



2005 ANNUAL REPORT

“There is no favourable wind
for he who knows not
where he is heading”

SENECA



MANAGEMENT REPORT
BY THE BOARD OF DIRECTORS

2005 FINANCIAL YEAR

CORPORATE ACCOUNTS AND CONSOLIDATED ACCOUNTS
AT 31 DECEMBER 2005 PRESENTED TO
THE GENERAL MEETING OF 26 APRIL 2006

Compagnie du Bois Sauvage
Limited liability company (société anonyme) with a capital of € 112,587,236
Registered office: Rue du Bois Sauvage 17
B - 1000 Brussels
VAT no BE 0402 964 823
Brussels Register of Legal Entities (RPM)

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This report is also available in French and Dutch.
In the event of any discrepancy, the French version shall be deemed authoritative.
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COMPAGNIE DU BOIS SAUVAGE IS A HOLDING COMPANY UNDER BELGIAN LAW, LISTED ON Euronext BRUSSELS. IT HAS A STABLE SHAREHOLDING STRUCTURE BEING PREDOMINANTLY FAMILY-OWNED. THE COMPANY'S VOCATION IS TO ACQUIRE PARTICIPATING INTERESTS IN LISTED OR NON-LISTED COMPANIES. IT WISHES TO SUPPORT TALENTED BUSINESSMEN AND WOMEN, WHETHER FINANCIERS OR INDUSTRIALISTS, WHO ARE SEEKING SUPPORT AT A CERTAIN STAGE OF THEIR BUSINESSES. IT THUS PROVIDES ASSISTANCE TO THE FINANCIAL MANAGEMENT, STRUCTURE AND CAPITAL STABILITY OF THESE ENTERPRISES. ALSO BEING A REAL ESTATE COMPANY, IT HOLDS HIGH-QUALITY REAL-ESTATE ASSETS WHICH ARE THE SOURCE OF STABLE AND RECURRENT INCOME.

VERY ATTENTIVE TO THE INTERESTS OF ITS OWN SHAREHOLDERS, IT HAS DISTRIBUTED A DIVIDEND WHICH HAS GROWN STEADILY SINCE 1998, AT A RATE SUPERIOR TO THE INFLATION.





Letter to the shareholders

The good stock market and economic results in 2005 coupled with the strategy of controlled development of the participating interests and new investments have enabled the Company to post a record consolidated profit of € 67 million.

True to its distribution policy aimed at ensuring steadily growing revenue of a level at least equal to inflation, the Company proposes raising the gross dividend to € 8.40 per share, i.e. an increase of 7% in respect of the adjusted 2004 dividend.

In October 2005 the Company successfully issued a bond loan with warrants of € 41 million for a term of seven years offering a coupon of 3.5%. The purpose of this issue is to increase the average term of the liability, to reinforce equity capital in the long run, to increase the float in the event of the warrants being exercised, and to obtain funds for new investments.

On this occasion a special period of conversion of the bond issued in 2004 was opened and enabled an increase in equity capital of € 12.7 million.

Consolidating its strategic axes, the Company has:

- subscribed to the capital increase of its subsidiary Compagnie du Bois Sauvage Nederland (€ 11.9 million);
- participated in the restructuring of Groupe Fauchon, in which it currently holds a 35.3% stake (€ 6.2 million);
- increased its investment in the insurance company TC Ré (€ 2.5 million);
- acquired a participating interest in the company Chemcom (€ 1.8 million);
- completed its investment in the American real estate partnership DSF (US\$ 1.5 million);
- acquired a participating interest in the company Euroscreen (€ 1 million);
- increased its investment in the holding company Floridienne (€ 0.9 million);
- increased its investment in the company Codic (€ 0.6 million);
- increased its participating interest in the American company Nomacorc (US\$ 0.6 million);
- increased its participating interest in the company Neuhaus to bring it to 49.3% (€ 0.6 million);
- subscribed to a convertible loan from the company Europol (€ 0.5 million).

In December 2005, the Company made a takeover bid on the company Neuhaus, in which it now holds 94.85%. This operation, which was successfully wound up at the beginning of 2006, was a support measure for the transfer of the listing of the Neuhaus share from the regulated market to the free market of Euronext Brussels.

Letter to the shareholders

The participating interest in the company Nomacorc was brought into the holding company Noël Group, in which the Company has been a shareholder for many years and currently holds a 19.7% stake.

The derivatives trading activities resulted in a profit of € 4.7 million, amply covering overheads and current depreciation.

As of 1 January 2005, the accounts have been drawn up in accordance with the IFRS standards, with the consolidation perimeter including the accounts of the subsidiary Neuhaus for the first time.

The measures aimed at improving the information to the shareholders have been continued: the Corporate Governance Charter approved by the Board of Directors has been available since 1 January 2006, contacts with analysts and investors have been intensified, the intrinsic value is published every month, and the detailed composition of the portfolio is once again presented on page 42 of this report.

The average daily number of securities traded was 739.

As at 31 December 2005 the Company is the 48th in terms of capitalisation on Euronext Brussels. It forms part of the high-quality NextPrime segment, and joined the new "Bel Mid" index (which groups together medium-sized companies) when this was created in March 2005.

Compagnie du Bois Sauvage would like to thank its shareholders for the trust and support they have shown during the financial year. The Company would also like to express its gratitude to all the staff of the Group, for their professionalism and unequivocal dedication.

THE EXECUTIVE COMMITTEE



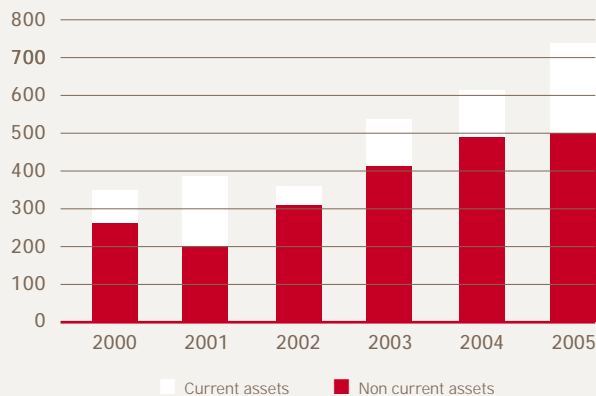
“The two most important things in any company do not appear in its balance sheet: its reputation and its people”

HENRY FORD

Key figures at 31 December

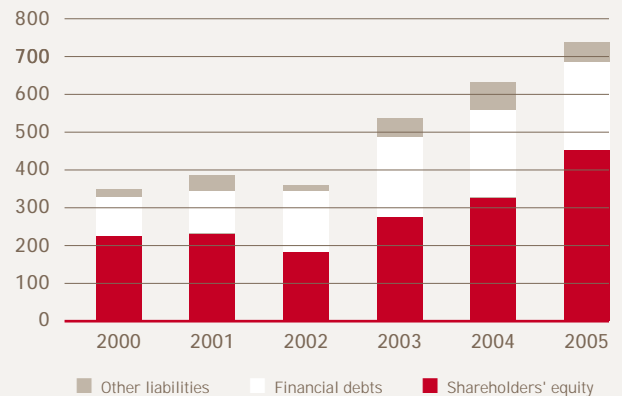
ASSETS - HISTORICAL EVOLUTION

Consolidated accounts (IFRS as from 2003, x € 1,000,000)



LIABILITIES - HISTORICAL EVOLUTION

Consolidated accounts (IFRS as from 2003, x € 1,000,000)



Key figures at 31 December

x € 1,000	IFRS standards		Belgian standards			
	2005	2004	2004	2003	2002	2001
Group shareholder's equity	436,813	306,758	253,844	206,268	198,218	218,984
Consolidated net income (Group share)	66,952	50,154	57,217	23,061	- 36,078	11,587
Stock market capitalisation at close of accounting period	361,316	272,526	272,526	187,310	182,606	159,697

	IFRS standards		Belgian standards			
	2005	2004	2004	2003	2002	2001
Numbers of shares						
In circulation	1,481,411	1,383,381	1,383,381	1,383,381	1,383,381	1,105,171
In the money	1,586,048	1,558,381	1,558,381	1,383,381	1,383,381	1,396,407
Fully diluted	1,851,048	1,558,381	1,558,381	2,073,381	2,540,421	2,086,407
Consolidated net income (Group share) x €						
In circulation	45.19	36.25	41.36	16.67	- 26.08	10.48
In the money	42.21	32.18	36.72	16.67	- 26.08	8.30
Fully diluted	36.17	32.18	36.72	11.12	- 14.20	5.55
Intrinsic value at close (*) x €						
In the money	299.87	225.28	225.28	186.59	183.79	211.44
Fully diluted	296.67	225.28	225.28	188.13	189.28	207.21
Gross dividend (*)	8.40	7.84	7.84	7.65	7.45	7.45

(*) Adapted for the free granting of one new share per 50 held, effected in 2005.

	IFRS standards		Belgian standards			
	2005	2004	2004	2003	2002	2001
Average daily volume traded	739	652	652	581	430	174
Price (*) x €						
Close	243.90	193.14	193.14	132.75	129.41	141.67
The highest	255.00	193.73	193.73	133.33	158.82	146.08
The lowest	191.08	132.84	132.84	113.73	119.02	127.45

(*) Adapted for the free granting of one new share per 50 held, effected in 2005.



Principal risk factors

The purpose of this chapter is to identify the risk factors specific to the Company and its sector of activity.

The risk factors identified are as follows:

1. Interest rates

The Company actively manages the risk of a movement in interest rates whilst trying to benefit from their current level. To this end, credit lines with a floating rate are covered by options protecting the company in the event of a rise in the rates. The cost of these options is amply offset by the gain on the rates.

2. Liquidity

The Company makes sure it has a net cash situation that is always positive. To this end, it has a computer programme that includes all the balance-sheet and off-balance-sheet items affecting the cash balances

3. Cash portfolio

The Company has a portfolio of cash investments mainly comprising Belgian and European shares with a wide capitalisation. Although diversified, these investments expose it to the variations in the stock markets and financial markets.

4. Currencies

The Company's long-term investments are solely in euros or American dollars. The investments in American dollars represent around 15% of the assets. The risk linked to movements of the dollar is not covered.

5. Counterparty

The only counterparties accepted are the banks with which it has a direct relationship (Fortis Bank, ING, Bank Degroof, KBC / CBC and Dexia) and one brokers (Leleux).

6. Derivatives

The products underlying the derivatives activity are shares listed on Euronext. All the options issued are covered by shares held in portfolio for options to buy and by cash for options to sell. The Company has also set itself limits in terms of amount and term.

7. Operational risk

The Company has a small staff. However, every person has a "back-up" for his various activities and a procedural manual has been drawn up in order to ensure a swift resumption.

All these risks are examined and measured every six months by the Audit Committee.

“If we don't invest
over the long term,
there will be no short term”

GEORGES DAVID

History and origins of the Group

The name “Bois Sauvage” comes from the place where the company's registered office was established in Brussels. The place referred to as “Bois Sauvage”, a deformation of the Dutch patronymic “Wilde Wouter”, was located a long time ago between the Cathedral of Saints Michel and Gudule and the first enclosing wall of the City of Brussels.

Only a few sections of wall of this 13th-century enclosure still remain, including the Bois Sauvage arcades, which have been renovated by the company under the advice of the Royal Commission for Monuments and Sites.

The rehabilitation of the Bois Sauvage site earned the company the Quartier des Arts Award in 1992. Ten years later, in 2002, the company again received this prestigious award for the renovation of the Treurenberg site.

Compagnie du Bois Sauvage is the result of the merging of nineteen companies with very diverse origins and activities, such as Fours Lecocq, the Nagelmackers Financial Company, the Hensies-Pommeroeul Collieries, Entrema or Somikin (a mining company from Kindu), some of whose origins go back more than a hundred years. Some were too small to play a decisive economic role, others were concerned with what had become irrevocably dated activities, whilst others were in liquidation and destined to disappear.

Their joining together, which simply confirmed a de facto situation, was in perfect accord with the Company's strategy of stability and its mission to act as an economic and financial driving force.

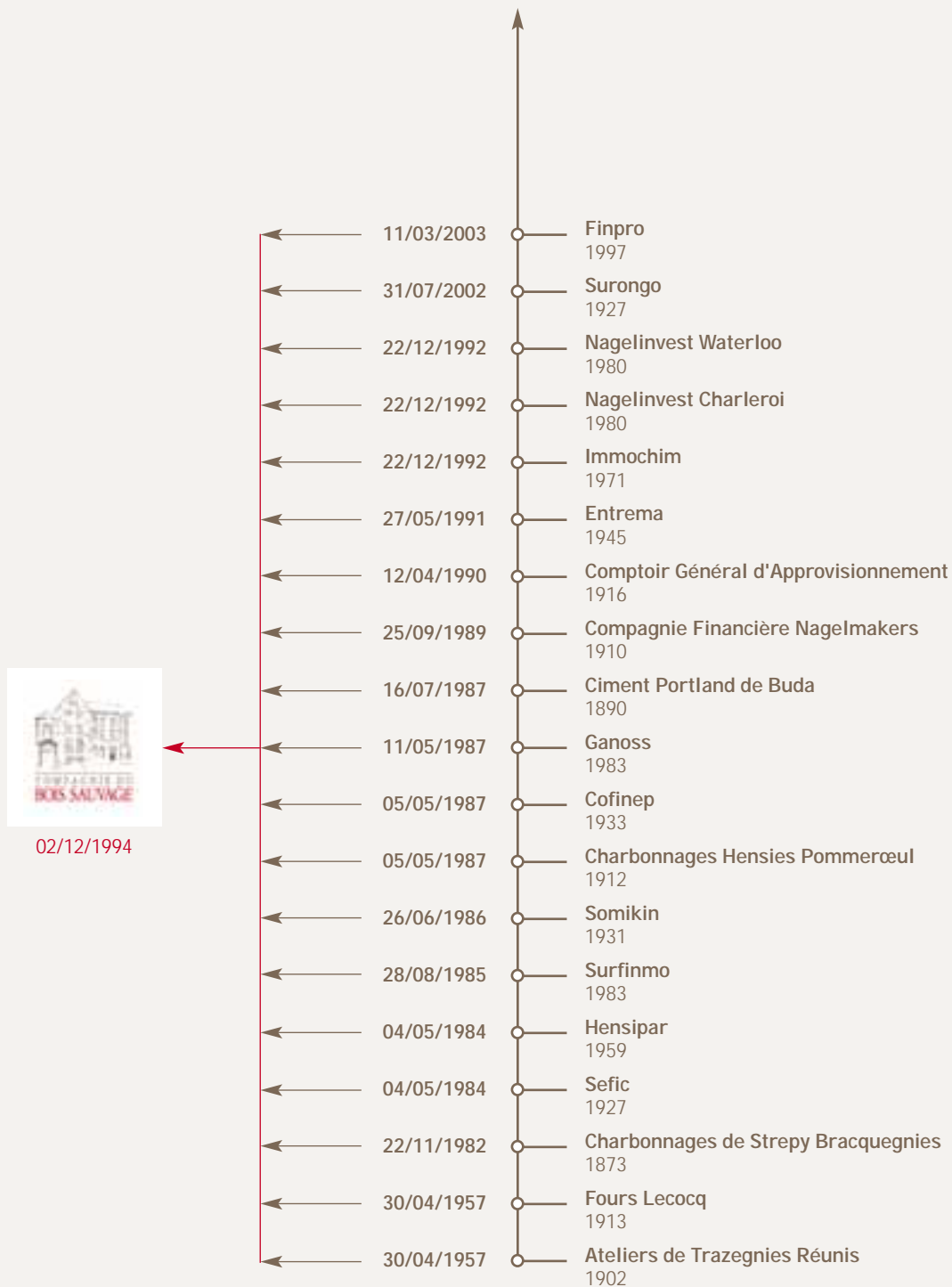
The merger by absorption of the parent company Surongo in July 2002 constituted an important step in the Group's development, as it resulted in the simplification of the Group's structure. Today it is made up of Entreprises et Chemins de Fer en Chine, the reference shareholder, and the operational company, Compagnie du Bois Sauvage.

The limited partnership Fingaren currently holds 86% of the company Entreprises et Chemins de Fer en Chine which itself holds 42.3% (41.3% on fully diluted basis) of Compagnie du Bois Sauvage at 31 December 2005.

Furthermore, the company Entreprises et Chemins de Fer en Chine, which has become a family company, requested and obtained its removal from the second Euronext Brussels market as of 31 March 2005.



History and origins of the Group



Financial calendar and Board of Directors

Annual results	1 st half of March
General Meeting	4 th Wednesday of April
Half-year results	1 st half of September

Name	Address	Function	Term ends
Guy Paquot ⁽¹⁾⁽³⁾	Rue Cornélis 1 B-1310 La Hulpe	CHAIRMAN	2009
Karel Boone ⁽²⁾	Aveschoot 50 B-9971 Lembeke	DEPUTY CHAIRMAN	2010
Vincent Doumier ⁽¹⁾	Avenue des Statuaires 127 B-1180 Brussels	MANAGING DIRECTOR	2010
Richard Dawids ⁽¹⁾⁽³⁾	Rue Clément Delpierre 58 B-1310 La Hulpe	DIRECTOR	2006
Robert Demilie ⁽³⁾	Lange Leemstraat 202 B-2018 Antwerpen	DIRECTOR	2009
Donald Fallon ⁽²⁾	Rue de Thébais 2 1495 Mellery	DIRECTOR	2010
Marc Noël ⁽²⁾	10729 Trego Trail Raleigh, NC 27614 - USA	DIRECTOR	2009
Solange Schwennicke ⁽²⁾	Kerkhofstraat 27 1600 Sint-Pieters-Leeuw	DIRECTOR	2006
Luc Vansteenkiste ⁽²⁾	Stationstraat 172 B-9260 Schellebelle	DIRECTOR	2011
Luc Willame ⁽²⁾	Avenue Grandchamp 282 B-1150 Brussels	DIRECTOR	2010

(1) Executive.

(2) Independent.

(3) Principal shareholder's representative.



Financial calendar and Board of Directors

Executive Committee	Richard Dawids	MEMBER
	Vincent Doumier	MEMBER
	Guy Paquot	MEMBER
	Laurent Puissant Baeyens	MEMBER (as of March 2006)

General Secretariat	Bruno Spilliaert
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Auditors	S.C. Deschamps, Godefroid, Verset & c° S.P.R.L.	2007
	represented by André Deschamps	
	Boulevard Georges Deryck 26, bte 15	
	B-1480 Tubize	

MAIN POSITIONS HELD BY THE NON-EXECUTIVE DIRECTORS OUTSIDE COMPAGNIE DU BOIS SAUVAGE S.A.

Karel Boone	Chairman and Managing Director of Lotus Bakeries S.A.
Robert Demilie	Deputy Chairman of Entreprises et Chemins de Fer en Chine S.A.
Donald Fallon	Honorary Chairman of C.B.R. S.A.
Marc Noël	Chairman of Noël Group LLC
Solange Schwennicke	Chairman of the Group Delvaux - Dujardin
Luc Vansteenkiste	Managing Director of Recticel S.A.
Luc Willame	Chairman of the Brussels Regional Development Agency

Honorary Directors	Gui de Vaucleroy
	Monique Neven
	Jean-Louis Raemdonck van Megrode

“Look and listen,
it is the people with whom
you work who will make you
what you ought to be”

FRANÇOIS MICHELIN

MANAGEMENT REPORT BY THE BOARD OF DIRECTORS OF COMPAGNIE DU BOIS SAUVAGE
TO THE ORDINARY GENERAL MEETING OF 26 APRIL 2006

Corporate Governance

A. Principles

The Corporate Governance Charter of Compagnie du Bois Sauvage, approved on 19 December 2005 by the Board of Directors, has been available on the web site (www.bois-sauvage.be) since the beginning of 2006.

This Charter is in accordance with the Belgian Code of Corporate Governance, which was made public on 9 December 2004 by the Lippens Commission.

The following point goes over the explanation of the differences between the practices adopted by the Company and the recommendations of the Belgian Code of Corporate Governance.

B. Difference between the Charter and the Belgian Code of Corporate Governance

The differences are as follows:

- **Point 4.5 (age limit for the Board of Directors):** The Board of Directors has preferred the formula of a six-year mandate renewable once only for independent persons, rather than that of a twice-renewable four-year mandate, as recommended by the Code. The main reason for this choice is that most of the independent directors only complete one term of office, and that this formula offers a more attractive term in order to maximise the director's contribution;



Corporate Governance

- **Point 4.6 (independence of the Board of Directors):** Two independent directors of the Company, Luc Vansteenkiste and Marc Noël, do not meet this criterion on account of their executive role in the Company's strategic participating interests. The Board of Directors has examined these two cases and deemed that the specific character of these two directors was sufficiently independent for this not to obstruct their capacity for independence within the board;
- **Point 5 (specialised committees):** Each committee is made up of at least three members. The Board of Directors has opted for a pragmatic point of view here, adapted to the size of the company, by appointing two members per committee;
- **Points 5.2.3 and 5.3.3 (Appointments and Remuneration committee):** The Code recommends at least two meetings per year. The Board of Directors has opted for a pragmatic point of view here, by organising just one official meeting per year, with the possibility of others being called as the need arises, as was the case in 2005;
- **Point 6 (Executive committee):** The Chairman of the Board, Guy Paquot, has an executive position within the Company. This situation is explained by historical reasons. These duties will be separated in the future;
- **Point 5.3 (Remuneration committee):** The Board of Directors has not deemed it necessary for the managing director to participate officially in the meetings of the remuneration committee when this concerns the pay of the other members of the executive management. He shall nonetheless make himself available;
- **Point 7.2 (transactions concerning non-listed companies):** Guy Paquot, Chairman of the Board of Directors, and a family group of shareholders close to him, are historic shareholders in a company in which Compagnie du Bois Sauvage is also a shareholder, Noël Group. In accordance with Article 524 of the Companies Code, Guy Paquot shall withdraw from the Board of Directors' deliberations concerning this company.

C. Board of Directors

The composition of the Board of Directors, the capacity in which its members act and the date on which the latter's terms of office come to an end, as well as the main duties carried out by the non-executive directors, are presented on pages 9 and 10 of this report.

The main rules governing appointment as well as the age limit within the Board are as follows:

- non-active directors should be in the majority within the Board;
- independent directors hold office for six years, and may be renewed once;
- active directors are not subject to any limit on the number of times they may be re-elected during the period in which they are in service;
- the age limit for being elected is 65; all elected directors may complete their term of office.

During 2005, the Board met seven times. The following items were debated:

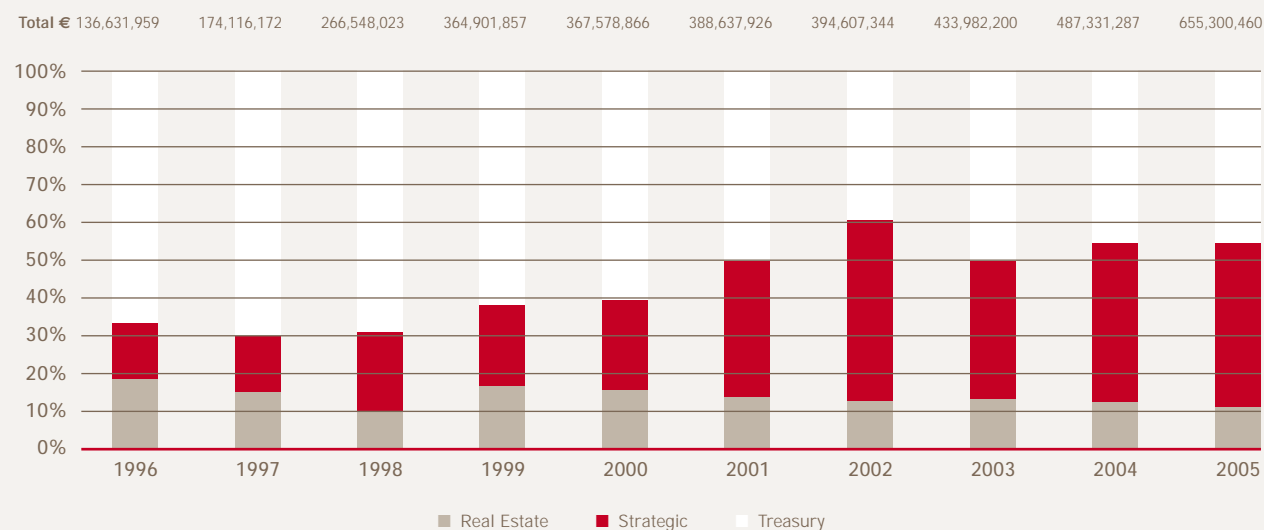
- the corporate and consolidated accounts;
- the budget for the following years;
- investment projects;
- the support measure for the delisting of Neuhaus;
- the analysis of the tangible and intangible assets;
- the policy and practices of Corporate Governance;
- questions pertaining to the financing of the Group and in particular the issue of a bond with warrants;
- the organisation of the company;
- miscellaneous points.

Corporate Governance

The Board's work is organised and documented so that it can monitor and check day-to-day management as well as the results, risks and value of the company.

EVOLUTION OF THE CONSOLIDATED PORTFOLIO

Market value at 31/12



D. Conflict of interest

Presented below are the main aspects of the report of the Board of Directors' meeting of 17 March 2005 which was informed of the reorganisation of the American companies Noël Group and Nomacorc into a single entity and which deliberated on whether or not the Company's participating interests in these companies should be brought into the new single entity created.

"Before any deliberation:

- Marc Noël recalled that he controls the companies Nomacorc and Noël Group and that he will control the new entity that emerges from the reorganisation. His minority position in the Board of Directors of Compagnie du Bois Sauvage does not allow him to influence the voting right exercised by the latter in the companies Nomacorc and Noël Group. However, further to the reorganisation and his control in the new company, he will exercise or will be able to exercise the voting right attached to the Nomacorc and Noël Group shares held by Compagnie du Bois Sauvage before the operation. Asset-related interests could therefore be associated to this voting right and could be opposed to those of Compagnie du Bois Sauvage;
- Guy Paquot recalled that he holds a direct participating interest in Noël Group and that he controls the company Fingaren, which itself controls the company Entreprises et Chemins de Fer en Chine, and that both also hold a direct and/or indirect participating interest in the companies Noël Group and Nomacorc. The cumulated participating interests held by Compagnie du Bois Sauvage, Fingaren, Entreprises et Chemins de Fer en Chine and Guy Paquot could give him a greater voting right and power of negotiation if the proposed operation took place. Asset-related interests could be attached to the exercising of the rights to the shares.



Corporate Governance

For these reasons, both Marc Noël and Guy Paquot preferred to declare a conflict of interest and follow the procedure referred to in Article 523 of the Companies Code.

They would notify the company auditor of this immediately and state that they would leave the meeting when the Board had to deliberate.

Vincent Doumier then reviewed the different documents of which the Board had received copies (organisational chart and management of the new group, activities of Noël Group and Nomacorc) and Marc Noël answered questions.

The reasons for the reorganisation were described at the Board meeting of 13 December 2004. By way of a reminder, these were:

- the concentration of the management in a single holding entity instead of two (synergy);
- the rationalisation of the new investments planned, in particular in Australia, China and South America;
- the simplification of the Group's structures to arrive at an enhanced transparency: one entity manages four divisions;
- the enlargement of the board, to make it more American and to give it more wide-ranging powers.

The other shareholders had already indicated their agreement with this operation.

If Compagnie du Bois Sauvage Group decides not to participate in it, it will remain alone as minority shareholder in Nomacorc.

The Board analysed the proposed valuations.

Insofar as it was necessary, Messrs Noël and Paquot left the meeting and Donald Fallon took over the chairmanship.

When the views of all those present had been sought, the Board decided by unanimous vote of those present to bring in the Nomacorc and Noël Group participating interests held by Compagnie du Bois Sauvage Group in the framework of the proposed reorganisation.

The arguments put forward were:

- support for the industrial plan underlying the operation;
- the low dilution of one participating interest on the other brought about by the terms and conditions governing the assets brought in;
- the Company's support role in the strategy developed by the management and the confidence placed in the latter.

The Board felt that the only asset-related consequences for Compagnie du Bois Sauvage of the decision taken could result from the improved profitability of the companies Noël Group and Nomacorc on account of this internal reorganisation, but that it would be risky to put a figure on these consequences."

E. Specialised committees

Three specialised committees have been in place since 1998:

- the **Audit Committee**, made up of Donald Fallon and Karel Boone, met twice in 2005.
In March 2005, it examined the corporate financial statements and consolidated accounts as at 31 December 2004, the valuation rules, the Group's organisational chart and disputes in progress. In September 2005, it examined the corporate financial statements and consolidated accounts as at 30 June 2005, the transition to the IFRS standards and the organigram;
- the **Remuneration Committee**, made up of Solange Schwennicke and Luc Willame, met twice during the past financial year. It followed up the matter of the pay of the members of the Executive Committee;

Corporate Governance

- the **Appointments Committee**, made up of Robert Demilie and Marc Noël, met three times with a view to proposing to the Board of Directors potential applicants for the director's post to be vacated by Solange Schwennicke, whose term ends in 2006 and who is not eligible for re-election.

These duties were remunerated by the granting of director's fees.

F. Executive Committee

This Committee has a twofold mission:

- first, it is responsible for assisting the managing director in the day-to-day management in all areas in which he may call upon it;
- secondly, it is responsible for drawing up preparatory notes for the Board of Directors and for informing the latter of the Company's current business.

The Executive Committee operates collectively. The reports of the meetings are drawn up by the general secretary. It meets when a meeting is called by the managing director, as often as required by the Company's interest, and at least once a month. It must be convened when requested by any member.

As regards day-to-day management, it takes decisions on all matters pertaining to day-to-day management, provided that the Managing Director submits these decisions to its deliberation. In this case, it must take decisions collectively, by majority vote. In the event of a tie vote, the following Board of Directors' meeting will take a decision on the contested point.

During 2005 the Committee met 20 times.

The company often appoints a representative within the subsidiaries and participating interests, in order to follow their development. Mandates are exercised by the members of the Executive Committee within the companies Berenberg Bank, Ceran, Chemcom, Codic, Bank Degroof, Euroscreen, Floridienne, Galactic, Groupe Fauchon, Nanocyl, Neuhaus, Noël Group, Parfimmo, Recticel, Rec-Hold, Serendip, Simonis Plastic, Trade Credit Re, Ter Beke and Umicore.

“Coming together is
a beginning; keeping together
is progress; working together
is success”

HENRY FORD



Corporate Governance

G. Remuneration

The remuneration policy is analysed in the Remuneration Committee and approved by the Board of Directors. It takes into account the characteristics specific to the Group, and for the most part is based on the benchmarking technique.

For the 2005 financial year, total remuneration, before social security contributions and taxes, granted to the consolidating company's directors by virtue of their duties in the latter, in its enterprises, subsidiaries and associated enterprises, amounted to € 1,051,927 (€ 212,619 to the non-executive members and € 839,308 to the executive members).

Remuneration paid to the directors in 2005 on an individual basis before deduction of social security contributions and taxes (total enterprise cost)

Executive and non-executive directors

The gross pay of the directors is divided into two parts:

1. A fixed sum of € 5,000 gross per person per annum;
2. A variable sum corresponding to 2/95ths of the profit distributed every year by the Company shared in equal parts among all the directors, the Chairman of the Board of Directors being entitled to a double share

x €	Attendance	Board of Directors	Audit Committee	Remuneration Committee	Appointments Committee	Total
Guy Paquot (*)	7 / 7	57,952				57,952
Richard Dawids (*)	7 / 7	31,476				31,476
Vincent Doumier (*)	7 / 7	31,476				31,476
Karel Boone	6 / 7	22,651	3,000			25,651
Robert Demilie	6 / 7	31,476			937	32,413
Donald Fallon	7 / 7	31,476	3,750			35,226
Marc Noël	2 / 7	31,476			750	32,226
Solange Schwennicke	6 / 7	31,476		750		32,226
Luc Vansteenkiste	7 / 7	31,476				31,476
Luc Willame	7 / 7	22,651		750		23,401
Total		323,586	6,750	1,500	1,687	333,523

(*) Executive directors

The total pay before social security contributions and taxes owing to Jean-Louis Raemdonck van Megrode and Gui de Vaucleroy charged to the 2005 accounting period by way of their director's duties carried out in 2004 was € 17,650.

Executive management

In 2005, all the executive managers were members of the Board of Directors.

Corporate Governance

The gross pay of the executive directors is divided into three parts:

1. The fixed part paid monthly;
2. The variable part of their director's pay (see on previous page);
3. A variable part corresponding to 2.5/95ths of the profit distributed every year by the Company shared out by the Board of Directors among the executive directors on the basis of a proposal from the Remuneration Committee.

x €	Fixed	Variable	Pay Other (*)	Total
Vincent Doumier	98,029	101,933	27,375	227,337
Other members	262,924	189,306	38,837	491,067
Total	360,953	291,239	66,212	718,404

(*) Company car, insurance, representation expenses.

No director, executive or not, receives options on shares, advances or credit.

In addition to the fees paid to the auditor in the framework of its company auditing mandate, special emoluments for a sum of € 3,625 excl. VAT, were paid to it in 2005 for the completion of various assignments relating to the switchover of the accounts to the IFRS standards, the bond issue accompanied by warrants and the exercising of convertible bonds.

H. Statutory appointments

The mandate of Ms Solange Schwennicke comes to an end in 2006. In accordance with the rules in force in the Group, Ms Schwennicke will not be standing for a new term of office. Ms Schwennicke has been a director of the group for six years. Her departure will deprive us of a colleague whose experience, independence, judgement, intellectual rigour and extreme politeness we will miss.

In accordance with its policy, the Board will give Ms Schwennicke honorary member status.

The Board of Directors proposes the appointment of Ms Chistine Blondel for a term of six years, coming to an end at the end of the general meeting of 2012.

Ms Blondel is executive director of the Wendel International Centre for Family Businesses at the INSEAD (Business School). She was a member of the board of directors of the Family Business Network (FBN), a network of entrepreneurial families, from 2001 to 2004, and founder member of the International Family Enterprise Research Academy (IFERA). A member of the Family Firm Institute, a network of consultants and academics, she has also followed facilitation training for the "Road Map for Family Businesses" of the Institute for Families in Business of Montreal, Canada. She is consultant to several families who are shareholders in companies.

A graduate of the Ecole Polytechnique (France, year 1977) and INSEAD (MBA 1981), she worked for three years as management consultant before joining Procter & Gamble, where she held supervisory posts in marketing (Brand Manager) and then financial duties (Associate Finance Director) from 1984 to 1993.

Richard Dawids' term of office also comes to an end in 2006. The Board of Directors proposes renewing his term for a period of six years, coming to an end at the general meeting of 2012.



Corporate Governance

I. Profit allocation policy

For more than fifteen years, the board has regularly proposed increasing the return on the capital. The objective is, insofar as the results allow, to raise the dividend, year after year, by a rate at least equal to the inflation rate. It is important to reconcile the two points of view: consolidation of the company's resources and return on capital.

The year 2005 saw the confirmation of the excellent results obtained in 2004 in a positive stock market climate. As a result, the Board proposes raising the gross dividend by € 0.40 to bring it to € 8.40 per share. Bearing in mind last year's free allocation, this represents an increase of 7%.

J. Information to the shareholders

The company's web site (www.bois-sauvage.be) is regularly updated in order to provide shareholders with better information, enabling them to exercise their rights in an optimal fashion. The intrinsic value of the share is published on the site every month, as well as the press releases relating to the half-yearly and annual results.

Pursuing the company's policy of transparency, this report gives the detailed breakdown of the portfolio and its book value as at 31 December 2005. This is presented on page 42.

Since 2004, the company has authorised the Bank Degroof to improve the share's liquidity on the stock exchange. This means that Compagnie du Bois Sauvage share can be listed continuously on the new Euronext platform, thereby offering investors the possibility of trading at any time of the day without any liquidity constraints

As of February 2002 the company has been registered in the NextPrime high-quality segment.



Since 1 March 2005, the company has formed part of the new BEL Mid index, whose securities are selected on the basis of criteria of liquidity and floating capitalisation.

The number of securities issued rose from 1,383,381 at 31 December 2004 to 1,481,411 at 31 December 2005. The annual volume of securities traded in 2005 was 189,946. The average daily volume was 739 in 2005, compared with 652 in 2004.

The banks Degroof, Fortis, ING and KBC distribute analyses on the company. These are available from the company.

K. Relationship with the principal shareholder

At 31 December 2005 the company Entreprises et Chemins de Fer en Chine held 626,900 shares in Compagnie du Bois Sauvage, out of a total of 1,481,411 shares in circulation, i.e. 42.3%. Theoretically, after exercising of all the convertible bonds and warrants in circulation, Entreprises et Chemins de Fer en Chine would hold 765,284 shares out of a total of 1,851,048, i.e. 41.3%.

Entreprises et Chemins de Fer en Chine is a holding company listed on the public auctions exchange. Its main task is to ensure the stability of the Group's shareholders.

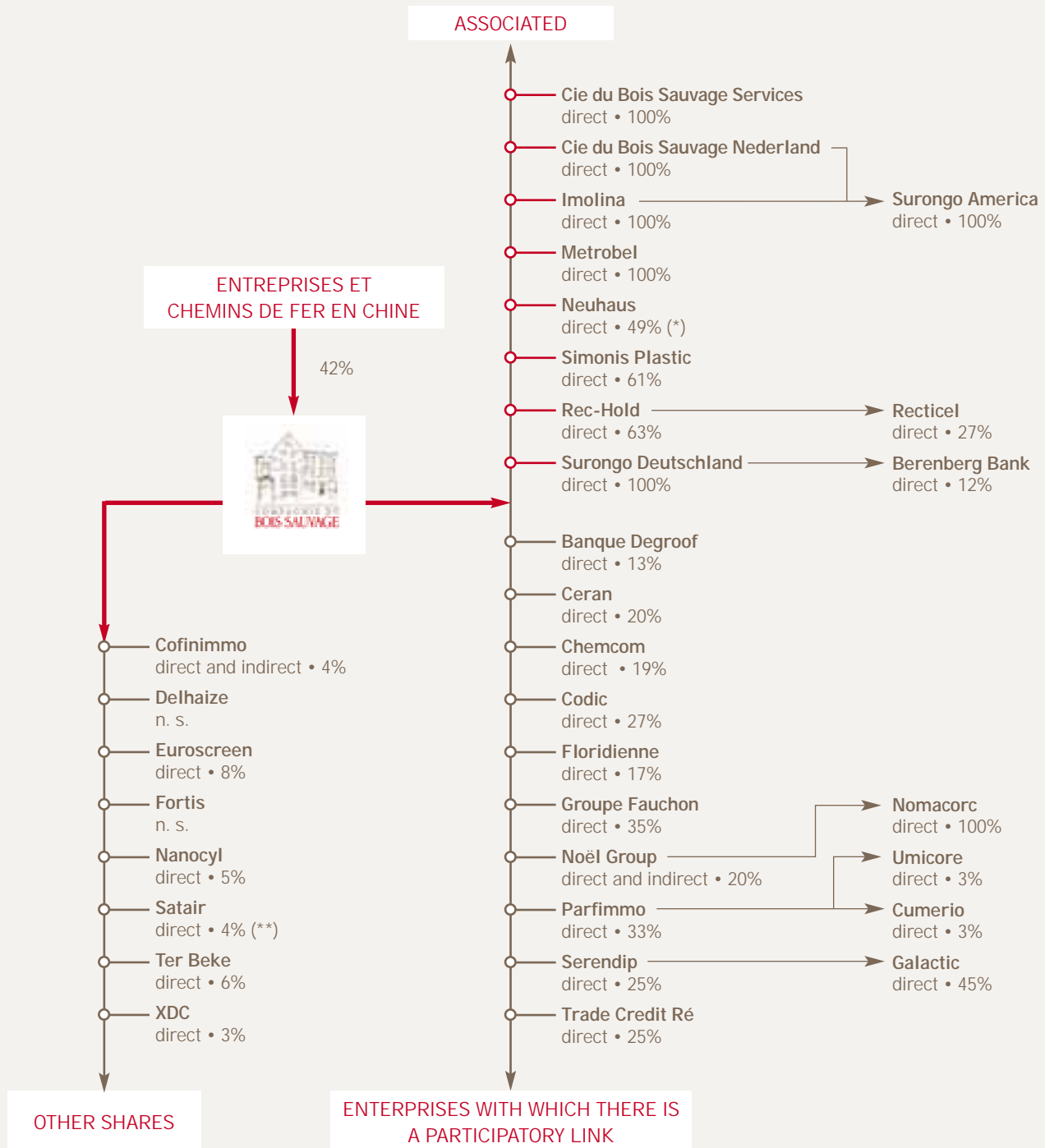
The two companies have three directors in common: Guy Paquot, Robert Demillie and Richard Dawids.

Fingaren, a private holding company, currently holds 86% of Entreprises et Chemins de Fer en Chine.

There is no agreement whatsoever between these two companies, and no fee, benefit, management fee or other kind of remuneration has been paid by Compagnie du Bois Sauvage or any of its subsidiaries to Entreprises et Chemins de Fer en Chine or Fingaren.

The company is not aware of the existence of shareholders' or directors' pacts.

Organisational chart of the Group



(*) Neuhaus: Participating interest raised to 95% following the takeover bid closed in February 2006.
 (**) Satair: Acquisition effected in January 2006.



“The companies that will survive tomorrow are those which encourage creativity today”

MAURICE ZELDMAN

Activities during the financial year

Real estate

The purpose of real estate in the portfolio is to obtain substantial revenues with regular growth. It is a key element in the stability of the assets and cash flow.

The real estate policy has been defined according to the following main lines:

- small number of investments reaching a critical volume;
- direct investments, if possible with a partner specialised in property management;
- expected return higher than that of government bonds at 10 years, and growing.

The predominant element of the Company's property investments remains the participating interest in the company Cofinimmo (see also page 37) in which it held a 3.8% stake at 31 December 2005 (3% directly and 0.8% through the company Parfimmo).

Since the end of 2003 the Company has held a participating interest, which was raised from 25% to 26.7% in 2005 (the management has an option on 1.7%), in the property development company Codic (see also page 35).

Finally, the Company has an American subsidiary, Surongo America, which invests in top-of-the-range residential projects in the United States (see also page 39).

Activities during the financial year

Aside from these three participating interests, the assets chiefly comprise:

- the buildings on the site of the registered office and the Treurenberg (3,000 m² of office space, 2,000 m² of housing and 70 m² of shops);
- various other surface areas and sites in the provinces of Liège and Hainaut (55 ha);
- Two office blocks in Luxembourg (320m²).

The amount of the Group's current real estate revenue in 2005 was € 5.5 million, compared with € 5 million in 2004. As at 31 December 2005, all the apartments, office space and shops were let.

Portfolio – Holdings (non-consolidated portfolio)

AFFILIATED COMPANIES

	2005	2005	2004	2004
	% held	Net book value (x € 1,000)	% held	Net book value (x € 1,000)
Shares				
AGRINVEST	-	-	50	14.8
Cie DU BOIS SAUVAGE NEDERLAND	100	11,877.3	100	148.8
Cie DU BOIS SAUVAGE SERVICES	100	273.4	100	273.4
IMOLINA	100	1,260.0	100	1,260.0
METROBEL	100	471.6	100	456.0
NEUHAUS	49	13,072.6	48	12,385.6
REC-HOLD	63	23,658.8	63	25,625.6
SIMONIS PLASTIC	61	629.3	100	688.7
SURONGO DEUTSCHLAND	100	16,500.0	100	16,500.0
Amounts receivable				
SURONGO DEUTSCHLAND		10,891.3		11,611.0
Total		78,634.3		68,963.9



Activities during the financial year

OTHER AFFILIATED COMPANIES

	2005	2005	2004	2004
	% held	Net book value (x € 1,000)	% held	Net book value (x € 1,000)
Shares				
BANQUE DEGROOF	13	38,351.6	13	38,351.6
CERAN	20	376.0	20	223.6
CHEMCOM	19	587.3	-	-
CODIC	27	9,804.2	25	9,250.6
FLORIDIENNE	17	8,892.5	15	7,125.0
GROUPE FAUCHON	35	-	22	111.7
NOEL GROUP	9	14,055.5	18	9,508.1
PARFIMMO	33	9,000.0	33	9,000.0
SERENDIP	25	2,907.4	25	3,061.5
TC RE	25	4,513.6	25	2,392.5
Amounts receivable				
CERAN		218.0		123.0
GROUPE FAUCHON		-		2,502.3
PARFIMMO		3,104.6		-
Total		91,810.7		81,649.9

OTHER FIXED FINANCIAL ASSETS

	2005	2005	2004	2004
	% held	Net book value (x € 1,000)	% held	Net book value (x € 1,000)
Shares				
COFINIMMO	3	36,294.0	4	36,294.0
DELHAIZE		33,948.0		31,582.4
EUROSCREEN	8	794.0	-	-
ELECTRABEL		-		69,848.9
FORTIS (B)		77,434.4		60,835.5
NANOCYL	4	152.2	4	185.8
RECTICEL		150.0	-	158.0
START-UP	3	25.0	-	-
TER BEKE	6	5,317.5	6	5,317.5
XDC	3	114.5	3	88.4
Amounts receivable				
EUROPAL GROUP		500		-
Various		9.8		8.8
Total		154,739.4		204,319.3

Activities during the financial year

Strategic participating interests

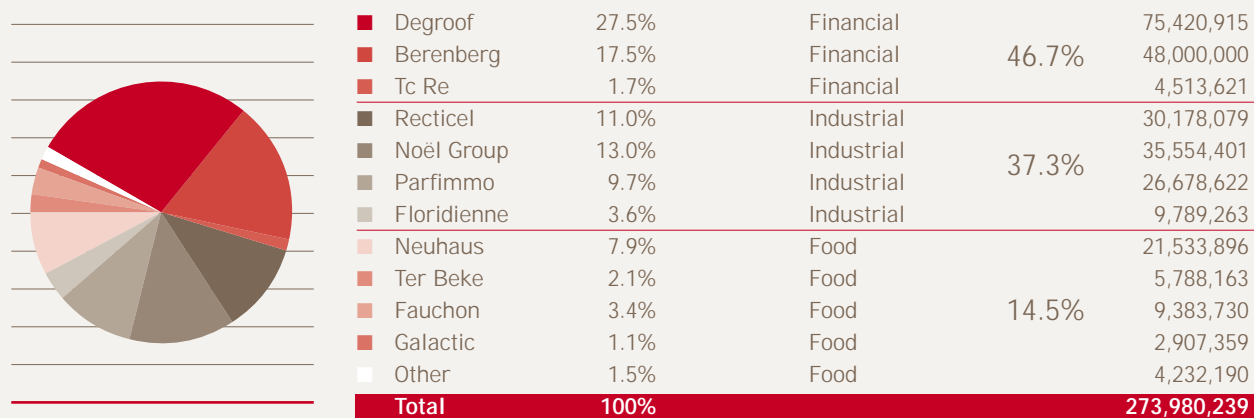
The growing importance of this part of the assets reflects the company's chief mission, which is to acquire minority interests in listed and non-listed companies. It wishes to support talented businessmen and women, whether financiers or industrialists, who are seeking support at a certain stage in the life of their company. It thus provides assistance for the financial management, structure and capital stability of these enterprises.

The investment criteria applied by the Executive Committee before presenting any new project to the Board of Directors are as follows:

1. Understanding of the business sector in which the company operates;
2. Confidence in current management;
3. Quantitative analysis;
4. Unanimous decision.

CONSOLIDATED STRATEGIC PARTICIPATIONS

Market value at 31 December 2005





Activities during the financial year

Strategic participating interests – Financial sector

Bank Degroof



Belgian bank whose core business is asset management. The bank offers its customers a comprehensive and integrated range of services: asset management, investment banking advice and services, financial markets, financial structuring and credits. It employs 880 people.

The Degroof Group's 2004-05 financial year ended with a consolidated net profit (group share) of € 49.6 million, up 50%. The group's revenues reflect its successes in these same target areas, backed by the results of the share markets.

Assets under management rose from € 14.7 billion at the beginning of the financial year to € 19.7 billion at the close. This strong growth was accompanied by increased efficiency in the asset management activity. Open deposits reached € 35.4 billion, i.e. up 37%.

The share portfolio of own holdings was valued at € 207 million at the close of the financial year. The main holdings are Parfimmo (see page 29), Cofinimmo, Etex Group, Aliaxis and Atenor.

The group continued the integration of the subsidiaries it had acquired and consolidated its main activity of asset management.

The results of these integrations are not yet reflected in the results and will make their presence felt from the 2005-06 financial year onwards, the prospects for which, in terms of results, are markedly better than those of 2004-05.

AUDITED CONSOLIDATED ACCOUNTS

x € million	30/09/2005	30/09/2004	30/09/2003
Net financial revenues	196.400	176.530	148.104
Cost/income ratio	69.9%	72.2%	84.4%
Group net profit	49.555	32.988	25.228
Group shareholders' equity	190.017	172.724	144.581
Total balance sheet	2,413.145	2,814.622	2,550.266
Dividend paid	19.521	13.809	9.124
% of participating interest	13.26%	13.29%	13.74%

Activities during the financial year

Berenberg Bank



Berenberg Bank, founded in 1590, is the oldest private bank in Germany and one of the oldest banks in the world. Today it is one of the leading private banks in Germany. It employs 550 people at its sites in Hamburg, Bielefeld, Bremen, Düsseldorf, Frankfurt, München, Edinburgh, London, Luxembourg, Paris, Shanghai and Zürich.

The Private Bank is very successful in the area of Asset Management and Advisory Services for private customers. In 2004 and 2005 the Bank was named as the "best asset manager in the entire German-speaking region" by the "Fuchsbriefe"; The Bank was also in 2006 ranked among the best investment advisors and given the award "Ewige Besten Liste" as the most successful institution in the sector in the German Speaking Region over the last 3 years. The newspaper "Die Welt" described the services of the Bank with "Summa Cum Laude".

The Investment Bank focuses on small and madcap companies in Europe in the research and sales area, and has developed a highly renowned expertise in this field. Today it is considered to belong to the leading Banks in this sector in Europe

The Bank also serves a considerable number of international investment customers through its subsidiary in Zürich, Berenberg Bank (Schweiz) AG.

Berenberg Bank also works for a large number of institutional customers such as insurance companies, pension funds, foundations etc where they have developed tailor made investment concepts to their specific needs.

The Corporate Banking division provides special services to medium-sized companies, mainly concentrating on trade related firms as well as German and International ship owning and ship management companies.

AUDITED CORPORATE FINANCIAL STATEMENTS

x € million	31/12/2005	31/12/2004	31/12/2003
Net financial revenues	160.661	127.183	115.713
Cost / income ratio (%)	55.0%	49.9%	48.9%
Net profit	49.740	39.732	37.352
Shareholders' equity	135.113	135.113	132.669
Total balance sheet	2,293.898	1,911.668	1,852.009
Dividend paid	38.008	32.001	31.629
% of participating interest	12.00%	12.00%	12.00%



Activities during the financial year

Trade Credit Re



Belgian company whose core business is credit insurance, surety insurance and various pecuniary loss insurance, both within and outside Belgium, on its own behalf and on behalf of third parties.

At the end of December 2005, TCRe was fully operational and owned structures of its own in four countries: Belgium, Luxembourg, Italy and France.

In 2005, TCRe was confronted with a targeted attack by one of the main players in the credit insurance sector. Despite this, the company signed 21 XS policies for an amount of € 8 million and 15 auto insurance programmes for an amount of € 24 million, bringing the amount of premiums signed to € 32 million. TCRe ended 2005 with a positive technical result of € 0.7 million.

The company's capital grew progressively, to reach € 20 million on 13 June 2005. The Company holds a participating interest of 25%. The other shareholders are the management, The Belgian and Luxembourg Delcredere Office and Fortis Venturing.

AUDITED CORPORATE FINANCIAL STATEMENTS

x € million	31/12/2005
Gross premiums	20.294
Premiums acquired net of reinsurance	0.651
Net profit	- 1.945
Shareholders' equity	18.055
Total balance sheet	31.183
Dividend paid	-
% of participating interest	25.00%

Activities during the financial year

Strategic interests – industrial sector

Floridienne



Belgian industrial holding company having participating interests (generally majority stakes) in the non-ferrous metals chemicals industry and in agribusiness. It also holds participating interests in leading-edge biotechnology.

In 2005, the turnover progressed by 6%, rising from € 152.7 million to € 161.6 million. Operating profits diminished by € 0.5 million as a result of a loss of clients in the Food division. Financial profits improved by € 0.6 million due to the strong performance of its shares portfolio. The consolidated net profit, group share, amounted to € 5.7 million, compared with € 4.4 million in 2004.

Floridienne will pay a gross dividend for 2005 of € 2.20 per share, 22% more than in 2004.

Floridienne expects the 2006 result to be equivalent to that of 2005, in spite of the fluctuation in the price of raw materials.

IFRS (EXCEPT FOR 2003) AUDITED CONSOLIDATED ACCOUNTS

x € million	31/12/2005	31/12/2004	31/12/2003
Turnover	161.600	152.700	147.340
Group net profit	5.700	4.400	1.735
Cash flow	42.800	38.200	34.494
Group shareholders' equity	158.700	157.400	138.798
Total balance sheet	1.811	1.481	1.252
% of participating interest	16.82%	15.18%	15.18%



Activities during the financial year

Noël Group



An American holding company specialised in plastic extrusion and organized into its core businesses: insulation, specialised extruded-foam profiles, synthetic wine corks and decoration components. The synthetic wine cork business, Nomacorc, was combined with Noël Group during 2005 under a reorganization of commonly controlled entities

During 2005, Noël Group, and its portfolio of diversified businesses, continued to meet or exceed its performance objectives. Although raw material pricing remained volatile the businesses were able to maintain strong market positions and grow profitability.

Nomacorc continued its foothold as the leader in the synthetic wine cork sector. While sales continued to grow at impressive rates, the group has made further investments in management and manufacturing capacities to meet future demands.

Nomaco (specialised profiles) further improved its market position by establishing manufacturing operations in the Midwestern United States. This investment has strengthened its ties to key customers and will be a platform for future growth.

Regarding Insulation products, the group continued its strong market position by reinforcing its leadership as the low cost producer. Nomaco K Flex spent much of 2005 refining manufacturing processes and product offerings which should yield stronger results in 2006.

Overall, the group's prospects remain very positive

CONSOLIDATED ACCOUNTS (US GAAP)

x US\$ million	31/12/2005	31/12/2004	31/12/2003
Turnover	177.416	93.442	76.082
Group net profit	19.238	6.677	1.409
EBITDA	30.086	14.581	6.394
Group shareholders' equity	62.097	32.686	27.764
Total balance sheet	124.637	58.649	53.222
Dividend paid	6.000	1.700	1.600
% of participating interest	19.66%	17.78%	17.85%

Activities during the financial year

Parfimmo

Belgian portfolio company holding a 3% participating interest in Belgian companies Umicore and Cumerio (following its division) and 2.28% in Cofinimmo (see also page 37).

In 2005 Umicore took a decisive step in its re-profiling as a group specialising in materials technology. The great success of the partial division of Cumerio, the restructuring of the Zinc – Special Products activity and the sale of its stake in Traxys were key factors in this development. During the accounting period, Umicore once again posted solid results. The comparison with 2004 is rendered difficult on account of the movements in zinc prices and the contraction in exchange rates. Furthermore, the increase in expenditure on research and development, the launch of a series of new products and the reactivation of the company's acquisitions programme are all measures that have been taken in 2005 to pave the way for Umicore's future growth.

Umicore will pay a gross dividend for 2005 of € 1.85 per share, 12% more than in 2004.

This participating interest aims at guaranteeing Umicore stable shareholders and encouraging the development of the strategies set in place.

Cumerio posted excellent results in 2005 thanks to the increase in production volumes in Bulgaria and the favourable market conditions. The company is planning the construction of a new refinery with an annual capacity of 180,000 tonnes in Bulgaria, representing the bulk of the overall investment of € 82 million.

Cumerio will pay a gross dividend of € 0.60 per share for 2005, double what was paid in 2004.

The first closing of the accounts occurred on 31/12/2005.

AUDITED CORPORATE FINANCIAL STATEMENTS

x € million	31/12/2005
Investment income	3.456
Net profit	1.884
Shareholders' equity	28.884
Total balance sheet	83.490
Dividend paid	1.045
% of participating interest	33.33%



Activities during the financial year

Recticel



Recticel is a Belgian group present throughout Europe and also active worldwide. It is present in 20 countries with 100 establishments. It is involved in four areas of activity: flexible foam rubbers, bedding, insulation and the car sector

Turnover in 2005 was up 9% on the 2004 figure, at € 1.4 billion, and recurrent cash flow for the second semester shows growth in respect of that recorded in the first half of the year. Nevertheless, the 2005 financial year closed with a net loss of € 28 million. The problems in the United States, which had already been encountered in the first half of the year, had a negative impact despite the improvements made. Moreover, the group had to cope with exceptional costs.

All the activities in Europe obtained significantly better results than in 2004 despite the increases in the price of raw materials. Only the result of the (automobile) interiors activity in the United States remained below expectations because of the high start-up costs for a new plant and lower than expected volumes for General Motors. Furthermore, the group had to deal with exceptional costs in the second semester, among other things for the announced restructuring.

In 2006, the group plans to restore the profitability of its car activities in the United States. Recticel should return to profit-making again thanks to the restructuring measures that have been carried out and the resulting operational improvements.

At 31 December 2005, Compagnie du Bois Sauvage held 62.85% of Rec-Hold New, which held 27.31% of Recticel.

REC-HOLD – IFRS AUDITED CONSOLIDATED ACCOUNTS

x € million	31/12/2005	31/12/2004
Share of the result accounted for by the equity method	- 7.659	1.446
Net profit	- 8.803	0.380
Equity capital	37.642	46.313
Total balance sheet	65.134	73.895
% of participating interest	62.85%	62.85%

RECTICEL – IFRS AUDITED CONSOLIDATED ACCOUNTS

x € million	31/12/2005	31/12/2004	31/12/2003
Sales	1,391.600	1,276.319	1,180.773
Group net profit	- 28.000	5.367	- 10.057
EBITDA	82.100	82.400	67.700
Group shareholders' equity	211.400	243.786	241.598
Total balance sheet	946.500	985.008	895.496
Dividend paid	4.817	4.817	4.817
% of economic participating interest	17.24 %	17.24 %	17.24 %

Activities during the financial year

Strategic interests – Food sector

Groupe Fauchon



French company that holds the controlling interest in the famous firm Fauchon in Paris.

2005 was characterised by a substantial change to the group's area of activity following the sale of the Paris stores and the dedicated manufacturing laboratory.

The reorientation of the activities to focus on the running of the stores of the Place de la Madeleine in Paris, and its extensive national and international distribution network, thus enables the group to speed up the brand restructuring dynamic initiated in 2004.

The 2005 financial year closes with strong growth in comparable turnover, testimony to the success of the launch of the new ranges of products and the customers' marked infatuation with the new visual elements of the brand. One can foresee prospects for strong growth, particularly in the Middle East and Asia.

Simultaneously, the managers are continuing their work on structuring the teams and business lines, the guarantees of the group's results in the future.

At the moment the Company's participating interest in Groupe Fauchon is 35.3%.

At 31 December 2005, the equity capital (excluding valuation of the brand and goodwill) is estimated at € – 0.3 million.

The group changed structure in December 2004 and there is only two years of results for this structure.

AUDITED CONSOLIDATED ACCOUNTS

x € million	31/03/2005	31/03/2004
Turnover	68.281	81.006
Cash flow	35.260	43.752
Group net profit	- 15.904	- 33.524
Group shareholders' equity	4.353	- 19.851
Total balance sheet	49.386	64.632
Dividend paid	-	-
% of participating interest	35.29%	28.98%



Activities during the financial year

Neuhaus



Famous Belgian manufacturer of top-of-the-range chocolate products, confectionery and biscuits.

During 2005, the Neuhaus group's turnover grew by 10% to € 70.9 million. This increase relates to both the Neuhaus brand and the Jeff de Bruges brand.

For Neuhaus, it is attributable on the one hand to the new products and packagings brought onto the market during the year, and on the other hand to new customers in Belgium and abroad.

The success of the new Jeff de Bruges concept generated very good results and led to the opening of new points of sale in France and abroad.

A repositioning of the Astrio and Mondose brands is planned for 2006.

The main challenges for 2006 are:

- the continued rejuvenation and development of the Neuhaus brand;
- the internationalisation of Jeff de Bruges;
- the adaptation of the logistical structure to monitor the growth in sales.

Neuhaus will pay a gross dividend of € 0.64 per share.

The Company held a participating interest of 49.27% at 31 December 2005 and of 94.85% after its takeover bid in February 2006.

IFRS (EXCEPT FOR 2003) AUDITED CONSOLIDATED ACCOUNTS

x € million	31/12/2005	31/12/2004	30/06/2003
Turnover	70.883	64.523	62.323
Group net profit	1.338	0.505	-0.765
EBITDA	8.922	8.949	6.677
Group shareholders' equity	26.538	25.989	21.833
Total balance sheet	70.056	60.902	50.266
Dividend paid	0.595	0.558	-
% of participating interest	49.27%	47.73%	46.14%

Activities during the financial year

Serendip



Belgian company that holds 45% in Galactic, a company producing lactic acid.

In 2005, the market in lactic acid continued to experience a fall in sale price due to major production overcapacity in Europe, the USA and Asia.

Galactic devoted most of its efforts to reducing its production costs both in Europe and China. Thanks to a prudent purchasing policy, it was possible to control the impact of energy and raw materials increases.

The Belgian plant operated well and sales have been maintained. The Chinese plant (joint venture) also operated very well and began to supply the Asian and American markets.

Sales in 2006 should increase significantly in all regions of the world and make it possible for fixed costs to be covered more effectively.

Belgium has again had to bear sizeable start-up costs both for the Chinese unit and the American unit.

GALACTIC - AUDITED CORPORATE FINANCIAL STATEMENTS

x € million	31/03/2005	31/03/2004	31/03/2003
Turnover	24.595	21.219	21.968
Net profit	- 0.112	1.406	0.930
EBITDA	2.487	3.409	4.114
Shareholders' equity	14.523	14.850	13.720
Total balance sheet	25.509	24.746	21.348
% of participating interest	11.25%	11.25%	11.25%



Activities during the financial year

Ter Beke



Ter Beke is a Belgian fresh foods group with seven plants, producing cooked pork meats for the Benelux markets and cooked pasta for the European market. Ter Beke is the leader in the pre-packaged cooked pork meats segment and the European leader in fresh lasagna, and markets its products under the brand names Come a Casa, L'Ardennaise, Pronto, Daniël Coopman, Vamos and Les Nutons.

In 2005, the group's turnover and net profit grew by 18%, rising from € 200 million to € 236 million and from € 5.0 million to € 5.9 million respectively.

Ter Beke has also continued the development of the Come a Casa brand of cooked pasta, with the launch of the "Naturalmente" and "Equilibre" Come a Casa ranges. Ter Beke has seen its efforts on the French market rewarded by important introductions in the major French distribution trade names.

Ter Beke has also recorded an increase in sales of cooked pork meats, chiefly further to the acquisition of Langeveld / Slegers at the beginning of the year.

The company has also carried out an investment programme for more than € 13 million.

IFRS (EXCEPT FOR 2003) AUDITED CONSOLIDATED ACCOUNTS

x € million	31/12/2005	31/12/2004	31/12/2003
Turnover	236.238	200.035	198.847
Group net profit	5.949	5.030	4.204
EBITDA	21.632	20.855	16.764
Group shareholders' equity (*)	45.359	41.101	47.826
Total balance sheet	134.425	111.915	104.768
Dividend paid	2.875	2.726	1.640
% of participating interest	6.45%	6.45%	-

(*) Including the automatically convertible loan for the year 2003.

Activities during the financial year

Other interests

Chemcom



Belgian company destined to become an international reference in the world of chemical communication by helping companies to discover, select and refine interesting products in the fields of taste and olfaction.

In 2005, the Company acquired a participating interest of 19% in Chemcom for the sum of € 1.8 million.

Chemcom is a subsidiary at 24% of the Floridienne group. The company offers its products and services to the foodstuffs, cosmetics, agriculture and pharmacy sectors.

Codic



Property development company, active in Belgium, France and Luxembourg, specialising in the development of office projects and business parks.

After a 2004-2005 financial year which ended with record profits, prospects for the 2005-2006 accounting period (which began in May 2005) should make it possible for another exceptional result to be posted.

Since the beginning of its accounting year, Codic has concretised the sale of the final buildings in the process of being built on the Kirchberg plateau in Luxembourg (17,000 m²). Moreover, thanks to the partial letting of buildings sold in 2004-2005, Codic has been able to record a substantial complementary profit.

The evolution of the projects in Belgium and France will put the company in a position to benefit from an upturn in the market as soon as this occurs.

These encouraging results mean that the future can be viewed with confidence. The satisfaction of the customers on the existing markets has encouraged the company to open up to new horizons. A first project in partnership was signed in 2005 in Budapest, Hungary.

IFRS AUDITED CONSOLIDATED ACCOUNTS (UK GAAP IN 2003)

x € million	30/04/2005	30/04/2004	30/04/2003
Real estate income	34.948	27.370	31.898
Net result	19.092	8.015	19.888
EBITDA	26.383	19.379	24.844
Shareholders' equity	47.824	45.788	37.916
Total balance sheet	172.128	147.906	76.333
Dividend paid	12.725	5.778	19.000
% of participating interest	26.67%	25.00%	25.00%



Activities during the financial year

Compagnie du Bois Sauvage (Nederland)



Dutch holding company, a wholly owned subsidiary

In 2003 this company launched a bond issue of € 75 million, falling due in November 2008 and offering a coupon of 5.5%.

The Group's participating interest in Surongo America has been housed at 90% in this structure since October 2004.

A capital increase of € 11.7 million, fully subscribed by the Company and aimed at ensuring a better balance sheet balance, was carried through in 2005.

AUDITED CORPORATE FINANCIAL STATEMENTS

x € million	31/12/2005	31/12/2004	31/12/2003
Financial income	3.754	4.208	0.676
Net profit	0.057	- 0.160	-0.081
Shareholders' equity	12.178	0.392	0.552
Total balance sheet	87.875	76.019	76.178
Dividend paid	-	-	-
% of participating interest	100%	100%	100%

Compagnie du Bois Sauvage Services



Belgian company providing administrative services for the companies of the Group.

This company concentrates the investments in computer equipment and guarantees the quality of the corporate assets essential for the good functioning of the Group. It is a wholly owned subsidiary.

Activities during the financial year

Cofinimmo



A leading REIT company listed on the Brussels stock exchange.

The Company holds 3.8% of Cofinimmo as at 31.12.2005: 3% directly and 0.8% through the company Parfimmo (see page 29).

For the financial year closed at 31 December 2005, Cofinimmo recorded:

- a rise in current net profit per ordinary share (in IFRS standards) to € 8.60, compared with € 8.12 in 2004;
- a 22.5% increase in its net profit per ordinary share, bringing this to € 9.21 compared with € 7.52 in 2004.

The net asset value before distribution is € 113.70 per ordinary share at the end of 2005, compared with € 112.38 at the end of 2004. The company will distribute a gross unit dividend of € 7.35 for the 2005 financial year, up 0.7% on that of the 2004 financial year which was € 7.30.

IFRS (EXCEPT FOR 2003) AUDITED CONSOLIDATED ACCOUNTS

x € millions	31/12/2005	31/12/2004	31/12/2003
Real estate income *	143.446	129.283	127.758
Group current net profit	93.170	81.538	73.708
Group net profit	89.497	66.636	60.312
Group shareholders' equity	1,217.864	1,143.332	920.623
Total balance sheet	2,406.060	2,251.188	2,051.703
Dividend paid	71.442	64.713	64.270
% of economic participating interest	3.81%	3.81%	3.99%

(*) the term is "net rental amounts" for 2003.



Activities during the financial year

Euroscreen



Belgian biotechnology company focusing on cellular receptors. This company aims to identify and characterise new receptors as pharmacological targets for the discovery of medicines.

In 2005, the Company acquired a participating interest of 8.5% in Euroscreen for an amount of € 1 million.

Groupe Ceran



Belgian company specialising in complete immersion language teaching.

In 2005, turnover grew significantly following the adaptation of the educational programmes in response to the customers' demands and wishes. This increase, combined with excellent cost control, has enabled the group to post a markedly higher profit than in 2004

One of the two Belgian real estate sites was sold and the site kept on was subject to a thorough refurbishment, which will be completed in 2006. The reorientation of the activities makes it possible to make important operating savings and to guarantee better profitability of the asset.

Furthermore, the composition of the group's shareholders was altered with the arrival of two new shareholders each acquiring 25%. One of these is Acerta Consult, a subsidiary of the Acerta group which has a sizeable commercial network on the Flemish market.

NON-AUDITED CONSOLIDATED ACCOUNTS

x € million	31/12/2005	31/12/2004	31/12/2003
Turnover	7.687	7.158	6.946
Net profit	0.552	0.077	-0.803
Cash flow	0.576	0.402	-0.018
Shareholders' equity	1.753	1.201	1.124
Total balance sheet	6.460	7.094	7.829
% of participating interest	19.56%	19.56%	19.56%

Imolina



Luxembourg real estate company (wholly owned subsidiary)

The rentals of the two buildings have been collected regularly. They have been indexed in accordance with the rules and regulations in force.

This company holds 10% of the Group's participating interest in Surongo America (see next page).

Activities during the financial year

Metrobel



Belgian company, formerly a real estate company, and now a holding company (wholly owned subsidiary). The Board of Directors continues to reflect on the definitive assignment to be given to the company.

Nanocyl



A spin-off of the University of Liège, Nanocyl is a Belgian producer of carbon nanotubes.

The Company acquired a 4% stake (€ 0.3 million) in it in 2004, alongside the following principal shareholders: CNP, SRIW, Namur Invest, Privast Capital Partners and several private investors.

Simonis Plastic



Belgian company specialised in precision plastic injection mouldings

During the first half-year of 2005, the financial structure of Simonis Plastic was strengthened by the capital contribution of the Meusinvest group to the amount of € 0.45 million and the participation of Compagnie du Bois Sauvage to the amount of € 0.1 million. After amortisation of the losses, the capital is at € 1 million.

Despite a restructuring, the results forecast have not been met, since the expected projects did not begin until the second half-year.

For 2006, the budget has anticipated a 50% rise in turnover, supported principally by Caterpillar and FN Herstal, which should enable the company to return to profitability despite the rise in costs of raw materials.

Surongo America



American real estate company present basically on the Southeast Coast (North Carolina, Georgia, Florida and Massachusetts).

In 2005, Surongo America sold its investment in Mill Road Apartments, one of its two residential projects of 240 apartments in Jacksonville (Florida), producing a sizeable profit of US\$ 5.9 million. The other project, Village Walk, currently has a 94.4% occupancy rate.

At the end of the year, the company entered into a new partnership in Boston (Massachusetts) with a commitment of US\$ 10 million, of which US\$ 2 million was paid up at the beginning of 2006. This partnership invests in top-of-the-range residential property, chiefly on the East Coast of the United States. The managers are the same as for the partnership in which the company invested a sum of US\$ 2.5 million at the end of 2004.

Moreover, by means of a share swap, the company converted its participating interest in the company Nomacorc into a participating interest in the company Noël Group (see page 28) which currently holds 100% of Nomacorc.



Activities during the financial year

IFRS (US GAAP IN 2003) AUDITED CONSOLIDATED ACCOUNTS

x US\$ million	31/12/2005	31/12/2004	31/12/2003
Income	19.633	6.122	0.587
Group net profit	6.672	3.026	2.201
Shareholders' equity	37.518	31.880	23.484
Total balance sheet	64.926	79.327	25.490
Dividend paid	1.000	0.945	-
% of participating interest	100%	100%	100%

The differences between 2003 and 2004 are attributable mainly to the difference in consolidation perimeter between US GAAP and IFRS.

XDC



A 60% spin-off of EVS Broadcast Equipment, XDC plans to digitise 500 cinemas by 2006 in order to create the first European digital cinema network.

The Company acquired a 3% stake (€ 0.5 million) in it, alongside the following principal shareholders: Audiolux, BGL Investment Partners, Beaufagne, G.Consulting, Meusinvest, Partners @ Venture, and Vivium Life.

“Whoever speaks, sows;
whoever listens, reaps”

PYTHAGORE

Activities during the financial year

Other fixed financial assets - cash

The Group contributed its Electrabel shares to the takeover bid made by Suez. The capital gain generated by this operation amounts to € 19.9 million.

Aside from the Delhaize and Fortis items, the other items of more than € 2 million held at 31 December 2005 mainly concern: the Belgian National Bank, Fortis Bank (public auction), KBC, Mobistar, Solvay, Suez, Total and Umicore.

Major value reduction recoveries were recorded in 2005, principally on the Fortis securities (€ 19.7 million).

Various posts were realised (mainly Almanij via the merger with KBC, Electrabel and Etex Group) or reduced during the past financial year for a total value of € 72 million.

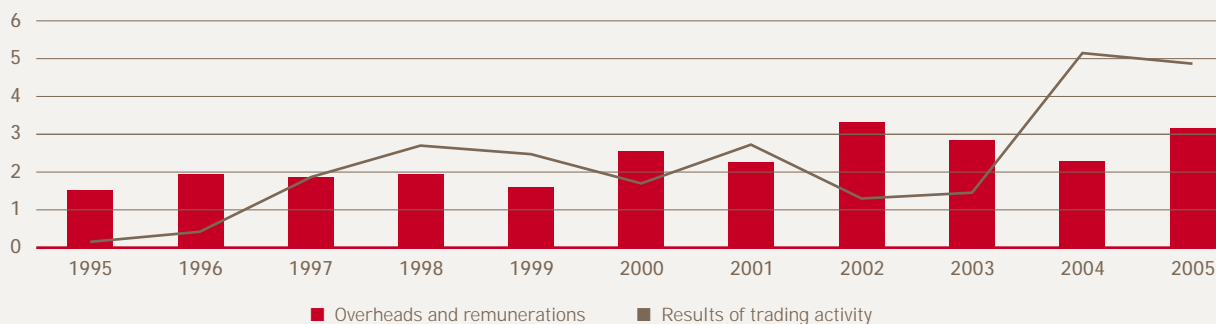
Among other things, this portfolio makes it possible to carry out the trading activity on derivatives, concerning covered options.

The operations under this activity generated a profit of € 4.9 million in 2005, as compared with € 5.1 million in 2004.

Since 1997, this activity has amply contributed towards covering the overheads (services and various goods + various current expenses) and remunerations of Compagnie du Bois Sauvage.

COVER OF OVERHEADS AND REMUNERATIONS BY THE TRADING ACTIVITY

x € 1,000,000





Activities during the financial year

Composition of the consolidated portfolio of Compagnie du Bois Sauvage at 31 December 2005

x €	Quantity	Net book value (IFRS)	Average price	% of holding
1. Strategic participating interests				
Banque Degroof	92,541	75,328,374	814.00	13.26%
Berenberg Bank		48,000,000		12.00%
Noël Group (50% via Surongo America)	4,038,461	30,683,419	7.60	19.66%
Loan to Noël Group (via Surongo America)		4,870,983		
Rec-Hold	103,794	23,658,804	227.94	62.85%
Parfimmo (27% invested in real estate)	90,000	23,678,622	263.10	33.33%
Loan to Parfimmo		3,000,000		
Neuhaus	458,168	21,533,896	47.00	49.27%
Floridienne	138,462	9,789,263	70.70	16.82%
Ter Beke	87,966	5,788,163	65.80	6.43%
Trade Credit Re	49,998	4,513,621	90.28	25.00%
Galactic (via Serendip)	150,000	2,907,359	19.38	25.00%
Groupe Fauchon	505,582	0	0.00	35.29%
Loan to Fauchon		1,800,000		
Euroscreen	90,909	793,946	8.73	8.46%
Simonis Plastic	58,377	629,261	10.78	60.69%
Chemcom	31,457	587,321	18.67	19.02%
Others (7 items)		8,544,971		
2. Real estate				
Cofinimmo	345,363	46,175,033	133.7	3.05%
Codic	8,334	14,911,860	1,789.28	26.67%
Bois Sauvage Site		10,584,005		100.00%
Surongo America		9,607,083		100.00%
Luxembourg		1,384,248		100.00%
Land & various		871,726		100.00%
3. Cash				
Cash (11% via Surongo America)		109,612,764		
Fortis	2,988,591	80,542,527	26.95	
Delhaize	615,000	33,948,000	55.20	
Suez	901,038	23,697,299	26.3	
KBC	153,709	12,089,213	78.65	
Total	45,000	9,549,000	212.2	
Solvay	87,000	8,099,700	93.10	
Mobistar	60,145	4,029,715	67	
Fortis Banque	26,000	3,122,600	120.1	
Umicore	25,000	2,490,000	99.60	
BNB	687	2,232,750	3250	
Electrabel	4,450	1,699,010	381.80	
Others (10 items)		6,673,685		

“Look far ahead,
talk forthrightly,
act with firmness”

PIERRE DE COUBERTIN

Distribution of profits

x €

The company's profit amounts to	44,199,114.20
To which is added the profit brought forward	64,567,956.70
To constitute the profit available for distribution	108,767,070.90

We propose allocating this to:

- the distribution of a gross dividend of € 8,40	12,799,995.60
- the directors' fees of the Compagnie du Bois Sauvage	606,315.58
To be carried forward	95,360,759.72

If you approve these proposals, the gross dividend of € 8.40 will be payable with effect from 3 May 2006, at the registered office and over the counter at branches of Fortis Bank and Banque Degroof, upon presentation of coupon no. 17.

Taking account of the free shares allocated in 2005, this dividend represents a 7% increase in respect of the previous year's dividend. Calculated on the basis of the market price at 31 December, it gives a gross return of 3.4%.

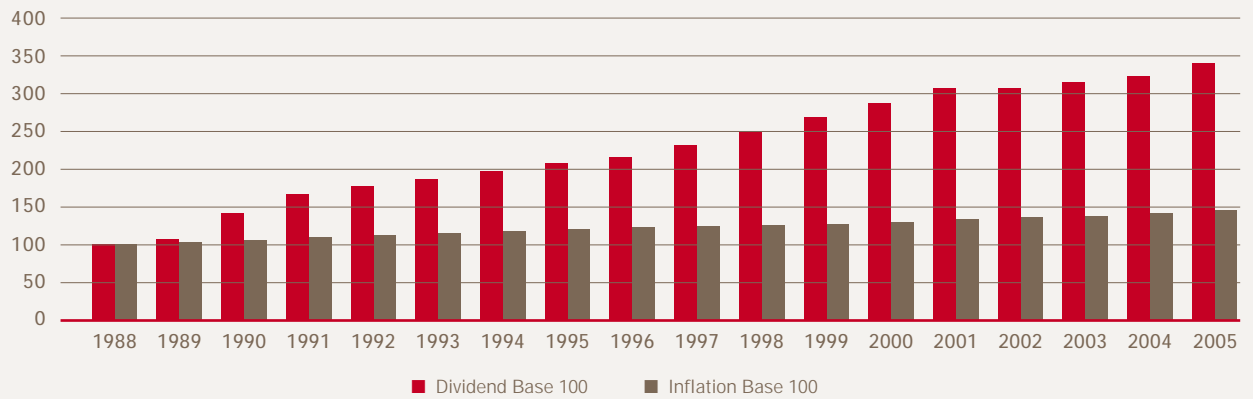
After distribution, the company's shareholders' equity will be to € 292,213,291.96.



Distribution of profits

DIVIDEND VERSUS INFLATION

Base 100



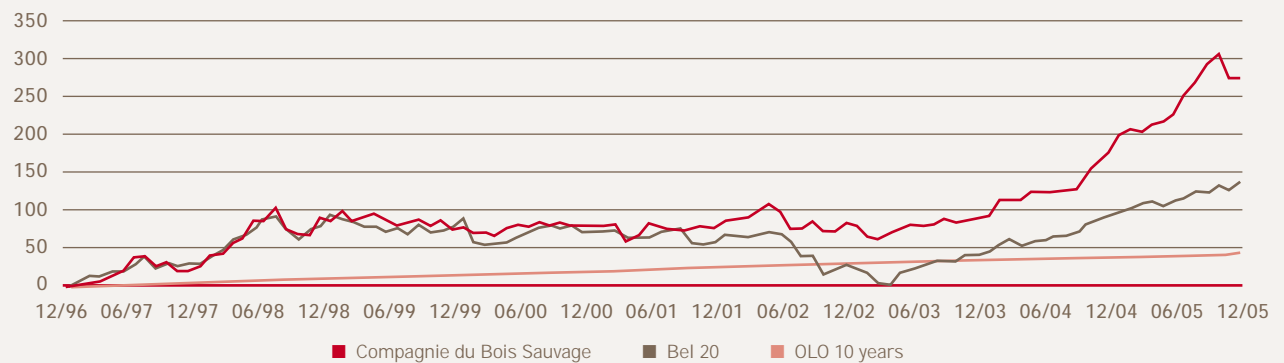
TOTAL RETURN FROM 31 DECEMBER 1996 TO 31 DECEMBER 2005

	Total return	Annual
Compagnie du Bois Sauvage	291.13%	16.36%
BEL 20	147.61%	10.60%
OLO 10YR	42.28%	4.00%

Source : Bloomberg.

TOTAL RETURN COMPAGNIE DU BOIS SAUVAGE VERSUS BEL 20 & OLO 10 YEARS

In %



Portfolio Valuation at 31 December 2005

The intrinsic value before distribution of Compagnie du Bois Sauvage share was calculated on 31 December 2005.

The following assumptions were made for the purposes of this calculation:

- real estate is valued on the basis of a model for the capitalisation of the rental amounts received;
- no liquidation tax has been calculated;
- no account has been taken of any possible corporate liability;
- the market price at 31 December 2005 was taken into account for the valuation of the listed companies.

Unlisted companies were valued on the basis of their net company or consolidated book value (IFRS if available).

The Bank Degroof was revalued on the basis of the corrected net assets as at 30/09/2005.

The Berenberg Bank was revalued (on the basis of the 2005 results) using the model that had been used at the time of acquisition.

The company Noël Group (in Compagnie du Bois Sauvage and in Surongo America) was revalued (on the basis of the 2005 results and the business plan) on the basis of a value calculated by an independent expert.

THE INTRINSIC VALUE HAS EVOLVED AS FOLLOWS

x €	31/12/2005	31/12/2004 (*)
"Fully diluted" intrinsic value	296.67	225.28
"In the money" intrinsic value	299.87	225.28

(*) Adapted for the free allocation of one new share per 50 shares held, carried out in 2005

The "fully diluted" intrinsic value implies the conversion of all convertible bonds in circulation and the exercising of all warrants in circulation.

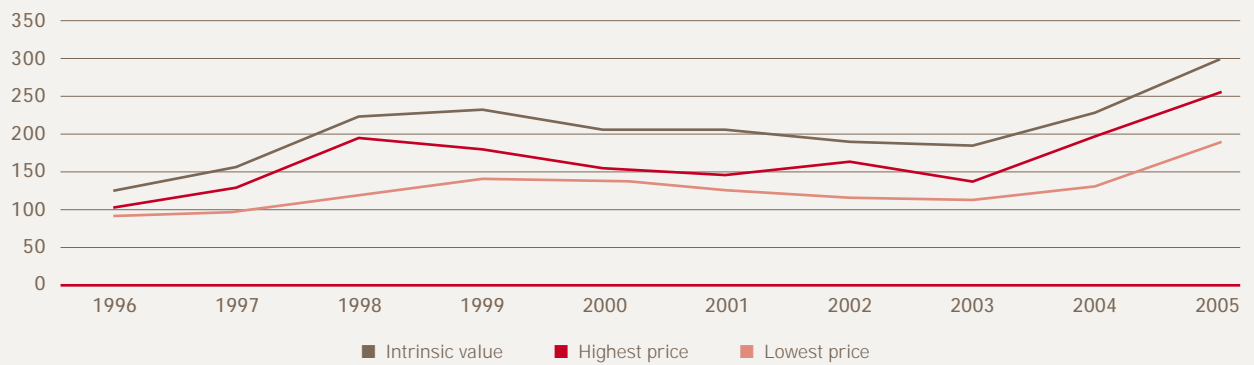
The "in the money" intrinsic value implies solely the conversion of those convertible bonds and the exercising of those warrants, the conversion price or exercise price of which is lower than the market price.



Portfolio Valuation at 31 December 2005

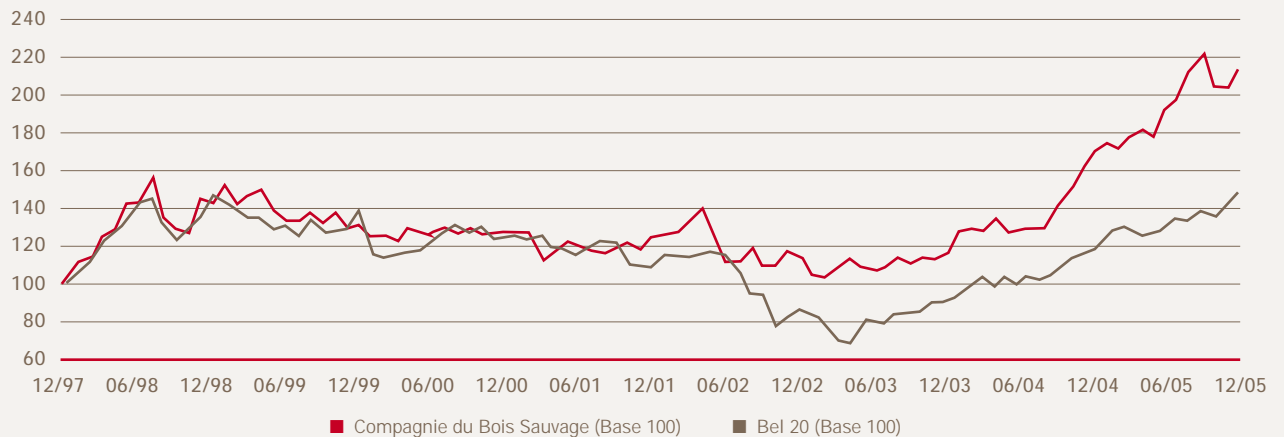
EVOLUTION OF INTRINSIC VALUE "FULLY DILUTED"

x €



COMPAGNIE DU BOIS SAUVAGE VERSUS BEL 20

Base 100



Prospects for 2006

Projects

Since the beginning of 2006, the Company has announced several investments for a total sum of € 36.4 million:

- increase in the participating interest in Neuhaus to 94.85% following the takeover bid. The 423,980 Neuhaus shares brought in were financed by the creation of 42,398 new shares (increase in equity capital of € 10.4 million) and by a cash payment of € 10 million;
- subscription to the capital increase and acquisition of a 4% participating interest in Satair, a Danish listed company which is one of the world leaders in the distribution of logistical services and parts for aircraft maintenance and construction (€ 4.6 million);
- commitment of US\$ 10 million (€ 8.3 million), US\$ 8 million (€ 6.7 million) of which has not yet been paid up, through the agency of its American subsidiary in DSF Capital III, a new partnership in Boston (Massachusetts) which invests in prime residential property in the region between Boston and Washington D.C.;
- convertible loan of € 1 million to the Belgian company Eurogarden, which specialises in garden maintenance machines. This loan has made it possible to finance a strategic acquisition in France;
- acquisition of a 7.46% stake in the capital of the French listed company Guy Degrenne (€ 2.1 million). The heir to a great cutlery tradition, in the space of a few decades it has become a leader in the art of entertaining.

In the projects being studied, there is presently no specific investment file being implemented. Nevertheless, the Company continues to be attentive to all proposals that could strengthen its existing lines of force.

Prospects

The Board feels that, but for a worsening in the world economic climate, the recurrent profit should grow in respect of that of 2005. The prospects for net profits will largely depend on movements on the stock markets.

Corporate sponsorship

Pursuing its policy of cultural sponsorship, the company has participated in events promoting the non-profit association "Les Amis de la Cathédrale" (Friends of the Cathedral), and events in support of the Queen Elisabeth Competition and the Queen Paola Foundation. It has also continued its support to the "business club" set up by the non-profit association Promethéa.

The Company has also supported initiatives in aid of underprivileged groups in Brussels (non-profit association "Petits Riens" and the Magellan School).

FINANCIAL STATEMENTS

2005 FINANCIAL YEAR

CORPORATE ACCOUNTS AND CONSOLIDATED
ACCOUNTS AT 31 DECEMBER 2005 PRESENTED
TO THE GENERAL MEETING OF 26 APRIL 2006



Consolidated accounts – IFRS

Consolidated balance sheet at 31 December	50
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Consolidated balance sheet at 31 December (IFRS)

x € 1,000	2005	2004	Opening balance sheet 01.01.2004
Non-current assets	499,251	486,018	410,749
Tangible assets	26,571	25,199	27,145
Investment property	42,640	56,790	54,193
Goodwill and intangible assets	8,138	7,036	7,250
Investments in subsidiaries	1,763	1,515	4,077
Investments in associated companies	200	200	0
Companies consolidated by the equity method	66,799	55,036	38,941
Deferred tax assets	2,692	1,688	2,065
Other financial fixed assets	350,069	337,332	276,377
Non-current hedging instruments	0	104	0
Non-current trade and other receivables	0	1,101	684
Non-current pre-payments	379	17	17
Current assets	237,219	124,836	124,496
Inventories	8,541	6,683	7,030
Other current financial assets	106,981	39,421	35,825
Income taxes receivable	4,594	3,498	3,292
Trade and other current receivables	23,291	21,539	21,296
Advance	55	0	0
Cash and cash equivalents	92,091	52,558	55,546
Other current assets	1,666	1,137	1,507
Total assets	736,470	610,854	535,245

Consolidated balance sheet at 31 December (IFRS)

x € 1,000	2005	2004	Opening balance sheet 01.01.2004
Shareholders' equity	453,718	323,216	271,971
Group shareholders' equity	436,813	306,758	255,356
Paid-up capital	185,986	168,439	168,149
Reserves	250,827	138,319	89,524
Own shares	0	0	-2,317
Minority interests	16,905	16,458	16,615
Liabilities	282,752	287,638	263,274
Non-current liabilities	235,569	209,340	169,641
Non-current interest-bearing liabilities	218,827	200,734	162,226
Non-current provisions	476	617	619
Non-current obligations regarding employment	299	229	185
Non-current hedging instruments	418	566	588
Deferred tax liabilities	15,539	7,185	6,014
Other non-current liabilities	10	9	9
Current liabilities	47,183	78,298	93,633
Current interest-bearing liabilities	18,592	22,508	50,839
Current provisions	970	17	8
Payable tax liabilities	5,939	5,447	5,777
Suppliers and other current creditors	19,065	47,718	35,265
Other current liabilities	2,617	2,608	1,744
Total shareholders' equity and liabilities	736,470	610,854	535,245



Consolidated profit and loss account at 31 December (IFRS)

x € 1,000	2005	2004
Recurrent financial result	25,345	12,031
Financial and property revenues	36,591	26,673
Share of profit from companies consolidated by equity method	-621	-2,391
Financial charges	-10,625	-12,251
Other recurrent results	-1,651	-1,733
Administrative expenses	-46,398	-42,777
Other operating results	51,530	47,964
Write-downs and losses in value	-6,783	-6,920
Recurrent result	23,694	10,298
Non-recurrent financial result	60,374	47,118
Result in capital	60,374	47,118
Other non-recurrent results	-3,526	-2,915
Provisions (allocations (-), withdrawals (+))	-3,526	-1,822
Various results	-	-1,093
Non-recurrent result	56,848	44,203
Profit before tax	80,542	54,501
Taxation	-6,709	-2,698
Net profit	73,833	51,803
Group share	66,952	50,154
Minority interests	6,881	1,649

x €	2005	2004
Profit (Group share) per share in circulation	45.19	36.25
Profit (Group share) per share in the money	42.21	32.18
Profit (Group share) per share fully diluted	36.17	32.18

Table of changes in shareholder's equity (IFRS)

x € 1,000	Capital subscribed	Share premium account	Consolidated reserves	Revaluation reserves	Differences on translation	Own shares	Total	Minority interests
Balance at 1 January 2004	105,137	63,012	71,515	18,009	-	-2,317	255,356	16,615
Dividends paid	-	-	-10,790	-	-	-	-10,790	-
Movements on own shares	-	-	323	-	-	2,317	2,640	-
Convertible loan issue - equity capital share	-	290	-	-	-	-	290	-
Market value of financial assets	-	-	-	11,931	-	-	11,931	-214
Market value of financial instruments	-	-	-	-1,628	-	-	-1,628	-
Change in consolidation perimeter	-	-	1,634	-1,634	-	-	-	-412
Change in differences on translation	-	-	-	-	-1,488	-	-1,488	438
Net profit - Group share	-	-	50,154	-	-	-	50,154	31
Other	-	-	293	-	-	-	293	-
Balance at 31 December 2004	105,137	63,302	113,129	26,678	-1,488	-	306,758	16,458
Dividends paid	-	-	-11,067	-	-	-	-11,067	-292
Free allocation	2,103	-	-2,103	-	-	-	-	-
Bonds conversion	5,347	7,201	-	-	-	-	12,548	-
Loan issue - capital share	-	2,896	-	-	-	-	2,896	-
Market value of financial assets	-	-	-	54,646	-	-	54,646	-59
Market value of financial instruments	-	-	-	867	-	-	867	-
Change in consolidation perimeter	-	-	75	-	-	-	75	-389
Change in differences on translation	-	-	-	-	3,186	-	3,186	-239
Net profit - Group share	-	-	66,952	-	-	-	66,952	1,330
Other	-	-	-	-48	-	-	-48	96
Balance at 31 December 2005	112,587	73,399	166,986	82,143	1,698	-	436,813	16,905



Cash flow statement (IFRS)

x € 1,000	2005	2004
Cash flow from recurrent activities	26,796	28,267
Net profit (Group share)	66,952	50,154
Adjustments for		
Result from companies consolidated by the equity method	621	2,391
Dividends from companies consolidated by the equity method	3,284	1,399
Financial expenses	10,625	12,251
Write-downs and losses in value	6,783	6,920
Result in capital	-60,374	-47,118
Provisions and various results	3,526	2,915
Variation in current assets (excl. cash & equivalents)	-5,290	268
Other non-cash variations	669	-913
Cash flow from investment activities	39,315	-35,541
Acquisition of financial fixed assets	-29,534	-41,197
Sale of financial fixed assets	93,776	4,460
Acquisition of current financial assets	-51,335	-34,904
Sale of current financial assets	17,653	38,706
Net variation in tangible and intangible assets	8,755	-2,606
Cash flow from financing activities	-26,578	4,286
Dividends paid	-11,067	-10,790
Financial expenses	-10,625	-12,251
Net variation in indebtedness	14,177	10,177
Net variation in other non current assets	8,136	1,191
Net variation in accounts payable and other current liabilities	-27,199	13,317
Movements on own shares	-	2,642
Net variation in cash and cash equivalents	39,533	-2,988
Cash and cash equivalents at opening of the financial period	52,558	55,546
Cash and cash equivalents at closure of the financial period	92,091	52,558

Auditor's Report

In accordance with the legal and statutory provisions, we are submitting a report to you on the execution of the audit assignment that has been entrusted to us.

We have proceeded to review the consolidated accounts for the financial year ending 31 December 2005, established on the basis of legal and regulatory provisions in force in Belgium, of which the balance sheet total amounts to EUR 736,469,883.26 and of which the income statement shows a benefit for the financial year of EUR 73,832,917.87. We have also carried out certain specific additional checks as required by law. The annual accounts of the majority of the Belgian and foreign companies included in the consolidation and controlled by other auditors have been the subject, insofar as these documents were available, of reports or certifications on the accounts of those companies as at 31 December 2005 or on a nearby date; we have based ourselves on their certifications.

The establishment of the consolidated accounts and the appreciation of the information to be included in the consolidated Management Report is the management body's responsibility.

Our audit of the consolidated accounts has been carried out in accordance with the applicable standards of revision in Belgium, such as enacted by the Institute of Company Auditors.

Unqualified Certification of the Consolidated Accounts

The aforesaid standards of revision require that our audit be organised and performed in such a way as to obtain reasonable assurance that the consolidated accounts contain no significant anomalies.

In accordance with these standards, we have taken account of the organisation of the consolidated unit in terms of administrative and accounting matters as well as its internal auditing system. The Company's Managers have answered our requests for explanation and information with clarity. We have examined, by sampling, the justification of the amounts appearing in the consolidated accounts. We have evaluated the cogency of the rules of evaluation, of the rules of consolidation and the significant accounting estimates made by the company, as well as the presentation of the consolidated accounts as a whole. We believe that our work and that of our colleagues who have audited the accounts of the subsidiary companies provide a reasonable basis for the expression of our opinion.

In our opinion, founded on our revision and on our colleagues' reports, and in the light of the legal and regulatory provisions applicable in Belgium, the consolidated accounts as at 31 December 2005 give a faithful image of the consolidated unit's asset base, financial standing and results.



Auditor's Report

Additional Certification and Information

We are completing our report with the following additional certification and information, which is not of a kind to alter the scope of the certification of the consolidated accounts:

The consolidated Management Report includes the information required by law and accords with the consolidated accounts. However, we are not in a position to pronounce on the description of the principal risks and uncertainties with which all of the companies included in the consolidation are confronted, as well as their situation, their foreseeable evolution or the notable influence of certain facts on their future development. We can nevertheless confirm that the information provided does not contain any obvious contradictions with the information given to us in the context of our mandate.

TUBIZE, 15 MARCH 2006

DESCHAMPS, GODEFROID, VERSET & CO
REPRESENTED BY
ANDRÉ R. DESCHAMPS
AUDITOR

