

PECHINEY
Form 6-K
July 24, 2003

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

**PURSUANT TO RULE 13a-16 or 15d-16 OF
THE SECURITIES EXCHANGE ACT OF 1934**

Report on Form 6-K dated July 24, 2003

Commission File No. 1-14110

PECHINEY

(Name of Registrant)

**7, Place du Chancelier Adenauer
75218 Paris Cedex 16
France**

(Address of Principal Executive Offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F: **Form 40-F:**

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes: **No:**

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes: **No:**

Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes: **No:**

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If Yes is marked, indicate below the file number assigned to the registrant in connection with

Rule 12g3-2(b): 82- _____

Enclosure: A press release dated July 23, 2003, announcing Pechiney's for the second quarter of 2003 results.

PRESS RELEASE

July 23, 2003

Second Quarter Results 2003

(Provisional and none audited results. Definitive results will be approved by the Board on July 28. and will be published on July 29. at 7:30 AM)

For the second quarter of 2003, Pechiney announces earnings from operations of 67 million, down slightly from the 71 million in the previous quarter. Net income in the second quarter totals 12 million, after a net loss of 1 million in the first quarter of the year.

Highlights

The main trends in the Group's earnings from operations were as follows.

- As in previous quarters, the **Primary Aluminum** sector, which reported earnings from operations of 37 million, down from 42 million, was affected by the depreciation of the US dollar. The /\$ parity realized was 1.11 in the second quarter, compared with 1.04 in the first quarter and 0.90 in the second quarter of 2002. The recent stabilization of the US dollar observed in the markets is a positive factor for Pechiney as it is for all aluminum producers with reference to their production capacities outside the dollar zone.
- In the second quarter, the **Aluminum Conversion** sector confirmed the recovery reported in the previous quarter, with earnings from operations of 14 million, versus 15 million in the first quarter and 9 million in the second quarter of 2002. Sales volume remained satisfactory particularly in aerospace in Europe, after the inventory depletion observed in 2002, and as additional orders for the A380 are only beginning their upward trend.
- At 26 million, the **Packaging** sector reported earnings from operations identical to the first quarter. Boosted by good performances in controllable costs reductions, this result was achieved in spite of the fact that the cost of the plastic resins used in flexible packaging reached a high point during the quarter before starting to slide downwards, reflecting the decline in the price of oil.

Pechiney actively continued to implement its strategy during the second quarter with:

- New gains generated by the Pechiney Continuous Improvement System, totaling the cumulated sum of 181 million since January 1, 2002;
- Two major acquisitions: that of the 65% equity interest held by the financial partners in the Aluminium Dunkerque smelter (effective as of December 30, 2003), which will increase the Group's attributable aluminum capacity by 17%, and the acquisition of Novacel, the Mexican leader in specialty flexible packaging, a transaction that is expected to be finalized during the summer.

Statement of income (French GAAP)

<i>Million of euros</i>	H1 2002	H1 2003	<i>Million of euros</i>	Q2 2002	Q1 2003*	Q2 2003
Net sales	6,211	5,446	Net sales	3,397	2,820	2,626
Earnings from operations	241	138	Earnings from operations	137	71	67

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Restructuring expense, other (expense) income	(70)	(76)	Restructuring expense, other (expense) income	(54)	(59)	(17)
Financial expense, net	(22)	(24)	Financial expense, net	(11)	(11)	(13)
Income tax expense	(59)	(15)	Income tax expense	(31)	5	(20)
Equity affiliates	4	5	Equity affiliates	3	2	3
Minority interests	0	(3)	Minority interests	4	(2)	(1)
Net Income before goodwill	94	25	Net Income before goodwill	48	6	19
Goodwill amortisation	(17)	(14)	Goodwill amortisation	(8)	(7)	(7)
except. Goodwill amortisation	(31)	-	except. Goodwill amortisation	(31)	-	-
Net income	46	11	Net income	9	(1)	12
Net Income Per share "A" ()	0.57	0.14	Net Income Per share "A" ()	0.11	(0.02)	0.15
Adjusted Net Income **	123	60	Adjusted Net Income **	74	37	23
Adj. Net inc. / share** bef. GW	1.78	0.95	Adj. Net inc. / share** bef. GW	1.04	0.56	0.39
Adj. net income per share**	1.56	0.77	Adj. net income per share**	0.94	0.47	0.30

(*) The accounting standard SFAS 143 Accounting for Asset Retirement Obligations was adopted during the second quarter of 2003, effective January 1, 2003. This change, which affects essentially the Primary Aluminum sector, resulted in a decrease of Earnings from Operations for the first quarter of 2003 by 1 million and an improvement of net income for the first quarter of 2003 by 1 million. (**) Published net income per share as adjusted to exclude the impact, after taxes, of restructuring expense, other (expense) income and other non-recurring items. Pechiney believes that presenting net income is an additional measure of performance that investors can use to compare net income between reporting periods.

	Net Sales			Earnings from operations			Principal indicators			
	Q2 2002	Q1 2003	Q2 2003	Q2 2002	***Q1 2003	Q2 2003	Q2 2003	Q1 2003	Q2 2003	
<i>Millions of euros</i>										
Primary Aluminium	488	473	460	93	42	37	Average euro/U.S.\$	0.92	1.07	1.14
Aluminium Conversion	703	659	618	9	15	14	Realised / \$	0.90	1.04	1.11
Packaging	614	559	549	40	26	26	LME average price (\$/t)	1,377	1,392	1,380
International Trade	1,592	1,129	999	18	14	14	Average realized price (\$/t)	1,385	1,368	1,390
Central Costs	-	-	-	(23)	(26)	(24)				
Total	3,397	2,820	2,626	137	71	67				

(***) Restated for the application of FAS 143.

Pursuant to article 7 of the COB Rule book n° 2002-04, this press release was disclosed to the Commission des Opérations de Bourse before its release.

Pechiney is an international group listed on the Paris and New York stock exchanges. Its three core businesses are primary aluminum, aluminium conversion and packaging. Pechiney achieved sales of 11.9 billion in 2002. It employs 34,000 employees.

Certain statements in this press release that describe Pechiney's intentions, expectations or projections may constitute forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Pechiney's actual results, performance or achievement to be materially different from its intentions, expectations or projections. The forward-looking statements in this press release speak only as of its date and Pechiney undertakes no obligation to update or revise any forward-looking statement to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Investor Relations

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Pechiney has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: July 24, 2003

PECHINEY

By:

/s/ OLIVIER MALLET

Name: Olivier MALLET

Title: Chief Financial Officer