


## Consolidated Figures

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# Comments on the Accounts

## Balance sheet

### ASSETS

#### START-UP COSTS

These costs amount to BEF 22.1 million, up BEF 17.1 million following the inclusion of Sotagus in the composition and the start-up of the port concessions.

#### INTANGIBLE FIXED ASSETS

Included under this heading are BEF 99.4 million, BEF 46.7 million of which are research and development costs and BEF 52.7 million patent concessions. The "research and development" item is mainly due to Agrides (BEF 41.1 million). The "concession and patent" item is mainly for Agrides (38.2 million BEF ) and Sotagus (12.9 million).

#### CONSOLIDATION GOODWILL

The consolidation goodwill of BEF 471.6 million is distributed as follows:

	<b>BEF Mio</b>
> Sapec SGPS	42.1
> Agrides	142.1
> TEN	0.9
> Guadalmancha	16.2
> Quimiflex	2.5
> Proquisol	22.8
> Agro España	1.7
> Tradecorp	243.3

In accordance with the Group's depreciation rules, this goodwill is depreciated over 20 years with the exception of the goodwill in the Sapec SGPS part, acquired in 1993, which is depreciated over 16 years. The annual depreciation is BEF 28.5 million.

#### TANGIBLE FIXED ASSETS

This item amounts to BEF 3,397.4 million, which is broken down as follows:

	<b>BEF Mio</b>
> Land and Constructions	1,648.0
> Plant, Machinery, Tools	774.9
> Furniture, Rolling Stock	164.6
> Financial leasing	361.9
> Other fixed assets	41.8
> Fixed assets in course of construction	406.2

The increase in value, on 31 December 2000, for a sum of BEF 756.3 million, is mainly due to the acquisition and inclusion in the composition of the Tradecorp Group (BEF 263.9 million) and to the start-up of the activities of Sotagus (port concessions) (BEF 275.4 million).

In terms of investments, the year's acquisitions amount to BEF 961.4 million. They relate mainly to the port installations

acquired by Sotagus (BEF 271.8 million), the new installations of the pesticides and fungicides departments of Sapec Agro (BEF 53.7 million), the quay and warehouse facilities of Interpec Sur (BEF 99.2 million), the IT installations of Sapec Agro and SPC (BEF 18 million), the renovation of the head office in Lisbon (BEF 34.9 million), a new warehouse for SPC's land-based logistics (BEF 92.9 million) and the replacement of cranes for Navipor (BEF 48.5 million).

### LONG-TERM INVESTMENTS

The Holdings item amounts to BEF 283.4 million, representing stakes in non-consolidated companies.

This item is down BEF 157.4 million because of the transfer to the consolidation composition of Selectis and of Interpec Sur (fully integrated), Sotagus (proportionally integrated) and TCL (equity accounting). Sapec, for its part, participated in the increase in capital of ZETES (BEF 8.6 million).

The accounts receivable from other holdings amount to BEF 3.4 million, down BEF 28.3 million, a large part of which is the repayment of an advance to Gester, following the sale of the latter.

### STOCK AND CURRENT ORDERS

This item amounts to BEF 2,976.9 million, an increase of BEF 690.1 million. This rise is mainly due to the ad-hoc increase in the goods stock of the distribution sector in Spain and Portugal.

### SHORT-TERM ACCOUNTS RECEIVABLE

This item, for an amount of BEF 1,764.5 million, is down (BEF 639.2 million) compared to 1999. This reduction in debts receivable is mainly due to the "other accounts receivable" with the payment of the balance from the sale of ADP (BEF 669.8 million) in January 2000.

### SHORT-TERM AND LIQUID INVESTMENTS

This item reached BEF 1,130.6 million, an increase of BEF 558 million.

Over the financial year, Sapec redeemed treasury shares, in accordance with the decision reached by the general meeting of 20 June 2000. The number of redeemed certificates on 31.12.2000 was 37,217, increased in value to BEF 68.3 million.

The balance of the short-term and liquid investments is distributed as follows, according to sector of activity:

	<b>BEF Mio</b>
> Agri-supplies	50.2
> Chemical distribution	5.1
> Trade and Distribution	91.9
> Logistics	30.0
> Energy	55.9
<b>Others including:</b>	
> Sapec SGPS	257.3
> Sapec S.A.	246.9
> Inpec	7.7
> Tharsis	201.7
> Iberia Reinsurance	77.6
> Miscellaneous	38.0

Regarding the whole of the liquidity position item, it should be noted that the structurally surplus companies are Tharsis (energy sector), Iberica Reinsurance by virtue of the nature of their activities, and the Holdings, Sapec S.A. and Sapec SGPS. The liquidity position of the other companies relates to the normal management of their needs in working capital.

Despite the fact that the Group has no Coordination Centre, an accounts centralisation system was put in place in 1999.

## LIABILITIES

### SHAREHOLDERS' EQUITY

The main variations come from:

- > the result of the financial year (BEF 357.6 million) and from the proposed distribution (- 85.8 million),
- > the negative exchange adjustments, up BEF 1.3 million mainly due to the fall in the British pound sterling against the Belgian franc,
- > the use of capital subsidies amounting to BEF 5.1 million,
- > the reduction in gains from the restatement of assets because of the disposal of assets at SPC (Cabo Ruivo installations) (BEF 44.1 million) and at Sapec Agro (BEF 5.8 million),
- > the increase in consolidation goodwill following a new acquisition of 3.6% of the capital of Tharsis (BEF 2.7 million).

### THIRD PARTY INTERESTS

Third party interests are distributed as follows:

	<b>BEF Mio</b>
Tharsis	194.7
Proquisol	1.1
Guadalmancha	66.5
Geslogica	2.2
Quimiflex	2.6
Interpec Sur	6.0
	<b>273.1</b>

### CONTINGENCY AND LOSS PROVISIONS

The Provisions item rose by BEF 7.0 million, mainly because of the creation by Interpec Iberica of a provision of BEF 19.2 million for a tax dispute relating to Community import duties on certain food products, and allocations for BEF 2.2 million (dispute on accounts receivable).

A third party procedure was brought by Systemat with regard to its acquisition of Prologica. The company feels that, in view of the facts in its possession, this procedure is groundless and does not require provision.

### LONG-TERM LIABILITIES

This item amounts to BEF 1,157.9 million, up BEF 614.1 million. This is mainly due, on the one hand, to the inclusion in the composition of Sotagus, concessionary company for the Lisbon container terminal, which, by means of a "finance plan" type long-term loan, financed the acquisition of the installations (BEF 450 million);

and, on the other hand, to the long-term (5-year) acquisition loan granted to Sapec Agro for the takeover of Tradecorp.

### SHORT-TERM LIABILITIES

This item (BEF 4,963.- million) breaks down into:

	<b>BEF Mio</b>
Long-term liability (part falling due in the year)	274.2
Short-term financial liability	3,005.6
Suppliers	1,035.4
Fiscal, social, salary liabilities	178.6
Other liabilities	469.2

All of the financial liabilities are at floating exchange rates, the reference for the bank liabilities being the interbank rate (Euribor at 3 months) plus the bank margin.

Over half of the short-term bank liability relates to the trade activities in Spain and Portugal, i.e. BEF 1,402.3 million. The trade activities, by definition, do not need much equity capital. As the financial liability is directly linked to the import volume and has a rapid rate of rotation, large variations can therefore occur from year to year.

<b>Financial gearing (in 000 BEF)</b>	<b>31.12.99</b>	<b>31.12.00</b>
Long-term liabilities	543,787	1,098,652
Long-term liabilities falling due in the year	75,601	274,208
Short-term liabilities: credit institutions	1,945,038	2,561,591
commercial papers	794,232	443,987
Liquidity position	(572,626)	(1,130,587)
Net financial liability	2,786,032	3,247,851

The sums included in the "Other liabilities" item are, among others, liabilities relating to the acquisition of fixed long-term assets, including the costs of site servicing for Imobiliaria (BEF 100.6 million) and of the installations at Sotagus (BEF 32.2 million) and Agro (BEF 20.2 million).

## RESULTS

The Group's consolidated turnover amounts to BEF 16,196 million, compared to 16,956 million the previous year. The contribution of the various sectors to sales and services is as follows:

<b>(in BEF mio)</b>	<b>1999</b>	<b>2000</b>
Fertilisers	1,668	-
Agrochemical distribution	937	1,711
Chemical distribution	876	995
Food processing distribution	11,205	12,309
Port and land-based logistics	1,435	1,274
Information technology	1,496	-
Energy	96	81
Other companies and consolidation adjustments	(513)	139

The Group sold its "fertilisers" activity (withdrawal of ADP in 1999) and its "information technology" activity (sale of Prologica in 1999 and of Cap Gemini Portugal in early 2000). In addition, the Group exchanged its 50% stake in Burotica for 5.75% of Zetes Industries, thus withdrawing the contribution of the information technology companies to the results from the consolidation composition.

The fall in sales of the logistics sector can also be explained by reasons relating to the consolidation composition. The concessionary companies are not 100% owned and are therefore not necessarily consolidated by global integration.

The operating result amounts to BEF 372.1 million compared to BEF 447.8 million in 1999, a reduction due to the composition changes and accentuated by activities in the start-up phase of the concessionary companies for the port terminals privatised in 1999.

The net financial charges amount to BEF 178.5 million, including the depreciation of the consolidation goodwill of BEF 28.5 million.

The other investment income relates to positive exchange adjustments and exchange differences in commercial operations (BEF 61.8 million), discount income, option premiums received, etc. (BEF 52.0 million).

The other financial charges include conversion costs and exchange losses of BEF 28.3 million, discount costs and bank charges, option premiums paid and bank charges for payment (BEF 77.6 million).

The extraordinary results show a positive balance of BEF 244.5 million, which breaks down as follows:

**Extraordinary income**

	<b>BEF Mio</b>
> Capital gains on sale of former SPC plant	68.3
> Capital gains on disposals of holdings	223.7
> Capital gains on various other disposals	14.2
> Contract penalties	20.1
> Sundry income	23.4
	<b>349.7</b>

**Extraordinary expenses**

	<b>BEF Mio</b>
> Loss on various disposals	6.5
> Severance pay, restructuring	24.9
> Provisions for disputes	19.4
> Various extraordinary expenses and reductions in value on assets	8.5
> Gifts, sponsorship	4.3
> Costs of studies, analyses and IT developments	6.1
> Costs relating to the integration of Tradecorp	7.4
> Extraordinary losses on accounts receivable	6.5
> Sundry costs relating to previous financial years	2.4
> Costs linked to property disposals	17.7
> Sundry	1.3
	<b>105.1</b>

The net current results amount to BEF 124.4 million compared to BEF 221.8 million in 1999. The consolidated net results represent a profit of BEF 368 million compared to BEF 842.3 million in 1999. The latter reflected the particularly significant impact of the departure from the Group of its traditional sector of activity, fertilisers. The capital gain had been BEF 567 million.

The result as a share of the Group amounts to BEF 357.6 million compared to BEF 823.9 million in 1999, the fall once again stemming exclusively from the change to the consolidation composition and the negative contribution to the results of the privatised terminal concessionary companies, in the start-up phase.

## CONTRIBUTION OF THE SECTORS

### Contribution of the sectors to the consolidated net current result

	1998	1999	2000
Fertilisers	147	-10	-
Agrochemicals	51	55	76
Chemical distribution	34	32	33
Logistics	103	57	6
Food processing distribution	-19	99	92
Information technology	56	46	-
Energy	7	41	19
Other companies and reprocessing	-143	-98	-102
<b>TOTAL</b>	<b>236</b>	<b>222</b>	<b>124</b>

The net current results of the sectors in 1998 were reprocessed to make them compatible with the 1999 and 2000 presentation, which is carried out from the exclusive point of view of the economic contributions of the activities.

#### 1) Comments

The "Other companies and reprocessing" item consists mainly of the positive or negative contributions of the non-operational companies such as Sapec S.A., Sapec Portugal SGPS, Sapec Imobiliaria or Iberia Reinsurance and of consolidation reprocessing such as, for example, depreciation on consolidation goodwill charged directly to the activities.

The Chemical Distribution sector is now divided into Agrochemicals and Chemical Distribution (products for industry), for clarity of analysis and in view of the growing contribution of the Agrochemicals sector, which should be confirmed again in 2000 because of acquisitions made in 1999 and 2000 in this activity.

The net current result of BEF 124.4 million is the sum of the gross current result of BEF 193.5 million less the tax bill from the current activity.

For the 2000 financial year, there is no specific tax bill linked to the extraordinary capital gains made.

#### 2) Breakdown of the Contribution of the Sectors to the Consolidated Results of Sapec Group

GROUP HOLDING (economic)	100%	100%	100% *	100%	45%	
	Agro-chemicals	Chemical distribution	Logistics	Food processing distribution	Energy	Total contributions
Sales and services	1,711	995	1,274	12,309	81	16,370
	10.5%	6.1%	7.8%	75.2%	0.5%	100%
Operating result	185	55	61	208	37	546
	33.9%	10.1%	11.2%	38.1%	6.8%	100%
Net current result	76	33	6	92	19	226
	33.6%	14.6%	2.7%	40.7%	8.4%	100%
Net current cash flow	165	47	98	106	41	457
	36.1%	10.3%	21.4%	23.2%	9.0%	100%

\* Except for port terminal concessionary companies, which are consolidated in proportional integration or subject to equity accounting.

This distribution is based on the following method:

Each sector is shown according to the consolidated method admitted by the Group, i.e. taking into account the global integration method for companies in which the Group has exclusive control (stake greater than 50%) or the method of consolidation by proportional integration in the case of joint control as laid down by the royal decree on consolidation rules.

Analysis of the table leads to the following observations:

- The Agrochemicals and Food Processing Distribution sectors are the main contributors to the net current results. However, it should be said that the food processing distribution activity is, to some degree, volatile and the logistics sector's financial year is not representative because of the start-up costs of the privatised port terminals.
- In terms of cash flow, the breakdown is less bipolar. The main progress comes from the Agrochemicals sector, resulting from the increased penetration in Spain. The potential of this sector is established for future financial years.
- The results are much less cyclical because of the withdrawal of the Fertilisers sector and the stability of the result of most of the Group's divisions.

## Balance sheet and consolidated profit and loss account

Assets	2000	2000	1999	1999
in thousands of	EUR	BEF	EUR	BEF
<b>Fixed long-term assets</b>	<b>107,317</b>	<b>4,329,168</b>	<b>83,701</b>	<b>3,376,473</b>
I. Start-up expenses	547	22,078	123	4,975
II. Intangible fixed assets	2,464	99,393	396	15,961
III. Consolidation goodwill	11,690	471,570	5,996	241,891
IV. Tangible fixed assets	84,219	3,397,374	65,471	2,641,080
A. Land and buildings	40,853	1,648,010	34,513	1,392,247
B. Plant, machinery and equipment	19,211	774,948	12,358	498,536
C. Furniture and rolling stock	4,079	164,552	3,524	142,141
D. Financial leasing	8,971	361,899	7,205	290,656
E. Other tangible fixed assets	1,035	41,766	1,063	42,893
F. Fixed assets under construction and payments made on account	10,070	406,199	6,808	274,607
V. Long-term investments	8,397	338,753	11,715	472,566
A. Firms subject to equity accounting	1,288	51,961	-	-
1. Holdings	443	17,884		
2. Accounts receivable	845	34,077	-	-
B. Other firms	7,109	286,792	11,715	472,566
1. Holdings, stocks and shares	7,026	283,429	10,929	440,877
2. Accounts receivable	83	3,363	786	31,689
<b>Current assets</b>	<b>148,181</b>	<b>5,977,620</b>	<b>134,632</b>	<b>5,431,041</b>
VI. Long-term accounts receivable	1,696	68,413	9	375
A. Commercial accounts receivable	0	0	9	375
B. Other accounts receivable	1,696	68,413	-	-
VII. Stock and current orders	73,795	2,976,887	56,686	2,286,689
A. Stock	73,795	2,976,887	56,686	2,286,689
1. Procurement	2,773	111,870	2,112	85,203
2. Goods in progress	343	13,859	325	13,116
3. Finished products	3,816	153,940	2,087	84,168
4. Goods	66,095	2,666,265	51,239	2,066,974
5. Properties intended for sale	570	22,980	679	27,375
6. Payments made on account	198	7,973	244	9,853
VIII. Short-term accounts receivable	43,742	1,764,521	59,587	2,403,723
A. Commercial accounts receivable	34,743	1,401,514	38,866	1,567,838
B. Other accounts receivable	8,999	363,007	20,721	835,885
IX. Short-term investments	21,726	876,434	9,479	382,379
B. Fixed-interest securities	1,693	68,287		
B. Forward investments	20,033	808,147	9,479	382,379
X. Liquid assets	6,300	254,153	4,716	190,247
XI. Prepaid expenses and expenses to be amortised over several periods	922	37,212	4,155	167,628
<b>TOTAL ASSETS</b>	<b>255,498</b>	<b>10,306,788</b>	<b>218,333</b>	<b>8,807,514</b>

1 EURO = BEF 40,3399

<b>Liabilities</b>	<b>2000</b>	<b>2000</b>	<b>1999</b>	<b>1999</b>
<b>in thousands of</b>	<b>EUR</b>	<b>BEF</b>	<b>EUR</b>	<b>BEF</b>
<b>Shareholders' equity</b>	<b>85,707</b>	<b>3,457,392</b>	<b>80,300</b>	<b>3,239,281</b>
I. Capital	36,600	1,476,440	36,594	1,476,186
A. Subscribed capital	36,600	1,476,440	36,594	1,476,186
II. Share premiums	7,127	287,495	7,127	287,495
III. Restatement increase	8,471	341,714	9,709	391,644
IV. Consolidated reserves	40,338	1,627,244	33,606	1,355,679
V. Consolidation goodwill	2,002	80,744	1,935	78,078
VI. Exchange adjustments	(9,486)	(382,663)	(9,453)	(381,331)
VII. Capital subsidies	655	26,418	782	31,530
<b>Third parties' interests</b>	<b>6,769</b>	<b>273,065</b>	<b>7,217</b>	<b>291,156</b>
VII. Third parties interests	6,769	273,065	7,217	291,156
<b>Provisions and deferred taxes</b>	<b>5,575</b>	<b>224,902</b>	<b>5,566</b>	<b>224,514</b>
IX. A. Provisions for liabilities and charges	3,912	157,827	3,738	150,787
2. Fiscal charges	207	8,343	207	8,343
4. Other liabilities and charges	3,705	149,484	3,531	142,444
B. Deferred taxes and fiscal latency	1,663	67,075	1,828	73,727
<b>Liabilities</b>	<b>157,447</b>	<b>6,351,429</b>	<b>125,250</b>	<b>5,052,563</b>
X. Long-term liabilities	28,703	1,157,885	13,480	543,787
A. Financial liabilities	27,235	1,098,652	13,476	543,603
3. Financial leasing and similar liabilities	4,990	201,306	4,390	177,076
4. Credit institutions	22,245	897,346	8,850	356,997
5. Other loans	0	0	236	9,530
D. Other liabilities	1,468	59,233	4	184
XI. Short-term liabilities	123,030	4,963,023	102,580	4,138,037
A. Long-term liabilities falling due within the year	6,798	274,208	1,874	75,602
B. Financial liabilities	74,506	3,005,578	67,905	2,739,270
1. Credit institutions	63,500	2,561,591	48,216	1,945,038
2. Other loans	11,006	443,987	19,689	794,232
C. Commercial liabilities	25,666	1,035,365	23,775	959,069
1. Suppliers	25,666	1,035,365	23,752	958,152
2. Bills of exchange payable	0	0	23	917
D. Fiscal, pay and social security liabilities	4,428	178,639	4,632	186,850
1. Taxes	2,732	110,218	1,663	67,087
2. Remunerations and social security taxes	1,696	68,421	2,969	119,763
E. Other liabilities	11,632	469,233	4,394	177,246
XII. Prepaid income	5,714	230,521	9,190	370,739
<b>TOTAL LIABILITIES</b>	<b>255,498</b>	<b>10,306,788</b>	<b>218,333</b>	<b>8,807,514</b>

1 EURO = BEF 40,3399

## Profit and Loss Account

in thousands of	2000 EUR	2000 BEF	1999 EUR	1999 BEF
<b>I. Sales and services</b>	<b>409,262</b>	<b>16,509,592</b>	<b>426,411</b>	<b>17,201,371</b>
A. Turnover	401,500	16,196,451	420,335	16,956,285
B. Variation in goods in process, finished products and orders	2,202	88,838	(1,314)	(52,994)
C. Fixed assets produced for own use	71	2,862	74	2,968
D. Other operating revenue	5,489	221,441	7,316	295,112
<b>II. Costs of sales and services</b>	<b>(400,039)</b>	<b>(16,137,517)</b>	<b>(415,309)</b>	<b>(16,753,526)</b>
A. Procurement and goods	(340,414)	(13,732,244)	(329,065)	(13,274,453)
1. Purchases	(351,269)	(14,170,151)	(353,127)	(14,245,102)
2. Inventory change	10,855	437,907	24,062	970,649
B. Sundry goods and services	(32,542)	(1,312,741)	(44,011)	(1,775,375)
C. Remunerations, social security charges and pensions	(19,403)	(782,726)	(33,181)	(1,338,511)
D. Depreciation and reductions in value on start-up expenses, intangible and tangible fixed assets	(5,670)	(228,724)	(6,628)	(267,391)
E. Reduction in value on stock, current orders and commercial accounts receivable	(299)	(12,068)	(215)	(8,678)
F. Other operating expenses	(1,711)	(69,014)	(2,209)	(89,118)
<b>III. Operating profit (loss)</b>	<b>9,223</b>	<b>372,075</b>	<b>11,102</b>	<b>447,845</b>
<b>IV. Investment income</b>	<b>4,081</b>	<b>164,637</b>	<b>2,820</b>	<b>113,767</b>
A. Income from long-term investments	5	200	0	8
B. Income from current assets	1,256	50,681	961	38,751
C. Other investment income	2,820	113,756	1,859	75,008
<b>V. Finance costs</b>	<b>(8,507)</b>	<b>(343,181)</b>	<b>(6,749)</b>	<b>(272,254)</b>
A. Liabilities expenses	(5,174)	(208,728)	(3,671)	(148,095)
B. Depreciation on positive consolidation goodwill	(707)	(28,535)	(391)	(15,767)
C. Other financial expenses	(2,626)	(105,918)	(2,687)	(108,392)
<b>VI. Pre-tax operating profit (loss) of consolidated enterprises</b>	<b>4,797</b>	<b>193,531</b>	<b>7,173</b>	<b>289,358</b>
<b>VII. Extraordinary income</b>	<b>8,668</b>	<b>349,656</b>	<b>20,700</b>	<b>835,052</b>
A. Recovery of depreciation and reductions in value on intangible and tangible fixed assets	5	212		
C. Gains on disposal of fixed assets	7,938	320,224	20,379	822,088
D. Other extraordinary income	725	29,220	321	12,964

in thousands of	2000 EUR	2000 BEF	1999 EUR	1999 BEF
<b>VIII. Extraordinary expenses</b>	<b>(2,606)</b>	<b>(105,124)</b>	<b>(5,318)</b>	<b>(214,540)</b>
A. Reductions in value on long-term investments	(211)	(8,522)	(52)	(2,085)
B. Provisions for extraordinary liabilities and charges	(175)	(7,040)	(1,221)	(49,241)
C. Loss on disposal of fixed assets	(164)	(6,604)	(317)	(12,801)
D. Other extraordinary expenses	(2,056)	(82,958)	(3,728)	(150,413)
<b>IX. Pre-tax profit (loss) for the financial year of consolidated enterprises</b>	<b>10,859</b>	<b>438,063</b>	<b>22,555</b>	<b>909,870</b>
<b>X. Deduction in advance / Transfer to deferred tax</b>	<b>41</b>	<b>1,649</b>	<b>(52)</b>	<b>(2,084)</b>
<b>XI. Tax on profit or loss</b>	<b>(1,755)</b>	<b>(70,774)</b>	<b>(1,624)</b>	<b>(65,514)</b>
A. Tax	(1,560)	(62,923)	(1,459)	(58,837)
B. Tax adjustment and recovery of fiscal provision	(195)	(7,851)	(165)	(6,677)
<b>XII. Profit (loss) of consolidated enterprises</b>	<b>9,145</b>	<b>368,938</b>	<b>20,879</b>	<b>842,272</b>
<b>XIII. Share in the result of enterprises subject to equity accounting</b>	<b>(24)</b>	<b>(976)</b>	-	-
B. Result as loss	(24)	(976)	-	-
<b>XIV. Consolidated profit (loss)</b>	<b>9,121</b>	<b>367,962</b>	<b>20,879</b>	<b>842,272</b>
<b>XV. Share of third parties in the result</b>	<b>(256)</b>	<b>(10,336)</b>	<b>(454)</b>	<b>(18,336)</b>
<b>XVI. Group share in the result</b>	<b>8,865</b>	<b>357,626</b>	<b>20,425</b>	<b>823,936</b>

## Statement of sources and application of funds based on cash flow

	2000	1999
<b>A. Cash flow of operating transactions</b>		
Result for the year	367,962	842,273
Depreciation provision (recovery) and reductions in value of fixed assets	257,259	285,244
Reductions in value of long-term loans and investments	8,522	0
Charge (allocations and recovery) to provisions for liabilities and charges	7,040	25,954
Variation in the short-term operating financing need		
Inventory change and current orders	-646,368	-1,115,459
Variation in short-term accounts receivable	-8,992	-387.872
Variation in commercial liabilities	52,498	517,488
Variation in wage and social security tax liabilities	-42,955	150,490
Variation in other liabilities	109,075	-56,810
Capital gain or loss from disposal	-313,620	-809,287
<b>TOTAL OPERATING LIQUIDITY POSITION</b>	<b>-209,579</b>	<b>-547,979</b>
<b>B. Cash flow of investment operations</b>		
Acquisition of fixed assets		
start-up costs	-26,717	-1,503
intangible fixed assets	-94,086	-9,405
tangible fixed assets	-934,416	-367,011
financial participations	-458,622	-580,426
Balance payable to suppliers	152,924	0
	-1,360,917	-958,345
Variation in long-term loans	9,185	49,452
Disposal of fixed assets		
tangible fixed assets	269,522	111,460
financial participations	270,568	1,303,094
Balance to be received on financial participations	595,771	-663,809
	1,135,861	750,745
<b>TOTAL INVESTMENT LIQUIDITY POSITION</b>	<b>-215,871</b>	<b>-158,148</b>
<b>C. Cash flow of financing operations</b>		
Capital increase		
Dividend allocated to the shareholders	-85.807	-80.878
Variation in long-term loans	468.161	24.459
<b>TOTAL FINANCING LIQUIDITY POSITION</b>	<b>382.354</b>	<b>-56.419</b>

<b>A+B+C = TOTAL CASH FLOWS</b>	<b>-43,096</b>	<b>-762,546</b>
Variation in short-term investments and liquid assets	413,385	-295,950
Variation in short-term financial liabilities	-456,481	-466,596
<b>VARIATION IN LIQUIDITY POSITON</b>	<b>-43,096</b>	<b>-762,546</b>

The statement of sources and application of funds conforms to the principles of standard IAS 7.

It was drawn up using the indirect method, which allows for analysis of cash flows based on operating data and identifies the contributions to the liquidity position variations from each major function: operating, investment and financing.

**Comments**

The statement of sources and application of funds was drawn up from the Group's consolidated accounts for the financial years 1999 and 2000.

A brief analysis of this statement indicates the following:

- the operating cash deficit is exclusively due to the ad hoc increase in stocks in the Food-processing Distribution sector;
- the investments for the year were almost entirely financed by resources resulting from the disinvestment operations of 1999 and 2000;
- the operating and investment cash deficit was financed by means of long-term loans, with positive effects in terms of balance-sheet equilibria.

