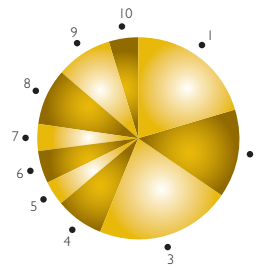




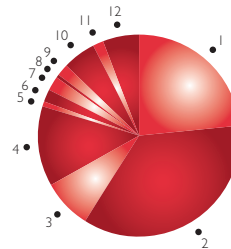
highlights by division

SALES BY GEOGRAPHICAL MARKET

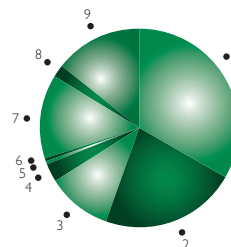
- 1 • Benelux 20,4%
- 2 • France 14,1%
- 3 • Germany 21,6%
- 4 • United Kingdom 7,7%
- 5 • Spain 3,9%
- 6 • Scandinavia 5,2%
- 7 • United States 4,3%
- 8 • Eastern Europe 9,0%
- 9 • Italy 9,0%
- 10 • Other 4,7%



- 1 • Benelux 23,4%
- 2 • France 35,5%
- 3 • Germany 7,9%
- 4 • United Kingdom 12,8%
- 5 • Spain 0,8%
- 6 • Scandinavia 2,0%
- 7 • Switzerland 2,3%
- 8 • Eastern Europe 0,5%
- 9 • Austria 1,9%
- 10 • Ireland 5,3%
- 11 • United States 1,7%
- 12 • Other 5,8%

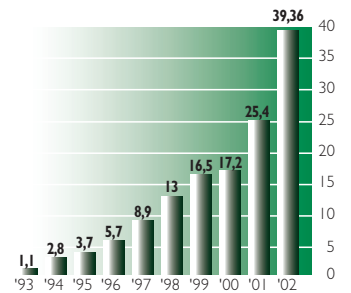
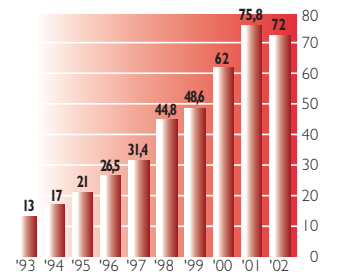
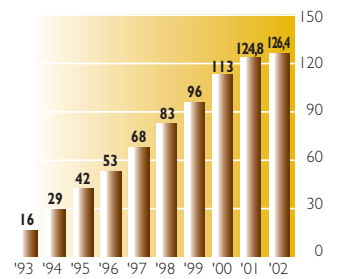


- 1 • Benelux 33,3%
- 2 • France 22,2%
- 3 • Germany 10,6%
- 4 • United Kingdom 3,0%
- 5 • Spain 0,5%
- 6 • Scandinavia 0,5%
- 7 • Eastern Europe 13,7%
- 8 • Austria 2,0%
- 9 • Other 14,3%

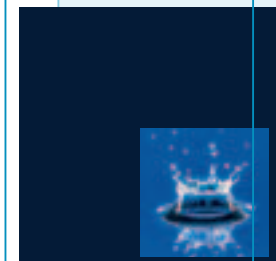
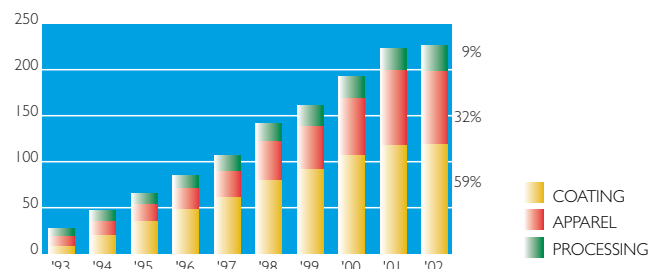


TURNOVER

EVOLUTION 1993-2002 (in EUR millions)



TURNOVER BY DIVISION 1993 - 2002 (in EUR millions)





[Sioen Industries profile

Sioen Industries is a fast-growing, integrated, industrial group that is active in the branches of technical textiles and specialized chemistry by way of three divisions.

The **Coating Division** is the world leader in the integrated coating of synthetic fabrics, the key activity from which the actual Sioen Industries Group originated. Thanks to the integration investments made over the past years, the activities of this division are not limited to coating, but cover the entire production process, from the extrusion of polyester granules (spinning) to high-tenacity yarns, over the processing in one of the group-owned weaving mills, guaranteeing supplies to all the group's coating lines.

The **Apparel Division** is the market leader in designing and manufacturing of high-quality protective clothing, for both industrial and recreational applications, thereby making maximum use of the transfer-coated fabrics manufactured by the Coating Division.

The **Processing Division** is the youngest pillar of the Sioen Industries group and has been developed from the vertical integration strategy of the group. It is responsible for the production of pigment pastes and granules, the processing of coated fabrics and PVC films and for the production of filters for industrial applications. The Processing Division is an important niche player in specialized chemistry.

Since its foundation in 1960, the Sioen group has been characterised by a continuous growth. Today, Sioen Industries has more than 30 production and sales locations.

In 1996, **Sioen Industries** was introduced onto the Brussels Stock Exchange, quotes on the Brussels Euronext market, and also is part of the Next Prime segment.





[strategy and mission of Sioen Industries

SIOEN INDUSTRIES: PROTECTION THROUGH INNOVATION

The Sioen Industries group focuses on sustainable growth, quality, innovation and profitability. Within that scope, particular attention is paid to the following points:

1 diversification and market penetration

The Sioen Industries group works towards a larger diversification. Its activities are not only spread over several market segments, but are also subject to a geographical spread.

- Market segments: Sioen Industries continues its policy of horizontal integration, viz. on the one hand by the development of new products and on the other hand by the acquisition of complementary companies, specialized in a niche market. The Coating Division e.g. is not only active in the transport branch of industry, but also in fast-growing markets such as publicity banners, textile architecture, flexible containers, ventilation systems, roofs covering materials, windbreaks and sunblinds,... The Apparel Division extends its range from traditional protective clothing to specific tailor-made protective clothing for firemen, forestry, shipping trade,... The Processing Division diversifies on the levels of heavy confection and laser cutting and is active in the production of finished fabric, pond foils, tarpaulins for trains, silos, airbags, kadors,... In addition, the range of pastes and granules is further enlarged.
- Geographical spread: Sioen Industries is always looking for new markets and further develops the existing markets. The traditional

West-European markets only hold a limited grow potential. The increasing sales in the new and especially the East-European markets, on which the group has focused the last two years, can further develop during the coming years. In addition, the Sioen Industries group continues to put in a great effort on the American and Asian markets.

2 Innovation: development and investments

The Sioen Industries group wishes to further develop and maintain the technical advance it has in each of the areas in which it is active. To that end, it adopts a targeted investment, development and research policy.

- The development and research team is permanently reinforced and substantiated by staff, materials, premises and testing lines.
- The processes implemented in existing plants are continuously checked and adapted to the most recent technological developments.
- To allow organizational growth, new production plants are built and existing, mostly companies that were taken over recently, are modernized and restructured.

3 Environmental Policy

- The Sioen Industries group continues to create a stimulating work environment where career opportunities are offered and where there is room for entrepreneurship and creativity.
- We adopt an active environmental policy and pay the necessary attention to recycling and energy recovery techniques.





[important events in 2002

FEBRUARY 2002

Appointment of CFO: Geert Asselman

On February 1 2002, the Sioen Industries Groep appoints Mr. Geert Asselman (from '96 till 2001 CFO at Ontex) as CFO of the Sioen company. He replaces Mr. Danny Carette, who was CFO since 1987 and now takes up the function of CEO of the Arplama Group, specialized in composite materials. Sihold, the family holding above Sioen Industries, controls 97% of the Arplama Group.

MARCH 2002

Sioen Industries takes over the transfer and direct coating activities from Sofitex

Sioen Industries and Sofitex NV enter into an agreement, by which Sioen Industries takes over the transfer and PVC coating machinery of Gevaco, a division of Sofitex. This acquisition allows Sioen Fabrics at Mouscron to further complete its range of coated textiles. Moreover, continuation and quality are further guaranteed to the customers.

MARCH 2002

Loom 5m40

Veranneman Technical Textiles, a subdivision of the Coating Division, proudly welcomes the 5m40 large loom for the production of coated open-structure fabrics ("mesh"). These open fabrics amongst others are used for the following applications: windbreak nets on sports fields, screens on open shelters, drainage nets, reinforcement nets, roofing materials, pool foils

and publicity banners, suited to cover entire buildings. The market of the open-structure fabrics is a new, fast-growing niche. The new production line is fully complementary to the existing production lines for coated fabrics.

MARCH 2002

Extrusion

The extrusion line, which initially served as testing line in the R&D centre, is now fully put into operational service. The line uses a new technique, which will allow Sioen to faster come up to the customers' wishes in the future. The coated fabric has numerous possible applications: publicity banners, ventilation tubes (ventubes), container tops, silos and storage systems,... A recent example is a fabric for digital printing, a high-quality product at a competitive price.

MAART 2002

R&D Centre

The research & development centre at the Ardoois site is brought into use mid 2002. This centre will support both the production and the marketing of new products. The centre is unique in the sector and strengthens our technological advance. Moreover, thanks to the effective R&D team, Sioen Industries is able to optimally anticipate the customers' wishes.



APRIL 2002

Rashel

Mid 2002, the new Rashel fabric, which was tested in 2001, is brought on the market. The Rashel weaving technique offers two important advantages, viz. the large width of the fabric (630 cm) and the high weaving speed.

MAY 2002

Transfer Coating Line / Airbags

In May 2002, the new transfer coating line at Mouscron is operational. This production line offers a maximum capacity of 14 million m² and is characterised by the fact that it is suited to coat fabrics that are used for the manufacture of airbags. Here again, we aim at vertical integration and we invest in a number of looms that will be specifically used for the production of fabrics for airbags.

MAY 2002

Sign

In May 2002, we launch the new standard collection for digital printing. The catalogue presents a range of 17 standard products with frontlits (printable cloth for lighting from the front side), backlits (printable cloth for lighting from the back side), blockouts (printable on both sides, lightproof) and mesh (open structure – with small holes). All of these standard products are available on different widths (from 137 cm to 5 meters) and in different weights (from 350 gr. to 1,000 gr/m²). The catalogue also offers a non-woven that is produced by Nordifa and that is suited for screen printing.

JULY 2002

Textile Architecture

In July 2002, Sioen launches the new textile architecture line that offers products allowing to realize constructions in coated fabrics. Ten standard qualities, ranging from 400 grams to 1,050 grams/m², available on several widths. These fabrics are suitable for roofs and laterals walls of (semi-) permanent constructions.

SEPTEMBER 2002

Opening of the Germany Sales Office

In order to further penetrate the German market, the Apparel Division opens a sales office in Germany. From within their homeland, three salesmen operate on the German market that holds a promising potential for the protective clothing of the Sioen Apparel Division.

NOVEMBER 2002

Take-Over of the French Bacam Company

Bacam is specialized in designing, producing and marketing camouflage canvas and multispectral camouflage nets. These products find applications in the fields of hunting, fishing and wildlife management. Thanks to the acquisition of the Bacam company, the group disposes of the technology for complementary products, allowing to successfully penetrate new markets.

DECEMBER 2002

Spinning Mill

End 2002, the spinning mill doubles the capacity for the extrusion of high-tenacity yarns, by passing from 7,500 tons to 15,000 tons. Thanks to this increase, the Coating Division is completely "self sufficient" in high-tenacity yarns. In addition, the spinning mill starts the production of polyamide yarns. In 2003, the weaving mill will process these yarns into high-quality cloth for airbags. To that end, a number of looms are already submitted to running tests.

IMPORTANT EVENTS AFTER DECEMBER 2002

MARCH 2003

Take-Over of Pennel (France)

The Sioen Industries Group enters into an agreement with the French group Pennel Industries for the take-over of the automotive division of the latter:

The funds, the formulae, the know-how, a number of selected assets and personnel are taken over by the Sioen group. This take-over perfectly matches with the strategy of the Sioen group to realize a strong vertical integration on the one hand and to work upon new markets with complementary products on the other hand. In 2002, the automotive division realised a turnover of around EUR 20 million, divided over two product groups: transfer coating and films.

Thanks to this acquisition, the Sioen Industries group will have at its disposal:

- An experienced research and development team and a design team that very closely work together with both suppliers and car constructors. In cooperation with the latter, the models for the coming years are developed.
- An expert sales team.
- A Quality Control division that is completely tuned to the requirements made by the constructors.
- A highly skilled production staff, having perfectly mastered the production techniques.

MARCH 2003

Take-Over of the Roltrans Group

On Monday March 24, the Board of Directors of Sioen Industries gave the go-ahead for the acquisition of the Roltrans group. The Roltrans group, originally a Dutch company, manufactures and markets tarpaulins and tilts for trucks and trailers (semi-trailers) and is the European market leader in the sector.

Thanks to this acquisition, the Sioen Industries group now controls all different production phases, from the extrusion of high-tenacity yarns, over weaving and coating technical fabrics, to the manufacture of the finished product.

Roltrans supplies finished products that are delivered directly to the final customer through our own distribution channels and that in some cases are even installed on the spot. The final customers (trailer constructors, leasing companies and large transport companies) are large, professional companies that are active all over Europe.

The Roltrans group, the European market leader in the sector, realizes a turnover of EUR 30 million and produces some 35,000 units per annum (roofs, tilts and slide-curtains).

The group mainly concentrated on the new trailer construction market, which is estimated at some 60,000 units per year.

On March 26, Sioen Industries sent a press-release concerning this take-over:



[letter to the shareholders

Dear Sirs,

The past year has been a difficult year, in all branches of industry. Everyone agrees on that subject. In the aftermath of September 11 2001, economic growth has dropped considerably.

All over the world, share prices tumbled. Both government authorities and companies re-adjust forecast growth figures every other day.

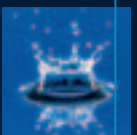
In spite of all these, often ominous, reports, Sioen Industries succeeded in realizing the main objective that was set for 2002: growth.

There was a rise in turnover with 5.18% to EUR 237.73 million, the result of the investments made over the past years, allowing this substantial, mainly organic growth. Thanks to the strong vertical integration, the group succeeded in keeping both the EBITDA and the EBIT at an attractive level, respectively amounting to EUR 42.8 million (18% of turnover) and EUR 23.12 million (9.72% of turnover).

THE COATING DIVISION

The 2002 figures of the Coating Division were influenced by the volume and the sales prices as well as by the current investment programs. The running-in expenses, personnel costs included, have immediately been taken at the expense of the result.

After 5 years of substantial growth ($\pm 7.7\%$ per annum on average) in the sector of coated broad fabric products, this sector fell back with 3 % over the last 2,5 years. The pressure on the sales prices, inevitable to keep our market share, influences the result. We estimate the decrease in market prices over the last 2 years at 5 to 7 %.



Redoubling the spinning mill capacity, by the end of 2002, enables the Coating Division to provide for its own requirements with specific regard to high-tenacity yarns. This enables us to effectively anticipate the needs of the markets in which Sioen Industries is active. In 2003, this operation should be able to yield a margin improvement.

The capacity of the transfer coating was also forced up (from 14 million m² in 2000 over 19 million m² in 2001 to reach 33 million m² in 2002). The second transfer coating line at Mouscron was taken into service in May 2002.

End 2002, Sioen Industries took over the automotive division of the French Pennel company. With this acquisition, the Coating Division adds a specialist in automotive to its already widely diversified product range. The automotive division it took over, realized a turnover of EUR 20 million in 2002, divided over two product groups: transfer coating and films.

DE APPAREL DIVISION

For the Apparel Division, 2002 was characterised by restructuring and repositioning.

In order to perpetuate the growth, the sales organization in Scandinavia was reorganized and a sales office was established in Germany, to further penetrate the German market, one of the largest in Europe.

The clothing manufacture sector is extremely cost-driven and competition mainly comes from low-wage countries. Within that scope it was decided to partly slim down the European production capacity. The investments made the past few years in technical know-how and high-tech production centres, in 2002 again were of overriding importance for the consolidation and the further development of the market position.

Thanks to new products and brand names, the Apparel division can even further penetrate markets within the European Union. Examples are specific protective clothing for forestry and fireproof clothing, niche markets that are complementary to the markets the Apparel Division actually is working on.

DE PROCESSING DIVISIE

In 2002, the Processing Division realized a growth in turnover of 54,7% compared to the previous year. This division thus continues the tendency of the past years and it further developed into a profitable and innovative pillar of Sioen Industries.

The Inducolor s.a. company, that was taken over in 2001, contributes to the further development of the Processing Division. Inducolor is specialized in the production of pigment pastes and is a perfect complement to the activities of European Master Batch.

For Coatex, 2002 was characterised by a sustained expansion, as a result of which it consolidated its position in the market of cutting, welding, sewing and joining of coated materials and PVC membranes.

Sioen Nordifa, that was taken over at the end of 2001, was submitted to a complete restructuring, of which we will reap the rewards the coming year. The company is specialized in the production of industrial filter applications for fluids ("wet" filters under the brand name Lainyl[®]), dedusting ("dry" filters under the brand name Clartex[®]) and membrane filters. Furthermore, Nordifa specializes in the production of non-wovens, a market in which the group wishes to expand, given the large potential it holds.

The Processing Division integrated the Dutch Roltrans company, that is specialized in the production of finished tarpaulins and tilts for trucks and trailers. With a production of approximately 35,000 units, this company is the European market leader.

In addition, the Processing Division integrated a second company, from France, viz. Bacam s.a. This company is specialized in designing, manufacturing and marketing camouflage tarpaulins and multispectral camouflage nets. Thanks to the acquisition of the Bacam company, the group disposes of the technology for a successful introduction on new markets and complementary products.

2002 unarguably was a difficult year, a transition year in which many investment projects left their mark on the result and in which the economic climate was a decisive factor in the price-fixing.

Nevertheless or perhaps thanks to these events, we optimistically await 2003. Indeed, these new projects have been finished off or are in the last phase and aim at strengthening the company and further increasing the return of the group.

We are convinced that you, dear investor, endorse and appreciate our strategy.

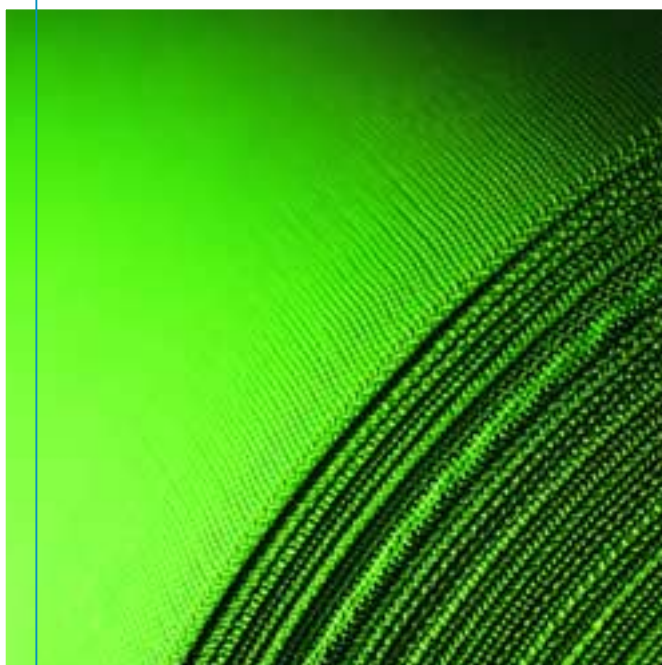
J.J. Sioen
Voorzitter
Gedelegeerd Bestuurder

J.N. Sioen-Zoete
Gedelegeerd Bestuurder

M. Joris-Sioen
MJS Consulting b.v.b.a.
Bestuurder

D. Parein-Sioen
D. Lance b.v.b.a.
Bestuurder

P. Sioen
P. Company b.v.b.a.
Bestuurder



[report of the board of directors

The Board of Directors has the honour of reporting on the activities of the Sioen Industries Group and submitting the annual accounts as of December 31, 2002 to the general meeting for its approval.

THE RESULTS OF THE GROUP IN 2002

In 2002, the net turnover amounts to € 237.7 million, as compared to € 226 million in 2001, i.e. a rise in turnover of 5.18%.

This rise on the one hand results from a 3.23% internal growth and on the other hand from a 1.95% external growth. This external growth is the consequence of the first consolidation of the companies SIP Protection, Vidal, Inducolor, which we took over mid-2001 and Bacam (2002).

During the past year, the Processing Division, the youngest, but fastest growing division, realized a 54.7% increase to € 39.36 million, i.e. 16.5% of the total turnover.

The realization of a 44.3% internal increase under severe market conditions is an excellent

performance. EMB, granulate sales, used to colour hard synthetic materials, went up by over 50% during the past year. EMB succeeded in realising this growth thanks to its determined decision to concentrate on niche markets in the field of pigments. Coatex also realized an outspoken increase in the past year. The turnover realized on airbag cutting activities more than doubled in 2002.

Last year, the Apparel Division had to face a 5.1% drop in turnover to € 72 million. The consolidation of the SIP Protection and Vidal companies, taken over halfway 2001, reflects an external growth of 2.3%, indicating that the existing markets dropped by approximately 7%, especially during the last quarter.

CONSOLIDATED (in thousands)	1996 €	1997 €	1998 €	1999 €	2000 €	2001 €	2002 €	difference %
Turnover	85.122	107.859	141.169	161.103	192.373	226.015	237.731	5,2%
Operating profit	9.682	14.972	19.617	28.398	32.602	33.816	24.599	(27,3%)
Financial result	(1.074)	(1.213)	(1.680)	(1.326)	(3.024)	(6.698)	(8.709)	30,0%
Current profit	8.608	13.759	17.937	27.072	29.578	27.118	15.890	(41,4%)
Results before taxes	8.578	13.791	18.217	29.306	29.593	27.118	15.057	(44,5%)
Taxes	(1.846)	(4.636)	(5.698)	(10.355)	(10.598)	(9.849)	(4.588)	(53,4%)
Net result	6.732	9.156	12.519	18.951	18.995	17.269	10.469	(39,4%)
Cash flow	10.774	14.249	20.674	29.491	32.494	35.753	30.156	(15,7%)

In spite of a difficult economic situation, the Coating Division nevertheless made some progress. During the past year, there was a rise in turnover by 1.25 % to € 126.4 million. That growth mainly was realized in two segments: open structure fabrics and transfer coated fabrics.

By way of illustration: open structure fabrics are used as reinforcement nets in roof covering materials, foundations, etc. Transfer coated fabrics are breathing fabrics, with excellent resistance to tearing, used for mattress covers, protective clothing, etc.

The gross margin over the past financial year amounts to 52.5 % of the turnover in comparison to approximately 57.3 % in 2001. The most important element in this respect is the competitive pressure. In order to preserve our market share we selectively took advantage of the price pressure, in both the Confection Division and the Coating Division.

The operational cash flow or EBITDA amounts to € 42.8 million or 18.0 % on turnover.

During the past year, the operating result reached € 24.6 million or 10.35 % on turnover in comparison to 14.96 % on turnover in the previous year.

The EBIT margin (operating result – depreciation consolidation goodwill) over 2002 amounts to € 23 million or 9.72 % in comparison to 14.35 % during the previous financial year.

During the past year, financial charges run up to € 8.7 million. This amount includes on the one hand loan burdens to the amount of € 7.2 million and on the other hand € 1.5 million for depreciation on consolidation goodwill. It has to be noted that the interest charges over 2002 include the amount of € 1 million that relates to assets under construction. Within the scope of the planned transition to the IFRS standards, we already decided not to record intercalation interests and to take these costs immediately at the expense of the result.

At the publication of the figures for the third quarter, it was already announced that the Apparel Division would cut back on part of its production capacity in Europe. This objective

was realized in the fourth quarter. The total cost of this operation amounts to € 900 000 and has been completely recorded at the expense of the exceptional result.

It is also useful to note that all running-in expenses, including personnel costs, of the current investment program immediately have been recorded at the expense of the current financial year, as was the case in the previous years. These expenses amount to € 1 million. The group's net result amounts to € 10.4 million or 4.40% on turnover and therefore completely is in keeping with the expectations published before.

The Return on Capital Employed still amounts to a healthy 9.6 %, notwithstanding the heavy investment program.

DIVIDEND

The Board of Directors will propose to the General Meeting of Shareholders to pay a gross dividend of € 0.168 over 2002. That is a 5 % increase in comparison to the dividend paid over 2001. By means of this increase, the Board of Directors wants to thank the shareholders for their support and also express its faith in the future of the company.

ACTIVITIES' REPORT

During the past year, the Apparel Division mainly focused on the further integration and fairing of its operational activities. Hence, commercial activities in Scandinavia were reorganized and a sales office was opened in Germany, to further penetrate the German market, the largest in Europe.

The confection sector is extremely costdriven. Within that scope, it was decided to cut back on production capacity in Europe at the advantage of production sites in low-wage countries. As a consequence, the French production atelier T.T.E. was closed and the SIP Protection and D.P.C. production ateliers, situated respectively in France and Ireland, were strongly reduced.

During the past year, the Coating Division concentrated on the finishing and the introduction of the current investment projects. During that year, investments run up to approximately

€ 30 million. By way of illustration, we point out that the capacity of the polyester yarn extrusion plant doubled from 7,500 to 15,000 tons. This expansion was finalized by the end of November and the full capacity came into operation by mid-December. As the production capacity was being expanded, a facility was foreseen to extrude polyamide yarns, the basic raw materials for airbag fabrics.

A second large-scale project of the past year concerns the extrusion coating line. For the Sioen group this is a completely new production technique, enabling us to manufacture a number of products in a very competitive way. That in particular is important for the basic fabrics used for publicity banners. This new production technique also enables to group to develop a number of new products that will be commercialised on new markets.

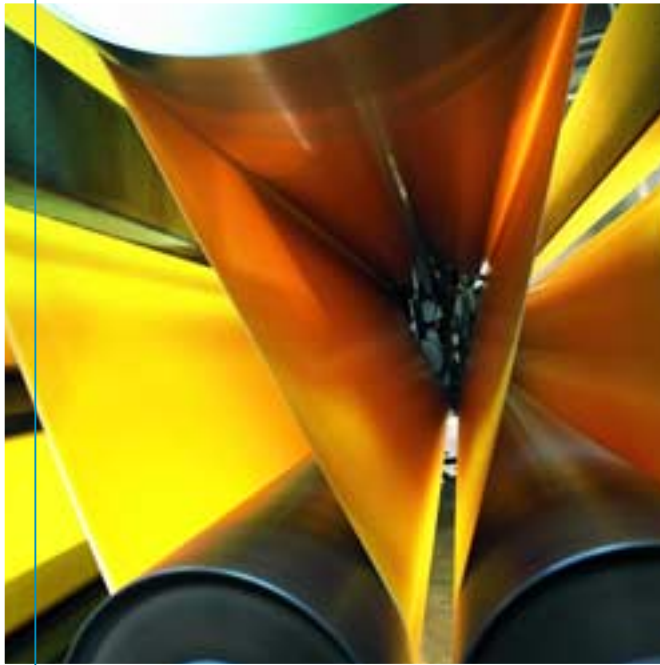
In this respect, a completely new laboratory was set up at the headquarters at Ardoioe where the R & D team coordinates and centralises all research and development activities.

At the Mouscron plant, the group invested in a new transfer coating line. We opted to build a machine that will exclusively be used for the production of fabrics destined for the manufacture of protective clothing. In that way, extra capacity is created on the existing multifunctional machine, which can be used for coating wide technical fabrics.

PROSPECTS FOR 2003

At the beginning of the year, there was a positive atmosphere. Over the first months of 2003, the turnover is situated at a substantially higher level than during the same period last year. Over the first 2 months, a turnover of € 42.5 million was realized, i.e. a growth of 11 % in comparison to the same period in 2002 with positive profit and cash flow developments.

In the light of the recent events in the Middle East and the resulting repercussions on the world economy, it is very difficult to produce an economic forecast. Nevertheless, Sioen feels secure about the company's future.



[group structure⁽¹⁾

COATING DIVISION

100%	Sioen Coating n.v. Direct Coating Belgium
100%	Sioen Fibres s.a. Spinning Belgium
100%	Sioen Fabrics s.a. ⁽²⁾ Weaving/Transfer Coating Belgium
100%	TIS n.v. Weaving/Direct Coating Belgium
100%	Saint Frères s.a.s. Direct Coating France
100%	Veranneman TT n.v. Weaving/Direct Coating Belgium
80%	Siofab s.a. Transfer Coating Portugal
100%	Sioen Coating Distribution n.v. ⁽³⁾ Sales office Belgium
96%	Sioen GmbH Sales office Germany
100%	Sioen Shanghai ⁽⁴⁾ Sales office China

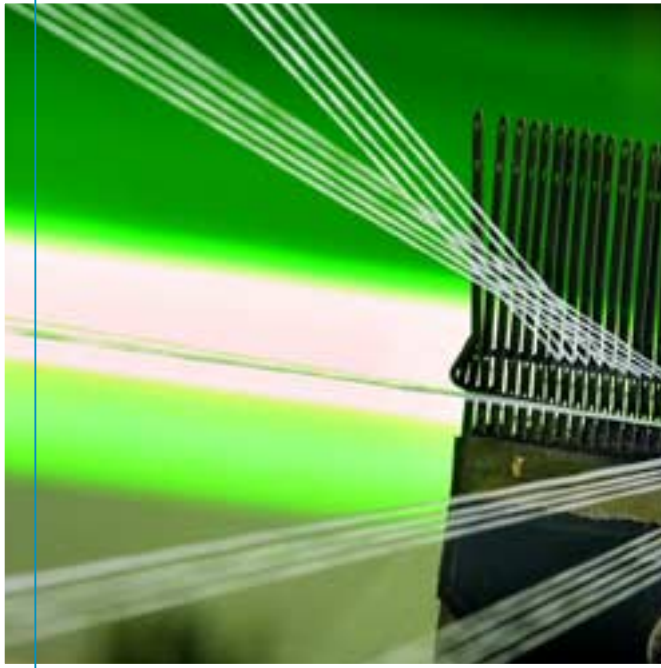
- (1) The stated percentages have been rounded, situation at March 20, 2003
 (2) Sioen Industries also has a 99,1 % stake in Sirec S.A., the reinsurance company of the group. Sioen n.v., Sioen Fabrics s.a. and European Masterbatch n.v. hold the remaining interests, which is 0,3 % each.
 (3) On December 6, 2000, Sioen Fabrics n.v. was renamed Sioen Coating Distribution n.v.
 (4) The official name is Sioen Coated Fabrics Shanghai Trading Ltd.
 (5) The official name is Gairmeidi Caomhnaithe Dhun na nGall Teoranta
 (6) Acquired in April 2001
 (7) Activities taken over in February 2001
 (8) Through Sioen n.v.
 (9) Acquired in June 2001
 (10) Newly created in October 2002

APPAREL DIVISION

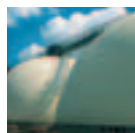
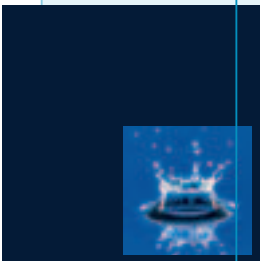
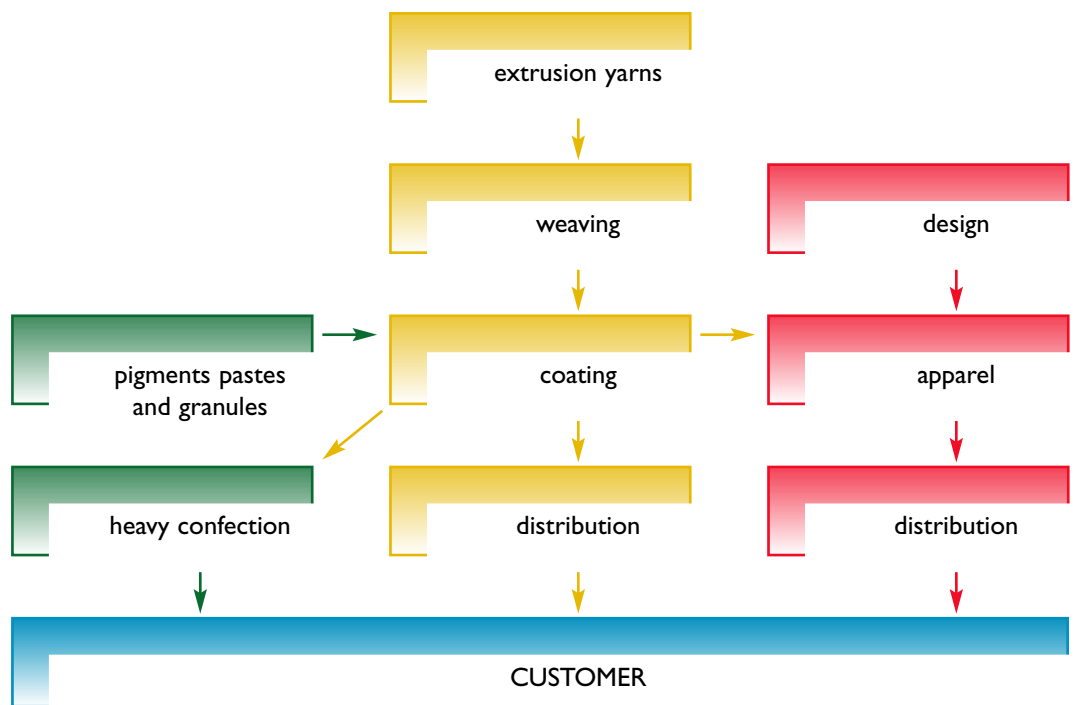


PROCESSING DIVISION





[value chain





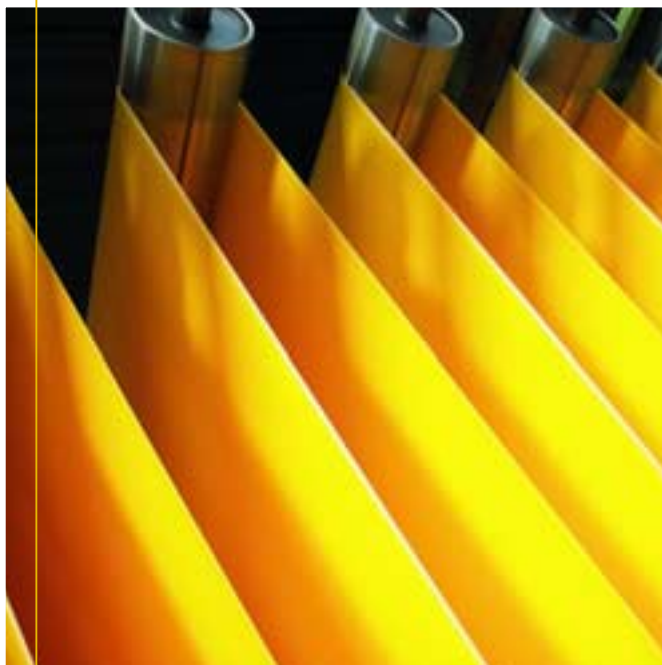
[Sioen worldwide

- Coating Division
- Apparel Division
- Processing Division



1 Sioen Coating Division - Sioen Apparel Division - Siotec - Veranneman TT - Sioen Coating Distribution (Ardoois) 2 Coatex (Poperinge)
 3 Sioen Fibres - distribution (Mouscron) - Sioen Fabrics - weaving en coating (Mouscron) - Sioen Fibres - spinning (Mouscron) 4 TIS (Kerksken)
 5 European Masterbatch/EMB (Bornem) 6 Sioen - Baleno® (Antwerpen) 7 Sioen - Nordifa (Liège) 8 Sioen - Inducolor (Meslin-l'Évêque)
 9 Donegal Protective Clothing (Donegal) 10 Mullion Manufacturing Ltd. (Scunthorpe) 11 Saint Frères (Flixecourt) 12 Saint Frères Confection (Flixecourt) 13 Bazam 14 Sioen GmbH (Hannover) 15 Sioen France (Narbonne) 16 SIP® protection (Foix) 17 Vidal protection (Graulhet)
 18 Sioen Tunisie (Tunis) 19 Confection Tunisienne de Sécurité/CTS (Tunis) 20 Siofab (Portugal) 21 PT.Sungintex (Bekasi Barat) 22 PT.Sioen Indonesia (Jakarta) 23 Sioen Shanghai (Shanghai) 24 Sioen UK

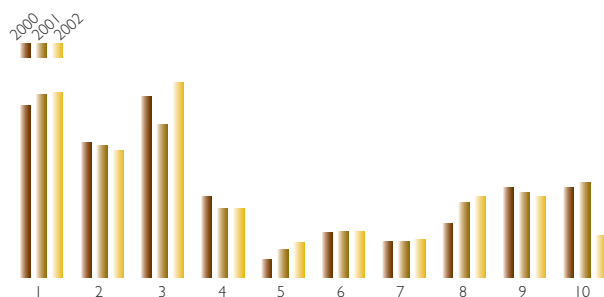




[coating division

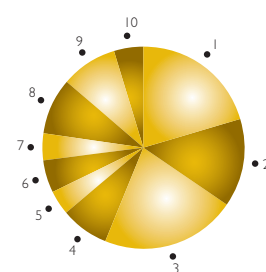
The products of the Coating Division are marketed worldwide under the well-known brand name Sio-Line.

Today, Sioen is the world market leader, producing over 100 million m² of coated fabric per annum. The extensive vertical integration, as a result of which the group provides for the entire production process, from spinning high-tenacity yarns over weaving to coating, indisputably procures the group a competitive advantage.



SALES BY GEOGRAPHICAL MARKET

- 1 • Benelux 20,4%
- 2 • France 14,1%
- 3 • Germany 21,6%
- 4 • United Kingdom 7,7%
- 5 • Spain 3,9%
- 6 • Scandinavia 5,2%
- 7 • United States 4,3%
- 8 • Eastern Europe 9,0%
- 9 • Italy 9,0%
- 10 • Other 4,7%



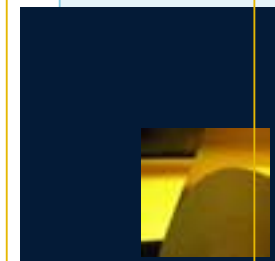
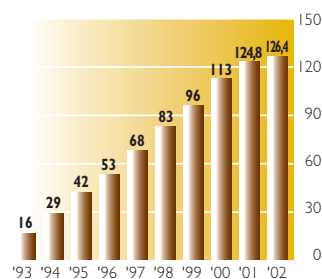
Core figures

	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993 ⁽¹⁾
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Turnover towards third parties (in millions)	126,4	124,8	113,2	96,0	83,4	67,6	53,0	42,0	28,6	16,0
% increase	1,25%	10,3%	17,9%	15,2%	23,3%	27,7%	26,2%	46,7%	78,9%	n.v.t.
investments (in millions)	24,3	21,2	20,3	17,5	17,0	11,4	8,3	-	-	-
Number of co-workers on 31/12	574	553	576	427	358	201	152	103	84	53

⁽¹⁾ 18 months financial year

TURNOVER EVOLUTION 1993 - 2002

(in EUR millions)



YARN EXTRUSION

The ultramodern spinning mill, Sioen Fibres, forms the first link in the industrial chain. This department processes polyester chips into high-tenacity yarns. It is the world's most modern production unit, that also has its own twisting mill, where the fibres are twisted.

Today, Sioen Fibres is able to process 15,000 tons of polyester chips into high-quality synthetic yarns.

WEAVING

The yarns are delivered as base material to the group's weaving mills, all of which only work with the most modern looms. Each of the weaving mills has its own particular specialization: polyester high-tenacity fabrics, yacht canvas, open-structure fabrics, ...

DIRECT COATING

In direct coating the PVC coating layer is applied directly to the fabric. All coating sites are equipped with the world's most advanced production lines (for example fully automated pigment mixing machines to make pastes), ultramodern, broad coating lines and a state-of-the-art warehouse, allowing to manage and dispatch the finished goods in an ever faster and more efficient way. Important applications are tarpaulins and side curtains in the transport sector; silos, publicity banners and textile architecture.

TRANSFER COATING

Sioen Fabrics Coating and the Portuguese Siofab are specialized in transfer coating and light direct coating. In these hi-tech plants, the coating paste is applied to the material via a paper carrier. Within this area, these companies concentrate on new applications of polyurethane and silicone amongst other types of coatings. One of the specific properties of transfer-coated fabrics is their breathability, making these fabrics well suited for the manufacture of industrial protective clothing, outdoor sports clothing, shoe protectors and medical textiles, such as mattress covers.

ON-LINE COATING

In on-line coating the fabric is immersed directly from the loom into a coating bath. Veranneman Technical Textiles is strong in this technique and produces open-structure fabrics that can be used in several branches of industry, such as agriculture and horticulture, road construction and building.

EXTRUSION COATING

End 2002, the R&D centre at Ardoorie put a hi-tech production line into service. This line uses a new technique, allowing to speed up production, to use other base materials (both fabrics and non-wovens), to coat with PVC, PU or other alternatives.

The Sioen coating sites are equipped with the most modern production lines throughout the world. They are extremely flexible and have very short lead times, as a result of which Sioen can rapidly meet the customer's demands. The Sioen coating sites all use pigment pastes and compounds supplied by EMB and Inducolor, parts of the Processing Division.

PENNEL

In 2003, Sioen Industries entered into an agreement with the French group Pennel Industries for the take-over of the automotive division. This take-over matches with the strategy of the Sioen group to realize a strong vertical integration on the one hand and to work upon new markets with complementary products on the other hand.

A first large product group concerns transfer-coated materials that are mainly used for the interior lining of all types of vehicles. A second large group includes TPO and PVC films. The automotive division of Pennel Industries designs, develops, produces and markets both PVC and TPO (Thermoplastic Polyolefin) films. These products know numerous applications: dashboards, door panels, backs of car seats, sunblinds, etc.

TURNOVER

In 2002, the Coating Division's turnover increased by 1.25 % to EUR 126 million, completely realized by internal growth. Over the years, the geographical spread has not been subject to substantial changes. The largest growth pole for direct coating is Eastern Europe, where products such as publicity banners and textile architecture gain popularity. (In addition, the Coating Division puts in a great effort to increase the share on the Asian market.)

THE MARKET

The coating activities of Sioen Industries are characterised by the capacity and flexibility of a highly automated production apparatus, permanent attention to quality, a highly developed sense of innovation and the targeted R&D policy. As a result, this division has bloomed into the world leader in the coating branch of industry. In addition, on a European level, the Sioen Industries group accounts for 35% of the total coating capacity on large width.

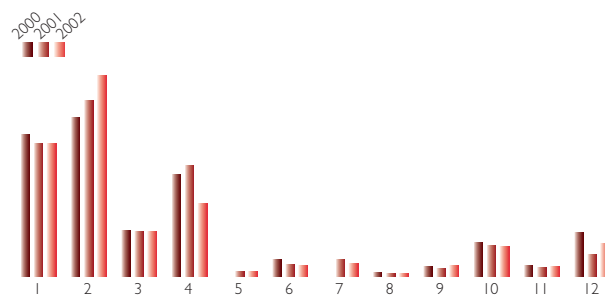
The markets on which the PVC-coated fabrics of the Coating Division are used are countless: the transport sector with tarpaulins and tilts, the publicity sector (with digital or screen printable coated fabrics), the agriculture and horticulture (with windbreak nets, drainage nets and cow mats), the building sector (with wind and protection canvases for scaffoldings, coated fabric for semi-permanent buildings and reinforcement nets for roof covering), the sports world (with judo mats, pool coverings and liners, sports mats and buffers), the leisure sector (with fabrics for tents and inflatable boats), the food industry (with flexible containers), ... The markets in which the transfer-coated fabrics of Sioen are applied are the clothing industry (for all sorts of protective clothing: windproof and waterproof, breathable, fire-proof, hygienic, ...), the automobile sector (airbags, seat upholstery and interior lining), medical textiles (with mattress covers and pillowcases).

Thanks to the performing R&D team, Sioen Industries is able to quickly anticipate new markets and tendencies. 2002 was a year of intensive development of new products for rapidly expanding niche markets, such as advertising, airbags and textile architecture. The Coating Division will begin reaping the initial benefits in 2003 and is also rapidly developing its market position on these niche markets.



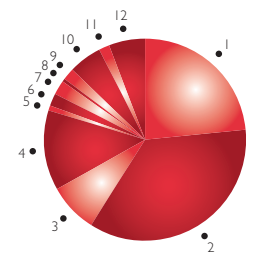
[apparel division

The Sioen Apparel Division is the European market leader in designing and manufacturing hi-tech protective clothing, for both industrial and recreational applications.



SALES BY GEOGRAPHICAL MARKET

- 1 • Benelux 23,4%
- 2 • France 35,5%
- 3 • Germany 7,9%
- 4 • United Kingdom 12,8%
- 5 • Spain 0,8%
- 6 • Scandinavia 2,0%
- 7 • Switzerland 2,3%
- 8 • Eastern Europe 0,5%
- 9 • Austria 1,9%
- 10 • Ireland 5,3%
- 11 • United States 1,7%
- 12 • Other 5,8%



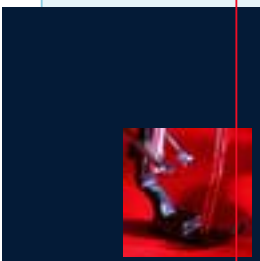
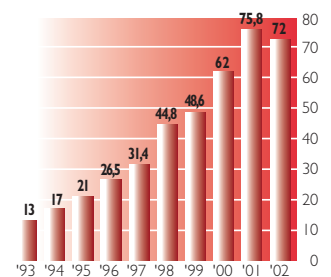
Core figures

	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993 ⁽¹⁾
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Turnover towards third parties (in millions)	72,0	75,8	62,0	48,7	44,8	31,4	26,5	21,1	17,0	13,0
% increase	(4,98%)	22,19%	27,3%	8,6%	42,9%	18,4%	25,6%	24,1%	30,5%	n.v.t.
investments (in millions)	3,5	5,3	3,8	4,8	2,3	1,5	0,7	-	-	-
Number of co-workers on 31/12	3.207	3.151	2.659	2.271	2.062	1.234	992	777	598	519

⁽¹⁾ 18 months financial year

TURNOVER EVOLUTION 1993 - 2002

(in EUR millions)



PROTECTION

Protection and safety of the individual during professional and recreational activities constantly grow in importance. This is clearly reflected by the ever-stricter technical and legal requirements the protective clothing has to meet.

Sioen Apparel offers an extremely complete and well thought-out range of protective clothing in which functionality, comfort, look and above all intrinsic safety occupy centre stage.

DESIGN & INNOVATION

A high-qualified team of textile engineers and designers knows how to combine technical requirements, statutory directions, comfort and elegance in hi-tech and ultramodern protective clothing that can endure the hardest ordeals.

By its active engagement with the R&D-team of the Sioen group, the Apparel Division has a technical lead and extra competitive strength.

PERFORMANT NETWORK OF PRODUCTION CENTERS

Sioen has production plants throughout the world, viz. in Ireland, France, Belgium, the UK, Tunisia and Indonesia. These plants all meet the most stringent quality systems (ISO9001, AQAPI 20) and provide for the manufacturing of our product range. Thanks to this worldwide network of production sites, all Sioen customers, throughout the world, are always quickly and optimally served.

The ultramodern Sioen Indonesia production site is rated amongst one of the most efficient clothing manufacture companies in the world.

DYNAMIC AND CUSTOMER-ORIENTED SALES ORGANISATION

With local sales offices in amongst others Belgium, the UK, Germany, Ireland, Scandinavia, France, Tunisia and Indonesia, Sioen Apparel perfectly keeps in touch with the customers and the market. As a consequence, we can quickly and accurately anticipate the rapidly evolving market tendencies and the specific needs of the customer.

DISTRIBUTION

The central, fully automated dispatch and distribution centre at Mouscron guarantees optimal stock management and rapid distribution of the final products.

INDUSTRIAL PROTECTIVE CLOTHING

Sioen's standard range of protective clothing finds its way to the most various sectors: food industry, road construction and public works, petrochemicals industry, agriculture and horticulture, general industry and fishing industry. This clothing offers protection against rain, wind and cold in combination with optimal functionality and comfort.

In addition, the Apparel Division also offers a high-visibility range, fire-protection clothing and clothing offering protection against chemical substances.

As well as a vast standard range, Sioen also develops customer-tailored clothing systems for the most diverse and complex work situations. We hereby especially think of high-tech, medical and paramedical, police and military sectors.

With its technical flame-retardant and antistatic clothing, Sioen Apparel has conquered a leading position on extensive grow markets. The petrochemicals sector; the energy sector; police, aviation, telecommunications, etc. are obvious target groups.

With the vast MULLION range, offering floatation suits / life jackets, Sioen Apparel successfully made its entry in the maritime branch of industry (harbour facilities, marine affairs, waterways).

In the forestry sector, Sioen offers both the professional and the occasional user of chain saws and mowers extremely safe protective clothing with the SIP-PROTECTION range.

The Sioen VIDAL-range addresses the niche market of professional fire combatting. It is obvious that this type of clothing has to meet the most stringent safety standards.

ACTIVE OUTERWEAR

Under the brand name Baleno® we manufacture and market high-quality and fashionable outerwear and leisurewear. The Baleno® range meets the specific requirements of sports such as amongst others hunting, fishing, golf, horse riding, motor sport, paragliding, cycling and trekking.

In addition to the sports applications, Baleno® also offers a collection of promotional clothing. Thanks to the excellent quality reputation we built up, both in terms of the design and production of fabrics and the design and manufacture of clothing, Sioen Apparel has become a highly appreciated partner of worldwide renowned ski and sportswear brands.

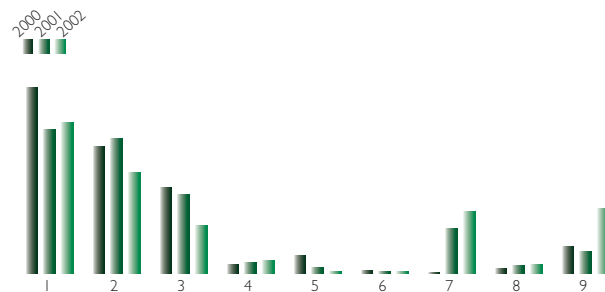
TARGETED BRAND POLICY

The active brand policy adopted by Sioen led to outstanding brand names such as Flexothane®, Siopor®, Mullion®, SIP-Protection®, Siofit, SDS®, Baleno® and nICEWEAR®, that are renowned all over the world and that can no longer be thought away from the dynamic world of industrial protective clothing and active outerwear.



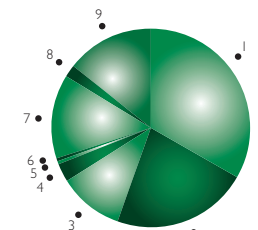
[processing division

The Processing Division is the third and the youngest division of Sioen Industries. The activities of the Processing Division are two-fold and can be found both at the beginning and at the end of the industrial chain of the Sioen Industries group. At the beginning, where the Processing Division is responsible for the production of base materials, viz. pigment pastes and granules. It specialises in a niche market of the chemical branch of industry. At the end of the chain, as the Processing Division focuses on finished products and as a result processes coated fabrics, PVC membranes and filters for industrial applications.



SALES BY GEOGRAPHICAL MARKET

- 1 • Benelux 33,3%
- 2 • Frankrijk 22,2%
- 3 • Duitsland 10,6%
- 4 • Groot Brittannië 3,0%
- 5 • Spanje 0,5%
- 6 • Scandinavië 0,5%
- 7 • Oostbloklanden 13,7%
- 8 • Oostenrijk 2,0%
- 9 • Overige 14,3%



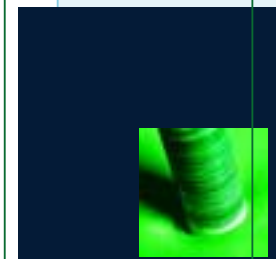
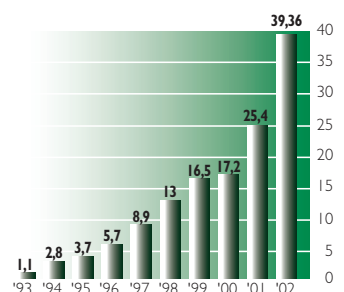
Core figures

	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993 ⁽¹⁾
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Turnover towards third parties (in millions)	39,4	25,4	17,2	16,4	13,0	8,9	5,7	3,7	2,8	1,1
% increase	54,70%	48,0%	4,7%	26,4%	46,5%	55,7%	52,3%	32,5%	165,1%	n.v.t.
investments (in millions)	2,7	0,6	2,7	2,7	5,8	2,3	2,4	2,0	-	-
Number of co-workers on 31/12	206	188	153	127	113	97	71	35	31	18

⁽¹⁾ 18 months financial year

TURNOVER EVOLUTION 1993 - 2002

(in EUR millions)



BASE MATERIALS

EMB or European Master Batch has been active for more than twenty years as a producer of master batches. The company produces pigment pastes and granules that are used as base material for dyeing certain materials. Among other things, the pastes are used to dye all kinds of synthetic materials (such as e.g. polyurethane and PVC coatings, epoxies,...). In turn, the latter are used in industrial textiles, PU foam, the automotive industry and floor coverings.

The granules are used in injection moulding, extrusion (film, sheet and fibre) and blow moulding processes. EMB has acquired experience in dyeing technical polymers (PP, PE, PS, PET, ABS and many others).

EMB also specializes in the production of compounds and varnishes.

The finished products can be found in the textile sector – for example in carpet fibres -, the packaging industry, the plastics industry and many other branches of industry. EMB has distinguished itself on the market as a fast, flexible and service-oriented supplier of customer-tailored products.

In 2002, EMB invested in the development of a varnishing line that allows us not only to provide for the needs of pastes and pigments but also for the varnishing needs of the Coating Division. Indeed, after coating the cloth with a layer of PVC paste, an additional varnish layer is often applied.

The Inducolor company is specialized in the production of pigment pastes on a basis of acrylic resins, solvents and silicone. The activities of Inducolor and EMB are complementary and guarantee success in several niche markets.

PROCESSING

Sioen Industries not only manufactures protective fabrics, but also processes these fabrics into a number of specific applications. In the Coatex and Saint-Frères Confection companies the fabrics are cut, punched, sewn and welded into high-quality end products for demanding niche markets.

The ultramodern Coatex plant built a world reputation in kadors, the part of a tent canvas that slides into a metal profile. For the automobile industry, Coatex invested amongst others in unique laser cutters for cutting down the fabrics into airbags. For the transport sector, Coatex offers an efficient and economical solution against vandalism: Sio-Steel®.

The Coatex PVC films are used in the industrial and recreational sectors, such as e.g. recreational ponds and industrial basins, culture floors and dam foils.

Coatex is a rapidly growing company that more than doubled its turnover over the past three years. In 2002, the company again invested in a fourth laser-cutting machine, in order to be able to answer to the vast demand.

Saint-Frères Confection is specialized in the processing of coated fabrics into cover systems for hi-tech niche markets, such as the army, railway companies and the aviation industry. The company also realises impressive orders, such as raising inflatable silos or complex architectural constructions.

DIVERSIFICATION

Nordifa is specialized in the production of filters and filter cloths. The products of this company, marketed under the brand names Lainyl®, Clartex® and Nordifa®, are internationally renowned.

Applications of the Nordifa products can be found in the food industry (water and air treatment in sugar refineries, breweries,...), the heavy industry (metallurgy, coke industry, mining industry, electric power stations, paper mills, cement companies,...), the chemical industry (production of dyes), municipal water purification installations and afterburning systems.

In 2002, the French company Bacam s.a.s. was taken over. Bacam is specialized in designing, manufacturing and marketing camouflage canvas and multispectral camouflage nets.

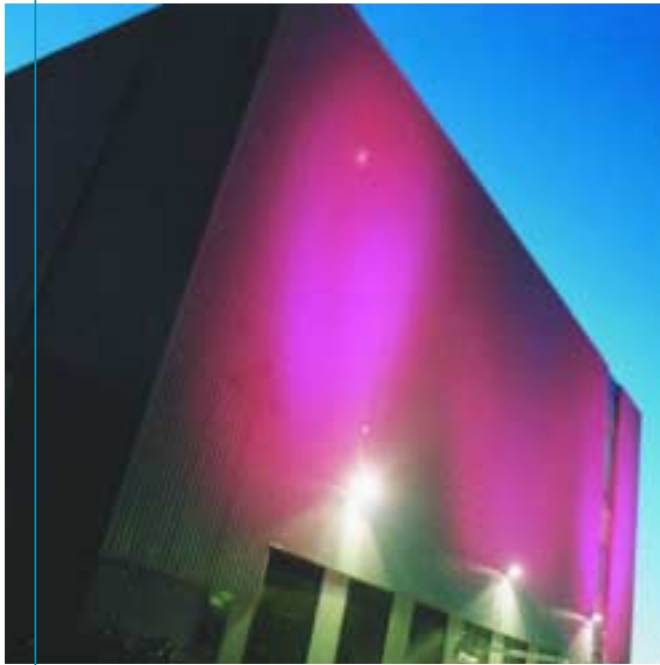
In March 2003, the Processing Division acquired the Dutch Roltrans company. This company manufactures finished tarpaulins and tilts for trucks and trailers and fits in with the existing activities within the heavy confection of this division.

TURNOVER

The Sioen Processing Division continuously sharpens its quality and flexibility and therefore intensively works on new developments and research. Within that scope, Saint-Frères Confection manufactures several dome-shaped silos in coated cloth, that is supplied by the Coating Division. The coated cloth is welded together, inflated and fixed with concrete from the inside. These gigantic silos are constructed very rapidly and have a long life span. The Processing Division continues the tendency of the past few years and in 2002 again realized an increase in turnover of 54.7%. So, the external turnover amounts to EUR 39.36 million, as a result of which the division further gains importance within the group.

MARKETS

The markets in which the Processing Division is active are as extended as diversified. Both our products and base materials can be found back in the textile, carpet, packaging and plastics industries (dyeing of all kinds of materials), the automobile industry (silicone paste for coating airbags, the production of coated fabrics for airbags and interior linings and the cutting of airbags), the recreational sector (pond and dam films, industrial basins, culture floors), the food industry (water and air filters in sugar refineries, breweries,...), the heavy and chemical industries (all kinds of filters and felt for electrical power stations, mines, sheet processing companies, paint manufacturers, incineration plants,...), the camping industry (kadors and tent tarpaulins), the transport sector (cover tarpaulins and side curtains for trucks and trains), the military sector (camouflage cloth and nets), the building industry (semi-permanent constructions),...



[corporate governance

COMPOSITION BOARD OF DIRECTORS The term of office of all directors ends at the annual meeting of 2008.

CHAIRMAN AND MANAGING DIRECTOR Mr. J.J. Sioen⁽¹⁾, chairman/director of various other companies

MANAGING DIRECTOR Mrs. J.N. Sioen-Zoete⁽¹⁾, director of various other companies

DIRECTORS **MJS CONSULTING B.V.B.A.,**
represented by its managing director; Mrs. M. Joris-Sioen⁽¹⁾
director of various other companies

D-LANCE B.V.B.A.,
represented by its managing director; Mrs. D. Parein-Sioen⁽¹⁾
director of various other companies

P. COMPANY B.V.B.A.,
represented by its managing director; Mrs. P. Sioen⁽¹⁾
director of various other companies

P. BAMELIS N.V.,
represented by its managing director; Mr. P. Bamelis⁽²⁾
Managing Director of Agfa-Gevaert n.v.; director of various other companies

REVAM B.V.B.A.,
represented by its managing director; Mr. W. Vandepoel⁽²⁾
Managing Director of Lessius Corporate Finance n.v.; director of various other companies

SHENG N.V.,
represented by its managing director; Mr. L.H. Verbeke⁽²⁾
Lawyer-partner Allen & Overy; chairman/director of various other companies

VAN MARCKE INVESTMENTS N.V.,
represented by its managing director; Mr. J. Van Marcke⁽²⁾
Chairman of Van Marcke Investments n.v.; chairman/director of various other companies

VEAN N.V.,
represented by its managing director; Mr. L. Vansteenkiste⁽²⁾
Managing Director of Recticel n.v.; director of various other companies

SECRETARY Mr. G. Asselman
CFO Sioen Industries group

AUDITOR⁽³⁾ Deloitte & Partners Bedrijfsrevisoren c.v.b.a.,
represented by Mr. Geert Verstraeten and Mr. Guy Wygaerts

ADVISOR Advisor of the board of Directors: Mr. Luc Sterckx

(1) Executive and non-independent director.
(2) Non-executive and independent director.
(3) The term of office of the auditor ends on the annual meeting of 2005

CORPORATE GOVERNANCE

Since 1986, the family directors of the Sioen Industries group have surrounded themselves with non-executive, independent directors, first in its advisory board, later in its board of directors. Their experience and specialisation contribute to a effective and healthy management of the company.

The Sioen Industries group endorses the strategy and objectives of the Institute of Directors, of which it became a founding member. Especially the development of a concept and a coherent vision of corporate governance, based on thorough research and taking into account our cultural identity and responding to practical management needs, is a top priority for both the Institute of Directors and the Sioen Industries group.

Sioen Industries establishes a harmonious relationship with dedicated (non-family) directors and shareholders. An adequate operational structure with a motivated management team and an enthusiastic staff guarantees the effective implementation of the proposed strategies.

COMPOSITION OF THE BOARD OF DIRECTORS

The board of directors is composed, in accordance with the articles of association, of at least three members whose term of office must not exceed six years. Retiring directors can be re-elected.

A majority of the directors is appointed from among the candidates proposed by the public limited liability company Sihold, insofar as the latter holds, either directly or indirectly, at least thirty-five percent of the shares of the company.

There are no statutory or other rules concerning the age limit of directors or the exercise of the directorship.

INDEPENDENCE OF ADMINISTRATION

The balanced composition of the board of directors (there are 10 directors on the board, half of whom are independent and non-executive) offers extensive guarantees in terms of independence of administration in relation to the majority shareholders as well as to the management.

RULES CONCERNING THE REMUNERATION OF DIRECTORS

The executive and non-executive directors are remunerated according to the time they devote to their office. No fees are paid according to the group's results. In 2002 the total amount of remuneration of the directors was 1.8 mio EUR.

OPERATION OF THE BOARD OF DIRECTORS

In accordance with the articles of association, the board of directors meets regularly as and when the needs and interests of the company require. In 2002 the board convened five times.

Each meeting of the board of directors has a fixed agenda which comprises of the deliberation and decision on the individual results of the companies of the group, the divisional results, the consolidated results, the current capital expenditure programmes and projects, new projects and presentation of investment opportunities.

The board also deals with specific agenda items that concern concrete issues and current events.

The discussion of the agenda takes into account the general strategy, annual budgets and financing of the group, which are periodically determined and evolved by the board of directors.

Apart from the statutory rule that, in the event of a tie, the chairman has the casting vote, there are no other special or statutory rules regarding the deliberation and decision-making process of the board of directors.

The board of directors has decided not to implement a special organization because of the association of the function of chairman and managing director in one person.

No special procedures are implemented in order to allow individual directors to take independent expert advice at the company's expense. Decisions on this matter are taken in the board of directors on an ad hoc basis.

OPERATION OF THE MANAGEMENT

In each department the daily activities are carried out and decisions taken by the respective heads of department, within predefined and limited powers. These heads of department are in turn accountable to the executing directors. Before each meeting the members of the board of directors receive a summary note in

which the relevant director explains the main periodical management reports, which are then further discussed and clarified at the meeting of the board of directors.

OPERATIONAL COMMITTEES

Sioen Industries group has the following operational committees:

Remuneration committee

The remuneration committee is composed of two non-executive, independent directors (Messrs. Van Marcke and Vansteenkiste) and one executive director (Mrs. Sioen-Zoete). Their term of office expires at the end of their directorship (annual meeting of 2008). The committee is to advise the Board and the top management on pay policy in general and on the salaries of top management and members of the Board in particular. The committee is also responsible for the share option plans.

Audit committee

The audit committee is composed of two non-executive, independent directors (Messrs. Verbeke and Vandepoel) and one executive director (Mr. Sioen). The chairman of the audit committee is appointed from among the independent directors and has a casting vote. Mr. Vandepoel was appointed chairman. The audit committee is to advise the Board and the top management on rules and procedures to be adhered to with regard to compiling the annual accounts in general and specific audit issues in particular.

EXTERNAL AUDIT

Within the Sioen Industries group, auditing is mainly carried out by company revisers of the Deloitte & Partners Bedrijfsrevisoren firm. Auditing includes both verification of the statutory annual accounts and the consolidated annual account of Sioen Industries n.v. and a number of its important subsidiary companies. To the extent that the auditing of a certain number of subsidiaries is carried out by other company revisers, Deloitte & Partners Bedrijfsrevisoren uses their work as mentioned in the Auditor's Report. In the course of the past financial year, Auditor costs amounted to EUR 21,606 and other expenses for services rendered by persons with whom the Auditor has a professional relationship add up to EUR 22,170. This regards services in the field of partial division and fiscal advice. The total fee paid to the auditor regarding his



mandate in 2002 amounted to EUR 176,161. The mandate of Deloitte & Partners bedrijfsrevisoren expires on the annual meeting of 2005. Deloitte and Partners Bedrijfsrevisoren are represented by Mr. Geert Verstraeten and Mr. Guy Wygaerts.

POLICY ON THE APPROPRIATION OF PROFIT - DIVIDEND POLICY

The management has chosen to continue to aim for a payout of more than 15% and to allow the dividend to increase every year, thereby keeping the dividend close to cash flow expectations and on the other hand rewarding the investors.

The payout ratio for 2002 amounts to 35,6% compared to 20,2% the previous year. The gross dividend of EUR 0,168 (0,126 Euro net) dividend is 5% higher than the previous year.

The dividend becomes payable at the counters of Dexia Bank, ING/Bank Brussels Lambert, Fortis Bank and KBC Bank from 13 June 2002 onwards.

RELATIONS BETWEEN SHAREHOLDERS

Between Sihold n.v. and Mercator Bank & Verzekeringen n.v., who hold respectively 62,5% and 2,8% of the shares of Sioen Industries, there is an agreement that gives Sihold a pre-emptive right. This agreement also grants Mercator Verzekeringen n.v. a representation on the board of directors. No committee of shareholders was constituted.

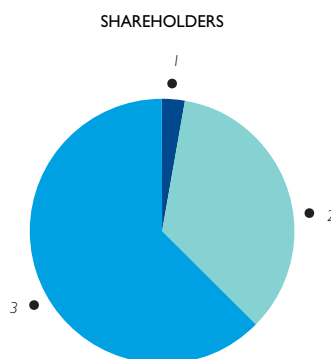
SHARES HELD BY DIRECTORS

The total number of shares that are directly or indirectly held by directors amounts to 13.382.230 shares.

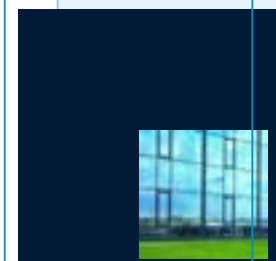
SHARE OPTION PLANS

At the introduction on the stock exchange in October 1996, the Board of Sioen Industries created a share option plan 1996 for the benefit of its higher supervisory staff, directors and consultants with a long-term partnership agreement. The aim was to promote dedication and motivation in the long term and enhance and strengthen the group's profitability.

However, no options were as yet allocated to directors under the various option plans (see table).



Mercator Bank en Verzekeringen n.v. 2,8% • 1
Public 34,7% • 2
Sihold 62,5% • 3



In the context of the share option plan 1996, the Board made a total 200,000 options available. Each option gives the holder the right to acquire one share in Sioen Industries n.v. The price to be paid when an option is exercised is that equal to the share price at the stock exchange in force when the option is granted.

The price for an option was fixed at 10% of the share price at the time of allocation in 1996. Fifty percent of the options could in each case be exercised in the third and fourth year after allocation. Upon exercise of the option, Sioen Industries n.v. would acquire its own shares on the stock exchange.

On June 30, 1999 and on October 10, 2000, the Board of Sioen Industries decided, in accordance with the new legislative provisions in this regard, to establish new share option plans within the allocation of remaining options under the share option plan 1996.

The price for an option under the share option plans 1999 and 2000 was fixed at 7.5% of the average market price of the shares of Sioen Industries n.v. in the period of 30 days prior to the date of the offer. The allocation of the option is deemed to take place on the 60th day following the day of the offer, unless the

beneficiary has before the end of that term notified in writing that he refuses to accept the offer.

Below is an overview of the state of the various option plans.

PROTOCOL TO PREVENT INSIDER TRADING

In order to prevent privileged information from being used unlawfully by directors, shareholders and members of the management and staff (insiders), or even to avoid such an impression being created, the board of directors of Sioen Industries elaborated a protocol to prevent insider trading ("1997 Protocol").

This 1997 Protocol is primarily designed to protect the market as such, to ensure compliance with the law, and to uphold the reputation of the group. Besides a number of prohibitions concerning the trading of financial instruments of Sioen Industries when insiders have privileged information which is not (yet) available to the public, the Protocol also contains a set of preventive measures and guidelines to safeguard the confidentiality of privileged information. Every insider who qualifies for this has signed this Protocol.

EXECUTION OF VOTING RIGHT AT THE GENERAL SHAREHOLDERS MEETING

No one has the right to vote at the General Meeting for more than thirty-five percent (35%) of the number of votes attached to the entirety of the shares issued by the company. These restrictions, however, do not apply if the vote concerns amendments to the company's articles of association.

FEE TOPMANAGEMENT

In accordance with the recent guideline of the VBO, we communicate the total fee of the topmanagement of Sioen Industries. In 2002 this fee amounted to EUR 1,9 million.

OVERVIEW STOCK OPTION PLANS

BASIC INFORMATION	PLAN 1996 ⁽¹⁾	PLAN 1999	PLAN 2000	TOTAL
Date decision of the board of directors	17/10/1996	30/06/1999	10/10/2000	
Price of the option % of the striking price	10,0%	7,5%	7,5%	
Price of the option	0,3470	2,5000	1,5375	
Striking price (selling price)	3,4705	33,3200	20,3550	
On the stock Exchange in 1996				200.000
Allocation	36.250	6.050	6.500	48.800
Unused	(3.600)	(350)		(3.950)
Total allocated	32.650	5.700	6.500	44.850
Outstanding				155.150
EXERCISES				
Outstanding	32.650	5.700	6.500	44.850
Exercised December 1999	(16.325)			16.325
Exercised December 2000	(16.325)			16.325
Outstanding	0	5.700	6.500	12.200
Average acquisition price- Exercise 1999	34,24			
Average acquisition price- Exercise 2000	26,50			
TO EXERCISE				
Outstanding	0	5.700	6.500	12.200
Exercise January 2003	0	(2.850)		(2.850)
Exercise January 2004	0	(2.850)	(3.250)	(6.100)
Exercise January 2005	0	0	(3.250)	(3.250)

⁽¹⁾after the split in 10 on November 5, 1998.



[personnel

EVOLUTION PERSONNEL 1993-2002



PERSONNEL OF THE SIOEN INDUSTRIES GROUP

In 2002, employment in the Sioen Industries group slightly rose by 2.5%, to reach 4,023 staff members worldwide. Personnel costs increased by 9.8% and passed from EUR 42.8 million to EUR 47.00 million. The personnel costs expressed in percentage of turnover increased from 18.9% to 19.8%. The strongest growth was recorded in the group's spinning mill, where employment increased from 45 to 60 staff members (+33%). This increase is accompanied by a redouble of the production capacity from 7,500 to 15,000 tons per annum.

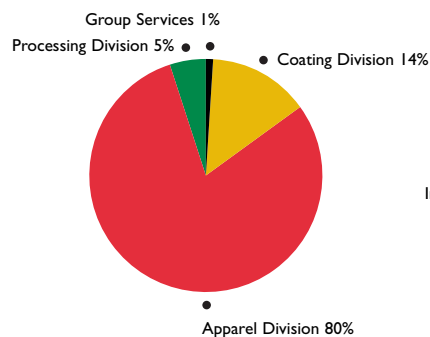
By the end of 2002, the **Coating Division** employed 574 staff members, an increase of 3.8% compared to 2001. This increase mainly resulted from the redoubling of the spinning mill capacity mid 2002. In addition, the new coating line, working according to the extrusion technique, was taken into service on the Ardoonie site. This created 6 additional jobs at Ardoonie.

In the labour-intensive **Apparel Division**, employment increased by 1.8%, to reach 3,207 staff members. 36% of that increase was realized in the production centres in Indonesia where the number of jobs more than doubled over the past four years.

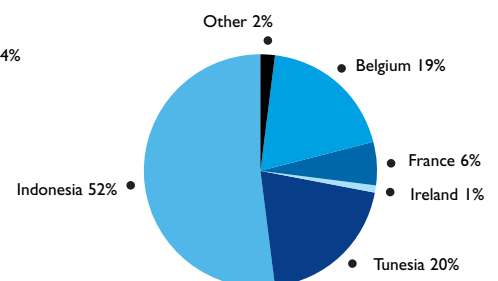
In the **Processing Division**, employment rose by 9.6% to 206 staff members. This rise mainly resulted from the take-over of Inducolor that produces pigment pastes and granules.

In terms of personnel management, finances and treasury, budgeting, MIS, EDP and on a legal level, the various divisions and offices of the group are assisted by Sioen Industries n.v. at Ardoonie, the umbrella holding of the group. This service structure is strengthened each year and in 2002 36 staff members were active, i.e. an increase of 12.5 %.

PERSONNEL PER DIVISION



PERSONNEL PER COUNTRY AS OF DECEMBER 31, 2002





[environmental policy

ENVIRONMENTAL POLICY

The proactive environmental policy of Sioen meets all legal standards and rests on two pillars: emissions and recycling & energy recovery techniques.

- The group invests annually to reduce the emission of harmful substances to a minimum, where the group prides itself on applying stricter standards than those required by law. Both in existing and new branches, Sioen Industries invests in post-combustion installations making it possible to approach close to zero emissions and make maximum use of heat recovery, which is subsequently used for heating the ovens for the coating lines.

- The group increasingly makes use of recycling and energy recovery techniques. The investment in a distillation column at the Sioen Fabrics plant in Mouscron guarantees for instance, maximum recovery of raw materials. This reduces emission to a minimum and also ensures substantial savings thanks to the recovery of raw materials. The site in Ardoorie is also equipped with a distillation column, making it possible to optimally recover the solvents used in the cleaning process.

QUALITY

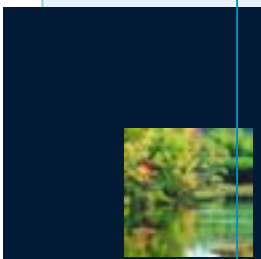
At Sioen Industries the customer and customer satisfaction, take centre stage. This calls for an approach in which the quality of the finished product and services provided must meet the customer's highest demands. Sioen Industries implements an efficient quality policy to ensure appropriate monitoring throughout the entire

production and sales process. The Sioen Industries group demands a constant level of quality from all suppliers and employs the necessary specialists to carry out permanent monitoring on the shop floor and random sample checks.

Permanent support by our own research laboratories forms part of our active quality policy. By mid 2002 the central R&D centre will be opened at the Ardoorie site. Via targeted research, this centre will support both the production and marketing of new products. It helps us not only to anticipate the wishes of the customer; but also to retain and further consolidate our technological advances.

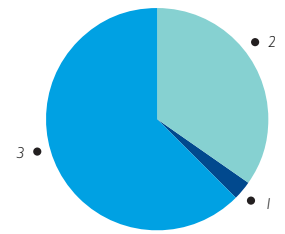
Thanks to this constant attention to quality, all three divisions obtained the ISO 9001 certificate. The Apparel Division also obtained the AQAP-120 certificate. Today we are working towards obtaining the quality system for the car industry (PS 9000/ ISO TS 16949).

However; Sioen Industries has not only been concerned with the quality of its products. Careful attention is also being given to superior working conditions. Creation of a stimulating working climate in which everyone gets the chance to develop their abilities, is one of the cornerstones of the policy. A flat corporate structure also ensures that information flows smoothly from the executive directors to the shop floor. This offers the advantage that decisions can be taken quickly and accurately.



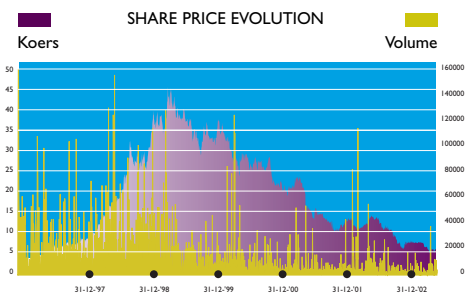


SHAREHOLDERS



Mercator Bank en Verzekeringen n.v. 2,8% • 1
Public 34,7% • 2
Sihold 62,5% • 3

[the Sioen Industries share



QUOTATION

In order to enable Sioen Industries to maintain its rapid growth and in the conviction that a transparent policy would further strengthen the group's potential for growth, on 18 October 1996, its shares were introduced on the Spot Market (double fixing) of Brussels Stock Exchange. A year later the shares were listed on the semi-continuous segment of the Futures Market before being quoted, since 11 March 1998, on the continuous segment of the Brussels futures market, which has in the meantime been turned into Euronext Brussels.

Since the capital increase of October 1998 and the subsequent splitting of shares into ten parts, 7.426.070 shares or 34,7% of the total number of shares have been spread among the public. In addition, 2,8% of the shares are held by Mercator Bank en Verzekeringen n.v. The other 62,5% are controlled by the Sioen family through the holding Sihold n.v.

CODES

Exchange	Euronext
Market entrance	Brussels
ISIN	BE0003743573
Market segment	Next Prime
Economic group	Cyclical consumer goods
Sector	Household goods & textile
Subsector	Other textiles & leather goods

Reuters	SIOE.BR
Bloomberg	SIO.BB
Datastream	B:SIO

DEVELOPMENT OF THE SHARE

The share reached its highest rate on April 19 2002 at EUR 14.2. Since its lowest price, EUR 6.05 on October 3 2002, it gained 26,4% on December 31 2002, at EUR 7.65.

The declining interest in Belgian small caps is also reflected in the shares of Sioen Industries, firstly in the movement of the price and secondly in the volumes traded. Through the combination of steady growth, both of turnover, cash flow and profit, on the one hand and the entry into the Next Prime segment and an active communication policy on the other, we want to arouse the interest of investors proactively. The largest volume was traded on June 26, with 24.960 items at an average price of EUR 10.75.

On December 31 2002 the stock exchange capitalisation amounted to EUR 163.6 million.

INDICES

Since December 1997 the Sioen Industries shares have been included in the VLAM-21 index, a selection of 21 Flemish companies in which the Sioen Industries share amounts to 1,6% (31/03/2003). The main goal of this index is to indicate the daily evolution of the Flemish stockquoted companies. In June 2000 the Sioen Industries shares were also included in IN.flanders®, a new share index composed of the 100 principal employers in Flanders quoted on the Stock Exchange. The Sioen Industries share in this index is 1,1283%.

The selection and weighing of the companies in the index are determined in function of the

CONSOLIDATED HIGHLIGHTS PER SHARE⁽¹⁾	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993⁽²⁾
	€	€	€	€	€	€	€	€	€	€
Operating profit	1,15	1,58	1,52	1,33	0,92	0,75	0,48	0,38	0,24	0,07
Net profit from ordinary activities	0,74	1,27	0,89	0,82	0,58	0,43	0,32	0,21	0,10	(0,05)
Profit for the group	0,47	0,79	0,88	0,87	0,57	0,45	0,32	0,21	0,10	(0,06)
Cash flow ⁽³⁾	1,41	1,67	1,52	1,38	0,97	0,71	0,54	0,38	0,24	0,14
Equity	5,86	5,79	5,24	4,56	3,73	1,68	1,26	0,93	0,74	0,64
Return on equity ⁽⁴⁾	8,1%	15,1%	19,3%	23,4%	36,3%	35,7%	34,8%	29,1%	15,7%	(6,2%)
Price-Earnings Ratio ⁽⁵⁾	16,4	14,50	23,8	37,9	67,0	22,1	12,1	-	-	-
Price-Cashflow Ratio ⁽⁵⁾	5,4	6,9	13,8	23,9	39,5	14,0	7,3	-	-	-
STOCK EVOLUTION										
Highest share price	14,95	23,51	33,65	47,50	43,13	10,68	4,02	-	-	-
Lowest share price	6,00	10,1	18,40	28,50	9,92	3,92	3,84	-	-	-
Share price at year end ⁽⁶⁾	7,65	11,5	20,90	33,00	38,18	9,97	3,92	-	-	-
Evolution of the share ⁽⁵⁾	(33,5%)	(45%)	(37%)	(14%)	283%	154%	-	-	-	-
Average daily transaction volume ⁽⁷⁾	5.310	5.104	9.548	13.216	26.671	20.950	43.410	-	-	-
Average monthly transaction volume ⁽⁷⁾	112.837	107.194	199.710	277.530	557.863	434.762	855.860	-	-	-
Number of shares Sioen Industries issued (in thousands)	21.391	21.391	21.391	21.391	21.391	19.965	19.965	-	-	-
Year volume (in millions)	10,4	20,7	63,7	122,5	162,6	33,9	8,2	-	-	-
Market capitalisation (in millions) ⁽⁵⁾	164	245,9	447,1	705,9	816,6	199,0	78,2	-	-	-
DIVIDEND POLICY										
Gross dividend	0,1680	0,16	0,14	0,12	0,09	0,07	0,05	-	-	-
Net dividend	0,1260	0,12	0,11	0,09	0,07	0,05	0,04	-	-	-
Pay-out (%)	35,9	20,2%	15,8%	14,2%	15,7%	15,6%	15,6%	-	-	-

(1) Recalculated after the split in 55 on 13/09/96 and the split in 10 on 05/11/98

(2) Accounting year of 18 months

(3) Consolidated profit for the year + depreciation of intangible and tangible fixed assets and other amounts written off + provisions for liabilities and charges + written off stocks, contracts in progress and trade debtors

(4) Profit for the group/ equity as of December 2002; for 1993 prorated to 12 months

(5) Share price end of December

(6) As of March 31, 2003 the price for a Sioen Industries share was 5,21 EUR/ share

(7) The data relating to 1996 have been strongly influenced by the high volume traded after the IPO of October 18, 1996;

employment ratio, based on the following criteria:

- for subsidiaries of foreign companies, the number of staff members in Flanders.
- for Flemish companies, the number of companies worldwide.
- evolution of employment in Flanders for the subsidiaries, respectively worldwide for the Flemish companies.

Moreover, since March 1998 the share has been incorporated in the investment register of Ethibel, an independent consultancy and audit agency for socio-ethical and ecological investments.

2003: FINANCIAL COMMUNICATION POLICY

Since 1 January 2002 the Sioen Industries share has been included in the Next Prime segment. Via this segmentation Euronext wants

to give a number of companies (mainly small and mid caps) the chance to distinguish themselves qualitatively by:

- the publication of quarterly results.
- the annual publication of a reference document. This can take the form of an annual report.
- the organisation of at least two analyst meetings.
- the publication of a calendar with both the data from the financial publications and from the analyst meetings.
- the use of English in publications.

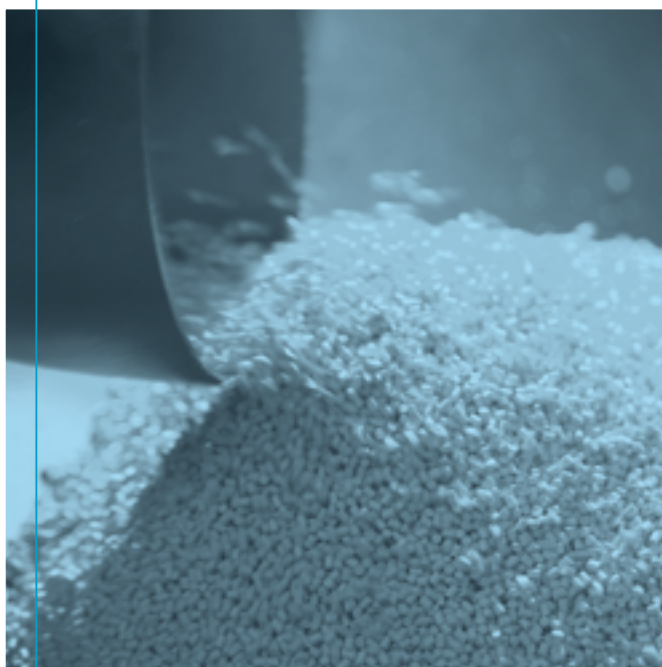
By being included in the Next Prime segment, Sioen Industries has committed itself to meeting all the aforementioned obligations and distinguishing itself accordingly. Sioen Industries is convinced that transparency will benefit shareholders.

DIVIDEND POLICY

The management has chosen to continue to aim for a payout of more than 15% and to allow the dividend to increase every year, thereby keeping the dividend close to cash flow expectations and on the other hand rewarding the investors.

The payout ratio for 2002 amounts to 35,6% compared to 20,2% the previous year. The gross dividend of EUR 0,168 (0,126 Euro net) dividend is 5% higher than the previous year.

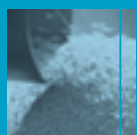
The dividend becomes payable at the counters of Dexia Bank, ING/Bank Brussels Lambert, Fortis Bank and KBC Bank from 13 June 2003 onwards.

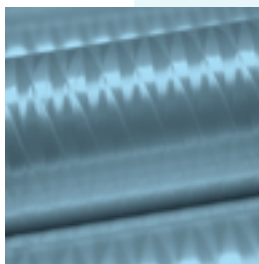
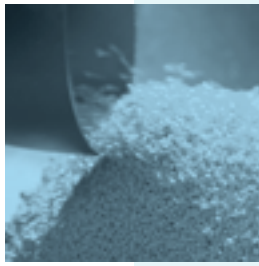


[financial review

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INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

Despite of the fact that the International Accounting Standards (IFRS) will possibly only apply as from 2005, the Sioen Industries group opts to implement this standards as soon as possible, since the group participates in the indices of Euronext, who will provide regulations related to an internationally accepted reporting system. Accordingly, Sioen Industries recognises the importance of a commonly accepted international financial frame of reference within a more global perspective of external communication and internal management, in which the introduction of the IAS will lead to an indisputable advantage of standardisation for all companies of the group.

At the moment, an inventory is being made of all practical implications of this introduction, with regard to financial reporting, results and additional comments and to the financial position of the group.

The impact of the latter will be published with the results of the second quarter of 2004.

REPORTING ON A QUARTERLY BASIS

Sioen Industries is part of the Euronext Prime Index and therefore agrees on publishing information every quarter.



[general information⁽¹⁾

REGISTERED OFFICE AND COMPANY NAME (ART. 1 AND ART. 2)

The registered office of Sioen Industries, a public limited liability company incorporated under Belgian law, is established at 23 Fabriekstraat, B-8850 Ardooie. The company is registered in the Bruges Trade Register under number 72.476. Its VAT number is BE 441.642.780.

INCORPORATION AND PUBLICA-TION

Sioen Industries was incorporated under the name "Sihold" by a deed executed before the notary public Ludovic du Faux in Mouscron on September 3, 1990, published in the annexes to the Belgian Official Journal of September 28, 1990 under number 900928-197.

FINANCIAL YEAR (ART. 36)

The financial year starts each year on January 1 and ends on December 31.

DURATION (ART. 4)

The company has been incorporated for an indefinite period.

OBJECTS OF THE COMPANY (ART. 3)

The company has for its objects, in Belgium and abroad, in its own name or in the name of third parties, for its own account or for account of third parties:

1. The weaving of all kinds of fabrics, the coating of fabrics and all other materials, the printing thereof, the manufacture of plastic and plastisized material, the manufacture, purchase and sale, in Belgium and abroad, of material useful for or connected with the said products and raw materials, as well as the manufacture of chemical products and pigments;

2. The manufacture of ready-to-wear outerwear in woven fabric, the manufacture of all sorts of tailor-made clothing and embroidery; the manufacture of ready-to-wear outerwear in knitted fabrics, as well as of household linen and interior decoration items; the manufacture of wall cladding, the printing and finishing of all fabrics; the manufacture of ready-to-wear items and outfits for men and women; knitwear; embroidery; household and table linen, children's clothing. The manufacture of safety and high visibility items. The wholesale and retail trade in all the above-mentioned items;

3. The investment in, subscription for, firm take-over, placement, purchase, sale and trading of shares, bonds, certificates, claims, currencies and other securities, issued by Belgian or foreign companies, which may or may not be trading companies, administrative offices, institutions and associations, with or without (semi-)public law status;

(1) Information based on the articles of association, updated until April 30, 2003.



4. The management of investments and holdings in subsidiaries, the holding of directorship posts, the giving of advice, management and other services to or in accordance with the activities carried on by the company itself. These services may be provided by contractual or statutory appointment and in the capacity of external consultant or agency of the customer.

All of this subject to the company complying with the legal requirements.

The company may, in Belgium and abroad, perform all transactions of movable and immovable property that may serve directly or indirectly to expand or promote its undertaking. It may acquire all movable and immovable property, even if this is not directly or indirectly connected with the objects of the company. It may, by any means, take an interest in all associations, affairs, undertakings or companies that have the same, similar or related objects or that are likely to promote its undertaking or facilitate the sale of its products or services, and it may collaborate or merge therewith.

CONSULTATION OF DOCUMENTS

The statutory and consolidated annual accounts of the company and the accompanying reports are filed with the Belgian National Bank.

The articles of association and the special reports required by the Companies Act are available from the Clerk's Office of the Commercial Court of Bruges.

The shareholders may request these documents, as well as the annual and half-yearly reports and all information published for the benefit of the shareholders, at the registered office of the company. The half-yearly and annual reports can be downloaded from the website <http://www.sioen.com>.

HISTORY OF THE CAPITAL

The history of the capital is included under the heading "Comments on the consolidated annual accounts" on page 40.

AUTHORIZED CAPITAL

The board of directors is authorized, during a period of five years from the publication in the Annexes to the Belgian Official Journal of the deed of amendment of the articles of association of February 4, 1999 (B.O.J. March 2, 1999), to increase the issued capital in one or in several stages by a maximum amount of forty-six million EUR.

This authorisation is renewable and is valid given for capital increases in cash, in kind and through incorporation of reserves. Today the amount is still fully available.

Within the context of the authorized capital, the board of directors is authorized, in the interest of the company and in accordance with the conditions stipulated in Articles 592 till 599 of the Companies Act, to cancel or restrict the pre-emptive right that is granted to the shareholders by law. The board of directors is authorized to restrict or cancel the pre-emptive right in favour of one or several persons, even if these persons are not staff members of the company or its subsidiaries.

On the occasion of the increase of the issued capital, carried out within the limits of the authorized capital, the board of directors is authorized to demand a share premium. If the board of directors decides to do so, this share premium must be recorded in an undistributable reserve account which can only be reduced or written off by a resolution of the general meeting, passed in the manner required for amendments to the articles of association.

Failing an express authorization from the general meeting to the board of directors, the authority of the board of directors to increase the issued capital through contributions in cash, with cancellation or restriction of the pre-emptive right of the current shareholders, or through contributions in kind, shall be suspended from the date of notification of the company by the Banking and Finance Commission of a take-over bid for the shares of the company. This authority shall be reinstated

immediately after the closing of such a take-over bid.

The general meeting of May 31, 2002 has expressly authorized the board of directors to increase the issued capital in one or in several stages, from the date of notification of the company by the Banking and Finance Commission of a take-over bid for the shares

of the company, through contributions in cash, with cancellation or restriction of the pre-emptive right of the current shareholders, or through contributions in kind, in accordance with Article 607 of the Companies Act. This authorization has been granted for a period of three years from the date of publication of this resolution in the Annexes to the Belgian Official Journal (B.O.J. June 28, 2002), and is renewable.

ACQUISITION OF OWN SHARES

The general meeting of May twenty five has expressly authorized the board of directors, in accordance with the provisions of the Companies Act, to acquire or have the disposal of its own shares or participating bonds, if the acquisition thereof is necessary to avoid an impending serious detriment to the company. This authorization shall be valid for a period of three years from the publication of the above-mentioned resolution in the Annexes to the Belgian Official Journal (B.O.J. June 21, 2001). The general meeting of May 31, 2002 has authorized the board of directors, in accordance with Articles 620 till 623 and Article 625 of the Companies Act, to acquire its own shares through purchase or exchange, up to the maximum number permitted by law and at a price equal to the market value of the shares. This authorization is valid for a period of eighteen months from the publication of this resolution in the Annexes to the Belgian Official Journal (B.O.J. June 28, 2002), and is renewable.

[consolidated balance sheet (in thousands EURO)

ASSETS DECEMBER 31	Notes	2002 (000) EUR	2001 (000) EUR	2000 (000) EUR
FIXED ASSETS		153.100	138.886	115.655
II. Intangible assets	VIII.	1.059	980	1.189
III. Consolidation differences	XII.	18.186	19.881	16.534
IV. Tangible assets	IX.	133.278	117.258	97.435
A. Land and buildings		37.858	36.132	29.981
B. Plant, machinery and equipment		70.805	56.703	55.029
C. Furniture and vehicles		2.680	3.265	2.766
D. Leasing and other similar rights		14.004	8.157	8.867
E. Assets under construction and advance payments		7.931	13.001	792
V. Financial assets	X.	577	767	497
B. Other investments		577	767	497
2. Amounts receivable		577	767	497
CURRENT ASSETS		178.698	171.386	147.237
VI. Amounts receivable after one year		34	13	33
VII. Inventories and contracts in progress		68.893	77.861	63.571
A. Inventories		68.893	77.861	63.571
1. Raw materials and consumables		22.945	22.276	21.227
2. Work in progress		11.161	11.714	7.465
3. Finished goods		34.787	43.871	34.879
VIII. Amounts receivable within one year		93.346	82.303	71.773
A. Trade debtors		73.476	69.649	58.083
B. Other amounts receivable		19.870	12.654	13.690
IX. Cash deposits		1.229	1.235	1.279
B. Other investments and deposits		1.229	1.235	1.279
X. Cash at hand and in bank		12.940	7.386	6.933
XI. Deferred charges and accrued income		2.256	2.588	3.648
TOTAL ASSETS		331.798	310.272	262.892

LIABILITIES DECEMBER 31	Notes	2002	2001	2000
		(000) EUR	(000) EUR	(000) EUR
CAPITAL AND RESERVES		125.251	123.920	112.031
I. Capital		46.000	46.000	46.000
IV. Consolidated reserves	XI.	76.722	71.564	59.294
VI. Translation differences		(2.807)	339	131
VII. Investment grants		5.336	6.017	6.606
VIII. Minority interests		2.025	1.531	1.265
PROVISIONS, DEFERRED TAXES AND CONTINGENT TAX LIABILITIES		9.097	11.526	11.725
IX. A. Provisions for liabilities and charges		2.335	3.443	3.340
2. Taxation		1.483	1.270	1.057
4. Other liabilities and charges		852	2.173	2.283
B. Deferred taxes and contingent tax liabilities	XIV.D.	6.762	8.083	8.385
CREDITORS		195.425	173.295	137.871
X. Amounts payable after one year	XIII.	95.035	83.419	66.186
A. Financial debts		95.035	83.419	66.186
3. Leasing and other similar obligations		16.488	12.328	8.378
4. Credit institutions		78.547	71.091	57.808
XI. Amounts payable within one year		99.270	88.847	70.660
A. Current portion of amounts payable after one year	XIII.	21.706	17.912	14.870
B. Financial debts		32.057	25.735	18.725
1. Credit institutions		32.057	25.735	18.725
2. Other loans		0	0	0
C. Trade debts		26.937	25.987	21.690
1. Suppliers		26.937	25.987	21.690
E. Taxes, remuneration and social security		12.323	13.864	10.759
1. Taxes		6.125	8.543	6.653
2. Remuneration and social security		6.198	5.321	4.106
F. Other amounts payable		6.247	5.349	4.616
XII. Accrued charges and deferred income		1.120	1.029	1.025
TOTAL LIABILITIES		331.798	310.272	262.892

[consolidated income state (in thousands EUR)

YEARS ENDED DECEMBER 31	Notes	2002 (000) EUR	2001 (000) EUR	2000 (000) EUR
I. Operating income		231.636	238.555	200.349
A. Turnover	XIV.A.	237.731	226.015	192.373
B. Variations in stocks of finished goods, work and contracts in progress (increase +, decrease -)		(7.965)	10.110	5.860
C. Fixed assets - own construction		0	0	941
D. Other operating income		1.870	2.430	1.175
II. Operating charges		(207.037)	(204.739)	(167.747)
A. Raw materials, consumables and goods for resale		104.988	106.614	86.424
1. Purchases		105.739	106.622	87.671
2. Variations in stocks (increase -, decrease +)		(751)	(8)	(1.247)
B. Services and other goods		34.157	34.802	30.348
C. Remuneration, social security costs and pensions	XIV.B.	47.048	42.837	34.517
D. Depreciation of formation expenses, intangible and tangible fixed assets and other amounts written off	XIV.C.	18.302	17.169	12.985
E. Written off stocks, contracts in progress and trade debtors (increase +, decrease -)		1.208	58	(189)
F. Provisions for liabilities and charges (increase +, decrease -)		(1.305)	(130)	(432)
G. Other operating charges		2.639	3.389	4.094
III. Operating profit		24.599	33.816	32.602
IV. Financial income		5.667	3.749	6.062
A. Income from financial fixed assets		1	0	69
B. Income from current assets		516	268	627
C. Other financial income		5.150	3.481	5.366
V. Financial charges		(14.377)	(10.447)	(9.086)
A. Interests and other debt charges		7.188	6.476	4.123
B. Amortisation of consolidation differences	XIV.C.	1.482	1.387	1.128
C. Written off current assets other than those mentioned under II.E. (increase +, decrease -)			0	
D. Other financial charges		5.707	2.584	3.835
Financial result		(8.710)	(6.698)	(3.024)
VI. Profit on ordinary activities before taxation		15.889	27.118	29.578

SIOEN INDUSTRIES CONSOLIDATION	Notes	2002	2001	2000
		(000) EUR	(000) EUR	(000) EUR
VI. Profit on ordinary activities before taxation		15.889	27.118	29.578
VII. Extraordinary income		61	0	65
F. Other extraordinary income		61	0	65
VIII. Extraordinary charges		(894)	0	(50)
D. Provision for extraordinary liabilities and charges		0	0	8
F. Other extraordinary charges		894	0	42
Extraordinary result		(833)	0	15
IX. Profit before taxation		15.056	27.118	29.593
IXbis. A. Transfer from deferred taxes and contingent tax liabilities	XIV.D.	1.717	2.403	854
B. Transfer to deferred taxes and contingent tax liabilities		(2.414)	(2.157)	(959)
	XIV.D.			
X. Income taxes	XIV.D.	(3.891)	(10.095)	(10.493)
A. Current income taxes for the year		(3.984)	(10.172)	(10.557)
B. Adjustment of income taxes and write-back of vtax, provisions		93	77	64
Total taxes		(4.588)	(9.849)	(10.598)
XIV. Consolidated profit for the year		10.468	17.269	18.995
A. Minority interest		462	324	196
B. Profit for the group		10.006	16.945	18.799

[funds flow statement (in thousands EUR)

	2002 (000) EUR	2001 (000) EUR	2000 (000) EUR
OPERATING ACTIVITIES			
Part of the group in the consolidated profit for the year	10.006	16.945	18.799
Minority interest in the consolidated profit for the year	462	324	196
Depreciation	19.784	18.556	14.113
Written off stocks and trade debtors	1.208	58	(189)
Written off other current assets	0	0	(376)
Increase (decrease) of provisions	(1.320)	(111)	(458)
Increase (decrease) of deferred taxes and contingent tax liabilities	(1.108)	(89)	1.344
Net decrease of investment grants	(680)	(589)	(133)
Change in working capital	(2.661)	(16.089)	(19.690)
CASHFLOW FROM OPERATING ACTIVITIES	25.691	19.005	13.606
INVESTING ACTIVITIES			
Investment in tangible and intangible assets	(34.400)	(38.180)	(31.141)
Investment in financial fixed assets	190	(271)	(111)
Increase of consolidation differences	213	(4.734)	(316)
Disposals of tangible and intangible assets	0	1.433	1.278
CASHFLOW FROM INVESTING ACTIVITIES	(33.997)	(41.752)	(30.290)
CASHFLOW BEFORE FINANCING ACTIVITIES	(8.306)	(22.747)	(16.684)
FINANCING ACTIVITIES			
Capital increase of the mother company	0	0	0
Net increase of investment grants	0	0	0
Increase long term debt	33.384	35.145	23.755
Repayments on long term debt	(17.975)	(14.870)	(12.293)
Changes in short term financial debt	6.322	7.009	8.076
Paid dividends and director's fees	(4.732)	(4.304)	(3.870)
CASHFLOW FROM FINANCING ACTIVITIES	16.999	22.980	15.668
Translation difference	(3.146)	175	60
NET CASH FLOW	5.547	408	(956)
Cash at beginning of the period	8.621	8.213	9.168
Cash at end of year	14.168	8.621	8.212



[consolidated companies as of December 31, 2002

FULLY CONSOLIDATED SUBSIDIARIES

	Chair	VAT-number	Percentage
BELGIUM			
Coatex n.v.	Poperinge	BE 434.140.425	74,60%
European Masterbatch n.v.	Bornem	BE 421.485.289	99,47%
Sioen n.v.	Ardoorie	BE 402.753.106	99,47%
Sioen Coating Distribution n.v. ⁽¹⁾	Ardoorie	BE 436.241.167	99,47%
Sioen Fabrics s.a.	Moeskroen	BE 458.801.684	100,00%
Sioen Fibres s.a.	Moeskroen	BE 463.789.464	100,00%
Siotec b.v.b.a.	Ardoorie	BE 424.304.823	99,47%
Tis n.v.	Kerksken (Haaltert)	BE 405.085.064	100,00%
Veranneman Technical Textiles n.v.	Ardoorie	BE 429.387.623	100,00%
Sioen Nordifa s.a. ⁽⁸⁾	Luik	BE 474.276.154	100,00%
Inducolor s.a. ⁽⁹⁾	Meslin-L'Evêque	BE 400.685.125	100,00%
CHINA			
Sioen Shanghai ^{(2) (3)}	Shanghai	n.v.t.	100,00%
GERMANY			
Sioen GmbH	Hannover	DE 811299457	96,00%
FRANCE			
Sioen France s.a.s.	Narbonne	FR 49300774767	99,47%
Saint Frères s.a.s.	Flixecourt	FR 76408448850	99,97%
Saint Frères Confection s.a.s.	Flixecourt	FR 44408449098	74,98%
SIP Protection s.a.s. ⁽¹⁰⁾	Foix	FR 41394215511	100,00%
Vidal Protection s.a.s. ⁽¹¹⁾	Graulhet	FR 82717220222	100,00%
Bacam s.a.s. ⁽¹²⁾	Gentilly	FR 39443613310	75%
IRELAND			
Donegal Protective Clothing Ltd. ⁽⁴⁾	Derrybeg	IE 4621355M	99,47%
INDONESIA			
P.T. Sioen Indonesia	Jakarta	n.v.t.	100,00%
P.T. Sungintex	Jakarta	n.v.t.	100,00%
LUXEMBURG			
Sirec s.a.	Luxemburg	n.v.t.	100,00%
PORTUGAL			
Siofab s.a. ⁽⁵⁾	Santo Torso	NIF 505046644	80,00%
TUNESIA			
Sioen Tunisie s.a.	Tunis	n.v.t.	99,83 %
Confection Tunisienne de Sécurité s.a.	Tunis	n.v.t.	99,47%
Sioen Zaghouan s.a. ⁽⁶⁾	Zaghouan	n.v.t.	99,50%
UNITED KINGDOM			
Sioen UK Ltd.	Chorley	GB 732.4071.62	100,00 %
Mullion Manufacturing Ltd. ⁽⁷⁾	Scunthorpe	GB 365.1873.34	100,00 %

(1) On December 6, 2000 Sioen Fabrics n.v. was renamed Sioen Coating Distribution n.v.

(2) Consolidated from January 10, 2000 onwards.

(3) The official name is: Sioen Coated Fabrics Shanghai Trading Ltd.

(4) The official name is: Gairmeidi Caomhnaithe Dhun na nGall Teoranta.

(5) Consolidated from June 6, 2000 onwards.

(6) Consolidated from October 17, 2000 onwards.

(7) Consolidated from May 15, 2000 onwards.

(8) Consolidated from February 28, 2000 onwards.

(9) Consolidated from June 27, 2001 onwards.

(10) Consolidated from January 31, 2001 onwards.

(11) Consolidated from March 27, 2001 onwards.

(12) Consolidated from October 3, 2002 onwards.



[consolidation criteria and accounting principles

I. CONSOLIDATION CRITERIA

In the consolidated annual accounts, the assets and liabilities, rights and commitments, as well as the income and charges of Sioen Industries and its subsidiaries are entirely incorporated in the consolidation.

Subsidiaries are companies over which Sioen Industries directly or indirectly has a decisive influence.

All significant amounts payable to and receivable from those companies, and the transactions between those companies are eliminated in the consolidated annual accounts.

2. ACCOUNTING PRINCIPLES

A. General

The accounting principles comply with Belgian accounting law, which has been adapted to the provisions of the Seventh EC-Directive.

B. Specific

The annual accounts of the consolidated companies have been drawn up in accordance with the following accounting principles and translation rules.

1. Intangible assets

Intangible assets comprise chiefly the historical cost of trademarks and software licences.

Trademarks are written off over their contractual term, if applicable, or over their estimated life cycle, with a maximum of ten years.

Software licences are written off over three years from the moment they come into operation.

Research and development costs are charged immediately to the results.

2. Consolidation differences

The Group acknowledges a consolidation difference on its holdings for the positive difference between the historical cost and the value of the net assets acquired, calculated on the basis of the uniform accounting principles of the Group.

Insofar as possible, consolidation differences are applied to the relevant assets and/or liabilities.



For each participation, the board of directors decides the amortisation period of the consolidation differences, according to the estimated period of realisation.

In accordance with Article 139 of the Royal Decree of March 6, 1990, this consolidation difference was determined for the first consolidation at January 30, 2001 on the basis of the value of the net assets as at January 1, 1991, which is the starting date of the financial year concerned by these first consolidated annual accounts. In order to take account of the realisation period of the goodwill paid, this consolidation difference is written off over 20 years according to the straight-line method.

The positive consolidation differences at the acquisition of P.T. Sungintex and TIS n.v. in 1998, of Veranneman Technical Textiles n.v. at October 18, 1999 and of Inducolor s.a. in 2001, are written off according to the straight-line method over 20 years, because of the size and strategic interest of these acquisitions.

The consolidation differences of the less strategic acquisitions of Mullion Manufacturing Ltd. in 2000 and of Sip® protection and Vidal protection in 2001 are written off over 5 years.

3. Tangible assets

The land is valued at historical cost, including the additional costs, and is not written off.

The other tangible assets are valued at historical cost, including the additional costs. They are written off according to the straight-line method by the percentages shown below and for a full financial year in the year of acquisition or coming in operation, except for the spinning mill which was written off pro rata in 2000, because of the importance of this investment. The tangible assets under construction that apply on several years are written off pro rata temporis on taking into use.

ASSETS

Buildings

Plant, machinery and equipment

Vehicles

Office equipment and furniture

Assets under construction are not written off

PERCENTAGE

5% - 10%

10% - 20%

20%

20% - 33%

Leasing and other similar obligations are written off by de percentages of the linked asset, shown above.

4. Financial assets

The financial assets are valued at historical cost. Depreciations are recorded if they are permanent.

5. Stocks

Raw materials and consumables are valued at historical cost or at market price, whichever is lower. The historical cost is determined according to the FIFO method.

Work in progress and finished goods are valued at prime cost. The prime cost comprises the direct and indirect production costs. Old stocks and stocks with a slow turnover are written down.

6. Receivables and payables

Receivables and payables are valued at nominal value. Receivables are written down if there is uncertainty about their payment on the due date.

7. Provisions

Provisions are being constituted for obligations and all other clearly defined risks, of which the existence at closing date is probable or sure and of which the amounts can be accurately estimated. The values are included if the amounts are due in the long term.

The provision for stock option plans is constituted for all granted options for the amount of the value on balance sheet date of the shares included in the option, less the striking price per option.

8. Deferred taxes and contingent tax liabilities

Deferred taxes are recorded on the untaxed reserves and the investment grants, included in the consolidated equity.

Contingent tax liabilities are recorded for the future fiscal effect of all temporary differences between the book results and the fiscal results of the consolidated companies.

The current tax rates are applied in the calculation of the deferred taxes and contingent tax liabilities.

Deferred tax demands are recognised for the future tax effect of transferable liquid losses and tax credits, except when the realisation of delayed tax demands is uncertain.

C. Translation of foreign exchange

The annual accounts of the foreign companies are translated into EUR as follows:

- the assets and liabilities, except for the capital and reserves, are translated at the exchange rate of the European Central Bank on balance sheet date;
- the elements of the capital and reserves are translated at the transaction exchange rate.
- the income statement is translated at the average exchange rate of the year.

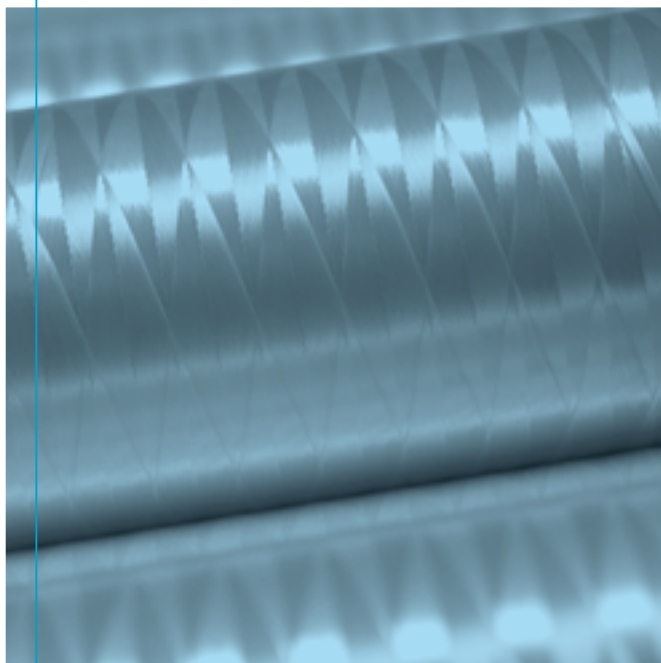
The difference between the transaction exchange rate and the exchange rate on balance sheet date results in translation differences, which are directly incorporated in the capital and reserves under the heading "translation differences".

All receivables and payables in foreign exchange existing at the end of the financial year are valued in the annual accounts of the consolidated companies at the exchange rate on balance sheet date, except for specifically hedged sums, which are translated at the contractual exchange rate.

All positive and negative translation differences are incorporated in the income statement.

D. Appropriation of profit

The consolidated annual accounts are drawn up after appropriation of the profit of Sioen Industries and before appropriation of the profit of the subsidiaries.



[comments on the consolidated annual accounts as of december 31, 2002

BALANCE SHEET

Consolidation Differences

On December 31 2002 the consolidation differences amounted to EUR 18.2 million and break down as follows (after depreciation):

(in millions)	EUR
First consolidation difference	2,6
Consolidation difference acquisition P.T. Sungintex (1998)	1,3
Consolidation difference acquisition TIS N.V. (1998)	8,2
Consolidation difference acquisition Veranneman TT n.v. (01/10/99)	2,1
Consolidation difference acquisition Mullion Manufacturing Ltd. (17/10/00)	0,1
Consolidation difference acquisition Vidal s.a.s. (01/02/01)	0,2
Consolidation difference acquisition Sip Protection s.a.s. (27/03/01)	0,4
Consolidation difference acquisition Inducolor s.a. (29/06/01)	3,3

Intangible Assets

The intangible assets increased by EUR 0.1 million and amount to EUR 1.06 million. The capital expenditure in intangible assets for the amount of EUR 0.7 million in 2002 (EUR 0.98 million in 2001) mainly concerns the purchase of additional software licenses.

Sioen Industries is not bound by any patent or license. None of the commercial or financial agreements entered into or any of the produc-

tion processes used is liable to put Sioen Industries in a dependence position or to (negatively) affect its activities or profitability.

Tangible Assets

In 2002, the tangible assets rose by EUR 30.6 million (EUR 19.8 million in 2001). These net investments (acquisitions – discontinuations) break down as follows:

(in millions)	EUR
Capital expenditure	30,6
Depreciation in 2002	(17,7)
Other	3,1
Change in consolidation scopes	0,0

(1) Enterprise Resource Planning

The capital expenditure can be assigned to the divisions as follows:

(in millions)	2002	2001	2000	1999	1998	1997	1996
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Coating Division	24,3	21,2	20,3	17,5	17,0	11,4	8,3
Apparel Division	3,5	5,3	3,8	4,8	2,3	1,5	0,7
Processing Division	2,7	0,6	2,7	5,8	2,3	2,4	2,0
Group services	0,1	0,4	0,6	0,2	0,8	0,4	-
Total	30,6	27,5	27,4	28,3	22,4	15,7	11,0

Net capital expenditure 1994-2002

(in millions)	2002	2001	2000	1999	1998	1997	1996
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Land and buildings	1,9	3,5	5,1	4,4	4,4	6,2	2,1
Plant / machinery	8,7	10,0	19,8	10,0	8,4	8,4	8,3
Furniture / vehicles	0,6	0,8	1,5	0,6	1,0	1,0	0,6
Leasing	3,8	0	0,2	9,2	0,4	-	-
Fixed assets under construction	15,6	12,8	0,8	4,1 ⁽¹⁾	8,2 ⁽¹⁾	-	-
Total capital expenditure on tangible assets	30,6 ⁽⁸⁾	27,1 ⁽⁸⁾	27,4 ⁽⁷⁾	28,3 ⁽⁶⁾	22,4 ⁽⁵⁾	15,6 ⁽⁴⁾	11,0 ⁽³⁾
Acquisitions / participating interest	0	7,1 ⁽¹²⁾	0,7 ⁽¹¹⁾	4,5 ⁽¹⁰⁾	14,1 ⁽⁹⁾	-	0,1

- (1) The fixed assets under construction concern mainly the spinning mill in Mouscron, which was started up end 2000.
 (2) Investment in the company building in Ardoie.
 (3) Investment in the "transfer coating" in Mouscron.
 (4) Balance of the "transfer coating" in Mouscron and commencement of the investment in the weaving mill in Mouscron.
 (5) Investment in the Coatex building in Poperinge and in the "direct coating" in Saint Frères. Balance of the weaving mill in Mouscron and commencement of the investment in the spinning mill and in the central dispatching unit, both located in Mouscron.
 (6) Investment in the spinning mill and in the central dispatching unit, both located in Mouscron. Extension of the Processing Division building in Bornem. Investments following the fire in the Coating Division in Ardoie in January 1999.

- (7) Balance of the investment in the spinning mill. Investment in a new production unit in Tunisia, commencement of the investment in the extension of the plant in Ardoie (New production unit for Veranneman Technical Textiles and Research & Development Centre).
 (8) Investment in doubling the capacity of the spinning mill Sioen Fabrics (5,3 million EUR), the new transfer coating line in Sioen Fabrics (2,2 million EUR) and the R&D centre at Sioen n.v. in Ardoie (5,3 million EUR).
 (9) TIS n.v. and Sungintex.
 (10) Veranneman Technical Textiles n.v.
 (11) Mullion manufacturing Ltd.
 (12) Sioen Nordifa s.a., SIP Protection s.a.s., Vidal Protection s.a.s., Inducolor s.a.

The group owns all the terrains it uses for its company activities, with the exception of Saint Frères, where a "commercial lease" agreement is used.

For the first time, these leased premises were this year presented as a financial intangible leasing, which resulted in EUR 3.4 million additional assets.

Working Capital⁽¹⁾

In 2002, the working capital remained as good as unchanged. There was a slight increase by 1.2% to EUR 117.9 million, compared to an increase by 15.5% to EUR 116.5 million in 2001 and by 24.6% in 2000.

The amounts receivable within one year knew an increase of 13.4% in 2002, where this was an increase by 14.67% in 2001. The part of this balance sheet item increased to reach 28.1% (compared to 26.5% in 2001 and 27.3% in 2000). The stocks substantially decreased by 11.5%, as a consequence of an intensive action plan to optimize the stock level. As a result, the part to the total assets decreased considerably to reach 20.8% in 2002 (compared to 25.1% in

2001 and 24.2% in 2000).

The part of the balance sheet item "trade liabilities within one year" on the liabilities' side further decreased to 8.1% (compared to 8.4% in 2001 and 8.3% in 2000). This decrease was reflected in an increase of the short-term financial liabilities to EUR 32.1 million (compared to 25.7 in 2001 and 18.7 in 2000).

Equity

On December 31 2002, the share capital of Sioen Industries n.v. was divided into 21,391,070 ordinary no-par-value shares. Both the capital and the number of shares remained unchanged in 2002.

(1) Working capital = current assets (investments and cash at bank and in hand excluded) - non-financial debts payable within one year - accrued charges and deferred income).

History of the share capital⁽¹⁾

Date	Nature of the transaction	Share capital	Number of shares
03/09/1990	Foundation	230.000.000 BEF	23.000
14/11/1991	Capital increase	363.000.000 BEF	36.300
13/09/1996	Split of shares in 55	363.000.000 BEF	1.996.500
09/10/1998	Capital increase in cash	1.853.243.150 BEF	2.139.107
05/11/1998	Split of shares in 10	1.853.243.150 BEF	21.391.070
04/02/1999	Capital increase by Incorporation of reserves	1.855.635.400 BEF	21.391.070
04/02/1999	Translation in EUR	46.000.000 EUR	21.391.070

(1) Information based on the co-ordinated articles of association on April 30, 2003.

After payment of the proposed dividend by the parent company, the equity on December 31 2002 amounted to EUR 125,3 million.

The investment grants mainly concern the grants allocated by the Walloon Region for the capital expenditure programmes in the weaving mill (38% of the total amount invested) and in the spinning mill (17% of the total amount invested) at Mouscron. This balance sheet item decreased by EUR 0.7million EUR due to the booked amortizations amounting to EUR 0.8 million.

The deferred taxes relative to the investment grants have been recorded under column IX.B on the liabilities' side of the balance sheet for the amount of EUR 3.2 million.

Minority Interests

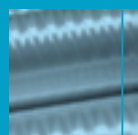
On December 31 2002, the minority interests in the equity of the consolidated companies amounted to EUR 2.0 million (compared to EUR 1.5 million in 2001) and concern interests in Coatex n.v. (25%), Saint Frères Confection s.a.s. (25%), Bacam s.a.s. (25%) and Siofab s.a. (20%).

Provisions

The provisions for other risks and charges for the amount of EUR 0.85 million mainly consist of (EUR 0.6 million) provisions in TIS n.v. that are related to environmental risks, originating in the period before the acquisition by the Sioen Industries group. In Sioen n.v. itself a provision was made to the amount of EUR 0.25 million for environmental risks.

The 1999 and 2000 stock option plans have not required the posting of provisions.

The tax provision (EUR 1.5 million) concerns possible tax assessments due to the tax authorities challenging the deductibility of insurance premiums paid to cover certain risks. Although the company will appeal against these tax assessments, a provision has already been constituted for the full amount. The dispute amounts to EUR 1.9 million, of which EUR 0.4 million already has been paid.



PROFIT-AND-LOSS ACCOUNT

Turnover and other Operating Income

In 2002, Sioen Industries realized an increase in turnover of 5.18% to EUR 237.7 million, mainly as a result of the continued strong internal growth (3.2%). The remaining 2.0% was represented by the external growth of the group as a result of the acquisition of Sip Protection (0.5% of the total turnover), Vidal Protection (0.2%), Inducolor (1.1%) and Bacam (0.1%).

The Benelux remained the biggest market with 23.5% of the turnover (in 2001: 22%, and in 2000: 22%), followed by France with 21.9% (in 2001: 21% and in 2000: 21%). Other important markets remain Germany (12.2%), the United Kingdom (8.5%), Italy (5.2%) and Scandinavia (3.5%).

In 2002, the other operating profits decreased to EUR 1.8 million (EUR 2.4 million in 2001), amongst other things because of received rents, damages and grants.

Operating Profit

The gross margin over the past financial year amounts to 52.5% of the turnover, compared to 57.3% in 2001. This is mainly due to the competitive pressure.

In order to maintain our market share, we selectively anticipated the price pressure, both in the Apparel and in the Coating Divisions.

The operational cash flow or EBITDA amounted to EUR 42.8 million or 18% on turnover. The operating result over the past year amounted to EUR 24.6 million or 10.35% on turnover, compared to 14.96% on turnover last year.

The EBIT margin (operating result – depreciation consolidation goodwill) over 2002 amounted to EUR 23 million or 9.72%, compared to 14.35% last year.

Financial Result

The average net financial debt increased by 5.24% from EUR 118.4 million to EUR 134.6 million.

The financial costs climbed from EUR 6.7 million to EUR 8.7 million. This amount includes on the one hand the loan burdens for the amount of EUR 7.2 million and on the other hand the sum of EUR 1.5 million for depreciation consolidation goodwill.

It should be remarked that the interest charges over 2002 include the amount of EUR 1 million related to assets under construction.

Within the scope of the planned transition to the IFRS standards, it was already decided not to record intercalation interests and to take these costs immediately at the expense of the result.

Extraordinary Result

In 2002, the Apparel Division decided to cut back on part of its production capacity in Europe. This objective was completely realized in the fourth quarter. The total cost of this operation amounts to EUR 0.9 million and has completely been recorded at the expense of the extraordinary result.

Income Taxes

The total taxes (income taxes plus deferred taxes) decreased from EUR 9.8 million to EUR 4.6 million. The average tax rate in relation to the pre-tax profit decreased from 36.3% in 2001 (35.8% in 2000) to 30.5% in 2002. The deferred taxes were readjusted at 33.99%, resulting in a decrease in tax pressure by EUR 0.85 million.

Funds Flow Statement

In 2002, the need for working capital practically remained at a constant level: EUR 117.9 million (compared to EUR 116.5 million in 2001 and EUR 100.9 million in 2000). The stocks and trade debtors and suppliers respectively changed by -11.5%, +5.5% and 3.7%. The resulting additional need for working capital was sufficiently intercepted by the cash flow from operating activities.

The cash flow from investment activities decreased by 18.6% to reach EUR 34.0 million (compared to EUR 41.8 million in 2001). 75% was financed from the cash flow from operating activities. The balance was taken care of by an increase in the long-term financial debts, which increased to EUR 95.1 million (compared to EUR 83.4 million in 2001). The part of these long-term financial debts in the total liabilities (on 31/12/02) increased to 28.7% (compared to 26.9% in 2001). The part of the short-term debts in the total liabilities also rose and amounted to 16.2% (compared to 14.1% in 2001). As a result, the solvability ratio (equity/balance sheet total) decreased to 37.7% (compared to 39.9% in 2001).

On balance the net cash position increased by EUR 5.5 million to EUR 14.2 million.



**[notes to the
consolidated
accounts as of
December 31, 2002**

**VIII. STATEMENT OF INTANGIBLE FIXED ASSETS
(in thousands)**

a) At cost

At December 31, 2001	4.792
Changes for the year	
Expenditure	685
Other changes	0
At December 31, 2002	5.477

b) Amortisation and depreciation

At December 31, 2001	3.812
Charge for the year	
Charge for the year	606
Other changes	0
At December 31, 2002	4.418

d) Net book value at December 31, 2002

1.059

**Concessions, patents, licenses, etc.
EUR**

IX. STATEMENT OF TANGIBLE FIXED ASSET
(in thousands)

	Land and buildings EUR	Plant, machinery and equipment EUR
a) At cost		
At December 31, 2001	48.991	111.272
Changes for the year		
Capital expenditure	2.191	8.985
Sales and disposals	(296)	(303)
Transfers	2.613	17.660
Translation differences	(803)	(1.041)
Other changes ⁽¹⁾	0	100
At December 31, 2002	52.696	136.673
c) Depreciation and amortisation		
At December 31, 2001	12.859	54.569
Changes for the year		
Changes for the year	2.183	12.187
Depreciation for the year	(67)	(260)
Translation differences	(137)	(751)
Other changes ⁽¹⁾	0	123
At December 31, 2002	14.838	65.868
d) Net book value at December 31, 2002	37.858	70.805
(in thousands)		
	Furniture and vehicles EUR	Leasing and other similar rights EUR
a) At cost		
At December 31, 2001	9.820	9.942
Changes for the year		
Capital expenditure	1.335	3.826
Sales and disposals	(696)	(23)
Transfers	42	341
Translation differences	(230)	
Other changes ⁽¹⁾	(100)	3.418
At December 31, 2002	10.171	17.504
c) Depreciation and amortisation		
At December 31, 2001	6.555	1.785
Changes for the year		
Changes for the year	1.588	1.738
Depreciation for the year	(485)	(23)
Translation differences	(110)	
Other changes ⁽¹⁾	(57)	0
At December 31, 2002	7.491	3.500
d) Net book value at December 31, 2002	2.680	14.004
of which buildings		14.004

(1) Changes resulting from changes to the consolidation scope.

(in thousands)

a) At cost

At December 31, 2001	13.001
Changes for the year	
Capital expenditure	19.889
Transfers	(4.303)
Translation differences	(20.656)
Other changes	
At December 31, 2002	7.931

d) Net book value at December 31, 2002

7.931

X. STATEMENT OF FINANCIAL FIXED ASSETS

(in thousands)

2. Amounts receivable

Net book value at December 31, 2001	767
Changes for the year	
Repayment	(190)
Net book value at December 31, 2002	577

XI. CONSOLIDATED STATEMENT OF CHANGES IN RESERVES AND RETAINED EARNINGS

(in thousands)

At December 31, 2001	71.564
Changes for the year	
Profit for the year	10.006
Other changes	
- Dividends declared 2002	(3.594)
- Director's fees Sioen Industries n.v. 2002	(175)
- Director's fees Confection Tunisienne de Sécurité s.a. 2002	(1.079)
At December 31, 2002	76.722

XII. STATEMENT OF CONSOLIDATION DIFFERENCES

(in thousands)

Net book value at December 31, 2001	19.881
Changes for the year	
Amortisation	(1.482)
Other	(213)
Net book value at December 31, 2002	18.186

Assets under construction and advance payments

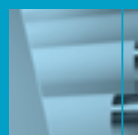
EUR

Other investments

EUR

EUR

EUR



XIII. STATEMENT OF AMOUNTS PAYABLE

A. Analysis of the amounts originally payable after one year according to their residual term

Financial debts (in thousands)	EUR	%
Debts falling due in		
2003	21.706	19%
2004	21.142	18%
2005	20.852	18%
2006	18.512	16%
2007	14.293	12%
2008	3.931	3%
2009	3.595	3%
2010 and later	12.709	11%
Total amount at December 31, 2002	116.740	100%

Analysis of amounts payable by currency

All debts have been concluded in currencies from the Euro-zone, so there are no long-term debt related exchange risks

Average interest rate

The average interest rate on all outstanding financial debts is 4,98 %

XIV. RESULTS OF OPERATIONS

A. Consolidated sales

Per division (in millions)	2002 EUR	2001 EUR	2000 EUR
Coating Division	126,4	124,8	113,2
Apparel Division	71,9	75,8	62,0
Processing Division	39,4	25,4	17,2

Geographically (in millions)

	2002 EUR	2001 EUR	2000 EUR
Benelux	55,8	52,8	43,8
France	52,1	48,9	39,5
Germany	28,9	31,1	30,1
United Kingdom	20,2	24,8	20,4
Italy	12,5	12,6	
Other	12,3	68,4	56,0
			46,0

B. Personnel**(in thousands)**

Personnel charges

2002	2001	2000	1999
EUR	EUR	EUR	EUR
47.048	42.837	34.517	30.888

Average number of employees (in units)

Average number of employees

Blue collars

White collars

Management

Average number of persons employed in

Belgium by companies of the group

Personnel, active in Research and Development

2002	2001	2000	1999
4.271	3.924	3.420	2.857
3.686	3.369	2.907	2.412
551	520	494	426
34	35	19	19
758	745	653	590
17	18	16	18

Personnel per division and per country as of December 31, (in units)**Group****Coating Division****Confectie Division****Processing Division****Totaal**

Belgium	36	429	144	143	752
China		14			14
Germany		3			3
France		106	76	63	245
Ireland			39		39
Indonesia			2.115		2.115
Portugal		22			22
Tunesia			805		805
United Kingdom			28		28
Total	36	574	3.207	206	4.023

C. Depreciation**(in thousands)**

Positive consolidation differences

Other fixed assets

Total

2002	2001	2000	1999
(EUR)	(EUR)	(EUR)	(EUR)
1.482	1.387	1.128	1.087
18.302	17.169	12.985	10.479
19.784	18.556	14.113	11.566

D. Taxes

Total taxes on yearly basis are as follows:

(in thousands)

Write-backs of deferred taxes and contingent tax liabilities

Transfers to deferred taxes and contingent tax liabilities

Current income taxes

Total taxes for the year

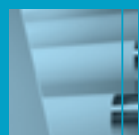
Taxes for previous years

Provision for additional taxes

Total taxes

2002	2001	2000
(EUR)	(EUR)	(EUR)
1.717	2.403	854
(2.414)	(2.157)	(959)
(3.984)	(9.959)	(10.344)
(4.681)	(9.713)	(10.449)
93	77	64
	(213)	(213)
(4.588)	(9.849)	(10.598)

The provision for additional taxes concerns tax assessments that are expected as a result of the tax authorities challenging the deduction of insurance premiums paid to cover certain risks.



The total amount of the disputed taxes (based on received assessments and estimates) comes to 1,5 million EUR of which 1,9 million EUR is included in provisions and 0,4 million EUR has been paid. The group appealed against the received assessments.

(in thousands)	2002 (EUR)	2001 (EUR)	2000 (EUR)
Deferred taxes	3.223	4.043	4.951
Contingent tax liabilities	3.539	4.040	3.434

At December 31, 2002, the reserves contained tax-free reserves to the amount of 11,1 million EUR in Sirec s.a. These reserves are permanently kept and invested in Luxembourg. For this reason no contingent tax liabilities have been recorded. No contingencies were recognized. Contingent tax liabilities for an amount of EUR 1,9 million are recognized.

XV. Rights and commitments not reflected in the balance sheet

(in thousands)	2002 (EUR)	2001 (EUR)	2000 (EUR)
Personal liabilities demanded by consolidated companies or irrevocably promised as guarantee for debts or obligations towards third parties.	20.874 ⁽²⁾		
Commitments for capital expenditures	0	4.935 ⁽¹⁾	1.144
Commitments to dispose of fixed assets	0	8.676	-

⁽¹⁾ Obligation of delivery related to a sale and lease back financing.

⁽²⁾ Credit facility in favour of the Roltrans Group. The undertaking was made to respect the financial ratios of Total Debt/Ebitda > 3 and Equity / Balance Sheet Total >=30% on group level.

The group does not use financial derivatives.

XVI. Financial relationships with directors or managers of the consolidating company

The 2002 remuneration granted to the directors of Sioen Industries (director's fees included) for their responsibilities in the consolidating company and its subsidiaries amounted to 1,8 million EUR, the remuneration of five directors assuming management responsibilities in the group included.

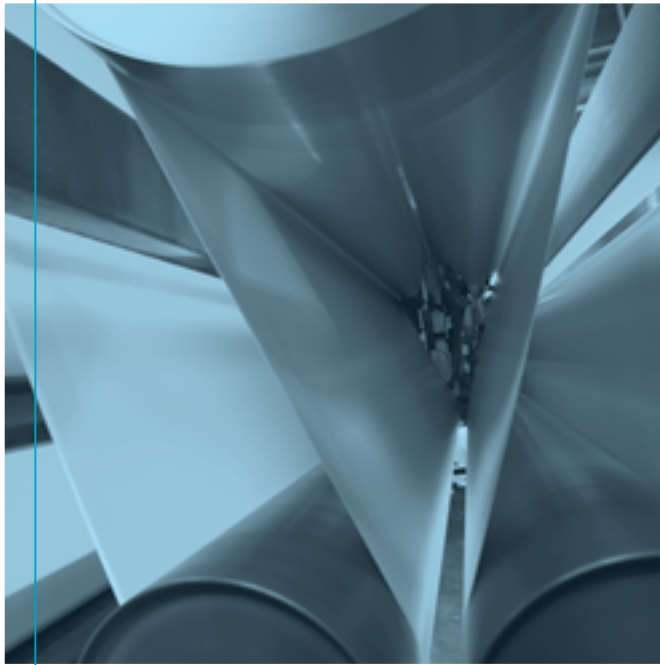
XVII. Events upon Closure of the Balance Sheet:

On March 24 2003, the Board of Directors approved the take-over of 100% of the shares of the Roltrans group, at the rate of 1 EURO plus the take-over of a claim on the Roltrans group, held by its former shareholders, amounting to circa 3 million euros. This take-over perfectly matches with the vertical integration strategy of Sioen that now becomes the market leader in the market of "manufactured tarpaulins" a market that needs consolidation.

This important customer of Sioen encountered financial problems due to amongst other things the delocalisation of its core business to Poland and the restructuring involved.

Both the delocalisation and the restructuring go according to plan. The take-over will be made concrete by means of a contribution in kind of the granted credit facilities, as well as a recapitalization in cash.

Sioen expects Roltrans to reach the break-even in 2003. As from next year, this company is expected to proportionately contribute to the group's profit. Therefore, the Board of Directors decided not to record a loss in value of claims Sioen has on Roltrans. At the end of 2002, the claims amounted to some 16 million euros (credit facility to the amount of 6 million euros -Sioen Industries n.v.- and trade receivables to the amount of 10 million euros -Sioen Coating Distribution n.v.-). On February 28 2003, the receivables further increased to 23 million euros, of which 10 million Sioen Industries n.v. and 13 million Sioen Coating Distribution n.v.



[statutory annual accounts of Sioen Industries n.v.

The statutory annual accounts of the parent company Sioen Industries n.v. are shown below in condensed form.

In June 2003, the annual report and annual accounts of Sioen Industries n.v. and the auditor's report have been filed with the National Bank of Belgium in accordance with Articles 98-102 of the Companies Act.

These reports are available on request at the following address:

Sioen Industries n.v.
Fabriekstraat 23
8850 Ardoois

The statutory auditor has expressed an opinion without reservation and with explanatory paragraph on the statutory annual accounts of Sioen Industries n.v. The explanatory paragraph is identical to the one mentioned in the statutory auditors report on the consolidated financial statements on page 54.



[condensed balance sheet of Sioen Industries n.v. after appropriation of profit

I. CONDENSED BALANCE SHEET OF SIOEN INDUSTRIES N.V. AFTER APPROPRIATION OF PROFIT

(in thousands) December 31	2002 (000) EUR	2001 (000) EUR	2000 (000) EUR
Fixed assets	56.531	51.497	42.798
I. Formation expenses	0	128	256
II. Intangible fixed assets	3.989	754	1.100
III. Tangible fixed assets	504	579	608
IV. Financial fixed assets	52.038	50.036	40.834
Current assets	132.578	104.543	64.423
VII. Amounts receivable within 1 year	125.800	103.441	64.282
IX. Cash at bank and in hand	6.544	977	22
X. Deferred charges and accrued income	234	125	119
Total assets	189.109	156.040	107.221
Capital and reserves	69.265	58.831	52.577
I. Capital	46.000	46.000	46.000
IV. Legal reserves	2.167	1.417	917
V. Profit brought forward	21.098	11.414	5.660
Creditors	119.844	97.209	54.644
VIII. Amounts payable after 1 year	68.831	52.180	28.719
IX. Amounts payable within 1 year	50.787	44.928	25.898
X. Accrued charges and deferred income	226	101	27
Total liabilities	189.109	156.040	107.221

[condensed income statement of Sioen Industries n.v.

2. CONDENSED INCOME STATEMENT OF SIOEN INDUSTRIES N.V.

(in thousands EUR)	2002	2001	2000
Years ended December 31	(000) EUR	(000) EUR	(000) EUR
I. Operating income	5.528	5.142	4.721
A. Turnover	5.383	4.857	4.443
C. Fixed assets - own construction	0	0	121
D. Other operating income	145	285	157
II. Operating charges	(4.934)	(4.980)	(4.537)
B. Services and other goods	1.545	1.556	1.274
C. Remuneration	1.986	1.550	1.631
D. Depreciation and amounts written off	1.392	1.854	2.007
F. Provisions	0	0	(376)
G. Other operating charges	11	20	1
III. Operating profit / loss	594	162	184
IV. Financial income	19.433	14.156	10.209
V. Financial charges	(5.058)	(4.380)	(1.550)
Financial result	14.375	9.776	8.659
Profit on ordinary activities	14.969	9.938	8.843
Extraordinary result	-	-	-
Profit before tax	14.969	9.938	8.843
Income taxes	(766)	(87)	(207)
Profit for the financial year	14.203	9.851	8.636



ACTIVITY OF SIOEN INDUSTRIES

The function of Sioen Industries is essentially to outline the strategy of the three divisions. It also appoints the management of the Group companies and supports the Group companies in the areas of personnel management, financial and treasury management, budgeting and controlling, MIS and IT, and legal affairs.

COMMENTS

The turnover of the holding company increases bij 10,8% to EUR 5,3 million. The other operating income decreased to EUR 0,145 million for EUR 0,285 million last year. The operating profit amounted to EUR 0,59 million compared to EUR 0,16 million last year:

The financial result further increased to 14,4 million EUR, due to higher dividends received from the different subsidiaries and from higher interest sums received from subsidiaries. Besides, the interest costs increased due to the increase of short term loans that are further lend to different subsidiaries and for which Sioen Industries receives interests.

3. ACCOUNTING PRINCIPLES

The accounting principles and translation rules applied to the statutory annual accounts of Sioen Industries are the same as those used for the consolidated annual accounts, except for the treatment of the costs of the first listing on the Brussels Stock Exchange and the costs of the capital increase.

In the consolidated annual accounts these costs are charged to the financial year, while in the statutory annual accounts they are capitalised and written off over 5 years.

4. STATEMENT OF CAPITAL

In accordance with Articles 1 to 4 of the Act of March 2, 1989 concerning the disclosure of important holdings in listed companies and regulating take-over bids, the applicable quotas were set at 3 and 5 percent or a multiple of that. (Article 8 of the Articles of Association).

In accordance with Article 4 of the Act of March 2, 1989, the following notifications of shareholdings in the company were received:

SITUATION AS OF DECEMBER 31, 2002 ⁽¹⁾

Notifier	Date of Notification	Number of Shares	Percentage of total Number of shares ⁽⁴⁾
Acting by mutual agreement:			
Sihold n.v., ⁽²⁾ Fabriekstraat 23, 8850 Ardoois Mercator Bank en Verzekeringen n.v., ⁽³⁾ Kortrijksesteenweg 302, 9000 Gent	October 18, 1996	13.365.010	62,5 %
	October 18, 1996	599.990	2,8 %
Total number of shares in notification		13.965.000	65,3 %
Total number of shares		21.391.070	100,0 %

(1) Number of shares recalculated after the split in 10 on November 5, 1998.

(2) Sihold n.v. is controlled by Sicorp n.v., which is controlled by Stichting Administratiekantoor Midapa, a foundation according to Dutch law, which in turn is controlled by the Sioen family.

(3) Mercator Bank en Verzekeringen n.v. is controlled by Bâloise (Luxembourg) Holding s.a., 1, rue Emile Bian, 1235 Luxembourg.

(4) The percentage was recalculated after the capital increase and the split of the shares. The shareholders concerned confirmed to us that this notification still corresponds to the percentages mentioned.

[statutory auditor's report

To the Shareholders,

In accordance with legal and statutory requirements, we are pleased to report to you on the performance of the audit mandate which you have entrusted to us.

We have audited the consolidated financial statements as of and for the year ended December 31, 2002 which have been prepared under the responsibility of the board of directors and which show a balance sheet total of € 331.798 (000) and a consolidated profit for the year of € 10.468 (000).

We did not audit the financial statements of a limited number of subsidiaries. The total of the assets of these subsidiaries is 12 % of total consolidated assets at 31 December 2002. These entities' share in the consolidated result of the year is a profit of € 6.537 (000). The financial statements of these entities were audited by other auditors whose reports have been furnished to us. Our opinion on the accompanying consolidated annual accounts, insofar as it relates to the amounts included for those companies, is based solely upon the reports of the other auditors. We have also examined the consolidated directors' report.

Unqualified audit opinion on the financial statements, with explanatory paragraph

We conducted our audit in accordance with the standards of the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren". Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, taking into account the legal and regulatory requirements applicable to consolidated financial statements in Belgium.

In accordance with those standards, we considered the group's administrative and accounting organisation, as well as its internal control procedures. We have obtained explanations and information required for our audit. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing accounting principles used, the basis for consolidation and significant accounting estimates made by management, as well as evaluating the overall consoli-

dated financial statement 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 group's assets, liabilities, consolidated financial position as of December 31, 2002 and the consolidated results of its operations for the year then ended, in accordance with the legal and regulatory requirements applicable in Belgium and the information given in the notes to the consolidated financial statements is adequate.

Without undermining our opinion, we draw your attention to the Important Events after December 2002 on page 5 of the annual report and to the notes XV and XVII of the consolidated financial statements. On December 31, 2002, the Sioen group had € 16 Mio of receivables outstanding towards the Roltrans group and had given personal guarantees for bank debt for € 20,8 Mio. The Roltrans group has financial difficulties. Subsequent to yearend, the Roltrans group was acquired. The realization of these amounts depends on the success of the restructuring measures proposed by Sioen. No value reductions or provisions have been recorded in the attached consolidated financial statements for this purpose.

Additional certifications

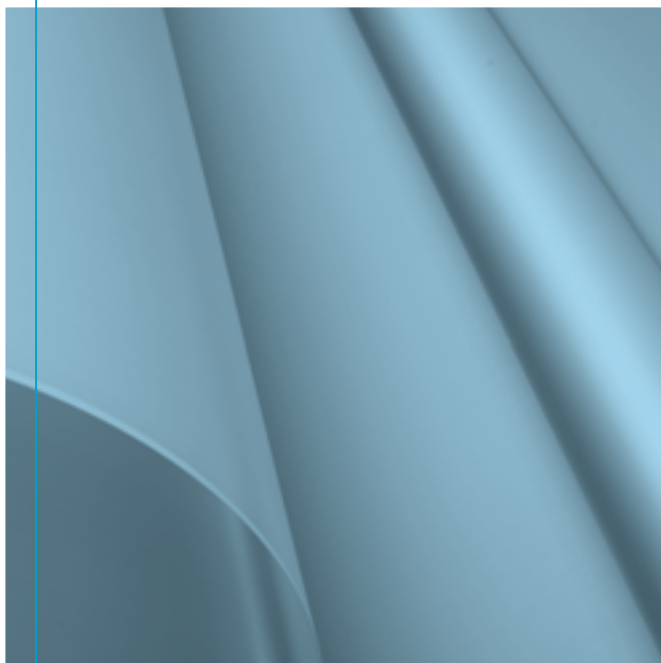
We supplement our report with the following certification which do not modify our audit opinion on the consolidated financial statements:

- The consolidated directors' report contains the information required by law and is consistent with the consolidated financial statements.

Brussels, March 25, 2003

The Statutory Auditor, The Statutory Auditor,

Deloitte & Partners, Bedrijfsrevisoren
Represented by Geert Verstraeten and by
Guy Wygaerts



[proposals to the Annual Meeting of Sioen Industries n.v. of May 31, 2003

The board of directors of Sioen Industries proposes to the annual meeting to approve the annual accounts at December 31, 2002 and to consent to the appropriation of profit.

The profit for the financial year ended is 14.202.727,19 EUR, compared to a profit of 9.851.937,66 EUR for the financial year 2001. The profit brought forward from the previous financial year is 11.414.387,94 EUR. The profit available for appropriation is consequently 25.617.115,13 EUR.

The board of directors proposes to appropriate the profit available for appropriation of 25.617.115,13 EUR as follows:

(in EUR)

Gross dividends for the 21.391.070 shares	3.593.699,76
Directors' fees	175.000,00
Transfer to the legal reserves	750.000,00
Profit to be carried forward	21.098.415,37

The proposed net dividend per share is calculated as follows:

(in EUR)

Net dividend per share	0,1260
Withholding tax 25/75	0,0420
Gross dividend per share	0,1680
Pay-out ratio ⁽¹⁾	35,91%

The proposed dividend is 5% higher than that of 2001. The pay-out ratio amounts to 35,91%.

If this proposal is accepted, the net dividend of 0,1260 EUR per share will be made payable as from June 13, 2003 onwards at the counters of Dexia Bank, ING/Bank Brussel Lambert, Fortis Bank and KBC bank on presentation of coupon n° 5.

⁽¹⁾ Gross dividend in relation to the share of the Group in the consolidated result



