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DIRECTORS ON 28 MAY 2002

Mr. Jean-Yves Bacques, *Chairman of the Board of Directors*

Mrs. Valérie Bacques

Mrs. Michèle Bouvier, *General Manager*

Mr. Franck Falezan

Mr. Jean-Pierre Millet

Mr. François Roussel

Mr. Jonathan Zafrani



STATUTORY AUDITORS ON 28 MAY 2002

Incumbent

Durand et Associés S.A.

Barbier Frinault et Associés

Alternate

Mr. Roland Weyant - Ernst & Young

Mr. Philippe Mongin

to the combined Ordinary and Extraordinary General Meeting of 28 May 2002

To the Shareholders

We have called this combined Ordinary and Extraordinary General Meeting to report on the activity and results of our Group, to invite you to approve the parent company's financial statements to 31 December 2001 and our proposed earnings allocation, to inform you about our prospects and to propose aligning our Articles of Association with the new provisions of the NRE act.

1 Main Facts in 2001

■ The economic environment

After a stable period in the beginning of the year, a general economic slowdown began to make itself felt in the second quarter and especially after September 2001.

The French paper and board packaging industry reported a 5% drop in the production of paper for corrugated board and a 1.6% dip in the manufacture of corrugated board packagings.

■ OTOR

In this increasingly difficult environment, Otor achieved its profitability, debt reduction and selective growth objectives.

Sales remained stable at EUR 412,000,000 despite cyclical production shutdowns and declining paper prices in the second half.

Operating aggregates rose significantly on the back of improving operating conditions. For instance, gross operating income soared by 74.5%.

Net income came to a positive amount of EUR 4,200,000.

Working capital came to EUR 27,900,000 on 31 December 2001, more than twice the figure reached in 2000.

The degearing process which became effective in 2001 allowed a reduction in debt by EUR 28,000,000.

As part of the ongoing program to streamline the industrial base, the Group shut down the Riquet paper mill, whose costs were entirely provisioned during the year.

A cogeneration system was installed in the beginning of 2001 at the Papeterie de Rouen paper mill, with satisfactory results.

2 Activity Consolidated financial statements

2.1. Consolidated financial statements

■ Scope

The consolidation scope includes 22 companies:

In addition to the parent company Otor,

- 20 companies controlled exclusively by the Group and fully consolidated;
- 1 company in which the Group exercises significant influence, consolidated according to the equity method.

■ Income statement

The key figures in the income statement are as follows:

<i>EUR millions</i>	2001	2000
Sales	412.5	412.3
Total income from operations	427.6	432.5
Operating income*	51.1	39.8
Gross operating income	24.1	13.8
Net financial income	(11.4)	(12.4)
Pre-tax income from ordinary activities	12.7	1.5
Net exceptional income	(6.8)	(5.8)
Net income	4.2	(4.2)
Net attributable income	3.8	(4.5)

* Operating income for 2001 factors in the profit sharing scheme, which amounted to EUR 2,183,000, up from EUR 1,892,000 in 2000.

The following were taken to net exceptional income in accordance with the General Accounting Plan:

- EUR 2.8 million for costs connected with the shutdown of Otor Riquet.
- EUR 2.3 million for amortization of charges taken to future fiscal years;
- EUR 0.6 million for provisions connected with the bankruptcy of Moulinex.

While sales remained stable, profitability improved significantly.

■ Balance sheet

The balance sheet totaled EUR 452.4 million.

The key figures reflecting the Group's financial structure were as follows:

CONSOLIDATED BALANCE SHEET

<i>EUR thousands</i>	31.12.01	31.12.00
Equity	151,690	147,367
Capital employed	300,069	296,709
- Fixed assets	272,134	283,961
= Working capital	27,935	12,748
Medium-term debts	114,016	117,240
+ Short-term debts	40,492	64,120
+ not yet due commercial paper discounted with banks	8,081	9,610
- Cash and equivalent	7,670	8,101
= Net debt	154,919	182,869

Fixed assets were down about EUR 12 million from 2000 and EUR 23 million from 1999 due to our contained investment strategy.

Long term capital employed was slightly up.

Debt was reduced by EUR 28 million. The debt-to-equity ratio stood at 1.02 versus 1.24 at the end of 2000.

Working capital increased markedly.

2.2. Activity by sector

Aggregate sales of the Group's activities amounted to about EUR 569 million, divided as follows:

■ Corrugated board (box and sheet plants)

Sales: about EUR 314 million.

The corrugated board activity generated a loss. Nevertheless, the box plants managed to pass on higher prices for raw materials to buyers, restoring a satisfactory margin.

■ Paper

Sales: about EUR 231 million. This business line posted a profit despite weaker sales in the second half and slightly lower sales prices.

■ Mechanization

Sales: EUR 5 million.

This arm recorded a loss. This is nevertheless a strategic business line for the Group, since it develops new products and mechanization triggers high packaging sales volumes.

■ Waste paper recovery

Sales: EUR 19 million

This unit turned in a profit.

2.3. Workforce

The workforce averaged 3,037 employees in 2001 (including temporary staff, based on full-time equivalent).

2.4. Capital expenditure

Capital expenditure, including investment in intangible assets, amounted to EUR 12.4 million.

Investment in tangible assets focused primarily on productivity.

2.5. Quality, ISO 9000 Certificate

■ Box and sheet plants

All box plants have an ISO 9001 certificate, except Cartonnerie de Rouen, created more recently and expected to obtain the certificate this year.

Normandie Ondulé holds an ISO 9002 certificate and wants to obtain the 9001 certificate before the end of the year.

■ Paper mills

Papeterie du Doubs, Papeterie de Nantes, Papeterie St-Michel and Papeterie d'Otor Picardie have been awarded an ISO 9002 certificate.

2.6. Environment

Management has always pursued a cutting-edge environmental strategy, reflected in the nearly exclusive use of recycled paper for the manufacture of packagings and ongoing efforts to reduce the weight of paper and packagings.

The Group keeps up steady efforts to eliminate environmental nuisances.

■ Box plants

All box plants have started the qualification process to obtain the ISO 14 000 environmental standard.

Otor Dauphiné and Otor Normandie have already been awarded the ISO 14 000 certificate.

Otor Picardie and Otor Velin are expected to obtain the ISO 14 000 certificate at the end of this year.

■ Paper mills

4 units are in compliance with the specifications of their prefectural authorizations: Papeterie de Nantes, Papeterie du Doubs, Papeterie d'Otor Picardie and Papeterie d'Iteuil.

Papeterie de Rouen and Papeterie Saint-Michel are building purification plants (construction is underway in Rouen, the Saint-Michel file is about to be submitted).

Thermal adjustment efforts are currently focusing on the drying unit of machine 3 at Papeterie de Rouen and on regulation of circuits heating.

Modification of the condensate extraction systems is in the pipeline.

Lastly, all units continue their ongoing efforts to reduce energy consumption. A cogeneration system was installed at Papeterie de Rouen in the beginning of 2001.

3 Activity Presentation of parent company financial statements

3.1. Activity, results

Otor provides the entire Group with assistance and cash management services.

This activity generated sales of EUR 12.0 million and net income of EUR 2.1 million, after a net exceptional loss of EUR 7.7 million and a tax gain of EUR 3.3 million.

The net exceptional loss was mainly due to a provision of EUR 9.1 million for Riquet and a provision writeback of EUR 1.4 million for Otor Benelux.

The tax gain reflected nearly the entire gap between the tax calculated by Otor and its subsidiaries according to general law provisions and the tax owed by Otor in application of the group tax rules.

3.2. Acquisition of interests

The following direct interests were acquired during the year:

- Subscription of nearly the entire capital of GIE Otor Investissements, formed to hold the shares not yet offered to management. The amount of the subscription was EUR 199,981;
- Subscription of an amount of EUR 64,548 as part of the creation of Otor UK, a company under British law with a capital of GBP 50,000 and a registered office in Birmingham, set up to market Otor products in Great Britain.

4 Ownership structure

Pursuant to Article 156-3 new of the Companies Act of 24 July 1966, we herewith report that the following natural and legal persons hold more than 1/20th, 1/10th, 1/5th, 1/3rd, 1/2 or 2/3rd of the capital:

Situation on 31/12/2001	Ownership %	Voting right %
Otor Finance	80.14	80.15

In September 2001, a dispute arose between shareholders with regard to control of Otor Finance (and therefore Otor) and the composition of the management bodies. The Carlyle funds claimed the right to convert their Otor Finance convertible bonds before maturity, which the other Otor Finance shareholders considered groundless. The Carlyle funds requested application of the arbitration clause and Otor's founding shareholders summoned the Carlyle funds before the courts of Paris to void the shareholder agreement between them and the Carlyle funds and the ensuing transactions in Otor Finance.

This action does not concern the regularity of the capital increase completed by Otor in June 2000.

The company is not aware of any other shareholder with more than 5% of the share capital.

Pursuant to the Act of 25 July 1994, we herewith inform you that no employee holds any share in the company by virtue of an employee stock option plan or a company fund or any share in the company that is blocked under Articles L.225-194 and L.225-197 of the New Commercial Code and Article 442-7 of the Labor Code.

The share warrants awarded to management in Fiscal Year 2001 are described in a special report.

Treasury stock

The treasury stock did not change in 2001.

Number of shares registered in the company's name at closure:	22,974 shares
Par value:	EUR 1.00
Capital fraction:	0.1%

5 Recent developments and outlook

While visibility on both prices and volumes is low, raw materials and energy costs may rise in the second half and so squeeze margins.

Our objectives for 2002 are as follows:

- limiting our exposure to the economic environment by appropriate sector and technical choices;
- consolidating our commercial positions by continuing our international expansion drive and developing new products (Otorflash, board pallet, bag in box, Multilight paper, etc.);
- continuing our sustainable growth strategy;
- maintaining the operating conditions and results necessary to continue the degearing process.

6 Network of licensees

Packagings using Otor technology are sold by a network of licensees in all major European countries, America, Australia and Japan.

In early 2002, this network was enlarged by a license agreement with Genting Sanyen (Malaysia) for Malaysia, Singapore, Thailand, Vietnam and China.

7 R&D activities

The main R&D objectives were:

Continuation of R&D on paper quality

- Further reduction of paper weight.
- Launch of "Multilight" a paper which is characterized by additives free and good sheet stability.

Product development

- Mail order packagings.
- Development of new "Otorflash" packagings.
- Beverage bag in box.

Mechanization

- Mechanization of lateral filling of "barquette" containers.

In 2001, as part of its research activities, Otor:

- filed 5 new patent applications in France
- applied for 1 patent extensions in other countries

8 Corporate officers

Pursuant to the law, we herewith inform you that your corporate officers held the following offices and functions in 2001:

Mr. Jean-Yves Bacques

- Chairman of Otor, Otor Finance, Otor Participations, Emballage 48 and Otor Systems
- Chairman of the Supervisory Board of Otor Silesia
- Director of Otor Bretagne, Otor Godard, Etuis Cognac, Otor Normandie, Otor Picardie, Otor Velin, Otor Riquet, Otor Benelux and Otor Papeterie de Rouen
- Permanent representative of Otor Participations on the Boards of Directors of Otor Services, Otor Dauphiné and Normandie Ondulé
- Permanent representative of Emballage 48 on the Board of Directors of Delaire Recyclage

Mrs. Michèle Bouvier

- General Manager of Otor
- Chairwoman of Otor Services
- Vice-Chairwoman and member of the Supervisory Board of Otor Silesia
- Director of Otor Finance, Otor Bretagne, Otor Dauphiné, Otor Godard, Otor Normandie, Otor Picardie, Otor Riquet, Otor Benelux and Otor Papeterie de Rouen
- Permanent representative of Otor Participations on the Boards of Directors of Etuis Cognac, Otor Velin et Otor Systems
- Permanent representative of Otor Normandie on the Boards of Directors of Normandie Ondulé
- Permanent representative of Delaire Recyclage on the Boards of Directors of Pinel Recyclage

Mrs. Valérie Bacques
- Vice-President Administration and Finance of Sicavonline
- Director of Otor, Otor Finance and Otor Services

Mr. François Roussel
- Director of Otor, CFCR (Compagnie Française Commerce Représentation) and MCE (Metallgesellschaft France)

Mr. Jean-Pierre Millet
- Manager of CECF Investment Advisors France and Société Civile Duck
- Chairman of the Board of Directors, Financière Genoyer
- Vice-Chairman of the Supervisory Board, Genoyer SA
- Director of Otor, Otor Finance, Tecnoforge, Société du Figaro and Publiprint
- Member of the Supervisory Board of Société de Gestion du Figaro and Figaro Holding

Mr. Franck Falezan
- Director of Otor, Otor Finance, Otor Services, Otor Papeterie de Rouen, Société du Figaro and Publiprint
- Permanent representative of Otor Finance on the Boards of Directors of Delaire Recyclage, Otor Riquet, Otor Bretagne, Otor Dauphiné, Otor Godard, Otor Normandie, Normandie Ondulé, Otor Picardie, Otor Benelux, Otor Velin, Otor Systems and Etais Cognac
- Member of the Supervisory Board of Figaro Holding and Otor Silesia

Mr. Jonathan Zafrani
- Director of Otor, Otor Finance, Otor Services and Otor Papeterie de Rouen
- Permanent representative of Otor on the Boards of Directors of Delaire Recyclage, Otor Riquet, Otor Bretagne, Otor Dauphiné, Otor Godard, Otor Normandie, Normandie Ondulé, Otor Picardie, Otor Benelux, Otor Velin, Otor Systems and Etais Cognac
- Member of the Supervisory Board of Otor Silesia

The remunerations and benefits received at the company or at subsidiaries were as follows:

- Mrs. Michèle Bouvier, remuneration (net pre-tax income), EUR 65,883.92 for her offices;
- Mr. François Roussel, EUR 3,050 by way of attendance fees.

9 Proposed amendments in the Articles of Association

We propose to amend our Articles of Association in order to align them with the NRE act of 15 May 2001, especially the articles entitled "Management", "Board decisions", "Chairmen and Chief Executive Officers".

10 Resolutions

We propose to:

ORDINARY BUSINESS:

1. Approve the company's financial statements and the consolidated financial statements as presented.
2. Allocate the profit to retained earnings and note that no dividend was paid for the last three years.
3. Discharge your directors.
4. Renew the terms of office of the incumbent director for a period of one year ending on adjournment of the General Meeting called to vote on the financial statements of 2002, i.e.:
 - Mr. Jean-Yves Bacques
 - Mrs. Valérie Bacques
 - Mrs. Michèle Bouvier
 - Mr. Franck Falezan
 - Mr. Jean-Pierre Millet
 - Mr. François Roussel
 - Mr. Jonathan Zafrani
5. Approve the agreements mentioned in the special statutory auditors' report.
6. Fix the amount of the attendance fees allocated by the Board of Directors for Fiscal Year 2001 at EUR 3,050.

EXTRAORDINARY BUSINESS

7. Amend the Articles of Association in order to align them with the NRE act of 15 May 2001.

These are the resolutions submitted to you for approval.

The Board of Directors

on the stock subscription and purchase options issued in 2001

In 2001, 2,463,000 Otor share warrants with an aggregate value of EUR 369,450, with cancellation of preemptive subscription rights, were offered to the executives of the Group and to G.I.E. Otor Investissement.

1 Main conditions

Issue price: EUR 0.15 per warrant; each warrant permits subscription of one new share at a price of EUR 3 per share if the exercise conditions are met, i.e.:

- These warrants may only be exercised if the theoretical internal rate of return resulting from Otor Finance's investments in Otor since 12 May 2000 is at least 30% (as described in greater detail in the prospectus approved by the COB on 21 March 2001).
- The total number of exercisable warrants depends on this IRR, as described in the prospectus.
- These warrants may only be exercised by persons employed by the Group at the time they are exercised, save in the event of death, retirement or resignation because of a disability.

2 Total number of warrants issued

2,032,052

3 Number of warrants subscribed by corporate directors

0

4 Number of warrants subscribed by the ten Otor employees granted the largest number of warrants

121,618

The Board of Directors

EARNINGS AND OTHER KEY FIGURES FOR THE LAST FIVE YEARS

	1997	1998	1999	2000	2001
Item	FRF	FRF	EUR	EUR	EUR
Capital at the end of the year					
Share capital	310,702,800	554,194,800	85,900,194	22,167,792	22,167,792
Number of ordinary shares outstanding	3,883,785	6,927,435	6,927,435	22,167,792	22,167,792
Number of non-voting preference shares outstanding	–	–	–	–	–
Maximum number of future shares to be created by	–	–	–	–	–
• bond conversion	–	–	–	–	–
• exercise of warrants	–	–	–	–	–
Operations and results					
Net sales	56,784,658	71,401,277	10,440,004	13,350,711	11,964,527
Income before tax, employee profit sharing and Depr., Prov., and Amort.	67,631,406	50,735,394	(10,682,418)	4,772,054	7,985,570
Corporation tax	(17,700,871)	972,557	(5,509,957)	(7,959,365)	(3,297,110)
Employee profit sharing	0	0	0	0	0
Income after tax, employee profit sharing and DPA	53,834,773	30,219,573	(4,715,130)	6,266,871	2,102,088
Distributed profit	13,981,626	0	0	0	0
Earnings per share					
Earnings after tax and employee profit sharing but before DPA	21.97	7.18	(0.75)	0.57	0.51
Earnings after tax, employee profit sharing and DPA	13.86	4.36	(0.68)	0.28	0.09
Dividend per share	3.60	0.00	0.00	0.00	0.00
Personnel					
Average workforce	30	40	47	49	36
Payroll	16,206,659	19,295,841	2,972,869	3,098,747	2,880,706
Employee benefits (social security, social works, etc.)	7,088,842	8,944,756	1,346,510	1,458,023	1,230,003

SECURITIES HELD BY THE GROUP

	No. of securities	Unit purchase price	Unit	Unit	Total	Total net	Total
			market price on 31.12.2001	market price on 31.12.2001	provision on 31.12.2001	book value on 31.12.2001	market value on 31.12.2001
Otor Bretagne - Ecureuil Expansion	7	14,614.31	14,839.89		0	102,300	103,879
Otor - Ecureuil Expansion	85	14,831.74	14,839.89		0	1,260,698	1,261,391
Treasury Stock	22,974	17.29	2.82		341,662	55,597	64,787

Consolidated Financial Statements **for 2001**

BALANCE SHEET

<i>EUR 000</i>	NOTES	2001	2000
ASSETS			
Intangible assets	3	85,546	86,838
Tangible assets	4	180,420	190,912
Financial assets	5	4,440	4,352
Goodwill not taken to specific accounts	6	1,728	1,859
Total fixed assets		272,134	283,961
Inventories	7	59,525	59,634
Trade receivables	8	86,549	89,641
Other receivables	8	10,344	13,884
Accruals (incl. prepaid expenses)	8	6,218	3,460
Charges taken to future fiscal years	9	9,916	12,014
Cash and investment securities	13	7,670	8,101
Total current assets		180,222	186,734
TOTAL ASSETS		452,356	470,695

<i>EUR 000</i>	NOTES	2001	2000
LIABILITIES			
Capital		22,168	22,168
Issue premiums		41,594	41,474
Reserves - group share		79,525	83,598
Net attributable income		3,828	(4,458)
Total equity - group share	10	147,115	142,782
Minority interests	10	4,575	4,585
Subtotal		151,690	147,367
Badwill taken to specific accounts	11	2,287	2,287
Provisions	11	31,921	29,710
Subsidies and grants	12	155	105
Long-term borrowings and debt	13	114,016	117,240
Subtotal		300,069	296,709
Short-term borrowings and debt	13	40,492	64,120
Trade payables		70,375	76,046
Other debts	14	41,420	33,820
TOTAL LIABILITIES		452,356	470,695

INCOME STATEMENT

EUR 000	NOTES	2001	2000
Sales	16	412,482	412,274
Other income from operations	16	15,120	20,196
Total income from operations		427,602	432,470
Cost of goods sold, other purchases and external charges	16	(245,814)	(270,423)
Other operating charges	16-17	(120,409)	(116,176)
Profit sharing*	17	(2,183)	
Appropriations to amortization of charges taken to future fiscal years		(8,068)	(6,022)
Gross operating income		51,128	39,849
Appropriations to Depreciation, Provisions and Amortization	16	(27,032)	(26,042)
Operating profit (loss)		24,096	13,807
Net financial income (expense)	18	(11,379)	(12,353)
Income before tax and extraordinary items		12,717	1,454
Net exceptional income	19	(6,818)	(5,778)
Profit sharing*			(1892)
Corporation tax	20	(1,580)	2153
Amortization of goodwill		(158)	(158)
Net income		4,161	(4,221)
Minority interests		333	237
Net attributable income		3,828	(4,458)
Net attributable income per share (EUR per share)		0.17	(0.20)

* profit sharing was restated under operating charges in 2001 – see also note 17

to the Consolidated Financial Statements on 31 December 2001

The consolidated financial statements have been prepared in accordance with the laws and regulations currently in force in France, notably the act of 3 January 1985, the decree of 17 February 1986 and the government order of 9 December 1986. International accounting principles have been adapted for the tangible assets.

NOTE 1 Consolidation principles and methods

Consolidation scope

The consolidation scope includes 22 companies. All consolidated companies close their financial statements on 31 December. The ownership percentages are given in the following table.

Consolidation method

Companies in which the Group holds exclusive control are fully consolidated.

Companies in which the Group holds joint control with a limited number of partners are consolidated according to the French proportional consolidation method.

Companies in which the Group has significant influence are consolidated according to the equity method.

Subsidiaries and interests of marginal size compared with the assets, financial situation and results of the group formed by the consolidated companies are not consolidated but included under the heading "Other interests".

Consolidated companies

	% of interest and control	Consolidation method
Otor.....	Parent company	
Otor Benelux.....	99,97	full consolidation
Otor Bretagne.....	95,04	full consolidation
Otor Dauphiné.....	99,99	full consolidation
Otor GmbH.....	94,26	full consolidation
Otor Godard.....	99,99	full consolidation
Otor Normandie.....	95,08	full consolidation
Otor Papeteire de Rouen.....	99,99	full consolidation
Otor Picardie.....	99,97	full consolidation
Otor Riquet.....	99,99	full consolidation
Otor Services.....	99,99	full consolidation
Otor Silesia.....	96,15	full consolidation
Otor Suisse.....	99,20	full consolidation
Otor Systems.....	98,10	full consolidation
Otor Velin.....	95,21	full consolidation
Otor UK.....	100,00	full consolidation
Etais Cognac.....	99,99	full consolidation
Delaire Recyclage.....	95,02	full consolidation
Normandie Ondulé.....	95,07	full consolidation
Pinel Recyclage.....	47,49	consolidation according to the equity method
Sarl Czulow.....	77,40	full consolidation
GIE Otor Investissement.....	99,99	full consolidation

Conversion of financial statements denominated in foreign currencies

The financial statements of the subsidiaries are converted at the exchange rate at the close of the fiscal year.

- All assets and liabilities are converted at the exchange rate at the close of the fiscal year;
- items of the income statement and annual income are converted at the average annual exchange rate.

Translation differences are taken to consolidated reserves.

Elimination of transactions

Intercompany accounts and transactions are eliminated. In view of their marginal character, intercompany operating profits are not adjusted. When significant, gains on intercompany equipment sale or transfers are eliminated.

NOTE 2 Valuation principles and method

Otor's consolidated financial statements have been prepared according to the valuation principles used for the parent company's financial statements, except for the following items:

- leased fixed assets (note 2.8);
- recognition of ISO 9000 certification costs under charges taken to future fiscal years (note 9);
- treatment of deferred taxation (note 2.7).

2.1. R & D

For many years, the Group has pursued a major R&D strategy, which has led to registration of many patents. Almost all expenses are recorded under operating charges.

The cost of researching new packagings is immediately taken to charges. Certain specific costs, connected with clearly identified projects whose expenses can be individualised on a reliable basis and for which the existence of a potential market has been shown, are taken to fixed assets and amortized over 5 years, or 10 years when resulting in a patent. The patent registration fees paid in France and other countries are taken to fixed assets.

In certain cases, Otor may assign certain patents for limited geographical areas. The net value of such assignments is taken to operating profit, like licenses. Capitalized R&D focuses almost entirely in the field of mechanization (development of new packaging machine concepts).

2.2. Intangible assets

■ Market shares

In 1989, the Group wrapped up the restructuring of its divisions and formed a homogeneous packaging unit by contributing companies acquired or created in different phases, each of which operates a box plant or paper mill in France.

At the time of their contribution, these companies were valued according to traditional methods for this type of transaction, both legally (statutory appraisers) and financially (valuation method based on mathematic values and yield), backed by independent valuations. The following main elements were used:

- restated income (before exceptional items);
- revalued net asset value.

These contributions generated consolidation surpluses. Two companies, Otor Godard and Etuis Cognac, were not contributed but valued according to the same methods as the contributed companies in order to reflect the revaluation of the consolidated group.

In 1991, when the Group was first consolidated as such, in line with CNC recommendation 85 of April 1990, these consolidation surpluses were taken to a specific account. In view of the specific features of the industrial sector, their valuation as market shares was most representative.

During the last 15 years, the Group's commercial position in France has grown sharply, helped by considerable efforts to acquire know-how, and to set up technical, commercial, training and marketing structures. These initiatives led to the creation of a proprietary concept combining the materials and the specific features of the industrial base with efforts to gear products optimally to customer needs.

The market-share-based value was confirmed by an independent valuation. It is checked each year by repeat valuations using calculation methods based primarily on cash flow and sales:

- the first calculation is based on restated cash flow (before exceptionals);
- the second calculation is based on the weighting of restated cash flow and consolidated board sales.

The multiples are reviewed:

- when transactions involving companies in this segment are likely to have affected these multiples;
- when Otor's market share changes significantly (1.5 point up or down).

The calculation criteria (cash flow, sales, market share) are calculated according to the same consolidation scope as their initial calculation.

These market shares are not amortized but may result in depreciation provisions when their value has decreased in the light of these methods.

■ *Other fixed assets*

Intangible assets other than market share are valued at historic cost.

Depreciation is calculated according to the straight-line method based on the following durations:

- Start-up costs 3 to 5 years
- Business value 5 years
- Software 1 to 5 years
- Patents 5 or 10 years (see note 2.1)
- Research costs immediately taken to charges or amortized over 5 years (see note 2.1)

2.3. Tangible assets

Tangible assets are valued at historic cost. Depreciation is calculated according to the line method based on the expected working life and the nature of the asset.

The durations are as follows:

- Buildings 20 to 30 years
- Plant and machinery:
 - new 10 to 20 years
- Plant and machinery:
 - second-hand 5 to 10 years
- Other tangible assets: 3 to 10 years

2.4. Financial assets

■ *Goodwill not taken to a specific account*

Goodwill corresponds to the balance after allocation to identifiable assets of the difference between the acquisition price of the consolidated companies and the Group's interest in their capital on the acquisition date.

Such goodwill is amortized over 20 years except under special circumstances.

■ *Equity securities*

Interests in the equity (including the annual result based on consolidation rules) of equity affiliates are recognized in this account.

2.5. Inventories

■ *Finished products*

Inventories include finished and unfinished board products as well as paper to be sold outside the Group.

Inventories are valued at cost. When cost is higher than market value, a depreciation is recorded.

The cost of finished board products is in most cases estimated, applying a rebate coefficient of 5 to 30% to the sales price.

■ *Raw materials*

Paper supplied by the Group's paper mills is valued at market price. Other stocks are valued at cost. The FIFO method is used.

2.6. Translation differences

Unrealized currency losses or gains in the accounts of the consolidated companies are immediately taken to financial charges or income.

2.7. Taxation

Deferred taxes are recognized according to the broad interpretation and therefore include all temporary differences between book income and tax income.

However, deferred tax credits connected with tax loss carry-forwards are provisioned save when, exceptionally, the Group will probably be able to use these losses in the future.

Deferred taxes are booked according to the flow-through (liability) method. Changes in the tax rate therefore immediately affect annual income.

Valuation of deferred tax credits and liabilities factors in the 10% surtax and the social security contribution. Hence they are calculated at a rate of 36.43%.

2.8. Leasing

Leased assets with a unit value of over EUR 100,000 and the resulting obligations are recognized in the consolidated balance sheet under fixed assets and amortization, on the one hand, and under long-term borrowings and debt, on the other.

In line with IASC standards, lease contracts are regarded as financial leases when the contracts provides for most of the risks and benefits inherent in ownership to be transferred to the lessee, e.g.:

- when ownership is automatically transferred on termination of the lease;
- or when a purchase option is likely to be exercised during or on termination of the lease;
- or when the term of the lease is close to the asset's operating life;
- or when the discounted value of the minimum payments is close to the fair value.

Leased equipments installed at customers premises, which allow to sell Group's products to such customer and which are not intended to remain the Group's property, are not restated as fixed assets.

NOTE 3 Intangible assets

<i>EUR 000</i>	31/12/2000	Increase	Decrease	31/12/2001
GROSS				
Market share	80,011			80,011
Business value	442	114		556
Patents and R&D	10,315	341		10,656
Other	6,050	144	304	5,890
Total	96,818	599	304	97,113

The gross value of leased intangible assets amounted to EUR 1.7 million.

<i>EUR 000</i>	31/12/2000	Increase	Decrease	31/12/2001
AMORTIZATION				
Business value	351	55		406
Patents and R&D	6,216	939		7,155
Other	3,413	895	302	4,006
Total	9,980	1,889	302	11,567

Geographical breakdown: entirely within the European Union

NOTE 4 Tangible assets

<i>EUR 000</i>	31/12/2000	Increase	Decrease	31/12/2001
GROSS				
Land	8,808		790	8,018
Buildings	77,715	2,016	69	79,662
Plant and machinery	299,968	12,991	1,783	311,176
Other	7,286	452	846	6,892
Advances and installments, construction in progress	5,253		1,491	3,762
Total	399,030	15,459	4,979	409,510

Increases included currency gains in the amount of EUR 1,648,000

<i>EUR 000</i>	31/12/2000	Increase	Decrease	31/12/2001
DEPRECIATION				
Buildings	30,439	4,250		34,689
Plant and machinery	172,623	18,188	1,433	189,378
Other	5,056	782	815	5,023
Total	208,118	23,220	2,248	229,090

The increase in depreciation included a currency translation difference of EUR 757,000.
The gross valued of leased tangible assets amounted to EUR 45.8 million (including EUR 18.3 million for land and buildings and EUR 24.7 million for machinery and tools).

Geographical breakdown:

- European Union: EUR 170.7 million
- Poland: EUR 9.7 million

NOTE 5 Financial assets

<i>EUR 000</i>	2001	2000
5.1. Analysis		
Non-consolidated equity interests	45	45
Affiliates consolidated under the equity method	392	467
Loans	3,608	3,355
Other	440	530
Gross total	4,485	4,397
Provisions	45	45
Net total	4,440	4,352

Geographical breakdown: entirely within the European Union
The shares of companies which are not any more consolidated are frozen at their probable liquidation value.

5.2. Non-consolidated equity interests

Company	Ownership %		Book value
	2001	2001	2000
Sofirec	4	0	0
SCI Lann-Bras	33	0	0
Unitrans	50	0	0
Coffrets de France	95	0	0
Total		0	0

NOTE 6 Goodwill not taken to specific account

<i>EUR 000</i>	2001	2000
Gross value	3,188	3,161
Amortization	(1,460)	(1,302)
Net	1,728	1,859

Geographical breakdown: entirely within the European Union

NOTE 7 Inventories

<i>EUR 000</i>	2001	2000
Raw materials, supplies and goods	42,236	44,493
Finished products	17,289	15,141
Total	59,525	59,634

Finished products include paper stocks for sale outside the Group.

NOTE 8 Trade receivables and other receivables

<i>EUR 000</i>	2001	2000
Trade receivables		
Trade receivables	90,622	93,667
Provisions	(4,073)	(4,026)
Net	86,549	89,641

All trade receivable accounts are regularly reviewed and analysed individually.

Bad debts are fully provisioned.

There are note statistical provisions. However, if certain customers present special risks, risk provisions are taken.

Other receivables	2001	2000
Other receivables	10,470	14,010
Provisions	(126)	(126)
Net	10,344	13,884

Other receivables in 2001 inter alia included recoverable VAT (EUR 6.9 million).
Net trade receivables and other receivables are due within 1 year.

Accruals (prepaid expenses)	2001	2000
Treasury stock	53	53
Prepaid expenses	982	1,073
Net deferred tax credits	5,183	2,334
Total	6,218	3,460

Deferred tax credits	2001
Gross	21,187
Provisions	(16,004)
Net	5,183

Provisioned deferred tax credits represent the losses of subsidiaries included in the tax consolidation group before they were added to the tax consolidation group

NOTE 9 Charges taken to future fiscal years

<i>EUR 000</i>	2001	2000
Start-up costs	5,248	7,751
Overhaul and linings	3,883	3,092
ISO 9000 certification costs	301	560
Cost of borrowings	46	68
Other	438	543
Total	9,916	12,014

ISO 9000 certification costs are amortized over 5 years from the certification date. Overhaul and the linings of certain paper machines are amortized over at most 12 months.

Start-up costs are costs incurred when equipment is taken into use, during the interim period between completion of installation and use at normal production capacity. This heading covers all costs incurred during the start-up period until normal operation. They are amortized over 5 years. These mainly represent the remaining start-up costs of Otor Papeterie de Rouen.

NOTE 10 Equity and net asset value

EUR 000

	Capital	Issue premiums	Consolidated reserves	Annual profit (loss)	Total equity	Minority interests
Net worth on 1 January 2000	85,900	13,196	21,014	(16,535)	103,575	4,522
Profit (loss)			(16,535)	12,077	(4,458)	237
Dividends						(129)
Currency gains and miscellaneous			146		146	45
Changes in capital	(63,732)	30,480	78,973		45,721	
Change in consolidation scope						(90)
Charges connected with capital increase		(2,202)			(2,202)	
Net worth on 1 January 2001	22,168	41,474	83,598	(4,458)	142,782	4,585
Profit (loss)			(4,458)	8,286	3,828	333
Dividends						(168)
Currency gains and miscellaneous			385		385	87
Subscription of warrants		120			120	
Change in consolidation scope						(262)
Net worth after profit on 31 December 2001	22,168	41,594	79,525	3,828	147,115	4,575

In the fourth quarter of 2001, Otor launched a warrant issue for the Group's executives at a price of EUR 0.15 per warrant in two tranches:

- 1,231,286 were subscribed by GIE Otor Investissement,
- 800,766 were subscribed by the Group's managers.

The warrants owned by GIE Otor Investissement are also intended to be sold at the same price to the Group's executives. The exercise period is five years. Each warrant permits subscription of one Otor share at a price of EUR 3. These warrants may only be exercised if the theoretical internal rate of return resulting from investments made by Otor Finance in Otor SA since 12 May 2000 is at least 30%.

These conditions are described in the prospectus approved by the COB, recorded under number R 00-177.

NOTE 11 Provisions

EUR 000

11.1. Badwill taken to specific accounts

	31/12/2001	31/12/2000
Otor Papeterie de Rouen retirement funds	2,287	2,287

11.2. Other provisions

	31/12/2000	Increases	Decreases	31/12/2001
Risk provisions	3,366	1,214	1,536	3,044
Charge provisions	3,407	3,977	1,595	5,789
Net deferred tax provisions	22,937	151	0	23,088
Total	29,710	5,342	3,131	31,921

All provisions for unrealized taxes are recorded as deferred tax provisions and valued at a rate of 36.43%

These provisions mainly consist of deferred taxation on the consolidation entry of Otor Papeterie de Rouen (EUR 14.3 million), restated finance leases (EUR 3.0 million) and charges to be taken to future fiscal years (EUR 3.6 million).

Provisions for charges include EUR 2.1 million for the shutdown of Otor Riquet.

NOTE 12 Subsidies and grants

EUR 000

	31/12/2000	Increases	Decreases	31/12/2001
Machinery subsidies	105	72	22	155

NOTE 13 Borrowings and debts

EUR 000

13.1. Breakdown by type and maturity

Maturities	2002	2003/2006	Decreases	Total
Long-term borrowings and debts to credit institutions	13,711	75,579	16,539	105,829
Trade payables and miscellaneous	1,537	1,320	111	2,968
Blocked profit sharing accounts	1,194	4,025		5,219
Total long-term debt	16,442	80,924	16,650	114,016
Short-term borrowings and debts	40,492			40,492
Total	56,934	80,924	16,650	154,508

Long-term borrowings and debts to credit institutions include EUR 24.4 million from lease contracts restated as borrowings.

13.2. Change in long-term borrowings and debts

Long-term borrowings and debts include debt originally agreed for more than two years.

<i>EUR 000</i>	31/12/2000	Increases	Decreases	31/12/2001
Long-term borrowings and debts to credit institutions and restated leases	108,168	2,048	4,388	105,828
Miscellaneous borrowings	9,072	2,517	3,401,	8,188
Total	117,240	4,565	7,789	114,016

13.3 Short-term debt

Short-term borrowings and debts cover debt with less than two years of maturity on inception.

<i>EUR 000</i>	2001	2000
Operating facilities	40,492	64,120
Cash	(6,307)	(5,090)
Investment securities	(1,363)	(3,011)
Total	33,822	56,019

13.4. Rate hedges

The entire short-term debt is at a floating rate.

Long-term debt breaks down in EUR 28.4 million at fixed rate and EUR 85.6 million at floating rate.

The base rate for floating-rate debt is the EURIBOR.

Otor did not arrange interest rate hedges in 2001.

NOTE 14 Other debts

<i>EUR 000</i>	2001	2000
Tax and social security liabilities	35,676	29,180
Suppliers of fixed assets	2,862	1,857
Other	2,882	2,783
Total	41,420	33,820

NOTE 15 Financial commitments

<i>EUR 000</i>	2001	2000
Mortgages, pledges, security interests and other commitments reflected in liabilities in the consolidated balance sheet	102,170	108,408
<i>Of which security interests</i>	<i>96,510</i>	<i>101,026</i>
Other commitments	3,765	2,384
Discounted trade bills not yet due	8,081	9,610

The Group's estimated retirement liabilities, calculated according to the discounted projection method, amounted to EUR 9 million.

NOTE 16 Operating profit (loss)

EUR 000

16.1. Sales

	2001	2000
Paper and board operations - France	321,285	320,674
Paper and board operations - international	85,505	85,603
Other	5,692	5,997
Total	412,482	412,274

Aggregate sales by activity broke down as follows:

	2001	2000
Corrugated board and board packagings (cumulative)	313,900	302,688
Paper	231,360	250,514
Mechanization	4,823	4,929
Waste paper recovery	18,625	26,921
Total	568,708	585,052

16.2 Other income

	2001	2000
Production taken to inventory	1,055	1,958
Capitalized production costs	584	726
Provision writebacks and charge transfers	12,487	15,525
Patent royalties and assignments	351	911
Operating grants	226	279
Other	417	797
Total	15,120	20,196

Provision writebacks and charge transfers in 2001 included mainly:

- writebacks of risk and charge provisions (EUR 2.0 million) and doubtful claims (EUR 1.2 million). Writebacks of risk and charge provisions notably covered the cost of converting Otor Papeterie de Rouen (EUR 1.5 million);
- costs recognized under charges taken to future fiscal years (EUR 8.6 million), mainly the cost of overhauls and linings;
- costs transferred to exceptional charges (EUR 0.4 million);
- insurance indemnities (EUR 0.3 million).

16.3. Cost of goods sold and other purchases and external charges

	2001	2000
Cost of goods sold	119,366	156,461
Other purchases and external charges	126,448	113,962
Total	245,814	270,423

The increase in other external purchases and the corresponding decrease in the cost of goods sold were mostly due to the installation of the cogeneration plant at Otor Papeterie de Rouen.

16.4. Other operating charges

	2001	2000
Taxes	12,389	11,758
Wages and social security charges	106,967	104,067
Other charges	1,053	351
Total	120,409	116,176

16.5. Depreciation, Provisions and Amortization

	2001	2000
Provisions	2,746	1,483
Amortisation and depreciation	24,286	24,559
Total	27,032	26,042

Amortization and depreciation included EUR 3.8 million deriving from the valuation at fair value of Otor Papeterie de Rouen's fixed assets.

NOTE 17 Wages and social security charges

<i>EUR 000</i>	2001	2000
Wages	75,872	73,185
Social security charges	31,095	30,882
Subtotal	106,967	104,067
Profit sharing	2,183	1,892
Total	109,150	105,959

Pursuant to the applicable accounting presentation rules, the profit sharing was restated under operating charges in 2001.

	2001	2000
Workforce	3,055	3,053

The above workforce includes all employees with permanent contracts, fixed-term contracts and temporary contracts.

NOTE 18 Net financial income

<i>EUR 000</i>	2001	2000
Financial charges	(12,066)	(13,462)
Financial income	284	392
Net currency gain (loss)	288	392
Equity affiliates	115	325
Total	(11,379)	(12,353)

NOTE 19 Exceptional income

<i>EUR 000</i>	2001	2000
Capital gains on divestment of fixed assets	(510)	2,595
Other net income (loss)	(6,308)	(8,373)
Total	(6,818)	(5,778)

In accordance with the general accounting plan and the Commercial Code, net exceptional income includes charges and income not connected with day-to-day operations, whether part of ordinary or extraordinary activity. Other exceptional income and charges notably include :

- EUR 2.8 million for costs connected with the shutdown of Otor Riquet,
- EUR 2.3 million relating to amortization of start-up costs,
- EUR 0.6 million in provisions for risks linked to sales made with Moulinex.

NOTE 20 Corporation tax

<i>EUR 000</i>	2001	2000
Corporation tax – current	4,244	(40)
Corporation tax - diferred	(2,664)	(2,113)
Total	1,580	(2,153)

Breakdown of tax between income from ordinary activities and income from exceptional activities:

	2001	2000
Tax on income from ordinary activities	4,395	533
Tax on income from exceptional activities	(2,815)	(2,686)
Total	1,580	(2,153)

Reconciliation of tax liabilities:

	2001
Consolidated pre-tax income	5,741
Theoretical annual tax liability	2,066
Impact of non-deductible losses and non-deductible expenses	508
Equalization tax	83
Impact of recovered earlier losses and regularization of deferred taxation	(368)
Readjustment of deferred tax rate (from 37.77% to 36.43%)	(709)
Consolidated tax	1,580

Tax consolidation group

It should be noted that Otor pays corporation tax for the companies in the tax consolidation group, i.e.

Otor Godard	Otor Picardie	Normandie Ondulé	Otor Papeterie de Rouen
Otor Normandie	Etuis Cognac	Otor Dauphiné	
Otor Bretagne	Otor Services	Otor Systems	
Otor Velin	Delaire Recyclage	Otor Riquet	

The parent company records the difference between the tax calculated according to general law provisions and the tax calculated according to the French “group's tax regime” in the income statement during the year in which it is recognized. The resulting tax gain recognized in 2001 amounted to EUR 3,297,261.

NOTE 21 Cash flow

<i>EUR 000</i>	2001	2000
Net attributable income	3,828	(4,458)
Operating amortization and depreciation	24,286	24,559
Capital gains on divestment of fixed assets	510	(2,595)
Goodwill amortization	158	158
Total	28,782	17,664

CASH FLOW TABLE

<i>EUR 000</i>	2001	2000
Cash flow from operations		
Consolidated net income	4,161	(4,221)
Elimination of charges and income without impact on the cash position or not connected with the activity		
• Depreciation, Provisions and Amortization	24 496	24,825
• Change in deferred taxation (including provisions)	(2 698)	(2,188)
• Capital gains on divestments, net of tax	510	(2,595)
• Profit of equity affiliates	(115)	
Consolidated cash flow	26,354	15,821
Dividends received from equity affiliates	190	
Change in operating provisions	2,060	(2,133)
Change in working capital requirement	14,004	(30,134)
Cash flow generated by operations	42,608	(16,446)
Cash flow connected with fixed assets		
Acquisition of tangible and intangible fixed assets	(12,898)	(14,106)
Other fixed assets	(190)	
Divestment of fixed assets net of tax	730	3,229
Impact of change in consolidation structure	(262)	(90)
Cash flow connected with fixed assets	(12,620)	(10,967)
Cash flow connected with financing operations		
Dividends paid to the parent company's shareholders	0	0
Dividends paid to the minority interests in consolidated companies	(168)	(129)
Cash capital increases (net of costs)	120	43,519
Increase in medium-term borrowings*	4,598	20,752
Repayment of medium-term borrowings	(7,811)	(10,419)
Cash flow connected with financing operations	(3,261)	53,723
Change in cash position : income / (needs)	26,727	26,310
– Cash position at the start of the year	(69,644)	(95,880)
+ Cash position at the end of the year	(43,302)	(69,644)
+ Impact of change in exchange rates	385	74
Change in cash position (including discounting and factoring)	26,727	26,310

* of which EUR 13,412,000 from consolidation of short-term borrowings in 2000

**STATUTORY AUDITORS' REPORT
ON THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001**

To the Shareholders of Otor

Further to the assignment vested in us by your General Meeting, we have audited Otor's consolidated financial statements for the fiscal year to 31 December 2001, as appended to this report.

The consolidated financial statements were approved by the Board of Directors. It is our responsibility to express an opinion on these financial statements, based on our audit.

In carrying out our audit, we applied generally accepted French auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluation of the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements, prepared in accordance with generally accepted French auditing standards, present fairly the results of operations during the past year, the financial position and the net assets of the companies included in the consolidation structure at the end of this fiscal year.

We have also verified the information on the group given in the management report. In our opinion, we consider it as fair and in agreement with the annual financial statements.

Paris-La Défense and Cognac, 29 March 2002
The statutory auditors

Barbier Frinault & Associés
François Rochmann

Durand & Associés
Philippe Durand

Financial Statements

on 31/12/2001

BALANCE SHEET

<i>EUR 000</i>	31.12.2001	31.12.2000
ASSETS		
Issued and uncalled capital	-	-
Start-up costs	-	-
Research and development expenses	2,943,778	2,757,678
- Amortization	(2,431,403)	(2,305,937)
Concessions, patents and similar rights	7,711,890	7,557,778
- Amortization	(4,724,330)	(3,910,657)
Business value	30,490	30,490
Other intangible fixed assets	2,331,432	2,326,363
- Amortization	(1,537,261)	(1,266,361)
Total intangible fixed assets	4,324,596	5,189,354
Other tangible fixed assets	370,702	353,563
- Amortization	(305,198)	(253,809)
Construction in progress	-	-
Total tangible fixed assets	65,504	99,754
Interests	126,341,320	123,581,848
- Depreciation	(5,899,777)	(5,899,777)
Claims on interests	49,803,569	49,803,569
Loans	220,689	200,920
Other	2,775	122
Total financial assets	170,468,576	167,686,682
Total fixed assets	174,858,676	172,975,790
Goods	457,347	457,347
- Provisions	(450,000)	(450,000)
Total stock and unfinished products	7,347	7,347
Advances and down payments on orders	7,568	12,196
Trade receivables and similar accounts	1,923,866	3,501,806
- Provisions	(951)	(951)
Other operating receivables	42,711,382	35,922,244
- Provisions	(34,928)	(34,928)
Issued and called-up but unpaid capital	1,657,957	3,379,624
Transferable investment securities	1,657,957	3,379,624
- Provisions	(344,662)	(344,662)
Current assets	67,105	85,250
Prepaid expenses	57,221	35,486
Total current assets	46,051,905	42,563,412
Expenses carried forward to future fiscal years	183,480	166,974
Bond redemption premiums	-	-
Foreign exchange (debit balance)	18	-
Total assets	221,094,079	215,706,176

BALANCE SHEET

<i>EUR 000</i>	31.12.2001	31.12.2000
LIABILITIES		
Share capital	22,167,792	22,167,792
Paid-in surplus, call and merger premiums	41,778,602	41,473,801
Revaluation difference	-	-
Legal reserve	8,448,645	8,448,645
Statutory or contractual reserves	-	-
Regulated reserves	-	-
Other reserves	86,395,240	86,395,240
Retained earnings (loss carry forwards)	5,905,394	(361,477)
Annual profit (loss)	2,102,088	6,266,871
Investment grants	-	-
Regulated provisions	-	-
Total equity	166,797,761	164,390,872
Risk provisions	13,260,000	5,500,000
Charge provisions	-	-
Total provisions	13,260,000	5,500,000
Loans and debts with credit institutions	4,230,934	4,256,111
Other borrowings and loans	32,612,181	34,855,811
Advances and down payments received on outstanding orders	1,219	-
Trade payables and equivalent	1,802,370	3,648,742
Tax and social security liabilities	1,736,040	2,264,438
Debts on fixed assets and equivalent	186,100	465,130
Other debts	455,382	325,072
Total current liabilities	41,024,226	45,815,304
Uncarned revenue	-	-
Foreign exchange (credit balance)	12,092	-
TOTAL LIABILITIES	221,094,079	215,706,176

INCOME STATEMENT

<i>EUR 000</i>	31.12.2001	31.12.2000
Sale of goods	-	880,930
Services	11,964,085	12,469,781
French sales	11,964,085	13,350,711
Sale of goods	-	-
Services	443	-
Foreign sales	443	-
Net sales	11,964,528	13,350,711
Production taken to inventories	-	-
Capitalized production costs	-	150,000
Operating grants	3,354	3,354
Writebacks from DPA, charge transfers	175,671	2,382,692
Other operating income	335,976	1,027,044
Total operating income (I)	12,479,529	16,913,801
Purchase of goods	-	1,338,277
Stock variation (goods)	-	(457,347)
Raw material stocks	-	-
Change in raw material stocks	-	-
Other purchases and external charges	6,178,601	8,713,474
Taxes and levies	218,509	219,452
Salaries and wages	2,880,706	3,098,747
Social security charges	1,230,003	1,458,023
Appropriations for depreciation of fixed assets	1,420,592	1,295,415
Appropriations for fixed asset provisions	-	-
Appropriations for current asset provisions	-	-
Appropriations for risk & charge provisions	-	-
Other operating charges	73,532	386,926
Total operating charges (II)	12,001,943	16,052,967
Operating profit (loss) (I-II)	477,586	860,834
Allocated profit or transferred loss (III)	-	-
Assumed loss or transferred profit (IV)	-	-
Financial income from interests	3,939,179	2,717,071
Income from other transferable securities and claims	2,299,794	714,300
Other interest and similar income	-	-
Writebacks from provisions and charge transfers	-	-
Currency gains	-	21,545
Net income from the sale of transferable investment securities	45,706	205,781
Total financial income (V)	6,284,679	3,658,697

INCOME STATEMENT

<i>EUR 000</i>	31.12.2001	31.12.2000
Appropriations to DPA	-	147,363
Interest and similar charges	211,122	315,978
Currency losses	60	3,794
Net charges on the sale of transferable investment securities	-	-
Total financial charges (VI)	211,182	467,135
Net financial income (V-VI)	6,073,497	3,191,562
Income before tax and exceptional items (I-II+III-IV+V-VI)	6,551,083	4,052,396
Exceptional income		
• from management operations	14,323	-
• from capital transactions	-	-
Writebacks from provisions and charge transfers	1,400,000	886,180
Total exceptional income (VII)	1,414,323	886,180
Exceptional charges		
• on management operations	428	681,070
• on capital transactions	-	-
Exceptional appropriations to provisions and charge transfers	9,160,000	5,950,000
Total exceptional charges (VIII)	9,160,428	6,631,070
Net exceptional income (VII-VIII)	(7,746,105)	(5,744,890)
Employee profit sharing (IX)	-	-
Corporation tax (X)	(3,297,110)	(7,959,365)
Total income (I + III + V + VII)	20,178,531	21,458,678
Total charges (II + IV + VI + VIII + IX + X)	(18,076,443)	(15,191,807)
Profit (loss) (total income - total charges)	2,102,088	6,266,871

BREAKDOWN OF EXCEPTIONAL INCOME AND CHARGES

FY2000	Charges	Income
Provisions for risk connected with a subsidiary	9,100,000	1,400,000
Provisions for disputes	60,000	-
Miscellaneous	428	14,323

to the Financial Statements on 31 December 2001

NOTE 1 Accounting rules and methods

The general accounting agreements have been applied in accordance with the principle of conservatism and the following basic assumptions:

- continuity of operations;
- consistency;
- time-period concept;

and the general rules governing the preparation and presentation of the annual financial statements.

The historic cost method was the basic valuation method.

The principal methods used were as follows:

1.1. Intangible assets

Intangible assets were valued at acquisition or production cost. Amortization was calculated according to the straight-line method over the following periods:

- Patents 10 years
- R&D 5 years
- Other intangible assets:
software 1 to 5 years

1.2. Tangible assets

Tangible assets were valued at acquisition cost (purchase price and incidental expenses excluding the acquisition charges connected with fixed assets) or production cost.

Depreciation was calculated according to the straight-line method over the following periods:

- Buildings 20 years
- Plant and machinery 10 years

1.3. Financial assets

Securities were valued at acquisition or contribution costs without using the equity method and excluding incidental expenses. A depreciation provision was taken whenever the carrying value was lower than the book value

The carrying value reflects the subsidiary's utility for the Group and inter alia factors in the following criteria: EBITDA, market share in a given zone or for a given product, sales, sales volumes, contribution to consolidated EBITDA.

The chosen criteria are consistent with the consolidated values.

1.4. R&D

For many years, Otor has pursued a major R&D strategy, which has led to registration of many patents.

Otor assigns certain patents for limited geographical areas. The net value of such assignments is taken to operating profit through the charge transfer account.

1.5. Warrants

In the fourth quarter of 2001, Otor launched a warrant issue in favour of the Group's executives at a price of EUR 0.15 per warrant in two tranches:

- 1,231,286 were subscribed by GIE Otor Investissement,
- 800,766 were subscribed by the Group's executives.

The warrants owned by GIE Otor Investissement are also intended to be sold at the same price to the Group's executives. The exercise period is five years. Each warrant permits subscription of one Otor share at a price of EUR 3. These warrants may only be exercised if the theoretical internal rate of return resulting from investments made by Otor Finance in Otor SA since 12 May 2000 is at least 30%.

These conditions are described in the prospectus approved by the COB, recorded under number R 00-177.

1.6. Corporation tax

Otor pays tax for the companies included in the tax consolidation group, i.e.:

- | | |
|------------------|----------------------------|
| • Otor Godard | • Delaire Recyclage |
| • Otor Normandie | • Normandie Ondulé |
| • Otor Bretagne | • Otor Papeterie St Michel |
| • Otor Velin | • Otor Dauphiné |
| • Otor Picardie | • Otor Systems |
| • Etuis Cognac | • Otor Riquet |
| • Otor Services | • Otor Papeterie de Rouen |

The parent company records the difference between the tax calculated according to general law provisions and the tax calculated according to the Group's tax regime in the income statement during the year in which it is recognized. The resulting tax gain recognized in 2001 amounted to EUR 3,297,461.

NOTE 2 Fixed assets*EUR 000***2.1. Change in fixed assets, gross value**

	31.12.2000	In	Out and other movements	31.12.2001
Intangible assets	12,672,309	345,281		13,017,590
Tangible assets	353,563	17,138		370,701
Financial assets	173,586,459	2,783,167	1,271	176,368,355
Total	186,612,331	3,145,586	1,271	189,756,646

2.2. Change in amortization & depreciation

	31.12.2000	Appropriations	Writebacks and other movements	31.12.2001
Intangible assets	7,482,954	1,261,428		8,744,382
Tangible assets	253,810			253,810
Financial assets	0			0
Total	7,736,764	1,261,428	0	8,998,192

NOTE 3 Current assets*EUR 000***3.1. Receivables**

Receivables are available in the short term.
Doubtful claims are fully provisioned.

3.2. Treasury stock

	31.12.2000	Movements	31.12.2001
Number	22,974		22,974
Total gross value	397,259		397,259
Total provision	341,662		341,662
Total net value	55,597	0	55,597

NOTE 4 Change in equity

<i>EUR 000</i>	2001	2000
Equity on 1 January	164,390,872	114,605,678
Annual profit (loss)	2,102,088	6,266,871
Capital increase and issue premiums	304,801	43,518,323
Appropriations to regulated provisions	0	0
Writebacks from regulated provisions	0	0
Dividends	0	0
Other changes	0	0
Total	166,797,761	164,390,872

NOTE 5 Change in provisions

<i>EUR 000</i>	31.12.2000	Appropriations	Writebacks	31.12.2001
Risks and charges	5,500,000	9,160,000	1,400,000	13,260,000
Depreciation of financial assets	5,899,777			5,899,777
Inventory depreciation	450,000			450,000
Other receivables and investment securities	380,541			380,541
Total	12,230,318	9,160,000	1,400,000,	19,990,318

NOTE 6 Debts

<i>EUR 000</i>	31.12.2000	Increase	Decrease	31.12.2001
Convertible bonds	0			0
Borrowings and debts to credit institutions:				
• long term	3,925,421			3,925,421
• short term (change)	330,690		25,176	305,514
Other borrowings and debts:				
• long term	0			0
• short term (change)	34,855,811		2,243,631	32,612,180
Total	39,111,922	0	2,268,807	36,843,115

Maturities

2002	920,133	o.w.	
2003-2006	35,922,982	Credit institutions	4,230,934
after	0	Other borrowings and debts	32,612,181
Total	36,843,115		36,843,115

NOTE 7 Financial commitments

<i>EUR 000</i>	31/12/2001	31/12/200
Commitments given:		
• guarantees	94,270,082	96,056,514
• Securities pledges	1,429,209	1,429,209
• Machinery pledges	-	-
• Debt forgiveness	-	-
(clause providing for payment on recovery)	-	-
• Land and building mortgages	-	-
• Leases	-	-
Commitments received:		
• guarantees	-	-
• Debt forgiveness	12,000,000	12,000,000
(clause providing for payment on recovery)	-	-
Discounted bills not yet due	-	-

The amount of real sureties corresponds to the principal due at the end of the fiscal year.
The amount of retirement liabilities, calculated according to discounted projected method, came to EUR 250,000.

NOTE 8 Shares outstanding

	Number	Par value (EUR)
Shares outstanding at the start of the fiscal year	22,167,792	1
Reduction of par value	-	-
Capital increase	-	-
Shares outstanding at the end of the fiscal year	22,167,792	1

All shares making up the share capital have the same rights except registered shares held for more than 4 years by the same shareholder, which have double voting rights.

NOTE 9 Average workforce

	2001	2000
Managers	24	35
Supervisors and technicians	4	6
Administrative staff	8	8
Workers and drivers	0	0

NOTE 10 Breakdown of sales

<i>EUR</i>	2001	2000
Services	11,124,980	11,187,906
Finished paper products	0	880,930
Other goods	0	0
Rebilling of costs and miscellaneous	839,548	1,281,875
Total	11,964,528	13,350,711

NOTE 11 Income receivable and prepaid expenses

<i>EUR</i>	2001	2000
Prepaid outside services	57,221	35,486
Discounts	100,517	5,457
Income receivable	3,320	53,492
Tax receivable from subsidiaries - tax consolidation group	3,297,461	7,924,263
Other	86,724	30,499

NOTE 12 Charges payable and unearned revenue

<i>EUR</i>	2001	2000
Purchases	-	-
Outside services	581,558	322,577
Taxes	91,389	100,653
Personnel expenses	322,812	455,549
Financial charges	42,500	42,500
Discounts	415,658	324,770
Credits to be established	39,726	-
Fixed asset payables	186,100	465,130

NOTE 13 Charges taken to future fiscal years

<i>EUR</i>	31/12/2000	Charge transfers	Amortization	31/12/2001
Fees	166,974	175,670	159,164	183,480

NOTE 14 Balance of interco transactions

<i>EUR</i>	2001	2000
Other receivables	38,443,374	27,246,396
Trade receivables	1,832,241	3,334,316
Long-term advances	49,803,569	49,803,569
Other borrowings and debts	32,586,168	34,829,923
Trade payables	887,544	2,170,614
Other income	119,629	71,115
Sales	11,124,980	12,032,249
Outside services	2,693,346	3,958,576
Financial income	2,299,310	3,431,371
Purchase of goods	0	457,347
Purchase of fixed assets	186,100	465,130

NOTE 15 Fixed assets

<i>EUR</i>	2001	2000
15.1. Breakdown of corporation tax		
Tax gain - tax consolidation group	3,297,461	7,924,263
Miscellaneous	(351)	35,102
Total	3,297,110	7,959,365

15.2. Impact of special tax valuations

Not applicable.

15.3. Decrease and increase in future tax liabilities

Not significant.

NOTE 16 Subsidiaries and interests

	2001			2000	
Companies or groups of companies	Capital	Equity before allocation of profit (*)	Share in the capital as a %	Inventory value of securities	
				Gross	Net
	in EUR	in EUR		in EUR	in EUR
1- Subsidiaries (at least 50% of the capital held by the company)					
Otor Godard	5,776,000	1,887,208	99.99%	12,057,917	12,057,917
Otor Normandie	4,575,000	8,688,078	95.08%	22,192,404	22,192,404
Otor Bretagne	3,442,500	7,933,286	95.04%	11,735,891	11,735,891
Otor Picardie	3,213,000	8,655,469	99.97%	13,697,284	13,697,284
Otor Velin	6,105,000	11,956,806	95.21%	11,936,037	11,936,037
Etais Cognac	1,269,200	(2,545,376)	99.99%	1,276,133	1,276,133
Otor Services	5,497,200	6,801,446	99.99%	6,513,864	6,513,864
Otor Dauphiné	3,109,750	4,658,795	99.99%	18,974,938	18,974,938
Otor Papeterie de Rouen	15,200,000	(47,426,678)	99.99%	15,244,825	15,244,825
Otor Systems	988,000	(401,125)	98.10%	972,061	972,061
GIE Otor Investissement	200,000	200,000	99.99%	199,981	199,981
	in foreign currency	in foreign currency			
Otor Silesia (PLN)	40,000,000	14,924,989	96.15%	11,292,497	5,575,659
Otor UK (GBP)	50,000	9,094	100.00%	64,548	64,548
2- Interest (10% to 50%) in euros					
Coffrets de France	638,400	(79,664)	28.57%	182,939	0
	Loans and advances granted and not repaid	guarantee and other commitments supplied	Sales of last financial year	Profit (loss) of last financial year	Dividends collected during the year
1- Subsidiaries (at least 50% of the capital held by the company) in euros:					
Otor Godard	5,852,446	2,809,599	46,090,055	333,771	-
Otor Normandie	-	13,941,004	73,882,532	1,480,587	142,616
Otor Bretagne	-	16,133,266	53,537,036	2,114,276	470,446
Otor Picardie	1,372,041	8,930,318	62,436,894	3,446,623	1,469,510
Otor Velin	-	907,911	57,589,585	2,718,264	1,856,569
Etais Cognac	4,242,500	152,450	13,897,526	15,660	-
Otor Services	-	-	5,000,901	1,075,165	-
Otor Dauphiné	8,101,798	10,815,801	74,422,890	5,959,577	26
Otor Papeterie de Rouen	55,217,976	36,192,519	104,422,073	(9,814,616)	-
Otor Systems	1,150,179	110,974	4,823,244	(578,133)	-
GIE Otor Investissement	-	-	-	-	-
		in EUR	In foreign currency	In foreign currency	
Otor Silesia (Poland)		1,876,829	68,972,493	(3,451,953)	-
Otor UK (GBP)				(40,906)	-
2- Interest (10% to 50%) in euros:					
Coffrets de France	18,906	-	-	in liquidation	

*including the previous year's result

GENERAL STATUTORY AUDITORS' REPORT

To the Shareholders

Further to the assignment vested in us by your General Meeting, we herewith present our report for the fiscal year to 31 December 2001, on:

- our audit of Otor's annual financial statements as appended to this report;
- the specific verifications and information required by law.

It is the responsibility of the Board of Directors to approve the annual financial statements. It is our responsibility to express an opinion on these financial statements, based on our audit.

I – Opinion on annual financial statements

In carrying out our audit, we applied generally accepted French auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluation of the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements, prepared in accordance with generally accepted French auditing standards, present fairly the results of operations during the past year, the financial position and the net assets of the company at the end of this fiscal year.

2 – Special verifications and information

We have also carried out the special verifications provided for by law in accordance with generally accepted French auditing standards.

In our opinion, the information given in the management report and the documents sent to the shareholders on the financial position agrees with the annual financial statements.

Pursuant to the law, we verified that the necessary information on the acquisition of interests and take-overs and the identity of the shareholders is given in the management report.

Paris, 29 March 2002
The statutory auditors

Barbier Frinault & Associés
François Rochmann

Durand & Associés
Philippe Durand

SPECIAL STATUTORY AUDITORS' REPORT

To the Shareholders

In our capacity as the statutory auditors of your company, we herewith present our report on the regulated agreements.

Pursuant to Article L 225-40 of the Commercial Code, we have been informed of agreements authorized beforehand by your Board of Directors.

It is not our responsibility to look for the possible existence of other agreements but to inform you, based on information received, of the key features and characteristics of those agreements of which we were informed, without judging their utility or validity. Pursuant to Article 92 of the decree of 23 March 1967, it is your responsibility to judge the interest of these agreements and to approve them.

In carrying out our work, we applied generally accepted standards. Those standards require that we conduct the verifications necessary to obtain reasonable assurance about whether the basic documents are free of material misstatement.

AGREEMENTS ENTERED INTO DURING THE FISCAL YEAR:

1. Guarantee authorization

Board meeting	Secured companies	Amount
4 April 2001	Otor Silesia Otor Godard	PLN 8,000,000 EUR 470,000
19 June 2001	Otor Papeterie de Rouen	EUR 1,515,373
21 December 2001	Otor Silesia	PLN 2,000,000

2. Repurchase of Otor Papeterie de Rouen shares

The Board meeting of 4 April 2001 authorized Otor to repurchase shares at par value from the minority shareholders in Otor Papeterie de Rouen.

Within the framework of this authorization, the following shares were repurchased from Otor directors:

- from Mrs. Michèle Bouvier, 3,400 shares for EUR 51,833
- from Mrs. Valérie Bacques, 1,633 shares for EUR 24,895

Moreover, pursuant to the decree of 23 March 1967, we have been informed that the following agreements, approved during previous fiscal years, were continued during the past year:

1. General assistance by Otor for its subsidiaries

The Board meetings of 17 October and 21 December 2001 amended the assistance agreement between Otor and the companies of the Otor Group with effect from 1 January 2001 as follows:

Otor's general assistance for its subsidiaries will henceforth be remunerated in the form of monthly advances equal to Otor's operating charges plus a 5% markup.

This assistance is provided directly by Otor employees or by Otor Participations employees under the management agreement between Otor and Otor Participations.

The remuneration came to EUR 10,338,840 in 2001.

2. Central cash management agreement between Otor and its subsidiaries and conditional advances

- interest on cash and conditional advances at EURIBOR + 1%
- Net interest income for Otor: EUR 2, 299,309

3. Licenses granted by Otor to its subsidiaries (all patents)

- fee of 0.5% over net sales
- amount of this fee in 2001: EUR 139,623

4. Management by Otor of raw materials purchased outside the Group except old paper

- amount discounted to subsidiaries: EUR 415,655

5. Agreement between Otor and Otor Participations

- *by virtue of which Otor Participations:*

- defines the Group's general strategy and main objectives
- supervises the Group's administrative and legal departments
- oversees accounting and tax consolidation and accounting and tax audits of the Group's companies exercises management control
- runs general management and determines the main purchase and marketing options
- provides assistance with financial relations

Fee for 2001: EUR 2,240,003 (expenses + 5%)

6. Conditional advances to the subsidiaries

Continuation of the following conditional advances with interest on the same terms as the cash management agreement (Euribor + 1% margin):

	EUR
– Otor Dauphiné	7,622,451
– Otor Godard	3,154,170
– Otor Picardie	1,372,041
– Otor Papeterie de Rouen	36,587,764
– Etais Cognac	<u>1,067,143</u>
	49,803,569

7. With Otor Systems

Rebilling of R&D costs incurred by Otor Systems on the Group's behalf for patents registered by Otor, i.e. the sum of EUR 186,100.

DIRECTORS CONCERNED BY THE AGREEMENTS

Mr. Jean-Yves Bacques

Chairman of your company and also:

- Chairman, Otor Participations, Otor Finance and Otor Systems
- Director, Otor Bretagne, Etais Cognac, Otor Godard, Otor Normandie, Otor Velin, Otor Picardie, Otor Papeterie de Rouen and Otor Riquet
- Permanent representative on the Board of Directors of Otor Dauphiné, Otor Services, Delaire Recyclage and Normandie Ondulé

Mrs. Michèle Bouvier

General Manager and Director of your company and also:

- Chairwoman, Otor Services
- Director, Otor Bretagne, Otor Dauphiné, Otor Finance, Otor Godard, Otor Normandie, Otor Picardie, Otor Papeterie de Rouen and Otor Riquet
- Permanent representative on the Board of Directors of Otor Systems, Otor Velin, Etais Cognac, Normandie Ondulé

Mr. Jean-Pierre Millet

Director of your company and also:

- Director, Otor Finance

Mrs. Valérie Bacques

Director of your company and also:

- Director, Otor Finance and Otor Services

Mr. Franck Falezan

Director of your company and also:

- Director, Otor Finance, Otor Services and Otor Papeterie de Rouen
- Permanent representative on the Board of Directors of Otor Bretagne, Otor Dauphiné, Otor Godard, Otor Normandie, Otor Picardie, Otor Riquet, Otor Systems, Delaire Recyclage, Etais Cognac and Normandie Ondulé

Mr. Jonathan Zafrani

Director of your company and also:

- Director, Otor Finance, Otor Services and Otor Papeterie de Rouen
- Permanent representative on the Board of Directors of Otor Bretagne, Otor Dauphiné, Otor Godard, Otor Normandie, Otor Picardie, Otor Riquet, Otor Systems, Delaire Recyclage, Etais Cognac and Normandie Ondulé

Paris, 29 March 2002
The statutory auditors

Barbier Frinault & Associates
François Rochmann

Durand & Associés
Philippe Durand

Draft resolutions for the combined ordinary and extraordinary general meeting of 28 May 2002

1 Ordinary resolutions

First resolution

After hearing:

- the management report of the Board of Directors;
- the general statutory auditors' report on the parent company's financial statements for 2001;
- the statutory auditors' report on the consolidated financial statements for 2001;
- the parent company's financial statements for 2001 and the consolidated financial statements;

approves these reports, the company's financial statements and the consolidated financial statements for the fiscal year ended 31 December 2001 as presented, including all transactions reflected or mentioned in these reports, showing a profit of EUR 2,102,088.

Second resolution

At the proposal of the Board of Directors, the General Meeting resolves to allocate net profit for the past year, which breaks down as follows:

• annual profit	EUR 2,102,088
• loss carry over to end 2000	EUR 5,905,394
• Balance	EUR 8,007,482

to retained earnings, which will show a credit in the same amount.

The General Meeting noted that no dividend has been paid for the past three fiscal years.

Third resolution

The General Meeting discharges the directors for their management during the past fiscal year.

Fourth resolution

The General Meeting resolves to renew the Mr. Jean-Yves Bacques' directorship for a one-year term expiring on adjournment of the General Meeting convened to vote on the financial statements for 2002.

Fifth resolution

The General Meeting resolves to renew the Mrs. Valérie Bacques' directorship for a one-year term expiring on adjournment of the General Meeting convened to vote on the financial statements for 2002.

Sixth resolution

The General Meeting resolves to renew the Mrs. Michèle Bouvier's directorship for a one-year term expiring on adjournment of the General Meeting convened to vote on the financial statements for 2002.

Seventh resolution

The General Meeting resolves to renew the Mr. Frank Falezan's directorship for a one-year term expiring on adjournment of the General Meeting convened to vote on the financial statements for 2002.

Eighth resolution

The General Meeting resolves to renew the Mr. Jean-Pierre Millet's directorship for a one-year term expiring on adjournment of the General Meeting convened to vote on the financial statements for 2002.

Ninth resolution

The General Meeting resolves to renew the Mr. François Roussel's directorship for a one-year term expiring on adjournment of the General Meeting convened to vote on the financial statements for 2002.

Tenth resolution

The General Meeting resolves to renew the Mr. Jonathan Zafrani's directorship for a one-year term expiring on adjournment of the General Meeting convened to vote on the financial statements for 2002.

Eleventh resolution

After having heard the special statutory auditors' report prepared pursuant to Articles L 225-38 to L 225-42, the General Meeting approves the agreements mentioned in said report.

Twelfth resolution

The General Meeting resolves that the amount of the attendance fees allocated to the Board of Directors for the 2001 fiscal year shall be EUR 3,050.

2 Extraordinary resolutions

Thirteenth resolution

The General Meeting resolves on the following amendments in the Articles of Association in order to comply with the NRE act of 15 May 2001.

- Article 11 - Management

Proposed new text:

The company is managed by a Board of Directors which determines the business objectives and sees to their implementation.

Subject to the powers expressly vested in the General Shareholders' Meetings and within the limit of the company's purpose, the Board of Directors settles all issues connected with the company's operation within its purview.

The Board of Directors carries out all inspections and verifications it considers advisable.

The Board of Directors, appointed in accordance with the law, consists of three to eighteen members and possibly more when permitted by law.

During his term of office, each director shall own at least one share.

The directors are appointed for one year and may be reelected.

A director's term of office ends on adjournment of the Ordinary General Meeting convened to vote on the financial statements of the past year and held in the year in which the director's term expires.

- Article 12 – Board decisions

Proposed new text:

Directors may be given notice to attend Board meetings by any means, even orally. Board meetings may be held at any location chosen by the author of the notice to attend.

A director may be represented by another director for a given Board meeting. However, a director may have only one such proxy for one meeting.

Directors may not attend Board meetings by means of a videoconference.

Decisions shall be adopted with the quorum and majority provided for by law. In the case of a deadlock, the Chairman of the meeting shall have the casting vote.

Minutes shall be drawn up and copies or excerpts of decisions shall be delivered and certified in accordance with the law.

- Article 13 - Powers of the Board of Directors
Eliminated.

- Article 14 - Remuneration of directors
Renumbered as Article 13.

- Article 15 - Chairman and General Managers
Renumbered as Article 14.

Proposed new text:

The Board of Directors elects a Chairman among its members.

The Chairman represents the Board of Directors. He organizes and directs its work and reports to the General Meeting. He monitors the operation of the company's management bodies and particularly makes sure the directors are able to perform their duties.

General Management is carried out under the Board's supervision by the Chairman of the Board of Directors or by another individual appointed by the Board of Directors with the title General Manager.

The Board of Directors determines either of the two General Management procedures with the majority vote of its members and may at all times modify its choice with the majority vote of its members.

In accordance with the applicable laws and regulations, the Board of Directors may appoint one or more individuals to assist the Chairman, if he assumes the office of General Manager, or the General Manager, in which case they bear the title Sub General Manager. There may be no more than five Sub General Managers.

The age limit for holding office as Chairman of the Board of Directors or as General Manager is fixed at 70 years of age.

The powers of the Chairman of the Board of Directors, if he is charged with General Management, and of the General Manager are those stipulated by law.

As part of the company's internal organization, these powers may be limited by Board decision.

Pursuant to the law, the Board of Directors determines the scope and term of the powers vested in the Sub General Managers. The Sub General Managers have the same powers vis-à-vis third parties as the General Manager.

- Article 16 - Statutory auditor
Renumbered as Article 15.

- Article 17 - General Shareholders' Meetings
Renumbered as Article 16.

- Articles 18-19 and 20 renumbered as 17-18 and 19.

Fourteenth resolution

The General Meeting invests the bearer of a copy or excerpt of the minutes of this General Meeting with the authority to carry out all legal registration and publication formalities.