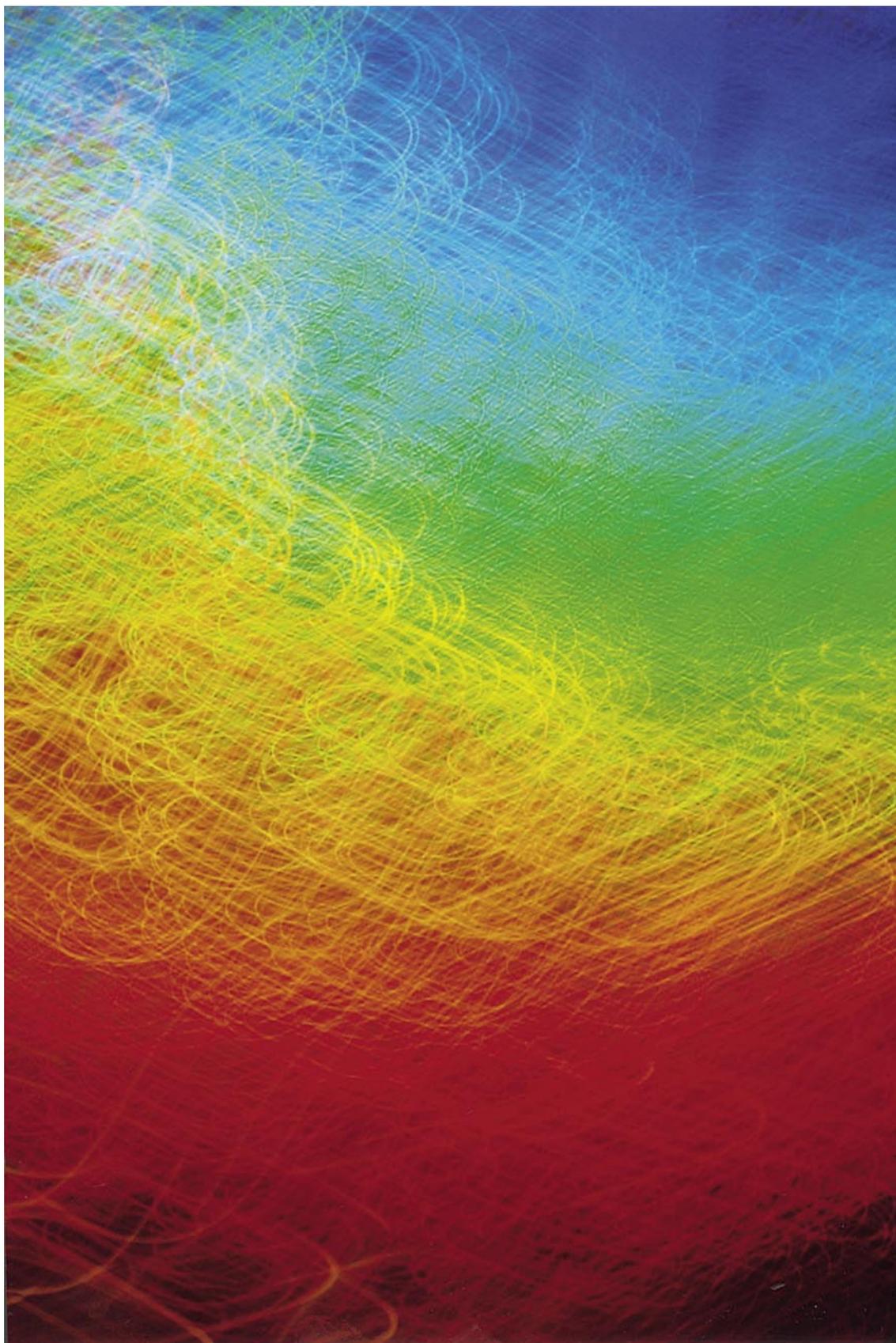


Annual Report 2003





BREDERODE

« It is always darkest before dawn. »

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BOARD OF DIRECTORS

Pierre van der MERSCH, *Chairman*
G rard COTTON, *Managing-Director*
Johanne IWEINS d'EECKHOUTTE, *Managing-Director*
Philippe DE BACKER
Bernard DE CORTE
Michel DELLOYE
Luigi SANTAMBROGIO

AUDITOR

SAINTENOY, COMHAIRE & CO
Company auditors
Represented by Mr. Paul COMHAIRE

I. MISSION AND STRATEGY

Brederode is an investment company, quoted on Euronext Brussels (symbol: BRE), which actively manages a portfolio of listed, and unlisted («private equity») investments.

Brederode's primary aim is to create value for its shareholders over the medium and long term by generating, on a recurring basis, not only dividends but also and above all capital gains from the disposal of its investments.

Brederode actively manages a large and well-diversified portfolio of listed shares. Investments in this portfolio are of minority nature.

Brederode's portfolio management style is focused on careful «stock picking» investing in companies, which appear undervalued by the stock market and at the same time offer the best prospects of profitability and growth.

Brederode has the advantage of not being subject to constraints in terms of sector allocation, maximum weightings between different positions and minimum liquidity restrictions.

Similarly Brederode is completely free to wait for its investments to reach full maturity before realising them.

Shares are purchased or sold either directly or through the exercise of options.

Brederode's option strategy is twofold: it writes call options on shares it already owns (covered calls) and that are judged to have peaked in value or writes put options, at below the prevailing market price, on shares it considers acquiring. In both cases Brederode receives the option premium, therefore enhancing its potential overall return on investment.

The management cost associated with its listed securities portfolio is lower than that of most common investment funds.

The objective of Brederode's involvement in «private equity» is to achieve returns significantly in excess of those achievable on the stock market.

Brederode, over the past ten years, has steadily developed its involvement in «private equity» by partnering with other international investors in supplying risk capital to companies operating mainly in Europe and the United-States.

I. MISSION AND STRATEGY

On the strength of the experience accumulated, Brederode is able to concentrate on, and have access to the most promising projects, and the best teams of managers.

Brederode strives at all time to optimise its capital structure. Its assets are financed mainly from permanent capital which is strengthened, on a regular basis, by the reinvestment of profits arising from its business and, occasionally, by original capital market transactions in the form of issuance of shares with warrants or issuance of convertible bonds.

A small part of its portfolio is financed through the use of debt in order to optimise the return on equity.



Pierre van der Mersch



Johanne Iweins d'Eeckboutte



Gérard Cotton



Luigi Santambrogio

2. FINANCIAL HIGHLIGHTS

Consolidated Accounts

Overall figures (in EUR millions)	1999	2000	2001	2002	2003
Securities portfolio	799	903	834	684	719
Shareholders equity	366	665	668	540	622
Net realised capital gains	91	99	60	4	41
Dividends and interest received	29	32	29	24	20
Profit after tax (group share)	57	201	38	-103	79

Figures per share (adjusted) (in EUR)	1999	2000	2001	2002	2003
Book value	15.84	19.43	19.84	16.05	17.28
Profit after tax (group share)	2.47	5.87	1.13	-3.06	2.20
Gross dividend	0.61	0.68	0.75	0.40	0.42
Net dividend	0.46	0.51	0.56	0.30	0.315
With VVPR coupon strip	0.52	0.57	0.64	0.34	0.357

Number of shares in issue, adjusted in accordance with the share split of 13 November 2000:

- 1999: 23,099,990
- 2000: 34,227,782
- 2001: 33,666,309
- 2002: 33,666,474
- 2003: 35,992,692

Market Price (EURONEXT BRUSSELS: BRE) (Adjusted)

(in EUR)	1999	2000	2001	2002	2003
Highest	43.60	35.82	27.40	21.70	16.25
Lowest	32.00	23.60	14.10	10.60	8.74
As on 31 December	36.94	25.00	18.86	12.51	15.60

Ratios

	1999	2000	2001	2002	2003
P/BV					
Price/book value	1.5	1.2	0.9	0.7	0.9
P/E					
Price/earnings (group share)	15.0	*8.9	16.7	n.b.	7.1
R.O.E.					
Earnings/shareholders equity	15.6%	*14.5%	5.2%	n.b.	*8.5%
Gross yield					
Gross dividend/price	1.7%	2.7%	4.0%	3.2%	2.7%

* Excluding results arising from merger
Market price at the end of the period.

3. MANAGEMENT REPORT

Review of the consolidated figures

Balance sheet (€ million)	2003	2002	2001
Securities' portfolio	719.3	684.2	833.9
- <i>Listed securities</i>	518.8	459.6	617.3
- <i>Private equity</i>	193.8	208.1	208.4
- <i>Industrial activities (Artilat)</i>	6.7	16.5	8.2
Other assets	21.8	23.7	40.9
Total assets	741.1	707.9	874.8
Shareholders' equity	622.1	540.4	668.1
Automatically convertible bonds (O.A.C)	70.8	72.3	72.3
Minority interests	0.0	41.9	58.9
Provisions and deferred taxation	4.4	6.7	6.0
Debt (excluding O.A.C.)	43.8	46.6	69.5
Total liabilities	741.1	707.9	874.8

Income from listed securities is recurring in nature, and largely covers the cost of debt. The majority of the listed securities are highly liquid; this makes it possible to use debt, at attractive terms, to issue options over those securities and to receive the related premium income. The management cost of these assets is particularly low.

Private equity accounts for a quarter of the securities portfolio. For this class of assets the aim is to achieve capital gains above those achievable on the stock market. Private equity does not usually generate dividends.

Assets are denominated in three strong currencies, namely 51% in EUR, 28% in USD and 21% in GBP. The exchange risk is managed on a day-to-day basis. Positions in USD and GBP are hedged to different degrees over time. As at 31 December 2003, USD assets were 56% covered against the risk of USD depreciation vs the EURO, while those denominated in GBP. were 41% covered.

Automatically convertible bonds (ACBs) represented deferred capital until the date of their conversion into equity, 25 February 2004.

Since the conversion of the ACBs, debt has been reduced to 4% of the consolidated book value of the total assets.

The group has thus preserved a broad measure of financial flexibility.

3. MANAGEMENT REPORT

Consolidated results

Income statement (€ million)	2003	2002	2001
Recurring financial results	34.8	27.4	11.8
- <i>Dividend and interest income</i>	19.6	23.7	28.6
- <i>Interest charges</i>	- 3.5	-4.0	-7.4
- <i>Foreign exchange result</i>	19.9	10.3	-9.0
- <i>Option premium received</i>	0.8	1.4	2.5
- <i>Other recurring financial results</i>	- 2.0	-4.0	-2.9
Other recurring results	-2.6	-1.6	-3.9
Capital account results	34.7	-152.0	30.3
- <i>Net realised capital gains or losses</i>	41.0	4.3	60.2
- <i>Net write down on investments</i>	- 6.3	-156.3	-29.9
Share of results in industrial subsidiaries	-1.6	8.3	-0.5
Extraordinary items	17.2	0.0	0.0
Profit before tax	82.5	-117.9	37.7
Profit after tax	79.1	-120.2	37.7
- <i>group share</i>	79.1	-103.1	38.1

In the year to December 31st, 2003, the Brederode group has reported a consolidated net profit of EUR 79.1 millions, or EUR 2.20 per share, versus a consolidated net loss (group share) of EUR 103.1 millions, or EUR 3.06 per share, the previous year.

The sale of listed securities generated net capital gains of EUR 29.6 millions while that of unlisted securities (private equity) generated EUR 11.4mn in net capital gains.

The securities portfolio has generated dividends and, to a lesser extent, interest income for a total of EUR 19.6 million.

The hedging of foreign exchange risks inherent to the US\$ and GBP investments has resulted in a net foreign exchange profit of EUR 19.9 million.

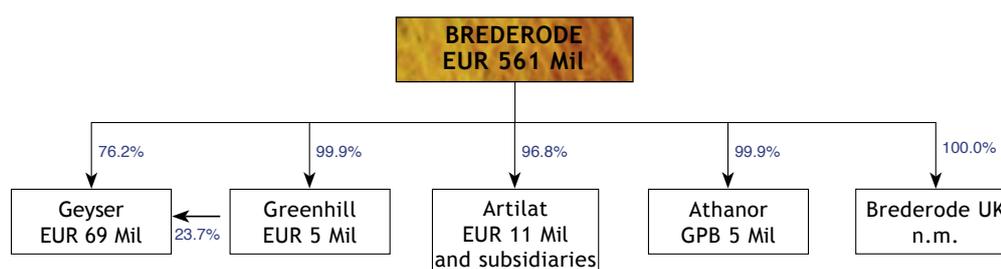
The exceptional result (EUR 17.2mn) derives from the positive effect on Brederode's equity of the merger with Afrifina (EUR 26.1mn) and the negative effect of the capital losses realised on the sale of Artilat's securities portfolio during 2002, booked in 2003 (EUR 8.9 mn)

Since the merger of Afrifina into Brederode, effective 1st of January 2003, all the companies in the consolidation area are almost entirely 100% owned. Therefore there are practically no more minority interests.

3. MANAGEMENT REPORT

Group structure

Brederode S.A., the group's flagship company, held the following five direct subsidiaries:



EUR ... Mil= stock market capitalisation for Brederode and net book value for (unlisted) subsidiaries as at 31 December 2003.

Geysers s.a.h.	Luxembourg holding company operating on the international capital markets.
Artilat n.v.	European manufacturer of latex and, through its subsidiary Dumo n.v, of polyurethane foam products. Three production plants are located in Belgium and one in the Czech Republic.
Greenhill s.a.	it manages a portfolio of securities and at the same time seeks to realise value from a residual real estate portfolio located in the Charleroi region related to the old mining concession of "Monceau-Fontaine".
Athanor ltd	"corporate name" at Lloyds of London, it participates in a select number of insurance syndicates.
Brederode (UK) ltd	antenna of the Brederode group in London.

In addition to its 5 subsidiaries, Brederode owns directly more than 80% of the group securities portfolio.

The changes to the group's organigram in 2003 result from the merger by absorption of the 72% controlled subsidiary Afrifina and, secondarily, the liquidation of the wholly-owned subsidiary Brederode CIT.

In connection with these operations, the statutory auditors were paid special fees of EUR 10,890 and EUR 1,984 respectively.

Geysers also reduced its capital and reserves in 2003 by reimbursing EUR 14 million to its shareholders, and Brederode took a EUR 5 million stake in Greenhill's capital increase.

3. MANAGEMENT REPORT

Appropriation of earnings

The company's profits were EUR 54,738,419.14 and the profits brought forward from the previous year were EUR 272,028,235.15. We therefore propose to appropriate the accumulated profit of EUR 326,766,654.28 as follows:

- to the statutory reserve:	1,686,071.63
- to the other reserves:	11,816,871.30
- to the remuneration of capital:	13,702,946.04
- profits carried forward:	299,560,765.31

The Board of Directors will therefore make a proposal at the Annual General Meeting for the distribution of a gross dividend per share of EUR 0.42 ; this is up 5%, and represents a net dividend of EUR 0.315. The net dividend for shares with "VVPR strips" would amount to EUR 0.357.

This proposal reflects the Board's desire to maintain a policy of regular dividend growth.

Subject to the Annual General Meeting's approval, the dividend will be released for payment from 9 June 2004 onwards, on presentation of coupon no. 64 at the counters of Fortis Bank, Dexia Bank and KBC Bank.

Information about the initial application of the IAS/IFRS standards

As from 1 January 2005, Brederode will be required to draw up its consolidated accounts in line with the IAS/IFRS standards adopted at European level.

Brederode has had the necessary administrative and organisational arrangements in place to meet this requirement since 2002.

Currently, all existing IAS standards have been adopted by the European Commission with a view to their compulsory application as from 1 January 2005, apart from IAS 32 and 39 relating to the accounting treatment of financial instruments. These are precisely the two standards which are likely to have the greatest impact on Brederode's consolidated accounts.

The IAS/IFRS standards to be applied in future will differ from the Belgian standards currently applied in that they will mean that latent gains are integrated into the consolidated accounts.

3. MANAGEMENT REPORT

The Brederode Chair

For a number of years now, the interdisciplinary course in "Company formation" (CPME) at UCL has targeted students starting their final honours programme (leading to a bachelor's degree) in law, management, civil engineering or agricultural engineering. The students, who are selected on the basis of an interview and an individual application form, commence a three-year course, in which they receive training in all aspects of the formation of a company, in parallel with their main course.

Since September 2002, the Brederode Chair in the Development of Entrepreneurial Spirit has been providing solid support to this scheme: it has enabled a young professor to be recruited to instill dynamism to the CPME programme, to help spread this type of training to other management programmes and to create an entrepreneurship pattern in the higher education courses.

The Chair is thus supplementing the university's actions via the CPME training, which enables students wishing to engage in entrepreneurial activities to acquire the tools and skills required in order to do so; it offers invaluable assistance to those who have already put together a project. In all cases, the objective is to use multidisciplinary training to enable future graduates to face real situations.

The dynamism of Professor Frank Janssen, the holder of the Brederode Chair, and the enthusiasm he passes on to his students have produced excellent results and added to the international renown of Brederode and UCL, not least thanks to prestigious prizes such as first prize in the Queen's Entrepreneurial Competition and first prize at the European Innovact fair. Brederode Chair projects for 2004 display the same dynamism.

4. ASSETS

Listed Portfolio

As of 31 December 2003, the main listed investments of the group Brederode were as follows:

Securities	Number 31 dec. 2002	Number Purchase/(Sale)	Number 31 dec. 2003
INSURANCE			
ACE Ltd	488,562		488,562
Amlin Plc	3,751,138	(1,751,138)	2,000,000
Arch Capital Group Ltd	153,100	(153,100)	0
Aspen Ltd		500,000	500,000
Atrium Underwriting Plc	758,500	(425,000)	333,500
Axa	100,000		100,000
Axis Speciality Ltd		555,359	555,359
Goshawk Insurance Hold Plc	2,276,025		2,276,025
Hardy Underwriting Plc	1,604,158		1,604,158
IPC Holdings Ltd	134,000	(134,000)	0
Partner Re Holdings Ltd	140,000		140,000
Royal & Sun Alliance Plc	702,361	1,102,361	1,804,722
Scor	340,000	(340,000)	0
SVB Holdings Plc	16,748,559	16,189,737	32,938,296
Wellington Underwriting Plc	6,191,666	(6,191,666)	0
XL Capital Ltd	113,057		113,057
BANKS			
B.N.P.- Paribas	108,000	83,914	191,914
Banco Commercial Portuguese	4,039,664	(4,039,664)	0
Banco Portuguese de Investimentos	2,159,784	(2,159,784)	0
Dexia s,a,	365,000	300,000	665,000
H.S.B.C. Plc	2,049,966	37,590	2,087,556
Lloyds TSB Group Plc	1,581,000		1,581,000
J.P. Morgan Chase	390,000		390,000
National Australia Bk Priv. Conv.	150,000		150,000
Société Générale S.A.	40,000	(40,000)	0
Wachovia Bank	205,000		205,000
WestPac Banking Corporation	281,250		281,250
BANCASSURANCE			
Almanij	80,000		80,000
Fortis	4,210,300		4,210,300
I.N.G.	678,352	91,857	770,209
K.B.C. Holding	227,078	(60,000)	167,078

4. ASSETS

ENERGY AND WATER

Electrabel	213,830	(80,000)	133,830
Electricidade de Portugal	1,550,000	(1,550,000)	0
E.N.I	0	1,700,000	1,700,000
International Power Plc	2,582,117		2,582,117
Kelda Plc	829,544		829,544
Royal Dutch	0	510,000	510,000
Scottish Power Plc	1,822,000	288,000	2,110,000
Severn Trent Plc	1,139,131		1,139,131
Total	0	101,249	101,249
TXU Inc	230,000		230,000
United Utilities Plc	961,576		961,576
United Utilities Plc (A shares)	0	534,208	534,208
Unocal Corporation Priv. Conv.	200,000		200,000

MISCELLANEOUS INDUSTRIES

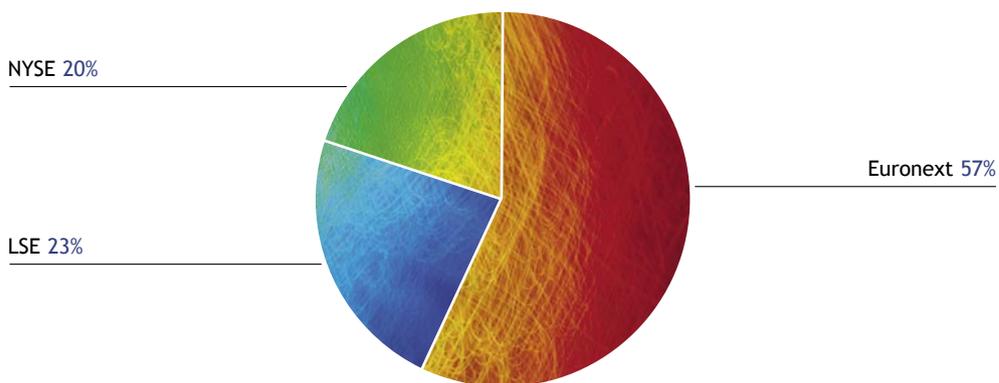
AIMCO Inc	200,000	(200,000)	0
Archstone Communities Inc	334,400	(334,400)	0
Artémis S.A.	84,164		84,164
Brederode	3,366,630		3,366,630
Cable & Wireless Plc	80,000	(80,000)	0
Chelsea Gca Realty Inc	415,600	(415,600)	0
Daimler Chrysler AG	25,000	(25,000)	0
Delhaize Group	50,000	(25,000)	25,000
Elementis Plc	871,487		871,487
Ford Motor (priv. conv.)	43,000		43,000
Gallaher Plc	500,000		500,000
Immo Royal s.a.	19,151		19,151
K.P.N.	763,328	(453,328)	310,000
Pro logis Inc	398,200	(398,200)	0
Rank Group Plc	919,736		919,736
Rutland Plc	32,400,000		32,400,000
Sanofi - Synthélabo	0	170,000	170,000
Samsung Electronics	0	15,000	15,000
Shurgard Storage Corp.	200,000	(200,000)	0
Sovran Self Storage	160,000	(160,000)	0
TDC	30,000	424,000	454,000
Telecom Italia	0	6,000,000	6,000,000
Telefonica (ADR)	37,443	(37,443)	0
Unilever NV	180,000	209,930	389,930
Unilever Plc	660,714	(581,714)	79,000

These holdings are shown under the headings financial assets and treasury investments (own shares) in the consolidated accounts.

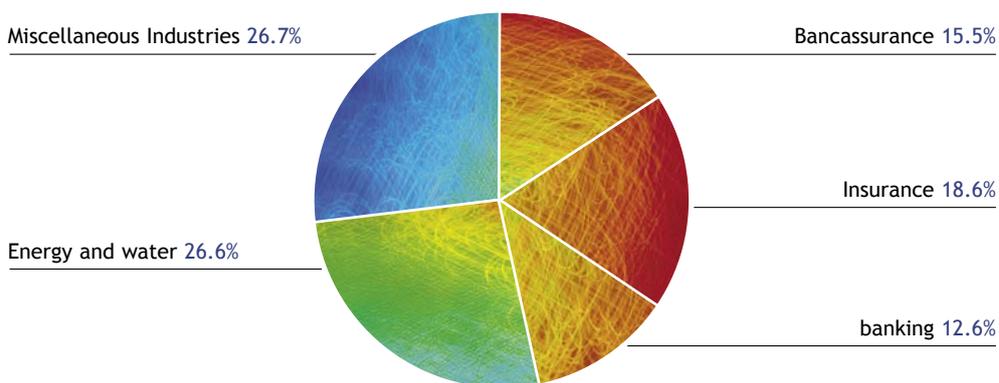
4. ASSETS

These listed holdings are broken down according to their consolidated book value as follows:

Break-down of listed securities by stock exchanges:



Sector break-down of listed securities



Brederode has made efforts to acquire holdings in a timely way taking advantage of the consolidation taking place in the banking, insurance and financial services sectors as well as in the energy and water sectors.

4. ASSETS

Brederode practices an active "stock picking" form of portfolio management, investing in companies which are undervalued by the stock market and offer the best prospects for profitability and growth.

The portfolio of quoted securities which was created in this way appears to be well diversified within the preferred sectors and relatively defensive while presenting good return prospects.

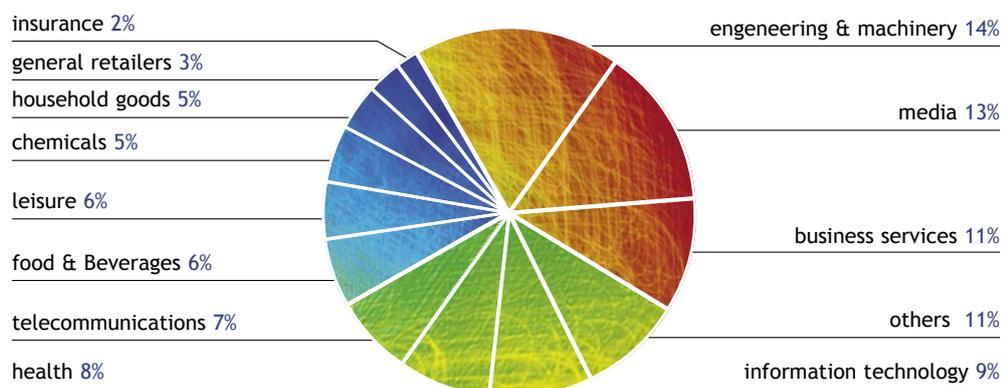
Private equity

In its primary sense "private equity" refers to the shareholders' equity of unlisted companies.

The aim is to achieve returns from these investments significantly above those achievable on the stock market.

These investments are spread across a large variety of industries.

Sector break-down of private equity investments



4. ASSETS

Brederode's private equity can be sub-divided into buy-out investments and venture capital.

A buy-out involves the acquisition of a significant or majority holding in a mature company with a well-established business plan and positive cashflow so as to use various instruments to finance its expansion, consolidation or turnaround.

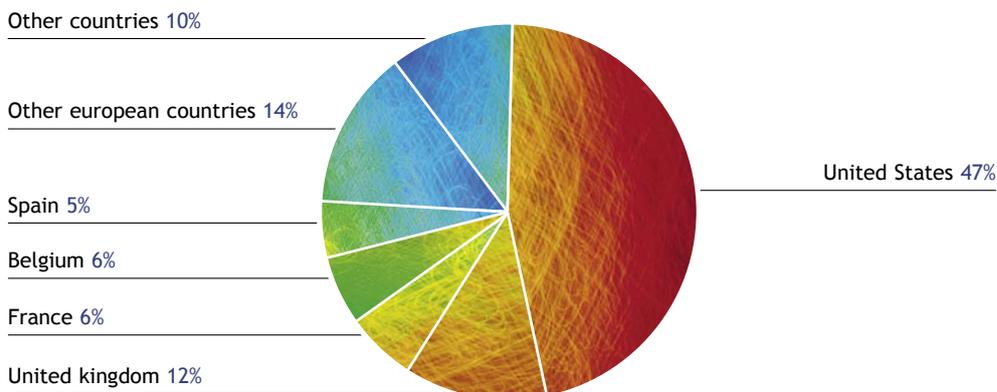
The buy-out technique is well suited to sectors such as the media, engineering, chemicals, healthcare, food and leisure.

Venture capital may be defined as an investment in a company still in its initial phase which has not yet achieved profitability but which appears to have exceptional growth potential. It is more oriented towards technology-based industries such as IT and communications. The holdings in these companies are always of minority nature, and have no financial gearing effect.

At Brederode, investments in venture capital represent one twelfth of private equity.

Brederode invests in unlisted companies operating mainly in the United States and in Western Europe.

Geographical break-down of private equity investments



4. ASSETS

Partnerships for a fixed term

For more than ten years Brederode has focused its "Private Equity" activities towards partnerships, for a fixed term, with other international investors under the auspices of approximately forty teams of expert-managers.

The sum of the amounts invested and the commitments not yet paid up represent the group's maximum level of exposure to this type of investment.

On 31 December 2003 the amount invested recorded under the heading "financial assets" in the consolidated accounts was **EUR 163.7** million, and the commitments not yet paid up mentioned under the heading "off balance sheet rights and obligations" in the annex to these accounts amounted to EUR 110.3 million.

This latter amount will be gradually invested over the next few years.

Partnerships are only entered into after a thorough due diligence process has been completed, involving systematic discussions with the expert-managers and an in-depth examination of all relevant documents.

In particular, Brederode's executive directors examine the expert managers' investment strategy and market opportunities, their past performance, source of business and disinvestment strategy.

The expert managers draw up highly detailed quarterly reports and properly audited annual accounts.

From the beginning of this investment program in 1992 until the end of 2003, Brederode realized "private equity" investments, including capital losses, on average at 1.5 their cost. Taking into account weighted durations, this corresponds to an Internal Rate of Return of 29% per annum.

On the strength of the experience that has been accumulated, the Brederode group is able to concentrate on the most promising projects, and the best teams of expert-managers.

Co-investments

Brederode sometimes has the opportunity to co-invest in parallel with these Partnerships. On 31 December 2003 the amounts co-invested amounted to **EUR 19.2** million.

4. ASSETS

Other direct investments

Brederode holds other direct investments amounting to EUR **10.9** million.

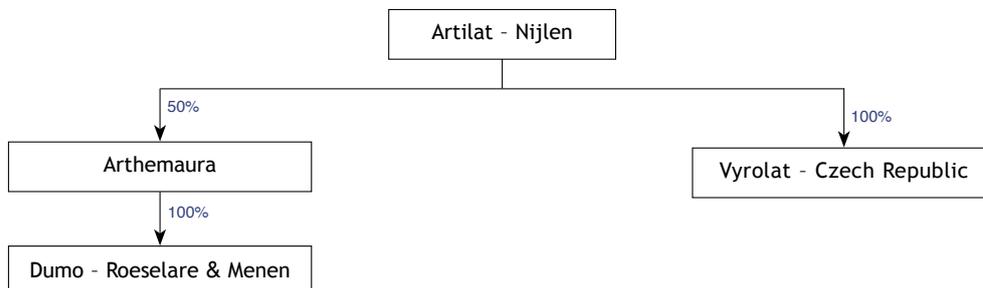
Brederode is involved in the financing of French companies via the Qualis Group in Paris. It was also involved in the acquisition of a controlling stake in a large Italian watch manufacturer.

Axis Specialty Ltd and Aspen Ltd, new Bermudan reinsurance companies created in the wake of the tragedy of 11 September 2001, were successfully floated on the New York Stock Exchange in 2003.

Artilat industrial activities

Likewise in the private equity category, Brederode holds 97% of Artilat's capital.

This company and its subsidiaries produce and market articles made of latex foam and polyurethane.



There are three production units in Belgium and one in the Czech Republic.

The holding in Artilat and its subsidiaries, which is reported in the consolidated accounts according to the equity method, is stated at EUR **6.7** million there.

Artilat in 2003 and its Czech subsidiary in 2004 have practically finalised their programme of investment in three new production lines.

Artilat's gross operating result has become positive again. By contrast, it has unfortunately deteriorated at Dumo.

Brederode is making sure that the profitability of its industrial activities improves as soon as possible.

5. EURONEXT

Two Brederode financial instruments are quoted on the stock market:

37,646,882 shares (Euronext Brussels: BREB)

18,250,504 VVPR strips (Euronext Brussels: BRES)

The latest increase in the number of shares in circulation results from the conversion of 330,838 automatically convertible bonds (ACBs) into 1,654,190 shares on 25 February 2004. These new shares, with coupon no. 65 attached, entitle the holder to a stake in Brederode's profits from 1 January 2004 onwards.

The VVPR (reduced withholding tax) "strip" guarantees the holder's right for withholding tax to be deducted on the dividends he is paid at the reduced rate of 15% instead of 25%.

6. CORPORATE GOVERNANCE

Composition of the Board of Directors

	Mandate ends	Position
Executives		
Pierre van der Mersch	2008	Chairman
G�rard Cotton	2004	Managing Director
Johanne Iweins d'Eeckhoutte	2004	Managing Director
Luigi Santambrogio	2006	
Non-executives		
Philippe De Backer	2006	
Bernard De Corte	2006	
Michel Delloye	2006	

Brederode is run by its four executive directors.

Johanne Iweins d'Eeckhoutte and G rard Cotton, Chairman and Director of Auximines respectively, also represent this majority shareholder.

Bernard De Corte is Chairman of the subsidiary Artilat.

Philippe De Backer and Michel Delloye are independent both of Brederode's executive directors and of the shareholder Auximines.

There is no specific rule concerning the appointment of directors and the renewal of their mandate.

Operation of the Board of Directors

The Board of Directors met five times in 2003.

At its meetings the Board examines the statutory and consolidated accounts, both half-yearly and annual, as well as the variations in relation to the previous period in equity, net profit and securities portfolios of Brederode and its subsidiaries.

It reviews the composition and valuation of the company's securities portfolio.

It authorises market operations where necessary.

Press releases are submitted for its approval.

The Board's decisions are theoretically passed by a majority vote; in practice, they are always passed unanimously.

6. CORPORATE GOVERNANCE

The agenda of each meeting and the documents in relation to it are submitted to the Directors in advance.

For a number of years the Directors have renounced their statutory bonuses to the benefit of the shareholders. They do not receive either share options or loans or advances from the company.

Committees set up by the Board of Directors

The Board of Directors has set up an audit committee and a remuneration committee. It has not set up a nomination's committee because an appointment to the post of director of Brederode is subject to approval by the shareholders with prior, unanimous recommendation from the Directors.

Audit committee

This is presided over by Michel Delloye and is also made up of Philippe De Backer and Bernard De Corte, who are non-executive directors.

At least one Managing-Director and the Company Auditor attend the meetings.

A charter also defines the responsibilities and competencies of this committee.

The Committee assists the Board in its monitoring function. In particular, it examines the annual and interim accounts, the accounting principles, changes in the structure of the company's debt and the impact of the exchange rate on the foreign currency portfolio.

The committee can request the opinion of outside experts on all matters that fall within its authority. It has not used this facility so far.

The audit committee met twice during the year 2003.

6. CORPORATE GOVERNANCE

Remuneration Committee

This is chaired by Philippe De Backer and it also includes Bernard De Corte and Michel Delloye, non-executive directors, and Pierre van der Mersch, the Executive Chairman of Brederode.

It is consulted on the subject of remuneration for executive and non-executive directors.

It did not meet in 2003.

Day-to-day management

Pierre van der Mersch, Gérard Cotton and Johanne Iweins are responsible for day-to-day management and for implementing the company's strategy.

Luigi Santambrogio holds the post of general representative in London.

These Directors meet or consult together practically every day.

Policy on the appropriation of profits

The policy is to allow regular and growing distributions based on the flow of dividends received. Realised capital gains are, in principle, systematically reinvested. They also support Brederode's ability to finance its own development.

Relationships with key shareholders

Auximines directly holds 40% of Brederode's capital, and indirectly holds a further 9% via Brederode itself.

There is no agreement between these shareholders.

Occasional transactions between Brederode and Auximines are subject to normal market conditions and guarantees for operations of this kind.

7. CONSOLIDATED ACCOUNTS

7. CONSOLIDATED ACCOUNTS

Balance sheet

ASSETS (in EUR thousands)

	31 December 2003	31 December 2002
FIXED ASSETS	673,653	647,872
IV. Tangible fixed assets	6,878	7,214
A. Land and buildings	4,038	4,318
C. Furniture and vehicles	106	117
E. Other tangible fixed assets	2,734	2,779
V. Financial investments	666,775	640,658
A. Companies consolidated with the equity method		
1. <i>Securities</i>	6,699	16,470
B. Other investments		
1. <i>Securities</i>	611,847	580,774
2. <i>Debtors</i>	48,229	43,414
CURRENT ASSETS	67,477	59,992
VI. Debtors due after more than one year	87	77
B. Other debtors	87	77
VIII. Debtors due within one year	9,437	6,422
A. Trade debtors	1	1
B. Other debtors	9,436	6,421
IX. Treasury Investments	55,140	49,702
A. Own shares	52,571	42,168
B. Other short term investments	2,569	7,534
X. Cash at bank and in hand	2,675	3,291
XI. Deferred charges and accrued income	138	500
TOTAL ASSETS	741,130	707,864

7. CONSOLIDATED ACCOUNTS

Balance sheet

LIABILITIES (in EUR thousands)

	31 December 2003	31 December 2002
SHAREHOLDERS EQUITY	622,028	540,433
I. Called up share capital	207,202	189,672
II. Share premium account	1,256	13
III. Revaluation surpluses	2,605	2,458
IV. Reserves	408,233	342,875
V. Consolidation differences	3,946	5,833
VI. Currency translation differences	-1,214	-418
THIRD PARTY INTERESTS		
VIII. Minority interests	36	41,950
PROVISIONS AND DEFERRED TAXES	4,380	6,714
IX. A. Provisions for liabilities and charges	4,019	6,317
B. Deferred taxation	361	397
LIABILITIES	114,686	118,767
X. Amounts falling due after more than one year	0	72,235
A. Financial debt		
2. <i>Non-subordinated bonds</i>	0	72,235
XI. Amounts falling due within one year	113,874	46,182
A. Current portion of long-term debt	70,799	0
B. Financial debt	19,613	15,185
1. <i>Credit institutions</i>	938	6,974
2. <i>Other borrowings</i>	18,675	8,211
C. Trade creditors	55	13
D. Deferred income	4	5
E. Taxation, salaries and social security	1,928	1,995
1. <i>Taxation</i>	1,890	1,944
2. <i>Salaries and social security</i>	28	51
F. Other creditors	21,475	28,984
XII. Accruals and deferred income	812	350
TOTAL LIABILITIES	741,130	707,864

7. CONSOLIDATED ACCOUNTS

Profit and loss account

CHARGES (in EUR thousands)

	31 December 2003	31 December 2002
A. Interest payable and similar charges	3,550	4,012
B. Other financial charges	10,074	14,074
C. Miscellaneous goods and services	2,115	3,137
D. Wages, social security costs and pensions	261	220
E. Other operating charges	1,393	40
F. Amortisation and write-downs of intangible and tangible assets	327	328
G. Write-downs	51,130	167,996
1. <i>financial investments</i>	51,119	165,254
2. <i>current assets</i>	11	2,742
I. Losses on disposals	5,922	13,864
2. <i>of financial investments</i>	5,725	13,864
3. <i>of current assets</i>	197	0
K. Income taxes	3,479	2,464
K.bis. Share in results of companies accounted for with the equity method	2,554	621
L. Profit after tax	79,064	0
L.bis. Group's share	79,061	0
L.ter. Minority interests	3	0
TOTAL CHARGES	159,869	206,756

7. CONSOLIDATED ACCOUNTS

Profit and loss account

INCOME (in EUR thousands)

	31 December 2003	31 December 2002
A. Income from financial investments	19,577	22,544
1. Dividends	19,073	22,544
2. Interest	504	0
B. Income from current assets	1,981	3,088
C. Other financial income	26,835	19,854
E. Other current income	843	2,044
G. Write back of amounts previously written down	44,800	11,663
1. financial investments	34,397	11,502
2. current assets	10,403	161
H. Write back of provisions for liabilities and charges	612	33
I. Gains on disposal of	46,972	18,246
1. fixed tangible assets	83	119
2. financial investments	46,889	18,085
3. current assets	0	42
J. Extraordinary income	17,247	0
K. Tax adjustment	84	209
1. Deferred tax	37	37
2. Other taxes	47	172
K.bis Share in results of companies accounted for with the equity method	918	8,913
L. Loss after tax	0	120,162
L bis. Group share	0	103,105
L ter. Minority interest	0	17,057
TOTAL INCOME	159,869	206,756

7. CONSOLIDATED ACCOUNTS

Comments

BALANCE SHEET (in EUR thousands)

Tangible fixed assets		6,878
Land and buildings		
Registered office in Waterloo	4,038	
Other tangible fixed assets		
Land in the Charleroi region and in Limburg	2,734	
Other	106	
Financial investments		666,775
Companies consolidated by the equity method		
<u>Participating interests</u>		
Industrial activities	6,699	
Other companies		
<u>Participating interests</u>		
Quoted shares	464,616	
Private equity	147,231	
<u>Debtors</u>		
Private equity (debt securities)	46,587	
Other	1,642	
Debtors due within one year		9,437
Other debtors		
Tax receivable	3,803	
Debtors associated with sales of securities	2,182	
Miscellaneous	3,452	
Treasury investments		55,140
Own shares		
3,366,630 Brederode shares	52,571	
Other short term investments		
Belgian government securities (OLOs)	889	
Miscellaneous	1,680	
Shareholders' equity		207,202
35,992,692 Brederode shares		
Revaluation surpluses		2,605
land in the Charleroi region		

7. CONSOLIDATED ACCOUNTS

Comments

Reserves		408,233
Balance at the beginning of the year	342,875	
Profit/loss for the financial year	79,061	
Dividends distributed for 2003 apart from the element payable for the company's own shares	(13,703)	
Currency translation differences		-1,214
relating to the conversion into EUR of the British subsidiaries' accounts		
Provisions for liabilities and charges		4,019
created by Athanor Ltd to honour its insurance commitments	4,019	
Amounts falling due within one year		113,874
Current portion of long-term debt		
330,838 bonds automatically convertible into 1,654,190 Brederode shares in February 2004.	70,799	
Financial debt		
<u>Other borrowings</u>		
Outstanding commercial paper issued by Brederode	18,675	
Other creditors		
Dividends to be distributed in respect of 2003 apart from the element payable for the company's own shares	13,703	
Interest payable on convertible bonds	2,188	
Estimated tax debt	1,928	
Athanor Ltd insurance loss	1,500	
Dividends from previous years	911	
Miscellaneous	4,170	
PROFIT AND LOSS ACCOUNT		
Interest payable and similar charges		3,550
Interest on convertible bonds	2,890	
Other	660	

7. CONSOLIDATED ACCOUNTS

Comments

Other financial charges		10,074
Currency exchange losses	5,628	
Private equity management fees	3,719	
Commissions on purchase/sale of securities	330	
Miscellaneous	397	
Write-downs		51,130
financial investments	51,119	
current assets	11	
Losses on disposals		5,922
financial investments	5,725	
current assets	197	
Income from financial investments		19,577
Dividends on quoted shares	19,073	
Interest	504	
Income from current assets		1,981
Interest on fixed-term investments, OLOs and other debt securities	1,981	
Other financial income		26,835
Gain on currency exchange	25,547	
Premiums on options	871	
Other	417	
Write back of amounts previously written down		44,800
financial investments	34,397	
current assets (own shares)	10,403	
Capital gains on disposals		46,972
tangible fixed assets	83	
financial investments	46,889	
Extraordinary income		17,247
Effect of absorption of Afrifina on shareholders' equity	26,123	
Loss realised on disposal of Artilat securities portfolio in 2002, recorded in 2003	(8,876)	
Share in results of companies consolidated by the equity method		(1,636)
Share in results of industrial subsidiaries	(1,636)	

7. CONSOLIDATED ACCOUNTS

Annex

I. Consolidation and equity method

The subsidiaries over which Brederode has a de facto and de jure control are fully consolidated.

The industrial subsidiaries are left outside the scope of full consolidation because their activities are different from those of the rest of the group. Their inclusion would be contrary to the principle that consolidated accounts should give a true and fair view of the assets, the financial position and the results of the consolidated group as a whole.

These subsidiaries are included in the consolidated accounts using the equity method, since 1999.

Since Brederode has been unable for many years to exercise any effective control over its subsidiary in the Democratic Republic of Congo, this is not included in the consolidation of Brederode.

Its subsidiary in the United States is also left out of the consolidation of Brederode due to its negligible importance since it has ceased trading and now only holds mineral rights.

II. a) Fully consolidated subsidiaries

	Percentage held
GEYSER S.A.H. Boulevard Joseph II 38 L-1840 Luxembourg	99.9%
GREENHILL S.A. Drève Richelle 161/1 - B-1410 Waterloo V.A.T. 435.367.870	99.9%
ATHANOR Ltd 24 Bevis Marks GB- London EC3A 7NL	100.0%
BREDERODE (UK) Ltd 17 Hill Street GB- London W1J 5LJ	100.0%

7. CONSOLIDATED ACCOUNTS

Annex

II. b) Subsidiaries not fully consolidated

	Percentage control	Reason for exclusion
ELUBANGUI S.A. Dem Rep of Congo	51.0%	Lack of actual control
YAZOO VALLEY Inc 1013 Jackson Avenue USA- Oxford (Mississippi)	100.0%	Negligible importance

IV. Subsidiaries accounted for by the equity method

	Percentage control	Percentage interest
ARTILAT N.V. Koningsbaan B-2560 Nijlen V.A.T. 404.291.743	96.8%	96.8%
ARTHEMAURA N.V. Wijnendalestraat 17 B-8800 Roeselare N.N. 465.436.286	50.0%	48.4%
DUMO N.V. Wijnendalestraat 17 B-8800 Roeselare V.A.T. 417.651.415	50.0%	48.4%
VYROLAT S.R.O. Prazska 2220 28802 Nymburk (Czech Republic)	100.0%	96.8%

V. Other companies in which at least a 10% interest is held

	Percentage held	Shareholders equity 31.12.2002	Net loss 30.06.2003
RUTLAND TRUST Plc Rutland House, Rutland Gardens GB- London SW7 1 BX	16.5%	GBP 90 million	GBP 1.0 million

7. CONSOLIDATED ACCOUNTS

Annex

VI. Valuation rules

Consolidation differences

A consolidation difference is the difference between the price paid to acquire a shareholding in a given company and the corresponding share of the equity of that company.

The difference observed, which cannot be imputed to asset and liability items which have a value greater or smaller than their book value in the accounts of the subsidiaries in question, is entered on the consolidated balance sheet under the heading "consolidation differences", as an asset if it is positive (goodwill) or as a liability if it is negative (badwill).

The positive consolidation difference resulting from this is amortised on a one-off basis and charged to the profit and loss account.

Tangible fixed assets

Linear depreciation is used, at the following rates:

- buildings:	5.0%
- furniture and vehicles:	20.0%
- computers and office equipment:	33.3%

Financial assets

The ancillary costs related to the acquisition of securities are charged to the profit and loss account in the financial year during which they were incurred.

Financial assets are written-downs in the case of a capital loss or permanent diminution in value, as justified by the situation, the profitability or the prospects of the company in which the investment was made.

In that context, shares listed on the stock market are valued at market price or on the base of prices supported by financial analyses published by third parties while the unquoted investments are valued according to the estimate of the General Partners, according to international standards.

On the other end, Brederode's policy is not to revalue its investments.

Conversion differences

Assets and liabilities, rights and obligations of foreign subsidiaries included in the consolidation are converted into euros according to the closing rate method, so that they can be integrated in the consolidated accounts.

Income and charges are included at the average exchange rate for the year.

7. CONSOLIDATED ACCOUNTS

Annex

Conversion differences are transferred to the ad-hoc liabilities heading.

Unrealised losses corresponding to negative conversion differences are charged to the Profit and Loss account, while unrealised gains related to positive conversion differences are kept on the balance sheet and not entered in the profit and loss account.

Provisions for liabilities and charges

Provisions are made to cover the risks of losses or charges arising from commitments relating to the acquisition or disposal of assets (share options), of forward forex positions and contracts and technical guarantees associated with services already provided in the area of insurance.

Derivative products

Premiums received on share options are immediately entered in "other financial income". The assumed risk forms the object, at the end of the financial year or at any intermediate closing date, of a provision charged to the financial results.

Forward foreign exchange contracts are included in the off-balance sheet liabilities and are revalued at the end of the financial year. Any unrealised loss is accounted for and included in provisions for liabilities and charges, whereas any unrealised gain is not recorded.

IX. Schedule of tangible fixed assets

	Land and buildings	Furniture and Vehicles	Other tangible assets
a) Cost			
• At the end of the last financial year	6,444	410	336
• Movements during the year:			
Acquisitions	0	51	0
Sales and disposals	0	(72)	(7)
• At the end of the financial year	6,444	389	329
b) Capital gains			
• At the end of the last financial year	0	0	2,458
• Movements during the year:			
Cancelled	0	0	(38)
• At the end of the financial year	0	0	2,420
c) Depreciation and write-downs			
• At the end of the last financial year	2,126	293	15
• Movements during the year:			
Charged to the profit and loss account	280	47	0
Cancelled	0	(57)	0
• At the end of the financial year	2,406	283	15
d) Net book value at the end of the financial year	4,038	106	2,734

7. CONSOLIDATED ACCOUNTS

Annex

X. Schedule of financial assets

A. Shareholdings

	Companies accounted for by the equity method	Other companies
Cost		
• At the end of the last financial year	16,470	793,233
• Movements during the year:		
Acquisitions	0	190,553
Sales and disposals	(8,135)	(196,918)
Exchange differences	0	(475)
Transfer between accounts	0	(20,860)
• At the end of the financial year	8,335	765,533
Write-downs		
• At the end of the last financial year		210,972
• Movements during the year:		
Recorded		51,119
Write backs		(34,201)
Cancelled		(74,204)
• At the end of the financial year		153,686
Change in capital and reserves of companies consolidated using the equity method		
• Share in the result for the financial year	(1,636)	
Uncalled amounts		
• At the end of the last financial year		1,487
• Movements during the financial year		(1,487)
• At the end of the financial year		0
Net book value at the end of the financial year	6,699	611,847

B. Debtors

	Other companies
At the end of the last financial year	43,414
Movements during the financial year:	
• additions	5,029
• repayments	(85)
• currency conversion differences	(129)
Net book value at the end of the financial year	48,229

7. CONSOLIDATED ACCOUNTS

Annex

XI. Schedule of reserves and profits brought forward

At the end of the last financial year	342,875
Movements during the financial year:	
• Group share in the result	79,061
• 2003 dividends payable excluding the portion attributable to the company's own shares	(13,703)
At the end of the financial year	408,233

XII. Schedule of differences arising from consolidation and accounting of subsidiaries by the equity method

	Consolidation differences
	negative
Net book value at the end of the last financial year	5,833
Movements during the year:	
• variation in differences from first consolidation	(1,887)
Net book value at the end of the financial year	3,946

XIII. Statement of debts

A. Analysis of debts originally payable over more than one year, in accordance with their current residual duration

	current portion
Financial debts	
• Non-subordinated bond	70,799

XIV. Details in relation to the profits/losses

	2003	2002
B.1. Average number of personnel employed by fully consolidated companies		
• Employees	4	4
• Personnel costs	261	220

7. CONSOLIDATED ACCOUNTS

Annex

XV. Off balance sheet rights and obligations

Commitments to acquire assets:	
- uncalled amount for "private equity"	110,299
- sale of "put" options on shares	7,827
- sale of "call" options on shares	2,729
- land sale commitments	42

Rights and obligations arising from transactions in relation to interest rates, exchange rates and other similar transactions:	
- forward sales of USD and GBP	169,678

Guarantees:	
- funds invested with Lloyd's of London, to guarantee insurance commitments	7,387
- funds invested in government securities (OLOs), to guarantee compensation payments for mining-related damage	889
- guarantees on behalf of subsidiaries	13,111

Pension liabilities:

From 1 January 2002, the group's life pension schemes in use in the company were extended to cover Executive Directors categorised as self employed and exercising their mandates mainly in Belgium.

Payments collected under these schemes are limited to ensure that the resultant benefits do not exceed the limits authorised for tax purposes.

XVI. Relationships with associated companies not included in the consolidation

	2003	2002
Debtors due within one year	0	283
Amounts falling due within one year	118	0
Financial results		
• income from current assets	43	0
• interest payable	0	34

XVII. Financial relationships with directors

Remunerations allocated to the directors of Brederode for the financial year 2003 by the company, its subsidiaries and associated enterprises: EUR 659.

Remuneration of non-executive directors: EUR 43 including EUR 37 for special assignments.

7. CONSOLIDATED ACCOUNTS

Table of cash flows

The table of cash flows is intended to present the movements in cash resulting from flows of funds during the past year generated by the activities of the consolidated companies.

This table is based on the consolidated accounts and highlights the group cash flow, showing the difference between actual receipts and payments during the financial year, broken down into operating, investment and financing activities.

7. CONSOLIDATED ACCOUNTS

Table of cash flows

In EUR thousands	2003	2002
Operating activities		
Net result for the year	79,064	(120,162)
Amortisation of tangible and intangible assets	327	327
Net change in provisions	(2,334)	707
Net change in write-downs	6,330	156,333
Net capital gains on disposal of assets	(41,051)	(4,382)
Share of the profits/losses of companies accounted for by the equity method	1,636	(8,291)
Gross margin	43,972	24,532
Change in working capital requirement	(9,737)	(15,517)
Impact of changes in exchange rates and the scope of consolidation on the working capital requirement	(191)	(1,183)
Change in operating cash flow	34,044	7,832
Investment activities		
Acquisition of tangible and intangible assets	(52)	(25)
Acquisition of financial assets	(171,181)	(84,127)
New loans granted	(5,028)	(11,903)
Total investments	(176,261)	(96,055)
Sale of tangible and intangible assets	106	122
Sale of financial assets	164,074	65,306
Repayment of loans	85	744
Total disposals	164,265	66,172
Net change in treasury investments	1,882	19,296
Effect of changes in the scope of consolidation	(35,494)	5,288
Change in investment cash flow	(45,608)	(5,299)
Financial activities		
Increase in capital	18,773	7
Net change in financial debts	2,992	(5,715)
Dividends paid to shareholders	(13,703)	(13,467)
Change in cash from financing	8,062	(19,175)
Net change in cash and cash equivalents	(3,502)	(16,642)

7. CONSOLIDATED ACCOUNTS

Statutory Auditor's Report on the Consolidated Financial Statements for the year ended December 31, 2003 to the Shareholders' Meeting of the Company Brederode

To the Shareholders,

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

We have audited the consolidated financial statements for the year ended December 31, 2003, with a balance sheet total of (000) EUR 741,130 and a consolidated profit for the year of (000) EUR 79,061. These consolidated financial statements have been prepared under the responsibility of the Board of Directors of the Company. In addition, we have reviewed the consolidated directors' report.

Unqualified audit opinion on the consolidated financial statements

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

In accordance with these standards, we have considered the administrative and accounting organisation of the Group as well as the system of internal control. The group's management has provided us with all explanations and information which we required for our audit. We have examined on a test basis, the evidence supporting the amounts included in the consolidated financial statements. We have assessed the accounting policies used, the significant accounting estimates made by the Company and the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements of Brederode S.A. for the year ended December 31, 2003 present fairly the financial position of the Group and the results of its operations, in conformity with the prevailing legal and regulatory requirements, and the disclosures made in the notes to the consolidated accounts are adequate.

Additional assertion

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

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

February 24, 2004

SAINTENOY, COMHAIRE & C°
Statutory Auditor represented by
P. COMHAIRE

8. STATUTORY ACCOUNTS

Pursuant to Article 105 of the Companies Code, the annual accounts set out below are an abridged version of the statutory accounts.

The Statutory Auditor has issued an unqualified opinion on the annual accounts.

The full version will be filed with the National Bank of Belgium and is also available at the registered office of the Company.

8. STATUTORY ACCOUNTS

Balance sheet

ASSETS (in EUR thousands)

	31 December 2003	31 December 2002
FIXED ASSETS	678,558	649,980
III. Tangible fixed assets	5,611	5,908
A. Land and buildings	3,593	3,836
C. Furniture and vehicles	105	114
E. Other tangible assets	1,913	1,958
IV. Financial investments	672,947	644,072
A. Associated companies		
1. <i>Shareholdings</i>	76,288	174,500
B. Other related companies		
1. <i>Shareholdings</i>	16,081	0
C. Other financial assets		
1. <i>Shareholdings</i>	533,911	427,934
2. <i>Debtors and guarantees</i>	46,667	41,638
CURRENT ASSETS	77,108	42,467
V. Amounts receivable after more than one year	87	82
B. Other debtors	87	82
VII. Amounts receivable within one year	21,093	41,288
A. Trade debtors	1	1
B. Other debtors	21,092	41,287
VIII. Treasury Investments	54,198	239
A. Own shares	52,571	0
B. Other investments	1,627	239
IX. Cash at bank and in hand	1,627	429
X. Deferred charges and accrued income	103	429
TOTAL ASSETS	755,666	692,447

8. STATUTORY ACCOUNTS

Balance sheet

LIABILITIES (in EUR thousands)

	31 December 2003	31 December 2002
SHAREHOLDERS' EQUITY	638,751	556,499
I. Capital	207,202	189,672
A. Paid up capital	207,202	189,672
II. Share premium account	1,256	13
III. Revaluation surpluses	1,603	1,641
IV. Reserves	129,129	94,491
A. Legal reserve	20,720	17,900
B. Non-distributable reserves		
1. <i>for own shares</i>	53,933	0
C. Untaxed reserves	3,394	591
D. Available reserves	51,082	76,000
V. Earnings carried forward	299,561	270,682
PROVISIONS AND DEFERRED TAXES	306	1,712
VII. Provisions for liabilities and charges		
4. <i>Other liabilities and charges</i>	0	1,315
B. Deferred taxes	306	397
CREDITORS	116,609	134,236
VIII. Creditors, amounts falling due after more than one year	0	72,235
A. Financial debts		
2. <i>Non-subordinated bonds</i>	0	72,235
IX. Creditors, amounts falling due within one year	116,609	61,651
A. Current portion of long term debt	70,799	0
B. Financial creditors		
1. <i>Credit institutions</i>	0	5,707
2. <i>Other loans</i>	18,675	7,000
C. Trade creditors		
1. <i>Suppliers</i>	53	13
E. Taxation, salaries and social security		
1. <i>Taxation</i>	1,892	1,945
2. <i>Salaries and social security</i>	28	21
F. Other amounts payable	25,161	46,965
X. Accruals and deferred income	1	350
TOTAL LIABILITIES	755,666	692,447

8. STATUTORY ACCOUNTS

Profit and loss account

CHARGES (in EUR thousands)

	31 December 2003	31 December 2002
A. Interest payable and similar charges	3,541	4,073
B. Other financial charges	9,391	11,943
C. Miscellaneous goods and services	1,153	1,020
D. Wages, social security costs and pensions	222	169
E. Other operating charges	42	39
F. Amortisation and write-downs of Set-up expenses, intangible and tangible assets	289	290
G. Write-downs	48,990	199,212
1. of financial assets	48,990	199,212
I. Capital loss on disposals	3,842	9,952
1. of tangible fixed assets	14	0
2. of financial assets	3,828	9,952
L. Taxation	3,479	1,963
M. Earnings for the year	54,685	0
TOTAL CHARGES	125,634	228,661
O. Distributable earnings for the year	54,738	0

8. STATUTORY ACCOUNTS

Profit and loss account

INCOME (in EUR thousands)

	31 December 2003	31 December 2002
A. Income from financial assets	17,278	18,342
1. <i>Dividends</i>	17,278	18,342
B. Income from current assets	2,566	3,901
C. Other financial income	23,513	17,405
E. Other current income	450	475
G. Write back of amounts written off	43,969	2,447
1. <i>financial assets</i>	33,566	2,285
2. <i>current assets</i>	10,403	162
I. Capital gains on disposals	37,132	13,949
1. <i>of intangible and tangible assets</i>	79	52
2. <i>of financial assets</i>	37,053	13,855
3. <i>of current assets</i>	0	42
J. Extraordinary income	642	0
K. Deferred tax levies	36	36
L. Tax adjustment	48	156
M. Loss for the year	0	171,950
TOTAL INCOME	125,634	228,661
N. Transfer from untaxed reserves	53	53
O. Loss to be appropriated	0	171,897

APPROPRIATION AND ALLOCATIONS (in EUR thousands)

	31 December 2003	31 December 2002
A. Distributable profit	326,766	284,148
1. <i>Distributable profit for the year</i>	54,738	0
<i>Loss for the year to be appropriated</i>	0	-171,897
2. <i>Profit brought forward from last year</i>	272,028	456,045
C. Appropriation to capital and reserves	-13,503	0
2. <i>To the legal reserve</i>	-1,686	0
3. <i>To other reserves</i>	-11,817	0
D. Profit carried forward	-299,561	-270,682
1. <i>Profit carried forward</i>	-299,561	-270,682
F. Distributable profit	-13,703	-13,466
1. <i>Dividends</i>	-13,703	-13,466

8. STATUTORY ACCOUNTS

Extract from the notes (in EUR thousands)

VIII. Capital statement

	Amounts	Number of shares
A. Share capital		
1. Called up share capital		
1. 1. At the end of last year	189,672	33,666,474
<i>Conversion of 6,710 bonds into</i>		
<i>33,550 shares</i>	193	33,550
<i>Merger by absorption of Afrifina s.a.</i>	17,337	2,292,668
1. 2. At the end of the year	207,202	35,992,692
2. Composition of capital		
2. 1. Classes of shares		
<i>ordinary shares</i>		
<i>(of which 16,596,314 with VVPR strips)</i>		35,992,692
2. 2. Registered or bearer shares		
<i>registered</i>		19,906,512
<i>bearer</i>		16,086,180
D. Commitments to issue shares		
Following the exercise of conversion rights		
- <i>amount of the convertible bonds in circulation</i>	70,799	
- <i>amount of capital to be subscribed</i>	9,523	
- <i>number of shares to be issued</i>		1,654,190
E. Unsubscribed authorised capital (EGM of 14.07.2003)	207,009	
G. Shareholder (Law of 2 March 1989)		
On 31 December 2003, based on declarations received on that date:		

	Date of declaration	Number of securities	Percentage
Auximines s.a.	14.07.2003	14,325,556	39.8%
Brederode s.a.		3,366,630	9.4%
		<u>17,692,186</u>	<u>49.2%</u>

XX. Valuation rules

The valuation rules used in drawing up the statutory annual accounts of Brederode are those of the group, set out in the Annex to the consolidated accounts, with the exception of the provisions which are applicable exclusively to the consolidated accounts.

9. FINANCIAL CALENDAR

Annual General Meeting 2004	28 April 2004 at 10.00
Coupon no. 64 payable	9 June 2004
Publication of 2004 interim results	second half of August 2004
Publication of 2004 annual results	first half of February 2005
Annual General Meeting 2005	26 April 2005 at 10.00



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