Competitive in France and

2001 was an important year for the Group's competitive businesses with, most significantly, the agreement with the Caisse d'Epargne Group to pool all of their financial competitive businesses. This agreement effectively created France's third-largest financial services player in terms of equity capital, the diversity of its client base, and the breadth of its business lines.

businesses internationally

A joint company, The EULIA Financial Institution, was formed in January 2002 to hold these pooled activities and provide strategic guidance to the alliance's business lines.

The Group's three competitive businesses – CDC IXIS, CNP Assurances and C3D – also continued their expansion in France and internationally through organic growth and acquisitions as well as through the formation of new partnerships.

EULIA: The European Financial Alliance

France's Caisse d'Epargne Group (Savings Banks) and Caisse des Dépôts Group, historical partners, announced, on December 11, 2001, the operational launch of EULIA, their European financial alliance, and, on the January 11, 2002, the creation of their joint financial subsidiary: the EULIA Financial Institution.

EULIA

THE EUROPEAN FINANCIAL ALLIANCE

Charles Milhaud and Daniel Lebègue.

The European Financial Alliance

The alliance's business lines

The European Financial Alliance formed by Caisse d'Epargne and Caisse des Dépôts covers four major business lines:
- retail banking: Caisse Nationale des Caisses d'Epargne (CNCE) is responsible for retail banking with the Caisse d'Epargne network of Regional Savings Banks and its specialized financial services subsidiaries;
- capital markets and financing: asset management, capital markets and financing, and banking and securities services;
- real estate: professional financing, real estate asset management, and non-financial real estate services;
- insurance: personal insurance, property and casualty insurance, credit insurance, employee savings plans, etc.

The alliance's goals

The EULIA Financial Alliance formed by the two companies is currently France's third-largest financial services company in terms of equity capital (€ 17 billion)[1], the diversity of its client base and the breadth of its business lines.
EULIA has 48,000 employees, aggregate net banking income (NBI) of € 10 billion, and return on equity (ROE) of 10%.

On its domestic market in France, EULIA benefits from a first-rate market position. It is:
- the leader in retail financial services (the youth market, life insurance, banking services and credit cards, and brokerage accounts);
- ranked first in asset management for institutional clients and venture capital;
- ranked second in financing local government bodies and institutional custody.

EULIA is present in six other European countries, the United States and Japan. It has thus already entered the fray at the pan-European and global levels and is:
- ranked third in the world in real estate asset management;
- 21st in terms of global financial asset management;
- 12th in securities custody worldwide;
- a major player in fixed-income and secured bond markets in Europe.

(1) Equity capital after appropriation of net income for the year, including the Fund for General Banking Risk (FGBR), net of minority interests

The alliance's goal is to strengthen and broaden these positions in order to become a major pan-European player by:
- doubling EULIA's net income in five years through organic growth, acquisitions and partnerships;
- expanding business lines across Europe by organizing local and European bases of operations;
- developing a network of strategic partnerships by offering partners an open model of association with EULIA.

The EULIA Financial Institution

As was outlined when the alliance between Caisse des Dépôts Group and Caisse d'Epargne Group was announced on June 25, 2001, the EULIA Financial Institution was formed on January 11, 2002 after the General Meetings had ratified which subsidiaries and interests were to be contributed to the new company. The relevant management bodies examined and approved the project, and all of the joint consultative committees concerned provided additional input on the project. Regulatory approval was also forthcoming.

The EULIA Financial Institution is 50.1% owned by Caisse des Dépôts and 49.9% by Caisse Nationale des Caisses d'Epargne (CNCE). Its staff is expected to number between 70 and 100 employees.

EULIA's missions

EULIA has been entrusted with a dual mission that is strictly in accordance with the June 1999 Law governing Caisse d'Epargne Group and with the status of Caisse des Dépôts Group. This mission is:
- to ensure the strategic management of the alliance, while assuming full responsibility as a shareholder in the subsidiaries that it owns;
- to define, propose and monitor the application of these different entities' strategies, monitor their operating and financial performance, extend their business activities into new fields, and encourage their national and international expansion thanks to the efficient use of cash flow.

The EULIA Financial Institution

Pierre Servant and Christian Guirlinger.

EULIA also ensures that all regulatory requirements with regard to its subsidiaries are met, including the appointment of corporate officers and the main executive managers, the coordination of risk management, and the allocation of equity capital.

■ *EULIA's subsidiaries*

These companies cover the alliance's four major competitive financial businesses:
- retail banking via the specialized financial services subsidiaries contributed by Caisse d'Epargne Group;
- investment banking and financing with 53% of the share capital of CDC IXIS, following CNCE's contribution of its 20% holdings in CDC IXIS Capital Markets and CDC IXIS Asset Management, and of its financial services division;
- insurance with the pooling of Caisse d'Epargne Group's holding in Ecureuil Vie and the interests held by both companies in Ecureuil IARD and Sogeccef/Saccef, the credit insurer;
- real estate via the pooling of 40% of Crédit Foncier de France and the real estate subsidiaries already jointly held.

These contributions were entered at book value following a secure valuation procedure in which both companies used outside advisors to negotiate on their behalf. The entire operation was verified by the contribution auditors, the Commission for Participations and Transfers, regulatory bodies, etc.

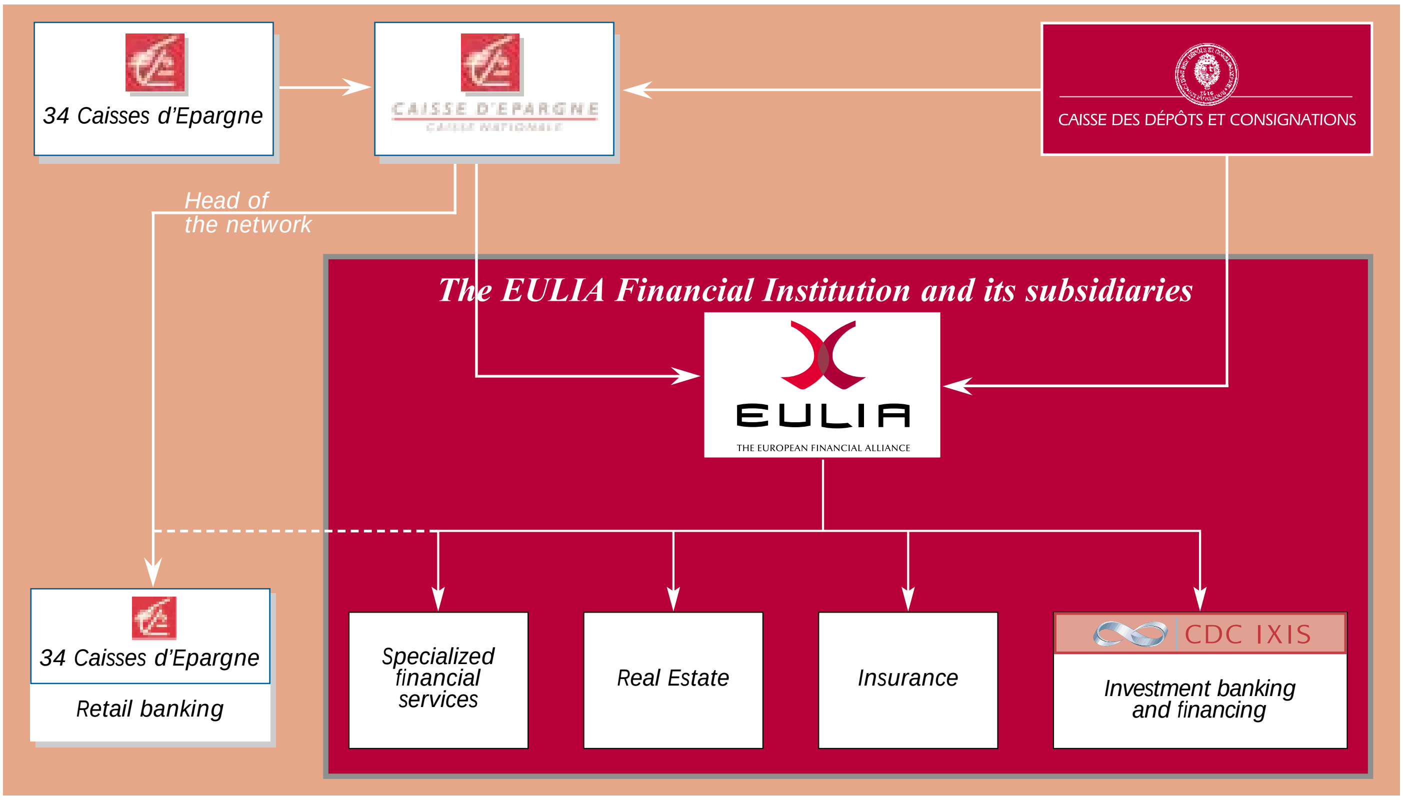
EULIA has no ownership interest in CNP Assurances, which is nonetheless one of its most important strategic partners. CNP Assurances's ties to Caisse des Dépôts and Caisse d'Epargne derive both from the shareholders' agreement signed in September 2000 by Caisse des Dépôts, Caisse d'Epargne, La Poste and the French government, and from the commercial agreements between CNP Assurances and Caisse des Dépôts that were renewed the same year.
Similarly, EULIA has no ownership interests in C3D.
However, synergies will be developed between EULIA's real estate Division and SCIC's property services.
Financial relations between EULIA and the Regional Savings Banks (Caisses d'Epargne) have been planned. The Regional Savings Banks will issue cooperative investment certificates that will be subscribed to by EULIA, and an instrument providing the Regional Savings Banks with a stake in EULIA's income will be put in place.

■ *EULIA's management*

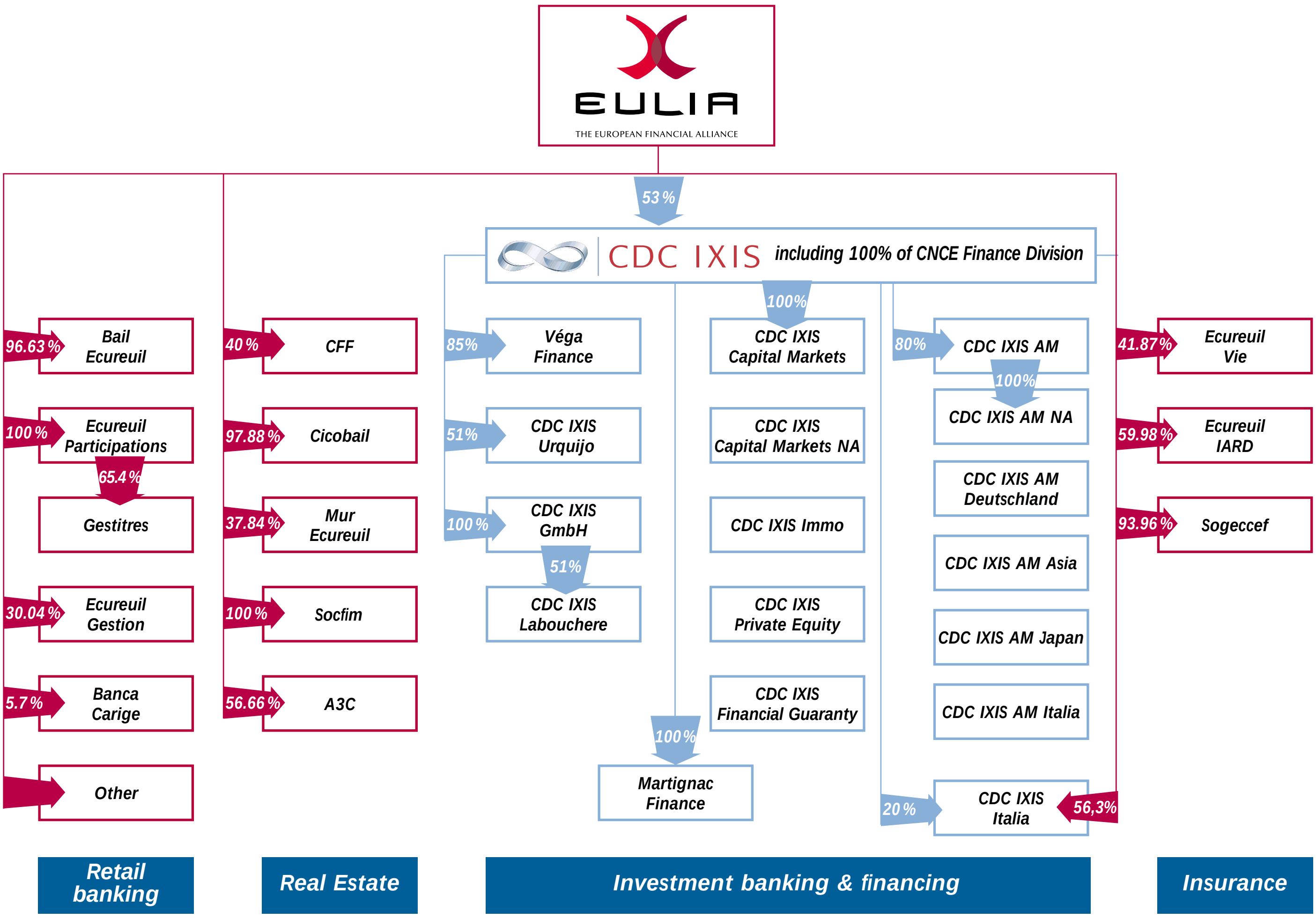
EULIA's board of directors is co-chaired by Daniel Lebègue, President and CEO of Caisse des Dépôts, and Charles Milhaud, President of the CNCE Management Board, and comprises an equal number of members representing Caisse des Dépôts (Isabelle Bouillot, Pierre Ducret, Patrice Garnier, and Jean-Pierre Menanteau) and CNCE (Philippe Wahl, Bruno Mettling, Pierre Carli, and Nicolas Mérindol).

EULIA's co-Chief Executive Officers are Christian Guirlinger, chairman of the board of Caisse d'Epargne de Provence-Alpes-Corse-Réunion since May 2000, and Pierre Servant, previously Senior Executive Vice President, Group Strategy, Finance, Management Control and Accounting, and a member of the Caisse des Dépôts Executive Committee. Christian Guirlinger is in particular responsible for Strategy and Pierre Servant for Finance, but the two men work in a collegial manner, virtually as the two members of a Chief Executive's Office.
Daniel Lebègue assumes the responsibilities of Chairman of the Board for 2002, and Charles Milhaud will replace him, also for a one-year term, in 2003.

Strategic scope of the alliance



EULIA's principal subsidiaries



CDC IXIS: *investment banking and financing*

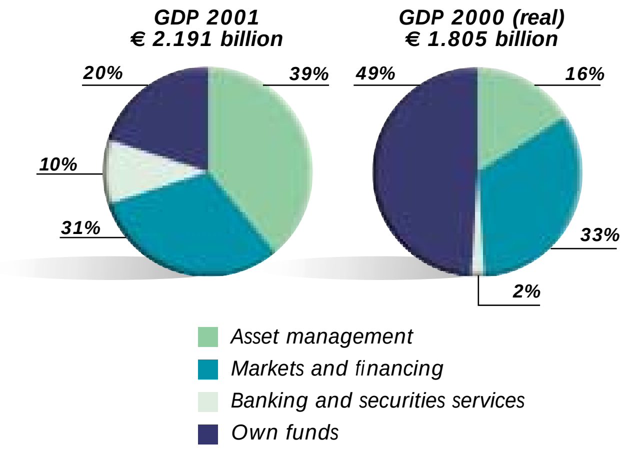
The first year of CDC IXIS, CDC's institutional and corporate banking unit, coincided with an unfavorable financial environment, most notably on account of the downturn in equity markets.

As reflect the results, business lines held up extremely well since, despite a sustained rhythm of investment, they recorded 6.6% progression on their net results at € 230 million. Consolidated net banking income amounted to € 2.19 billion, an increase of 21% over 2000. Given the many organizational changes which took place during the year 2000, the scope of consolidation is not comparable. Earnings before interest, tax, depreciation and amortization (EBITDA) came to € 656 million. Consolidated net income was down by 28% to € 389 million, goodwill armortization expense excluded.

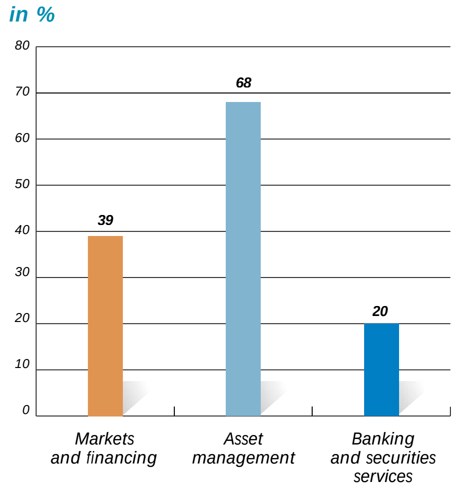
With a more balanced and extensive portfolio of activities, CDC IXIS is now well positioned to take advantage of the opportunities that should accompany the resumption of global economic growth.

In many respects, 2001 was CDC IXIS's founding year. With its product range enhanced through the addition of new services, the bank strengthened its position with investors and achieved significant market penetration with corporate customers and local government bodies. At the same time, CDC IXIS maintained a sustained pace of capital spending in order to lay the foundation for future growth and profitability. The bank created a financial guaranty business in the United States and Europe, and together with Compagnie Financière Edmond de Rothschild, it set up a subsidiary specialized in European mid-cap securities. CDC IXIS Asset Management spun off into a separate entity its activities oriented toward high-net-worth individuals. To fund these investments, CDC IXIS launched multiple issues that established its credit status among European and international investors. Part of the bank's staff has been brought together at the new CDC IXIS head office, ensuring the organization's more efficient operation.

A better balanced and enlarged income base



Share of international activities in the GDP of each sector



With EULIA as its main shareholder and thanks to strategic partnerships formed with Sanpaolo IMI, CDC IXIS has many new growth opportunities and intends to pursue its profitable reorientation towards high value added client services.

Capital markets and financing

CDC IXIS has now brought four business lines together into a single division – capital markets activities, financing, financial engineering, and financial guarantees. Despite the deterioration in financial markets, the new bank has weathered the storm and succeeded in strengthening its international presence throughout Europe and in the United States and Japan.

■ *Capital markets: growth in structured finance and international operations*

Thanks to a deliberate strategy of investing in human and technical resources, CDC IXIS Capital Markets was able to acquire new competitive advantages in 2001.
All business lines contributed to its consolidated net income of € 133 million for the year and its 11% ROE was fully in line with its strict risk selection and management policies.

CDC IXIS: investment banking and financing

◆ *Fixed-income and foreign exchange markets*

Fixed-income and foreign exchange activities had their best year since CDC IXIS Capital Markets was created.

A leading player in euro markets

The strong presence of CDC IXIS Capital Markets in euro money markets entirely justified the unit's role as a "fine-tuning counterparty" and a member of the European Central Bank's contact group. It continued to play a major role as a market maker and distributor of euro-denominated, short-term debt, both government and corporate. It is now also an important player in Eonia swaps, the euro zone's benchmark product.
In government bonds, CDC IXIS Capital Markets continued to be a major player in the secondary market for French Treasury issues despite unprecedented competition among market makers.
Primary markets (other than for government bonds) were relatively lackluster in 2001 because of persistently high spreads. The performance of the CDC IXIS Capital Markets branch in Frankfurt deserves mention in this respect, since it was ranked fifth overall and first among non-German banks for euro-denominated secured bonds.

Overhaul of the fixed-income product range

CDC-IXIS Capital Markets put 2001 to good use by setting up new teams and refining its fixed-income trading organization. The company currently has trading and marketing staff based in Paris, London, and Frankfurt who operate in both primary and secondary credit markets and cover agency, secured, bank and corporate bond issues.

◆ *Controlled growth in derivatives and structured products*

2001 saw continued growth in interest rate derivatives in terms of both volumes traded and profitability. This growth was driven from the locations in Paris, London, New-York and Tokyo.
With regard to structured products, the securitization business consolidated in 2001, with the creation of conduits for short-term investors.

Rapid rise of electronic trading

Thanks to its strong growth in 2001, the online trading services available on the CDC IXIS Capital Markets web site are unique in the market and handle transactions worth several billion euros each month. Trades include government and corporate short-term securities, euro government bonds, short-term swaps and swapped short-term paper. At the same time, the company undertook efforts to personalize its portal by customer segment.

CDC IXIS Capital Markets is also present on the major electronic quotation systems that handle core liquidity issues for financial markets.

◆ *Equity markets*

Primary equity markets: development of advisory services

Equity markets were less buoyant last year than in 2000. Nonetheless, CDC IXIS Capital Markets played an active role in several transactions, including those on behalf of Lafarge, Orange, Crédit Agricole, Juventus, and Gespac. The Juventus deal was managed jointly with Banca IMI within the framework of the partnership between CDC IXIS and Sanpaolo IMI.
The Gespac transaction was handled together with the new subsidiary created jointly by CDC IXIS Capital Markets and Compagnie Financière Edmond de Rothschild in the area of mid-caps.
Renewed emphasis was placed on the development of advisory services in 2001 after initial efforts in previous years. In particular, CDC IXIS Capital Markets advised the French Treasury on the sale of its EADS shares, Pochet for its share

buy-back program and the buy-out launched by the family holding company, CNP Assurances for changes in its shareholding structure, and Regional Savings Banks relative to acquisitions.

Structured products: product range extended

Demand for structured products remained strong throughout the year.
CDC IXIS Capital Markets continued to pursue its strategy of constantly broadening its range of structured products and thereby maintained or increased its business in each of the segments covered.

As counterparties sought to diversify their investments, specialized equity derivatives teams handled products with underlyings in a very wide range of economic sectors and geographical regions - mainly in Europe, the Unites States and Japan.

Arbitrage

Following their exceptional year across the board in 2000, arbitrage and equity financing activities enjoyed another very good year in 2001 under widely fluctuating market conditions and a sharp decline in takeover bids, share-exchange offers and other equity transactions.

CDC IXIS Securities: market share gains

In 2001, CDC IXIS Securities, the CDC IXIS Capital Markets subsidiary responsible for European equity brokerage, improved its position in French equities, going from eighth to fifth place in the rankings with a 5.5% share of the market. In addition, CDC IXIS Securities traded directly on the Euronext market in the Benelux countries and in the German and Spanish markets.

The company stepped up its marketing efforts during the year. It organized 83 road shows together with companies (including 14 foreign-based companies) and nearly 130 analyst tours both in France and elsewhere in Europe and in the United States.

CDC IXIS Securities has also expanded its sales efforts, notably to cover international clients. Business grew strongly in the United States, thanks to investments made at the end of 2000 as well as during 2001.

CDC IXIS-LCF Rothschild Midcaps, with a staff of 10, has been operational since September 2001 and began to publish research and completed its first primary market transaction in December.

◆ *Structuring*

Structuring activities continued to grow with guaranteed funds increasing by € 1.3 billion during the year to reach a total of € 10.7 billion at year-end.

◆ *Research*

Market tracking and economic forecasts

In October 2001, the Research department added a new weekly report, “Risk Perception”, to its range of publications that mainly consist of its “Weekly Market Analysis”, “The Market Weekly”, “Markets and the Economy” and “Flashes”.

Quantitative fixed-income and equity market analysis

Foreign exchange market models were able to define optimum macroeconomic currency exchange rates. The research in fixed income markets focused on the multilateral relationships between European yield curves.

Investment strategies

The Research department provides advisory and analytical services for fixed-income investment and arbitrage strategies. This business relies on the economic and financial scenarii supplied by the country analysts as well as on relative value analyses.

CDC IXIS: investment banking and financing

◆ *CDC IXIS Capital Markets North America*

Despite the recession in North America, CDC IXIS Capital Markets North America was able to maintain its high-level performance.

CDC Mortgage Capital Inc., the CDC IXIS Capital Markets North America subsidiary responsible for commercial mortgage loans, financed loans worth $ 962 million in 2001, bringing total loans financed and purchased since June 1999 to over $ 5 billion. In May 2001, the company completed its third securitization transaction since 1999.

Last year, the Asset-Backed Securities team at CDC IXIS Capital Markets North America played an active role in five securitization transactions to conclude its first year of operations on a solid footing. The five transactions placed more than $ 1.5 billion on the asset-backed securities market.

On May 15, 2001, the SEC granted its approval to CDC Derivatives Inc. to engage in OTC equity derivatives trading. The company is the second in the United States to receive SEC approval, and can now offer a full range of equity derivative products to investors – swaps, OTC options, futures contracts and their various combinations.

CDC IXIS Securities, the group's brokerage subsidiary, experienced strong growth in 2001, and increased its share of the U.S. market for French and European stock trades.

■ *Financing: a fast-growing business*

The Financing division was reorganized in 2001 and divided into two units. One unit deals exclusively with the real estate, retail, manufacturing, banking and insurance sectors, and the other handles the transportation, utilities, oil & gas and telecommunications industries.
A syndication unit supports the work of both groups for the origination as well as the distribution of transactions.

In 2001, CDC IXIS continued to develop its role as arranger, co-arranger, underwriter and syndicator.

The year saw significant growth in new loans, which reached € 2.43 billion by the end of the year, and the successful conclusion of 66 international financing transactions on behalf of major corporations. CDC IXIS obtained a total of 31 mandates as arranger, co-arranger or senior co-arranger during the year.

■ *Financial engineering: international development*

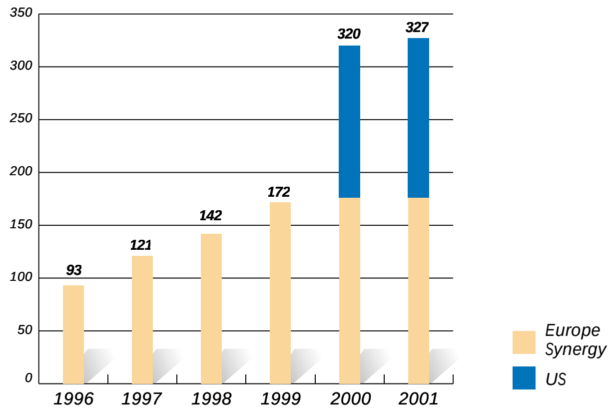
The Financial Engineering division addresses the growing demand for advice concerning complex financings. It serves the transportation, environmental and energy sectors in particular.

In 2001, the magazine "Project Finance International" ranked CDC IXIS 13th among European banks for project financing advisory services. Overall, CDC IXIS completed some 20 advisory assignments in France, the United Kingdom, Ireland, the Netherlands, Germany, and Italy.

■ *Financial guarantees: start of international operations*

In the fall of 2001, CDC IXIS Financial Guaranty (CIFG) completed several important stages required to begin operation. In late October, CIFG Europe, the Paris-based subsidiary that will back the guarantees, received approval from the French Ministry of the Economy, Finance and Industry to operate as an insurer in France. With triple-A ratings from the three credit rating agencies, CIFG's European subsidiaries are now actively seeking deals with the appropriate risk profile.

CDC IXIS Asset Management: change in scale



Asset management

CDC IXIS's Asset Management division brings together under one roof the management of financial and real estate assets and private equity business. The market in 2001 was particularly difficult because of the decline in the value of equity assets, and CDC IXIS strove to make the most of possible synergies across business lines, between asset management and capital markets activities, and between entities on both sides of the Atlantic. The company also successfully continued to develop its third-party asset management business.

■ *Financial asset management*

◆ *International asset management: an aggressive strategy*

With € 327 billion in assets under management as of December 31, 2001, CDC IXIS Asset Management confirmed its place among the world's leading third-party asset management companies.
2001 was a difficult year for all asset managers, and CDC IXIS Asset Management worked hard to strengthen its positions in Europe, the United States and Asia, and to initiate new developments.

Value-creating synergies

In 2001, CDC IXIS Asset Management took full advantage of induced synergies, notably by integrating Nvest, renamed CDC IXIS Asset Management North America, and through increased collaboration with CDC IXIS Capital Markets.

Fourteen new funds were created and registered in various countries in Europe so that they could be marketed to local investors. These funds are currently managed by CDC IXIS Asset Management and its American subsidiaries. It was therefore possible to prepare joint bids for public tenders. Mandates for both U.S. equities and U.S. bonds were won in Europe, and sales teams were trained to sell all of the Group's products.

In addition, several structured products were designed and launched, generating total sales of € 230 million, mainly to institutional clients via a network. CDC IXIS guarantees a minimum return, with an active part managed by CDC IXIS Asset Management based on interest rate arbitrages and a passive part structured by CDC IXIS Capital Markets.
Moreover, CDC IXIS Capital Markets carried out and arranged several medium-term notes issues worth a total of € 125 million, with as their underlying security a hedge fund managed by Harris Associates, the company's Chicago-based asset management subsidiary.
Orion, Ellipse, and Curzon Global Partners (a European real estate investment fund managed by Curzon, a subsidiary of AEW) were among the year's sales successes in the area of alternative investments.

Continued development

In 2001, CDC IXIS Asset Management pursued its expansion in Europe, the United States and Asia, while continuing to pay close attention to its portfolios under management and to the quality of its customer communications and service.

"Euromoney" ranked CDC IXIS Asset Management fifth in Europe for third-party asset management for the year.

In Germany, the company signed distribution agreements with the country's leading banking networks and started selling shares in its European equity mutual funds.

It set up a new subsidiary in Italy, CDC IXIS Asset Management Sgr Italia, which obtained regulatory approval in July 2001 and has been well received by institutional investors.

Business in France continued to grow while the company expanded in Europe. CDC IXIS Asset Management is the country's leading manager for pension funds, and successfully bid on several substantial tenders, including those issued by ARRCO and Groupe Taitbout.

In the United States, despite the particularly difficult economy, CDC IXIS Asset Management North America turned in a satisfactory performance for 2001 that compares favorably with those of its main rivals. Assets managed by the U.S. subsidiary were virtually unchanged at $ 130 billion compared with $ 132 billion in 2000.

During the year, CDC IXIS's U.S. asset management subsidiaries worked closely with their parent company in Paris to develop new products for the European market. Seven new funds managed in the United States were made available to European investors, and an additional seven funds were jointly developed by Loomis and CDC IXIS Asset Management.

The company also increased its presence in Japan and elsewhere in Asia in 2001, in particular in the area of distribution. CDC IXIS Investment Services Japan, a sales subsidiary, was opened to in order to round out operations in Japan.

◆ *Private and mutual fund management*

An ambitious new player: CDC IXIS Private Capital Management

CDC IXIS Private Capital Management was approved by the *Commission des Opérations de Bourse (COB)* in December 2001. Its business is to provide institutional-type management services to large private investors with a net worth of more than € 5 million.

The company has based its approach on the individual pension fund concept, and combines estate planning and financial engineering with financial management to satisfy the special requirements of high-net-worth individuals.

CDC IXIS Private Capital Management had assets under management of € 478 million as of December 31, 2001, and has targeted winning a significant share of the market using its own sales force, outside partners and several of the entities that make up EULIA.

Véga Finance: sharp increase in business

Véga Finance, a private bank, has the most extensive range of financial products available in France. Its provides its clients access to all French funds and a selection of foreign funds, both directly and via funds of funds and life insurance contracts. Véga Finance also makes available to its private clients the full range of its asset management services, from financial and tax advisory services to discretionary asset management.

The bank also provides customers with real-time market transaction services via direct distribution systems such as the Internet, Minitel and the interactive television channel Fi carried on the TPS satellite service.

Even though financial markets fluctuated sharply in 2001, Véga Finance was able to continue its growth in terms of the number of private clients and asset volume. As of December 31, 2001, it managed 11,000 accounts, an increase of 35% compared with 2000, with total mutual fund assets of € 3.2 billion, 51% more than the previous year.

Sogéposte: full agreement on the quality of management services

Sogéposte, joint CDC IXIS – La Poste subsidiary, continued to extend its range of products reserved for institutional clients and also created two new ethical investment funds.

Assets under management held steady thanks to an € 806 million inflow of new money from La Poste's network. The quality of the management services provided was again rewarded, with *Investir* magazine ranking the entire range of Sogéposte's open-end funds second over a five-year period.

■ *Real estate management: third-party management up significantly*

CDC IXIS Immo provides investors with the full spectrum of services available on the real estate management market – advice on direct and indirect investments, management of real estate assets and portfolios, and the engineering and arranging of complex transactions.
CDC IXIS Immo ranks second in France in terms of overall size and first in third-party management. At the global level, the combination of CDC IXIS Immo and AEW, the CDC IXIS Asset Management subsidiary specialized in managing property assets in the United States, constitutes a first-rate international market force.

2001 – A year of success

CDC IXIS Immo's development strategy is based on generating increased synergies with AEW and the Group's other business lines, whenever real estate financing or advisory services are required, in particular in the context of asset acquisitions and the outsourcing of property management.

In 2001, despite the market's wait-and-see attitude, CDC IXIS Immo reported a sharp increase in business in all areas.
The company now manages assets worth € 4.5 billion, of which 36% on behalf of third parties, compared with just € 3.7 billion in 2000.

Forest assets: a satisfactory year

Société Forestière manages forest assets on behalf of institutional investors – accounting for around one half of the French market –, companies and private individuals. Altogether, the company manages nearly 200,000 hectares in France and Chile with a total value of some € 600 million.
In 2001, most of the properties managed by Société Forestière had annual returns of between 3% and 6%, and sometimes even more, thus confirming the interest that forest properties present in terms of diversifying asset allocations. During the year, the company continued the efforts begun in 2000 to repair the damage caused by the December 1999 storms in France, by clearing fallen timber, pursuing insurance claims, and preparing damaged tracts for replanting.

■ *Private equity: sharp rise in funds raised*

CDC IXIS Private Equity continued to increase its activities on behalf of third parties in 2001.
This effort involved the full range of segments covered and resulted in significant growth in the areas of innovation, development capital, leveraged buy-outs (LBOs) and funds of funds. CDC IXIS Private Equity is one of France's leading investors in this area.

Despite the deterioration in the overall market, CDC IXIS Private Equity and its management subsidiaries successfully launched four new funds, raising a total of € 640 million (compared with just € 228 million in 2000), including € 430 million from third-party investors. As of the end of 2001, total capital raised amounted to € 2.4 billion, leaving CDC IXIS Private Equity ample resources to take advantage of new investment opportunities.

Banking and securities services

CDC IXIS provides a full range of cash management and custody solutions to meet the needs of its diverse client base, which includes institutional investors, fund managers and companies in France and elsewhere in Europe. The reorganization of this business began in 2000 and continued last year with a view to improving the quality of customer service.

CDC IXIS: investment banking and financing

■ *Banking services: new organization in 2001*

Banking Services offers its clients a full range of services – account management, cash management, investment services, and the management of medium – and long-term cash flow and financing.

Early in 2001, in order to personalize its customer service, Banking Services reorganized its sales and marketing around CDC IXIS's three primary customer segments – institutional investors, banks and other financial institutions, and companies.

CDC IXIS developed a specific range of banking services to meet the requirements of its institutional clients operating in the private market. Several major regionally-based mutual insurers, notably including Matmut, Apri, Ociane and GRM, entrusted the management of their accounts to CDC IXIS in recognition of its ability to provide high-quality banking services from its Paris base.

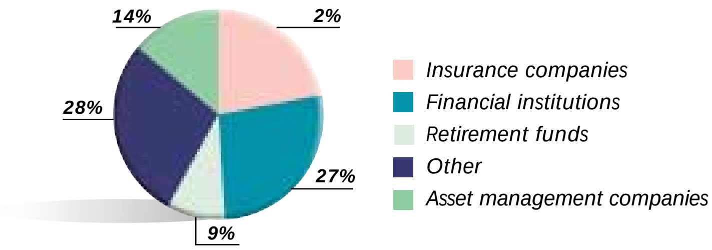
Since January 2002, the banking portal **CDCIXIS@banque** has provided online customers with the intra-day positions of their accounts.

■ *Securities custody: a European player*

Over the past several years, the consolidation of the market for securities custody has accelerated in parallel with the consolidation of stock exchanges and market infrastructure in Europe.

In this changing environment, CDC IXIS intends to develop its position in the securities custody business and remain one of the major players in France and elsewhere in Europe, thanks to the volume of securities in custody, the quality of its processing operations and the security it guarantees its clients.

Custodial services: breakdown of assets in custody per institutional client category



A slight decline in custody volume

In 2001, CDC IXIS transformed its organization and its securities custody systems in order to respond to changes in the business and to be able to process higher volumes of increasingly complex transactions.

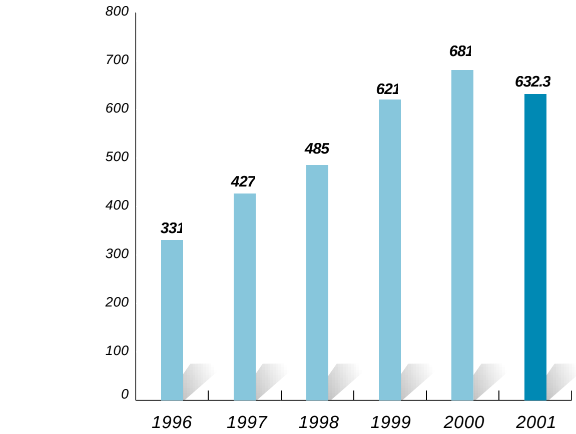
At year-end, average custody volume for institutional clients (pension funds, mutual insurers, insurance companies, management companies, financial institutions, companies, etc.) amounted to € 632.3 billion. Despite the particularly downbeat market climate, CDC IXIS was able to limit the decline in assets in custody to 7%.

CDC IXIS Conservation d'Actifs maintained its first-place ranking in France for the custody of domestic marketable securities with a 12% share of France's total stock market capitalization.
The company provides its services to more than 600 French and foreign institutional investors and ranks first among mutual fund depositories, with more than 720 funds managed by 54 companies, 44 of which are outside the Caisse des Dépôts Group.

Successful launch of fund manager Services

Setting up the fund manager Services business was a major initiative in 2001. It was undertaken to personalize client relations and respond to the need to provide them with a single point of entry, from both the marketing and operational points of view, for securities and cash account-management services and transfer-agent functions.
At the same time, a client-oriented trading platform was created in order to take over order books and retrieve consolidated reports listing securities, cash and accounting positions using an Antares workstation, via a Straight Through Processing (STP) link.

Custodial services: Evolution in custody of institutional securities



Euro Emetteurs Finance posts a convincing first-year performance

Euro Emetteurs Finance (EEF), a joint subsidiary with Crédit Lyonnais, specialized in services for issuers, closed its first full year of operations on December 31, 2001, subsequent to its October 1, 2000 start.
All of the two partners' original clients chose to continue working with EEF, which succeeded in adding another 20 new clients. The management of stock options and domiciliation services for negotiable debt instruments experienced particularly strong growth. A new range of services was put into place for the administration of direct stock-ownership employee savings plans.

Creation of a new branch: CDC IXIS Administration de fonds:

Previously, two entities – GSF and the Accounting Management division of CDC IXIS Asset Management – handled the accounting and net asset value calculation functions for mutual fund portfolios. With changes in the way this business is structured in Europe, CDC IXIS confirmed its place within its Banking and Securities Services unit, with the goal of achieving a pan-European position.
The CDC IXIS Administration de Fonds subsidiary handles assets worth € 110 billion, via 600 funds and 100 mandates.

Highlights

Capital markets

- The launch of CDC IXIS-LCF Rothschild Midcaps: CDC IXIS and La Compagnie Financière Edmond de Rothschild set up a joint brokerage subsidiary specialized in mid-cap stocks.
- On behalf of France Telecom, CDC IXIS together with Goldman Sachs and GE Capital managed the largest real estate transaction ever carried out in France, involving property assets worth € 3 billion.

Financial guarantees

- Standard and Poor's and Fitch assigned triple-A ratings to CIFG Europe and CIFG, CDC IXIS Financial Guaranty's in-house reinsurance company. In early January 2002, Moody's Investors Services also assigned its Aaa rating to the two companies.

Asset management

- A sales office in Japan, CDC IXIS Investment Services Japan, was established.
- Véga Finance adopted the status of a bank. This new legal framework will allow it to integrate time deposits, loans and new payment media into its product range. Its objective for 2003 is to manage 20,000 accounts.
- The Commission des Opérations de Bourse (COB), the French stock exchange authority, granted approval to CDC IXIS Private Capital Management.
- In accordance with the Helsinki principles and the Forest Law passed in July 2001, Société Forestière set up a system of sustainable forest management.
- Takeover of Cegelec: CDC Equity Capital, a subsidiary of CDC IXIS Private Equity specialized in dedicated leveraged buy-out (LBO) funds, finalized the takeover transaction in association with Charterhouse Development Capital.

Securities custody

- CDC IXIS obtained the status of Qualified Intermediary from the U.S. Internal Revenue Service (IRS).

CNP Assurances: life insurance

As the leading French life insurer, CNP Assurances has 14 million individual policyholders. It designs and develops innovative insurance products in three main areas – savings, retirement and personal-life.

CNP Assurances maintains close ties with its three shareholder partners – the French Postal Service (La Poste), Regional Saving Banks (Caisses d'Epargne), and the French Treasury – that together distribute its products through a total of more than 25,000 points of sale. It also works closely with 250 financial institutions of all sizes, more than 1,000 companies, major health insurers and 17,000 local government bodies.

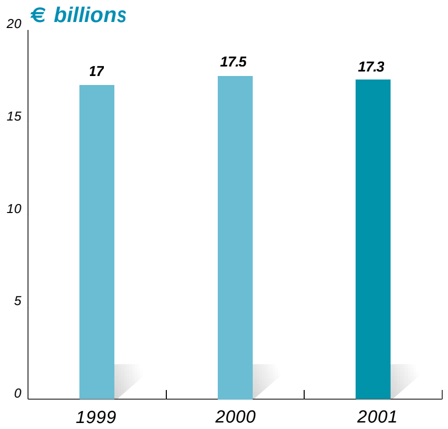
In 2001, CNP Assurances acquired 50.75% of the capital of the Brazilian bankinsurer Caixa Seguros and obtained approval for life insurance in China.

Photographs of the model by Géraldine GONZALEZ.

Activity and results

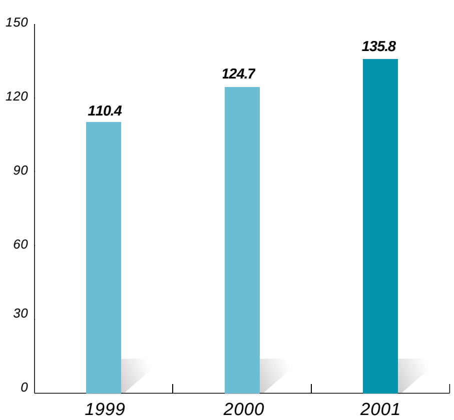
The French personal insurance market contracted sharply in 2001, declining by 7% according to a December 2001 estimate prepared by the French Insurance Industry Association (FFSA). This decline was mainly due to reduced transfers from bank PEP savings plans and Livret A savings accounts. The FFSA estimates that the market totaled € 92.7 billion.
CNP Assurances had consolidated premiums of € 17.29 billion, 1.3% less than in 2000. On constant consolidation scope, the drop is of 3.1%. Its outperformance relative to the market can be attributed to strong performances from its distributors.

Premiums



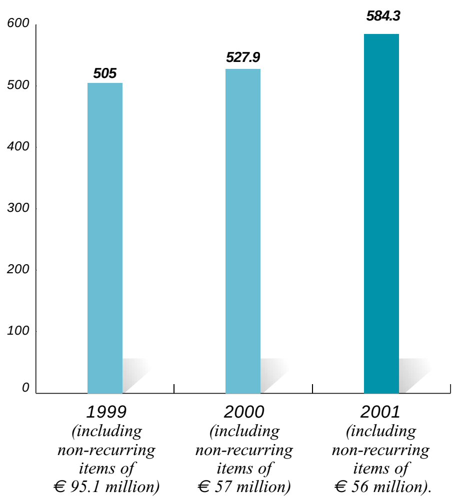
The book value of assets under management as of December 31, 2001 was € 135.8 billion, a 8.9% increase for the year. Unrealized capital gains amounted to € 9.7 billion at the same date.

Assets under management (book value)

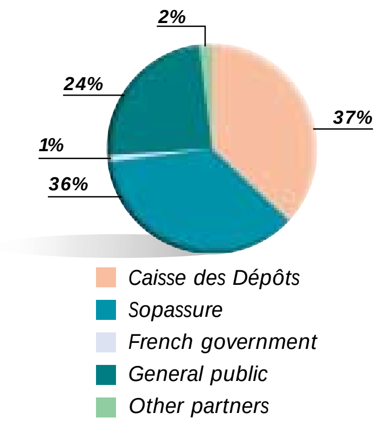


Based on the new accounting standards, CNP Assurances group share of net recurring income came to € 528.3 million in 2001, a 12.2% increase relative to 2000. Overall, CNP Assurances's consolidated net income, group share, totaled € 584.3 million.

Net income, group share



Shareholder structure
(as of January 5, 2001)



CNP Assurances: life insurance

CNP Assurances share details

The CNP Assurances share closed at € 35.70 on December 28, 2001, the last trading day of the year, down 16.4% from € 42.69 on December 29, 2000, its all-time record high. Its market capitalization as of December 28, 2001 was € 4.9 billion.

The CNP Assurances share outperformed both the DJ Insurance index, which was down by 30.6% for the year, and France's CAC 40 index, which was down by 22%.

Over one year (from March 9, 2001 to March 8, 2002), the CNP Assurances share gained 3.6% compared with declines of 13.8% for the CAC 40 and of 23.4% for the DJ Insurance index.

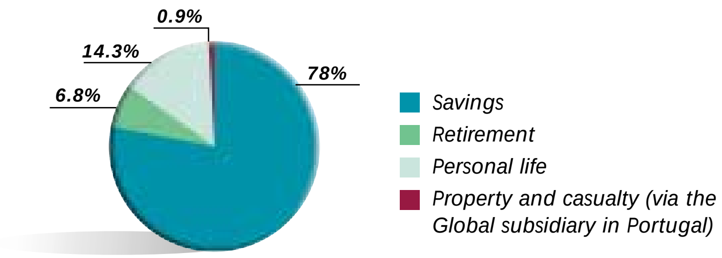
In early 2002, CNP Assurances had 290,000 individual stockholders. The *Cercle des Actionnaires de CNP Assurances* brings together all individual stockholders who want to take advantage of the special services it provides. At the beginning of 2002, it has 19,000 members.

A net dividend of € 1.39, an increase of 28.7% from the previous year, will be proposed to the Annual General Meeting to be held on June 4, 2002.

Insuring people – A core competency

Through active market research and competitive analysis, CNP Assurances keeps in tune with evolving policyholder needs. Last year, the company continued to expand the product lines for all its businesses.

Its breakdown of revenues by business segment was as follows:



Savings products include life insurance products specifically adapted to the needs of customers of La Poste, the Regional Savings Banks and the French Treasury. Unit-linked and multi-unit products in this market segment allow policyholders to invest in stocks, bonds, mutual funds, real estate investment trusts (REITs) and other securities. Given the instability in markets last year, they attracted less interest than in previous years. However, euro-denominated policies grew.

In the retirement fund segment, CNP Assurances provides companies of all sizes with retirement plans that complement compulsory state-run schemes. CNP Assurances also provides retirement plans to individuals via its distributors, and is well known in the area of pension plans for elected officials and civil servants as the main insurer for the PREFON and FONPEL plans. Having collected close to € 406 million in 2001, PREFON maintained the high levels achieved in recent years.

The personal life segment includes policies that pay benefits in the event of the policyholder's death, accident, long-term health impairment, incapacity or disability. Personal life policies for all ages are regularly updated and are made available to individuals and groups in order to complement social security coverage.

CNP Assurances continues to grow in its traditional market in healthcare as a provider of insurance and reinsurance for numerous mutual insurers and prudential funds. Supplemental medical insurance reimburses employees for costs not covered by the state-run system. CNP Assurances provides a range of services (Carrés Bleus) aimed at helping employees control their healthcare expenditures, and entered the market for providing personal assistance to individuals with the takeover of L'Age d'Or Services and the formation of Filassistance International in 2001.

Credit insurance provides coverage to both individual borrowers and to the lending institutions in the event of the borrower's death, complete and irreversible loss of autonomy, disability or loss of employment. CNP Assurances is the market leader in this segment with market share of nearly 40%.

Highlights

• **January 2001:** CNP Assurances launched CNP Caution to provide credit insurance and legal guarantees to partners and customers.
The Regional Savings Banks' Mutuelle Nationale adopted CNP Assurances's Carrés Bleus services.
• **February 2001:** on February 14, CNP Assurances announced that it would acquire 50.75% of the Brazilian bankinsurer Caixa Seguros, a transaction subsequently completed on July 6. Caixa Economica Federal, the country's second-largest retail bank with 1,900 branches, is the bankinsurer's other main shareholder. Caixa Seguros is the Brazilian market leader in loan insurance and has significant positions in life and non-life insurance products.
• **April 2001:** within the framework of their partnership, CNP Assurances and Azur GMF formed a new 50/50 joint venture, Filassistance International, to provide local assistance.
• **April-May 2001:** from April 2001, CNP Assurances issued in several tranches, and on excellent terms, a total of € 400 million in subordinated bonds, listed on the Luxembourg Bourse.
• **May 2001:** on May 4, the French Treasury signed a new agreement defining the terms for the distribution of life insurance products by its network, valid until December 31, 2004.
• **June 2001:** CNP Assurances acquired L'Age d'Or Expansion, France's leading private network providing services to elderly people who are dependent or handicapped.
Gespre Europe, which provides health insurance products for Assurposte, became operational on June 5. The company was formed by the partnership between CNP Assurances, Azur GMF and Mutuelle Générale (MG).
• **September 2001:** Assurposte, the joint subsidiary of CNP Assurances and La Poste, continued to expand its marketing of personal life products throughout France, and in particular Complétys Santé, its complementary health insurance product.
• **October 2001:** CNP Assurances and Caisse d'Epargne Group signed an agreement covering 26 Regional Savings Banks in France, of which 25 on an exclusive basis.
CNP Assurances maintained its overall operator role with responsibility for healthcare selection, claims management, and direct commercial relations with Caisse d'Epargne Group.
Caisse d'Epargne Group began selling its new multi-unit products Nuances 3D and Nuances Plus.

• **November 2001:** on November 13, CNP Assurances signed an agreement to reduce working hours that took effect on January 1, 2002.

C3D: services and support for local development

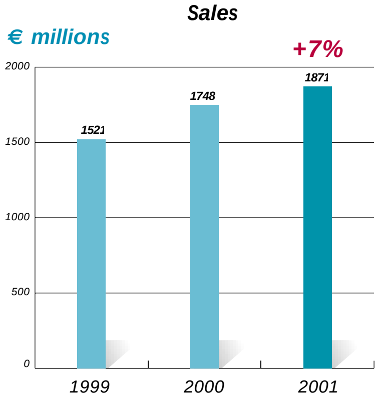
In 2001, C3D's consolidated revenues increased by 7% to € 1.9 billion, with international operations making an unchanged contribution of close to € 370 million. This upward trend was driven primarily by the consolidation of the entire urban development business and by acquisitions. It was partly offset, however, by a series of events, the most important of which were the divestiture of Alcor and the accounting and support services activities previously provided by Scet to highway operators, as well as operating problems at Egis.

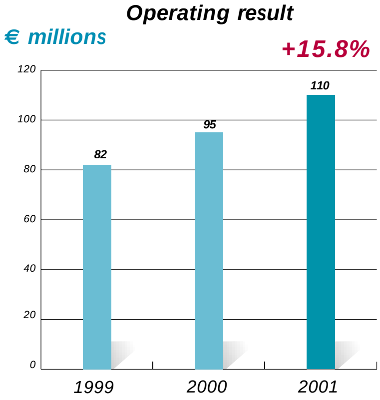
Thanks to steps taken in previous years to improve C3D's margins and to changes in consolidation scope during the year, C3D's operating income increased by 15.8%.

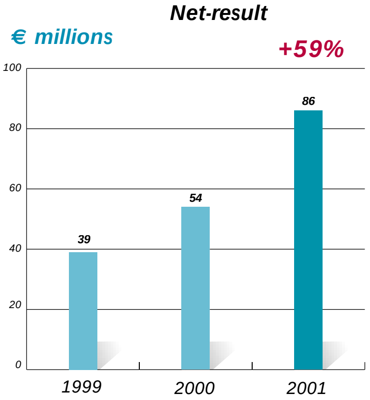
Net non-recurring income increased sharply because of significant property asset disposals by SCIC and, to a lesser extent, asset arbitrages by C3D (sale of the Atrium building and the Alcor Division).

The group share of net income was also up significantly to € 86 million, an increase of 59%. C3D's margins again improved, with ROE reaching 13.1% in 2001 compared with 8.7% the year before. As a result, the ROE target that had originally been set for 2003 has already been reached.

Business lines - C3D: services and support







In 2001, C3D pursued its targeted acquisition strategy, as Médica France purchased Eis-Qualisanté. C3D also sold shares in certain of its divisions to new partners, many of them international. For example, it sold a 9.5% stake in Egis to Macquarie and a 7% interest in Transdev to Sanpaolo IMI. C3D also disposed of other assets such as Alcor in order to refocus its business and improve the overall profitability of its existing businesses. Lastly, C3D stepped up its efforts in the area of innovation, notably by adopting measures designed to facilitate new product development within existing business lines.

Sales

(€ millions)	2001	2000	1999	1998
SCIC	728	564	478	429
CDA	221	198	198	193
Transdev	418	356	320	288
Alcor	-	98	69	40
Egis	478	527	442	403
Holding Co. & other	26	5	14	41
TOTAL	**1,871**	**1,748**	**1,521**	**1,394**
of which, France	**1,503**	**1,367**	**1,137**	**1,059**
of which, foreign	**368**	**381**	**384**	**335**

International activity

(€ millions)	2001	2000	1999	1998
SCIC	10	5	3	1
CDA	8	7	8	8
Transdev	123	106	84	79
Egis	224	261	280	231
Holding co. & other	3	2	10	16
TOTAL	**368**	**381**	**385**	**335**

Contribution to net income (group share) - C3D

(€ millions)	2001	2000	1999	1998
SCIC	66	49	28	16
CDA	8	5	6	4
Transdev	7	4	3	3
Alcor	-	- 3	- 1	- 1
Egis	- 35	1	0	- 4
Sub-total	**46**	**56**	**37**	**19**
Holding Co. & other	40	- 2	2	8
TOTAL	**86**	**54**	**39**	**27**
Ownership (%)				
SCIC	100.0	100.0	100.0	100.0
CDA	43.3	44.7	47.8	41.6
Transdev	92.1	99.0	98.9	98.8
Alcor	-	51.0	60.2	60.2
Egis	79.0	87.3	45.9	45.9

C3D: services and support

Real estate services: SCIC

SCIC had consolidated sales of € 728 million in 2001, a 29% increase compared with 2000 that was generated almost entirely through acquisitions.
The year saw significant capital gains on disposals and the write-back of provisions for demolition. In addition, all of SCIC's businesses either maintained or improved their margins. As a result, SCIC's contribution to C3D's net income increased by 33% to reach € 66 million in 2001, compared with € 49 million the previous year.

SCIC is positioned as a major real estate operator thanks to its broad range of business lines: intermediate housing operations, real estate development, a full range of real estate services, the management of healthcare facilities, and an equity interest in a low-income housing company.

■ Real estate holdings: SCIC Patrimoine

SCIC Patrimoine had 2001 sales of € 215 million. Increases in the cost of new construction (used as a basis for raising rents) and occupancy rates offset reductions in the property company's assets.
Operating income increased from € 45 million in 2000 to € 58 million last year.
Spending on maintenance and renovation increased and key rental indicators continued to improve. The rate of vacancies available for rent decreased to 1.95%, the rate of unpaid rent to 4.28%, and losses on unpaid rent to 0.78%. SCIC Patrimoine contributed € 73 million to SCIC's consolidated earnings in 2001.

■ Urban development: Capri

Capri's sales returned to their 1999 level, with € 224 million in reservations. With the delivery of certain projects initially planned for 2001 delayed until 2002, SCIC's share of Capri's net consolidated sales came to € 136 million.
In March 2001, Capri Résidence acquired 70% of Espace & Habitat, a developer based in Strasbourg. The acquisition will enable Capri to increase its sales and coverage of major metropolitan areas.
Capri's operating income increased to € 12.2 million in 2001 from € 9.8 million in 2000.
Capri, which is 65%-owned by SCIC, contributed net income of € 5.4 million.

■ Healthcare facilities: Médica France

Médica France had sales of € 108 million last year, a 44% increase over 2000 thanks primarily to acquisitions.
Médica France continued to expand in 2001 in a rapidly restructuring sector for which critical mass is necessary in order to achieve the required quality.
With its purchase of Eis-Qualisanté, Medica France doubled the number of facilities in its portfolio and extended its presence throughout the country. The business grew by 5% at constant consolidation scope, thanks to a notable improvement in occupancy rates.
It contributed € 4.1 million to SCIC's earnings for the year.

■ Real estate services

The signature of a contract for the sale of France Télécom's real estate holdings at the end of 2001 highlighted the growth potential of this business and confirmed that the unit's "Global Service" strategy was well founded.

Project management: SCIC Développement and subsidiaries

SCIC Développement had consolidated sales of € 74 million and operating income of € 4.1 million in 2001, and contributed € 3.5 million to SCIC's net income for the year. The company's order backlog increased from € 115 million at the end of 2000

to € 140 million as of December 31, 2001.
In September, SCIC Développement and Mace (Ensemble) formed a joint venture to develop SCIC's activities in the United Kingdom, in particular Private Finance Initiative (PFI) deals for the building, financing and management of properties.

Property management: GFF

GFF's sales were up by 25% to € 65 million, with a third of the growth coming from acquisitions.
GFF acquired three companies in Lille, Marseille and Nantes, respectively, thereby rounding out its regional coverage.
Operating income totaled € 2.2 million last year and GFF contributed € 1.7 million to SCIC's net income.
A plan to enhance productivity was implemented throughout the year and is expected to bear fruit starting in 2002.

Facilities management: Eurogem

For Eurogem, 2001 was above all a year of organizational, managerial and legal consolidation. The company also developed an Internet-based information service that serves as an interface between owners, tenants and facilities managers. This portal, destined to play a key role in Eurogem's future development, was operational by the end of the year and was put into place by Protertia, a new joint subsidiary created with EDF.
Eurogem's sales remained level at € 63 million (including a change in the accounting treatment of intercompany transactions). Operating income came to € 1.4 million.
For its 60% ownership interest in Eurogem, SCIC's share of net income amounted to € 0.2 million.

Services and consulting to "SEMs" and local government bodies: Scet

Scet failed to meet its budget objectives for the year and is currently being reorganized. The company's sales declined in 2001 following the disposal of its highway operator services business (€ 14.5 million in annual sales) and its accounting services for semi-state-owned companies, or SEMs (€ 5.5 million in annual sales). At comparable consolidation scope, sales were flat at € 56 million. Scet also acquired 45% of Sodie in 2001. Scet recorded a net loss of € 7 million for the year, prompting management to implement a turnaround plan for the near term and to re-examine the company's medium-term future.

■ *Social housing (HLM): SCIC Habitat (14 non-consolidated companies)*

The company's housing assets totaled 118,080 low-income housing units (HLM) as of December 31, 2001, an increase of 829 units compared with year-end 2000. This increase resulted from an active management strategy that included the sale of individual units and buildings, building demolitions and housing unit purchases. 2001 also saw a pick-up in the company's new construction starts, with 1,389 new units started compared with 712 in 2000.

SCIC Habitat improved its management performance with a 1.29% vacancy rate on available units and a 0.98% loss rate on unpaid rents. The company also emphasized service quality on behalf of its 118,000 tenants by conducting tenant satisfaction surveys, setting up a call center and initiating quality certification programs.

SCIC Habitat's aggregate earnings amounted to € 30 million for 2001, a 42% year-on-year increase that included a € 6 million write-back of provisions for major repairs.

Transportation: Transdev

In 2001, Sanpaolo acquired an interest in Transdev, which once again achieved strong growth in both sales and earnings.

Consolidated operating revenues amounted to € 426 million for the year, 7.2% more than in 2000, thanks mainly to acquisitions. The group share of net income increased by 67% to € 8.1 million. The year saw the start-up of airport passenger transportation services and the expansion of the London business. The reorganization of intercity transportation services in France was completed, with five regional companies now in place.

The September 11 terrorist attacks in the United States negatively affected Visual's tourism business and the airport transportation business as air travel declined. However, these setbacks were offset by the significantly improved profitability of the public transportation activities and the good performances posted by the companies located in eastern France and the Alps.

Transdev strengthened the quality assurance programs of its urban and intercity networks, which received 20 ISO 9000 certifications and numerous awards, including the SEM d'Or, La Vie du Rail, and London bus operator awards.

Transdev also improved its position in eastern France by winning a new city contract from a competitor and lining up development projects for 2002.

■ *Partnership with RATP and international development*

In addition, discussions initiated one year ago with the *Régie Autonome des Transports Parisiens* (RATP) resulted in the February 2000 announcement of a partnership agreement between Transdev and RATP. The agreement calls for RATP to take a 25% stake in Transdev via a holding company that will be 49%-owned by RATP and 51% by C3D. At the same time, C3D will acquire an interest in RATP's operating subsidiaries on terms that have yet to be determined.

Transdev is also expanding internationally. London United's sales were up by 5.3% to € 92 million, and Transdev is also continuing its development outside France.

The growth of the business in Rome is worth mentioning, and in Australia Yarra Trams in Melbourne continued to grow and build its reputation as a high-quality operator. Transdev also acquired Shorelink, a 73-bus system in northern Sydney, as part of its strategic development plan for Australia. It has established a position for itself in a market on the eve of privatization.

In Portugal, the light rail system in Porto has been inaugurated. With 70 kilometers of lines, it is the largest such project currently under development in Europe.

Improvements in Transdev's net interest expense and net non-recurring income (with a capital gain of € 1 million on the sale of the Rapides du Poitou shares) led to an increased contribution to C3D's earnings of € 7 million (vs. € 4 million in 2000). C3D's equity holding in Transdev declined from 99% to 92% with Sanpaolo IMI's purchase of a 7% stake.

Leisure and tourism

■ *Compagnie des Alpes (CDA)*

CDA's earnings increased once again in the fiscal year ended March 31, 2001. In February, it acquired 35% of the company that operates the Saas Fee ski resort in Switzerland. C3D owns 43% of CDA, whose stock performed extremely well in 2001, with a 34% gain on the year.

CDA's sales increased by 7% to € 221 million. Thanks to a good late season, ski lift revenues, which account for 91% of sales, were up by 7.6%, three times the growth rate for the overall French market. Sales generated by ski shops accounted for 4% of the total and increased by 32% in this fast-growing sector.
CDA's net income (group share) was up sharply for the fourth consecutive year, with 20.8% growth bringing the total to € 20.5 million. Return on equity reached 14.9%.

CDA, which invested € 35 million on capital improvements to its ski areas in 2001, is pursuing a strategy that should enable it to maintain its sales and earnings growth. This strategy features:
- maintaining profitable growth in its core business of operating ski resorts. Two objectives have been set – annual sales growth of 10%, with half generated internally, and earnings growth that outpaces sales growth;
- diversification into related business lines such as ski shops, land development and rental properties.

The company is also continuing its proactive investor relations program and paid out a net dividend of € 1.5 per share in December 2001.
Compagnie des Alpes contributed earnings of € 8 million to C3D in 2001, up from € 5 million in 2000.

■ *VVF*

In late December, VVF's shareholders – VVF Association and Caisse des Dépôts – signed an agreement whereby Caisse des Dépôts transferred its ownership interest to its C3D subsidiary.
The agreement calls for the transfer of 80% of VVF Vacances' equity capital to C3D by April 30, 2002 at the latest. It also spells out the terms for recapitalizing VVF Vacances so that it will have the necessary resources to implement its strategic plan. The company is now firmly rooted in the competitive sector and backed by an ambitious plan to renovate its locations.

Despite an unfavorable market, especially in its main business of package tours, VVF Vacances increased sales by 3.2% at constant consolidation scope in the fiscal year ended October 31, 2001. New clients were also added. Sales for the year were € 157 million, and VVF made a positive contribution at the operating level (excluding non-recurring expenses linked to its reorganization). These results confirmed the progress that began in 2000 and were in line with management's forecasts for the year.

Significant provisions were booked in the company's 2001 accounts for non-recurring expenditures completed during the year and planned for 2002.

C3D: services and support

These included systems upgrades, structural reorganization, major repairs and other projects.
As a result, the company had net non-recurring expenses of € 25.8 million for the year.

VVF's marketing efforts relied on the company's competitive edge in providing mid-range vacation products and venues for activities such as seminars.
The company sought to expand its business in weekend and short-term stays in order to meet the new demand resulting from France's change to a 35-hour workweek.

At the end of the fiscal year, VVF Vacances spun off the operations of its Gîte Clair and Okaya divisions into an ad-hoc associative structure called VVF Villages. With total sales of € 30.5 million and 20,000 beds, the two units had been based on a non-profit model with the land and buildings generally belonging to local government bodies. A commercial agreement provides for VVF Vacances to ensure the marketing of VVF Villages.

■ *Grévin et Compagnie*

Parc Astérix, which became Grévin et Compagnie in July 2001, is still 30%-owned by C3D. The change in the company name was made to facilitate the rollout of its aggressive growth strategy for France and elsewhere in Europe.

The closing of the Grévin museum in the first half of the year weighed on the company's net income of € 3 million. Excluding non-recurring items, net income for the year would have equaled the € 6 million recorded in 2000. Grévin et Compagnie's contribution to C3D's 2001 net income was around € 1 million.

Infrastructure support and services: Egis

Egis's difficulties in 2001, which were exacerbated by unfavorable conditions internationally, resulted in several strategic adjustments. Subsequent to the decision to clean up its balance sheet, the company decided to define a revised business plan based on three crucial points: the need to refocus on profitable businesses and markets, consolidate its leaderships positions in these markets and ensure productivity gains.
At the same time, management continues to search for a partner experienced in engineering and major projects.

Egis's consolidated sales amounted to € 478 million in 2001. On comparable consolidation scope, sales increased by € 23.5 million, or 5.2%, during the year.
In March, Australia's Macquarie Bank acquired a 9.5% interest in Egis, bringing C3D's holding down to some 80%, a move that is consistent with Egis's partnership strategy.

The French engineering companies posted strong performances in 2001 that offset the decline in revenues from foreign subsidiaries. Given the deterioration in the situation at Egis Consulting Australia (ECA), and to a lesser extent that of Dorsch in Germany, a decision was made to write off all of the goodwill on ECA (€ 13 million) and part of the residual goodwill on Dorsch (€ 3.8 million). These non-recurring expenses were partly offset by capital gains on the disposal of JMI US.

■ *Engineering*

In this area, Scetautoroute's business remained strong with the signing of several highway engineering contracts – for the A28 in France, Scut 2 in Portugal, and the Tamarind highways on Reunion Island. Semaly managed to renew its order backlog and was awarded five major engineering contracts for streetcar and subway projects in Grenoble, Strasbourg, Montpellier, and Marseille. BDPA, which is now consolidated by Egis, had positive earnings for the year and signed several contracts, in particular in Algeria, that will provide work for several years.
However, the problems at Dorsch and ECA weighed on the engineering division's revenues, which contributed a significant € 26 million loss to Egis for the year. This loss can be attributed to the decision to withdraw entirely from Australia and to the exceptional write-downs of goodwill on Dorsch Consult.

■ *Project assembly*

The Construction Project Management business continued to depend heavily on unpredictable major contracts. The agreement for financing the MNTC project in Manila was finally signed in July and the deal for the Daejon highway in Korea closed in November. Delays in divesting holdings in U.S. highway concessions and in engineering work for the Berlin project led the business to record a loss of € 4.7 million for the year.

■ *Operating*

As concerns infrastructure operating, the highway business produced income of € 2.6 million.
The port activity generated operating income of € 2.6 million, but goodwill amortization offset these gains.

Egis's decision to clean up its balance sheet resulted in a € 35 million loss contribution to C3D.

Holding company and other

The C3D holding company made a substantial positive contribution of € 40 million in 2001, thanks mainly to several non-recurring transactions involving capital gains on the sale of equity holdings and the write-back of risk provisions.

In August, C3D signed an agreement for the disposal of Alcor, which was paid for half in cash and half in securities. This major asset disposal was concluded on favorable financial terms that also ensure the continued operation of the businesses C3D helped to create.
The sale was part of the sector's overall consolidation.