Contents

Directorate

CHAIRMAN
Jacques de Chateauvieux

DIRECTORS
Christian Boyer de la Giroday
Jean-Marc Brébion
Christian de Chateauvieux
Henri de Chateauvieux
Guy Dupont
Marc Francken
Roland Hugot
Christian Munier
Claude Repiquet

Chairman's foreword

These results for the year 2002 integrate the change in the consolidation method applied for the retailing branch as a result of the 33.4% shareholding taken by the Casino group. Thus, as of the business year 2002, we consolidate this business proportionally to simply 66.6%.

Turnover reached 950.4 million euros, an increase of 10.3% with regard to the pro forma accounts for 2001*. Business on an international scale is increasing and now accounts for 39% of the total.

Current operating income improved sharply (+ 23%) to attain 87.8 million euros. This figure reflects a good year for our retailing branch and the effects of investments, notably in the offshore division of the maritime branch.

The net income for group shareholdings amounted to 54.9 million euros, an increase of 32% in comparison with the results posted for 2001. Thus, despite the proportional consolidation of the retailing results (now limited to 66.6%), the net income has improved considerably. The cash flow totaled 128.4 million euros, an increase of 17% with regard to the pro forma 2001 figures.

The retailing branch continued its development in 2002 with a 12.8% growth in sales. Part of this growth results from the success of our new shopping mall and its Jumbo hypermarket in Le Port (Reunion Island) and in the adoption of the «Bourbon Avantages» loyalty card. Other contributing factors were the full-year consolidation of business from Mauritius and the full-swing operation of the new stores opened in Mayotte (Comoro Islands) and Vietnam in 2001. These results are very gratifying.

The maritime branch had a year of sustained growth (a 9% increase in turnover) in spite of the adverse conditions prevailingon the international freight market for the first nine months. Thus 2002 saw the strengthening of our offshore division, with growth operations in Norway (Havila Supply AS and Island Offshore II) and the United States (Rigdon Marine). Client confidence and the quality of our vessels and their crews gives us a sound basis for accelerated growth in this field. The towage business benefited from reorganization measures taken in previous years. Towards the close of the year, we transferred our interests in ports of only regional importance. All in all, the maritime branch showed good results for 2002 and thus generally contributed to the overall bottom line.

The other activities, notably industrial fishing interests and the sugar mills in Vietnam, added positively to the group's cash flow.

In view of the results for 2002 and the favorable outlook for 2003, your board of directors has decided to propose a dividend of 1.08 euros per share. This figure, taken in conjunction with the bonus shares alloted in 2002, represents an 18.8% gain for shareholders in comparison with last year.

In the beginning of the year 2003, Groupe Bourbon revised its growth objectives according to a new five-year plan for 2003-2007. We have scheduled an investment program of 1200 million euros into the maritime branch, 90% concentrated on offshore work, and 150 million euros into retailing. Throughout the duration of this plan, we will continue to progressively focus on profitable business.

Once met, these objectives will allow us a 15% annual growth rate for the maritime branch and an improvement in its results. Our target growth for retailing is set at 8% per annum, notably from developments in our international business.

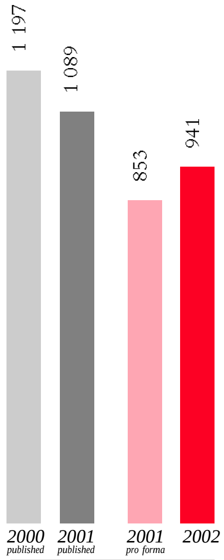
The success of this Groupe Bourbon development plan will hinge on the mobilization of the human resources required to implement it. To all those who constitute this corporation and contribute to its day-to-day results, I should like to extend my thanks and warm encouragement in the name of all our shareholders.

Jacques de Chateauvieux

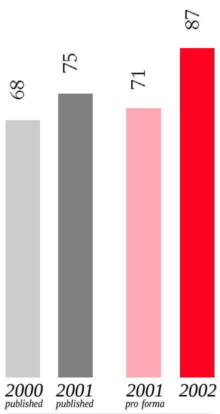
* Pro forma, allowing for proportional (66.6%) consolidation of Vindémia rather than 100% as in 2001.

Consolidated key figures at December 31st 2002
(2001 pro forma*)

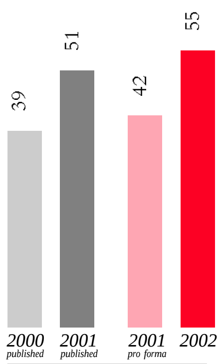
* Pro forma,allowing for proportional (66.6%) consolidation of Vindémia rather than 100% as in 2001.



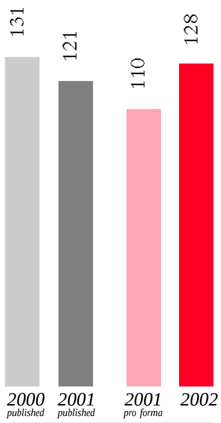
Turnover
(in millions of euros)



Operating income
(in millions of euros)
after allowance for
staff profit-sharing

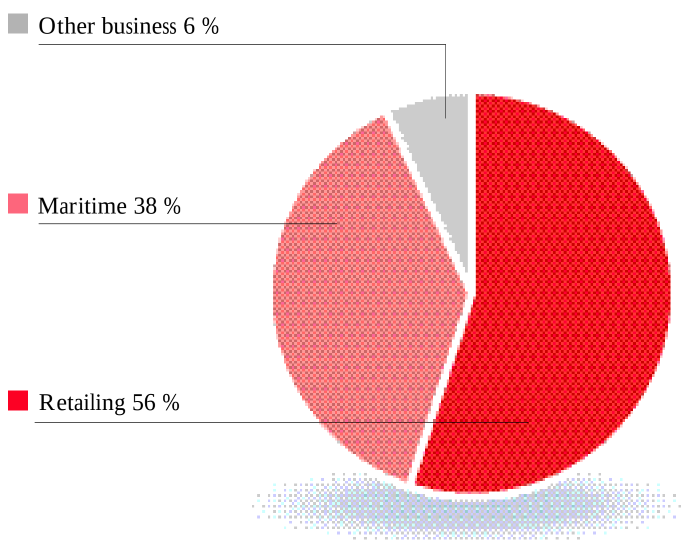


Net income for group share
(in millions of euros)

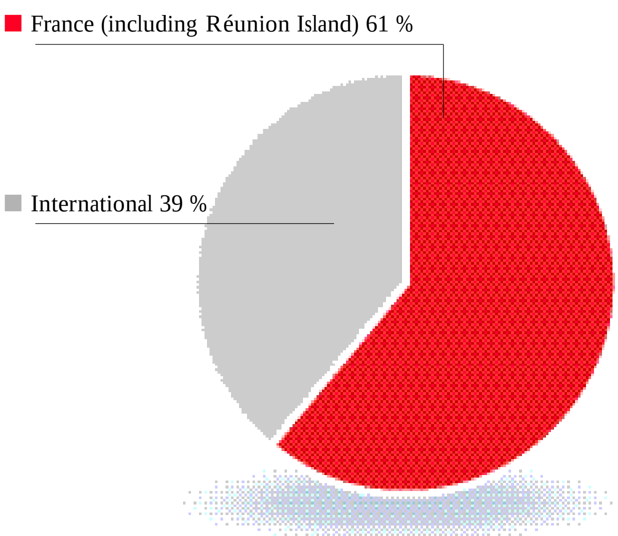


Cash flow
from operating activities
(in millions of euros)

Breakdown of 2002 turnover per branch of activity



Breakdown of 2002 turnover per geographical zone



Consolidated key figures at December 31st 2002

in 000s of euros	*2002*	*2001 pro forma**	*variation %*	*2001 as published*	*2000 as published*
Turnover	940 500	852 487	10.3	1 088 905	1 196 663
Operating income (including share of results from joint operations)	87 443	71 062	23.1	74 691	68 054
Current income	78 307	55 561	40.9	56 672	50 557
Net consolidated income	60 951	41 295	47.6	49 912	44 401
Net income for group share	54 895	41 591	32.0	50 402	38 564
Consolidated shareholders' equity	407 271	363 434	12.1	429 589	329 359
Net debt	471 232	362 377	30.0	378 660	457 949
Cash flow from operating activities	128 360	109 600	17.1	120 745	131 062
Net investment	231 700	107 800	114.9	138 400	182 333
Number of shares	7 032 000	6 108 509	NS	6 108 509	6 108 509
Net earnings per share for group share	7.81	6.81	NS	8.25	6.31
Cash flow per share	18.25	17.94	NS	19.77	21.46
Dividend per share (excluding tax credit)	1.08	NS	18.8**	1.00	0.86

* The pro forma figures for 2001 are calculated to allow for the 66.6 % consolidation of the retailing branch (in view of the 33.4% shareholding taken by Casino), the transfer of the "Réunion-Europe sugar" business in early 2001 and the changes in the accounting and evaluation methods applied for the maritime branch figures (see notes 1.2, 1.3 and 1.4 to the consoldated accounts).

** Allowing for the allotment of 1 bonus share for 11 held in June 2002.

3.1.Information on the corporation itself

Corporate name : GROUPE BOURBON
Head office: La Mare, Sainte-Marie, Réunion Island (France)
Date of founding : December 2nd 1948
Nationality : French
Legal status : French business corporation (public company), under the company law of July 24th 1966.
Lifespan : The corporation has a lifespan of 99 years and will end on December 2nd 2066 unless extended or dissolved before due date (harmonization of articles of incorporation as provided for under the company law of July 24th 1966, voted at the special meeting of shareholders on January 19th 1966).
Business register : Saint-Denis 310.879.499.
Place where documents and information concerning the corporation may be found : The articles of incorporation (charter and bylaws),accounts, reports and minutes of annual general meetings may be consulted at the above-mentioned head office.

Objects of the corporation (article 2 of the corporation charter) :
The objects of the corporation are as follows :
- The creation, ownership, acquisition,sale, leasing,development,operation,management, rental,control,organization and financing of any industrial,commercial,trading,agricultural, real-estate or other type of property business or company ;
- The manufacturing,production,packaging,import,export,commission,brokerage, representation,transit,consignment and transport of all products,goods, objects and commodities of any type and any origin ;
- The registration,acquisition,operation, sale or granting of any licence, patents, trademarks or brand names ;
- The acquisition of holdings or interest, through contributions, mergers, investment,participation,subscription of shares,stock, bonds or by any other means, in any corporation or business directly within thescope of the corporate objectives and, more generally, in any company, firm or activity which may bring customers to its business or help those businesses in which it has involvement or interests ;

and, in more general terms,any industrial, commercial,financial,agricultural, real-estate or other type of property operations or transactions directly pertaining to the corporate objects as defined above.
Accounting year : From January 1st to December 31st each year.

General meetings (articles 16 and 17 of the company by-laws) :
The general meetings of shareholders are convened and deliberate as required by law and decided by the by-laws. They may be held in any place specified in the notice convening them.
Any shareholder, whatever the number of shares owned,may participate, directly or by proxy, in Meetings but must furnish proof of his identity and of his ownership of the shares in the form either of a registration in the share ledger or of a certificate from the appropriate broker stating that the shares registered in the account are unavailable until the date of the meeting. This certificate must be submitted to the place stated in the notice of the meeting and these formalities must be completed at least five days before the date of the meeting.
The chairman of the board of directors may however, as a general measure, accept these proofs of share registration and these certificates outside the above-mentioned time limit.
In the absence of the chairman and unless distinctly provided otherwise, the meeting is chaired by a director specially appointed by the board. Failing an appointed director, the meeting elects its chairman.

Thresholds and limits :
The articles of incorporation do not contain any special provisions concerning thresholds and limits.
Any shareholder who, acting alone or with others, comes to hold more than one twentieth, one tenth, one fifth, a third, half or two thirds of the company's capital stock and/or voting rights, must comply with the stipulations of sections 356-1 and following of the company law dated July 24th 1966 and, more particularly, must inform the corporation by recorded-delivery letter, within fifteen days of exceeding one of these limits, of the number of shares and voting rights held.This disclosure obligation also applies, under the same conditions, whenever the stock or voting rights held falls below one of the above-stated limits.
The provisions of section 356-4 shall come into force in the event of failure to comply with this obligation.

Application and distribution of earnings (articles 21 and 22 of the company by-laws) :
Listing the revenue and expenses for the business year, the income statement distinguishes, after deduction of depreciation and reserves, the annual surplus or deficit.
From the surplus, after deductions for possible losses carried forward, at least 5% is set aside as a legal reserve. This appropriation ceases to be mandatory when the reserve fund attains one tenth of the company capital but comes back into effect whenever, for any reason, the legal reserve falls beneath this tenth.
Distributable income is made up of the annual surplus, reduced by losses carried over and sums assigned to the reserve fund in compliance with the law and the articles of incorporation, and increased by earnings carried forward.
From this surplus, the annual general meeting may decide to deduct any sums it decides appropriate, either to be carried forward into the following year, or to be assigned to one or more reserve funds, whether general or special, whose use and appropriation the meeting also decides.
The remaining surplus, if any, is divided among all the shares.
Dividends are drawn, as a matter of priority, from the distributable income for the financial year.
The annual meeting may, in addition, decide to distribute sums drawn from the reserves at its disposal, but must specifically indicate the reserve items from which these withdrawals are made.
Other than in cases of a reduction of capital, no distrubutions can be made to shareholders when the owners'equity falls or would as a result fall below the level of the capital increased by those reserves which cannot by law or under the articles of incorporation be distributed. Appraisal increase credit cannot be distributed but may be wholly or partly added to the capital.
Any deficit, after approval of the accounts by the general meeting, is carried forward to be debited from future earnings until extinguished.
The general meeting is empowered to grant each shareholder, for all or part of the dividend distributed, the choice between payment of the dividend in shares, as laid down by law, or in cash.
The terms and conditions of payment of dividends in cash are set by the general meeting or, failing this, by the directorate.
Cash payments of dividends must take place, unless otherwise authorized by court decision, within nine months of the close of the business year in question.
However, when a balance sheet drawn up in the course of or at the close of a business year and duly certified by the auditor(s) shows that the company, since the close of the previous financial year and after due appropriations for depreciation, amortization and reserves and deductions where necessary for previous losses carried over, as required by law and the articles of incorporation, has made a profit, then interim dividends may be distributed prior to the approval of the financial statements for the business year. These interim dividends may not exceed the amount of the surplus earnings thus defined.
The request for payment of dividents in shares must be made within a time limit set by the meeting but within three months after the date of the meeting.
No recovery of dividend may be demanded of shareholders except in those cases where the divident was distributed in breach of legal requirements and the corporation proves that the beneficiaries had knowledge of the irregular nature of this distribution at the time or could not, in the circumstances, have been unaware of it. Where applicable, action for recovery is barred by limitation three years after the date of payment of these dividends.
Dividends unclaimed within five years of their decided payment are barred in favor of the French state.

Buyback, by the corporation, of its own stock :
The company did not exercise this option until May 30th 2002. The 18th resolution of the mixed annual meeting of this date again authorized the implementation of a buyback program for the company's own shares. A prospectus (certified by the COB on April 30th 2002, n° 02-476) described the objectives and terms of this program, together with its incidence for the shareholders.

3.2.Information concerning the capital

3.2.1. Capital stock

The capital amounts at present to € 26,800,538 and is divided into 7,032,000 shares, all fully paid up.The corporation has been quoted on the *second marché* [secondary market] of the Paris Stock Exchange since October 20th 1998 (Sicovan n° 6590).

Article 11.1 of the by-laws,originally voted in September 1998 before the company was introduced to the market and updated by the board meeting of September 9th 2002, stipulates that «Each share entitles the holder to a share in the corporate assets and profits in proportion to the share of the capital it represents. It also entitles the holder to a right of vote and representation in the general meetings as provided for by law and the articles of incorporation. Fully-paid registered shares give holders double voting rights in all meetings on condition that they have been registered in the name of the same holder for at least four years.».

3.2.2. Potential capital

The mixed annual general meeting of May 25th 2000 authorized the directorate to grant options entitling holders either to subscribe for new shares to be issued by the company as an increase of capital in one or more operations over a period of five years, or to purchase existing shares from buybacks undertaken by the company as permitted by law.

The beneficiaries of these transactions may be the staff-members or some of them, or certain categories of personnel or company representatives as defined by legislation, whether of the company or other French or foreign corporations which are linked to it as defined by section 208-4 of the French company law dated July 24th 1966.

The total number of options granted by the directorate under this authorization, subject to all legal restrictions governing their allotment, may not entitle subscription for or purchase of shares exceeding 5% of the capital at the date of application of the present authorization.

The authorization allowing stock options involves, for beneficiaries, an express renunciation of their preferential right of subscription.

The purchase and/or subscription price for these shares will be set on the same day as the options are granted by the directorate and can neither be lower than 95% of the average quoted opening price on the secondary market of the Paris Stock Exchange during the twenty trading sessions prior to the date when these purchase and/or subscription options were granted nor lower than 95% of the average buying price for those shares held by the company under articles 217-1 and/or 217-2 of the French law dated July 24th 1966.

No purchase or subscription option may be granted less than twenty trading sessions after coupons are clipped from shares entitling holders to a divident or an increase of capital.

The annual meeting delegates all powers to the directorate to determine all the other terms and conditions of allocation and exercise of options, and notably the powers :

- to set the conditions on which the options will be granted and to draw up the list or decide the category of beneficiaries ;
- to determine the seniority requiried of these beneficiaries ;
- to decide the conditions under which the price and number of shares may be adjusted, notably in the cases described in sections 174-8 to 174-16 of the decree dated March 23rd 1967 ;
- to stipulate the period(s) of exercise of the options thus granted, it being understood that the length of the options cannot exceed a period of six years from their date of allotment,
- to suspend temporarily the declaration of options, for a maximum period of three months, in the event of financial transactions involving the exercise of any rights pertaining to shares.

Under the authorization granted by the mixed general meeting of shareholders on May 25th 2000, the directorate meeting of September 10th 2001 decided to grant, as of October 9th 2001, options entitling holders to subscribe for a new corporate share issue, in the form of an increase of capital, to an overall face-value of 571,000 euros,corresponding to a total of 150,000 new shares with a face value of € 3.81 each.

These options were granted under the conditions set by the special meeting of shareholders at a price of € 43.10, i.e. 95% of the average over the last 20 trading sessions prior to October 9th 2001, rounded up to the nearest tenth of a euro. They must be fully paid up in cash upon subscription and shall be created with rights as of the first day of the business year in which the option is declared and entitlement to full dividend paid for that year.

The number of subscription options and the price must be amended in the light of the allocation of 1 bonus share for 11 held in June 2002.The number of options is now 163,637 and the price is set at 39.51 euros.

The share subscription options may be exercised from October 9th 2005, the beginning of the fifth year of allotment, until October 8th 2007, the end of the sixth year. As laid down by law, the price will be adjusted in proportion to possible capital transactions carried out after allotment.
The beneficiaries of these stock options are the company representatives and the staff directly involved in the accomplishment of the five-year plan.

The staff shareholding at year's end 2002, through the mutual fund «Bourbon Expansion», amounted to 261 persons for a total of 28,274 shares, thus 0.4% of the overall stock.

3.2.4. Possible dilution of capital

On the assumption that the 163,637 share subscription options (see section 3.2.2 above) are declared, then the potential dilution of capital would amount to 2.27% at most[163 637/7 032 000 + 163 637].
No share subscription option was exercised in March 2003 under the terms of allotment and exercise (see section 3.2.2).Furthermore, no new stock option plan has been awarded.

3.2.5.Movement of capital over the past five years

Date	*Transactions*	*Share issues*			*Accrued capital*	*Accrued shares*
		Amount	*Face value*	*Share and merger premium*		
		(€)			*(€)*	
06/21/00	Allotment of 1 bonus share for 10 and conversion of capital into euros	2 116 446			23 280 905	6 108 509
05/31/02	9 100 stock warrants exercised at a price of 57.93 €	527 163	10 920		23 289 229	6 119 429
06/21/02	Allotment of 1 new share for 11 already held	527 163			25 397 351	6 663 828
09/06/02	297 710 stock warrants exercised at a price of 57.93 €	17 246 340	357 252		26 800 538	7 032 000

There was no change in the capital between 09/06/2002 and the date of registration of the «reference document« for 2002.

Significant transactions affecting the distribution of capital over the past three business years :
On October 20th 1998, Groupe Bourbon was floated with 200,000 shares on the secondary market of the Paris Stock Exchange.
The Belgian group Gevaert,through its subsidiary Gebema, declared a first overstepping of the threshold of 5% of capital on October 16th 1999, followed by that of 5% of voting rights on November 22nd 1999 and then 10% of capital on February 15th 2000. In its declaration of intent, it stated that «at this point in time, we have no intention of significantly increasing our shareholding». Eridan crossed the 5% threshold on a downward trend on 07/18/2000.
On 04/24/2002,following a private placement with French and foreign investors,«UI» (Crédit Agricole group) announced it had crossed the 5 and 10% thresholds on a downtrend and that it no longer held any Groupe Bourbon stock.

Movements in stock ownership

Shareholders	Position at 12/31/02			Position at 12/31/01			Position at 12/31/00		
	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights
Financière Jacca	209 303	31.42	31.99	959 302	31.94	31.76	626 842	26.76	30.41
Gevaert	703 200	10.00	7.02	644 600	10.55	7.18	644 600	10.56	7.18
Uei	0	0.00	0.00	611 247	10.01	10.76	871 237	14.26	13.45

Financière Jaccar : Jacques de Chateauvieux family holdings.

3.3.Present breakdown of capital and voting rights (March 4th 2003/TPI on 99.5 %)

- Total number of shares : -- 7 032 000
- Total number of voting rights (July 17th 2002) :------------------------ 9 661 964 published
- Total number of voting rights (March 4th 2003) : ---------------------- 9 843 832
- Approximate number of shareholders (TPI March 4th 2003) :----------- 5 000 of whom 2 740 registered

- Shareholders owning 5% or more of capital or voting rights (March 4th 2003) :

More than 20 % .... Financière Jaccar

More than 10 % .... Gebema (Gevaert)

To the best of the company's knowledge, there are no other shareholders owning,directly, indirectly or together, 5% or more of the stock or voting rights.

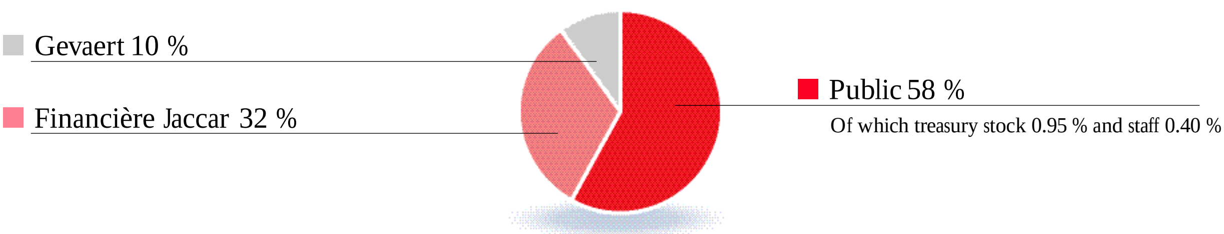
Percentage of capital and voting rights held by the board members as a whole

Capital : -- 49 %

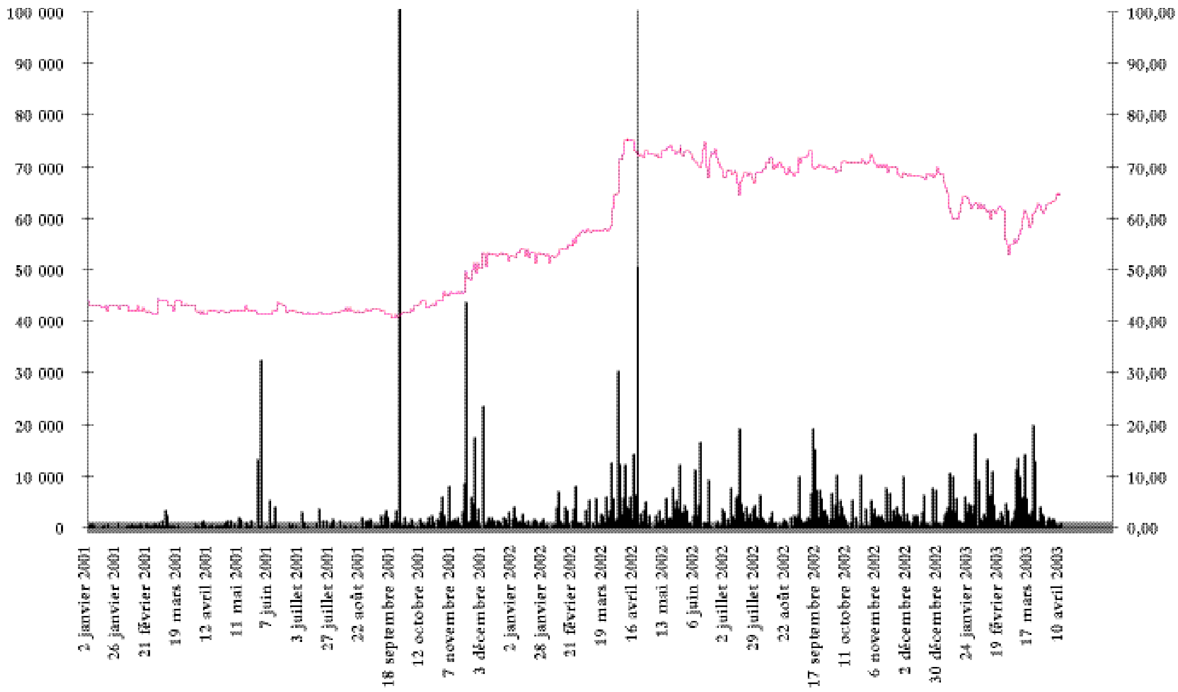
Voting rights : -- 48 %

- The company held 51,490 of its own shares at year's end 2002 and 66,980 (0.95%) at March 4th 2003.
- The staff owned 0.4% of the stock (see section 3.2.2) : 28,274 shares among 261 persons.
- No shareholders' pact has been signed.

Breakdown of shareholders in terms of capital (March 4th 2003)



3.4.Market trend



Trend over 18 months (highest, lowest, volume and capital)

Date		High	Low	Volume	Capital
October	2001	49.00	44.60	18 086	890 518
November		56.00	48.00	105 886	5 546 469
December		58.05	54.00	39 646	2 290 824
January	2002	54.08	50.51	26 265	1 518 423
February		55.92	50.97	28 809	1 687 020
March		58.68	54.73	38 302	2 390 435
April		76.45	57.84	1 009 869	76 542 366
May		74.94	71.32	48 606	3 860 126
June		75.00	67.80	75 366	5 763 319
July		73.45	64.00	82 024	5 517 897
August		72.50	65.50	39 115	2 689 185
September		73.50	67.50	86 151	6 087 224
October		71.50	68.50	71 434	4 997 409
November		73.50	68.80	105 260	7 342 666
December		70.00	66.10	52 452	3 588 555
January	2003	70.00	58.65	92 772	5 901 220
February		64.50	59.90	110 319	6 873 153
March		64.00	52.00	96 045	5 580 462

3.5.Dividends

Financial year ending	Net dividend (EUR)	Tax credit (EUR)	Gross dividend (EUR)
31 December 1998	0.61	0.31	0.92
31 December 1999	0.66	0.33	0.99
31 December 2000	0.86	0.43	1.29
31 December 2001	1.00	0.50	1.50
31 December 2002	1.08	0.54	1.62

Dividend distribution policy :

The company intends to pursue its policy of regularly-increased dividend distributions.

4.1.0.Background

Groupe Bourbon was born of the *Sucreries de Bourbon*, a corporation founded in Réunion Island on December 2nd 1948.After the Second World War, a certain number of families, sugar producers with cane plantations on the island, decided to merge their holdings and plant to create the first sugar-producing group in Réunion and to successively modernize the factories which had suffered during the war years.

From 1948 to 1978, Groupe Bourbon factories produced sugar and rum,principally for the mainland French market. 1979 saw the beginning of a period of reorganization, when the smaller sugar mills across the island were gradually closed down in favor of those more strategically placed. Of the eight mills operating in 1978, Réunion kept only two European-scale plants at the end of this island-wide program which was to last eighteen years. One of these two plants, the Sucrerie de Bois-Rouge, was owned and run by Groupe Bourbon until its transfer in February 2001 to the group Union SDA.

It was in this context that Groupe Bourbon began to diversify its activities as of 1989, starting firstly in Réunion, with industrial fishing (1989), retailing (1991) and dairy products (1992), before extending to mainland France with maritime services (1992).
Groupe Bourbon thus became an industrial and service group, active in the fields of retailing,food-processing and marine services.This latter sector was given real impetus with the purchase, in 1996, of the towage group Les Abeilles and of the Sétaf-Saget corporation, specialists in bulk transport.

Aware of the limited size of the Réunion market,Groupe Bourbon sought to extend its retailing and food-processing business,moving successively into Madagascar in 1994, into Vietnam in 1995 and, more recently, into Mayotte (Comoro Islands) in 1999 and to Mauritius in late 2001.

In the latter part of the year 2000, Groupe Bourbon began a major strategic redefinition of its business activities.

In November 2000, it sold its majority holding in Cilam (dairy products), the first step in a clean break with the food-processing trade.A few months later, in February 2001, the founding «Réunion-Europe» sugar business was also sold off.

In April that same year, in order to move more efficiently into the Brazilian deepwater offshore market,Groupe Bourbon bought a 50% shareholding in Delba Maritima,sharing the business with the Lins family.

At the close of the year, in December, through an increase of capital, Casino took a 33.34% stake in Vindémia,the group's retailing branch. Groupe Bourbon and Casino agreed to consolidate Vindémia's retailing business proportionally as of January 1st 2002 and signed a shareholders'covenant governing their future relations.

In May 2002,Groupe Bourbon bought a 51% interest in the Norwegian company Island Offshore II and then announced the purchase of a 25% stake in Havila Supply AS, a company quoted on the Oslo Stock Exchange and also a shareholder in Island Offshore II.This interest in Havila Supply AS has since grown to reach 39% in March 2003.During this period,Groupe Bourbon reinforced its holding in Havila by signing purchase and sales options (for the first semester of 2006) with Borgstein Invest AS, covering a further 11.1% of the stock.

Groupe Bourbon is thus now clearly concentrating its energies in the marine service trade, with major investments in the deepwater offshore sector of this business.

4.1.0.1. Simplified organization chart (December 31st 2002)

GROUPE BOURBON

66.66 %
Retailing
VINDÉMIA

- *France (Réunion Island)*
- *International*
  - *Madagascar*
  - *Vietnam*
  - *Mauritius*
  - *Mayotte (Comoro Islands)*

100 %
Marine services
BOURBON MARITIME

- *Towage - Salvage Assistance (Les Abeilles)*
- *Bulk transport (Setaf-Saget)*
- *Offshore Services*
  - *Surf*
  - *Sonasurf (51 %)*
  - *Delba Maritima (50 %)*
  - *Island Offshore II (51 %)*

100 %
Other business

- *Industrial fishing (Sapmer)*
- *Sugar (Vietnam)*

The breakdown of turnover per branch of activity and per geographical zone is detailed in the notes to the consolidated accounts (see section 4.14 below).
Owing to the diversity its activities and the range of geographical zones in which the group operates, no client or supplier has any significant impact on the consolidated turnover.

4.1.0.2. Key figures from the annual financial statements
In order to analyze the turnover and business performances of the corporation at a consolidated level, and notably in the retailing branch, *pro forma* figures must be used for comparisons. The retailing branch (Vindémia) was fully consolidated for the year 2001 but,following the 33.34 % shareholding taken by Casino in December 2001, was simply consolidated to 66.66 % in the accounts for 2002.
On this basis, Groupe Bourbon's turnover has increased by 10.3% and the international share in this turnover now stands at 39 %.

The growth in the gross operating surplus (+ 13.1 %) and the current operating income (23 %) at the upper levels of turnover reflects the far-sightedness of the group's strategic decisions and the sound economic sense of the investments made.

(In millions of euros)	*2002*	*2001 pro forma*	*2001 published*	*2000*
Turnover	941	853	1 089	1 197
Gross operating surplus (EBE)	154	136	151	151
Operating income*	87	71	75	68
Current pretax income	78	56	57	51
Unusual income	9	7	20	26
Net consolidated income	61	41	50	44
of which group share	55	42	51	39
Cash flow from operating activities	128	110	121	131

* after allowance for staff profit-sharing

Simplified consolidated group balance sheet for 2002 :

(In millions of euros)	*2002*	*2001* *pro forma*	*2001* *published*	*2000*		*2002*	*2001* *prof orma*	*2001* *published*	*2000*
Net fixed assets	851	721	812	771	Owners'equity	407	363	430	329
Inventory	87	84	113	143	Reserves	52	43	44	56
Trade & other receivables	258	197	206	204	Loans & financial debts	674	484	528	540
Cash & equivalents	203	122	149	81	Suppliers & other debtors	266	234	278	274
Total	1 399	1 124	1 280	1 199	Total	1 399	1 124	1 280	1 199

Extracts from cash flow statement :

(In millions of euros)	*2002*	*2001* *published*	*2000* *published*
Total net income from consolidated companies	61	50	44
Cash flow from operating activities	128	121	131
Net flow generated by (assigned for) operations	100	126	142
Net flow generated by (assigned for) investments	- 229	- 148	- 176
Net flow generated by (assigned for) financing	61	170	- 56
Cash fluctuations	67	146	- 91
Opening cash position	80	- 66	25
Closing cash position	13	80	- 66

4.1.0.3. Changes in Groupe Bourbon's main financial ratios

	2002	*2001* *pro forma*	*2001* *as published*	*2000*
Gross operating surplus/Turnover	16.3 %	15.9 %	13.9 %	12.6 %
Operating income/Turnover	9.3 %	8.3 %	6.9 %	5.7 %
Net consolidated income/Turnover	6.5 %	4.8 %	4.6 %	3.7 %
Net consolidated income/Consolidated owners'equity	15.0 %	11.3 %	11.6 %	13.5 %
Net financial debts/Self-financing	3.69	3.30	3.10	3.50
Net financial debts/Consolidated owners'equity	1.16	1.00	0.88	1.39

The group's financial ratios remain relatively stable from one year to another.The group's investment policy is guided by a swift,assured capacity to return to self-financing.The financial debts/self-financing ratio is monitored carefully and,at a steady,reasonable figure of around 3.5 ensures the group sufficient financial independence.The net consolidated income/consolidated owners' equity ratio has now reached 15% and thus validates the group's current strategic development.

4.1.0.4. Overall group strategy

During the decade from 1990 to 2000, Groupe Bourbon pursued its business in three operational branches : retailing, food-processing and marine services (see Background 4.1.0 above).
A major strategic movement was started in late 2000 with the sale of the dairy and fruit juice interests, followed by that of the Réunion-Europe sugar business in February the following year. Thus the bulk of the traditional food-processing activity was transferred. This step was followed up at the close of the year when, with a new capital stock issue, Casino took a 33.34% shareholding in the group's retailing branch.
Building on the mature sectors of its marine branch - the bulk transport and the towage and assistance - Groupe Bourbon has gone on to actively develop its marine services for the deepwater offshore business in the «golden triangle» (West Africa - Brazil - Gulf of Mexico).
The group's declared objective in this deepwater marine services market, with its high development potential, is to become a major world figure in this field within the next few years.

The retailing branch, for its part, continues its vigorous development both in Réunion Island and on an international scale, working in association with the Casino group.

The other business is scheduled to be sold off, on the long term, as suitable opportunities arise.

4.1.0.5. Growth, risks, value

Retailing branch

Growth

This will result from the investment policy implemented over recent years in those developing countries where the group has set its sights (progressively Madagascar, Vietnam, Mayotte (Comoro Islands) and then Mauritius). The growth of turnover from international business (+ 31.1 % in 2002) is the bottom line of this strategy. This international growth will continue over the coming years with the steady establishment of new sales points in time with the the development of local purchasing power. In Réunion Island, this growth will be maintained by the natural development of the population.

Risks

The accumulated experience and know-how, together with the regular results posted by the Réunion business, offset and reduce the risks attached to new development.

Value

The value of the business corresponds to the solid market share built up in Réunion through use of the finest equipment and facilities and to the comparative profitability within the field.

Marine services

Growth

The harbor towage and assistance market depends very directly on the general level of economic activity within the country.
Groupe Bourbon's bulk transport business handles logistics for its large-scale industrial clients and thus its growth hinges largely on their volume of trade.
The growth vector for this branch lies very largely in marine services for the deepwater offshore business. The key factors for success here depend on the group's ability to :
- correlate policy constantly with attentive, critical market analysis,
- manage client relations with major oil producers,
- adapt human resources to requirements and situations (hiring, training, local integration),
- ensure self-sufficient financing of development through internal financing, disinventment and reasonable recourse to indebtedness with regard to guaranteed cash flow,
- confront international competition on equal terms as regards resources and equipment.

Risks

Risks in the marine services market serving deepwater offshore fields hinge on the company's control of the keys to successful operation listed above and are limited by the following entrance requirements for new arrivals in this field:
- the level of capital investment required,
- the technical qualifications required prior to any agreement,
- the nature of the contracts themselves - most generally renewable,
- the incentives for firstcomers.

From a legal standpoint, contracts are based on the obligation to use best endeavours and do not include indexation clauses to fluctuations in oil prices.

Value

In a new market,like deepsea marine services, valuation depends on :
- the size of market shares gained in high growth periods,
- the level of these market shares per geographical zone,
- the ownership of the means (vessels,etc.) required to gain these market shares.

In more general terms, the value generated by Groupe Bourbon will result from :
- the growth of its business in geographical zones and professions with high structural profitability,
- its control of ancillary risks through successful development in special environments guided by the group's know-how and experience,
- the gain of significant market shares which will not only allow large-scale savings but also allow the group to occupy a dominant position in high growth markets.

As market leader for retailing in Réunion and Madagascar and for towage in France, Groupe Bourbon is now seeking to acquire a similarly dominant position in the field of marine services for deepwater oilfields, notably off the west coast of Africa and in Brazil.

4.1.1.0. RETAILING

4.1.1.0.1. Organization chart of the retailing branch (December 31st 2002)

The retailing branch (Vindémia), which principally holds and operates assets in Réunion Island, Madagascar, Vietnam, Mayotte and Mauritius, was 100% controlled by Groupe Bourbon as of January 2001.

In December of that year, following a 91.5 million euro increase of capital, Casino took a 33.34% shareholding in Vindémia with a view to increasing its future growth capacity. The press release issued at the time stated notably that *«The shareholding will be proportionally consolidated»* (January 2002) and *«this partnership will be signed with a shareholders' covenant and agreements governing future relations between the two groups»*. In order to simplify and accelerate installations in Vietnam, Mayotte and Mauritius, Groupe Bourbon has signed collaboration agreements with local partners who remain non-controlling shareholders.

GROUPE BOURBON — 66.66 % — 33.34 % — CASINO

VINDEMIA

France (Réunion Island) — 100 %

- *Cora hypermarkets*
  - *Sodexmar*
  - *S.E.G.S.*
  - *S.O.H.Y.B.E.*
- *Score supermarkets*
  - *SEMS*
  - *Sogramo*
- *Wholesaling business*
  - *Sorécom*
  - *S.D.M.*
- *Logistics and production*
  - *Saprim*
  - *Sicre*
  - *Soretravi*
  - *Salaisons de Bourbon*
  - *Sogim*
  - *S3R*

International

MADAGASCAR
- *Cora hypermarket*
  - *Codismag* (79 %*)
- *Score supermarket*
  - *S2M* (100 %*)

VIETNAM
- *Cora hypermarket*
  - *Bourbon Dong Nai mall* (65 %*)
  - *Bourbon An Lac mall and Cora Mien Dong* (80 %*)

MAURITIUS
- *Cora hypermarket*
  - *Cie Mauricienne d'Hypermarchés* (100 %*)

MAYOTTE (COMORO ISLANDS)
- *Cora hypermarket*
  - *Bourbon Distribution Mayotte* (70 %*)

* % control

A detailed breakdown of turnover per branch of activity and geographical zone is given in the notes to consolidated accounts (4.14). Because of the nature of this business and the geographical zones involved, no one client or supplier has any significant effect on turnover.

4.1.1.0.2. Retailing business

Réunion Island

In the French department of Réunion, the retailing branch of Groupe Bourbon operates the hyper and supermarkets by the trade names of Cora and Score, a wholesaling business for foodstuffs and processing and packaging plants for fresh produce (meat and fish), cooked delicatessen meats, coffe roasting and bottling of spirits and wines. This branch owns approximately 80% of its commercial real-estate.
Following the shareholding taken by the Casino group, trade-name changes were announced in March 2003 for the end of the year.

• *Retailing*
The hypermarkets and supermarkets managed by Vindémia are leaders in their respective market sectors. They benefit from an integrated logistics service which supplies them with dry goods and fresh produce from a hub and with refrigerated and frozen goods from a central warehouse.
The development of retailing in Réunion is characterized by strong growth in shopping malls incorporating hypermarkets outside the towns. Groupe Bourbon's retailing branch has contributed very actively to this growth, both in foodstuffs (65 % of sales) and non-foodstuffs (the remaining 35 %). The Thien Ah Koon amendment, which limits food-retailing floorspace to 25% of the total floorspace per retailing group, has led to a policy of favoring supermarkets and shopping malls in the best locations.
The principal milestone in 2002 was the opening, in late April, of the new Sacré Coeur shopping mall in Le Port. It is made up of a Jumbo Score hypermarket, four specialist medium-sized stores (D.I.Y., fabrics, culture and sports) and some thirty boutiques. The complex employs a staff of over 500 and consumer reports are, as predicted, highly favorable. The multi-media store Agora has proved a resounding success, without any marked cannibalization of the other outlets.
The increased turnover for 2002 (10.3%) results principally from the opening of the new store in Le Port and from the continued success of the *Bourbon Avantages* loyalty and credit card.

• *Wholesaling*
Working from two warehouses (one for dry and liquids, the other for fresh and frozen) and through five cash-and-carry outlets, the wholesaling business brings quality service to independant retailers and to the growing 'eat-out' market. This business is leader in its field.

• *Logistics and production*
The retailing branch used to operate with the central merchandizing service Opéra but, following its closure and in view of the new Casino shareholding, it was decided in early 2003 to reorganize the supply channels and to base them on the Casino group's central buying office : EMC Distribution.
In Réunion, Saprim manages a parallel buying office on a local scale and a central warehouse of 30 000 m^2 (of which 3 000 m^2 devoted to above-zero refrigeration). The group also owns a subzero coldstore of 7 500 m^3.
The group's retailing branch also manages processing and packaging workshops for fish, fresh meat, delicatessen meats, and coffee, together with bottling plants. These Bourbon-owned businesses supply mainly group stores except as regards leading brand-name products (coffee and fish) on the island.

Madagascar
The retailing branch has been active in Madagascar since 1994.In the capital,Antananarivo, it manages a hypermarket of 6 500 m^2 within a shopping complex comprising some 3 500 m^2 of boutiques and service outlets, together with another supermarket of 2 800 m^2. Political events in the course of the second quarter of 2002 disturbed business but thanks to the managerial resourcefulness and the flexibility of the local staff, theincidence on earnings was negligible.

This introduction of modern retailing into Madagascar, where local production still accounts for more than 80% of references, has allowed the group to become fully integrated into the island's economic environment.The national economic situation pursues its slow development but the group's sales show encouraging growth figures.Groupe Bourbon, with three times the market share of its nearest competitor, now leads the market and is thus able to extend its retailing business into the other provincial capitals of the country.A first Score supermarket was opened in Toamasina in December 2001 and will soon be followed by others as opportunities arive and profitability develops.

Vietnam
Groupe Bourbon began retailing in Vietnam in August 1998 with the opening of the first French-style hypermarket north of Ho Chi Minh City.With a surface area of 20,000 m^2, this shopping mall features a Cora hypermarket of 6000 m^2, specialist medium-sized stores and thirty boutiques.

The second complex, this time south of Ho Chi Minh City, covers 26,000 m^2 and includes the 6000 m^2 Cora An Lac hypermarket opened in March 2001. Just one month later, the Cora Mien Dong store, covering 3000 m^2, was opened in rented premises in the center of Ho Chi Minh City.This latter solution offers the advantages of limiting capital investments while proving the confidence of local investors in the concept of modern retailing in Vietnam.

To the best of our knowledge, Groupe Bourbon was the sole foreign retailer to have received permission to open mass-marketing outlets in Vietnam. In early 2002, Métro opened its first cash-and-carry store in the country.The opening of a new shopping complex in the northern political capital, Hanoi, is currently being planned in collaboration with Casino.

Mayotte
In Mayotte, the shopping center opened in Mamoudzou on Grande Terre in 2001 allows locals to enjoy the benefits of modern retailing through a Cora hypermarket of 3500 m^2 and a mall of 25 shops.
The forecast increase in purchasing power in Mayotte should generate a steady and significant growth in sales. A supermarket of 1000 m^2 was opened on Petite Terre in late 2002 to reinforce coverage. In view of the scale and siting of these retailing outlets, it seems highly unlikely that competitors may gain a foothold on the island.

Mauritius
The purchase of the Phoenix shopping mall on Mauritius, in late 2001, allowed the group to complete its installations on the islands of the Indian Ocean. Built around a hypermarket, this retailing complex includes medium-sized stores and a selection of some thirty boutiques.

In November 2002, Groupe Bourbon announced a merger with the Rogers group which operates the Spar ratailing outlets (10,700 m^2) on the island.The new company, 69% owned by Vindémia and 31% by Rogers,now accounts for around one quarter of food-retailing sales on Mauritius, without any significant modern competition.An additional shopping complex, currently under construction, is scheduled to open at the end of 2003.

In parallel with these developments, a central buying office and regional logistics hub will be built up from the free port of Mauritius, intended to supply the Vindémia stores throughout the zone (Madagascar, Mayotte and Réunion Island) with produce not only from Asia, but also South Africa, Australia and New Zealand.

4.1.1.0.3. Markets and strategy

Groupe Bourbon's position as leading retailer in Réunion will be maintained by its latest shopping malls containing hypermarkets and through the efficiency of its logistics and commercial organization. The group's stores will thus be able to offer other services to the one million two hundred thousand customers who pass through its checkouts every month. Productivity gains should result, together with an extension of the range of activities offered to clients, more in line with the development of this profession in mainland France.

The *Bourbon Avantages* loyalty and credit card, launched in collaboration with Franfinance (the *Société Générale* group), in which Groupe Bourbon is controlling shareholder, has helped consolidate consumer patterns and contributed to the growth of the average shopping caddie.

In Madagascar, after the disturbances linked to political unrest in 2002, double-digit retailing growth will probably resume in coming years with a satisfactory level of profitability. This will allow Groupe Bourbon to consolidate its position as market leader across the country and apply the same keys to success as developed in Réunion. The ambitious development plan for Mauritius is the main growth vector on an international scale for 2003.

In Vietnam, Groupe Bourbon must show that, as with the success recorded in Madagascar, Mayotte and Mauritius, modern retailing can offer the Vietnamese consumer the same services as those available elsewhere in the world. The group's first store provided an opportunity to reference and organize some 1000 local suppliers producing 95% of over 35,000 referenced commodities. The second and third stores, opened in early 2001, allowed the group to spread overheads and to purchase more efficiently. The proximity and similar consumer patterns of the 12 stores in Taiwan and the 29 in Thailand run by Casino allow expectations for many future points of synergy. Scheduled in the near future, the opening of a hypermarket in the political capital, Hanoi, in partnership with Casino, will be a first step in this process.

The Vietnamese staff followed a large part of their training in new retailing methods in the group's headquarters in Réunion Island. Building on these assets and on the very high potential of this market (50% of the Vietnamese population is beneath the age of 20), Vindémia plans to extend its hypermarket-shopping mall business to become market leader where once it was pioneer.

This development on an international scale (initially focused on Mauritius) will generate the future growth of business and turnover in the retailing branch.

4.1.1.0.4. Key figures for the retailing branch

(In millions of euros)	*2002*	*2001 pro forma*	*2001 as published*	*2000*
Turnover (Sales)	523.2	463.9	695.8	624.4
EBITDA	48.1	36.3	54.4	51.4
EBIT	29.6	22.4	33.7	32.8
Tied-up capital	202.7	196.2	281.2	206.7
Net fixed assets	*194.2*	*195.9*	*281.0*	*190.1*
Working capital requirements	*12.1*	*0.3*	*0.2*	*16.6*
EBITDA/Turnover	9.2 %	7.8 %	7.8 %	8.2 %
EBITDA/Tied-up capital	23.3 %	18.5 %	19.3 %	24.9 %
EBIT/Tied-up capital	14.3 %	11.4 %	12.0 %	15.9 %
Net investments	25.0	55.0	86.0	45.9

Milestones in 2002

In comparison with the *pro forma* figures for 2001, the turnover for 2002 has increased by 12.8%. This *pro forma* adjustment must be made to evaluate the growth of the retailing business because Vindémia was fully consolidated by the group in 2001 but only 66.66% consolidated in 2002. The remaining 33.34 % was of course consolidated by Casino.

This growth of turnover results from :

- the good domestic performances (Réunion Island sales up by 10.3%), fuelled by the success of the new shopping mall opened in Le Port in May 2002 and the impact of the loyalty and credit card on sales,
- the development of international business (up 30.9 %), generated by the rise into full-swing operation of the stores opened in Vietnam and Mayotte in the first semester of 2001 and by the complete annual contribution from the hypermarket in the Phoenix shopping mall in Mauritius (bought in September 2001).

Investments (25 million euros) must also be compared *pro forma* for evaluation. They have been practically halved in relation to 2001, when a specially large number of stores were opened on an international scale (An Lac in Vietnam in March, Mien Dong in April ; Mayotte in May ; the Continent store in Mauritius bought in October and transformed under the Cora trade-name in April 2002).

The investments for 2002 correspond essentially to the remainder scheduled for the Jumbo Score in Le Port (Réunion), opened in May 2002, and to the initial downpayments for the future Riche Terre hypermarket on Mauritius (due to open by the end of 2003).

Conclusion

The retailing business yields above-average profitability figures for the profession in France (source Cic, Fortis, Wargny, Kbc, Aurel Leven, Cheuvreux). Its development with regard to the previous year should nevertheless be analyzed in the full context : the opening of new international stores weighted the figures for 2001 but allowed above-average results for 2002.

The group's self-financing capacity and the capital influx from Casino allow future development of the business to be financed confortably.

In view of the investments scheduled for 2003-2007 (150 million euros), the growth in turnover should continue at around 8 % per annum and will result largely from international development.

4.1.1.0.5. Business context for this branch

In Réunion, the retailing branch procures 65 % of its supplies from local sources and the remaining 35 % from Europe. Some 30 % of these European supplies come through the central buying office in mainland France, which handles 20,000 references and registers a turnover of 200,000 items per month.

On an international level, local products (except in Mayotte, where 95% of requirements are met by imports) represent a much higher proportion of supplies. Experience has shown the need to diversify import supply sources according to the proximity of industrialized countries and to customs duties.

To meet this need, Vindémia has planned to develop a central buying office and regional logistics hub from the free port of Mauritius, dimensioned to supply all the stores throughout the Indian Ocean zone with produce from Asia, South Africa, Australia and New Zealand.

The reorganization of the in-house central buying office, Saprim, should allow for the future development of these inter-island exchanges in the Indian Ocean.

4.1.1.1. MARITIME

4.1.1.1.1. Legal organizational chart of the maritime branch at December 31st 2002

BOURBON MARITIME

Towage & salvage

- *Les Abeilles* (100 %*)
- *Les Abeilles International* (100 %*)

Offshore oilfield services

- *Surf* (100 %*)
- *Sonasurf* (51 %*)
- *Delba Maritima* (50 %*)
- *Havila Supply AS* (39 %**)
- *Island Offshore II* (51 %*)
- *Eidsurf* (51 %*)

Bulk transport

- *Sétaf-Saget* (100 %*)

* % control
** At 03/12/2003

A detailed breakdown of turnover per branch of activity and per geographical zone is included in the notes to the consolidated accounts (4.14). In view of the diversity of professions represented and geographiacl zones covered,no one client or supplier has any significant effect on turnover in this branch. In the offshore marine services business, Total-Fina Elf remains the main client, representing around 50 % of sales, but its relative share is progressively decreasing as other major contracts are signed with Exxon and Petrobras.

4.1.1.1.2. Maritime branch activities

Groupe Bourbon's maritime branch is subdivided along three principal axes :
- marine services for offshore oilfields ;
- towage, assistance and salvage ;
- solid bulk transport.

From the designing of ships to their operation, each of the activities in the maritime branch involves its own specific know-how, a blend of technological developments, human experience and a binding relationship with principal clients.Groupe Bourbon enables its major clients - industrial, state or semi-public - to farm out their logistics services requiring high-technology marine material which is not part of their core profession.
The entrance barrier into the business field plowed by Groupe Bourbon is high. The equipment is highly technical, calls for high investments, but is of strategic importance.
In addition, it requires extensive know-how from the staff employed to operate it.

Groupe Bourbon's objective, over the coming years, is to carve itself a major share of the world market - currently in full expansion - for supply of marine services in the deepwater oil-prospecting business.

With a payroll of 1924 employees and almost 200 crewed vessels, most flying the French flag, the maritime branch proudly announces itself as France's foremost employer of merchant navy officers. Through its corporate spirit, it contributes to the renewal of the national flag, backed by a tax on tonnage which will come into force in 2003 (with exemption for towage operations).

Offshore oilfields

Surf is the leading French supplier of support services for offshore oil platforms. Since 1976, working principally down the west cost of Africa and adapting to meet the evolving requirements of its clients, the company has built itself a reputation for professionalism based on the development of a range of purpose-built vessels.

Groupe Bourbon is concentrating its energies on the specific market of deepwater offshore, the main growth vector for coming years, working where need be in association with local operators in order to accelerate and secure introductions into new markets (e.g. Delba Maritima, Rigdon Marine).

The group is equipped and able to satisfy requests for all types of offshore marine services :
- inter-site personnal trasport on oilfields, with high-speed «*Surfer*» launches ;
- anchoring and up-anchoring of drilling rigs (prospecting or extracting), using anchor-handling supply tugs ;
- transport of material and supplies for oil platforms, using platform supply vessels ;
- repairs and maintenance of platforms, using dynamic-positioning supply vessels and robot support tools ;
- mooring assistance for tankers at open-sea loading buoys, using tugboats.

In the offshore field, Groupe Bourbon operates :

- 73 high-speed «surfer» launches
- 15 supply vessels (including those from Delba Maritima et Havila) for standard offshore operations
- 7 new-generation high-speed «surfers»
- 10 supply vessels for deepwater offshore work
- 3 ocean tugs for loading buoys.

The past fifteen years have witnessed a real technological revolution in the offshore professions. Traditional vessels reach their limits at a depth of around 200 meters in the oilfields of the continental shelf and new working depths of down to 2000 meters and beyond have called for a whole range of new ships.

Groupe Bourbon has moved into this new, rapidly-expanding deepwater offshore market. Some 16 vessels were delivered in 2002, for an outlay of 116,000,000 euros, and another 39 are on order for a further 480,000,000 euros*.

*for delivery between 2003 and 2005

Towage and salvage

Harbor towage

With 61 tugs, including four ocean-going versions, Les Abeilles ranks as a world figure in harbor towage. Established in all the main ports of mainland France, Les Abeilles is also present in Africa.

The Abeilles fleet offers towage and assistance services combining safety with efficiency. The corporation's new organization leaves no room for the smaller ports of only regional importance and thus, as of the beginning of 2003, the towage business in the ports of Calais, Cherbourg, Dieppe, Sète and Nouméa (New Caledonia) was sold off. The impact on business (1.7 % of the annual maritime turnover) and on income will be practically negligible.

Assistance and salvage
The most powerful of the Abeilles International tugboats, and notably the «*Abeille Flandre*» and the «*Abeille Languedoc*», work under contract to the French Navy, standing watch over France's shorelines. The group's tender for the next shoreline-protection contract, an eight-year mission as of January 1st 2005, has recently been accepted. Abeilles International tugboats also handle refloating operations, ocean towage and pollution-containment action in the event of oil spills.

Bulk transport
In the solid bulk transport business, Sétaf-Saget has tailored its services to meet the requirements of a clientele of major industrialists. With around 10 million metric tons transported annually, Sétaf-Saget operates a permanent fleet of 30 to 35 vessels in the 25 to 50,000 ton category, but the range of vessels required also implies frequent recourse to chartering. The quality of the services offered to clients, and the company's recognized status, have enabled Sétaf-Saget to build up the long-standing relations which, in this highly-competetive business, give the stability required to build up a fleet. The group currently owns four bulkers, including three new 49,000 versions delivered from a Sino-Japanese yard in early 2001. Two new bulk carriers have been ordered on excellent price terms, with delivery scheduled for 2004/2005.

Passenger transport and coastal cruises
It should be remembered that Groupe Bourbon has withdrawn from these two activities :
- the passenger transfer was transferred to the employees in a leveraged buyout and the two boats formerly used are now chartered out on a bareboat basis.
- the coastal cruise business was simply discontinued.

One of the two vessels was sold and the other is chartered to the Méridien group for their operations in the Seychelles.

4.1.1.1.3. Markets and strategies
Business in the maritime branch will continue to be developed along three underlying policy lines.

The group will now concentrate its investments in services for deepwater oilfields in order to build up a dominant position in this rapidly-expanding business. Bourbon is already present off West Africa and Brazil, two of the largest and most-promising markets. With the purchase of a 39 % shareholding in the Norwegian company Havila Supply AS, the group consolidates its global growth strategy in the offshore field : Havila offers the powerful technical resources and the human skills required for operations in the very demanding conditions of the North Sea. An agreement already signed with Rigdon Marine (USA) will enable Groupe Bourbon to be represented in the Gulf of Mexico as of 2004.

The success of operations in Angola, in partnership with Sonangol, the national oil company, illustrates the wisdom of a strategy based on geographiacl diversification and collaboration with local corporations. The major contract (an $ 85 million investment budget) signed with Exxon in 2001, for exclusive supply of support services for the extraction drilling operations on block 15, is generating results in line with expectations.

This same policy was behind a partnership agreement concluded in Brazil with a 50% shareholding in the company Delba Maritima. This has led to a major contract with Petrobras for the supply of three anchor-handling supply tugs requiring investments of some $ 90 million. The fact that these vessels were to be built in Brazil meant that the resulting contracts were signed for an 8-year period with long-term financing (18 years) at government-subsidized rates. The first vessel was launched in April 2003 and will go into operation in the last quarter of the year. The other two will be delivered and operational in 2004. Through the excellent industrial and commercial relations established in Brazil in the course of these negotiations, the first available Norwegian vessel belonging to Island Offshore II was rapidly chartered on a two-year contract with Petrobras.

Concurrently with these developments, the maritime branch of Groupe Bourbon will continue to consolidate its positions in the traditional fields of towage and bulk transport by extending the range of services offered and steadily updating its fleet.

This growth will be generated by :
- investments in new vessels ;
- careful technical choices ;
- capitalization on the quality and skills of our teams (office staff, officers and seamen) ;
- joint venture operations.

Capital investments run high in the maritime branch, but the associated financial risks are considerably reduced by medium-term,generally-renewably charter contracts, by the solidity of the business partners involved, by the volume of cash flow generated and by the value of the vessels and other assets whose useful lifespan is calculated in the region of 20 to 30 years.

4.1.1.1.4. Key figures in the maritime branch

(In millions of euros)	*2002*	*2001 pro forma*	*2001 as published*	*2000*
Turnover	353.3	323.8	328.7	322.3
EBITDA	92.1	85.5	83.1	72.4
EBIT	56.5	46.2	38.6	29.0
Tied-up capital	550.1	381.2	376.2	337.2
Net fixed assets	*499.6*	*351.8*	*346.5*	*322.4*
Working capital requirements	*50.5*	*29.4*	*29.7*	*14.8*
EBITDA/Turnover	26.1 %	26.4 %	25.3 %	22.5 %
EBITDA/Tied-up capital	16.7 %	22.4 %	22.1 %	21.5 %
EBIT/Tied-up capital	10.3 %	12.1 %	10.3 %	8.6 %
Net investments	206.5	78.4	74.8	88.0

Milestones in 2002

The financial statements for 2002 reflect the policy implemented :
- development of deepwater offshore business, the key to increased turnover,
- a large-scale investment program : 16 ships delivered in 2002, another 41 on order,
- shareholdings taken in Island Offshore and Havila in Norway,
- a cost markon allowed by development on several fronts,
- the earning capacity of the tied-up capital (bearing in mind the major investments made in the course and at the end of theyear, where yield is calculated over simply several months),
- continued leadership in the towage business, focused on the large ports of national importance,
- an increase in bulk tonnage and a good mareket recovery in the second half of the year.

4.1.1.1.5. Business context for this branch
- The maritime business is not affected by any special seasonal fluctuations.
- The marine services branch works for oil companies in the offshore world where relations are governed by contract prices and business depends on contracts in hand.
- The towage branch draws its clients from the fraternity of ship-owners, with set contract prices controlled by port authorities. The level of business hinges essentially on the prevailing level of economic trade.
- Groupe Bourbon's bulk transport business is transacted with major industrial clients who prefer to contract out their maritime logistics. In this field, the tonnage transported is a better gage of business than the level of turnover.

The maritime branch has neither problems of unsettled accounts in any of these branches nor any special dependence on any of its suppliers.

4.1.1.2. OTHER BUSINESS

This comprises principally the Vietnamese sugar business,industrial fishing, management of real-estate heritage and indivisible holding expenses.

4.1.1.2.1. Sugar in Vietnam

Groupe Bourbon had diversified its geographical presence in the suagr trade by building a new refinery in Vietnam, but it was not possible to transfer this branch of the business, which operates in a wholly different market environment, together with the «Réunion-Europe» sugar activity in February 2001. With an annual capacity of 100,000 metric tons of sugar, the Bourbon Tay-Ninh is the country's largest refinery. Production started up in February 1998 and the production is earmarked principally for the local market. The mill is perfectly operational from a technical standpoint and although, for want of raw materials, the full production capacity is still not used, figures are gradually increasing. The 2001-2002 sugar harvest was only sufficient to supply two-thirds of capacity, but the 2002-2003 crop, currently being harvested, should allow the mill to reach almost 90%.

Full production may be attained as of the next harvest, thus allowing full technical efficiency and confirmation of the financial potential of this enterprise.

The group also invested, in 1997, in a sugar refinery located on the tablelands of central Vietnam. This smaller plant, with its 15,000 ton capacity, is generating profits with a positive cash position.

Groupe Bourbon has decided to sell off these two refineries at some date when market conditions are more favorable.

4.1.1.2.2. Industrial fishing

Based in Réunion, Sapmer has been fishing for spiny lobsters and large pelagic fish in the cold waters off the Kerguelen Islands, St Paul Island and Amsterdam Island for many years. The need for far-sighted management of these rich marine resources has led to the adoption of a fishing quota system supervised by the administration of the French Southern and Antarctic Territories. To harvest its quotas, Sapmer operates a mixed (trawler and crayfishing) vessel and three new-generation longliners. The catch (around 3000 metric tons) is mostly sold on the Japanese market.

4.1.1.2.3. Real-estate heritage

Groupe Bourbon has extensive land holdings on Réunion Island (8 546 acres), which are regularly sold off directly or convested into industrial estates or housing schemes. The overall development of the island and the housing needs of a young population will allow these holdings to be upvalued regularly and to generate capital gains. Groupe Bourbon deals with the servicing and sale of its plots but refrains from property development as such.

These land holdings represent 0.8 % of the book value of the consolidated property, plant and equipment.

4.1.1.2.4. Markets and policy

The development of the Tay-Ninh refinery is a priority and the major efforts already made to build up local agricultural production are gradually bearing fruit.

The market,notably the food-processing industries requiring quality industrial sugar, is buoyant and growing in step with the zone.These factors allow high expectations for the future of the business and its value when finally sold.

In the fishing business, the quota policy guarantees and enhances the resources from the fishing banks around the Kerguelen Islands, St Paul,Amsterdam and the Crozet Islands.Thestability of this business is guaranteed by the highly-demanding Japanese consumer's recognition of the quality of these upmarket products.

4.1.1.2.5. Key figures : other business

(In millions of euros)	*2002*	*2001 pro forma*	*2001 as published*	*2000*
Turnover	64.0	64.8	64.5	193.8
EBITDA	13.3	13.9	13.9	27.1
EBIT	1.2	2.4	2.4	6.4
Tied-up capital	184.4	195.8	206.8	308.1
Net fixed assets	*152.0*	*173.5*	*184.7*	*257.2*
Working capital requirements	*32.4*	*22.3*	*22.1*	*50.9*
EBITDA/Turnover	20.8 %	21.4 %	ns	ns
EBITDA/Tied-up capital	7.2 %	7.1 %	6.7 %	8.8 %
EBIT/Tied-up capital	0.7 %	1.2 %	1.2 %	2.1 %
Net investments	5.3	- 14.9	- 14.9	103.7

4.1.1.2.6. Business context for these other activities

Vietnamese sugar is produced for the local market and principally for industrial requirements, the country being hitherto a sugar importer.

Except for the spiny lobsters, the fishing business is unaffected by seasonal fluctuations.The bulk of the catch is destined for the Japanese market, with the commercial risk of possible pillage of the fishing zone by unauthorized longliners. Sales of these pirate catches can have a sharp incidence on prices, but the now-regular patrols of the French Navy have lessened this risk considerably.

4.2. Trademarks, licences and patents

For its hypermarkets, the retailing branch uses a Cora licence which is also employed for development in Vietnam and for which Groupe Bourbon pays a contractual royalty fee which falls due at the end of 2003. After the shareholding taken by the Casino group, an announcement was made in March 2003 that there would be changes in the trade name at the end of the year. The trade-name *Score* is, like all the other names used by the branches (*Surf* and *Les Abeilles* for the maritime branch, *Sapmer* for fishing), owned by the group and, like the corporate name *Groupe Bourbon*, duly registered.

4.3. Unusual incidents and litigation

To the knowledge of the corporation, no unusual or exceptional incidents have arisen and no litigation has been started which may have, or has had in the recent past, any significant incidence on the business, earnings, financial position and holdings of Groupe Bourbon and its subsidiaries.

4.3.1. Risk factors

4.3.1.0. Market risks

- As regards retailing in Réunion, Groupe Bourbon occupies the position of firmly-established market leader and benefits from a positive public image.
- On an international level, the group policy is installation in countries with high development potential. With regard to capital invested, turnovers are still low but increasing steadily. The risk hinges on the rate of development of local purchasing power. Certain countries imply higher risks than others. In Vietnam, for example, purchasing power is growing slowly outside the city centers and the market is still new and uncertain in many respects. In Madagascar, a political upheaval interfered with programmed development in 2002 but had little significant effect on business because, in the local tradition, it remained non-violent. It is now over. Risks for Mayotte and Mauritius seem slight.
- In the marine services branch, entry barriers are formidable for those seeking a foothold in towage or the offshore business - positions are long-standing and huge investments are required for vessels, equipment and trained, experienced staff. Past references, international standards and/or certifications are also required. Contracts over periods of one to eight years, with spread expiry dates, allow readjustment time. Vessels generally have a market value higher than their book value, and a useful lifespan longer than their depreciation schedule.

4.3.1.1. Industrial and environmental risks

The group is under no injunction from environmental authorities. Although improvements may always be called for, the group prides itself on scrupulous compliance with current regulations and legislation on this subject. The maritime branch has adopted environmental standards and thus all the vessels operated by Sétaf Saget and the tugs fielded by Les Abeilles carry the International Safety Management rating, the international reference for safe operation of vessels, staff protection and pollution prevention.
The gas discharge (sulfur) from the propulsion systems is less than 0.2 %.

The vessels are also equipped, as required by MARPOL regulations, with waste-water treatment systems.

Surf and the main towage corporations are all certified ISO 9002 and the crews benefit from training in compliance with the STCW international norms.

There are no identified industrial risks associated with retailing (see section on ìnsurance).

4.3.1.2.Legal risks and insurance

A priori, in the retailing branch, there do not seem to be any major legal risks implied by transaction of business (see section on insurance).

The maritime services, in all their forms,share a common contractual position : an obligation to use best endeavors [i.e. rather than the obligation to produce a specific result] and a principle of waiver of recourse between the parties.

As regards harbon towage, the tugboat puts its tractive force at the disposal of the vessel under tow and, failing any gross misconduct or negligence in the performance of this obligation, is clear of any liability.
In the offshore business, contracts signed with oil companies always include a clause of mutual waiver of recourse which limits our responsibility.
On a more general scale, the diversity of our clients and the geographical zones involved eliminates the risks associated with single-client business and lessens the political risks.

Insurance :
Retailing : the branch is protected by all the cover generally considered necessary in the business. This cover is taken out with insurance companies of international standing.
Maritime : Groupe Bourbon has taken out full insurance cover for all the fleet managed. This program includes protection against :
- risks to hull and machinery and war risk, on the basis of a time policy taken out on the French marine insurance market, valid until December 31st 2003. The leading underwriter of this policy is AMA.
- shipowner's or operator's liability, with Protection and Indemnity Clubs belonging to the «International Group of P. and I. Clubs»,«Shipowners & Skuld» and the «U.K.Club».
- professional civil liability, two lines with AXA and Groupama for an overall cover of 34 million euros.

Groupe Bourbon has a company agent guarantee, with AIG Europe, for 19 million euros.

4.3.1.3. Tax risks

Groupe Bourbon received several approvals from the tax authorities regarding the joint-ownership financing of its fleet. Subsequent modifications of this system of financing have had no incidence on the program already under way.

The tax audits undertaken on the group in 2002 were covered in the estimated liability (see notes to consolidated accounts, section 3.8).

4.3.1.4. Foreign exchange and interest rate risks

At year's end 2001, the Groupe Bourbon debt structure comprised around two-thirds at a variable rate of interest and the remaining third at a fixed rate.
In developing countries, it is generally impossible to set up local currency coverage.This is notably the case with the Vietnamese dong.The group has not taken out any COFACE-type cover. [COFACE = *Compagnie française d'assurance pour le commerce extérieur* or French insurance company for foreign trade]
In the maritime branch, Groupe Bourbon invoices part of its services in $US but gains natural exchange coverage by paying around 50% of charges in the same currency. Surf, working in the offshore business with $US contracts from 1 to 5 years, adopts the policy of financing its vessels in the contract currency.Thus the cash flow risk is offset by jobs in dollars. Part of the company's income, some 30%, has been covered until May 2004 at € 1 = $ 0.89.

4.3.1.5. Social and labor risks

Retailing branch :

On January 1st 2000, all the subsidiaries of Vindémia (under French law) with a payroll of over 20 employees signed an agreement reducing the working week to 35 hours. In the course of the year 2001, those subsidiaries of Vindémia with a payroll of under 20 employees studied the question of implementation of reduced working-week agreements for January 1st 2002. The terms of these agreements were then adopted, by each individual company in turn to allow for specific characteristics.

Maritime branch :

As of the year 2001, for the companies within the scope of the Armateurs de France employers' organization and for those belonging to the APERMA (mainland French towage) organization, the 'Aubry' French legislation on reduced working time was applied, because of the all inclusive nature of working agreements and the annualization of on-board working time, in the form of additional days of leave for each month at sea.

4.4. Workforce

The Groupe Bourbon workforce may be subdivided per branch as follows (at December 31st 2002) :

	2000	*2001*	*2002 total*	*France*	*Madagascar*	*Vietnam*	*elsewhere*
Retailing	3 692	4 691	4 557	2 805	555	712	485
Maritime	1 836	1 968	1 924	1 472	-	-	452
Other business	1 930	1 098	1 163	295	47	821	-
TOTAL	7 458	7 757	7 644	4 572	602	1 533	937

See notes to consolidated accounts for further details.

4.5. Investments

Gross investments in the year 2002, for the various branches of Groupe Bourbon, amounted to € 243,000,000 as compared with € 197,300,000 in 2001. They may be broken down as follows :

In millions of euros	*2002*	*2001 pro forma*	*2001 as published*	*2000*
Retailing	25.0	55.3	86.0	45.9
Maritime	206.5	78.4	78.4	88.0
Other business	11.5	32.9	32.9	103.7
TOTAL	243.0	166.6	197.3	237.6

For further analysis, see section 4.1.0.2.

4.6. Other information

The Group owns its operating plant in most cases. In view of the diversity of trades represented and range of geographical zones and worksites covered, it is impossible to draw up an exhaustive, significant inventory of the surface areas, the types of premises owned or the rents, whether annual or per square meter.

GROUPE BOURBON

A N N U A L   A C C O U N T I N G
R E C O R D S

CONSOLIDATED ACCOUNTS

for the year ending December 31st 2002

I - Balance sheet as at December 31st 2002 (in 000s of euros)

ASSETS (NET)	2002	2001 Pro forma	2001	2000
Fixed assets				
Consolidated goodwill	37 511	39 703	47 891	39 247
Intangible assets	26 896	28 229	41 817	42 432
Property, plant and equipment	694 568	607 438	673 945	612 204
Capital assets (1)	48 822	40 671	48 619	76 643
Equity ownership	43 067	5 159	109	148
	850 864	721 200	812 382	770 674
Current (circulating) assets				
Inventory and goods in process	87 212	83 608	113 496	143 163
Trade and other accounts receivable (2)	98 589	82 567	85 471	81 659
Other receivables and accruals (2)	159 489	115 063	122 859	121 960
Investment securities	28 730	54 182	69 592	11 739
Cash assets	174 136	67 514	79 418	69 737
	548 156	402 934	470 835	428 258
TOTAL ASSETS	1 399 020	1 124 134	1 283 217	1 198 932

(1)Including those at less than 12 months (gross) :	*3 957*	*4 784*	*4 992*	*2 023*
(2)Including those at more than 12 months (gross) :	*29 284*	*32 254*	*36 373*	*27 100*

LIABILITIES

LIABILITIES	2002	2001 Pro forma	2001	2000
Capital	26 801	23 281	23 281	23 281
Premiums	48 747	36 681	34 495	34 495
Reserves	252 138	229 522	207 844	174 533
Unrealized exchange losses and gains	- 20 258	10 418	3 276	2 540
Earnings	54 895	41 591	50 402	38 564
Shareholders' equity	362 323	341 493	319 298	273 412
Non-controlling interest	44 948	21 941	110 291	55 946
Other capital (1)	5	22	22	26
Contingent liability	47 103	43 082	43 972	55 226
Reserves from purchase price discrepancy	5 045	40	40	1 016
Loans and financial debts	674 098	484 073	527 670	539 425
Suppliers and other operating debts	144 418	125 340	160 814	164 981
Other debt & accruals	121 080	108 143	121 111	108 899
Debts (1)	939 596	717 556	809 595	813 305
TOTAL LIABILITIES	1 399 020	1 124 134	1 283 217	1 198 932

(1) Including those at less than 12 months :	*535 058*	*359 717*	*420 368*	*434 857*
Including those at more than 12 months :	*404 543*	*357 861*	*386 230*	*378 474*

II - Income statement 2002 (in 000s of euros)

	2002	2001 Pro forma	2001	2000
Sales	940 500	852 487	1 088 905	1 196 511
Other revenue	55 966	67 358	62 033	46 112
Consumed purchases	- 634 963	- 589 833	- 773 372	- 844 724
Salaries and fringe benefits	- 157 477	- 153 522	- 177 691	- 193 745
Other operating expenses	- 9 658	- 5 446	- 6 866	- 5 506
Tax	- 23 058	- 18 381	- 23 423	- 27 405
Amortization and provisions	- 83 541	- 80 743	- 94 039	- 102 114
Operating earnings	87 769	71 920	75 549	69 128
Share of results from joint ventures	- 326	- 858	- 858	- 1 074
Investment income	38 102	23 970	24 017	30 516
Financial expenses	- 47 238	- 39 471	- 42 035	- 48 014
Unrealized exchange losses and gains	–	–	–	–
Financial earnings	- 9 136	- 15 501	- 18 018	- 17 496
Current income from consolidated corporations	78 307	55 561	56 672	50 557
Unusual revenue and expenses	8 770	7 394	20 057	26 156
Income tax	- 22 363	- 18 822	- 22 655	- 22 484
Net income from consolidated corporations	64 714	44 133	54 074	54 229
Share of income from companies consolidated using equity method, after amortization and recovery of purchase price discrepancy	- 228	- 84	- 84	2 772
Net income from consolidated whole before amortization of purchase price discrepancy for consolidated companies	64 486	44 049	53 989	57 001
Depreciation expense and reversal of provisions for purchase price discrepancy for consolidated companies	- 3 535	- 2 754	- 4 077	- 12 600
Net income from consolidated whole	60 951	41 295	49 912	44 401
Share belonging to minority interest	- 6 056	296	490	- 5 836
NET INCOME FROM GROUP SHARE	54 895	41 591	50 402	38 565
Group shareholding earnings per share	8.04	6.09	7.38	5.65

III - Statement of changes in financial position

(in 000s of euros)

1. TABLE

		2002	2001	2000
Total net income from consolidated corporations		60 951	49 870	44 401
Elimination of amortization and reserves		66 232	74 522	95 726
Elimination of changes in deferred tax		6 090	3 926	7 736
Elimination of capital gains or losses from transfers		- 5 141	- 7 699	- 15 076
Elimination of share of income for companies consolidated under equity method		228	126	- 1 725
Other revenue & expenses with no effect on cash position		-	-	-
Cash flow from operating activities		128 360	120 745	131 062
Dividends from corporations consolidated under equity		-	-	1 739
Incidence of working capital requirements for operation		- 28 429	4 786	9 629
Net flow generated by (appropriated for) operations	(A)	99 931	125 531	142 430
Acquisition of fixed assets		- 255 808	- 203 388	- 233 799
Transfer of fixed assets		16 977	53 211	61 251
Incidence of changes in consolidation perimeter		9 951	1 900	- 3 311
Net flow generated by (appropriated for) investments	(B)	- 228 880	- 148 277	- 175 859
Dividends paid by parent company		- 6 108	- 5 212	- 3 640
Dividends paid to non-controlling interest		- 212	- 635	- 6 773
Increases (reductions) of capital		17 772	91 496	1 454
Investment grants		-	-	-
Loan issue		126 846	147 394	63 690
Loan repayment		- 77 476	- 63 207	- 110 558
Net flow generated by (appropriated for) financing	(C)	60 822	169 836	- 55 827
Incidence of changes in exchange rates	(D)	901	- 1 054	- 447
Incidence of changes in accounting methods	(E)	-	-	- 2 105
Cash flow	(A)+(B)+(C)+(D)+(E)	- 67 226	146 036	- 91 808
Opening cash position		79 753	- 66 283	25 525
Closing cash position		12 527	79 753	- 66 283
Cash flow		- 67 226	146 036	- 91 808

2. NOTES TO STATEMENT OF CHANGES IN FINANCIAL POSITION

During the business year, the group acquired a 51 % interest in the companies Island Offshore KS and Island Offshore AS.The net cash assigned to these purchases may be analyzed as follows :

- Cash paid out by group	(15 074 000) €
- Cash from companies acquired	2 166 000 €
- Incidence on group cash position	(12 908 000) €

The incidence on the other balance sheet items was as follows :

- Fair value of assets and debts :	
• fixed assets	59 994 000 €
• current assets	1 830 000 €
• medium to long-term liabilities	(23 502 000) €
• other debts	(10 753 000) €
- Purchase discrepancy amortized over year	(83 000) €
- Non-controlling interest	(14 578 000) €

IV - Changes in consolidated net worth for group share

	Capital	Premiums	Consolidated reserves	Annual income	Unrealized exchange gains or losses	Total net worth
Position at the end of 2000	23 281	34 495	174 532	38 564	2 540	273 412
• Consolidated earnings for group share				50 402		50 402
• Distributions paid by parent company			- 5 252			- 5 252
• Appropriation of earnings for N-1			38 564	- 38 564		0
• Unrealized exchange losses or gains					736	736
Position at the end of 2001	23 281	34 495	207 844	50 402	3 276	319 298
• Changes in capital of parent company	3 520	14 252				17 772
• Consolidated earnings for group share				54 895		54 895
• Distributions paid by parent company			- 6 108			- 6 108
• Appropriation of earnings for N-1			50 402	- 50 402		0
• Unrealized exchange losses or gains					- 23 534	- 23 534
Position at the end of 2002	26 801	48 747	252 138	54 895	- 20 258	362 323

V - Notes to consolidated accounts

1. ACCOUNTING RULES AND PRINCIPLES

1.1 Authoritative accounting literature

The consolidated accounts as at December 31st 2002 have been drawn up according to the rules defined by the French law dated Jan.3rd 1985, the decree dated Feb. 17th 1986 and rule 99-02 of the *Comité de la Réglementation Comptable*.

1.2 Changes in appraisal and accounting methods (lay-out and assessment)

For the marine branch, Groupe Bourbon's increased involvement in the international market has led the group to draw its accounting methods closer to those applied by competitors in the profession. Thus the following modifications were adopted for the first time as at December 31st 2002 :

- recalculation of the depreciation schedule for ships, extended from 12 to a period of 20 years,
- reclassification of ship sale proceeds as operating income,
- inclusion, in the cost of fixed assets, of financial expenses borne during the shipbuilding period.

These modifications produce the following effects:

- ships are now depreciated over 20 years, rather than 12 as formerly. At year's end 2002, the depreciation expense, calculated over the new period of 20 years, amounted to € 15 801 000 (as opposed to € 20 408 000 if the former schedule had been applied). This gives a positive difference of € 3 025 000 for the period, clear of deferred income taxes,
- capital gains of € 5 984 000 from ship sales were reclassified as operating income,
- financial expenses amounting to €874 000 at December 31st 2002 were included in the cost of fixed assets.

1.3 Changes in the consolidation method

The partnership agreement signed with Casino on December 31st 2001 gave rise to proportional, rather than total, consolidation of the reatiling branch as of January 1st 2002. Thus, at year's end 2002, the entire income statement and complete balance sheet for the retailing branch were consolidated at 66.66%.

1.4 *Pro forma* accounts

In order to allow fair comparison of accounts, *pro forma* versions are supplied with appropriate changes in the methods of valuation, accounting and consolidation.

1.5 Consolidation perimeter

The perimeter includes all the corporations under the direct or indirect control of Groupe Bourbon, together with those under significant influence.

This perimeter excludes companies below the significant threshold, defined by CRC regulation 99.02 as follows :

- For a company fully consolidated :

  Sum of balance sheet = 1 % of consolidated balance sheet
  Shareholders' equity = 1 % of consolidated owners' equity
  Turnover = 5‰ of consolidated turnover

- For a corporation consolidated under the equity method :

  Sum of balance sheet = 1 % of consolidated balance sheet
  Shareholders' equity = 1 % of consolidated owners' equity

Companies below these thresholds are nevertheless consolidated when considered to represent a strategic investment. Included within the 2002 perimeter were :

Retailing branch
- SCI Kerveguen (founded)

Maritime branch
- Eidsurf (founded)
- Handy Bulk (founded)
- Havila (bought)
- Island Offshore KS (bought)
- Island Offshore AS (bought)
- Mahé Cruise (founded)
- Mastshipping (founded)
- N'Duva (founded)
- Sétaf Saget Exploitation (founded)

Other business
- Mer Austral Mauritius (founded)
- Société de Participation et de Développement Sopade (founded)

In the course of the business year, Sétaf SA was merged into Bourbon Maritime, Sotransco into Saprim and the company F.I.L. was wound up.

The Sucrerie de Bois-Rouge business, stuck at its consolidation value under the equity method, was sold in the course of the year.

1.6 Consolidation methods

The corporations included within the consolidation perimeter are :

- those under exclusive control, fully consolidated,
- those under significant influence, consolidated directly by the equity method,
- those under joint control, consolidated proportionally,
- those under exclusive control of companies under significant influence, consolidated directly by the equity method.

1.7 List of companies consolidated

a) those fully consolidated

	N° SIREN	% control of capital held directly or indirectly 2002	2001	% of capital held directly or indirectly 2002	2001	Head office
GROUPE BOURBON Réunion	310879499	Parent company		Parent company		
ANTILLES TRANS EXPRESS	340057470	97.93	97.60	97.93	97.66	Pointe-à-Pitre
ARMEMENT SAPMER DISTRIBUTION	408532307	99.60	99.60	99.60	99.60	Réunion
ARMEMENTS ET SERVICES MARITIMES	-	80.00	80.00	80.00	80.00	Maurice
AUXPORT SARL	692003973	100.00	100.00	99.99	99.99	Le Havre
AVRACS	420626228	100.00	100.00	100.00	99.99	Suresnes
BOURBON ASSISTANCE	310879499	100.00	100.00	100.00	100.00	Réunion
BOURBON BRAZIL PARTICIPACOES	33300266682	100.00	100.00	100.00	100.00	Brazil
BOURBON MARITIMA	-	100.00	100.00	100.00	100.00	Madeira
BOURBON MARITIME	55802540	100.00	100.00	100.00	100.00	Marseilles
C.F.C.I.SARL	322950486	100.00	100.00	99.99	99.99	Suresnes
CARMING SHIPPING SA	407883992	100.00	100.00	99.99	99.99	Pointe à Pitre
CHAMBON FINANCE GESTION GIE	404670911	100.00	100.00	99.99	99.99	Marseilles
CHAMBON OFFSHORE INTERNATIONAL	321006132	100.00	100.00	100.00	100.00	Marseilles
COMPAGNIE FINANCIERE DE BOURBON	343778023	51.00	51.00	51.00	51.00	Réunion
COMPAGNIE MAROCAINE DE REMORQUAGE ET DE SAUVETAGE	89985	100.00	100.00	99.99	99.99	Casablanca
COMPAGNIE SETOISE DE REMORQUAGE ET DE SAUVETAGE SNC	692680028	100.00	100.00	100.00	100.00	Sète
DOCKWISE FRANCE SA	394276661	99.80	99.84	99.80	99.83	Suresnes
EIDSURF	-	51.00	-	51.00	-	Norway
ELBUQUE SHIPPING LDA	-	100.00	100.00	51.00	51.00	Madeira
FINANCIERE BOURBON	328723721	100.00	100.00	100.00	100.00	Marseilles
FIPARGEST	349439133	100.00	100.00	100.00	100.00	Réunion
FLASH LIGHT	-	100.00	100.00	51.00	51.00	Madeira
GIE 4501	-	100.00	100.00	100.00	100.00	Marseilles
GIE COGEREM	43413575200013	100.00	100.00	99.92	99.92	Marseilles
GIE GESTION SB	381865419	100.00	100.00	99.99	99.99	Réunion
GRENA NAVEGACAO LDA	1933	100.00	100.00	99.99	99.99	Madeira
HANDY SHIPPING SA	3000003495	99.95	99.95	99.94	99.94	Zurich
HANDY SIZE OWNER (HSO)	421245408	99.80	99.80	99.79	99.79	Suresnes
ISLAND OFFSHORE AS	-	51.00	-	51.00	-	Norway
ISLAND OFFSHORE KS	-	51.00	-	51.00	-	Norway
IVOIRIENNE DE REMORQUAGE ET DE SAUVETAGE	199829	50.99	50.99	50.99	50.99	Abidjan
JADE NAVEGACAO LDA	1796	100.00	100.00	99.99	99.99	Madeira
LA PETRUSSIENNE	-	50.70	50.70	25.85	25.85	San Pedro
LASTRO COMPANHIA INTERNATIONALE DE NAVEGACAO LDA	0D955	100.00	100.00	99.99	99.99	Madeira
LES ABEILLES BAYONNE SARL	389545817	100.00	100.00	99.99	99.99	Bayonne
LES ABEILLES BORDEAUX SA	348203472	99.80	99.80	99.80	99.80	Bordeaux
LES ABEILLES BOULOGNE SARL	617020094	100.00	100.00	99.99	99.99	Boulogne
LES ABEILLES BREST SARL	347979171	100.00	100.00	99.99	99.99	Brest
LES ABEILLES CALAIS SARL	701750028	100.00	100.00	99.99	99.99	Calais
LES ABEILLES CILAOS	413559683	100.00	100.00	99.95	99.95	Réunion
LES ABEILLES COTE D'IVOIRE	124A	99.58	99.58	99.58	99.58	Abidjan
LES ABEILLES DIEPPE SARL	340028570	100.00	100.00	99.99	99.99	Dieppe
LES ABEILLES DUNKERQUE SA	77050011	99.90	99.90	99.90	99.90	Dunkirk
LES ABEILLES INTERNATIONAL SA	313701187	100.00	99.84	100.00	99.84	Le Havre
LES ABEILLES LA ROCHELLE SARL	347987901	100.00	100.00	99.99	99.99	La Rochelle
LES ABEILLES LE HAVRE SA	368500708	99.84	99.80	99.84	99.80	Le Havre
LES ABEILLES MAFATE	413559642	100.00	100.00	99.95	99.95	Réunion
LES ABEILLES SA	712006493	99.99	99.99	99.99	99.99	Marseilles
LES ABEILLES SAINT-NAZAIRE SA	348197880	99.84	99.80	99.84	99.80	St-Nazaire
LES ARMEMENTS REUNIONNAIS	414550079	100.00	100.00	99.99	99.99	Réunion
LES DOMAINES DE LA CONVENANCE	342293263	99.99	99.99	99.99	99.99	Réunion
MAHE CRUISE	842961.1	79.99	-	79.99	-	Seychelles
MASTSHIPPING	4233	100.00	-	51.00	-	Madeira
MER AUSTRAL	12645	82.41	82.41	65.93	65.93	Madagascar
MER AUSTRAL MAURITIUS	-	95.00	-	95.00	-	Mauritius
NAVEGACEANO SHIPPING LDA	-	100.00	100.00	51.00	51.00	Madeira
N'DUVA	-	100.00	-	100.00	-	Marseilles
ONIX PARTICIPACOES E INVESTIMENTOS LDA	0D362	100.00	100.00	99.99	99.99	Madeira
OPALE SHIPPING	414564997	100.00	100.00	100.00	100.00	Pointe-à-Pitre
OWNER DRY BULK (ODB)	421248394	99.80	99.80	99.80	99.79	Suresnes
PARIS SHIPPING & CHARTERING SARL	333955078	99.99	99.99	99.99	99.98	Suresnes
PLACEMENT PROVENCE LANGUEDOC	731620399	100.00	100.00	100.00	100.00	Marseilles
RÉCIF S.A.S	320921679	99.11	99.11	98.79	98.79	Réunion
RIVAGES CROISIÈRES	402497903	99.97	99.95	99.97	99.95	Pointe-à-Pitre
SAGRIM	8380	74.97	74.97	74.97	74.97	Madagascar
SAPMER	350434494	99.99	99.99	99.99	99.99	Réunion
SEAWARD SAS	412104903	100.00	100.00	100.00	100.00	Marseilles
SEHB LE RÉCIF	325777068	99.50	99.50	98.69	98.69	Réunion
SERMAR	343200374	100.00	100.00	100.00	100.00	Le Havre
SETAF SA	301329389	-	99.99	-	99.99	Paris
SETAF SAGET EXPLOITATION	440281087	100.00	-	100.00	-	Suresnes
SETAF SAGET SA	407514850	100.00	99.99	100.00	99.99	Suresnes
SETAPAR SARL	409611837	100.00	100.00	99.99	99.99	Suresnes
SOCIETE DE DEVELOPPEMENT IMMOBILIER	345376263	99.98	99.96	99.98	99.96	Réunion
SOCIETE DE REMORQUAGE ET DE SAUVETAGE DE LA RÉUNION SA	310863360	95.36	95.36	95.36	95.36	Réunion
SOCIÉTÉ DE REMORQUAGE PORT. ET D'ASSIST. EN MÉDITÉRRANÉE	404350639	100.00	99.92	100.00	99.92	Port de Bouc
SOCIETE MAHORAISE DE REMORQUAGE ET D'ASSISTANCE	4411/92	100.00	100.00	100.00	100.00	Mamoudzou

	N° SIREN	% control of capital held directly or indirectly 2002	2001	% interest in capital held directly or indirectly 2002	2001	Head office
SOCIETE NOUVELLE ARPEC	384092532	100.00	100.00	100.00	100.00	Port de Bouc
SOCIETE OCEANIENNE DE REMORQUAGE ET D'ASSISTANCE	30866001	99.00	99.00	99.00	99.00	Nouméa
SONASURF	-	51.00	51.00	51.00	51.00	Angola
SONASURF INTERNATIONAL	-	51.00	51.00	51.00	51.00	Madeira
SOPADE	434222089	100.00	-	100.00	-	Réunion
S.R.E.T	339894529	81.87	67.23	81.87	67.23	Réunion
SUCRERIE DE BOURBON GIA LAI	-	51.00	51.00	51.00	51.00	Vietnam
SUCRERIE DE BOURBON TAY NINH	03/bbh-hdqt	100.00	100.00	100.00	100.00	Vietnam
SUCRERIES DE BOURBON MADAGASCAR	10230	100.00	100.00	100.00	100.00	Madagascar
SURF S.A	72801749	100.00	100.00	100.00	100.00	Marseilles
UNION DES REMORQUEURS DE DAKAR S.A	3898 B	99.93	99.91	99.93	99.91	Dakar

b) those consolidated under equity method

	N° SIREN	% control of capital held directly or indirectly 2002	2001	% interest of capital held directly or indirectly 2002	2001	Head office
COMATO	-	25.00	25.00	16.48	16.48	Madagascar
DISTRIFOOD	434555827	49.00	49.00	32.67	32.67	Réunion
HAVILA	-	33.53	-	33.53	-	Norway
S2FOI	434577094	49.00	49.00	32.67	32.67	Réunion

c) those proportionally consolidated

	N° SIREN	% control of capital held directly or indirectly 2002	2001	% interest in capital held directly or indirectly 2002	2001	Head office
AGENCE RÉUNIONNAISE D'INTERIM	381472594	100.00	100.00	66.66	66.66	Réunion
AGENCE RIALTO	402598833	100.00	100.00	66.66	66.66	Réunion
ANTARES	432587152	100.00	100.00	66.66	66.66	Réunion
AUSTRAL D'INVESTISSEMENT	-	100.00	100.00	66.66	66.66	Maurice
BOURBON DISTRIBUTION MAYOTTE	02404912400019	69.99	69.99	46.65	46.65	Mayotte
COMPAGNIE MAURICIENNE D'HYPERMARCHE LTD	-	99.91	89.35	66.60	59.56	Mauritius
DELBA MARITIMA	-	50.00	50.00	50.00	50.00	Brazil
ESPACE BOURBON AN LAC	2013/GP DC2	80.00	80.00	53.33	53.33	Vietnam
ESPACE BOURBON DONG NAI	1751/GP	65.00	65.00	43.33	43.33	Vietnam
FIM COLIMO	343694527	100.00	100.00	66.66	66.66	Réunion
FINANCIÈRE D'INVESTISSEMENT LOGISTIQUE	383031069	-	100.00	-	65.93	Réunion
HANDY BULK	527551	50.00	-	50.00	-	Zurich
HOME CITY	440262962	100.00	100.00	66.66	66.66	Réunion
MAGMA	024065617	100.00	100.00	46.65	66.66	Réunion
MAYOTTE DISTRIBUTION	024046971	99.76	99.92	46.54	46.62	Mayotte
SALAISONS DE BOURBON	309646719	99.99	99.99	66.66	66.66	Réunion
SAPMER DISTRIBUTION DE MARQUES	331621052	100.00	100.00	66.66	66.66	Réunion
SAPRIM	316392224	100.00	100.00	65.93	65.93	Réunion
SCI ARMAGNAC	434525374	99.00	99.00	65.99	65.99	Réunion
SCI DES CENTRES COMMERCIAUX	399553676	100.00	100.00	66.66	66.66	Réunion
SCI DU CHAUDRON	301050780	100.00	100.00	66.66	66.66	Réunion
SCI JACARANDA	415067776	100.00	100.00	66.66	66.66	Réunion
SCI KERVEGUEN	-	99.00	-	66.00	-	Réunion
SCI LIGNE DU PARADIS	434373387	99.00	99.00	65.99	65.99	Réunion
SCI OMEGA	378058812	100.00	100.00	66.70	66.66	Mayotte
SCI TIMUR	382921773	100.00	100.00	66.66	66.66	Réunion
SCI TOSCANE	425124286	99.90	99.90	46.61	46.61	Réunion
SCI VAVA INDUSTRIE	379118813	100.00	100.00	65.99	65.99	Réunion
SCORE DIGUE	587806	100.00	100.00	65.24	65.24	Madagascar
SCORE MADAGASCAR	12695	78.63	78.63	52.41	52.41	Madagascar
SEGS	339184431	100.00	100.00	66.66	66.66	Réunion
SELATAN INDAH	428173652	100.00	100.00	66.66	66.66	Mayotte
SEMS	332332386	98.90	98.90	65.93	65.93	Réunion
SICRE	383468196	100.00	100.00	66.66	66.66	Réunion
SOCIÉTÉ DE REMORQUAGES CALÉDONIENS	83 B 3086	49.90	49.90	49.90	49.90	Nouméa
SOCIETE DE RESTAURATION RAPIDE DE LA RÉUNION - S3R	389392523	100.00	100.00	66.66	66.66	Réunion
SOCIETE DES HYPERMARCHES BENEDICTINS	428663348	100.00	100.00	66.66	66.66	Réunion
SODEXMAR	383766581	100.00	100.00	66.66	66.66	Réunion
SODIMAR	391649183	100.00	100.00	66.66	66.66	Réunion
SOFIMEX	394643407	100.00	100.00	66.65	66.65	Rungis
SOGIM	349073841	100.00	100.00	66.66	66.66	Réunion
SOGRAMO	438063372	100.00	100.00	66.66	66.66	Réunion
SORECOM	310837331	100.00	100.00	66.66	66.66	Réunion
SORETRAVI	312301096	100.00	100.00	66.66	66.66	Réunion
SORMAC	379262744	100.00	100.00	66.66	66.66	Réunion
SOTRANSCO	339359242	-	100.00	-	65.93	Réunion
SSTIC - PRESTATION INFORMATIQUE	432594125	100.00	100.00	66.66	66.66	Réunion
VINDEMIA	380859025	66.66	80.00	66.66	66.66	Réunion
ZOOMMADAGASCAR	601310	100.00	100.00	52.45	52.45	Madagascar

1.8 Closing date for accounts

All the consolidated companies closed their individual accounts on December 31st 2002.

1.9 Conversion of financial statements for foreign subsidiaries

Accounts for foreign companies have been converted into euros as follows :

- balance sheet items, except for bottom line, as per exchange rate applicable on December 31st,
- income statement items on the basis of the average rate over the business year.

The resulting conversion differences have been assigned to the shareholders'equity, under the headings *«Unrealized exchange losses and gains»* and *«Non-controlling interest»*.

The rates applied are as follows :

Currency	Nkr Norvegian krone	CFP (Pacific franc)	$ US US dollar	SR Seychelles rupee	VND Vietnam Dong	SwF Swiss franc	CFA CFA franc	R$ Brazilian real	FMG Madagascar franc	Re Mauritian rupee
Closing rate at 12.31.02	7.2756	119.265	1.0487	5.8919	16 151.8	1.4524	655.957	3.7126	6 680.54	30.7284
Mean rate for year ending 12.31.02	7.5176	119.265	0.9459	5.5510	15 074.9	1.4669	655.957	2.8304	6 371.14	28.5655
Closing rate at 12.1.01	7.6714	119.265	0.8813	5.0495	13 249.6	1.4829	655.957	2.0425	5 682.86	26.6637

1.10 Restatement of detail or individual accounts

The incidence of entries solely for the application of tax laws is neutralized. This applies, notably, for :

- statutory amortization expense
- dispensatory depreciation or amortization

Reserves have been created for deferred tax, where necessary, using the liability method in its widest sense.

Investments grants are entered as deferred revenue on the liability side of the balance sheet and recovered as income over the useful lifespan of the asset for which they are awarded. On December 31st 2002, the residual balance amounted to €2 222 000.

1.11 Eliminations

The following eliminations, required for consolidation, have been made :

- intergroup transactions and reciprocal accounts between consolidated companies,
- dividends paid between consolidated corporations,
- reserves created or recovered for securities and receivables from consolidated companies,
- in-house margins on stock,
- in-house capital gains on transfers of land.

1.12 Purchase price discrepancy

Purchase price discrepancy is the difference noted, when a corporation is consolidated, between the stock purchase price and the portion this stock represents in the global valuation of identified assets and liabilities.

These differences are depreciated, using the straight-line method, according to a schedule whoise duration reflects the aim of the acquisition. This schedule cannot exceed 20 years. The initial amortization expense for these discrepancies, which corresponds to the acquisitions for the year, is calculated in proportion to time.

Where necessary, purchase discrepancies are corrected in the course of the business year following that of acquisition, notably in those cases where new significant elements appear, affecting the valuation of the assets and liabilities of the holdings acquired.

1.13 Intangible assets

Intangible assets represent, on the one hand, the software and patents, and, on the other, the value of the goodwill or business.

Goodwill is identified per sector, and its fixed asset value calculated according to turnover and profitability. Amortization is employed here when the stocktaking value calculated according to these criteria falls below the gross value. At December 31st 2002, because of the extension of the group's activities, goodwill was kept at initial value on the balance sheet.

Other intangible assets include, notably, ground-occupancy rights specific to Vietnamese corporations.

The amortization time for intangible assets is as follows :

- Software : ______ 3 years
- Ground-occupancy rights on length of concessions : ______ 38 to 50 years

1.14 Property, plant and equipment

These are evaluated at cost price plus incidental expenses.

Economic depreciations applied in the individual accounts, using straight-line or declining-balance methods according to the nature and lifespan of the assets in question, have been retained in the group's consolidated accounts. For tax reasons, depreciations applied in the individual accounts on naval equipment are restated in the consolidated accounts according to an economic depreciation schedule.

Depreciation is generally calculated over the following periods :

Buildings	10 to 40 years	Tools and equipment	3 to 10 years
Vessels and marine equipment	8 to 20 years	Fixtures and fittings	2 to 10 years
Technical installations and heavy plant	10 to 15 years	Other fixed assets	3 to 10 years

Revaluations of fixed assets are neutralized upon consolidation.

1.15 Non-consolidated shareholdings

These are entered at their original value (acquisition cost or contribution value).

The the close of the business year, the inventory value of this stock is determined according to the proportion of owners' equity held and to :

- possible increases in value, notably as regards real estate
- profitability prospects

Thus, if this inventory value is below the gross value, allowances are made for this stock, either in proportion to the interest held or, where the risk is certain, for the entire value.

1.16 Trading valuations

Stocks are valued at weighted average price for raw materials, at cost price for commodities and at production cost for goods in process and finished goods.

If the probable marketable value, after deduction of proportional selling expenses, is lower than the valuation cost, a valuation allowance is made for the difference.

For finished goods, where production cost exceeds the sales price applicable at the date of inventory, the current market price is used instead of the cost of production.

1.17 Trade receivables

These receivables are recorded at face value.

Reserves for doubtful accounts have been created to offset the risks of bad debts. These reserves are created according to rules drawn from observance of past non-collection.

1.18 Foreign currency transactions

Receivables and debts in foreign currency are valued at the rate on the closing date of the balance sheet, in the item «unrealized exchange gains and losses». These gains and losses are recorded as a consolidated result.

Latent exchange losses covered as contingent liabilities in the corporate financial statements are cancelled.
Unrealized exchange gains and losses noted in the cash-related items are accounted for as exchange differences in the result.

1.19 Investment securities and similar receivables

This item includes mutual fund securities.

1.20 Deferred charges

Each branch has its own system of deferment. In the maritime business, costs for bringing vessels to worksites and installing them are considered pre-operating expenses and generally amortized over 3 years.
In the purchase of Les Abeilles, the acquisition costs considered as deferrable have been amortized over the same period as the goodwill received with this acquisition : a schedule of 10 years.

1.21 Owners' equity

In the course of the business year 1998, 306 810 stock warrents were issued at a unit price of € 3.05. These warrants entitled holders to subscribe for one share per warrant, at a price of € 57.93, at any time between July 1st 1999 and September 15th 2002.

As approved by the annual general meeting of May 25th 2000, these warrants also entitled holders to one bonus share for every ten warrants held, in all 30 681 shares.
These warrants,increased by the allocation of one bonus share for ten warrants held (annual general meeting of May 25th 2000) entitle holders to one bonus share for 11 warrants held, in amm 30,681 shares.

The holders of these warrants having exercised their options on July 12th and September 9th 2002, an increase of capital was made with the creation of 368 172 new shares (of which 61 362 bonus shares), for a total of € 17 772 000.

1.22 Provisions for contingencies

Provisions for contingencies, which correspond to reserves built up in the indivudual accounts, have been kept in the consolidated accounts.
The reserves for pension commitments are entered in the consolidated accounts as provisions for expenses.

1.23 Tax

The tax burden for the year includes :

- current income tax expense after deduction of tax credits actually used,
- deferred income taxes recorded, on the principle of conservatism, in the consolidated accounts with regard to the company's tax position.

These result from :

- temporary time lags between calculation of taxable income and corporate income,
- restatements and eliminations in the course of consolidation,
- and deferrable losses likely to be charged off in the future.

This taxation is calculated and adjusted according to the liability method, applied in its widest sense.

1.24 Leasing agreements

Leasing agreements are restated in the consolidated accounts. The value adopted is the monetary value of the article leased or, where this value is lower, the present value of the minimum lease payments. The cancelled annual user fee is spread between financial expense and repayment of liabilities. The article is depreciated according to the methods described in note 1.14.

When the group is in the position of lessor, within the scope of tax-free rental transactions, income from rented fixed assets has been reclassified in current assets in the item «nontrade receivables». At December 31st 2002, net assets amounted to € 5,951,000 for the retailing branch and € 4,343,000 for the maritime sector.

1.25 Pension obligations

Pension obligations, accounted for as allowances for expenses, are calculated on a retrospective basis and cover all staff-members. At December 31st 2002, this commitment - including payroll taxes - amounted to € 18,226,000.

1.26 Employee benefits

a) Profit sharing plan

Profit sharing varies according to the company's performance, measured notably by the development of the turnover and operating margins, and there are two methods of calculation.

With the first, the development coefficient is applied to each employee's salary received over the past six months and the resulting bonus is paid each semester.

The second method, calculated annually, includes a progressive participation rate per wage bracket with an overall ceiling of 6%. The share of profits is then calculated by applying the corresponding percentage to the annual payroll. Half of the result is distributed equally and the other half divided proportionally among the employees according to the gross salaries for the year in question. In this second case, an additional amount of 20%, limited to € 3450, is awarded if the proceeds are paid into an employee savings plan.

b) Workers' participation

The workers'participation required by law, tied-up for a period of five years, is paid into an independent fund with a 6% rate of interest.

2. DETAILED NOTES

2.1 Fixed and intangible assets

• Analysis of intangible assets :

In 000s of euros	12/31/01	Acquisitions	Transfers	Changes in perimeter	Exchange fluctuations	Reclass. & sundries	12/31/02
Gross	49 309	1 668	89	- 15 039	- 1 942	58	33 965
Amort./Res.	7 492	1 823	89	- 1 917	- 240	0	7 069
Net	41 817	- 155	0	- 13 122	- 1 702	58	26 896

• Breakdown of gross intangible assets :

In 000s of euros	12/31/01	Acquisitions	Transfers	Changes in perimeter	Exchange fluctuations	Reclass. & sundries	12/31/02
Preliminary expenses	0	0	0	0	0	0	0
R&D expenses.	46	0	0	0	- 2	0	44
Licensing, patents	3 165	680	89	- 660	- 19	53	3 130
Lease renewal	335	0	0	- 112	0	0	223
Goodwill	30 007	516	0	- 9 452	3	0	21 074
Other intangible assets	15 756	472	0	- 4 815	- 1 924	5	9 494
Advances and deposits	0	0	0	0	0	0	0
Total	49 309	1 668	89	- 15 039	- 1 942	58	33 965

• Breakdown of amortizing and reserves for intangible assets :

In 000s of euros	12/31/01	Acquisitions	Transfers	Changes in perimeter	Exchange fluctuations	Reclass. & sundries	12/31/02
Preliminary expenses	0	0	0	0	0	0	0
R&D expenses	28	12	0	0	- 2	0	38
Licensing, patents	2 955	675	89	- 627	- 15	- 12	2 887
Goodwill	2 797	590	0	- 772	0	0	2 615
Other intangible assets	1 712	546	0	- 518	- 223	12	1 529
Total	7 492	1 823	89	- 1 917	- 240	0	7 069

• Breakdown of fixed assets per category :

In 000s of euros	12/31/01	Acquisitions	Transfers	Changes in perimeter	Exchange fluctuations	Reclass. & sundries	12/31/02
Gross	1 047 817	174 296	52 928	- 68 406	- 40 126	- 61	1 060 592
Amort./Res.	373 872	61 582	21 769	- 37 749	- 9 355	- 557	366 024
Net	673 945	112 714	31 159	- 30 657	- 30 771	496	694 568

• Breakdown of property, plant and equipment (gross) :

In 000s of euros	12/31/01	Acquisitions	Transfers	Changes in perimeter	Exchange fluctuations	Reclass. & sundries	12/31/02
Land	39 616	2 404	128	- 12 214	- 1 212	2 940	31 406
Buildings	148 346	3 605	756	- 33 774	- 7 755	12 979	122 645
Plant & equipment	614 519	66 740	41 901	22 285	- 24 275	46 795	684 163
Other fixed assets	68 926	5 271	3 952	- 19 255	- 1 396	5 273	54 867
Construction work in progress	39 898	77 376	580	- 6 379	- 5 483	- 43 262	61 570
Advances and deposits	9 848	18 900	1	- 180	- 5	- 27 101	1 461
Total	921 153	174 296	47 318	- 49 517	- 40 126	- 2 376	956 112

• Breakdown of property, plant and equipment leased :

In 000s of euros	12/31/01	Acquisitions	Transfers	Changes in perimeter	Exchange fluctuations	Reclass. & sundries	12/31/02
Land	8 698	0	0	- 2 899	0	0	5 799
Buildings	47 858	0	0	- 15 099	0	0	32 759
Plant & equipment	68 915	0	5 610	0	0	0	63 305
Construction work in progress	0	0	0	- 772	0	2 315	1 543
Other fixed assets	1 193	0	0	- 119	0	0	1 074
Total	126 664	0	5 610	- 18 889	0	2 315	104 480

• Breakdown of depreciation and reserves for property, plant and equipment :

In 000s of euros	12/31/01	Acquisitions	Transfers	Changes in perimeter	Exchange fluctuations	Reclass. & sundries	12/31/02
Land	1 355	17	15	- 451	- 4	0	902
Buildings	58 204	7 438	310	- 9 469	- 1 455	- 15 947	38 461
Plant & equipment	232 981	40 887	14 127	- 10 999	- 7 143	13 837	255 436
Other fixed assets	41 316	6 397	3 763	- 10 884	- 703	- 40	32 323
Construction work in progress	248	422	0	0	- 50	0	620
Total	334 104	55 161	18 215	- 31 803	- 9 355	- 2 150	327 742

• Breakdown of depreciation and reserves for property, plant and equipment leased :

In 000s of euros	12/31/01	Acquisitions	Transfers	Changes in perimeter	Exchange fluctuations	Reclass. & sundries	12/31/02
Buildings	2 314	1 851	0	- 5 861	0	15 786	14 090
Plant & equipment	36 668	4 363	3 554	0	0	- 14 193	23 284
Other tangible assets	786	207	0	- 85	0	0	908
Total	39 768	6 421	3 554	- 5 946	0	1 593	38 282

2.2 Long-term investments

In 000s of euros	12/31/01	Increases	Decreases	Changes in perimeter	Exchange fluctuations	Reclass.	12/31/02
Gross	50 527	66 768	4 954	- 59 827	- 833	- 1 073	50 608
Amort./Reserves	1 908	615	485	- 81	- 171	0	1 786
Net	48 619	66 153	4 469	- 59 746	- 662	- 1 073	48 822

The gross long-term investments of € 50,608,000 (€ 48,822,000 net) may be broken down as follows :

Non-consolidated securities	39 342
Receivables from financial interests	243
Loans	6 566
Other long-term investments (principally deposits)	4 448
Accrued interest	9

Changes in the item «*non-consolidated securities*» are as follows :

In 000s of euros	12/31/01	Acquisitions	Transfers	Changes in perimeter	Exchange fluctuations	Reclass. & sundries	12/31/02
Gross	34 599	64 974	1 068	- 59 143	- 20	-	39 342
Reserves	652	63	4	- 3	- 1	-	707
Net	33 947	64 911	1 064	- 59 140	- 19	-	38 638

This total does not include the item «*Equity ownership*», broken down in note 2.5.

The main unconsolidated holdings are as follows :

	Capital stock	Owners' equity other than capital	% holding	Gross interests	Net interests	Earnings	Balance sheet date
AQUA SERVICE REUNION	39	106	50.96	379	379	101	12.31.02
BOURBON AXA INV. FUND	7 749	- 2 193	13.96	1 773	1 773	- 1 065	12.31.02
BOURBON BEN LUC	3 782	- 214	100.00	4 184	4 072	- 214	12.31.01
C.T.B.R.(*)	-	-	14.42	3 491	3 491	-	12.31.02
CILAM	1 558	33 128	11.74	4 137	4 137	2 953	12.31.01
DTI OCEAN INDIEN	1 524	- 16	100.00	1 524	1 524	- 5	12.31.01
ESP. BOURBON THAN LONG	11 833	0	65.00	7 692	7 692	0	12.31.02
HAPPY WORLD FOODS	11 953	11 115	20.00	4 720	4 720	3 168	06.30.02
VILLAS DU LAGON	3 060	250	48.76	1 487	1 487	31	12.31.02
PHU DONG	2 890	- 457	70.00	1 965	1 703	- 98	12.31.01

(*) corresponds to frozen value of company consolidated under equity method (see note 1.5)

2.3 Breakdown of net assets per branch

Net assets (excluding consolidated goodwill and equity ownership) are divided as follows :

In 000s of euros	France	International	Total
Retailing	119 734	55 915	175 649
Maritime	146 395	302 049	448 444
Other business	67 315	78 878	146 193
Total	333 444	436 842	770 286

2.4 Consolidated goodwill

a) Consolidated goodwill

In 000s of euros	12/31/01	Increases over the year	Unusual allocations	Perim. changes & reclassification	12/31/02
Gross	78 740	1 748	-	- 13 358	67 131
Amortization	30 849	3 937	-	- 5 166	29 620
Net	47 891	- 2 189	-	- 8 192	37 511

The increase in consolidated goodwill comes from an additional shareholding taken in the company CMH (Compagnie Mauricienne des Hypermarchés) and a price remainder paid for the Delba Maritima corporation, bought in 2001.

The change in perimeter is linked to the proportional consolidation of the retailing branch.

b) Negative goodwill

In 000s of euros	12/31/01	Increases over the year	Allocations over the year	Perim. changes & reclassification	12/31/02
Net	40	5 409	- 404	-	5 045

The increase in negative goodwill results principally from the acquisition of the Havila corporation.

c) Breakdown per branch of net variances

In 000s of euros	Retailing	Maritime	Other business	Total
Positive variance	26 849	10 372	290	37 511
Negative variance	-	5 045	-	5 045

d) Acquisitions for the financial year may be broken down as follows :

In 000s of euros	CMH (add. share)	Island KS	Island AS	Havila
Price of equity interest	2 043	13 570	1 504	36 959
Net target position (social)	6 068	23 348	1 703	132 810
Net position restated	8 924	29 734	1 703	126 071
Restatement of share bought	633	13 653	1 504	42 271
Purchase price discrepancy	1 410	(83)	-	(5 312)
Evaluation discrepancy	-	6 386	-	(6 739)

2.5 Equity ownership

In 000s of euros	12/31/02	12/31/01
Gross	43 067	109
Reserves	-	-
Net	43 067	109

	2002	2001
Shareholders' equity on opening	109	148
Annual surplus or deficit	- 228	- 84
Unrealized exchnage gains or losses	813	7
Change in reporting entity	42 373	38
Shareholders' equity on closing	43 067	109

In 000s of euros	Havila	Comato	Distri-food	S2FOI
Shareholders' equity on opening	-	104	5	-
Annual surplus or deficit	- 141	-	16	- 103
Unrealized exchange gains or losses	829	- 16	-	-
Change in reporting entity	42 270	-	-	103
Shareholders' equity on closing	42 958	88	21	0

At 31/12/02, the individual financial statements of the companies consolidated under equity method were as follows :

In 000s of euros	Havila	Comato	Distri-food	S2FOI
Corporate figures				
Fixed assets (net)	264 060	52	189	3 385
Owners' equity	128 386	63	68	- 515
Balance sheet bottom line	304 542	141	972	5 104
Turnover	71 114	0	2 260	6 517
Current operating income	3 264	0	83	- 150
Annual surplus or deficit	- 422	0	51	- 317

2.6 Inventory and goods in process

Breakdown of inventory and goods in process at December 31st :

	at 12/31/02	at 12/31/01
Gross		
Stocks : raw materials and supplies	6 722	9 875
Stocks : services and goods in process	6 628	5 545
Stocks : finished and semi-finished goods	9 842	14 894
Stocks : merchandise	65 509	84 061
Total	88 701	114 375
Reserves		
Stocks : raw materials and supplies	108	93
Stocks : finished and semi-finished goods	233	36
Stocks : merchandise	1 148	750
Total	1 489	879

2.7 Current assets and accruals

Breakdown per due date of accrued assets (gross) :

In 000s of euros	Gross total	Less than a year	From 2 to 5 years	More than 5 years
ACCRUED ASSETS				
Trade and other accounts receivable	103 339	100 805	2 523	11
Other receivables [1]	137 678	125 936	6 568	5 173
Deferred tax	13 186	5 491	- 2 535	10 231
Prepaid expenses	7 576	7 576	0	0
Deferred charges	2 392	892	1 213	287
Totals	264 171	240 700	7 769	15 702
Allowance for accounts	6 093			
(1) : including leasing receivables as lessor	*10 666*	*362*	*5 233*	*5 071*

2.8 Investment securities

In 000s of euros	12/31/02	12/31/01
Treasury stock [1]	3 561	0
Other stock		
Gross [2]	25 169	69 592
Reserves	0	0
Net	28 730	69 592

(1) - amounts to less than 1% of Groupe Bourbon capital stock, quoted at € 67.94 on December 31st 2002.
(2) - the market value of the investment securities on 12/31/2002 was € 25,161,000,
- of which accrued interest of € 67,000.

2.9 Statement of changes in consolidated shareholders' equity (group share)

In 000s of euros	12/31/02	12/31/01
Consolidated shareholders' equity at beginning of year	319 298	273 412
Consolidated earnings for year	54 895	50 402
Distributions by parent company	- 6 108	- 5 252
Increase of capital	17 772	0
Foreign exchange fluctuations	- 23 534	736
Other changes	0	0
CONSOLIDATED SHAREHOLDERS' EQUITY AT YEAR'S END	362 323	319 298

2.10 Statement of changes in consolidated shareholders' equity (minority share)

In 000s of euros	12/31/02	12/31/01
Consolidated shareholders' equity at beginning of year	110 291	55 946
Consolidated earnings for year	6 056	- 465
Increase of subsidiaries' capital	3 803	30 496
Incidence of changes in reporting entity [1]	- 71 969	24 225
Foreign exchange fluctuations	- 2 995	529
Other changes [2]	- 238	- 440
CONSOLIDATED SHAREHOLDERS' EQUITY AT YEAR'S END	44 948	110 291

(1) - including the change involved by proportional consolidation of the retailing branch, amounting to € 85,828,000.

(2) - Dividends outside group	*- 238*	*- 440*

2.11 Contingent liability

In 000s of euros	12/31/02	12/31/01
Reserves for contingencies	10 110	9 816
Reserves for expenses	36 993	34 156
Total	47 103	43 972

Breakdown of reserves for contingencies and expenses :

Company	Opening balance	Allocation for the year	Reversal for year (res. used)	Reversal (res. unused)	Change in method	Change in reporting entity	Others	Closing balance
Tax audits	1 679	1 801	1 475	0	0	- 23	0	1 982
Litigation	1 640	449	166	9	0	- 352	- 5	1 557
Pension benefit obligations	19 675	13 099	13 986	0	0	- 530	- 34	18 224
Tax	244	2 630	102	17	0	- 20	0	2 735
Major repairs	11 016	9 482	9 691	0	0	0	0	10 807
Liability coverage	0	2 356	0	0	0	0	0	2 356
Welfare & redundancy plan	265	0	154	0	0	0	0	111
Others (1)	9 453	5 444	5 474	0	0	- 81	- 11	9 331
Total reserves	43 972	35 261	31 048	26	0	- 1 006	- 50	47 103

(1) - including € 1,749, 000 for impact of tax-ememption operations, calculated over contract length on a straight-line basis when group is lessor.

Impact (net of expenses incurred)	Allocation for the year	Reversal (res. unused)	Others
Current operating income	25 448	17	- 34
Financial earnings	1 208	0	- 11
Unusual items	8 605	9	- 5

Liability coverage

A reserve of € 2,356,000 was set up as liability coverage given for the transfer of the Réunion/Europe sugar business and the shareholding Casino took in Vindémia. This reserve covers tax reassessments for the business years 1999 and 2000 and any possible mark-down of liabilities payable at less than one year.

2.12 Financial debts

a) Breakdown per maturity date

In 000s of euros	12/31/02	12/31/01
Debts at less than 12 months	269 555	141 440
Debts at more than 1 year and less than 5	289 907	306 079
Debts at more than 5 years	114 636	80 151
Total	674 098	527 670
Including : bank assistance, bank and Giro credit balances	*190 340*	*69 257*
loans linked to restatement of leasing	*63 430*	*89 842*
Debts at less than 12 months	*13 952*	*9 537*
Debts at more than 1 year and less than 5	*34 521*	*50 406*
Debts at more than 5 years	*14 957*	*29 899*

Breakdown of loans from lending institutions and leasing companies (exclusive of accrued interest) :

In 000s of euros	12/31/02	12/31/01
Fixed rate	91 414	133 784
Variable rate	390 632	323 054
Total	482 046	456 838

Breakdown of endebtedness to lending institutions at December 31st 2002 :

- Euro zone :.. 327 424
- in US $:.. 107 805
- in Norwegian kroner : 35 067
- in Vietnamese dong : 7 083
- in Madagascan francs :..................................... 4 212
- in Mauritian rupees :.. 455

b) Debts covered by collateral

Debts towards lending institutions are secured by mortgages, pledges of plant, marketable securities and other collateral to the total extent of € 279 854 000.

Pledges and mortgages	Starting date of pledge	Finishing date of pledge	Amount of asset pledged (a)	Total balance sheet item (b)	% = a/b
On intangible assets					
• Goodwill	1 996	2006	1 722	20 648	8.34
On fixed assets					
• Land	1997	2008	1 903	37 205	5.11
• Buildings	1997	2009	18 443	155 404	11.87
• Plant and equipment	1996	2013	383 552	747 470	51.31
Total assets pledged			405 620	960 727	42.22
Total balance sheet (fixed + intangible)			405 620	1 094 567	37.06
Capital assets					
• Equity interest (1)	1 994	2013	26 759		

(1) Stock of consolidated companies

Vindémia .... 125 000 shares,i.e. 3.33 % du capital
Bourbon Maritime....162 036 shares,i.e. 68.88 % du capital
BDM : ....19 596 shares,i.e. 70.00 % du capital
EBD : ....164 034 360 shares,i.e. 65.00 % du capital
SEGS : ....1 250 shares,i.e. 50.00 % du capital
TIMUR : ....29 999 shares,i.e. 100.00 % du capital

2.13 Deferred taxes

At December 31st, deferred tax debits and credits, respectively posted on the balance sheet in the items «other receivables and accruals» and «other debts and accruals» , were as follows :

	31/12/02	31/12/01
• Deferred tax debit	13 186	14 117
• Deferred tax credit	- 28 433	- 26 036
• Net deferred income taxes	- 15 247	- 11 919

Breakdown per type of deferred tax

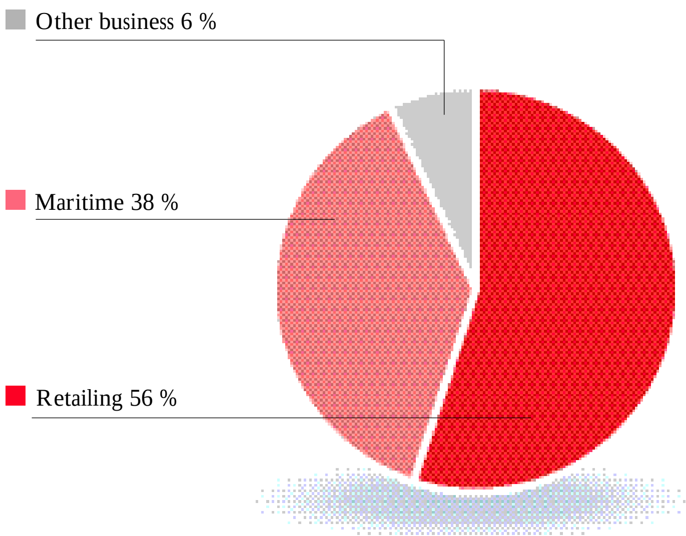
In 000s of euros	2002	2001
1. Deferred tax debit		
Restatements	5 345	5 658
Other temporary differences	5 256	5 186
Consolidation restatement	2 585	3 164
Others	-	109
Total	13 186	14 117

In 000s of euros	2002	2001
2. Deferred tax credit		
Dispensatory amortization	15 497	11 482
Restatement of amortization	13 281	13 474
Leasing	651	531
Other restatements and temporary differences	- 996	549
Total	28 433	26 035

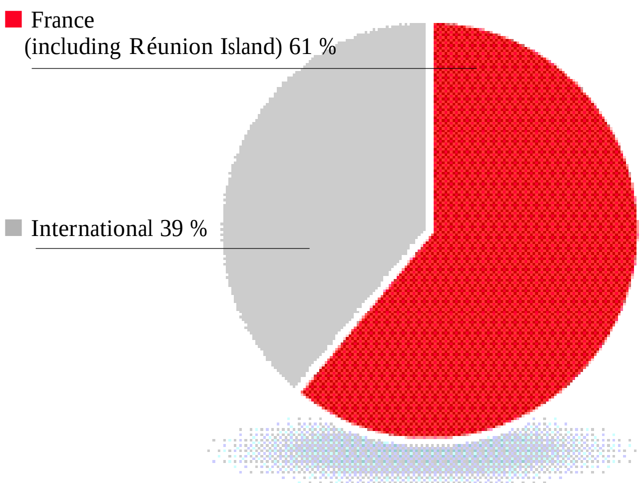
At December 31st, on the principle of conservatism, no deferred tax debit was calculated on deficits and the amortization considered deferred, which amounted to € 1,292,000.

2.14 Sales [Turnover]

In 000s of euros	12/31/02	As %	12/31/01
Breakdown of sales per branch of activity			
Retailing	523 172	56	695 826
Maritime	353 250	38	328 655
Other business	64 078	6	64 424
Total	940 500	100	1 088 905



In 000s of euros	12/31/02	As %	12/31/01
Breakdown of sales per geographical zone			
France (including Réunion Island)	573 516	61	750 668
International	366 984	39	338 237
Total	940 500	100	1 088 905



2.15 Breakdown of current operating income

In 000s of euros	12/31/02	12/31/01
Breakdown of operating income per branch of activity		
Retailing	25 846	26 098
Maritime	56 658	34 501
Other business	- 4 197	- 3 927
Total	78 307	56 672

In 000s of euros	12/31/02	12/31/01
Breakdown of operating income per geographical zone		
France (including Réunion Island)	38 583	33 023
International	39 724	23 649
Total	78 307	56 672

2.16 Breakdown of financial earnings

In 000s of euros	12/31/02	12/31/01
Investment income		
Interest and other investment income	6 469	6 652
Reversal of provisions and transferred expenses	3 175	1 516
Realized exchange gains and losses	28 458	15 850
Total	38 102	24 018

In 000s of euros	12/31/02	12/31/01
Financial expenses		
Interest and related expenses	18 316	23 120
Financial charges from leasing	2 044	2 996
Allowance for depreciation and reserves	2 549	2 326
Realized exchange gains and losses	24 329	13 593
Total	47 238	42 035
Financial earnings	- 9 136	- 18 018

■ 2.17 Unusual revenue and expenses

In 000s of euros	12/31/02	12/31/01
Unusual revenue		
From management activities	2 322	1 995
From capital transactions	17 919	66 667
Reversal of provisions and transferred expenses	7 632	8 981
Total	27 873	77 643

In 000s of euros	12/31/02	12/31/01
Unusual expenses		
From management activities	5 063	7 144
From capital transactions	3 759	47 514
Estimated expense	10 281	2 928
Total	19 103	57 586

The positive bottom line of € 8,770,000 results essentially from the following transfers of assets :

- € 1,592,000 from capital gains on ships (in the fishing sector),
- € 3,484,000 from capital gains on other assets,
- € 8,743,000 from capital gains on equity interest.

■ 2.18 Income tax

In 000s of euros	12/31/02	12/31/01
Current tax expense	17 248	23 626
Retailing taxes	143	64
Deferred tax	4 972	- 1 035
Total	22 363	22 655

The current tax expense of € 17,248,000 at December 31st 2002 includes the tax benefit from application of the tax consolidation system on the sum of € 5,878,000.

Breakdown of current tax expense :

In 000s of euros	12/31/02	12/31/01
Usual	26 882	20 219
Unusual (1)	- 9 634	3 407
Total	17 248	23 626

(1) This item includes tax-shield transactions (joint ownership of vessels,French 'Pons'law).

Breakdown of deferred tax per branch of activity :

	Tax expense	*Tax income*	*Net at 12/31/02*	*Net at 12/31/01*
Retailing	644	933	289	- 640
Maritime	8 775	2 610	- 6 165	1 971
Other business	17	921	904	- 296
Total	9 436	4 464	- 4 972	- 1 035

At December 31st 2002, the theoretical corporate income tax of € 30,827,000 was calculated by applying current French tax rate to pre-tax earnings, consolidated goodwill and earnings from corporations consolidated under equity :

• Consolidated earnings before income tax and consolidated goodwill	87 077
• Corporate tax applicable in France at 12.31.02 :	
> 33.33	29 023
> 3.30	933
> 3.00	871
• Theoretical corporate income tax	30 827
• Corporate income tax accounted for	22 363
Difference	*8 464*

The difference between the theoretical tax and the book-keeping tax is as follows :

• Tax credit of 1/3 son tax basis authorized in French Overseas Depts.	1 061
• Tax shield (French PONS legislation)	3 266
• Corporations in deficit, not consolidated for tax purposes	- 4 229
• Differentiation of rate for non-French corporations	- 39
• Other differences	5 460
• Additional tax not owing	885
• Corporate income tax calculated on dividends outside group	2 060

3. SUPPLEMENTARY FINANCIAL DATA

3.1 Off-balance-sheet commitments relating to standard business

In 000s of euros	12/31/02	12/31/01
Claims assigned before due date (Bordereau Dailly)	4 093	4 093
Pledges, mortgages & other collateral (see note 2.12)	279 854	191 090
Backing, coverage & guarantees given	20 241	17 066
Total commitments given	304 188	212 249

In 000s of euros	12/31/02	12/31/01
Backing, bonds & guarantees received	3 574	8 334
Total coverage received	3 574	8 334

Commitments given for part-ownership ship financing : guarantees given by Groupe Bourbon for rental and hull repurchase.

3.2 Contractual obligations and other business commitments

Contractual obligations	Total	Payments due per period		
		- 1 year	1 to 5 years	+ 5 years
Long-term liabilities (loans)	420 328	65 263	255 384	99 681
Direct financing lease obligations	63 430	13 952	34 521	14 957
Standard rental contracts/leases	13 586	2 271	7 608	3 707
Total	497 344	81 486	297 513	118 345

Other business commitments	Total	Payments due per period		
		- 1 year	1 to 5 years	+ 5 years
Other commitments :				
- stock purchase commitments	2 400	400	2 000	
- stock transfer commitments (1)	(322 000)	-	(196 000)	(126 000)
Total	(319 600)	400	(194 000)	(126 000)

(1) Corresponds to the Casino group's commitment to buy Vindémia stock on the basis of a provisional estimate.

3.3 Effect of foreign exchange fluctuations on 2002 figures

Incidence of foreign exchange fluctuations on the business year :
Effect on turnover................................ 11 668 K€
Effect on income.................................... - 996 K€

3.4 Value (clear of debt) of assets denominated in risky foreign currency

Maritime	17 507 K€
Retailing	28 566 K€
Other business	
In all	122 775 K€

3.5 Net earnings per share (NEPS) over three-year period

	Date	Explanation	Number of shares	combined	Number of months	After restatement
2002	1st January		6 108 509	6 108 509	6	36 651 054
	12th July	Cash increase of capital	9 100	6 117 609	2	12 235 218
	9th September	Cash increase of capital	297 710	6 415 319	4	25 661 276
	31st December	Weighted average number of shares				6 212 296
		Bonus shares issued				616 681
		Weighted average number of shares after restatement				6 828 977

In view of the allotment of bonus shares during the business year, the coefficient of adjustment for the weighted average number of shares for 2000 and 2001 was calculated as follows :

= (6 108 509 + 616 681) / 6 108 509 1.101

The weighted average number of shares taken for the calculation of the NEPS was thus as follows :

2000 .... 6 725 468
2001 .... 6 725 468
2002 .... 6 828 977

	31/12/02	*31/12/01 pro forma*	*31/12/01*	*31/12/00*
	6 828 977	6 725 468	6 725 468	6 725 468
Net earnings (in 000s of euros)				
Corporate	2 355	56 974	56 974	13 305
Consolidated group share	54 895	41 591	50 402	38 565
Consolidated minority-interest share	6 056	- 296	- 490	5 836
NEPS (in euros)				
Corporate	0.34	8.34	8.34	1.95
Consolidated group share	8.04	6.09	7.38	5.65
Consolidated minority-interest share	0.89	- 0.04	- 0.07	0.85

3.6 Managerial compensation

The compensation allowed to group officers for their management, supervision and administration of the business amounted to € 1,146,000.

3.7 Personnel at December 31st *(fully consolidated corporations)*

Personnel		12/31/02		12/31/01
Executives		445		445
Employees		4 848		4 406
Workmen		719		1 271
Seagoing personnel		1 632		1 635
- Officers	*682*		*679*	
- Seamen	*950*		*956*	
Total		7 644		7 757

3.8 Other items

Appeals have been lodged against tax adjustments, amounting to € 5,572,000, for certain comporations.

3.9 Subsequent events

Through its retailing branch, the group has agreed to buy out the entire shareholding in the Compagnie des Grains du Capricorne and that of the real-estate companies attached to it. This takeover will come into effect on July 1st 2003. Based in Réunion Island, the Compagnie des Grains du Capricorne specializes in import, processing, packaging and sales of pulses and rice. Some 70% of the company's annual turnover (in the region of 9 million euros) comes from companies already in the retailing branch.

Under an agreement notified to the Oslo stock exchange on March 4th 2003, Groupe Bourbon holds a purchase option - and Borgstein Supply Invest (the Ulstein family) a sales option - concerning 13,619,434 shares in Havila Supply AS (i.e. 11.1% of its capital stock). This option may be taken up during the first semester of 2006, at a price of 5.85 Norwegian *kroner* per share plus the cost of financing over the period. At year's end 2002, Bourbon Maritime held a 33.53% stake in Havila Supply AS and the company was thus consolidated under the equity method.

On January 1st 2003, Groupe Bourbon transferred its harbor towage business in five ports of regional importance, together representing less than 1.7% of the maritime turnover (an overall sum of € 509,000). The ports in question are Calais, Cherbourg, Dieppe, Sète (mainland France) and Nouméa (New Caledonia).

V - AUDITORS' CERTIFICATE
for the consolidated accounts of the year ending December 31st 2002

Ladies and gentlemen, Shareholders,

In pursuance of the audit engagement entrusted to us by your annual general meeting, we have undertaken an audit of the consolidated accounts of the Groupe Bourbon for the accounting year ending December 31st 2002,drawn up in euros in accordance with the rules and professional standards applied in France and as appended to the present report.

The consolidated accounts were closed by the board of directors and our rôle is to express an opinion on these financial statements, an assessment based on our audit.

We have performed this audit in compliance with professional standards applied in France; these standards require such diligence that you may be reasonably assured that the accounts contain no serious irregularities. In an audit,the probative elements substantiating the data contained in the accounts is examined by sampling.The audit also examines the accounting principles applied,assesses the main estimates adopted for drawing up the accounts and considers the overall presentation.We consider that our verifications give reasonable grounds for the opinion expressed below.

We certify that the consolidated accounts,drawn up as required by the rules and principles of accounting as applied in France, are regular and genuineand that they give a true picture of the holdings, the financial position and the overall surplus or deficit from the whole made up of the corporations within the consolidation frame.

Without detracting from the above assessment, we wish to draw your attention to the changes in valuation,accounting practices and consolidation methods explained in the appended notes 1-2 and 1-3.

Furthermore, we have also verified the information given on the group in the management report and have no comments or observations as regards the genuineness of this information or its correlation with the consolidated financial statements.

Saint Denis and Lyons,April 14th 2003

The statutory auditors

Exa Ernst & Young	EuraAudit C.R.C. Cabinet Rousseau Consultants
Pierre Nativel	Jean-Marc Rousseau

VII RECENT DEVELOPMENT AND FUTURE PROSPECTS

7.1. Recent development

2002 was the second transitional year of the rise in importance of our marine services in the deep-water offshore business.

- 2001 saw the deconsolidation of the original «Réunion-Europe sugar» business and
- 2002 brought the 33.34% deconsolidation of the Vindémia retailing trade.

- In January 2003, in order to secure the financing for its growth, Groupe Bourbon negotiated a credit line of 245 million euros from a pool of banks over 7 years at a variable rate and a margin of 0.8% (of which around half immediately covered at a fixed rate). A covenant of 1.45 was granted for the Net Debt/Owners' Equity ratio.

Concomitantly, the previous line of credit, 125 million euros set up in February 1999 over five years plus two, where the first installment was soon owing, was reimbursed before due date.

Comparative consolidated turnover - first quarter 2003

(in 000 000s of euros)	*1st quarter 2003*	*1st quarter 2002 as published*	*Variation*
Consolidated turnover	240	229	4.80 %
France	139	135	2.96 %
International	101	94	7.45 %
Marine services	94	84	11.90 %
inc. : Offshore	41	31	32.26 %
Towage & Assistance	25	29	(13.79 %)
Bulk transport	28	24	16.67 %
Retailing	129	120	7.50 %
France	110	101	8.91 %
International	19	19	0 %
Other business	17	25	(32.00) %

Groupe Bourbon's consolidated turnover for the first quarter of 2003 rose by 4.8% in comparison with the same period in 2002.

The bulk of this growth came from the rapid development of marine services for the offshore business (+32.26%).

Marine services

- Offshore-related business is rapidly expanding (+32.26%), as forecast in our growth targets, fuelled by large-scale commercial action and revenue generated by recent investments,
- in the Towage & Assistance field, the drop in turnover reflects the prevailing economic slump and was amplified by the transfer of the small ports (-6%) in late 2002 and difficulties in Africa triggered by disturbances in the Ivory Coast,
- the bulk transport branch benefitted from the upsurge in international freight rates (+ 16.67%).

Retailing

This branch posted a satisfactory level of business in France (up 8.91%), boosted notably by the opening of the new «Jumbo Score» store in Le Port (Réunion Island) in late April 2002.

Business on an international scale increased by 17.6% in local currency. Even with the rise in the euro, the consolidated international turnover remains stable.

Other business (principally Vietnamese sugar and industrial fishing)

These non-strategic activities are slated for transfer when suitable opportunities arise.

7.2. Prospects

Groupe Bourbon is actively promoting growth in both branches of its business, retailing and marine services. An updated 5-year development plan is shown below to keep shareholders fully informed of policy decisions and to give some estimation of the results expected from this policy.

This plan is updated every year to allow for changing circumstances. It is shown in comparison with the previous version and explanations will be given in the event of any significant differences.

Retailing :

The objective here, working in association with Casino, is to consolidate the group's position in those countries where we are already trading.

Results at all levels for 2002 are confortably in line with the 2002-2006 plan presented last year and now updated into the new version for 2003-2007.

A reduction in investments may be noted, prompted by Vindémia's decision not to extend business to new countries during this period. Profitability improves correspondingly, as the company is relieved of these start-up costs.

Targets 2003-2007 (5-year plan)	Plan 2003-2007	Plan 2002-2006 *(reminder)*
Sales (on average *per annum*)	8.0 %	11.0 %
- France (Réunion Island)	5.0 %	6.0 %
- International	25.0 %	38.0 %
Operating ratios for 2007		
- EBITDA/Turnover	8.5 %	7.5 %
- EBIT/Turnover	5.7 %	4.6 %
Investments 2003-2007	€150 M	€300 M

Marine services :

Our objectives here are :

- to maintain the market position built up over recent years in towage and solid bulk transport,
- to establish Groupe Bourbon rapidly as a major world figure in the marine service business for deep-water oil fields, the sector which will receive most of the scheduled investments,
- to improve overall performances through this new balance of the three maritime activities.

Targets 2003-2007 (5-year plan)	Plan 2003-2007	Plan 2002-2006 *(reminder)*
Sales (on average *per annum*)	15.0 %	8.5 %
- Offshore oil fields*	25.0 %	20.0 %
- Towage & assistance	3.0 %	3.0 %
- Bulk transport	3.0 %	3.0 %
Operating ratios for 2007		
- EBITDA/Turnover	37.0 %	30.0 %
- EBIT/Turnover	24.0 %	15.0 %
Investments 2003-2007	€ 1 200 M	€ 600 M

** The increase in turnover would be 30 % if Havila were consolidated.*

Sheduled financial announcements

Half-yearly results :		September 10th 2003
Quarterly turnover :		
	Q1	May 12th 2003
	Q2	August 11th 2003
	Q3	November 12th 2003
	Q4	February 10th 2004
May 22nd annual general meeting :		end of May 2003 (Réunion Island)
Payment of dividends :		as soon as possible after the meeting
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RÉFÉRENCE DOCUMENT

COB

COMMISSION DES OPERATIONS DE BOURSE

This abridged English-language version of the Groupe Bourbon annual report has been made for your convenience by a sworn translator. It comprises the essential elements of the French original which was lodged with the *Commission des Opérations de Bourse* [the French COB is the equivalent of the British SIB and the American SEC] on May 12th 2003 as required by section 98-01 of the regulations. The French, legally-binding version, may be used to back financial transactions if completed by a statement of operations duly certified by the COB.

GROUPE BOURBON

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