam	100.0	1,840.9	100.0	1,840.9
Total		**2,105.7**		**2,082.4**

3. LOAN FROM AFFILIATE: CHF 33.8 million (1999: CHF –.– million)

This loan, amounting to CHF 33.8 million, bears interest at the market rate.

4. SHARE CAPITAL: CHF 1,698.7 million (1999: CHF 1,698.7 million)

The Company's share capital is composed as follows:

CHF million		
• 1,544,294	registered shares, each with a par value of CHF 100, fully paid up	154.4
• 1,518,263	bearer shares, each with a CHF 1,000 par value, fully paid up	1,518.3
• 26,031	reserve bearer shares, each with a par value of CHF 1,000, fully paid up, with no dividend rights (see also Note 1)	26.0
Total		**1,698.7**

On June 1, 1994, the Company created an authorised capital of up to CHF 242 million by issuing 220,000 registered shares with a par value of CHF 100 and 220,000 bearer shares with a par value of CHF 1,000.

On May 11, 2000 the Company renewed its authorised capital. Consequently, the Board of Directors is authorised, up to May 11, 2002, to increase the share capital by CHF 148.5 million by issuing 135,000 registered shares with a par value of CHF 100 and 135,000 bearer shares with a par value of CHF 1,000.

The bearer shares are traded on the Swiss Exchange (SWX).

5. TREASURY STOCK RESERVE: CHF 47.7 million (1999: CHF 33.4 million)

CHF million	2000		1999	
	Number	Cost	Number	Cost
Balance at January 1	22,355	33.4	35,290	41.1
Purchases	5,679	20.3	3,640	8.9
Sales	(4,146)	(6.0)	–	–
Reclassification	–	–	(16,575)	(16.6)
Balance at December 31	**23,888** (1)	**47.7**	**22,355** (1)	**33.4**

(1) Including – 5,456 shares (1999: 5,456) stated at par value under “Frozen deposits”, which are at the disposal of the Board of Directors (see Note 1). These shares bear neither dividend nor voting rights.
– 18,432 shares (1999: 16,899) stated as “Securities” bear dividends but no voting rights.

6. OTHER COMMITMENTS: CHF 400.1 million (1999: CHF 302.7 million)

CHF million	2000	1999
• Guarantees issued in respect of wholly-owned subsidiaries (1)	400.0	302.6
• Guarantees issued in respect of third parties	0.1	0.1
Total	**400.1**	**302.7**

(1) These guarantees are intended to cover credit lines open to Pargesa subsidiaries. At December 31, 2000, these credit lines were drawn for an amount of CHF 364.5 million.

In addition, the Company contracted to sell shares amounting to CHF 33 million, covered by call options for the same amount.

7. SIGNIFICANT SHAREHOLDERS

en %	2000		1999	
	Vote	Capital	Vote	Capital
• Parjointco (Power Financial Corporation 50%, Frère-Bourgeois/ Compagnie Nationale à Portefeuille 50%)	61.4	54.7	61.1	54.4
• BNP Paribas Group	21.3	14.8	21.1	14.5

REPORT OF THE AUDITORS TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF PARGESA HOLDING S.A., GENEVA

Geneva, March 21, 2001

Ladies and Gentlemen,

As statutory auditors, we have audited the accounting records and the financial statements of Pargesa Holding SA for the year ended December 31, 2000.

These financial statements are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with auditing standards promulgated by the Swiss profession, which require that an audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the financial statements. We have also assessed the accounting principles used, significant estimates made and the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accounting records, the financial statements and the proposed appropriation of the available earnings comply with Swiss law and the Company's articles of incorporation.

We recommend that the financial statements submitted to you be approved.

ERNST & YOUNG S.A.
Bernard F. Fishman   Prof. Dr. Claude Bourqui

DELOITTE & TOUCHE EXPERTA S.A.
Michèle Costafrolaz   Pierre-Alain Bracher

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Pargesa

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