

## GENERAL INFORMATION<sup>(1)</sup>

### 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 Fabrikstraat, B-8850 Ardoois. The company is registered in the Bruges Trade Register under number 72.476. Its VAT number is BE 441.642.780.

### Incorporation and publication

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

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 plasticized 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;

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 50.

<sup>(1)</sup> Information based on the articles of association, updated until April 30, 2001.

## 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 authorization 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 November 5, 1998 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. November 28, 1998), and is renewable.

## Acquisition of own shares

The general meeting of November 5, 1998 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. November 28, 1998)

The general meeting of May 26, 2000 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 21, 2000), and is renewable in accordance with Articles 620 till 623 and Article 625 of the Companies Act.

## CONSOLIDATED BALANCE SHEET (in thousands)

ASSETS DECEMBER 31,		Notes	2000		1999	1998
			BEF	EUR	EUR	EUR
<b>Fixed assets</b>			<b>4.665.495</b>	<b>115.655</b>	<b>99.478</b>	<b>73.632</b>
II.	Intangible assets	VIII.	47.984	1.189	2.075	2.057
III.	Consolidation differences	XII.	666.983	16.534	17.346	15.407
IV.	Tangible assets	IX.	3.930.494	97.435	79.671	55.719
	A. Land and buildings		1.209.428	29.981	26.114	20.740
	B. Plant, machinery and equipment		2.219.874	55.029	32.345	24.618
	C. Furniture and vehicles		111.564	2.766	2.048	1.800
	D. Leasing and other similar rights		357.686	8.867	9.111	355
	E. Assets under construction and advance payments		31.942	792	10.053	8.206
V.	Financial assets	X.	20.034	497	386	449
	B. Other investments		20.034	497	386	449
	2. Amounts receivable		20.034	497	386	449
<b>Current Assets</b>			<b>5.939.584</b>	<b>147.237</b>	<b>128.090</b>	<b>111.620</b>
VI.	Amounts receivable after one year		1.330	33	166	14
VII.	Inventories and contracts in progress		2.564.471	63.571	54.714	42.024
	A. Inventories		2.564.471	63.571	54.714	42.024
	1. Raw materials and consumables		856.308	21.227	19.466	16.754
	2. Work in progress		301.157	7.465	6.895	2.551
	3. Finished goods		1.407.006	34.879	28.353	22.719
VII.	Amounts receivable within one year		2.895.299	71.773	61.277	58.409
	A. Trade debtors		2.343.049	58.083	50.686	49.158
	B. Other amounts receivable		552.250	13.690	10.591	9.251
IX.	Cash deposits		51.610	1.279	1.616	1.404
	B. Other investments and deposits		51.610	1.279	1.616	1.404
X.	Cash at hand and in bank		279.696	6.933	7.552	7.362
XI.	Deferred charges and accrued income		147.178	3.648	2.765	2.407
<b>Total assets</b>			<b>10.605.079</b>	<b>262.892</b>	<b>227.568</b>	<b>185.252</b>

LIABILITIES DECEMBER 31,		Notes	2000		1999	1998
			BEF	EUR	EUR	EUR
<b>Capital and reserves</b>			<b>4.519.304</b>	<b>112.031</b>	<b>97.502</b>	<b>79.751</b>
I.	Capital		1.855.635	46.000	46.000	45.941
IV.	Consolidated reserves	XI.	2.391.896	59.294	44.691	29.937
VI.	Translation differences		5.290	131	72	(777)
VII.	Investment grants		266.483	6.606	6.739	4.650
<b>VIII.</b>	<b>Minority interests</b>		<b>51.029</b>	<b>1.265</b>	<b>1.085</b>	<b>827</b>
	<b>Provisions, deferred taxes and contingent tax liabilities</b>		<b>473.006</b>	<b>11.725</b>	<b>10.840</b>	<b>9.590</b>
IX.	A. Provisions for liabilities and charges		134.747	3.340	3.683	4.894
	2. Taxation		42.638	1.057	942	811
	4. Other liabilities and charges		92.109	2.283	2.741	4.083
	B. Deferred taxes and contingent tax liabilities	XII.D.	338.259	8.385	7.157	4.696
<b>Creditors</b>			<b>5.561.740</b>	<b>137.871</b>	<b>118.141</b>	<b>95.084</b>
X.	Amounts payable after one year	XIII.	2.669.964	66.186	57.301	42.488
	A. Financial debts		2.669.964	66.186	57.301	42.488
	3. Leasing and other similar obligations		337.978	8.378	8.696	192
	4. Credit institutions		2.331.986	57.808	48.605	42.296
XI.	Amounts payable within one year		2.850.436	70.660	60.117	51.998
	A. Current portion of amounts payable after one year	XIII.	599.872	14.870	12.293	9.115
	B. Financial debts		755.380	18.725	10.650	13.871
	1. Credit institutions		755.380	18.725	10.625	13.582
	2. Other loans		0	0	25	289
	C. Trade debts		874.980	21.690	24.166	19.166
	1. Suppliers		874.980	21.690	24.166	19.166
	E. Taxes, remuneration and social security bezoldigingen en sociale lasten		434.003	10.759	8.481	6.520
	1. Taxes		268.377	6.653	5.233	3.126
	2. Remuneration and social security		165.626	4.106	3.248	3.394
	F. Other amounts payable		186.201	4.616	4.527	3.326
XII.	Accrued charges and deferred income		41.340	1.025	723	598
<b>Total liabilities</b>			<b>10.605.079</b>	<b>262.892</b>	<b>227.568</b>	<b>185.252</b>

## CONSOLIDATED INCOME STATEMENT (in thousands)

YEARS ENDED DECEMBER 31,	Notes	2000		1999	1998
		BEF	EUR	EUR	EUR
<b>I. Operating income</b>		<b>8.082.054</b>	<b>200.349</b>	<b>175.640</b>	<b>149.760</b>
A. Turnover	XIV.A.	7.760.309	192.373	161.103	141.169
B. Variations in stocks of finished goods, work and contracts in progress (increase +, decrease -)		236.381	5.860	9.369	6.845
C. Fixed assets - own construction		37.955	941	588	234
D. Other operating income		47.409	1.175	4.580	1.512
<b>II. Operating charges</b>		<b>(6.766.893)</b>	<b>(167.747)</b>	<b>(147.242)</b>	<b>(130.143)</b>
A. Raw materials, consumables and goods for resale		3.486.336	86.424	80.636	74.792
1. Purchases		3.536.634	87.671	82.379	78.405
2. Variations in stocks (increase -, decrease +)		(50.298)	(1.247)	(1.743)	(3.613)
B. Services and other goods		1.224.226	30.348	23.909	22.010
C. Remuneration, social security costs and pensions	XIV.B.	1.392.410	34.517	30.888	24.116
D. Depreciation of formation expenses, intangible and tangible fixed assets and other amounts written off	XIV.C.	523.794	12.985	10.479	6.448
E. Written off stocks, contracts in progress and trade debtors (increase +, decrease -)		(7.617)	(189)	(182)	137
F. Provisions for liabilities and charges (increase +, decrease -)		(17.446)	(432)	(862)	921
G. Other operating charges		165.190	4.094	2.374	1.719
<b>III. Operating profit</b>		<b>1.315.161</b>	<b>32.602</b>	<b>28.398</b>	<b>19.617</b>
<b>IV. Financial income</b>		<b>244.549</b>	<b>6.062</b>	<b>5.772</b>	<b>4.163</b>
A. Income from financial fixed assets		2.794	69	12	-
B. Income from current assets		25.276	627	240	160
C. Other financial income		216.479	5.366	5.520	4.003
<b>IV. Financial charges</b>		<b>(366.541)</b>	<b>(9.086)</b>	<b>(7.098)</b>	<b>(5.843)</b>
A. Interests and other debt charges		166.310	4.123	3.052	3.112
B. Amortisation of consolidation differences	XIV.C.	45.499	1.128	1.087	618
C. Written off current assets other than those mentioned under II.E. (increase +, decrease -)		-	-	-	-
D. Other financial charges		154.732	3.835	2.959	2.113
<b>Financial result</b>		<b>(121.992)</b>	<b>(3.024)</b>	<b>(1.326)</b>	<b>(1.680)</b>
<b>VI. Profit on ordinary activities before taxation</b>		<b>1.193.169</b>	<b>29.578</b>	<b>27.072</b>	<b>17.937</b>

	Notes	2000		1999	1998
		BEF	EUR	EUR	EUR
<b>VI. Profit on ordinary activities before taxation</b>		<b>1.193.169</b>	<b>29.578</b>	<b>27.072</b>	<b>17.937</b>
<b>VII. Extraordinary income</b>		<b>2.636</b>	<b>65</b>	<b>2.483</b>	<b>311</b>
D. Adjustments to provisions for extraordinary liabilities and charges		0	0	203	19
E. Gain on disposal of fixed assets		0	0	2.267	279
F. Other extraordinary income		2.636	65	13	13
<b>VIII. Extraordinary charges</b>		<b>(2.011)</b>	<b>(50)</b>	<b>(249)</b>	<b>(31)</b>
D. Provision for extraordinary liabilities and charges		313	8	217	31
F. Other extraordinary charges		1.698	42	32	-
<b>Extraordinary result</b>		<b>625</b>	<b>15</b>	<b>2.234</b>	<b>280</b>
<b>IX. Profit before taxation</b>		<b>1.193.794</b>	<b>29.593</b>	<b>29.306</b>	<b>18.217</b>
<b>IXbis. A. Transfer from deferred taxes and contingent tax liabilities</b>	XIV.D.	<b>34.457</b>	<b>854</b>	<b>813</b>	<b>643</b>
<b>B. Transfer to deferred taxes and contingent tax liabilities</b>	XIV.D.	<b>(38.693)</b>	<b>(959)</b>	<b>(2.235)</b>	<b>(1.570)</b>
<b>X. Income taxes</b>	XIV.D.	<b>(423.305)</b>	<b>(10.493)</b>	<b>(8.933)</b>	<b>(4.771)</b>
A. Current income taxes for the year		(425.899)	(10.557)	(9.357)	(4.792)
B. Adjustment of income taxes and write-back of tax provisions		2.594	64	424	21
<b>Total taxes</b>		<b>(427.541)</b>	<b>(10.598)</b>	<b>(10.355)</b>	<b>(5.698)</b>
<b>XIV. Consolidated profit for the year</b>		<b>766.253</b>	<b>18.995</b>	<b>18.951</b>	<b>12.519</b>
A. Minority interest		7.917	196	321	326
B. Profit for the group		758.336	18.799	18.630	12.193

## FUNDS FLOW STATEMENT (in thousands)

	2000		1999	1998
	BEF	EUR	EUR	EUR
<b>OPERATING ACTIVITIES</b>				
Part of the group in the consolidated profit for the year	758.336	18.799	18.630	12.193
Minority interest in the consolidated profit for the year	7.917	196	321	326
Depreciation	569.296	14.113	11.566	7.066
Written off stocks and trade debtors	(7.617)	(189)	(182)	137
Written off other current assets	(15.166)	(376)	(762)	0
Increase (decrease) of provisions	(18.460)	(458)	(1.342)	3.049
Increase (decrease) of deferred taxes and contingent tax liabilities	54.205	1.344	2.592	1.373
Net decrease of investment grants	(5.350)	(133)	0	0
Change in working capital	(794.304)	(19.690)	(7.603)	(30.566)
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>	<b>548.857</b>	<b>13.606</b>	<b>23.220</b>	<b>(6.422)</b>
<b>INVESTING ACTIVITIES</b>				
Investment in tangible and intangible assets	(1.256.233)	(31.141)	(35.056)	(28.870)
Investment in financial fixed assets	(4.480)	(111)	0	(204)
Increase of consolidation differences	(12.731)	(316)	(3.026)	(11.513)
Disposals of tangible and intangible assets	51.581	1.278	607	548
Disposals of financial fixed assets	0	0	63	0
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>	<b>(1.221.863)</b>	<b>(30.290)</b>	<b>(37.412)</b>	<b>(40.039)</b>
<b>CASHFLOW BEFORE FINANCING ACTIVITIES</b>	<b>(673.006)</b>	<b>(16.684)</b>	<b>(14.192)</b>	<b>(46.461)</b>
<b>FINANCING ACTIVITIES</b>				
Capital increase of the mother company	0	0	0	36.942
Net increase of investment grants	0	0	2.089	827
Increase long term debt	958.289	23.755	27.107	15.829
Repayments on long term debt	(495.903)	(12.293)	(9.115)	(7.368)
Changes in short term financial debt	325.774	8.076	(3.221)	6.333
Payed dividends and director's fees	(156.118)	(3.870)	(3.112)	(2.592)
<b>CASHFLOW FROM FINANCING ACTIVITIES</b>	<b>632.042</b>	<b>15.668</b>	<b>13.748</b>	<b>49.971</b>
Translation difference	2.438	60	846	(687)
<b>NET CASH FLOW</b>	<b>(38.526)</b>	<b>(956)</b>	<b>402</b>	<b>2.823</b>
Cash at beginning of the period	369.832	9.168	8.766	5.943
Cash at end of year	331.306	8.212	9.168	8.766

CONSOLIDATED COMPANIES OF DECEMBER 31, 2000

FULLY CONSOLIDATED SUBSIDIARIES	CHAIR	VAT-NUMBER	PERCENTAGE
<b>BELGIUM</b>			
Coatex n.v.	Poperinge	BE 434.140.425	74,60%
European Master Batch n.v.	Bornem	BE 421.485.289	99,47%
Sioen n.v.	Ardooie	BE 402.753.106	99,47%
Sioen Coating Distribution n.v. <sup>(1)</sup>	Ardooie	BE 436.241.167	99,47%
Sioen Fabrics s.a.	Mouscron	BE 458.801.684	100,00%
Sioen Fibres s.a.	Mouscron	BE 463.789.464	100,00%
Siotec b.v.b.a.	Ardooie	BE 424.304.823	99,47%
Tis n.v.	Kerksken (Haaltert)	BE 405.085.064	100,00%
Veranneman Technical Textiles n.v.	Roeselare	BE 429.387.623	100,00%
<b>CHINA</b>			
Sioen Shanghai <sup>(2) (3)</sup>	Shanghai	-	100,00%
<b>GERMANY</b>			
Sioen GmbH	Hannover	DE 811299457	96,00%
<b>FRANCE</b>			
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%
Transformation de Textiles Enduits s.a.s.	Elbeuf	FR 76339759367	100,00%
<b>IRELAND</b>			
Donegal Protective Clothing Ltd. <sup>(4)</sup>	Derrybeg	IE 4621355M	99,47%
<b>INDONESIA</b>			
P.T. Sioen Indonesia	Jakarta	-	100,00%
P.T. Sungintex	Jakarta	-	100,00%
<b>LUXEMBURG</b>			
Sirec s.a.	Luxemburg	-	100,00%
<b>PORTUGAL</b>			
Siofab s.a. <sup>(5)</sup>	Santo Tirso	NIF 505046644	80,00%
<b>TUNESIA</b>			
Sioen Tunisie s.a.	Tunis	-	100,00%
Confection Tunisienne de Sécurité s.a.	Tunis	-	99,47%
Sioen Zaghouan s.a. <sup>(6)</sup>	Zaghouan	-	
<b>UNITED KINGDOM</b>			
Sioen UK Ltd.	Chorley	GB 732.4071.62	100,00%
Mullion Manufacturing Ltd. <sup>(7)</sup>	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.



## CONSOLIDATION CRITERIA AND ACCOUNTING PRINCIPLES

### 1. 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 50 of the Royal Decree of March 6, 1990, this consolidation difference was determined for the first consolidation at June 30, 1992 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, and of Veranneman Technical Textiles n.v. at October 18, 1999, are written off over 20 years, because of the size and strategic interest of these acquisitions.

The consolidation differences of the less strategic acquisitions of T.T.E. s.a. in 1995, P.T. Hanwha Indonesia in 1996 and Mullion Manufacturing Ltd. in 2000 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 into operation. In order to have a better junction between the costs and the revenues and in view of the importance of the investment in the spinning mill, taken into operation in november last year, the method of amortizations was changed. The asset is written off pro rata temporis from the moment the asset came into use instead of for a full financial year. The influence of this change on the results of the financial year amounts to 2,3 million EUR (90,6 million BEF). The past years, the new assets came into use about the beginning of the financial year.

Leasing and other similar obligations are written following the percentages, shown above of the related assets.

Assets	Percentage
Buildings	5% - 10%
Plant, machinery and equipment	10% - 20%
Vehicles	20%
Office equipment and furniture	20% - 33%
Assets under construction	are not written off

#### 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. Contingent taxclaims are recognized for the future tax effect of available losses carried forward and tax credits, except for the realisation of deferred taxes being uncertain.

#### 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. Contingent taxclaims are recognized for the future tax effect of available losses carried forward and tax credits, except for the realisation of deferred taxes being uncertain.

#### C. Translation of foreign exchange

The annual accounts of the foreign companies are translated into BEF 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.

## BALANCE SHEET

### Consolidation differences

At December 31, 2000 the consolidation differences amounted to 16,5 million EUR (667 million BEF) and break down as follows (after depreciation) :

(in millions)	EUR	BEF
First consolidation difference	3,2	131
Consolidation difference acquisition P.T. Sungintex (1998)	1,5	60
Consolidation difference acquisition TIS N.V. (1998)	9,2	371
Consolidation difference acquisition Veranneman TT n.v. (01/10/99)	2,3	94
Consolidation difference acquisition Mullion Manufacturing Ltd. (17/10/00)	0,3	11

### Intangible assets

The intangible assets concern mainly the purchase of an ERP<sup>(1)</sup> software license which is being phased in from January 1, 1998 onwards and which is written off over 3 years. The intangible assets decreased by 0,9 million EUR (36 million BEF) and amounted to 1,2 million EUR (48 million BEF). The capital expenditure in intangible assets in 2000 (0,27 million EUR, 10,6 million BEF) concerns mainly the purchase of additional software licenses.

Sioen Industries is in no way bound by any patent or license. None of the commercial or financial agreements or production processes is liable to bring Sioen Industries into a subordinate position nor do they influence its activities or profitability in a negative way.

<sup>(1)</sup> Enterprise Resource Planning

### Tangible assets

In 2000 the tangible assets increased on balance by 17,8 million EUR (717 million BEF). This net increase breaks down as follows:

(in millions)	EUR	BEF
Capital expenditure	27,4	1.103
Depreciation in 2000	(11,8)	(477)
Other	2,0	83
Change in consolidation scopes	0,2	8

The company owns all the land it uses for its operations, with the exception of Saint Frères, where a commercial lease agreement is used.

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

(in millions)	2000 BEF	2000 EUR	1999 EUR	1998 EUR	1997 EUR	1996 EUR	1996 EUR
Coating Division	816	20,3	17,5	17,0	11,4	8,3	
Apparel Division	153	3,8	4,8	2,3	1,5	0,7	
Processing Division	108	2,7	5,8	2,3	2,4	2,0	
Group services	26	0,6	0,2	0,8	0,4	-	
Total	1.103	27,4	28,3	22,4	15,7	11,0	

Net capital expenditure 1994-2000 has evolved as follows:

(in millions)	2000 BEF	2000 EUR	1999 EUR	1998 EUR	1997 EUR	1996 EUR	1995 EUR	1994 EUR
Land and buildings	204,5	5,1	4,4	4,4	6,2	2,1	1,0	-
Plant / machinery	797,4	19,8	10,0	8,4	8,4	8,3	3,1	0,5
Furniture / vehicles	60,0	1,5	0,6	1,0	1,0	0,6	0,4	0,2
Leasing	9,6	0,2	9,2	0,4	-	-	-	-
Fixed assets under construction	31,9	0,8	4,1 <sup>(1)</sup>	8,2 <sup>(1)</sup>	-	-	-	-
Total capital expenditure on tangible assets	1.103,4 <sup>(7)</sup>	27,4 <sup>(7)</sup>	28,3 <sup>(6)</sup>	22,4 <sup>(5)</sup>	15,6 <sup>(4)</sup>	11,0 <sup>(3)</sup>	4,5 <sup>(2)</sup>	0,7
Acquisitions / part. interest	29,5 <sup>(10)</sup>	0,7 <sup>(10)</sup>	4,5 <sup>(9)</sup>	14,1 <sup>(8)</sup>	-	0,1	-	1,5

<sup>(1)</sup> The fixed assets under construction concern mainly the spinning mill in Mouscron which was started up end 2000.

<sup>(2)</sup> Extension of the Coating Division building in Ardoole.

<sup>(3)</sup> Investment in the "transfer coating" in Mouscron.

<sup>(4)</sup> Balance of the "transfer coating" in Mouscron and commencement of the investment in the weaving mill in Mouscron.

<sup>(5)</sup> 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.

<sup>(6)</sup> 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 Ardoole in Januari 1999.

<sup>(7)</sup> 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 Ardoole (New production unit for Veranneman Technical Textiles and Research & Development Center).

<sup>(8)</sup> TIS n.v. and PT Sungintex

<sup>(9)</sup> Veranneman Technical Textiles n.v.

<sup>(10)</sup> Mullion Manufacturing Ltd.

## Working capital

The working capital<sup>(1)</sup> increased in 2000 by 24,6% to 100,9 million EUR (4,1 billion BEF), compared to an increase of 10,7% last year (in 1998: 68,9% due to the extension of the consolidation scope). Both the stocks and the amounts receivable within one year knew a similar increase of 16,2% and 17,2%. Their share in the total assets remained stable at 24,2% (24,0% in 1999, 22,7% in 1998) and 22,1% (22,3% in 1999, 26,5% in 1998). The stronger increase of the working capital is due to the decrease of the trade debts payable within one year by 10,2% to 21,7 million EUR (875,0 million BEF). Their share in the total liabilities decreased from 10,6% to 8,3%.

This was reflected in the higher financial debts payable within one year. (18,7 million EUR, 755,4 million BEF).

## Equity

At December 31, 2000, the share capital of Sioen Industries n.v. was divided into 21.391.070 ordinary non-par-value shares.

Both the capital and the number shares remained the same in 2000.

(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 <sup>(1)</sup>

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 coordinated articles of association on April 30, 2001.

After payment of the proposed dividend by the parent company, the equity on December 31, 2000 amounted to 112,0 million EUR (4,5 billion BEF), an increase by 14,9% (in 1999: +22,3%).

The capital expenditure programmes in vertical integration of the last few years, especially the start up of the spinning mill last year, will only fully contribute to the results from 2001 onwards. This timing difference explains the (temporary) decrease of the net return on equity from 23,4% to 19,3%.

The investment grants concern mainly the grants allocated by the Walloon Region for the capital expenditure programmes in the weaving mill (38% of the total amount) and in the spinning mill (17% of the total amount) in Mouscron. On balance, the investment grants decreased by 0,13 million EUR (5,4 million BEF) due to the booked amortisations (0,53 million EUR, 21,2 million BEF).

In respect of these investment grants, deferred taxes in the amount of 5,0 million EUR (199,7 million BEF) were recorded under heading IX.B. on the liabilities side of the balance sheet.

### Minority interests

At December 31, 2000, the minority interests in the equity of the consolidated companies stood at 1,3 million EUR (51,0 million BEF) and concern interests in Coatex n.v. (25%), Saint Frères Confection s.a.s. (25%) and Siofab s.a. (20%).

### Provisions

The provisions for other liabilities and charges (2,3 million EUR, 92,1 million BEF) consist mainly of provisions in TIS n.v. (1,9 million EUR (75,3 million BEF)). They are related to technical guarantees, environmental risks and other obligations, originating in the period before the acquisition by the Sioen Industries Group or from the acquisition itself.

No provision had to be constituted under the "1999 stock option plan" and "2000 stock option plan". In 2000, the spent provisions amounted to 0,4 million EUR (15,2 million BEF) (in 1999: 1,1 million EUR (45,7 million BEF)) due to the exercise of stock options. The effectively realised depreciations (0,4 million EUR (15,2 million BEF) in 2000 and 0,5 million EUR (20,3 million BEF) in 1999) were booked under "Other financial costs".

The tax provision (1,1 million EUR, 43 million BEF) concerns tax assessments that are expected due to the tax authorities challenging the deduction 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 1,5 million EUR (59 million BEF) of which 0,4 million EUR (16 million BEF) already has been paid.

## INCOME STATEMENT

### Turnover and other operating income

In 2000, turnover went up 19,4% to 192,4 million EUR (7.760 million BEF), mainly as a result of the continuous strong internal growth (15,4%). The remaining 4% was represented by the external growth of the group as a result of the acquisition of Mullion Manufacturing, the Portuguese joint venture Siofab and the full consolidation of Veranneman Technical Textiles, whose turnover rose by 26% to 5,3 million EUR (214,5 million BEF).

The Benelux remained the biggest market with 22% of the turnover (in 1999: 25%, in 1998: 26,7%), followed by France with 21% (in 1999: 19,3%, in 1998: 19,2%). Other important markets are Germany (16%), the United Kingdom (11%), and Italy (7%) and Scandinavia (4,2%).

The other operating income decreased to 1,2 million EUR (47 million BEF). However, in 1999 the other operating income was influenced by 3,8 million EUR (154 million BEF) resulting from insurance compensations received for loss of profit due to an incident.

### Operating profit

The vertical integration of the last few years, resulted in the gross margin<sup>(3)</sup> rising from 51,9% in 1998, 55,8% in 1999 to 58,1% on turnover in 2000. In line with the increase in turnover, EBITDA increased by 18,9% to 45,0 million EUR (1.814 million BEF). The EBITDA margin remained stable and amounted to 23,4% on sales. EBIT has grown with 15,2% to 31,5 million EUR (1.270 million BEF). EBIT-margin decreased from 17,0% to 16,4% following the increase in structural costs and the taking into result of the start-up costs of the spinning mill that became operational in november 2000.

The growth figures mentioned above, were realized in a climate of increases in prices of raw materials and energy, influencing the group result by 4,3 million EUR (175 million BEF) which could only partly be compensated.

The operating profit remained at the same level as in 1999 (16,9%) (in 1998: 13,9%).

### Financial result

The average net financial debt<sup>(2)</sup> increased by 29% from 71,1 million EUR (2,9 billion BEF) to 91,6 million EUR (3,7 billion BEF). The financial result, expressed in relation to the turnover, increased from 0,8% to 1,6%.

This trend is mainly due to :

- the continuing practice of paying suppliers cash at a

discount

- lower interest rates on both long-term and short-term credits. The average interest rate increased from 5,06% to 5,22% (in 1998: 5,33%).
- the depreciation of investment grants: 0,5 million EUR (21,2 million BEF) compared to 1 million EUR (41,8 million BEF) in 1999 (in 1998: 0,7 million EUR (26,7 million BEF)).

### Extraordinary result

In 2000, the net result was not influenced by any extraordinary results. The extraordinary result in 1999 was mainly due to insurance compensations received in relation to an incident in the Coating Division in Ardoiole in Januari 1999. The amounts received compensated the loss of tangible fixed assets that were by then largely depreciated, thus causing a forced extraordinary gain of 2,3 million EUR (91,4 million BEF).

### Income taxes

The total taxes (income taxes plus deferred taxes) increased from 10,4 million EUR (418 million BEF) to 10,6 million EUR (428 million BEF) (+2,3%). The average tax rate in relation to the pre-tax profit increased from 35,3% to 35,8% in 2000 (in 1998: 31,3%).

<sup>(1)</sup> (Turnover + variation in stocks of finished goods, work and contracts in progress - raw materials, consumables) / turnover

<sup>(2)</sup> Financial debt - cash deposits - cash at hand and in bank.

## Funds flow statement

The need for working capital increased in 2000 by 19,7 million EUR (794 million BEF) to 100,9 million EUR (4,1 billion BEF), compared to 81,0 million EUR (3,3 billion BEF) last year. Whereas stocks and trade debtors increased by 16,2% and 14,6%, the suppliers decreased by 10,2%. The additional need for working capital was sufficiently intercepted by the cash flow from operating activities.

The cash flow from investment activities decreased by 19% to 30,3 million EUR (1,2 billion BEF). 45% 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 66,2 million EUR (2,7 billion BEF). The share of this long term financial debts in the total liabilities remained stable at 25,2%. The share of the short-term debts also remained at the same level (26,9%). The solvability ratio (equity/balance sheet total) remained fairly stable at 42,6%

On balance the net cash position increased by 1 million EUR (38,5 million BEF) to 8,2 million EUR (331 million BEF).

**VIII. Statement of intangible fixed assets**

(in thousands)

		Concessions, patents, licenses, etc.	
		EUR	BEF
<b>a) At cost</b>			
At December 31, 1999		3.427	138.223
Changes for the year			
Expenditure		270	10.936
At December 31, 2000		3.697	149.159
<b>b) Amortisation</b>			
At December 31, 1999		1.352	54.527
Changes for the year			
Charge for the year		1.156	46.648
At December 31, 2000		2.508	101.175
<b>d) Net book value at December 31, 2000</b>		<b>1.189</b>	47.984



## IX. Statement of tangible fixed assets

(in thousands)	Land and buildings		Plant, machinery and equipment	
	EUR	BEF	EUR	BEF
<b>a) At cost</b>				
At December 31, 1999	34.625	1.396.783	68.695	2.771.126
Changes for the year				
Capital expenditure	6.620	267.049	20.942	844.786
Sales and disposals	(1.549)	(62.525)	(1.178)	(47.468)
Transfers	370	14.943	9.647	389.147
Translation differences	141	5.685	227	9.155
Other changes <sup>(1)</sup>	38	1.538	647	26.040
At December 31, 2000	40.245	1.623.473	98.980	3.992.786
<b>c) Depreciation</b>				
At December 31, 1999	8.511	343.349	36.350	1.466.349
Changes for the year				
Depreciation for the year	1.772	71.501	8.375	337.779
Sales and disposals	(302)	(12.168)	(1.172)	(47.260)
Transfers	201	8.112	(201)	(8.112)
Translation differences	42	1.714	171	6.918
Other changes <sup>(1)</sup>	40	1.537	428	17.238
At December 31, 2000	10.264	414.045	43.951	1.772.912
<b>d) Net book value at December 31, 2000</b>	<b>29.981</b>	<b>1.209.428</b>	<b>55.029</b>	<b>2.219.874</b>
(in thousands)	Furniture and vehicles		Leasing and other similar rights	
	EUR	BEF	EUR	BEF
<b>a) At cost</b>				
At December 31, 1999	6.882	277.622	9.723	392.204
Changes for the year				
Capital expenditure	1.848	74.567	238	9.594
Sales and disposals	(360)	(14.524)	0	0
Transfers	36	1.453	0	0
Translation differences	35	1.407	0	0
Other changes <sup>(1)</sup>	49	1.931	1	0
At December 31, 2000	8.490	342.456	9.962	401.798
<b>c) Depreciation</b>				
At December 31, 1999	4.834	194.998	612	24.659
Changes for the year				
Depreciation for the year	1.200	48.413	482	19.453
Sales and disposals	(335)	(13.511)	0	0
Transfers	0	0	0	0
Translation differences	13	515	0	0
Other changes <sup>(1)</sup>	12	477	1	0
At December 31, 2000	5.724	230.892	1.095	44.112
<b>d) Net book value at December 31, 2000</b>	<b>2.766</b>	<b>111.564</b>	<b>8.867</b>	<b>357.686</b>

<sup>(1)</sup> Changes resulting from changes to the consolidation scope.

	Assets under construction and advance payments	
	EUR	BEF
(in thousands)		
a) At cost		
At December 31, 1999	10.053	405.542
Changes for the year		
Capital expenditure	792	31.942
Transfers	(10.053)	(405.542)
At December 31, 2000	792	31.942
d) Net book value at December 31, 2000	<b>792</b>	<b>31.942</b>

## X. Statement of financial fixed assets

	Other investments	
	EUR	BEF
(in thousands)		
2. Amounts receivable		
Net book value at December 31, 1999	386	15.554
Changes for the year		
Other	111	4.480
Net book value at December 31, 2000	497	20.034

## XI. Consolidated statement of changes in reserves and retained earnings

	EUR	BEF
(in thousands)		
At December 31, 1999	44.691	1.802.868
Changes for the year		
Profit for the year	18.799	758.336
Other changes		
- Dividends declared 2000	(2.995)	(120.808)
- Director's fees Sioen Industries n.v. 2000	(173)	(7.000)
- Director's fees Confection Tunisienne de Sécurité s.a. 2000	(1.028)	(41.500)
At December 31, 2000	<b>59.294</b>	<b>2.391.896</b>

## XII. Statement of consolidation differences

	EUR	BEF
(in thousands)		
Net book value at December 31, 1999	17.346	699.751
Changes for the year		
Following an increase in the participation percentage and/or acquisitions	316	12.731
Amortisation	(1.128)	(45.499)
Net book value at December 31, 2000	<b>16.534</b>	<b>666.983</b>

### 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	BEF	%
Debts falling due in			
2001	14.870	599.872	18%
2002	12.905	520.585	16%
2003	11.813	476.537	15%
2004	10.994	443.503	14%
2005	10.977	442.807	13%
later	19.497	786.532	24%
<b>Total amount at December 31, 2000</b>	<b>81.056</b>	<b>3.269.836</b>	<b>100%</b>

#### 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 5,22 %

#### B. Amounts payable which are guaranteed by real guarantees given or irrevocably promised on the assets of the companies included in the consolidation

Financial debts (in thousands)	EUR	BEF
3. Leasing and other similar obligations	8.666	349.585
<b>Total amount at December 31, 2000</b>	<b>8.666</b>	<b>349.585</b>

### XIV. Results of operations

#### A. Consolidated sales

Per division (in millions)	2000		1999	1998
	BEF	EUR	EUR	EUR
Coating Division	4.567	113,2	96,0	83,4
Apparel Division	2.500	62,0	48,7	44,8
Processing Division	693	17,2	16,4	13,0

  

Geographically (in millions)	2000		1999	1998
	BEF	EUR	EUR	EUR
Benelux	1.765	43,8	40,2	37,8
France	1.593	39,5	31,1	27,1
Germany	1.215	30,1	26,6	22,4
United Kingdom	825	20,4	16,1	14,7
Italy	509	12,6	12,5	11,6
Other	1.853	46,0	34,6	27,6

## B. Personnel

(in thousands)	2000		1999	1998
	BEF	EUR	EUR	EUR
Personnel charges	1.392.410	34.517	30.888	24.116
<b>Average number of employees (in units)</b>		<b>2000</b>	<b>1999</b>	<b>1998</b>
Average number of employees		3.420	2.857	2.555
Blue collars		2.907	2.412	2.227
White collars		494	426	310
Management		19	19	18
Average number of persons employed in Belgium by companies of the group		653	590	529
Personnel, active in Research and Development		16	18	19

Personnel per division and per country as of December 31, 2000 (in units)	Group Services	Coating Division	Apparel Division	Processing Division	Total
Belgium	32	391	146	84	653
China		15			15
Germany		1			1
France		111	55	69	235
Ireland			133		133
Indonesia			1.539		1.539
Portugal		15			15
Tunesia			795		795
United Kingdom			34		34
<b>Total</b>	<b>32</b>	<b>533</b>	<b>2.702</b>	<b>153</b>	<b>3.420</b>

## C. Depreciation

(in thousands)	2000		1999	1998
	BEF	EUR	EUR	EUR
Consolidation differences	45.499	1.128	1.087	618
Other fixed assets	523.794	12.985	10.479	6.448
<b>Total</b>	<b>569.293</b>	<b>14.113</b>	<b>11.566</b>	<b>7.066</b>

## D. Taxes

Total taxes on yearly basis are as follows:

(in thousands)	2000		1999	1998
	BEF	EUR	EUR	EUR
Write-backs of deferred taxes and contingent tax liabilities	34.457	854	813	643
Transfers to deferred taxes and contingent tax liabilities	(38.693)	(959)	(2.235)	(1.570)
Current income taxes	(417.306)	(10.344)	(9.144)	(4.559)
<b>Total taxes for the year</b>	<b>(421.542)</b>	<b>(10.449)</b>	<b>(10.566)</b>	<b>(5.486)</b>
Taxes for previous years	2.594	64	424	21
Provision for additional taxes	(8.593)	(213)	(213)	(233)
<b>Total taxes</b>	<b>(427.541)</b>	<b>(10.598)</b>	<b>(10.355)</b>	<b>(5.698)</b>

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 (59 million BEF) of which 1,1 million EUR (43 million BEF) is included in provisions and 0,4 million EUR (16 million BEF) has been paid. The group appealed against the received assessments.

(in thousands)	2000		1999	1998
	BEF	EUR	EUR	EUR
Deferred taxes	199.727	4.951	5.127	1.896
Contingent tax liabilities	138.532	3.434	2.030	2.800

At December 31, 2000, the reserves contained tax-free reserves to the amount of 8,2 million EUR (331 million BEF) 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.

## XV. Rights and commitments not reflected in the balance sheet

(in thousands)	2000		1999	1998
	BEF	EUR	EUR	EUR
Commitments for capital expenditures	46.166	1.144	10.023 <sup>(1)</sup>	13.584 <sup>(1)</sup>
Commitments to dispose of fixed assets	-	-	1.735 <sup>(2)</sup>	-

<sup>(1)</sup> Spinning mill under construction.

<sup>(2)</sup> Obligation of delivery related to a sale and lease back financing.

The group does not use financial derivatives.

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

The 2000 remuneration granted to the directors of Sioen Industries (director's fees included) for their responsibilities in the consolidating company and its subsidiaries amounted to 1,6 million EUR (65 million BEF), the remuneration of five directors assuming management responsibilities in the group included.

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

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 to 102 of the Companies Act, in June 2001.

These reports are available on request at the following address:

**Sioen Industries n.v.**

**Fabriekstraat 23**

**8850 Ardoorie**

The statutory auditor has expressed an opinion without reservation on the statutory annual accounts of Sioen Industries n.v..

## 1. Condensed balance sheet of Sioen Industries n.v. after appropriation of profit

(in thousands)		2000		1999	1998
December 31,		EUR	BEF	BEF	BEF
<b>Fixed assets</b>		<b>42.798</b>	<b>1.726.481</b>	<b>2.362.311</b>	<b>2.359.562</b>
I.	Formation expenses	256	10.309	21.574	32.839
II.	Intangible fixed assets	1.100	44.396	80.417	82.263
III.	Tangible fixed assets	608	24.517	21.622	32.715
IV.	Financial fixed assets	40.834	1.647.259	2.238.698	2.211.745
<b>Current assets</b>		<b>64.423</b>	<b>2.598.803</b>	<b>194.584</b>	<b>124.749</b>
VII.	Amounts receivable within 1 year	64.282	2.593.120	191.918	121.419
IX.	Cash at bank and in hand	22	897	25	914
X.	Deferred charges and accrued income	119	4.786	2.641	2.416
<b>Total assets</b>		<b>107.221</b>	<b>4.325.284</b>	<b>2.556.895</b>	<b>2.484.311</b>
<b>Capital and reserves</b>		<b>52.577</b>	<b>2.120.958</b>	<b>1.900.387</b>	<b>1.901.343</b>
I.	Capital	46.000	1.855.635	1.855.635	1.853.243
IV.	Legal reserves	917	37.000	17.000	13.410
V.	Profit brought forward	5.660	228.323	27.752	34.690
VII.	<b>Provisions</b>	<b>0</b>	<b>0</b>	<b>15.166</b>	<b>45.710</b>
<b>Creditors</b>		<b>54.644</b>	<b>2.204.236</b>	<b>641.342</b>	<b>537.258</b>
VIII.	Amounts payable after 1 year	28.719	1.158.520	402.913	301.203
IX.	Amounts payable within 1 year	25.698	1.044.703	234.000	235.934
X.	Accrued charges and deferred income	26	1.103	4.429	121
<b>Total liabilities</b>		<b>107.221</b>	<b>4.325.284</b>	<b>2.556.895</b>	<b>2.484.311</b>

## 2. Condensed income statement of Sioen Industries n.v.

(in thousands)		2000		1999	1998
Years ended December, 31		EUR	BEF	BEF	BEF
<b>I.</b>	<b>Operating income</b>	<b>4.721</b>	<b>190.463</b>	<b>180.794</b>	<b>168.071</b>
	A. Turnover	4.443	179.244	154.265	153.283
	C. Fixed assets - own construction	121	4.868	11.793	9.447
	D. Other operating income	157	6.351	14.736	5.341
<b>II.</b>	<b>Operating charges</b>	<b>(4.537)</b>	<b>(198.194)</b>	<b>(155.603)</b>	<b>(170.496)</b>
	B. Services and other goods	1.274	51.389	55.159	56.236
	C. Remuneration	1.631	65.790	56.823	37.802
	D. Depreciation and amounts written off	2.007	80.964	74.095	38.869
	F. Provisions	(376)	(15.166)	(30.544)	37.156
	G. Other operating charges	1	51	70	433
<b>III.</b>	<b>Operating profit / loss</b>	<b>184</b>	<b>7.436</b>	<b>25.191</b>	<b>(2.425)</b>
	IV. Financial income	10.209	411.838	150.739	94.622
	V. Financial charges	(1.550)	(62.548)	(39.482)	(8.887)
	<b>Financial result</b>	<b>8.659</b>	<b>349.290</b>	<b>111.257</b>	<b>85.735</b>
	<b>Profit on ordinary activities</b>	<b>8.843</b>	<b>356.726</b>	<b>136.448</b>	<b>83.310</b>
	<b>Extraordinary result</b>	<b>-</b>	<b>-</b>	<b>(186)</b>	<b>(801)</b>
	<b>Profit before tax</b>	<b>8.843</b>	<b>356.726</b>	<b>136.262</b>	<b>82.509</b>
	<b>Income taxes</b>	<b>(207)</b>	<b>(8.348)</b>	<b>(23.262)</b>	<b>(742)</b>
	<b>Profit for the financial year</b>	<b>8.636</b>	<b>348.378</b>	<b>113.000</b>	<b>81.767</b>

### 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 increased by 16,2% to 179,2 million BEF (4,44 million EUR). The other operating income decreased to 6,3 million BEF (0,16 million EUR), the same level of 1997 and 1998. The operating profit amounted to 7,4 million BEF (0,18 million EUR) compared to 25,2 million BEF (0,62 million EUR) in 1999.

The financial result further increased to 365,4 million BEF (9,06 million EUR), due to higher dividends received from the different subsidiaries and higher amounts of interest received from subsidiaries. The financial costs were influenced by 15,2 million BEF (0,38 million EUR) by the depreciation, booked on account of the exercising of the remaining 50% of the granted options of the "1996 stock option plan". Sioen Industries acquired in 2000 the necessary own shares in the Stock Exchange at an average price of 26,50 EUR per share, while the striking price per option of 10 shares amounted to 34,71 EUR. Besides, the interest costs increased due to the increase of short term loans that are further granted 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 capitalized 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 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:

### 5. Communication in accordance with Article 624 of the Companies Act

- Reason of the acquisition of own shares : 1996 Stock Option Plan
- Face value per share : 2,15 EUR / share
- Number of shares acquired : 16.325 (representing 0,08% of the total number of shares issued)
- Price of acquisition of the bought shares : 26,50 EUR /share
- Number of shares transferred : 16.325 (representing 0,08% of the total number of shares issued)
- Striking price of the transferred shares : 3,47 EUR / share
- Number of own shares held on December 31, 2000 : 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 & Noordstar n.v. is controlled by Baloise (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.

#### Situation as of December 31, 2000 <sup>(1)</sup>

Notifier	Date of Notification	Number of Shares	Percentage of total number of shares <sup>(4)</sup>
Acting by mutual agreement :			
Sihold n.v., (2)			
Fabriekstraat 23, 8850 Ardoorie	October 18, 1996	13.365.010	62,5 %
Mercator & Noordstar n.v., (3)			
Kortrijksesteenweg 302, 9000 Gent	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 %

To the Shareholders of Sioen Industries, N.V. :

We have examined the consolidated balance sheet of Sioen Industries, N.V. and subsidiaries as of December 31, 2000, the consolidated statement of profit and loss, the funds flow statement, the notes and the annual report for the year then ended. The consolidated annual accounts have been prepared under the responsibility of the Board of Directors. The balance sheet total as of December 31, 2000 is EUR 262.892 (000) and the profit for the year then ended is EUR 18.995 (000).

We did not examine the financial statements of a limited number of subsidiaries. The assets of these companies represent 10,4% of total consolidated assets at December 31, 2000. Their net profit represents 30,8% of the net profit of the group in 2000. Those statements were examined 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.

The consolidated annual accounts as of December 31, 1999 and 1998, presented for comparative purposes, have been certified by us without reservation.

### **Opinion, without reservation, on the consolidated annual accounts**

Our examination was made in accordance with the auditing standards of the Belgian Institute of Company Auditors. These require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated annual accounts are free of material misstatement, taking into account Belgian law and regulations with respect to the consolidated annual accounts. In accordance with these standards, we have taken into consideration the administrative and accounting procedures and system of internal control of the company. We have examined, on a test basis, evidence supporting the amounts in the consolidated annual accounts. We also assessed the valuation rules, the principles of consolidation, significant accounting estimates and the presentation of the consolidated annual accounts as a whole. We received from the management of the company the

information and explanations we requested. We believe that these procedures provide a reasonable basis for our opinion.

In our opinion, the accompanying consolidated annual accounts present fairly the financial position of Sioen Industries, N.V. and subsidiaries as of December 31, 2000 and the results of their operations for the year then ended, in conformity with the applicable Belgian law and regulations, and the notes to the consolidated annual accounts are adequate.

### **Additional statement**

The consolidated directors' report for the year ended December 31, 2000 is in agreement with the consolidated annual accounts and includes the information required by the law.

The Statutory Auditor,



ARTHUR ANDERSEN,  
Bedrijfsrevisoren  
Gino Desmet  
March 23, 2001

## PROPOSALS TO THE ANNUAL MEETING OF SIOEN INDUSTRIES N.V. OF MAY 25, 2001

The board of directors of Sioen Industries proposes to the annual meeting to approve the annual accounts at December 31, 2000 and to consent to the appropriation of profit.

The profit for the financial year ended is 348.377.872 BEF, compared to a profit of 112.999.042 BEF for the financial year 1999. The profit brought forward from the previous financial year is 27.751.875 BEF. The profit available for appropriation is consequently 376.129.747 BEF.

**The board of directors proposes to appropriate the profit available for appropriation of 376.129.747 BEF as follows:**

(in BEF)

Gross dividends for the 21.391.070 shares	120.807.907
Directors' fees	7.000.000
Transfer to the legal reserves	20.000.000
Profit to be carried forward	228.321.840

**The proposed net dividend per share is calculated as follows:**

(in EUR)

Net dividend per share	0,105
Withholding tax 25/75	0,035
Gross dividend per share	0,14
Pay-out ratio <sup>(1)</sup>	15,8 %

The proposed dividend is 13 % higher than that of 1999. The pay-out ratio amounts to 15,8 %.

If this proposal is approved, the net dividend of 0,105 EUR per share will be made payable as from June 14, 2001 onwards at the counters of Artesia Bank, Bank Brussel Lambert, Fortis Bank and KBC Bank on presentation of coupon no. 3.

<sup>(1)</sup> Gross dividend in relation to the share of the Group in the consolidated result.