

## CONSOLIDATED FINANCIAL STATEMENTS

### CONSOLIDATED BALANCE SHEET (in millions of euros)

ASSETS	Notes	as at December 31		
		2003	2002	2001
Goodwill	4	40	46	49
Intangible assets	5	81	87	69
Property, plant and equipment	6	876	977	1,014
Equity accounted affiliates	7	19	19	12
Non consolidated subsidiaries	8	23	23	32
Other investments	9	27	24	22
<b>Total fixed assets</b>		<b>1,066</b>	<b>1,176</b>	<b>1,198</b>
Inventories	10	596	672	797
Trade accounts receivable	11	303	354	413
Other receivables	11	108	131	147
Cash	12	463	364	435
<b>Total current assets</b>		<b>1,470</b>	<b>1,521</b>	<b>1,792</b>
<b>TOTAL ASSETS</b>		<b>2,536</b>	<b>2,697</b>	<b>2,990</b>

SHAREHOLDERS' EQUITY AND LIABILITIES	Notes	as at December 31		
		2003	2002	2001
Share capital		78	76	75
Share premium		212	204	195
Reserves		628	647	661
Currency translation adjustment		(14)	10	17
Net (loss) income		(107)	6	(3)
<b>Group shareholders' equity</b>	13	<b>797</b>	<b>943</b>	<b>945</b>
Minority interests	14	322	372	392
<b>Total consolidated net equity</b>		<b>1,119</b>	<b>1,315</b>	<b>1,337</b>
<b>Provisions for contingencies and expenses</b>	15	<b>419</b>	<b>319</b>	<b>307</b>
Borrowings	16	395	435	689
Trade accounts payable	17	167	209	271
Other payables	17	436	419	386
<b>Total liabilities</b>		<b>998</b>	<b>1,063</b>	<b>1,346</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>2,536</b>	<b>2,697</b>	<b>2,990</b>

## CONSOLIDATED INCOME STATEMENT (in millions of euros)

At December 31

	Notes	2003	2002	2001
<b>Turnover</b>	18	<b>1,990</b>	<b>2,096</b>	<b>2,228</b>
Other operating income		33	34	33
External purchases and charges		(724)	(858)	(837)
Personnel costs	25	(477)	(496)	(508)
Other operating costs		(475)	(539)	(609)
Miscellaneous taxes and levies		(54)	(52)	(56)
Depreciation of fixed assets		(145)	(151)	(145)
Provisions (net)		(14)	15	(10)
<b>Operating income</b>		<b>134</b>	<b>49</b>	<b>96</b>
Financial (costs) income (net)	19	(23)	14	(18)
<b>Income before exceptional items</b>		<b>111</b>	<b>63</b>	<b>78</b>
Exceptional items	20	(156)	(16)	(67)
Taxation on profits	21	(75)	(22)	(10)
<b>Net (loss) income of consolidated entities</b>		<b>(120)</b>	<b>25</b>	<b>1</b>
Share in net income of equity accounted affiliates	7	2	2	2
Amortisation of goodwill	4	(9)	(15)	(1)
<b>Total consolidated net (loss) income</b>		<b>(127)</b>	<b>12</b>	<b>2</b>
Minority interests	14	20	(6)	(5)
<b>Group net (loss) income</b>		<b>(107)</b>	<b>6</b>	<b>(3)</b>
Net (loss) income per share (EUR)		(4.35)	0.23	(0.13)
Net (loss) income per share fully diluted (EUR)		(4.35)	0.23	(0.13)

## CONSOLIDATED CASH FLOW STATEMENT (in millions of euros)

	At December 31		
	2003	2002	2001
<b>Operating activities</b>			
Net income of consolidated entities	(120)	25	1
Elimination of non-cash items			
– Amortisation, depreciation and provisions	346	144	215
– Change in deferred taxation	10	14	(5)
– Losses (gains) on disposal of fixed assets	(31)	4	–
<b>Operating cash flow before changes in working capital</b>	<b>205</b>	<b>187</b>	<b>211</b>
Dividends from equity accounted companies	1	1	2
Changes in operating working capital	75	152	(62)
<b>Net cash flow from operating activities</b>	<b>281</b>	<b>340</b>	<b>151</b>
<b>Investing activities</b>			
Purchases of fixed assets	(226)	(148)	(201)
Disposals of fixed assets	61	17	16
Net change in deferred charges and accounts payable for fixed assets	25	4	(23)
Consolidation adjustments	–	(3)	(2)
	(140)	(130)	(210)
Indemnity New Caledonia mining reserves amount included in net income	(10)	(6)	(5)
<b>Net cash used in investing activities</b>	<b>(150)</b>	<b>(136)</b>	<b>(215)</b>
<b>Financing activities</b>			
Dividends paid: to Group shareholders	(25)	(28)	(31)
Dividends paid: to minority shareholders	(5)	(8)	(14)
Increases in share capital	10	10	1
(Decrease) increase in borrowings	(9)	(228)	61
Changes in financial working capital			
<b>Net cash used in financing activities</b>	<b>(29)</b>	<b>(254)</b>	<b>17</b>
Currency translation adjustments	(3)	(21)	1
<b>Increase (decrease) in net cash position</b>	<b>99</b>	<b>(71)</b>	<b>(46)</b>
Opening balance	364	435	481
Closing balance	463	364	435

## STATEMENT OF CHANGE IN NET BORROWINGS (in millions of euros)

	At December 31		
	2003	2002	2001
<b>Operating activities</b>			
Net income of consolidated entities	(120)	25	1
Elimination of non-cash items			
– Amortisation, depreciation and provisions	346	144	215
– Change in deferred taxation	10	14	(5)
– Losses (gains) on disposal of fixed assets	(31)	4	–
<b>Operating cash flow before changes in working capital</b>	<b>205</b>	<b>187</b>	<b>211</b>
Dividends from equity accounted companies	1	1	2
Changes in operating working capital	75	152	(62)
<b>Net cash flow from operating activities</b>	<b>281</b>	<b>340</b>	<b>151</b>
<b>Investing activities</b>			
Purchases of fixed assets	(226)	(148)	(201)
Disposals of fixed assets	61	17	16
Net change in deferred charges and accounts payable for fixed assets	25	4	(23)
Changes in Group composition	6	(8)	(2)
	(134)	(135)	(210)
Indemnity New Caledonia mining reserves amount included in net income	(10)	(6)	(5)
<b>Net cash used in investing activities</b>	<b>(144)</b>	<b>(141)</b>	<b>(215)</b>
<b>Financing activities</b>			
Dividends paid: to Group shareholders	(25)	(28)	(31)
Dividends paid: to minority shareholders	(5)	(8)	(14)
Increases in share capital	10	10	1
Changes in financial working capital			
<b>Net cash used in financing activities</b>	<b>(20)</b>	<b>(26)</b>	<b>(44)</b>
Currency translation adjustments	22	10	(6)
<b>Decrease (increase) in net borrowing position</b>	<b>139</b>	<b>183</b>	<b>(114)</b>
Opening net (borrowing) position	(71)	(254)	(140)
Closing net cash (borrowing) position	68	(71)	(254)

## CHANGES IN GROUP SHAREHOLDERS' EQUITY

(in millions of euros)	Number of shares		Share capital	Share premium	Consolidated reserves	Currency adjustments	Net income for the year	Total
	Weighted average	As at year-end						
<b>Shareholders' equity as at December 31, 2000</b>		<b>24,699,360</b>	<b>75</b>	<b>194</b>	<b>594</b>	<b>11</b>	<b>107</b>	<b>981</b>
Dividends paid					76		(76)	
Appropriations to retained earnings and reserves							(31)	(31)
Capital increase		24,000		1				1
Currency translation adjustments						6		6
Purchase of own shares					(7)			(7)
Other adjustments					(2)			(2)
Net loss for 2001	24,172,050						(3)	(3)
<b>Shareholders' equity as at December 31, 2001</b>		<b>24,723,360</b>	<b>75</b>	<b>195</b>	<b>661</b>	<b>17</b>	<b>(3)</b>	<b>945</b>
Dividends paid					(3)		3	
Appropriations to retained earnings and reserves					(28)			(28)
Capital increase		324,683	1	9				10
Currency translation adjustments						(7)		(7)
Purchase of own shares								
Other adjustments					17			17
Net income for 2002	24,275,188						6	6
<b>Shareholders' equity as at December 31, 2002</b>		<b>25,048,043</b>	<b>76</b>	<b>204</b>	<b>647</b>	<b>10</b>	<b>6</b>	<b>943</b>
Dividends paid					6		(6)	
Appropriations to retained earnings and reserves					(25)			(25)
Capital increase		529,531	2	8				10
Currency translation adjustments						(26)		(26)
Purchase of own shares								
Other adjustments					4	(2)		2
Net income for 2003	24,647,285						(107)	(107)
<b>Shareholders' equity as at December 31, 2003</b>		<b>25,577,574</b>	<b>78</b>	<b>212</b>	<b>632</b>	<b>(18)</b>	<b>(107)</b>	<b>797</b>

### OTHER ADJUSTMENTS (in millions of euros)

	At December 31		
	2003	2002	2001
Adoption of new accounting standards	2	20	-
Changes valuation methods	-	(3)	(2)
<b>Total</b>	<b>2</b>	<b>17</b>	<b>(2)</b>