



**2007**  
ANNUAL  
REPORT

# Report by the Board of Directors of Compagnie du Bois Sauvage to the Ordinary General Meeting on 23 April 2008

## Financial year 2007

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Corporate and consolidated financial statements for the period ended 31 December 2007  
presented to the Ordinary General Meeting on 23 April 2008.  
This report has been translated from French into English and Dutch.  
The French version will be deemed authoritative in case of divergence.

COMPAGNIE DU BOIS SAUVAGE  
Limited liability company (société anonyme) with share capital of € 115,809,484  
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**Compagnie du Bois Sauvage is a holding company incorporated under the laws of Belgium and listed on Euronext Brussels. It has a stable shareholding structure that is essentially family-owned.**

**Its object is to acquire participating interests in listed or non-listed companies.**

It wishes to support talented businessmen and women, whether in the financial or industrial sphere, who seek backing at a certain stage of their business development.

It helps determine strategic guidelines and provides assistance with the financial management, structure and capital stability of the enterprises in which it invests.

Since it is also a real estate company, Bois Sauvage also holds high quality real estate assets, which are the source of stable and recurring income.

The Group is very attentive to the interests of its shareholders and aims always to create long-term value. Its dividends have steadily increased, outpacing inflation.

# Letter to the shareholders

The strong growth in the operating results, before disposals and changes in fair value, reflects the sound performance of its long-term investments. That result is somewhat eclipsed, however, by the performance of the cash portfolio, in particular the Fortis position, which registered a decrease in fair value of € 41.4 million.

Growth in operating results before disposals and changes in fair value is due essentially to:

- the stronger performance of companies consolidated under the equity method, which increased from € 5.1 million in 2006 to € 28.9 million in 2007 (€ 13.2 million before the capital gain on the partial disposal of Nomacorc);
- a 14.71% increase in the turnover of the Group's wholly-owned subsidiary Neuhaus and a significant improvement in its return (net result, Group's share, of € 6.9 million compared to € 3.3 million in 2006);
- higher financial income as a result of the general increase in dividends collected by the Group.

In keeping with its distribution policy of ensuring regular growth in earnings at least equal to the rate of inflation, the company proposes to raise the gross dividend to € 9.40 per share, i.e. a 6.82% increase over the dividend paid for 2006.

In spite of the crisis on the credit sector, the company successfully implemented a bond issue for an amount of € 60 million in November 2007. The seven-year bonds bear a coupon of 5.875%. In June 2007, the company also launched a commercial paper programme worth € 50 million, which was recently raised to € 75 million. While this report was being prepared, the Group's 2008 financial due dates (€ 100 million) were covered by new five- and seven-year lines of credit with an all-in cost of less than 5%.

With a view to strengthening its strategic investment areas, the company:

- acquired a 4.16% stake in Bank Degroof. The additional investment of € 64.7 million raises the Group's total holding to 17.29%;
- grouped its holdings in Bank Degroof and Berenberg in its subsidiary CBS Finance, whose capital was opened up at the level of 13.21% for an amount of € 41 million;
- subscribed to the Fortis capital increase in the amount of € 30 million, bringing its participating interest to 5 million shares;
- transformed its investment in Recticel into a direct holding (by abolishing the Rec-Hold structure) and increased the investment to 26.23% for a total of € 25.2 million. Compagnie du Bois Sauvage is a reference shareholder in Recticel. The share was raised to 28.38% after the closing of the accounting period through the acquisition of another 700,000 shares;
- raised its interest in Umicore for an investment of € 17.1 million, bringing its share in the firm to 2.05%;
- acquired, with Matignon Investissements, a 10% share in the French Group Atrya, which manufactures and markets window and door frames, doors and rolling shutters, as well as a range of accessories and windows (€ 20 million, of which € 10 million invested by Compagnie du Bois Sauvage);
- acquired an additional 5.77% holding in Noël Group via its subsidiary Surongo America for a total of US \$ 8.8 million. Its stake in the Group now amounts to 26.25%, making Bois Sauvage the leading shareholder after the Noël family;
- acquired a 40% holding in the Belgian firm Biobest, specialised in biological pest control and pollenisation using bees (€ 5 million);



- increased its share in Satair from 5.00% to 7.01% at a cost of € 3.4 million. Satair is a Danish listed company specialised in the distribution of logistics services and parts for aircraft construction and maintenance;
- paid up US \$ 1.8 million in the Gotham City real estate partnership (New York);
- subscribed to the Berenberg Bank capital increase in proportion to its share, for a total of € 1.2 million;
- provided support for the management buy-out of Groupe Ceran, a Belgian company specialised in total immersion language teaching, and raised its share to 35.95% (€ 1.2 million);
- paid up € 1 million in Matignon Technologies II, one of Europe's leading funds focused on technologies and medical services;
- made a commitment to invest € 0.3 million in the Theodorus II fund, a Belgian company that will finance spin-offs created at Brussels Free University,
- reduced its investment in Tessenderlo by disposing of nearly 600,000 shares at € 43, resulting in a capital gain of € 8.4 million in 2007, and acquired 170,000 shares in 2008 at € 26.46;
- disposed of its 15.34% share in Floridienne for a total of € 10.7 million;
- signed the contract for the sale of Simonis Plastic to a private investor. The sale is staggered over a three-year period and matched with a bank guarantee;
- acquired and cancelled 11,291 Compagnie du Bois Sauvage convertible bonds for a total of € 4.5 million.

Cash and derivatives trading activities produced earnings of € 10.5 million covering general overheads and current amortization charges.

Initiatives to improve shareholder information were continued: the Corporate Governance Charter is now available online, contacts with analysts and investors have been stepped up, the intrinsic value is published monthly and the detailed composition of the portfolio is once again presented on pages 17, 18, 23 and 40 of this report.

The average daily number of shares traded in 2007 was 723 and the average capital traded daily was in excess of € 260,000.

At 31 December 2007, Compagnie du Bois Sauvage ranked 44<sup>th</sup> in terms of capitalisation on Euronext Brussels. It forms part of the "Bel Mid" index of medium-sized companies.

Compagnie du Bois Sauvage would like to thank its shareholders for the confidence and support they have shown throughout the financial year. It also thanks the Group's entire staff for their professionalism and commitment.

**Managing Director**

Vincent Doumier

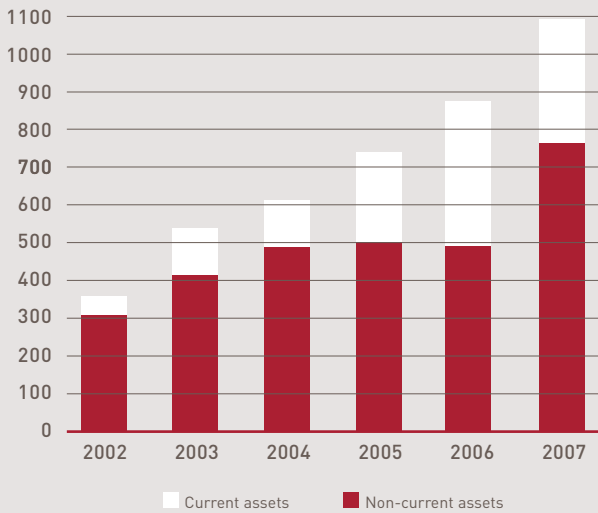
**Chairman**

Guy Paquot

# Key figures at 31 december

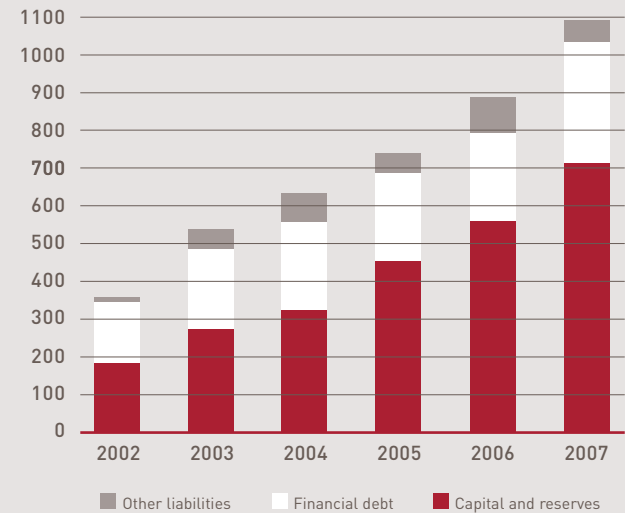
## ASSETS - HISTORICAL EVOLUTION

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



## LIABILITIES - HISTORICAL EVOLUTION

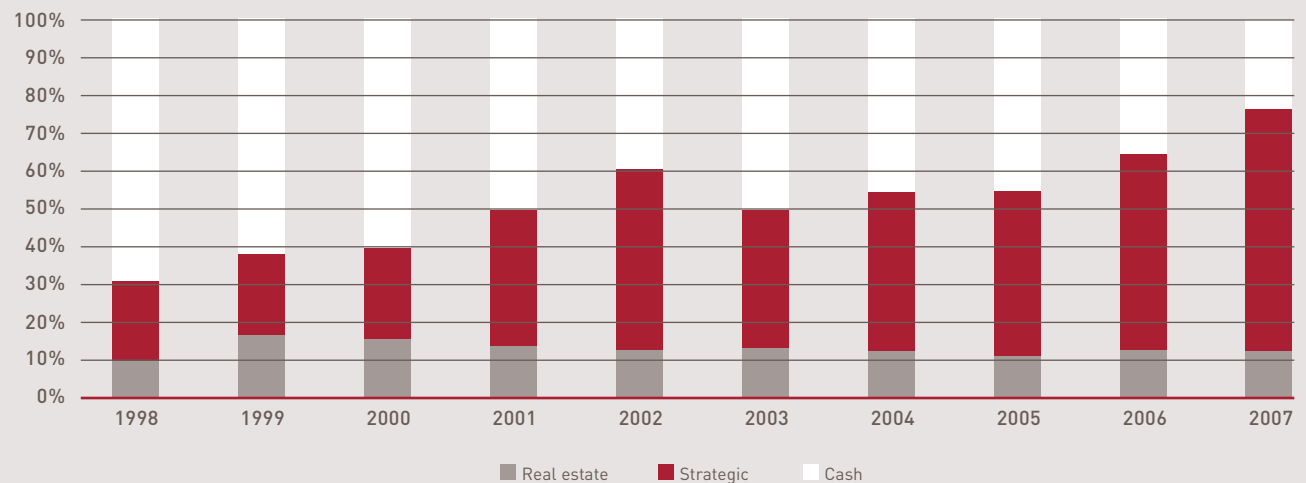
Consolidated figures (IFRS as from 2003, x € 1,000,000)



## EVOLUTION OF THE CONSOLIDATED PORTFOLIO

Market value at 31 December

Total € 266,548,023 364,901,857 367,578,866 388,637,926 394,607,344 433,982,200 487,331,287 655,300,460 838,563,340 1,060,667,920



x € 1,000	2007	2006	2005	2004
Group shareholders' equity	<b>656,004</b>	555,494	436,813	306,758
Consolidated net result (Group's share)	<b>19,945</b>	63,667	66,952	50,154
Market capitalisation at closing of accounting period	<b>568,366</b>	490,362	361,316	272,526

	2007	2006	2005	2004
<b>Number of shares</b>				
Outstanding	<b>1,523,809</b>	1,523,809	1,481,411	1,383,381
In the money	<b>1,886,805</b>	1,896,446	1,586,048	1,558,381
Fully diluted	<b>1,886,805</b>	1,896,446	1,851,048	1,558,381
<b>Consolidated net earnings per share (Group's share) x €</b>				
Outstanding	<b>13.09</b>	41.78	45.19	36.25
In the money	<b>10.57</b>	33.57	42.21	32.18
Fully diluted	<b>10.57</b>	33.57	36.17	32.18
<b>Intrinsic value per share at closing <sup>(1)</sup> x €</b>				
In the money	<b>448.11</b>	364.25	299.87	225.28
Fully diluted	<b>448.11</b>	364.25	296.67	225.28
<b>Gross dividend per share <sup>(1)</sup> x €</b>	<b>9.40</b>	8.80	8.40	7.84

(1) Adapted for the grant in 2005 of one new free share per 50 held.

	2007	2006	2005	2004
Average daily volume traded	<b>723</b>	795	739	652
Average daily capital (€)	<b>263,833</b>	220,682	166,876	102,239
<b>Share price <sup>(1)</sup> x €</b>				
Closing	<b>372.99</b>	321.80	243.90	193.14
Lowest	<b>405.00</b>	323.00	255.00	193.73
Highest	<b>321.10</b>	245.50	191.08	132.84

(1) Adapted for the grant in 2005 of one new free share per 50 held.

# Main risk factors

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

**The following risk factors have been identified:**

## 1. Interest rates

The Company actively manages the risk of interest rate movements while 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 rates.

## 2. Liquidity

The Company ensures that its net cash situation is always positive. It uses a computer programme that includes all the balance sheet and off-balance sheet items affecting the cash balance.

## 3. Cash portfolio

The Company has a portfolio of cash investments mainly comprising Belgian and European shares with wide capitalisation. These investments are diversified but they nevertheless expose the Group to variations in stock markets and financial markets.

## 4. Currencies

The Company's long-term investments are denominated only in euros, US dollars and Danish kroner. Investments in American dollars and Danish kroner account for around 8% of assets. The risk related to movements of these two currencies is not covered.

## 5. Counterparts

The only accepted counterparts are the banks with which the Company has a direct relationship (Bank Degroof, BNP Paribas, Commerzbank, Dexia, Fortis Bank, ING Belgique, KBC/CBC, Société Générale and Crédit Suisse International) and one broker, Leleux.

## 6. Derivatives

The products underlying the derivatives activity are shares listed on Euronext. All the options issued are covered by shares held in the portfolio for call options and by cash for put options. The Company has also set limits on amounts and terms and has adapted its back office and control systems to the development of this activity.

## 7. Operating risk

The Company has a small staff. Every staff member has a back-up for his or her different activities and a procedural manual has been drawn up to ensure swift resumption.

## 8. Industrial risk

The industrial risk connected with the 100% participating interest in Groupe Neuhaus is primarily due to the fact that it is a food activity and thus exposed to the risk of product contamination. Efforts put into managing these risks have been stepped up in recent years. The other major industrial risk is related to the fact that Groupe Neuhaus has only one production plant.

**All these risks are reviewed and measured twice a year by the Audit Committee.**





## History and origins of the Group

The name "Bois Sauvage" comes from the place where the company's registered office is located in Brussels. The place referred to as "Bois Sauvage", a deformation of the Dutch term "Wilde Wouter", long ago comprised the area between the Cathedral of Saints Michel and Gudule and the first enclosing wall of the City of Brussels.

Only a few sections of this 13<sup>th</sup> century wall still exist, including the Bois Sauvage arcades, which have been renovated by the company, advised by the Royal Commission for Monuments and Sites.

The restoration 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 resulted from the merger of 19 companies with a wide range of origins and activities, including Fours Lecocq, Compagnie Financière Nagelmackers, Charbonnages d'Hensies-Pommeroeul, Entrema and Somikin (a mining company in Kindu), some of which have been in existence for over a century. A certain number of these companies were too small to play a decisive economic role, some operated in a completely outdated activity while others were being wound up and destined to disappear.

Their grouping confirmed a de facto situation and is perfectly in keeping 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 represented an important step in the company's development, as it resulted in a simplification of the Group's structure. Today, it is made up of Entreprises et Chemins de Fer en Chine, the reference shareholder, and Compagnie du Bois Sauvage, the operational Company.

The limited partnership Fingaren owns 86.4% of Entreprises et Chemins de Fer en Chine, which has become family-owned and held 43.1% (43.2% on a fully diluted basis) of Compagnie du Bois Sauvage on 31 December 2007. The Company is not aware of any shareholders' pact for the remainder, i.e. 56.9% of the capital, which can be considered free float.

# History and origins of the Group



02/12/1994





# Financial calendar and Board of Directors

<b>Annual results</b>	1 <sup>st</sup> half of March
<b>General Meeting</b>	4 <sup>th</sup> Wednesday in April
<b>Half-yearly results</b>	2 <sup>nd</sup> half of August

<b>Name</b>	<b>Address</b>	<b>Function</b>	<b>Term ends</b>
Guy Paquot <sup>(3)</sup>	Rue Cornélis 1 B-1310 La Hulpe	CHAIRMAN	2009
Karel Boone <sup>(2)</sup>	Aveschoot 50 B-9971 Lembeke	DEPUTY CHAIRMAN	2010
Vincent Doumier <sup>(1)</sup>	Avenue des Statuaires 127 B-1180 Brussels	MANAGING DIRECTOR	2010
Christine Blondel <sup>(2)</sup>	178 rue du Faubourg St Honoré F-75008 Paris - France	DIRECTOR	2012
Michel Delloye <sup>(2)</sup>	Avenue des Cytises 6 B-1180 Brussels	DIRECTOR	2013
Robert Demilie <sup>(3)</sup>	Lange Leemstraat 202 B-2018 Antwerpen	DIRECTOR	2009
Donald Fallon <sup>(2)</sup>	Rue de Thébais 2 1495 Mellery	DIRECTOR	2010
Marc Noël <sup>(2)</sup>	10729 Trego Trail Raleigh, NC 27614 - USA	DIRECTOR	2009
Luc Vansteenkiste <sup>(2)</sup>	Stationstraat 172 B-9260 Schellebelle	DIRECTOR	2011
Luc Willame <sup>(2)</sup>	Avenue Grandchamp 282 B-1150 Brussels	DIRECTOR	2010

(1) Executive.

(2) Independent.

(3) Representing the main shareholder.

# Financial calendar and Board of Directors

<b>Audit Committee</b>	Donald Fallon Karel Boone Michel Delloye	CHAIRMAN MEMBER MEMBER
<b>Appointment and Remuneration Committee</b>	Luc Willame Christine Blondel Robert Demilie	CHAIRMAN MEMBER MEMBER
<b>Management Committee</b> <sup>(1)</sup>	Vincent Doumier Yves Liénart van Lidth de Jeude <sup>(2)</sup> Laurent Puissant Baeyens <sup>(3)</sup>	CHAIRMAN MEMBER MEMBER
<b>General Secretariat</b>	Bruno Spilliaert	
<b>Auditors</b>	S.C. s.f.d. S.C.R.L. Deloitte Reviseurs d'Entreprises represented by Michel Denayer and Eric Nys Avenue Louise 240 B-1050 Brussels	2010

(1) The Chairman of the Board of Directors is invited to every meeting of the Management Committee.

(2) Representing YVAX sprl.

(3) Representing LPB sprl.

## MAIN POSITIONS HELD BY THE NON-EXECUTIVE DIRECTORS IN COMPANIES OTHER THAN COMPAGNIE DU BOIS SAUVAGE S.A.

Christine Blondel	Senior Adviser at the Wendel International Centre for Family Businesses (INSEAD)
Karel Boone	Chairman of Lotus Bakeries S.A.
Michel Delloye	Director of Brederode, Telenet Group Holding, EVS
Robert Demilie	Deputy Chairman of Entreprises et Chemins de Fer en Chine
Donald Fallon	Honorary Chairman of C.B.R. S.A.
Marc Noël	Chairman of Noël Group LLC
Luc Vansteenkiste	Managing Director of Recticel S.A.
Luc Willame	Chairman of the Brussels Regional Development Agency
<b>Honorary Directors</b>	Gui de Vaucleroy Monique Neven Jean-Louis Raemdonck van Megrode Solange Schwennicke



# Corporate Governance

## Principles

The Corporate Governance Charter of Compagnie du Bois Sauvage, approved by the Board of Directors on 19 December 2005 and amended on 19 June 2006, 12 March 2007 and 10 March 2008, is available on the website ([www.bois-sauvage.be](http://www.bois-sauvage.be)).

The Charter conforms to the Belgian Corporate Governance Code.

The following section explains the differences between the practices adopted by the Company and the recommendations of the Belgian Corporate Governance Code.

## Difference between the Charter and the Belgian Corporate Governance Code

The differences are as follows:

- **Point 4.5 (Terms of office):** The Board of Directors opted for the system of a six-year directorship renewable only once for independent directors, rather than the system recommended by the Code, i.e. a four-year directorship renewable twice. The main reason for this choice is that most of the independent directors serve only one term of office. This formula consequently offers a more attractive term in order to maximise the director's contribution.
- **Point 4.6 (Independence):** Two independent directors, Luc Vansteenkiste and Marc Noël, do not meet this criterion on account of their executive role in the Company's strategic holdings. The Board of Directors has reviewed the two cases and concluded that the two directors are sufficiently independent to keep their executive role from interfering with their independence within the Board.
- **Point 5.3 (Appointment and Remuneration Committee):** The Board of Directors does not consider it necessary for the Managing Director to participate officially in the meetings of the Appointment and Remuneration Committee when it is addressing the pay of other members of executive management. He shall nonetheless be available to the Committee.

- **Point 7.2 (Transactions on non-listed companies):**

Guy Paquot, Chairman of the Board of Directors, is the historic shareholder in a firm 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 when these concern Noël Group.

## Conflict of interests

Reproduced below are some of the key points of the minutes of the Board of Directors' meeting on 17 December 2007, which put to the vote the matter of the acquisition of 5.77% of Noël Group by a Bois Sauvage Group member.

"The Board was briefed on follow-up of procedure 523 of the Companies Code for the decision on whether or not to acquire the shares in Noël Group held by Entreprises et Chemins de Fer en Chine S.A. and Fingaren S.A., which have ties to Guy Paquot and Robert Demilie. In agreement with the auditor, the procedure referred to in Article 524 of the Companies Code is not applicable considering the decision to be adopted financially represents less than one per cent of the consolidated net assets of Compagnie du Bois Sauvage.

Guy Paquot and Robert Demilie leave the meeting and Deputy Chairman Karel Boone leads the debate.

The Board takes note that:

- this additional investment (...), which will raise the Bois Sauvage investment in Noël Group from 20.5% to 26.3%, is in keeping with the Group's philosophy of providing support for entrepreneurs in a known sector;
- the valuation of the participating interest (...) is close to the market value;
- Its subsidiary Surongo America has the cash needed for the operation.

It recorded the unanimous agreement of those present to proceed with the acquisition before 31 December 2007."

# Corporate Governance

## Board of Directors

The composition of the Board of Directors, the capacity in which its members act and the date on which their directorships end, as well as the main duties carried out by the non-executive directors are presented on page 9 of this report.

The Board is composed of an executive director, directors representing the main shareholder and independent directors. The independent directors make up the majority: seven (out of ten) members of the Board during the past financial year.

### The main rules governing appointment as well as the age limit for Board members are as follows:

- non-active directors shall be in the majority in the Board;
- independent directors shall hold a six-year term of office, renewable once;
- active directors shall not be subject to any limit on the number of times they may be re-elected to office;
- all directorships end no later than the Ordinary General Meeting following the director's 70th birthday.

### The Board met six times during 2007. The following items, among others, were debated:

- the financial statement and consolidated results;
- the budget for the following years;
- investment projects and the Group's structure;
- the analysis of tangible and intangible assets;
- corporate governance policy and practices;
- questions pertaining to the Group's financing;
- the organisation of the Company;
- the Company's strategy (Company's mission, evaluation of the Board, etc.).

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

## Specialised committees

### Two specialised committees have been put in place:

- The Audit Committee met on two occasions in 2007. In March 2007, it reviewed the financial statement and consolidated accounts for the period ending 31 December 2006, the valuation rules, the Group's organisational chart, litigation and applicants for the firm's auditing assignment. In August 2007, it reviewed the financial statement and consolidated accounts for the period ending 30 June 2007 and the Group's organisational chart, and defined with the Auditor the objectives to be achieved in terms of risk, as well as the auditing approach.
- The Appointment and Remuneration Committee met three times during the past financial year. It followed up the matter of the pay of members of the Management Committee.

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

## Management Committee

At its meeting on 12 March 2007, the Board of Directors decided to set up a Management Committee within the meaning of Article 524(a) of the Companies Code, to replace the Executive Committee.

The new Management Committee met 21 times during 2007.

The Board of Directors appoints the members of the Management Committee, removes them from office, sets their remuneration and establishes the duration of their term of office.

Managing Director Vincent Doumier serves as Chairman of the Management Committee. The Committee's members are listed on page 10 of this report.

The Management Committee's decisions are taken by a majority of members present. A decision shall not be adopted, however, if the Managing Director votes against it. In cases where the Managing Director is opposed to the majority of the other members of the Management Committee, the item shall be submitted to the following meeting of the Board of Directors, which shall decide on the matter.

The Board of Directors has delegated all administrative powers to the Management Committee, excluding:

- the company's general policy and strategy;
- drawing up of the accounts;
- all matters reserved by law or the articles of association to the Board of Directors;
- preparation of the annual budget;
- any investment decision in the amount of more than € 5 million;
- any investment decision, even over an amount lower than the above-mentioned figure, if it is not in keeping with the company's general policy or annual budget.

The company often appoints a representative to its subsidiaries and the companies in which it has a shareholding, to help oversee their development. Mandates are carried out by members of the Management Committee in Berenberg Bank, Biobest, Ceran, Chemcom, Codic International, Cofinimmo, Bank Degroof, Euroscreen, Galactic, Groupe Fauchon,

H-Phar, Nanocyl, Neuhaus, Noël Group, DSF Capital, Recticel, Satair, Serendip, Simonis Plastic, Trade Credit Re, Ter Beke and Umicore.

## Remuneration

Remuneration policy is analysed in the Appointment and Remuneration Committee and approved by the Board of Directors. It takes into account the Group's specific characteristics and is based on benchmarking.

For financial year 2007, total remuneration, before social security contributions and taxes, granted to the directors and Management Committee members of the consolidating company, by virtue of their duties in the latter, in its wholly owned companies, subsidiaries and associated companies, amounted to € 879,904 of which € 280,379 to non-executive members and € 599,525 to executive members.

### Directors' remuneration in 2007 paid on an individual basis before deduction of social security contributions and taxes (total enterprise cost)

#### Executive and non-executive directors

Directors' gross pay is made up of 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 Compagnie du Bois Sauvage, divided equally by all the directors; the Chairman of the Board of Directors is entitled to a double share.

x €	Attendance	Board of Directors	Audit Committee	Appointment and Remuneration Committee	Total
Guy Paquot	5/6	56,328			56,328
Vincent Doumier <sup>(1)</sup>	6/6	30,664			30,664
Christine Blondel	6/6	22,109		2,000	24,109
Karel Boone	5/6	30,664	4,000		34,664
Michel Delloye	4/4	3,333			3,333
Robert Demilie	5/6	30,664		1,000	31,664
Donald Fallon	4/6	30,664	5,000		35,664
Marc Noël	4/6	30,664			30,664
Luc Vansteenkiste	5/6	30,664			30,664
Luc Willame	5/6	30,664		2,625	33,289
<b>Total</b>		<b>296,418</b>	<b>9,000</b>	<b>5,625</b>	<b>311,043</b>

(1) Executive director.

# Corporate Governance

## Management Committee

During the past year, the Management Committee had three members.

The gross pay of members of the Management Committee is made up of three parts:

1. The fixed amount paid monthly;
2. The fixed amount and the variable part of the director's pay (see above) for the Managing Director;
3. A variable part corresponding to 2.5/95ths of the profits distributed yearly by Compagnie du Bois Sauvage, divided up among the Board of Directors on the basis of a proposal from the Remuneration Committee.

Mr Guy Paquot, who also serves as an adviser for the Group's management, received in addition to his director's fees, fixed and variable remuneration totalling € 283,672 from Compagnie du Bois Sauvage or any other Group member.

The Extraordinary General Meeting of 26 April 2006 approved the establishment of a stock option plan for members of the Management Committee and employees.

In addition to the fees paid to Deloitte and its network for auditing the accounts of Compagnie du Bois Sauvage and its subsidiaries, in the amount of € 126,300, other fees totalling € 63,971 (excluding VAT) were paid in 2007 for different assignments. These included other audit assignments (€ 14,000), legal and tax services (€ 26,160) and other non-audit assignments (€ 23,811).

x €	Remuneration			Total
	Fixed	Variable	Other <sup>(1)</sup>	
Vincent Doumier	157,851	140,350	55,420	353,621
Other members	185,101	47,276	13,527	245,904
<b>Total</b>	<b>342,952</b>	<b>187,626</b>	<b>68,947</b>	<b>599,525</b>

(1) Company car, insurance, business expenses.

## Stock option plan

Long-term staff motivation is enhanced by a stock option plan concerning 15,000 shares in Compagnie du Bois Sauvage over five years. The options were awarded to beneficiaries for the first time on 6 June 2006. Each gives the holder the right to acquire a share in Compagnie du Bois Sauvage. Except in special cases (death, incapacity, retirement and, under certain conditions, dismissal), these rights become final for beneficiaries in the amount of one quarter per year and per allocation.

## Statutory appointments

No terms of office have expired so there are no statutory appointments on the agenda of the General Meeting of 23 April 2008.

## Profit allocation policy

For over 15 years, the Board has regularly proposed to increase the return on capital. The aim, inasmuch as the results allow, is to raise the dividend, year after year, by a rate at least equal to inflation. It is important to reconcile two points of view:

- strengthening of the company's resources;
- return on capital.

The year 2007 confirmed the excellent operating results obtained in 2006. Accordingly, the Board proposes to increase the gross dividend by € 0.60, bringing it to € 9.40 per share.





## Information for shareholders

The Company's website ([www.bois-sauvage.be](http://www.bois-sauvage.be)) is updated regularly to keep shareholders well informed and enable them to exercise their rights optimally.

The intrinsic value of the share is published on the site every month, as well as in the press releases announcing the six-monthly and yearly results.

In keeping with the company's policy of transparency, this report presents the detailed breakdown of the consolidated portfolio as of 31 December 2007 on pages 17, 18, 23 and 40.

Compagnie du Bois Sauvage is listed on Euronext Brussels. It forms part of the BEL Mid index, whose values are selected on the basis of liquidity and free-float market capitalisation criteria.

We are pleased to inform you that Compagnie du Bois Sauvage also forms part of the new Private Equity index created at the start of February 2008 by NYSE Euronext. This index, whose ticker is PE NXT, is made up of 12 private equity companies listed on the European platform of NYSE Euronext. It was developed to boost the visibility of the private equity sector on our markets and to give investors a new tool for measuring the performance of companies in this sector.

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

As of 31 December 2007, the number of shares in issue totalled 1,523,809 (unchanged since 31 December 2006). The number of fully diluted shares was 1,886,805 at end 2007 compared to 1,896,446 at end 2006. This decrease resulted from the combined effect of the buyback and cancellation of 11,291 convertible bonds during 2007 and a net increase of 1,650 options for staff.

The annual volume of shares traded in 2007 came to 184,419. The average daily volume added up to 723 compared to 795 in 2006.

Degroof, Fortis, ING and KBC regularly publish analyses of the company, which are available from Compagnie du Bois Sauvage.

## Relationship with the principal shareholder

As of 31 December 2007, Entreprises et Chemins de Fer en Chine held 656,342 shares in Compagnie du Bois Sauvage out of a total of 1,523,809 shares outstanding, or 43.1%. Theoretically, after exercise of all outstanding convertible bonds and warrants, Entreprises et Chemins de Fer en Chine would hold 815,183 shares out of a total of 1,886,805 or 43.2%.

Entreprises et Chemins de Fer en Chine is a holding company whose shares are traded by public sale and whose main task is to ensure the stability of the Group's shareholding structure.

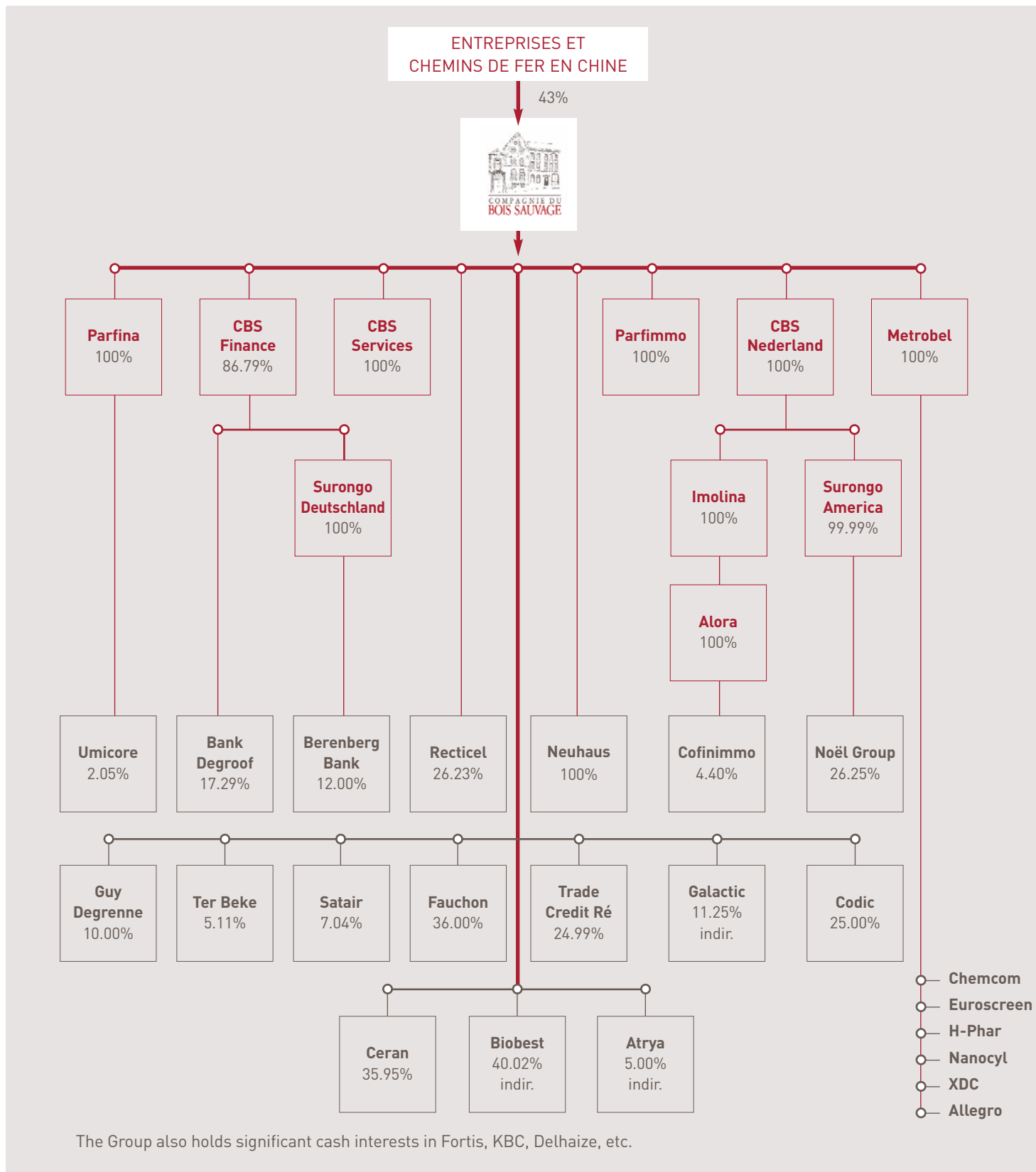
The two companies have two directors in common: Guy Paquot and Robert Demilie.

Fingaren, a private holding company, currently holds 86.4% of Entreprises et Chemins de Fer en Chine.

There is no agreement between these companies; neither Compagnie du Bois Sauvage nor any of its subsidiaries pays any remuneration, benefits, management fees or other fees to Entreprises et Chemins de Fer en Chine or Fingaren.

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

# Organisational chart of the Group and principal shareholding





# The year's activities

## Group strategy

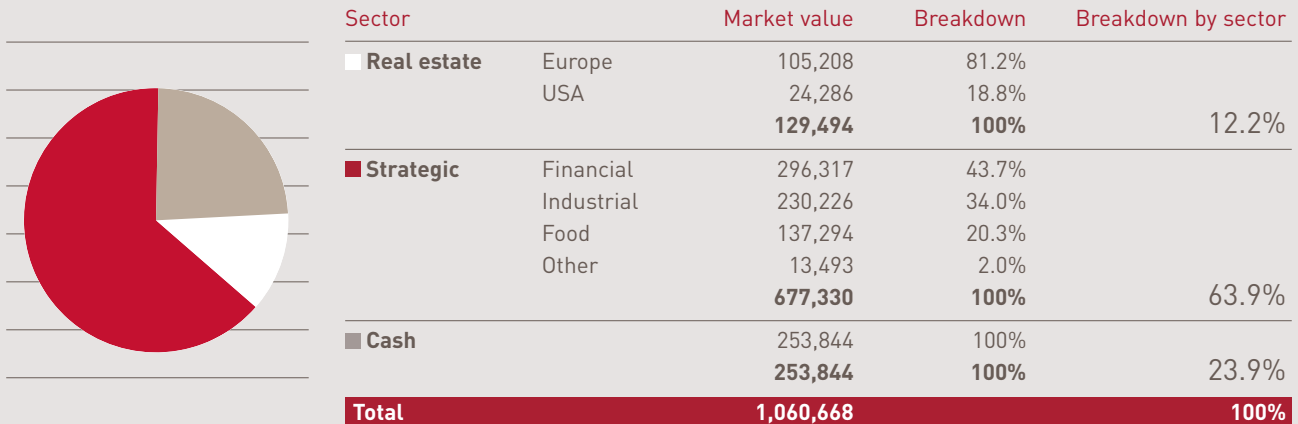
The Company's portfolio – its assets – is based on three separate pillars, namely a real estate division (15 to 20% of the total), a long-term investment division composed of strategic participating interests (+/- 50%) and a cash portfolio focused on highly liquid values that also serve as a basis for derivatives activity (+/- 30%). Although the current structure is considered to represent a sound balance, the breakdown between these different pillars is not permanent and may vary in terms of investment opportunities and the macro-economic environment in which the Company operates.

There is no pre-defined rule on geographical, sectoral or monetary allocation.

Investments are grouped in three sectors at present: finance and particularly private banking, the chemicals industry and the food industry. All three reflect the task the Company has set for itself, namely partnerships with entrepreneurs interested in stable shareholding, support for and the development of their enterprise to as to maximize its value over time.

## COMPOSITION OF THE CONSOLIDATED PORTFOLIO OF COMPAGNIE DU BOIS SAUVAGE

Market value at 31 December



# The year's activities

## Real estate investments

The role of real estate in the portfolio is to help produce substantial and regularly increasing earnings. It is a key factor for the stability of assets and cash flow.

The real estate policy is based on the following principles:

- a limited number of investments reaching a critical size;
- direct investments, if possible with a partner specialised in real estate management;
- expected return higher than the return on 10-year government bonds and showing growth.

The mainstay of the Company's real estate investments remains its shareholding in Cofinimmo (see page 19), in which it directly and indirectly owned 4.40% on 31 December 2007.

Since the end of 2003, the Company has held a 25% share in the real estate project developer Codic International (see page 21).

The Company also invests, via its American subsidiary Surongo America, in upmarket residential projects in the United States (see page 20).

In addition to these three investments, the portfolio also includes:

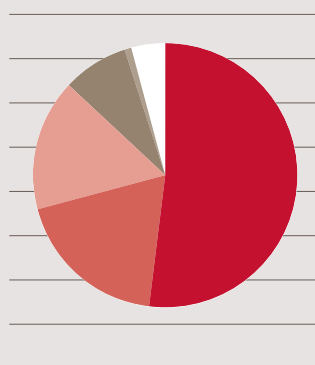
- the buildings at the registered office site and the Treurenberg site (3,000 m<sup>2</sup> of offices, 2,000 m<sup>2</sup> of residential property and 70 m<sup>2</sup> of commercial premises);
- various other surfaces and land holdings in the provinces of Liege, Hainaut (42 ha) and Western Flanders;
- two office buildings in Luxembourg (320 m<sup>2</sup>)

The Group's current real estate income in 2007 amounted to € 3.9 compared to € 4.0 million in 2006.

On 31 December 2007, all the flats, offices and commercial premises were leased.

## COMPOSITION OF THE GROUP'S REAL ESTATE PORTFOLIO

Market value at 31 December



	Market value	Quantity	Closing share price	% of sector	% of participating interest
■ Cofinimmo	67,980	532,589	128.72	52%	4.40%
■ Surongo America	24,286			19%	99.99%
■ Codic International	20,775	7,812	2,659	16%	25.00%
■ Bois Sauvage site	9,793			8%	100.00%
■ Luxembourg	1,429			1%	100.00%
■ Land & other	5,231			4%	100.00%
<b>Total</b>	<b>129,494</b>			<b>100%</b>	

## Presentation of the principal real estate participating interests



### Cofinimmo

Leading real estate investment trust (REIT) listed on the Brussels Stock Exchange.

On 31 December, the Company held 4.40% of Cofinimmo.

For the period ending on 31 December 2007, Cofinimmo registered:

- a decline in net current earnings per ordinary share, from € 8.69 in 2006 to € 8.20;
- a 5% increase in its net earnings per ordinary share, from € 13.73 in 2006 to € 14.44. This increase is due partly to capital gains and the positive revaluation of the real estate portfolio by independent experts.

In 2007, the company implemented a growth strategy based on three principal areas of action: the acquisition of offices leased for the long-term to first-class occupants, the conclusion of important long-term real estate transactions with industrial or service companies, and participation in several real estate public-private partnerships in Belgium. Diversification into the retirement homes sector also continued. It amounted to 8.1% of the portfolio at end 2007, as against 5% the previous year.

Revalued net asset value before distribution stood at € 123.22 per ordinary share at end 2007, compared to € 107.67 at end 2006. The company will distribute a gross dividend of € 7.75 for 2007 (compared to € 7.40 the previous year).

### AUDITED CONSOLIDATED ACCOUNTS (IFRS)

x € million	31/12/2007	31/12/2006	31/12/2005
Real estate earnings	155.28	142.92	143.45
Group current net result	90.72	93.96	93.17
Group net result	142.51	133.42	89.50
Group shareholders' equity	1,390.09	1,306.03	1,217.86
Balance sheet total	3,183.31	2,608.18	2,406.06
Debt/equity ratio	49.80%	47.52%	46.30%
Dividend paid	76.51	71.93	71.44
<b>% of economic participating interest</b>	<b>4.40%</b>	<b>4.56%</b>	<b>3.81%</b>

# The year's activities



## Surongo America

A wholly-owned American company that holds the Group's real estate and industrial investments in the United States, primarily on the east coast (North Carolina, Georgia, Florida, Massachusetts and New York).

2007 was another good year for Surongo America.

Village Walk, the residential project of 240 flats in Jacksonville (Florida) is currently 82% occupied, compared to 93% at end 2006.

The real estate partnership DSF Capital Partners earned a sizeable capital gain on the Northampton II project. The project showed an internal rate of return of 25%. The other projects are proceeding as planned.

In 2006, Surongo America committed US \$ 10 million to DSF Capital Partners III. The partnership has so far only called up 20% of the commitments subscribed. Given the slowdown on the US market, no new housing starts are currently planned.

The New York-based real estate partnership, Gotham City, underwritten by the company at end 2006, has entered into an active phase and is proceeding as planned. The project is based on the renovation of flats whose rents have been blocked since the end of the second world war, but which are slowly returning to market level. The company's total commitment is US \$ 10 million, of which 1.8 million had been paid up as of 31 December 2007.

None of Surongo America's investments is directly related to the "sub-prime" crisis. The company does not consider that it will experience any significant impact from the real estate crisis given the quality and long-term nature of its real estate investments.

The credit line of US \$ 17 million secured in 2006 was used in early 2007 to acquire the 10% share of Noël Group (see strategic investment page 23) held by Compagnie du Bois Sauvage. At end 2007, the company acquired another 6% in Noël Group. A note concerning this transaction can be found in the Corporate Governance chapter, page 11.

## AUDITED CONSOLIDATED ACCOUNTS (IFRS)

x \$ million	31/12/2007	31/12/2006	31/12/2005
Income	22.82	4.53	19.63
Group net result	14.43	1.95	6.67
Shareholders' equity	44.17	29.84	37.52
Balance sheet total	89.64	75.65	64.93
Dividend paid	-	9.65	0.95
<b>% of participating interest</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>



### Codic International

Codic is an independent real estate developer created in 1970. For the last 10 years, Codic has developed more than one million square meters of office complexes, business parks, shopping centres and multipurpose projects.

Originally based in Belgium, Codic soon became interested in neighbouring markets. After Luxembourg and France, it expanded to Hungary, Spain and Romania in order to reinforce its European position.

Financial year 2006-2007 ended with record earnings for the Group; turnover amounted to € 200 million and after-tax profits increased by over 30%. These results made it possible to increase equity capital in the amount of € 70 million, thus building considerable leverage for international development in the coming years.

The Group foresees the future with confidence. Certain projects in Belgium and France were started up and marketed early in financial year 2007-2008. These sales are expected to result in profits at least comparable to those earned in 2006-2007.

The evolution of projects on new markets is in line with projections, confirming the anticipated contribution of these markets to the Group's results in the coming years.

### AUDITED CONSOLIDATED ACCOUNTS (IFRS)

x € million	30/04/2007	30/04/2006	30/04/2005
Real estate earnings	54.94	46.82	34.95
Net result	31.75	24.61	19.09
EBITDA	42.79	36.14	26.38
Shareholders' equity	70.00	57.18	47.82
Balance sheet total	226.90	229.04	172.13
Dividend paid	19.02	14.38	12.73
<b>% of participating interest</b>	<b>25.00%</b>	<b>25.00%</b>	<b>26.67%</b>

# The year's activities



## **Imolina**

A Luxembourg real estate company, wholly owned by Compagnie du Bois Sauvage.

The rent from the two buildings in Luxembourg have been collected regularly. They have been indexed in accordance with the rules and regulations in force. The company carried out a capital increase in 2007 by incorporating shares in Alora Invest, which it wholly owned as of 31 December 2007.



## **Alora Invest**

A Luxembourg real estate company, wholly owned by the Group.

This company was created in 2007 to group certain real estate assets owned by Compagnie du Bois Sauvage. On 31 December 2007, it owned the greater part of the Group's shareholding in Cofinimmo (see page 19).



## Strategic participating interests

The growing importance of this part of the assets reflects the company's chief aim, which is to acquire minority shareholdings in listed and non-listed companies. It wishes to support talented businessmen and women, whether in the financial or industrial sphere, who require backing at a certain stage of their business development. It thus provides assistance with the financial management, structure and capital stability of the enterprises in which it invests.

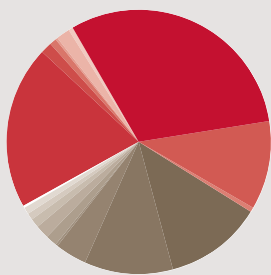
The main investment criteria applied by the Management Committee before presenting any new proposal to the Board of Directors are as follows:

1. understanding of the business sector in which the company operates;
2. confidence in and partnership with current management;
3. quantitative analysis.

## COMPOSITION OF THE GROUP'S PORTFOLIO OF STRATEGIC INTERESTS

Market value at 31 December

x € 1,000 Sector	Market value	Quantity	Closing share price	% of sub-sector	% of ownership
<b>Financial 44%</b>					
CBS Finance	292,014	259,392	1,085.00	98.5%	86.79%
■ Bank Degroof	250,215	1,257,360	199.00		17.29%
■ Berenberg Bank	86,256				12.00%
■ TC Re	4,303	49,998	86.06	1.5%	25.00%
	<b>296,317</b>			<b>100%</b>	
<b>Industrial 34%</b>					
■ Umicore (via Parfina)	87,040	512,000	170.00	37.8%	2.05%
■ Recticel	75,880	7,588,006	10.00	33.0%	26.23%
■ Noël Group (via SurAm)	27,247	5,175,580	5.26	11.8%	26.25%
■ Loan to Noël Group (via SurAm)	1,403			0.6%	
■ Satair	11,022	300,000	36.74	4.8%	7.04%
■ Maignon Developpement (Atrya)	10,518	525,900	20.00	4.6%	50.00%
■ Resilux 06-14 to 7% + warrants	7,500			3.3%	
■ Biobest	5,000	7,729	646.91	2.2%	40.02%
■ Guy Degrenne	3,265	379,609	8.60	1.4%	9.87%
■ Ceran	1,351	8,189	165.00	0.6%	39.95%
	<b>230,226</b>			<b>100%</b>	
<b>Food 20%</b>					
■ Neuhaus	119,812	929,999	128.83	87.3%	100.00%
■ Groupe Fauchon	10,256	683,700	15.00	7.5%	36.00%
■ Ter Beke	4,662	87,966	53.00	3.4%	5.11%
■ Galactic (via Serendip)	2,564	150,000	17.10	1.9%	25.00%
	<b>137,294</b>			<b>100%</b>	
<b>Other 2%</b>					
■ Metrobel	11,265	199,999	56.32	83.5%	100.00%
■ Others	2,228			16.5%	
	<b>13,493</b>			<b>100%</b>	
<b>Total 100%</b>	<b>677,330</b>				



# The year's activities

## Presentation of the principal strategic participating interests

### 1. Financial sector



#### Bank Degroef

Bank Degroef is the leading independent private bank in Belgium, with recognised performances in all its areas of activity: asset management for private and institutional customers, market activities and corporate finance, and credit and structuring activities. Founded in 1871, Bank Degroef has over 950 employees in seven countries to serve its customers.

Bank Degroef's financial year 2006-2007 closed with consolidated net income (Group's share) of € 129.1 million, a 32% increase. Adjusted net current income amounted to € 131.9 million, a 30% increase.

This performance resulted from progress in all the Bank's business activities. Assets under management rose by € 4.1 billion to a total of € 27.5 billion, an increase of 17.7%.

This result was largely due to commercial developments sustained by an economic and stock market environment that remained favourable on the whole.

The level of activity in corporate finance was sustained and registered record profits. The bank's other business activities also progressed significantly.

The latest acquisitions were integrated during financial year 2005-2006 and Bank Degroef consequently benefited fully from them in 2006-2007 and was able to focus on furthering its development.

#### AUDITED CONSOLIDATED ACCOUNTS

x € million	30/09/2007 (IFRS)	30/09/2006 (IFRS)	30/09/2005 (Belgian standards)
Net financial income	324.30	269.90	196.40
Assets under management	27,500.00	24,600.00	19,100.00
Cost / income ratio	49%	52%	70%
Adjusted net current income	131.89	101.73	48.51
Group net result	129.14	97.98	49.56
Group shareholders' equity	545.72	392.81	190.02
Balance sheet total	4,930.81	4,109.39	3,413.15
Dividend paid	46.93	35.29	19.52
<b>% of participating interest</b>	<b>17.29%</b>	<b>13.13%</b>	<b>13.26%</b>



COMPAGNIE DU  
BOIS SAUVAGE



### 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 has 760 employees in Hamburg, Bielefeld, Bremen, Dusseldorf, Frankfurt, Munich, Stuttgart, Wiesbaden, Edinburgh, London, Luxembourg, Milan, Paris, Shanghai and Zurich.

The private banking activity enjoys considerable success in terms of consulting and management among its private customers. The bank has earned numerous awards; last year, it was once again ranked "Best asset manager" by "Fuchsbriefe" and for the last four years has won the "Summa cum laude" distinction by "The Elite of asset managers".

The investment bank continues to strengthen its leadership on Small & Mid caps in Europe. It has built up recognised expertise in research and sales in this field and is the private investment bank most active in Small & Mid caps in Germany.

The bank's subsidiary in Zurich, Berenberg Bank (Schweiz) AG, whose customers include an important number of international investors, experienced strong growth in this activity again last year.

Berenberg Bank is also developing tailor-made asset management models for its institutional customers (insurance companies, pension funds, foundations, etc.).

### AUDITED CONSOLIDATED ACCOUNTS

x € million	31/12/2007	31/12/2006	31/12/2005
Net financial income	246.36	199.90	191.27
Assets under management	19,100.00	15,400.00	12,400.00
Cost / income ratio	62%	61%	52%
Net result	76.86	65.25	61.35
Shareholders' equity	278.13	245.58	220.62
Balance sheet total	4,011.82	3,057.07	2,367.43
Dividend paid	51.48	44.75	38.01
<b>% of participating interest</b>	<b>12.00%</b>	<b>12.00%</b>	<b>12.00%</b>

# The year's activities



## Trade Credit Re

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

In 2007, TCRe continued its development in seven European countries (Belgium, Luxembourg, Italy, France, Spain, Germany and the Netherlands) with particularly strong growth in collection in Germany. Turnover in free provision of services increased sharply, which confirms the product's suitability to market demand.

2007 also saw the start-up of canvassing on the English and Nordic markets.

TCRe is clearly positioned as the credit insurer with the best capacity to propose alternative solutions to traditional credit insurance.

The company's credit insurance portfolio expanded by 27% from € 41.5 million to € 52.8 million.

TCRe closed this third year of activity with its consolidated accounts close to balance.

The company has share capital of € 20 million. Compagnie du Bois Sauvage owns a 25% interest in TCRe. The other shareholders are: management, the Belgian and Luxembourg Delcredere Offices, Pacotra S.A. and Fortis Venturing.

## AUDITED FINANCIAL STATEMENTS

x € million	31/12/2007	31/12/2006	31/12/2005
Gross premiums	29.71	25.68	20.29
Premiums acquired net of reinsurance	1.94	1.97	0.65
Net result	- 0.33	- 0.30	- 1.95
Shareholders' equity	17.21	17.54	17.84
Balance sheet total	40.00	36.62	30.97
Dividend paid	-	-	-
<b>% of participating interest</b>	<b>25.00%</b>	<b>25.00%</b>	<b>25.00%</b>



## 2. Industrial sector



### Parfina (Umicore – Tessenderlo)

A Belgian holding company with a 2.05% interest in Umicore and 0.83% in the Belgian firm Tessenderlo.

In 2007, Umicore continued its strong growth together with its strategic repositioning as a Group specialised in materials technology following the initial public offering on Nyrstar. Umicore continues to lay the foundations for its future growth by investing significant amounts in its R&D activities and internal and external expansion projects.

In 2007, Umicore registered:

- earnings of € 1.91 billion (up 13%);
- EBITDA of € 528.8 million (up 12.3%);
- recurring EBIT of € 359.1 million (up 9.1%);
- adjusted earnings per share of € 9.44 (up 9.3%).

Umicore will pay a gross dividend of € 3.25 per share in 2008. The company cancelled 1.2 million shares in early 2008 and has a share buyback programme under way for an amount of € 400 million, or nearly 10% of its capital.

This participating interest is meant to provide Umicore with a stable shareholding structure and to promote the further development of the strategies being implemented.

Compagnie du Bois Sauvage sold two thirds of its holding in Tessenderlo during 2007. This divestment generated a capital gain of € 6 million. Given the significant downturn in its share price, Compagnie du Bois Sauvage decided to strengthen this position again in early 2008. The Group's total participation in Tessenderlo currently stands at 1.44%.

# The year's activities



## Recticel

Recticel is a Belgian Group present throughout Europe and also active worldwide. It is present in 27 countries, with some 100 establishments and a workforce of 11,590. The Group is active in polyurethane foam processing: flexible foam rubbers, bedding, insulation and the automotive sector.

Turnover for 2007 rose by 9.3% over the 2006 level, to € 1,612 million. EBITDA amounted to € 122 million, representing an increase of 15% compared to 2006. Growth was registered in all divisions, with insulation showing the greatest expansion. The automotive division fulfilled its commitment to increase its EBITDA by at least € 10 million. It rose from € 26 million in 2006 to € 40.6 million in 2007.

In August 2007, following the reshuffling of Recticel's shareholding structure, Rec-Hold became a wholly-owned subsidiary of Compagnie du Bois Sauvage. At the same time, Compagnie du Bois Sauvage exercised its call option on 730,000 Recticel shares on Rec-Man & Co, enabling it to strengthen its overall investment in Recticel and to reinforce its position as reference shareholder. On 30 November 2007, Rec-Hold sold all its Recticel shares to Compagnie du Bois Sauvage.

On 31 December 2007, Compagnie du Bois Sauvage held a 26.23% participating interest in Recticel. This stake was raised to 28.39% at the start of 2008.

## AUDITED CONSOLIDATED ACCOUNTS (IFRS)

x € million	31/12/2007	31/12/2006	31/12/2005
Sales	1,611.80	1,474.40	1,391.60
Group net result	21.50	- 21.20	- 28.00
EBITDA	122.00	106.00	82.10
Group shareholders' equity	215.80	190.20	211.40
Balance sheet total	890.70	919.30	946.50
Dividend paid	7.23	4.82	4.82
% of economic participating interest	26.23%	17.24%	17.24%



### Noël Group

An American holding company specialised in plastic extrusion and organised into its core businesses: insulation, specialised extruded-foam profiles, synthetic wine corks and decoration components.

The key event of 2007 was the entry of a partner into the subsidiary Nomacor<sup>®</sup>, world leader in synthetic wine corks. This operation enabled the Group to earn an important capital gain and thus to strengthen its capacity to invest in additional long-term growth opportunities.

Nomaco (specialised profiles) implemented substantial cost-cutting measures that enhanced its profitability.

In insulation products, the slowdown in the American construction market put downward pressure on prices and influenced margins. The reorganisation and grouping of certain production units partially compensated for the decline in prices.

As a whole, the Group's prospects remain positive.

The participating interest rose to 26.25% in 2007 following the buyback of another 5.55%.

### CONSOLIDATED ACCOUNTS (US GAAP)

x \$ million	31/12/2007	31/12/2006	31/12/2005
Turnover <sup>(1)</sup>	156.97	185.21	177.42
Group net result	107.05	11.44	19.24
EBITDA	122.63	26.71	30.09
Group shareholders' equity	78.04	63.96	62.10
Balance sheet total	116.82	134.84	124.64
Dividend paid	18.67	1.60	5.31
<b>% of participating interest</b>	<b>26.25%</b>	<b>20.70%</b>	<b>19.66%</b>

(1) Turnover for 2007 does not include Nomacor<sup>®</sup>, which is consolidated under the equity method this year.

# The year's activities



## Satair

A Danish company listed on the Copenhagen Stock Exchange, Satair is a world leader in the distribution of logistics services and spare parts for aircraft maintenance and construction.

Compagnie du Bois Sauvage acquired an additional 2.0% interest in Satair in 2007. Its total participating interest stood at 7% at end 2007, for a value of € 9.7 million.

Satair has subsidiaries in the USA, Europe, China and Singapore and a workforce of over 500. In 2007 Satair celebrated its 50th anniversary and closed its accounts in December with the best half-year performance in its history: its earnings rose by over 20%.

The company has put in place a strategic plan known as Delivering 500+. Its aim is to reach turnover of over US \$ 500 million for tax year 2009-2010.

In 2008, Satair is focusing its application of the plan on:

- its growth strategy, while boosting profitability;
- the transition to a new computer system (SAP) that ensures better interaction with its customers and suppliers;
- the extension of its product portfolio in terms of range of products and geographical coverage;
- the strengthening of its relations with its customers and suppliers;
- the development of its staff through training and the recruitment of new employees with high added value.

## AUDITED CONSOLIDATED ACCOUNTS (IFRS)

x US \$ million	30/06/2007	30/06/2006	30/06/2005
Turnover	358.40	261.20	219.10
Group net result	13.70	9.00	3.90
EBITDA	27.40	19.50	12.60
Group shareholders' equity	103.10	91.70	40.10
Balance sheet total	270.30	237.30	136.40
Dividend paid	4.30	3.50	2.00
<b>% of participating interest</b>	<b>7.00%</b>	<b>5.00%</b>	<b>0.00%</b>





### **Atrya (via Matignon Développement)**

A French company founded in Alsace in 1980 by Johannes Tryba, Atrya Group designs, manufactures and sells window and door frames and rolling shutters, as well as a range of accessories and windows.

Atrya is one of the top five in Europe in the manufacture and distribution of PVC, wood and aluminium joinery. It operates the leading French distribution network in this sector.

Starting with the production of 20 window frames a day, Atrya now manufactures 3,500. The Group is represented in 20 European countries and has more than 215 customer centres in France, and 200 partners in the rest of Europe.

The Group has a workforce of over 1,400 in Europe, with nearly 600 employed at the Gundershoffen site (French Lower Rhine), where the registered office is located.

Atrya has 14 production plants in Europe (eight in France, three in Germany, one in Switzerland, one in Belgium and one in Spain). Consolidated turnover amounts to around € 300 million.

From its beginnings, in order to reduce its risk exposure, the Group has diversified into activities presenting strong synergies in terms of purchasing and/or distribution networks. Alongside its traditional offering of window frames, the Group quickly expanded into a range of closing systems (shutters and garage doors).

Over the past eight years, turnover has shown average annual growth of 15% under sound profitability conditions.



### **Resilux**

A Belgian company that manufactures and sells PET pre-form products and bottles.

Compagnie du Bois Sauvage underwrote in December 2006 a subordinated bond issue by Resilux in the amount of € 7.5 million. The loan bears an interest rate of 7% and is accompanied by 166,665 warrants (exercise price of € 45 per share); exercise of the warrants would give the company an 8% participating interest in Resilux.

By agreement with the management of Resilux, the investment is meant to support the further development of strategies already in place.

# The year's activities



## Biobest

A Belgian company, number two worldwide in integrated crop protection, Biobest is specialised in biological pollinisation by bumblebees and in biological pest management using beneficial insects and mites.

Compagnie du Bois Sauvage acquired a 40% interest for a total of € 5 million, alongside Floridienne (via Florinvest 20%) and Domaine d'Argenteuil (40%).

In 2007, Biobest increased its turnover by over 30% to € 26 million. It ended the financial year with profits of € 0.8 million and anticipates considerable growth and higher profits in 2008.

To cope with higher volumes, Biobest made two new investments outside of Belgium in 2007 and doubled its production in Turkey and Morocco.



## Guy Degrenne

A French listed company. The heir to a great cutlery tradition, Guy Degrenne has become a leader in the art of entertaining in the space of a few decades.

Compagnie du Bois Sauvage acquired a 9.9% interest in Guy Degrenne in 2006 for a total of € 3.2 million.

The company has not concluded its reorganisation and will have a negative result on 31 December 2007. During financial year 2007, the company decided to change the closing date of its accounts to 31 March of each year. Financial year 2007 will consequently have 15 months.



## Groupe Ceran

A Belgian firm specialised in language teaching through total immersion.

In 2007, the management of Groupe Ceran acquired a 22% share in the company. Compagnie du Bois Sauvage decided to support this process by increasing its shareholding to 35.95%.

Consolidated turnover has risen 8% to € 9.67 million. This positive performance concerns all the languages taught by the Group, although English remains the number one language taught.

The renovation of the Spa site continued in 2007 and will be completed in 2008. The project has been financed primarily out of the Group's own funds.

The Group's prospects for 2008 are encouraging.

### NON-AUDITED CONSOLIDATED ACCOUNTS (BELGIAN STANDARDS)

x € million	31/12/2007	31/12/2006	31/12/2005
Turnover	9.67	8.95	7.69
Net result	1.13	1.22	0.55
Operating cash flow	2.00	1.55	0.98
Shareholders' equity	3.99	2.99	1.77
Balance sheet total	7.67	7.23	6.48
Dividend paid	0.30	-	-
<b>% of participating interest</b>	<b>35.95%</b>	<b>19.56%</b>	<b>19.56%</b>

### 3. Food sector



#### Neuhaus

The famous Belgian maker of top-of-the-range chocolate products, confectionery and biscuits.

In 2007, Neuhaus Group's turnover rose by 15% to € 96 million. The increase concerns both the Neuhaus and Jeff de Bruges brands. For Neuhaus, this ongoing success stems from the increase in the number of sales outlets converted to the new concept, as well as the development of sales to new customers in Belgium and abroad.

Jeff de Bruges is continuing its growth, which is stimulated by the brand's growing renown and the opening of new sales outlets.

In 2007, Neuhaus celebrated its 150th anniversary. Nine of the world's best known chefs each developed a special chocolate, working with the Neuhaus experts, in honour of the event. All these activities were widely covered in the press and in television interviews.

The main challenges ahead in 2008 are:

- staying in the lead in the creation of new products and packaging;
- continuing the deployment of the new Neuhaus concept in the network;
- increasing the number of Jeff de Bruges shops.

#### AUDITED CONSOLIDATED ACCOUNTS (IFRS)

x € million	31/12/2007	31/12/2006	31/12/2005
Turnover	96.25	83.91	70.88
Group net result	6.95	3.33	1.34
EBITDA	20.38	13.92	8.92
Group shareholders' equity	36.37	29.55	26.54
Balance sheet total	85.45	69.93	70.06
Dividend paid	-	-	0.59
<b>% of participating interest</b>	<b>100%</b>	<b>100%</b>	<b>49.27%</b>

# The year's activities

**FAUCHON**  
PARIS

## Groupe Fauchon

A French company that holds the controlling interest in the famous Paris-based firm, Fauchon.

Following the disposal in June 2005 of all the Paris shops (apart from the historic establishments based at Place de la Madeleine, which makes the accounting data not directly comparable), the Group strengthened its international development with the signature of several new distribution contracts. At the same time, new product lines have met with success, resulting in growth of 11% at comparable Group structure.

The year also saw the opening of a new bakery at 24/26 Place de la Madeleine. Its designer look and elegance appeal to a new clientele, reflecting the aim of modernising the brand as a whole.

Improved margins and a continuing decline in operating costs enabled the Group to cut its net losses significantly.

Compagnie du Bois Sauvage currently holds a participating interest of 36.00% in Groupe Fauchon.

On 31 December 2007, equity (excluding brand valuation and goodwill) was estimated at € 3.4 million.

## AUDITED CONSOLIDATED ACCOUNTS (FRENCH STANDARDS)

x € million	31/03/2007	31/03/2006	31/03/2005
Turnover	33.57	41.01	68.28
Gross margin	16.76	21.38	35.26
Group net result	- 0.84	- 5.76	- 15.90
Group shareholders' equity	4.66	5.46	3.35
Balance sheet total	20.86	23.76	49.39
Dividend paid	-	-	-
<b>% of participating interest</b>	<b>36.00%</b>	<b>35.88%</b>	<b>35.29%</b>



### Ter Beke

Ter Beke is a Belgian fresh foods Group with 11 plants, producing cooked pork for the Benelux markets and cooked pasta for the European market. It is the leader in the pre-packaged cooked pork meat market and the European leader in fresh lasagna. Ter Beke markets its products under the brand names Come a Casa, L'Ardennaise, Pronto, Daniël Coopman, Vamos and Pluma.

In 2007, the Group's turnover amounted to € 367 million, up from € 327 million a year earlier, and its net result came to € 6.07 million, as against € 5.97 million for the previous period.

Ter Beke-Pluma, the Group's pork sector, acquired the Dutch firm Berkhout, active in the cutting and packaging of cooked pork meats, thus becoming the number two operator in this segment in Europe in 2007.

FreshMeals, the Group's convenience foods division, continued its development of the Come a Casa brand of cooked pasta in Belgium.

Growth in sales of the Group's cooked pork meat products resulted primarily from its takeover of Berkhout in September 2007 and the success of its pre-packaged pork products.

The company also implemented an investment programme of over € 20.9 million in 2007.

### AUDITED CONSOLIDATED ACCOUNTS (IFRS)

x € million	31/12/2007	31/12/2006	31/12/2005
Turnover	366.67	326.72	236.24
Group net result	6.07	5.97	5.95
EBITDA	29.27	23.98	21.63
Group shareholders' equity	74.42	71.72	45.36
Balance sheet total	248.07	208.16	134.43
Dividend paid	3.63	3.62	2.88
% of participating interest	5.11%	5.11%	6.45%

## The year's activities



### Galactic (via Serendip)

A Belgian company that produces lactic acid. With a market share of 20%, Galactic is the second largest producer of lactic acid. Its shareholding is 100% Belgian.

Lactic acid, produced from the fermentation of sugar, is used primarily as a food additive but also in the industrial sector as a substitute for traditional petrochemical products. Galactic has production units in Belgium, China and the United States.

Its sales have increased and market prices have strengthened. An export tax introduced in China will oblige the company to limit its exports from its plant in that country and focus on the Chinese domestic market, which is showing sustained growth due to the increase in domestic consumption.

Major investments have been made in Belgium to put new high value-added products on the market in 2008.

Teaming up with Total Petrochemicals, Galactic has set up a 50/50 joint venture (Futerro) that will continue the development of PLA technology (a biodegradable plastic produced from lactic acid). This collaboration will take the form of a pilot unit installed on the Escanaffles site. The development programme will run for four years. It has a budget of € 24 million.

Compagnie du Bois Sauvage holds a 25% participating interest in Serendip, whose sole asset is a 45% interest in Galactic.

### GALACTIC - AUDITED FINANCIAL STATEMENT

x € million	31/03/2007	31/03/2006	31/03/2005
Turnover	28.69	23.95	24.98
Net profit	0.78	- 0.29	- 0.11
EBITDA	3.06	2.06	2.49
Shareholders' equity	14.83	14.09	14.52
Balance sheet total	25.99	27.03	25.51
<b>% of participating interest</b>	<b>11.25%</b>	<b>11.25%</b>	<b>11.25%</b>



## 4. Other participating interests



### **Metrobel**

A Belgian firm, formerly in real estate and now a holding company.

The Group's holdings in Chemcom (see opposite), Euroscreen (see opposite), H-Phar (page 38), Nanocyl (page 38) and XDC (page 38) have been housed in Metrobel since 2006 and Allegro since 2007.

Metrobel also subscribed to the three convertible bond issues:

- € 2.5 million in Europal, a Belgian company that provides tailor-made integrated solutions for all packaging needs. Potential shareholding over the longer term: 15%.
- € 1 million in Eurogarden, a Belgian venture specialised in garden maintenance equipment and which also offers a wide range of spare parts. Potential shareholding over the longer term: 9%.
- € 1.5 million in Dordogne Périgord Investissements, the parent company of the French firm Jean Ducourtieux, which makes biscuits and dough for bakeries. Potential shareholding over the longer term: 22.5%.

Interest on these loans is paid regularly.



### **ChemCom**

A Belgian firm that is expected to become an international reference in the world of olfactory communication by helping companies discover, select and refine interesting products in the fields of taste and olfaction.

In 2007, ChemCom concluded a major joint venture agreement with Givaudan, the world leader in the fragrance and perfume industry. This partnership marks the creation of a single expertise centre combining biotechnology and perfumery expertise and experience.



### **Euroscreen**

A Belgian biotechnology firm focusing on cellular receptors. The company identifies and describes new receptors as pharmacological targets for the development of medicines.

Euroscreen carried out the sale of its Products Division in January 2007 for € 14 million. Following the disposal, Euroscreen reimbursed capital of € 7 million in April 2007.

# The year's activities



## H-Phar

A Belgian pharmaceutical company. Its main activity includes research and development of a new molecule (a new type of therapy) for the treatment of AIDS (HIV). H-Phar is working with several groups on the development of azodicarbonamide (ADA).

Compagnie du Bois Sauvage acquired a 12% share in H-Phar in 2006 at a cost of € 1.2 million.



## Nanocyl

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

Compagnie du Bois Sauvage holds a 5.3% interest in Nanocyl alongside the following principal shareholders: CNP, SRIW, Namur Invest, Privast Capital Partners and a number of private investors.

In 2007, Nanocyl moved into the industrial production stage following the start-up of its 40-tonne reactor.



## XDC

Having equipped 350 cinemas in Europe, XDC is the European leader in digital cinema. It also handles digital content distribution logistics.

Compagnie du Bois Sauvage holds a 3% interest and in 2007 underwrote in proportion to its shareholding a bond issue with warrants in the amount of € 7.5 million.



## Simonis Plastic

A Belgian firm specialised in precision plastics injection.

Compagnie du Bois Sauvage, along with other investors, has supported the activities of Simonis Plastic for a number of years. Together they have decided to give a private investor, who is familiar with the sector, the opportunity to acquire the company. The sale is staggered over a three-year period (with guaranteed payment).



## Parfimmo

A Belgian holding company, wholly owned by Compagnie du Bois Sauvage.

In 2007, Compagnie du Bois Sauvage and Banque Degroof decided to put an end to their collaboration in Parfimmo, in which they held equal shares.

Parfimmo's assets were sold to its shareholders in proportion to their investment and Compagnie du Bois Sauvage took over the Parfimmo structure, which no longer holds a participating interest.

Umicore's holding was transferred to Parfina (see page 27) and the interest in Cofinimmo is now held by Alora Invest (see page 22).





### Rec-Hold

A Belgian holding company.

In 2007, Compagnie du Bois Sauvage acquired the 37.15% outstanding share in Rec-Hold. Recticel's participating interest in Rec-Hold was sold to the outgoing shareholders in proportion to their ownership.



### Compagnie du Bois Sauvage (Nederland)

A wholly owned Dutch subsidiary.

This company implemented a bond issue in 2003 totalling € 75 million, falling due in November 2008 and offering a 5.5% coupon.

Since 2006, Compagnie du Bois Sauvage (Nederland) has held a 100% interest in Surongo America, Inc.

In 2007, the company increased its capital with a view to strengthening its real estate business and acquiring 100% of Imolina, a company incorporated under the laws of Luxembourg whose activities are described above.



### Compagnie du Bois Sauvage Services

A Belgian firm that provides accounting and administrative services for Group companies.

This company invests primarily in IT equipment and provides quality assurance for the IT system, vital to the Group's proper functioning. It is wholly owned by Compagnie du Bois Sauvage.

## AUDITED FINANCIAL STATEMENTS

x € million	31/12/2007	31/12/2006	31/12/2005
Financial income	3.78	11.20	4.43
Net result	-1.49	6.45	0.06
Shareholders' equity	97.13	18.62	12.18
Balance sheet total	172.78	94.25	87.88
Dividend paid	-	-	-
<b>% of participating interest</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

# The year's activities

## Other financial assets

### Cash

In addition to Delhaize, Fortis, Fortis Banque and KBC, the other headings of over € 5 million held as of 31 December 2007 concern Technip, Dexia and Solvay.

#### OTHER FINANCIAL ASSETS – GROUP CASH

Market value at 31 December

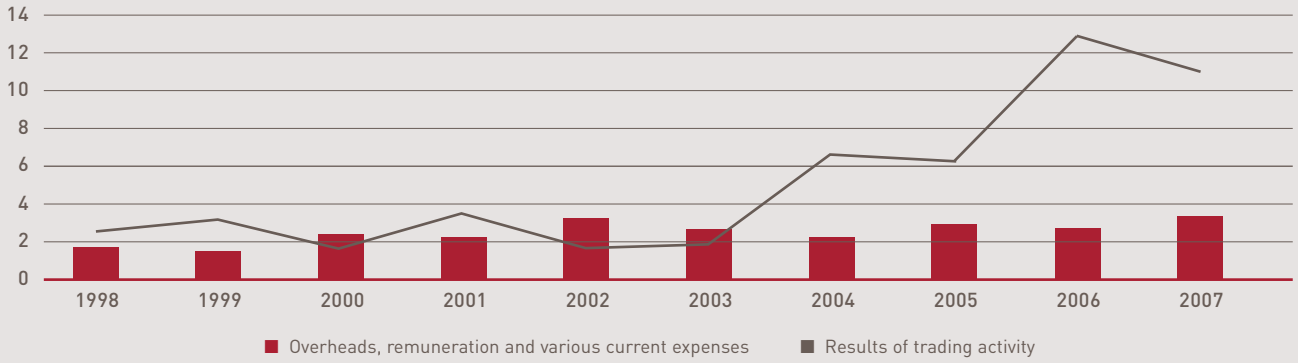
	x € 1,000	Market value	Quantity	Closing share price	% of sector
Consolidated cash		19,055			8%
Fortis		91,300	5,069,400	18.01	36%
Fortis Bank		9,371	64,581	145.10	4%
Delhaize		45,150	750,000	60.20	18%
KBC Groep		28,860	300,000	96.20	11%
Technip		13,080	240,000	54.50	5%
Dexia		6,892	400,000	17.23	3%
Tessenderlo		7,607	229,120	33.20	3%
Solvay		6,890	72,000	95.70	3%
Sanofi-Adventis		4,031	64,000	62.98	2%
Vallourec		3,703	20,000	185.15	1%
Vinci		3,039	60,000	50.65	1%
SBM Offshore		3,024	140,000	21.60	1%
Mobistar		2,490	40,000	62.25	1%
Other (7 items)		9,352			4%
<b>Total</b>		<b>253,844</b>			<b>100%</b>

This portfolio makes it possible, among other things, to carry out the derivatives trading activity, which concerns covered options. This registered activity results of € 10.5 million in 2007, compared to € 12.4 million in 2006.

Since 1997, this activity has amply covered the general overheads of Compagnie du Bois Sauvage.

### COVER OF OVERHEADS AND REMUNERATION BY THE TRADING ACTIVITY

x € 1,000,000



## Distribution of profits

x €

The result for the financial year amounted to	217,180,069.94
To which is added profit carried forward	116,085,287.47
<b>Making up the profit available for distribution</b>	<b>333,265,357.41</b>

We propose to allocate this amount as follows:

- legal reserve	-
- distribution of a gross dividend of € 9.40	14,323,804.60
- payment of directors' fees of Compagnie du Bois Sauvage	678,496.01
<b>To be carried forward</b>	<b>318,263,056.80</b>

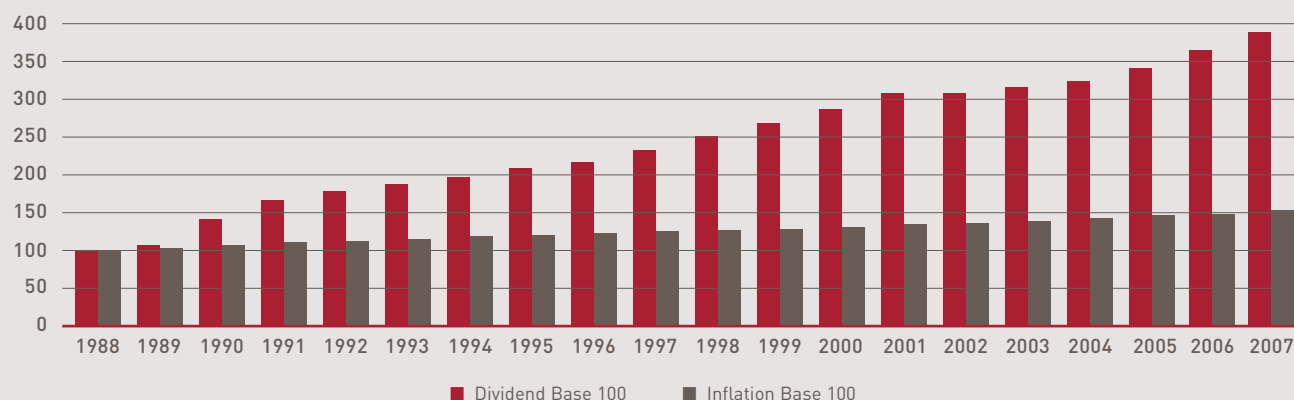
If these proposals are approved, the gross dividend of € 9.40 will be payable with effect from 30 April 2008, at the registered office and over the counter at branches of Fortis Bank and Bank Degroof, upon presentation of coupon n° 19.

This dividend represents an increase of 6.82% over the previous year's payout. Calculated on the basis of the share price as of 31 December 2007, it constitutes a gross return of 2.52%.

After profit distribution, the Company's equity capital will amount to € 523,152,406.55.

### DIVIDEND VERSUS INFLATION

Base 100





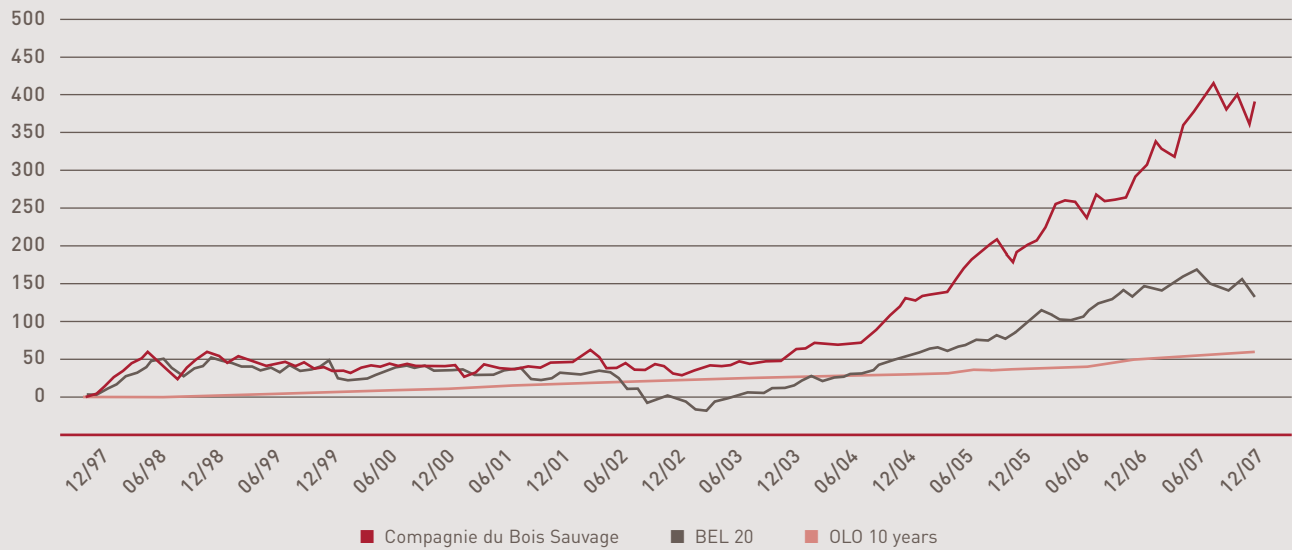
### TOTAL RETURN FROM 31 DECEMBER 1997 TO 31 DECEMBER 2007

	Total return	Annual
Compagnie du Bois Sauvage	395.87%	17.35%
BEL 20	135.43%	8.93%
OLO 10 YEARS	56.95%	4.61%

Source: Bloomberg.

### TOTAL RETURN COMPAGNIE DU BOIS SAUVAGE VS BEL 20 AND OLO 10 YEARS

In %



## Portfolio valuation at 31 December 2007

The intrinsic value before distribution of the Compagnie du Bois Sauvage dividend was calculated on 31 December 2007.

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 collected or by an independent expert;
- no liquidation tax is calculated;
- no corporate liability is taken into account;
- the market share price as of 31 December 2007 is used for the valuation of the listed companies.

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

The shareholdings in Bank Degroof, Berenberg Bank, Noël Group and Neuhaus were valued at market price.

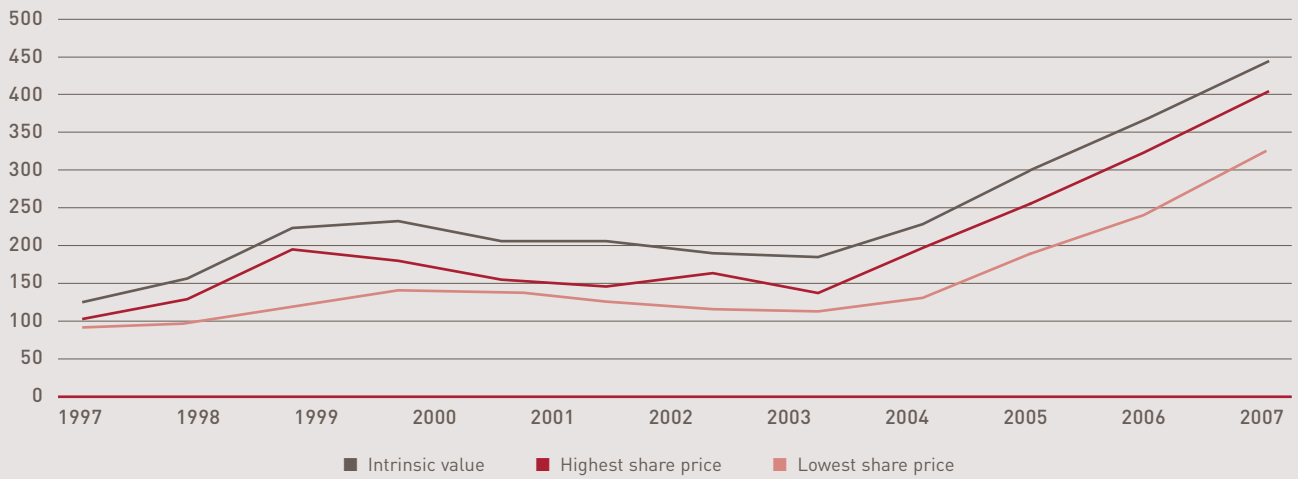
### THE INTRINSIC VALUE HAS EVOLVED AS FOLLOWS:

	31/12/2007	31/12/2006
"Fully diluted" intrinsic value	<b>448.11</b>	364.25
"In the money" intrinsic value	<b>448.11</b>	364.25

The "fully diluted" intrinsic value implies the conversion of all outstanding convertible bonds and the exercise of all outstanding warrants and options.

The "in the money" intrinsic value implies the conversion of only those convertible bonds and the exercise of only those warrants or options whose conversion price or exercise price is below the market share price.

### EVOLUTION OF THE "FULLY DILUTED" INTRINSIC VALUE



### COMPAGNIE DU BOIS SAUVAGE VERSUS BEL 20

Base 100



# Prospects for 2008

## Projects

Since the beginning of 2008, Compagnie du Bois Sauvage has carried out a number of investments totalling € 10.5 million. It has acquired:

- 700,000 Recticel shares for a total of € 5.7 million;
- 170,000 Tessenderlo shares for € 4.8 million.

Compagnie du Bois Sauvage sold its stake in the American company Surno for US \$ 4.1 million.

Among the investment projects currently under review, to date there is no significant project being implemented. Compagnie du Bois Sauvage nonetheless continues to closely study any proposal that could strengthen its existing business areas.

## Outlook

The Board considers that, save in the case of a downturn in the global economy, the operating result can be expected to rise over 2007 (excluding Noël Group capital gain). Prospects for net results will depend in large measure on the evolution of stock exchanges.

## Corporate sponsorship

Continuing its policy of three-year sponsorship, the Company has participated in events promoting the non-profit association "Les Amis de la Cathédrale" (Friends of the Cathedral) and in support of the Queen Elisabeth Competition and the Queen Paola Foundation. It has also continued its support for the Business Club put in place by the non-profit association Promethéa.

Compagnie du Bois Sauvage has also supported initiatives providing training for underprivileged young people in Brussels (non-profit association FTQP) and for women and children in distress (non-profit association "Les Amis de Sœur Emmanuelle").

In collaboration with UCL (Catholic University of Louvain), Compagnie du Bois Sauvage has created the Compagnie du Bois Sauvage Research Award. It rewards the work of research teams in the field of social sciences. In 2007, the award was presented to Marthe Nyssens, professor at UCL and member of the EMES European Research Network, for her book "Social Enterprise".





COMPAGNIE DU  
BOIS SAUVAGE

# Financial statements

## 2007 Financial year

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**Consolidated financial  
statement for the period  
ended 31 December 2007**  
presented to the General  
Meeting on 23 April 2008.

## Consolidated balance sheet at 31 December

x € 1,000	2007	2006 adjusted <sup>(1)</sup>
<b>Non-current assets</b>	<b>763,366</b>	<b>482,318</b>
Tangible assets	27,611	25,358
Investment buildings	42,935	40,805
Goodwill	10,962	10,962
Intangible assets	8,011	7,371
Shareholdings consolidated using equity method	121,292	107,591
Available-for-sale shareholdings	534,849	267,681
Other assets	17,044	22,009
Deferred tax assets	662	541
<b>Current assets</b>	<b>332,234</b>	<b>397,414</b>
Inventories	8,907	7,858
Customers and other debtors	51,808	38,720
Tax assets payable	4,701	3,592
Financial assets designated at fair value through profit and loss	233,949	279,194
Other assets	1,907	1,144
Cash and cash equivalents	30,962	66,906
<b>Non-current assets held for sale</b>	<b>344</b>	<b>0</b>
<b>Total assets</b>	<b>1,095,944</b>	<b>879,732</b>

(1) The 2006 balance sheet has been revised for non-significant amounts, with an impact on the opening shareholders' equity as at 1 January 2006 of € - 2.8 million.

x € 1,000	2007	2006 adjusted <sup>(1)</sup>
<b>Shareholders' equity</b>	<b>706,011</b>	<b>560,164</b>
<b>Group equity</b>	<b>656,004</b>	<b>555,494</b>
Capital	194,686	194,961
Undistributed profit	224,762	221,074
Reserves	236,556	139,459
Minority interests	50,007	4,670
<b>Liabilities</b>	<b>389,933</b>	<b>319,568</b>
<b>Non-current liabilities</b>	<b>222,350</b>	<b>232,147</b>
Interest-bearing liabilities	212,173	217,360
Provisions	882	1,044
Deferred tax liabilities	9,055	13,607
Other non-current liabilities	240	136
<b>Current liabilities</b>	<b>167,583</b>	<b>87,421</b>
Interest-bearing liabilities	126,672	47,802
Provisions	166	2,740
Suppliers and other creditors	19,081	24,315
Tax liabilities payable	10,218	7,141
Other liabilities	11,446	5,423
<b>Total liabilities and shareholders' equity</b>	<b>1,095,944</b>	<b>879,732</b>

(1) The 2006 balance sheet has been revised for non-significant amounts, with an impact on the opening shareholders' equity as at 1 January 2006 of € - 2.8 million.



## Consolidated profit and loss accounts at 31 December

x € 1,000	2007	2006 adjusted <sup>(1)</sup>
<b>Operating income</b>	<b>135,921</b>	<b>114,958</b>
Sales	100,581	86,814
Interest and dividends	30,021	22,703
Rental income	3,872	3,987
Other income	1,447	1,454
<b>Operating expenses</b>	<b>-106,521</b>	<b>-97,890</b>
Purchasing	-55,967	-50,587
Personnel expenses	-28,981	-26,796
Amortisations, impairments and provisions	-1,459	-6,788
Financial expenses	-18,824	-13,045
Other expenses	-1,290	-674
<b>Share in the profit of shareholdings consolidated using the equity method</b>	<b>28,864</b>	<b>5,146</b>
<b>Operating income before disposals and changes in fair value</b>	<b>58,264</b>	<b>22,214</b>
Earnings on disposals	24,528	21,525
Changes in fair value	-45,129	31,002
<b>Pre-tax profits</b>	<b>37,663</b>	<b>74,741</b>
<b>Income taxes on profits</b>	<b>-14,517</b>	<b>-8,808</b>
<b>Profit for the year</b>	<b>23,146</b>	<b>65,933</b>
Group's share	19,945	63,667
Minority interests	3,201	2,266

(1) The consolidated result at 31 December 2006 was adjusted for a non-significant amount of € - 0.4 million.

### EARNINGS FOR THE YEAR PER SHARE AT 31 DECEMBER

x € 1,000	2007	2006 adjusted <sup>(1)</sup>
<b>Basic</b>	<b>13.09</b>	<b>41.89</b>
<b>Diluted</b>	<b>12.40</b>	<b>39.65</b>

(1) The consolidated result at 31 December 2006 was adjusted for a non-significant amount of € - 0.4 million.

## Consolidated table of changes in shareholders' equity

x € 1,000	Capital		Reserves			Group equity	Minority interests	Equity
	Share capital	Share premiums	Reserves for re-evaluation of available-for-sale share-holdings	Translation difference	Undistributed profit			
<b>Balance at 31 December 2005</b>	112,587	73,399	82,143	1,698	166,986	436,813	16,905	453,718
Adjustment		-1,414	-2,190	-8	820	-2,792		-2,792
<b>Adjusted balance at 31 December 2005</b>	112,587	71,985	79,953	1,690	167,806	434,021	16,905	450,926
Available-for-sale shareholding								
Change in fair value	-	-	62,961	-		62,961	-	62,961
Change in scope of consolidation	-	-	-	-	-76	-76	-14,501	-14,577
Change in translation differences	-	-	-	-5,145	1,932	-3,213	-	-3,213
Other	-	-	-	-	545	545	-	545
<b>Net profit entered directly in shareholders' equity</b>	-	-	<b>62,961</b>	<b>-5,145</b>	<b>2,401</b>	<b>60,217</b>	<b>-14,501</b>	<b>45,716</b>
Net profit for the year	-	-	-	-	63,667	63,667	2,266	65,933
<b>Total income and expenses recognised</b>	-	-	<b>62,961</b>	<b>-5,145</b>	<b>66,068</b>	<b>123,884</b>	<b>-12,235</b>	<b>111,649</b>
Dividends paid	-	-	-	-	-12,800	-12,800	-	-12,800
Takeover bid/public exchange share offer on Neuhaus	3,222	7,167	-	-	-	10,389	-	10,389
<b>Balance at 31 December 2006</b>	<b>115,809</b>	<b>79,152</b>	<b>142,914</b>	<b>-3,455</b>	<b>221,074</b>	<b>555,494</b>	<b>4,670</b>	<b>560,164</b>
Available-for-sale shareholding								
Change in fair value	-	-	104,899	-	-	104,899	7,673	112,572
Transfer to profit and loss of change in fair value	-	-	-3,094	-	-	-3,094	-	-3,094
Change in scope of consolidation	-	-	-	-	-	-	34,463	34,463
Change in translation differences	-	-	-	-4,708	-	-4,708	-	-4,708
Other	-	-	-	-	-3,130	-3,130	-	-3,130
<b>Net profit entered directly in shareholders' equity</b>	-	-	<b>101,805</b>	<b>-4,708</b>	<b>-3,130</b>	<b>93,967</b>	<b>42,136</b>	<b>136,103</b>
Net profit for the year	-	-	-	-	19,945	19,945	3,201	23,146
<b>Total income and expenses recognised</b>	-	-	<b>101,805</b>	<b>-4,708</b>	<b>16,815</b>	<b>113,912</b>	<b>45,337</b>	<b>159,249</b>
Dividends paid	-	-	-	-	-13,410	-13,410	-	-13,410
Other	-	-275	-	-	283	8	-	8
<b>Balance at 31 December 2007</b>	<b>115,809</b>	<b>78,877</b>	<b>244,719</b>	<b>-8,163</b>	<b>224,762</b>	<b>656,004</b>	<b>50,007</b>	<b>706,011</b>



## Table of changes in shareholders' equity

x € 1,000	2007	2006
<b>Income before taxes</b>	<b>37,663</b>	<b>74,741</b>
Adjustments		
Income from disposals	-24,528	-21,525
Changes in fair value	45,129	-31,002
Share of income from participating interests using the equity method	-28,864	5,146
Financial charges	18,824	13,045
Income from interest and dividends	-30,021	-22,702
Depreciations, write-downs and provisions	1,459	6,788
Others	2,278	-6,627
Changes in need for revolving funds		
Elements of current assets	2,139	-8,041
Elements of current liabilities	-2,191	10,139
Interest paid	-18,252	-12,872
Interest received	4,843	3,864
Dividends received		
Participating interests using the equity method	18,269	4,720
Other shares	25,007	19,135
Taxes paid	-14,695	-8,912
<b>Cash flow from operational activities</b>	<b>37,060</b>	<b>25,897</b>
Acquisitions / disposals of shares	-168,489	-20,826
Acquisitions / disposals of other financial instruments	39,368	-69,721
Acquisitions / disposals of investment real property	5,375	2,915
Acquisitions / disposals of other fixed assets	-8,694	-3,696
<b>Cash flow from investment activities</b>	<b>-132,440</b>	<b>-91,328</b>
Loan issuance	122,689	40,408
Loan repayments	-48,148	-12,497
Capital increase	8	10,389
Dividends paid	-13,410	-12,800
<b>Cash flow from financing activities</b>	<b>61,139</b>	<b>25,500</b>
<b>Net cash flow for the financial period</b>	<b>-34,241</b>	<b>-39,931</b>
Cash and cash equivalents at beginning of the financial period	66,906	107,087
Effect of changes on cash and equivalents in currency	-1,703	-250
<b>Cash and cash equivalents at the end of the financial period</b>	<b>30,962</b>	<b>66,906</b>

# Auditor's report

**Deloitte.**

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## COMPAGNIE DU BOIS SAUVAGE SA

### STATUTORY AUDITOR'S REPORT TO THE SHAREHOLDERS' MEETING ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

To the shareholders

As required by law and the company's articles of association, we are pleased to report to you on the audit assignment which you have entrusted to us. This report includes our opinion on the consolidated financial statements together with the required additional comment.

#### Unqualified audit opinion on the consolidated financial statements

We have audited the accompanying consolidated financial statements of COMPAGNIE DU BOIS SAUVAGE SA ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium. Those consolidated financial statements comprise the consolidated balance sheet as at 31 December 2007, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated balance sheet shows total assets of 1,095,944 (000) EUR and the consolidated income statement shows a consolidated profit (group share) for the year then ended of 19,945 (000) EUR.

The financial statements of several significant entities included in the scope of consolidation have been audited by other auditors. Our opinion on the accompanying consolidated financial statements, insofar as it relates to the amounts contributed by those entities, is based upon the reports of those other auditors.

The board of directors of the company is responsible for the preparation of the consolidated financial statements. This responsibility includes among other things: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with legal requirements and auditing standards applicable in Belgium, as issued by the "Institut des Reviseurs d'Entreprises/Institut der Bedrijfsrevisoren". Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

Member of  
Deloitte Touche Tohmatsu

Deloitte Bedrijfsrevisoren / Reviseurs d'Entreprises BV o.v.v.e. CVBA/SC s.f.d. SCRL  
Burgerlijke vennootschap onder de vorm van een coöperatieve vennootschap met beperkte aansprakelijkheid / Société civile sous  
forme d'une société coopérative à responsabilité limitée  
Registered Office: Louizalaan 240 Avenue Louise, B-1050 Brussels  
VAT BE 0429 053 863 - RPR Brussel/RPM Bruxelles - Fortis 230-0046561-21



In accordance with these standards, we have performed procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the group's internal control. We have assessed the basis of the accounting policies used, the reasonableness of accounting estimates made by the company and the presentation of the consolidated financial statements, taken as a whole. Finally, the board of directors and responsible officers of the company have replied to all our requests for explanations and information. We believe that the audit evidence we have obtained, together with the reports of other auditors on which we have relied, provides a reasonable basis for our opinion.

In our opinion, and based upon the reports of other auditors, the consolidated financial statements give a true and fair view of the group's financial position as of 31 December 2007, and of its results and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the EU and with the legal and regulatory requirements applicable in Belgium.

**Additional comment**

The preparation and the assessment of the information that should be included in the directors' report on the consolidated financial statements are the responsibility of the board of directors.

Our responsibility is to include in our report the following additional comment which does not change the scope of our audit opinion on the consolidated financial statements:

- The directors' report on the consolidated financial statements includes the information required by law and is in agreement with the consolidated financial statements. However, we are unable to express an opinion on the description of the principal risks and uncertainties confronting the group, or on the status, future evolution, or significant influence of certain factors on its future development. We can, nevertheless, confirm that the information given is not in obvious contradiction with any information obtained in the context of our appointment.

Diegem, 31 March 2008

**The statutory auditor**

**DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises**  
BV o.v.v.e. CVBA / SC s.f.d. SCRL  
Represented by



Michel Denayer



Eric Nys







**2007 ANNUAL REPORT**

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