

ANNUAL REPORT

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COMPAGNIE DU  
BOIS SAUVAGE

MANAGEMENT REPORT OF THE BOARD OF DIRECTORS OF THE COMPAGNIE DU BOIS SAUVAGE TO THE  
ANNUAL MEETING OF SHAREHOLDERS ON 27 APRIL 2011  
Financial Year 2010

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**Compagnie du Bois Sauvage is a holding company with a patrimonial matter incorporated under Belgian law and listed on NYSE Euronext Brussels, with a stable “family” main shareholder.**

It wants to concentrate on a limited number of participations, mainly industrial, listed or not.

It wishes to influence the companies it invests in, particularly in the choice of the management and in the definition of the strategic orientations. It also provides support to operational management and help in financial management.

Its view as a long-term shareholder is a warranty of stability.

Vigilant with regards to the interest of its own shareholders, it requires a recurring income from its investments in order to allow the distribution of a dividend, if possible, in regular growth.

In the future, it aims not to depend on credit and to maintain the necessary resources for the industrial development of the companies in the Group.

## 1. LETTER TO THE SHAREHOLDERS

Despite an uncertain economic environment, 2010 was marked by a progressive recovery of the world economy and by good stock market performances.

In this context, Compagnie du Bois Sauvage continued to implement the refocusing of its activities and reducing its net debt.

Taking account of the disposal of the holding in Bank Degroof which the closing has been finalised on 31 January 2011, the Group's net debt was reduced by more than EUR 200 million, from EUR 249 million at 31 December 2009 to EUR 43 million at the end of 2010. At the time of writing, the company had repaid all its bank loans except for a credit line of USD 17 million used to cover its property investments in American dollars.

The operational result is in line with forecast at EUR 25.9 million, once again demonstrating the good performance and the quality of the Group's assets.

The Group's share of net result at EUR 108.6 million was strongly influenced by the sale of the Degroof Bank holding, on which the Company realised a gain of EUR 89.1 million, the most of which has already been accounted in equity.

The Group's comprehensive income is EUR 54.3 million. This amount corresponds to the Group's share of net result mainly adjusted by EUR 85.3 million (part of the gain on the sale of participation in Bank Degroof that had already been accounted in equity) and by the fair value variations of the shareholdings in Berenberg Bank (EUR -9.3 million), in Umicore (EUR 28.6 million) and in Satair (EUR 5.1 million).

After payment of the 2009 dividend (EUR 10.3 million), the Group's reserves have increased by EUR 42.6 million.

The "Operating income before disposals and change in fair value" of EUR 25.9 million, an improvement of EUR 3.4 million in relation to 2009, takes into account in 2010 of:

- The 13% increase of the turnover of Neuhaus, a wholly-owned subsidiary, and the sustaining of its excellent operational profitability
- The improvement of the results of the equity method companies at EUR 5.6 million in 2010 as compared with EUR 3.2 million in 2009.

The Company is proposing to continue its dividend growth policy and to take the dividend to EUR 6.80 gross per share.

During 2010, the Company:

- Bought out the minority shareholders of CBS Finance (13.2%), thus enabling it to hold the entirety of its capital. As a reminder, CBS Finance holds shares in Berenberg Bank (12%) and hold the Group's shareholding in Bank Degroof (16%);
- Sold all of its holding in Bank Degroof (16%);
- Sold its shareholding of 5% in Atrya;
- Slightly reduced its holdings in Umicore (disposal of 100,000 shares), in Ter Beke (disposal of 11,000 shares) and in Satair (disposal of 50,000 shares);
- Reduced its shareholdings in Cofinimmo (disposal of 260,000 shares) and the level of its cash portfolio (approximately EUR 10 million, mainly in Delhaize, ING, Sibelco and Tessenderlo);

- Feed up the sum of USD 2.5 million in the real estate partnership DSF Capital (Boston);
- Feed up the sum of USD 2.3 million in the Gotham City (New York) real estate partnership;
- Subscribed an amount of USD 2.8 million (29.8%) in the Zeb Land real estate partnership, which had purchased the main industrial real estate asset of Noël Group;
- Repurchased and cancelled Compagnie du Bois Sauvage 2005-2012 bonds for an amount of EUR 3.5 million.

Following the authorisation given by the Extraordinary General Meeting of 28 April 2010 for the buy-back of its own shares, the Company entrusted a mandate to carry out the programme. At 31 December 2010, 8,063 shares had been bought back for a total amount of EUR 1.6 million.

Measures seeking to improve information for shareholders were continued: the Corporate Governance Charter is available on the website, contacts with analysts and investors have been continued, the intrinsic value is published monthly and the detailed composition of the portfolio is again included, on Pages 23, 24, 29 and 44 of this report.

The average daily number of traded shares in 2010 was 446.

The company was indicted on 11 September 2009 on the charge of insider dealing, forgery and use of forgery in the context of the disposal of part of its portfolio of Fortis shares on 3 October 2008. The company disputes the violation alleged in the indictment, and the investigation is still ongoing.

On proposal of the main shareholder, the Board of Directors has taken care to adapt the Group's strategy for the upcoming years (see Pages 1 and 23 of this report).

Taking account of the newly adopted strategy, the Board of Directors is proposing a capital reduction of EUR 26 per share, thus meeting the main shareholder's request.

The Compagnie du Bois Sauvage thanks its shareholders for the confidence and support displayed over the year. Its thanks are similarly addressed to all the Group's employees for their professionalism and sincere co-operation.

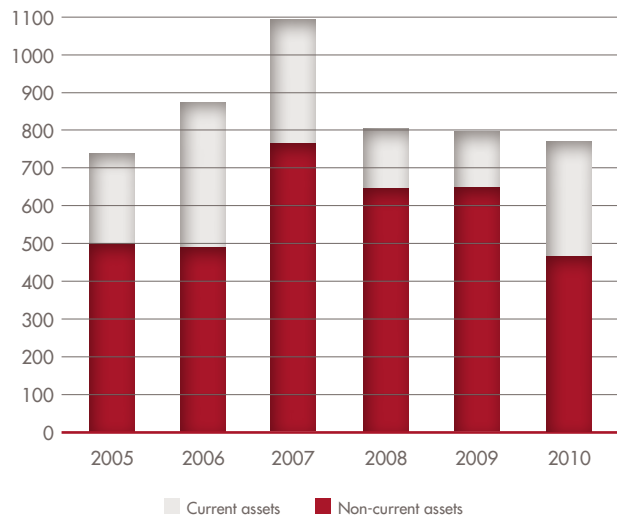
**The Managing Director**  
Vincent Doumier

**The Chairman**  
Michel Delloye

## 2. KEY FIGURES AT 31 DECEMBER

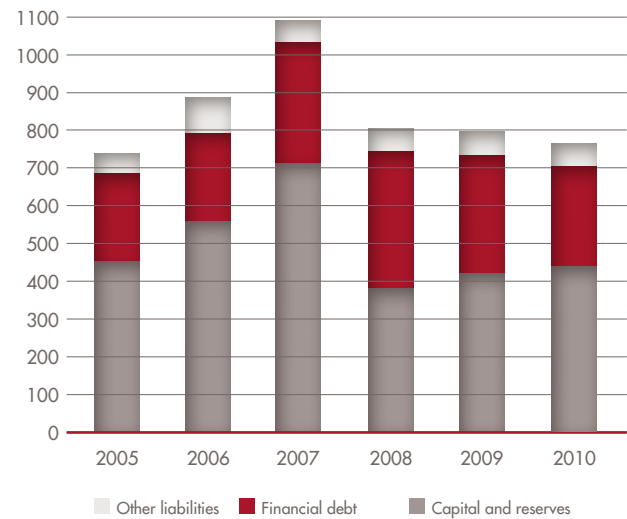
### ASSETS – HISTORICAL TREND

Consolidated accounting figures (in € million)



### LIABILITIES – HISTORICAL TREND

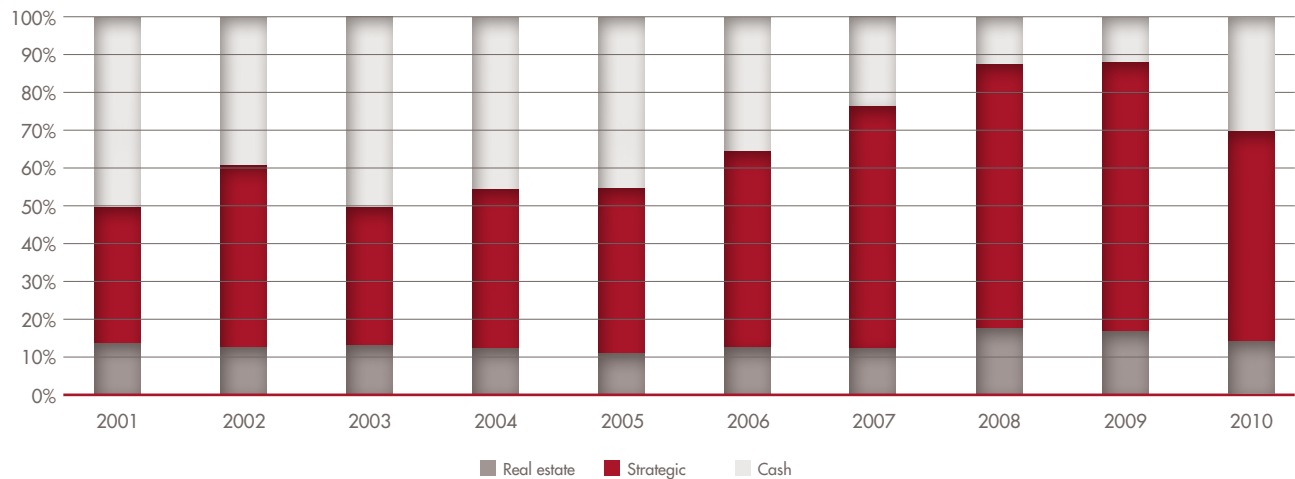
Consolidated accounting figures (in € million)



### CONSOLIDATED PORTFOLIO TREND

Market Value at 31 December <sup>(1)</sup>

Total € 388,637,926 394,607,344 433,982,200 487,331,287 655,300,460 838,563,340 1,060,667,920 757,680,115 758,571,487 813,968,415



(1) See Page 23 and 48: Portfolio Valuation.

## 2. KEY FIGURES AT 31 DECEMBER

x € 1.000	2010	2009	2008	2007
Shareholders' Equity (Group)	<b>416,002</b>	373,372	341,330	656,004
Rectified Shareholder's Equity <sup>(1)</sup>	<b>519,299</b>	451,624	425,267	727,701
Consolidated Net Result (Group Share)	<b>108,593</b>	6,062	-181,926	19,945
Market Capitalization at the End of the Financial Year	<b>317,230</b>	264,082	237,063	568,366

(1) Rectified Shareholder's Equity correspond to the Group equity, corrected by the difference between the market value of the Neuhaus Group and its consolidation value.

	2010	2009	2008	2007
<b>Number of Shares</b>				
In circulation	<b>1,562,710 <sup>(1)</sup></b>	1,562,710	1,562,710	1,523,809
In the money	<b>1,620,972</b>	1,562,710	1,562,710	1,886,805
Fully diluted	<b>1,893,422</b>	1,891,855	1,888,705	1,886,805
<b>Consolidated Net Result Per Share (Group Share) (EUR)</b>				
In circulation	<b>69.49</b>	3.88	-116.42	13.09
In the money <sup>(2)</sup>	<b>66.99</b>	3.88	-116.42	10.57
Fully diluted <sup>(2)</sup>	<b>57.35</b>	3.20	-116.42	10.57
<b>Year and Intrinsic Value Per Share at Closure (EUR)</b>				
In the money <sup>(2)</sup>	<b>325.97</b>	269.52	252.02	448.11
Fully diluted <sup>(2)</sup>	<b>319.19</b>	268.33	253.85	448.11
<b>Gross Dividend Per Share</b>	<b>6.80</b>	6.60	6.40	9.40

(1) Including 8,063 own shares held by Compagnie du Bois Sauvage at 31 December 2010.

(2) See definition on Page 48

	2010	2009	2008	2007
Average Daily Traded Volume	<b>446</b>	463	480	723
Average Daily Capital (EUR)	<b>81,861</b>	76,141	126,421	263,833
<b>Prices (EUR)</b>				
Closure	<b>203.00</b>	168.99	151.70	372.99
Highest	<b>205.72</b>	189.00	373.60	405.00
Lowest	<b>162.00</b>	140.00	132.00	321.10

### 3. HISTORY AND ORIGIN OF THE GROUP

The name 'Bois Sauvage' originated from the site of the company's registered offices in Brussels. Many years ago, the area known as 'Bois Sauvage' - a distortion of the Dutch name 'Wilder Wouter' - lay between the Saint Michel and Saint Gudule Cathedral and the first wall around the City of Brussels.

All that remains of this 13th century wall are a few sections and in particular the Bois Sauvage arches, restored by the company under the supervision of the Royal Commission on Monuments and Sites.

The rehabilitation of the Bois Sauvage site in 1992 won the company the Quartier des Arts Prize. Ten years later, in 2002, this prestigious prize was awarded once again to the Company for the restoration of the Treurenberg site.

The Compagnie du Bois Sauvage is the result of the merger of nineteen companies with varying origins and active in various business sectors, such as Fours Lecocq, Compagnie Financière Nagelmackers, Entrema and Somikin (Kindu mining company), some of which date back several centuries. Some of those companies were too small to play a decisive economic role, others focused on activities whose days were numbered, while yet others were in liquidation and destined to disappear.

The merger of these companies, which simply ratified a de facto situation, is perfectly in line with the company's strategy for stability and its vocation as an economic and financial driving force.

The merger by absorption of the parent company, Surongo, in July 2002 was a major simplifying step in the Group's development. Today it consists of Entreprises et Chemins de Fer en Chine, principal shareholder, and the operating company, Compagnie du Bois Sauvage.

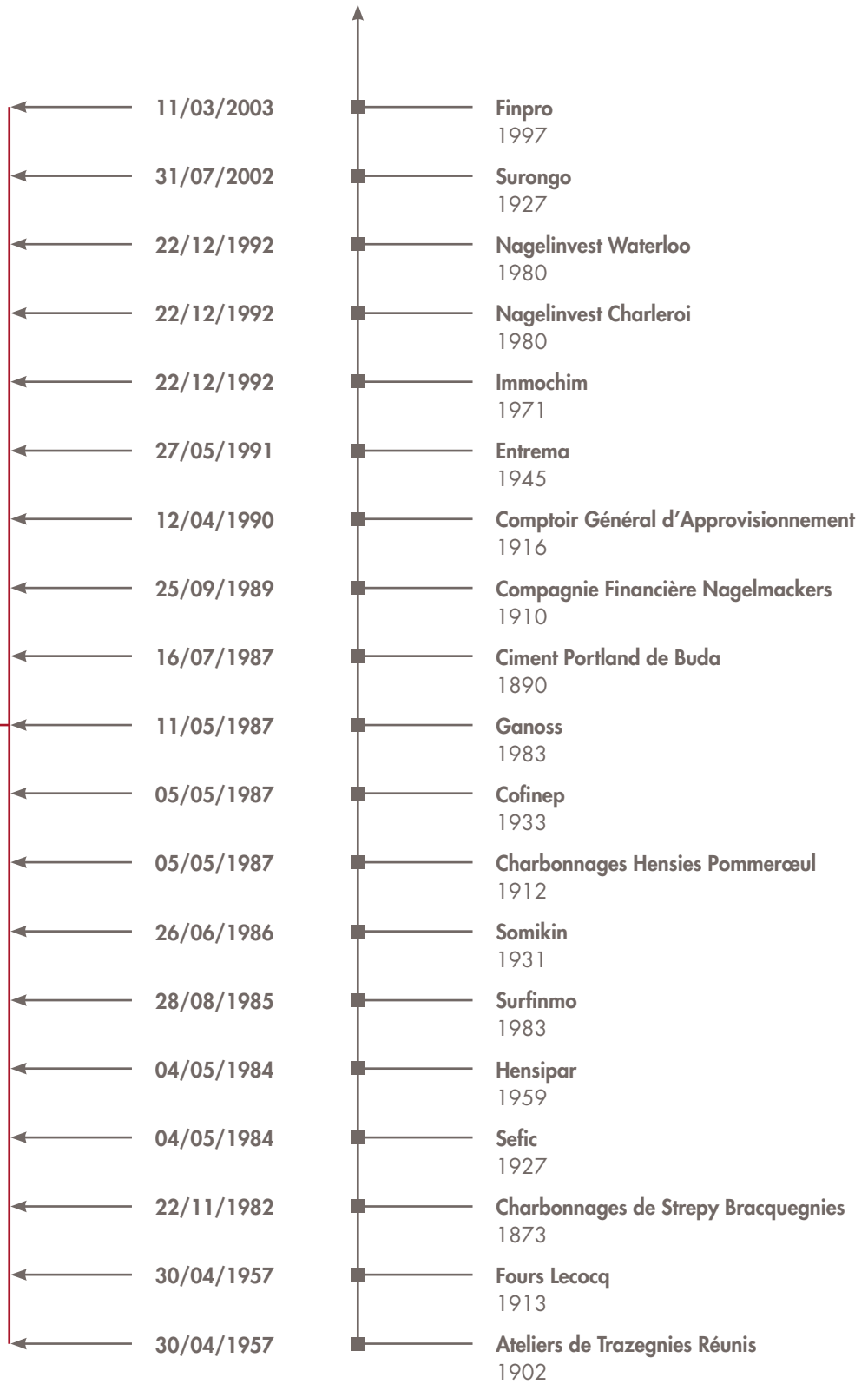
Guy Paquot controls Fingaren s.c.a., which in turn controls Entreprises et Chemins de Fer en Chine, s.a. Together, they own 41.44% (42.15% on a fully diluted basis) of Compagnie du Bois Sauvage at 01 February 2011. For 58.55% of the capital, the Company is unaware of any shareholders' pact and didn't received any transparency declaration.





COMPAGNIE DU  
BOIS SAUVAGE

02/12/1994



## 4. CORPORATE GOVERNANCE DECLARATION

### 4.1. Principles

The Charter of Corporate Governance of Compagnie du Bois Sauvage, approved on 19 December 2005 by the Board of Directors, was last amended on 6 December 2010. It is available on the website: [www.bois-sauvage.be](http://www.bois-sauvage.be)

This Charter complies with the Belgian Corporate Governance Code.

The point below includes an explanation of the differences between the practices adopted by the Company and the recommendations of the Belgian Corporate Governance Code.

### 4.2. Exemption from the Belgian Corporate Governance Code

The exemptions are summarised as follows:

- **Point 4.5 (Director Age Limit):** The Board of Directors has preferred the formula of a 6-year term of office exceptionally renewable only once for the independent directors rather than the 4-year term of office twice renewable recommended by the Code. The primary reason for this choice is that most independent directors fulfil only one term of office, and that this formula offers an extra period which can be used to maximise the director's contribution.
- **Point 4.6 (Board Independence):** One independent director of the Company, Luc Vansteenkiste, does not meet this criterion due to his role as an executive or as a notable influence in one of the Company's strategic holdings. The Board of Directors has examined this case and has found that this director was sufficiently independent for it not to impair the quality of his independence within it.
- **Point 5.2./28 (Audit Committee Operation):** The Board of Directors has taken the view that two meetings a year (instead of four as recommended by the Corporate Governance Code) are sufficient for enabling the Audit Committee to function correctly. One or more additional meetings could be organized according to need.
- **Point 5.3 (Appointment and Remuneration Committee):** The Board of Directors has not considered it necessary for the Managing Director to participate formally in the meetings of the Appointment and Remuneration Com-

mittee when it is dealing with the remuneration of the other members of the executive management. The Appointment and Remuneration Committee can consult the Managing Director at any time.

- **Point 7.12 (Executive Director and Executive Manager Remuneration):** The evaluation criteria refer to the dividend policy, the trend displayed by intrinsic value and discretionary aspects. The evaluation will be done on a year basis. It will be asked to the Annual Meeting of Shareholder to approve these criteria including the discretionary one and the annual evaluation and to delegate their management to the Board of Directors.
- **Point 7.17-18 (Executive Director Contracts):** The Managing Director's service contract contains a clause providing that in the event of departure on the Company's initiative and in the absence of any serious deficiency on the part of the Managing Director, the latter shall be entitled to a flat-rate benefit corresponding to roughly two years of his current fixed and variable remuneration, even three in the event of a change of control, whereas the Belgian Corporate Governance Code recommends a maximum of eighteen months.

### 4.3. Conflict of Interest

No decision taken by the Board of Directors in 2010 required the application of Article 523 of the Companies Code.

### 4.4. Administrative Bodies' Composition and Modus Operandi

#### 4.4.1. Management Bodies and Powers

The composition of the Board of Directors, the qualification and the expiry date of the term of office of its members, as well as the main function exercised by the non-executive directors, are included on Pages 12 and 13 of this report. The Board is thus composed of an executive director, directors representing the main shareholder and independent directors. The Board of Directors is currently made up of 9 members. Among these nine members, eight are non-executive directors, 5 of whom are independent and of whom 3 are representatives of the shareholders.

**The principal rules governing the appointment and the age limits on the Board are as follows:**

- A majority of the directors on the Board must be non-executive
- The independent directors serve a six-year term of office, which may only be renewed once
- There is no limit to the number of terms for which executive directors may be re-elected whilst working in the Company
- All mandates shall terminate at the latest at the Annual General Meeting following the Director's 70th birthday.
- The composition of the Board of Directors shall be based on a gender mix, diversity and a complementarity of skills, experience and knowledge.

**During 2010, the Board met on eight occasions. It discussed in particular:**

- The company and consolidated results
- The Chairmanship and composition of the Board of Directors
- The renewal of the Auditor's mandate
- The situation of the shareholder structure
- The planned deleverage by divestment and reduction in complexity of the Group's structure
- The Company's strategy
- The following years' budgets
- The analysis of the assets
- The "Corporate Governance" policy and practice and an examination of new legislation
- The organisation of the Company
- The indictment file following the sale of Fortis shares in October 2008
- The buy-back of own shares

The work of the Board is organised and documented in order to enable it to monitor and control the operations carried out in the context of day-to-day management, as well as the results, risks and value of the Company.

## Specialised Committees

**Two specialised committees are in place:**

The Audit Committee met on two occasions in 2010 and in particular discussed the following points :

- Examination of the company and consolidated accounts at 31 December 2009 and 30 June 2010
- Update of the Rules of Evaluation
- Examination of current litigation
- Examination of the Auditor's candidature for renewal of his mandate
- Examination of the yearly and half-yearly press releases
- Examination of the directors' third-party liability insurance

The members of the Audit Committee have, as a result of their professional experience, the necessary skills, both individually and collectively, for guaranteeing the Committee's efficacy.

The Appointment and Remuneration Committee met on five occasions in 2010, with Luc Willame in the chair. The Committee continued to monitor and study the remuneration of the members of the Management Committee and analysed the impact of new legislation on remuneration. The question of stocks options was also addressed by the Committee. The profiles of the candidates proposed to replace the outgoing Directors as well as the composition of the Audit and Appointment and Remuneration Committees were examined in the light of the Group's interest.

These positions were remunerated by attendance allowances.

The composition of the Audit Committee was last amended during the Board Meeting of 8 March 2010. Luc Vansteenkiste and Pierre-Yves de Laminne de Bex were appointed members of the Audit Committee in order to succeed Donald Fallon and Karel Boone. Since that time, Luc Vansteenkiste has acted as Chairman. The Appointment and Remuneration Committee was last amended during the Board Meeting of 6 December 2010. Patrick Van Craen was appointed as a replacement of Christine Blondel.

The role and operation of the Audit Committee and of the Appointment and Remuneration Committee are described in Point 5 of the Company's Corporate Governance Charter, which is available on its website at [www.bois-sauvage.be](http://www.bois-sauvage.be)

## 4. CORPORATE GOVERNANCE DECLARATION

### Management Committee

During 2010, the Management Committee met on twenty-five occasions.

The Board of Directors appoints the members of the Management Committee, dismisses them, and determines their remuneration and their terms of office.

Vincent Doumier, Managing Director, chairs the Management Committee. The names of members of the Committee can be found on Page 12 of this report.

The decisions of the Management Committee are based on a majority of the members present. However, a decision shall not be adopted if it is not supported by the Managing Director. If the Managing Director opposes the majority opinion of the other members of the Management Committee, the point will be submitted to the next Board Meeting, which will decide on the matter.

The Board has delegated to the Management Committee the powers to manage the Company, except for:

- The Company's general policy and strategy
- The closing of the accounts
- Any matter reserved by law or by the Articles of Association to the Board;
- The drawing up of the annual budget
- Any investment decision where the amount exceeds EUR 1 million
- Any investment decision, even on an amount of less than EUR 1 million, if it fails to fall within the general policy or the annual budget.

The Company normally appoints a representative to its subsidiaries and holdings in order to monitor their development. The main directorships held by members of the Management Committee or by a non-executive director of the Company are as follows:

Company	Directorship Held by <sup>(1)</sup>
Banque Degroof, SA	V. Doumier (until 28/02/2011)
Berenberg Bank (Joh.Berenberg,Gossler & Co. KG)	V. Doumier
Biobest, NV	L. Puissant Baeyens
Biofirst, SA	Y. Liénart & L. Puissant Baeyens
Ceran-Institut des Langues et de la Communication (ILC), SA	V. Doumier & L. Puissant Baeyens
Chemcom, SA	L. Puissant Baeyens
Codic International, S.A.	V. Doumier
Cofinimmo, SA	V. Doumier
DSF Capital Partners, LP	V. Doumier (Advisory Board)
Euroscreen, SA	L. Puissant Baeyens
Galactic, SA	G. Paquot
Guy Degrenne, SA	Y. Liénart (Advisory Board)
Man-to-tree, SA	Y. Liénart & L. Puissant Baeyens
Nanocyl, SA	L. Puissant Baeyens
Neuhaus, NV	V. Doumier & G. Paquot
Noël Group, LLC	V. Doumier & Y.Liénart (Advisory Board)
Recticel, NV	V. Doumier & G. Paquot
Satair A/S	Y. Liénart
Serendip, SA	G. Paquot
Ter Beke, NV	V. Doumier (until 24/02/2011)
Trade Credit Re Insurance Company, SA	L. Puissant Baeyens
Umicore, SA	G. Paquot

(1) Or representing Compagnie du Bois Sauvage, its subsidiaries and others (LPB sprl & YVAX sprl)

#### 4.4.2. Statutory Appointments

The directorships of Luc Vansteenkiste and Luc Willame expire on the date of the Annual General Meeting of 27 April 2011. The directorship of Mr Guy Paquot expires on 30 June 2011.

Pursuant to the rules in force in the Group which limit the terms of office of the independent directors to a 6-year period exceptionally renewable and in this case only once, Luc Vansteenkiste and Luc Willame will not be presenting themselves for a new term of office.

Luc Vansteenkiste sat on our Board for twelve years, displaying skill and rigour. His active and loyal participation, as well as his industrial experience, have been most advantageous to the Group.

Luc Willame joined our Board in 2004 and has in recent years chaired the Appointment and Remuneration Committee. His experience and his human sense have helped to make this Committee a proficient body within our Group.

The Board of Directors would like to pay tribute to Luc Vansteenkiste and Luc Willame for their readiness, their sound advice, their ability to listen and their constant concern for the Company's proper development.

The main shareholder having expressed its wish to increase its representation on the Board and to prepare the generational succession of Guy Paquot, Mrs Christine Blondel placed her directorship at the Board's disposal on 31 August 2010.

The Board thanks Christine Blondel for her assiduous presence at meetings, for her educated advices and for her constructive and invigorating service which she has brought to the Company during her term of office.

The main shareholder has proposed that Miss Valerie Paquot should fill the currently vacant directorship until the term expires in April 2012, subject to ratification by the next AGM. The Board has accepted this proposal.

The Board of Directors therefore proposes that you ratify the appointment of Miss Valerie Paquot as Director until the AGM in April 2012.

The Board of Directors proposes that you appoint François Blondel, Frédéric Jourdain and Frederic van Gansberghe as directors as replacements of the outgoing directors, for a six-year period expiring at the General Meeting in 2017.

François Blondel was born on 10 August 1963. A graduate in Law (FUNDP Namur and UCL) and in Pure Economic Sciences (UCL), he started his professional career in the Petrofina Group in the United States and in Europe, and then joined IBT (Managing Director). He is today also Director at AWEX, at Sopartec (management of UCL intellectual property and spinoffs), and of the Casterman and Evadix Companies (print works). He is Chairman of the Board of Directors of Certech (technology and chemistry). He will sit with effect from 1 July 2011 as an independent.

Frédéric Jourdain was born on 23 April 1945. He is an FUB Civil Engineer and holder of an MBA (INSEAD) and a UCL diploma in real estate management. He has been Director and Chief Executive Officer of the subsidiaries of the GKN Group, Acquisitions Manager for the Brambles Europe Group, and Director and Manager of companies in the field of implantable medical devices. Since 2008, he has been a member of the Management Committee and Director of the non-profit-making Association La Clé. Frédéric Jourdain is presented by the main shareholder. He will sit as an independent.

Frédéric van Gansberghe was born on 24 December 1958. Graduate of the ECAM and holder of a UCL post-graduate degree in biotechnology. In 1994 he founded the Galactic Company, involved in the field of lactic acid. Today he is its Managing Director. He is also President of Galactic Inc, Vice-President of B&G (in China), and a Director of the Theodorus II Fund (a ULB Spin-Off) and President of the Hamaïde School. Frédéric Van Gansbergh is presented by the main shareholder.

## 4. CORPORATE GOVERNANCE DECLARATION

### 4.4.3. Composition of the Board of Directors and Management Bodies

#### The Board of Directors

Michel DELLOYE <sup>(2)</sup>	Avenue des Cytises 6 B-1180 Brussels	Chairman	2013
Christine BLONDEL <sup>(2)</sup>	178 rue du Faubourg St Honoré F-75008 Paris – France	Director	until 31/08/2010
Jean-Claude DAOUST <sup>(2)</sup>	Rue Vilain XIII 29 B-1000 Brussels	Director	2015
Pierre-Yves de LAMINNE DE BEX <sup>(3)</sup>	Bld des Invalides 173 B-1160 Brussels	Director	2015
Vincent DOUMIER <sup>(1)</sup>	Avenue des Statuaires 127 B-1180 Brussels	Managing Director	2016
Guy PAQUOT <sup>(3)</sup>	Rue Cornélis 1 B-1310 La Hulpe	Director	until 30/06/2011
Valérie PAQUOT <sup>(3)</sup>	Les Ecluses 17 CH-1997 Haute-Nendaz	Director co-opted	as from 31/08/2010
Patrick VAN CRAEN <sup>(2)</sup>	Chemin du Silex 1 B-1170 Brussels	Director	2016
Luc VANSTEENKISTE <sup>(2)</sup>	Stationstraat 172 B-9260 Schellebelle	Director	2011
Luc WILLAME <sup>(2)</sup>	Avenue Grandchamp 282 B-1150 Brussels	Director	2011

(1) Executive

(2) Independent

(3) Representing or being connected with the main shareholder

<b>Audit Committee</b>	Luc Vansteenkiste	Chairman
	Michel Delloye	Membre
	Pierre-Yves de Laminne de Bex	Membre
<b>Appointment &amp; Remuneration Committee</b>	Luc Willame	Chairman
	Jean-Claude Daoust	Membre
	Patrick Van Craen	Membre
<b>Management Committee</b>	Vincent Doumier	Chairman
	Yves Liénart <sup>(1)</sup>	Membre
	Laurent Puissant Baeyens <sup>(2)</sup>	Membre

The Chairman of the Board of Directors and the General Secretary are invited to each Management Committee meeting.

(1) Representing YVAX sprl

(2) Representing LPB sprl

<b>General Secretary</b>	Bruno Spilliaert
<b>Auditor</b>	S.C. s.f.d. S.C.R.L. Deloitte Reviseurs d'Entreprises represented by Messieurs Michel Denayer and Eric Nys Berkenlaan 8b B- 1831 Diegem

#### **Main position held by the independent directors outside the Compagnie du Bois Sauvage s.a.**

Jean-Claude Daoust	Managing Director of Daoust s.a.
Michel Delloye	Managing Director
Patrick Van Craen	Member of the Management Committee of CFE
Luc Vansteenkiste	Director of Recticel s.a.
Luc Willame	Chairman of the SDRB until 1/7/2010

#### **Honorary Directors**

Baron Karel Boone
Robert Demilie
Baron Donald Fallon
Monique Neven
Marc Noël
Jean-Louis Raemdonck van Megrode
Baronne Solange Schwennicke
Baron Gui de Vacleroy

## **4.5. Remuneration Report**

### **4.5.1. Procedure Adopted For Remuneration Policy Formulation**

**4.5.1.1.** The directors' remuneration policy is reviewed each year by the Appointment and Remuneration Committee before being discussed at a Board Meeting. In the event of revision, it is submitted to the following AGM for approval.

**4.5.1.2.** The Management Committee's remuneration policy is reviewed each year by the Appointment and Remuneration Committee before being submitted to the Board of Directors. The remuneration level is analysed in the light of the Group's particular characteristics. It takes in particular account of existing remunerations within comparable companies. The Group takes part annually in business leader remuneration surveys and has access to their results as support to be used by the Appointment and Remuneration Committee in its analyses. If significant divergences were to be noted between the results

of those analyses and remuneration contracts, they would be subject to negotiation with a view to adaptation.

### **4.5.2. Remuneration Policy**

#### **4.5.2.1. Executive and Non-Executive Directors**

##### **The Directors' gross remuneration is divided as follows:**

1. A fixed part of EUR 5,000 gross per person per annum paid during the year during which the mandate has been exercised.
2. A variable part equivalent to a maximum of 2/95<sup>ths</sup> of the profit allocated annually by the Company equally distributed among all the Directors, the Chairman of the Board of Directors being entitled to a double share. The variable remunerations received in 2010 relate to services rendered in 2009.
3. Remunerations for the services of the director members of the Audit Committee and the Appointment and Remuneration Committee are paid during the year in which the mandate is exercised.

## 4. CORPORATE GOVERNANCE DECLARATION

Amendment of Article 24 Points 3 and 4 of the Articles of Association will be submitted to the Extraordinary General Meeting of 27 April 2011. The proposal is to amend the current text as follows: « 3. du surplus, il est distribué telle somme que l'assemblée générale décidera de répartir aux parts sociales au titre de dividende, tenant compte qu'un montant égal a 2/95<sup>ème</sup> de cette somme reviendra au conseil d'administration qui se le répartira au titre de tantièmes selon un règlement particulier. »

No other amendment to the remuneration policy is currently being envisaged for the next two years.

Remunerations in shares for the executive director and the Management Committee are covered in Point 4.5.2.3 below.

The other elements of the Executive Director's remuneration are detailed at Point 4.5.2.2 below.

### 4.5.2.2. Management Committee

The total gross remuneration of the Managing Director, Chairman of the Managing Committee, is divided into four parts:

1. An annual fixed part
2. A variable part
3. A part in pension insurance according to the defined annual contribution principle.
4. Other income consisting of a company car, entertainment expenses, insurance and advantages in kind for the stock-options.

The remuneration of the other members of the Managing Committee consists of a fixed amount, paid monthly in advance. The balance between the indexed fixed contractual amount and the monthly advances is paid at the end of the financial year in the form of profit shares or bonus <sup>(1)</sup>.

The Board of Directors is considering a change to the variable part to operate over coming financial years. Proposals for amendments to management agreements of members of the Management Committee will be drawn up in order

to make it possible to grant them variable remuneration, the amount of which will be at most equal to two thirds of fixed remuneration. The variable remuneration of the Managing Director and Management Committee will be evaluated yearly and based on the dividend policy, intrinsic value evolution and discretionary aspect. In application of Art. 520ter of the Companies Code, it will be asked to the General Assembly to approve the choice of these criteria including the discretionary aspect and the evaluation period.

### 4.5.2.3. Share-Based Payment Plan

The Extraordinary General Meeting of 26 April 2006 approved the introduction of a five-year stock-option plan in favour of the members of the Management Committee, the employees and permanent Company co-contractors.

The stock-option plan expired in 2010. It was designed for the long-term motivation of the staff via an options plan involving a total of 15,000 Compagnie du Bois Sauvage shares over five years. These options were allocated for the first time to the beneficiaries on 6 June 2006 and give each one the right to acquire one Compagnie du Bois Sauvage share. Except for special cases (decease, incapacity, retirement and, under certain conditions, dismissal), these rights will only be definitively acquired by the beneficiaries at a rate of one quarter per allocation per annum. Details of this options plan can be found on Page 16 and in Note 27. The ratification of the prolongation for a five-year period of the 2006-2011, 2007-2012 and 2008-2013 options plans was approved at the Extraordinary General Meeting of 28 April 2010. (See also Note 27).

### 4.5.3. Remuneration and Emoluments (Total Company Cost)

For 2010, all remunerations, including social security contributions and taxes, allocated to the directors and members of the Management Committee of the consolidating company on account of their positions in the latter, in its subsidiaries, and its associated companies, amounted to the sum of EUR 1,151,287, of which EUR 251,143 went to non-executive directors and EUR 900,144 to the Management Committee.

(1) This balance was described as a "variable" amount in the previous reports. However, this balance does not correspond to the "variable remuneration" concept within the meaning of the Act of 06 April 2010 and has therefore been reclassified.



#### 4.5.3.1. Gross Remuneration Paid in 2010 to the Directors on an Individual Basis (Total Company Cost)

€	Board of Directors				Appointment & Remuneration Committee	Total
	Presence	Fixed	Variable	Audit Comm.		
Michel Delloye	8/8	5,000	19,739	4,000		28,739
Christine Blondel	7/8	3,333	19,739		500	23,572
Karel Boone	3/3	1,250	19,739			20,989
Jean-Claude Daoust	7/8	5,000	13,160		1,000	19,160
P.-Y. de Laminne de Bex	8/8	5,000	13,160	2,000		20,160
Robert Demilie	-	0	6,580			6,580
Guy Paquot <sup>(1)</sup>	8/8	5,000	39,479			44,479
Valérie Paquot	1/1	1,667	0			1,667
Vincent Doumier <sup>(2)</sup>	8/8	5,000	19,739			24,739
Donald Fallon	3/3	1,250	19,739	1,250		22,239
Marc Noël	-	0	6,580			6,580
Patrick Van Craen	5/5	3,750				3,750
Luc Vansteenkiste	8/8	5,000	19,739	2,500		27,239
Luc Willame	7/8	5,000	19,739		1,250	25,989
<b>Total</b>		<b>46,250</b>	<b>217,132</b>	<b>9,750</b>	<b>2,750</b>	<b>275,882</b>

(1) Paid to Mr Guy Paquot and/or to Fingaren S.C.A.

(2) Executive Director

As Chairman of the Board of Directors until 30 June 2010, Mr Guy Paquot, received, in 2010, in addition to his director's remuneration, an amount of EUR 2,250 as entertainment expenses, Mr Michel Delloye, Chairman of the Board of Directors since 1 July 2010, received, in 2010, in addition to his director's remuneration, an amount of EUR 2,250 as entertainment expenses.

#### 4.5.3.2. Gross Remunerations Paid Within the Group in 2010 to the Management Committee (total company cost, VAT included if applicable)

During the past year, this Committee was composed of three people.

A part of the fixed and variable remuneration of the Managing Director is paid to him as a director and is included in the specific table above. Mr Vincent Doumier has self-employed status. The other members act as company representatives.

The variable part of the remuneration of the "Other Members" has been reclassified and adjusted in 2010 in comparison with previous years in order to fit the concept of variable remuneration within the meaning of the Act dated 06 April 2010.

€	Remuneration				Total
	Fixed	Variable	Pension	Other	
Vincent Doumier	222,970 <sup>(2)</sup>	85,261	56,783	7,672	372,686 <sup>(1)</sup>
Other Members	502,719 <sup>(2)</sup>	0	0	0	502,719
<b>Total</b>	<b>725,689</b>	<b>85,261</b>	<b>56,783</b>	<b>7,672</b>	<b>875,405</b>

(1) Excluding the remunerations as director included in the relevant table (see above).

(2) of which an amount of EUR 106.475 is related to previous years

## 4. CORPORATE GOVERNANCE DECLARATION

### 4.5.3.3. Subscription Rights on Shares Allocated to the Management Committee in 2010

Decisions	: 28 April 2010
Subscription Period	: June-July 2010
Vesting Period	: see Point 4.5.2.3 of this Annual Report
Exercise Period	: from 3 April to 20 April 2015
Exercise Price	: EUR 189.47
Number of options allocated to the Management Committee:	
■ Vincent Doumier	: 700
■ LPB sprl	: 350
■ Yvax sprl	: 350

There was no subscription right on shares due or exercisable in 2010.

**4.5.3.4.** The main contractual provisions relating to severance pay for the Managing Director are included at Point 4.2. of this Annual Report. For the other members of the Management Committee, a 12-month indemnity is envisaged in accordance with the Corporate Governance Code recommendation.

### 4.5.4. Evaluation of the Board of Directors, its Committees and its Individual Directors

Under the leadership of its Chairman, the Board regularly (at least every two or three years) assesses its size, its composition, how it is working and its interaction with executive management.

This evaluation process has four objectives:

- Assessing how the Board operates
- Checking that important questions are suitably prepared and discussed
- Evaluating the actual contribution of each Director through his or her presence at Board and Committee meetings and his or her constructive involvement in discussions and decision-making
- Checking the Board's current composition against the Company's desired composition.

The non-executive Directors regularly (preferably at least once a year) assess their interaction with executive management. In this respect, non-executive Directors meet at least once a year in the absence of the Managing Director and the other executive Directors.

There is a periodic evaluation of the contribution of each Director aimed at adapting the composition of the Board to take account of changing circumstances. When dealing with re-election, the Director's contribution and effectiveness are evaluated in accordance with a pre-established and transparent procedure.

The Board acts on the results of the performance evaluation by recognising strengths and addressing weaknesses. Where appropriate, this will involve proposing new members for appointment, proposing that existing members be not re-elected, or taking any other measures deemed appropriate for the effective operation of the Board.

The last assessment of the Board of Directors, its Committees and its Directors occurred in 2008. A new assessment will be made in 2011.

### 4.5.5. Other Remunerations

In addition to the fees paid to Deloitte Reviseurs d'Entreprises S.C.S. f.d. S.C.R.L and its network under its mandate to audit the accounts of Compagnie du Bois Sauvage and its subsidiaries for a total amount of EUR 131,600, emoluments unrelated to the audit services for an amount excluding VAT of EUR 8,000 were granted in 2010 for various assignments.

## 4.6. Internal Control and Risk Management System

The Board of Directors monitors the existence and proper functioning of the internal audit at the operational, financial and legal levels and pays particular attention to the assessment of the risks relating to the Company's activity and to the internal audit's efficacy.

The evaluation of the risk management and internal audit systems was structured in 2010 on the basis of the COSO model (\*).

#### 4.6.1. Audit Environment

##### *Vocation and Strategy*

The Compagnie du Bois Sauvage is a holding company, quoted on Euronext Brussels, with a majority “family” shareholder. Its goal is to concentrate on a limited number of shareholdings, mainly industrial, listed or not. Its intention is to exercise influence on the companies in which it invests, in particular with regard to the choice of the executives and the definition of strategic orientations. It also provides permanent support to the operational management and assistance in terms of financial management. Its long-term shareholder perspective constitutes a pledge of stability.

Mindful of the interests of its own shareholders, it requires a regular income from its investments in order to allow the distribution of, if possible, a continuously growing dividend. A current objective, to be maintained, is not to depend on credit and to keep in reserve the resources necessary for the development of the Group’s companies.

##### *Definition of the Company’s Roles and Decision-Making Bodies*

The Board is invested with the necessary powers for carrying out all administration, management and disposition activities in the interests of the Company. All activities that are not expressly reserved by law or by the Articles of Association to the General Meeting fall within its responsibility.

The Board, in its meeting of 12 March 2007, entrusted the daily management of the Company to a Management Committee, within the meaning of Article 524a of the Companies Code.

##### **The Board has delegated to the Management Committee the powers to manage the Company with the exception of:**

- The company’s overall policy and strategy;

(\*) COSO is a framework established by Committee of Sponsoring Organisations (international body) increasingly used by companies in evaluating and improving their risk management.

- Closing of accounts;
- Any subject reserved by law or by the Articles of Association for the Board;
- The drawing up of an annual budget;
- Any investment decision whose sum exceeds EUR1 million;
- Any investment decision, even on an amount under EUR 1 million, if it does not form part of the general policy or annual budget;

The Management Committee’s responsibilities are at least equivalent to those described at Point 6.5 of the 2009 Belgian Corporate Governance Code.

The Board has established two Specialised Committees for the purpose of examining specific questions. Decision-making however remains the collective responsibility of the Board.

In 1999, the Board set up an Audit Committee for the purpose of examining specific questions and issuing recommendations. The Audit Committee monitors the integrity of financial information provided by the Company, in particular by reviewing the relevance and consistency of the accounting standards used by the Company and the Group, including the criteria for consolidating the accounts of companies within the latter. This review involves assessing the accuracy, completeness and consistency of financial information. At least once a year, the Audit Committee shall review the internal control and risk management systems set up by the Management Committee, with a view to ensuring that the main risks (including those relating to compliance with existing legislation and regulations) are properly identified, managed and disclosed.

The Remuneration Committee has been established by the Board of Directors in accordance with Article 526 quater of the Companies Code.

The Board Meeting of 19 June 2006 decided to merge the Remuneration and Appointment Committees. The Appointment and Remuneration Committee is composed of three non-executive Directors. A majority of its members is independent. The Appointment and Remuneration Committee has a dual role to play: it makes recommendations to the

## 4. CORPORATE GOVERNANCE DECLARATION

Board with regard to the appointment of Directors. It makes proposals to the Board on the remuneration policy for non-executive Directors and on the resulting proposals to be submitted to the shareholders, as well as on remuneration policy for executive management.

### *Integrity and Ethics*

From the deontological and ethical point of view, an internal code of conduct with regard to financial transactions applies within the Group. Its purpose amongst other things is to ensure behaviour, by the Group's directors and staff, that is honest, ethical and law-abiding.

Given the size of the Company in terms of staff (fewer than 15 people), the Board has not deemed it necessary to set up a special mechanism by which Company staff can confidentially share their concerns as regards any irregularities.

### 4.6.2. Risk Management Process

The main risks are assessed by the Board of Directors on a half-yearly basis. The Board also monitors them on an ad hoc basis. This risks analysis gives rise to corrective actions if necessary.

The members of the Management Committee are also members of the Audit Committee "or Advisory Board" of certain of the Group's shareholdings (see Page 10), which enables them to monitor the risks specific to those holdings.

The analysis of the risks relating to the Company's activities has enabled the following principal risks to be highlighted in 2010:

#### **a) Interest Rates**

The effect of an interest rate variation can not only affect the Group's cashflows relating to the variable-rate debt but also the yield of its treasury. The fixed-rate debts are valued according to the amortised cost using the actual interest rate method.

#### **b) Liquidity**

The Group takes care to have sufficient financial resources at its disposal for coping with its debt repayments and its financial commitments.

#### **c) Shareholding Participation Risk**

The Company has a portfolio of shareholdings comprising mainly Belgian and European shares. Although diversified,

these shareholdings expose it to the variations of the stock exchanges and financial markets. Each of these shareholdings is also exposed to some specific risks. The industrial risk relating to the 100% stake in the Neuhaus Group is mainly due to the Food industries and therefore related to the risk of contamination of the products. The other important industrial risk relates to the fact that the Neuhaus Group has only one production unit.

#### **d) Real Estate**

The principal risks linked to the Group's real estate investments relate to the valuation of the properties to rental vacancy, and to the level of the rents and their payment. Moreover, there exists a risk that the buildings be destroyed by fire or by a natural disaster.

#### **e) Currencies**

The Company long-term investments (direct) are only in Euros, American dollars and Danish crowns. The investments in American dollars and Danish crowns represent nearly 8% of the assets.

#### **f) Counterpart**

The counterparty risk relates mainly to the operations with the banks and with financial intermediaries.

#### **g) Market Activity**

The risk relating to market activities is both a risk relating to the prices of the underlying shares and their volatility.

#### **h) Risk Relating to the Establishment of the Financial Statements**

The data processing is ensured by a reduced staff. The reliability and completeness of these data are essential elements of the management's work.

#### **i) Risk of Fraud and of Delegation of Power**

A fraud at the staff level or a non-observance of the powers of signature could entail a financial loss and impair the Company's image.

#### **j) Risk Relating to Non-Compliance with Regulations and Legislation**

Legislative and regulatory developments (including tax aspects) or non-observance by the Company thereof could have an impact on the Group's profitability and image.

### 4.6.3. Control Activities

#### **a) Interest Rates**

The debt being mainly long-term, the Company has fixed the rates of the majority of its lines either via a fixed rate or by hedging the interest rate via an "Interest Rate Swap" mechanism. (See note 20) It should be noted that a loan and a hedge are two contracts without any legal link between them.

#### **b) Liquidity**

The Company ensures that it always has a positive net cashflow. For this purpose it has at its disposal a performant IT tool covering all balance-sheet and off-balance-sheet items affecting cashflow. (See Note 20)

#### **c) Shareholding Participation Risk**

The Group's portfolio of holdings is an essential element for its objective of long-term value creation and the distribution of a regularly growing dividend. The diversification of these shareholdings is one of the methods used to reduce the risk inherent in such investments.

The specific risks of the listed shareholdings are treated separately and are available in their respective annual reports. The industrial risk relating to the 100% shareholding in the Neuhaus Group is regularly analysed and reviewed by the Neuhaus Holding Board of Directors, on which the Group has two directors. The Group endeavours to have a directorship in the unlisted holdings in order to facilitate better monitoring. The portfolio of shareholdings is regularly reviewed by the Management Committee and by the Board of Directors.

#### **d) Real Estate**

The Group has taken care to diversify its real estate investments or to invest in closed-end investment companies that are themselves diversified. For buildings held in its own name, fire insurance has been subscribed.

#### **e) Currencies**

The currency risk relating to movements in the USD and DKK is not covered by the Group because there are no regular and foreseeable flows in those currencies. A part of the Group's debt is contracted in USD in order to limit the effect of exchange rate fluctuation.

#### **f) Counterparty**

The only counterparties accepted are the banks with which the Company has a direct relationship (Bank Degroof, BNP

Paribas Fortis, ING Belgium, KBC/CBC and the Leleux brokerage firm).

In the event of relationships with other counterparties (except for the acquisition of shareholdings), the Group will take care to guard as much as possible against default risk.

#### **g) Market Activity**

The Group does not trade any put options. All the call options that are issued are covered by securities held in portfolio. The Company has set limits in term of amounts and period of the options it holds and has adapted its back-office systems and its control to the activity levels.

#### **h) Risk Relating to the Drawing up of Financial Statements**

Each person has the essential professional qualities for accomplishing his or her tasks. A "back-up" for the main activities is in place and a number of procedures have been drafted in order to ensure rapid recovery in the event of a person's absence. The consolidated financial statements are reviewed at various levels prior to publication.

The Board of Directors approves any changes of the principles and accounting methods that apply within the Group and their compliance with the IFRS standards.

#### **i) Risk of Fraud and of Delegation of Power**

Separation of tasks and double signature requirements form the basic principles operating in the Group. Documentation including relevant supporting documents serves as support for operations. The principle of double approval and double control applies. Under the Articles of Association, the managing director has the power of signature on his own. The use of the Managing Director's signature alone is, however, exceptional.

#### **j) Risk Relating to Non-Compliance with Regulations**

The Group is particularly attentive to keeping abreast of regulation, and of changes to and observance of legislation and regulations. The treatment of particular non-recurring operations is the subject of specific analysis, notably in consultation with the auditor or other specialists.

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

### **4.6.4. Information and Communication**

Financial information is published according to the legal publication schedule followed and established by the General Secretary. The periodic information that is published is

## 4. CORPORATE GOVERNANCE DECLARATION

reviewed beforehand by the Management Committee and the Audit Committee, and is approved by the Board of Directors.

The maintenance, updating and protection of access to the data and computer programmes are performed by contracted service providers. IT data are backed-up daily and once a week a copy of the system is stored externally.

### 4.6.5. Steering and Supervision

The supervision of the various managerial activities of Compagnie du Bois Sauvage is reinforced by the work of the Audit Committee, in particular through specific supervision of risk and internal control management systems.

The management body receives various daily reports on the state of, and changes to, the Company's assets, debts and commitments.

Given the size of the Company, there is currently no independent internal audit position. The Audit Committee shall assess at least once a year whether there is a need for creating this position.

## 4.7. Shareholders

### 4.7.1. Shareholder Information

The Company's website ([www.bois-sauvage.be](http://www.bois-sauvage.be)) is regularly updated in order to ensure better information for shareholders, enabling them to exercise their rights as effectively as possible.

The intrinsic value of the share is published there each month and at the time of the press releases relating to the quarterly, half-yearly and yearly results.

In accordance with the Company's transparency policy, this report provides details of the composition of the consolidated portfolio at 31 December 2010 on Pages 23, 24, 29 and 41.

Compagnie du Bois Sauvage is listed on NYSE Euronext Brussels. The Company is listed in the BEL Mid index, for which securities are selected on the basis of liquidity and floating market capitalization criteria.

Since 2004, the Company has mandated the Degroof Bank to improve the liquidity of the share on the Stock Exchange. That enables Compagnie du Bois Sauvage shares to be continuously quoted on the new NYSE Euronext platform, thus offering investors the possibility of trading at any time without any liquidity constraint.

The number of shares issued at 31 December 2010 was 1,562,710, unchanged in relation to the end of 2009. The number of "fully diluted" shares amounted to 1,893,422 at the end of 2010 as compared with 1,891,855 at the end of 2009. This increase results from the allocation of 3,400 options for the staff at the Extraordinary General Meeting held on 28 April 2010 and the buy-back and cancellation by the Company in 2010 of 1,833 Compagnie du Bois Sauvage convertible bonds. Compagnie du Bois Sauvage held, at 31 December 2010, 8,063 of its own shares (See also Note 15).

The average daily number of shares traded in 2010 was 115,077. The average daily volume was 446 in 2010 as compared with 463 in 2009.

The Degroof and KBC Banks regularly publish analyses on the Company; these are available from the Company.

#### Information Concerning the Law on takeover bids

Under the terms of Article 74 §8 of the Law of 1 April 2007 relating to takeover bids, the principal shareholders of Compagnie du Bois Sauvage s.a., as well as the person holding ultimate control thereof, Mr. Guy Paquot, sent on 1 February 2011, an update of the notification about the

shares held on that date. This notification was also sent to the Banking, Financial and Insurance Commission.

Situation at 1 February 2011

Denominator taken into account: 1,562,710

Holders of Voting Rights	Number of Voting Rights	% of Voting Rights
Guy Paquot	11,094	0.71%
Fingaren s.c.a.	212	0.01%
Entreprises et Chemins de Fer en Chine s.a.	636,301	40.72%
<b>Total</b>	<b>647,607</b>	<b>41.44%</b>

Guy Paquot controls Fingaren s.c.a., which controls Entreprises et Chemins de Fer en Chine, s.a.

All the companies have their head office at 17, Rue du Bois Sauvage, 1000 Brussels.

#### 4.7.2. Relations with the Main Shareholder

Entreprises et Chemins de Fer en Chine is a holding company listed on the public sale market whose main task is that of ensuring a stable shareholder base.

Fingaren, a private holding company, today owns 86.5% of Entreprises et Chemins de Fer en Chine.

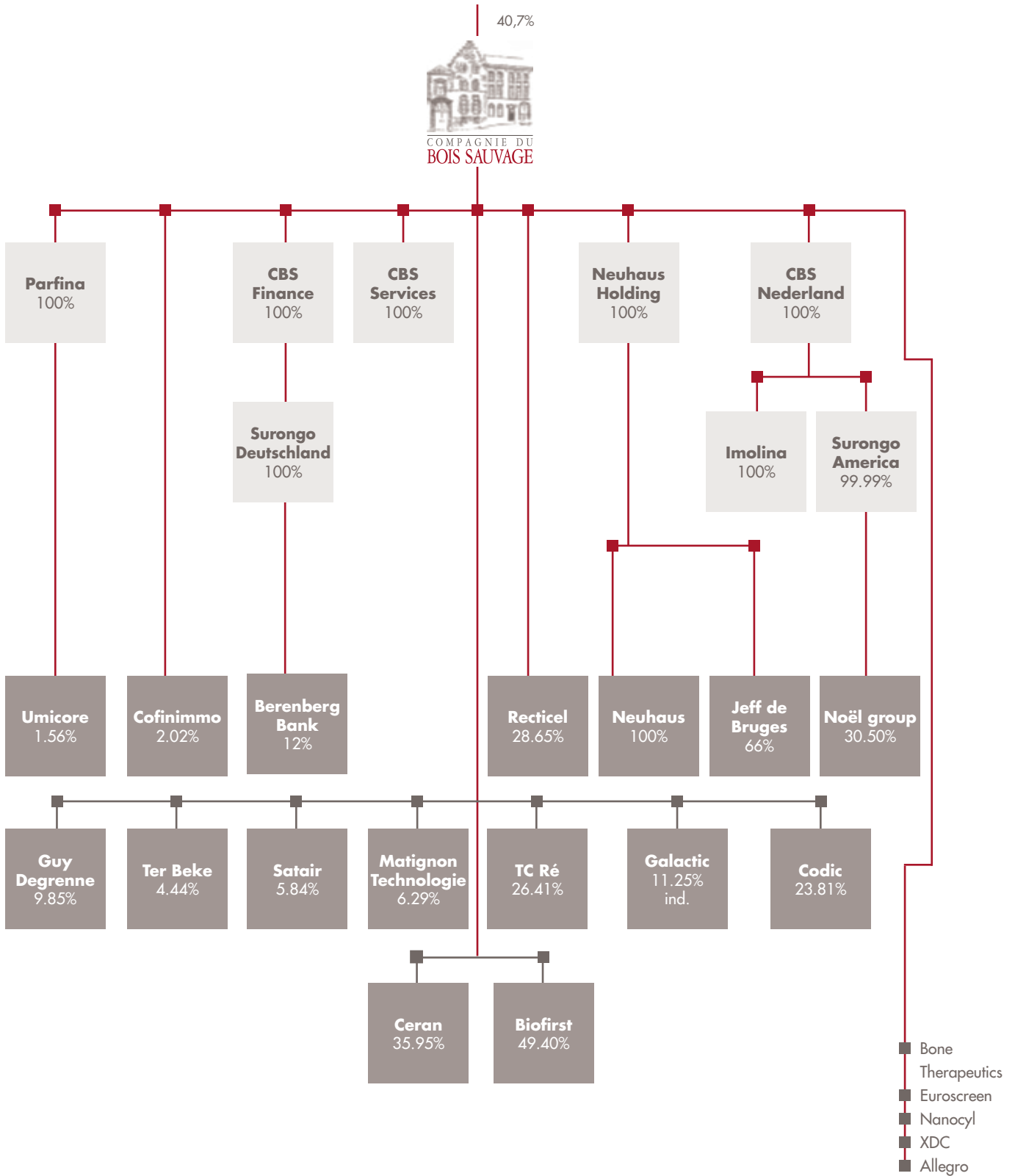
Since the Board Meeting of 31 August 2010, Compagnie du Bois Sauvage and Entreprises et Chemins de Fer en Chine have three directors in common: Guy Paquot, Pierre-Yves de Laminne de Bex and Valérie Paquot.

Except for the profit shares paid to Fingaren as part of the mandate exercised at Compagnie du Bois Sauvage, and office leasing agreements with Fingaren and Entreprises et Chemins de Fer en Chine, there is no agreement between these three companies, and no remuneration, advantage, management or other fee is paid by Compagnie du Bois Sauvage or any of its subsidiaries to Entreprises et Chemins de Fer en Chine or Fingaren. (See Note 28 of this Annual Report)

The company has no knowledge of any shareholder or director pacts.

## 5. GROUP ORGANISATION CHART AND MAIN SHAREHOLDINGS

### GRUPE ENTREPRISES ET CHEMINS DE FER EN CHINE



The Group also has cash holdings detailed on page 44



## 6. ACTIVITIES DURING THE FINANCIAL YEAR

### Group Strategy

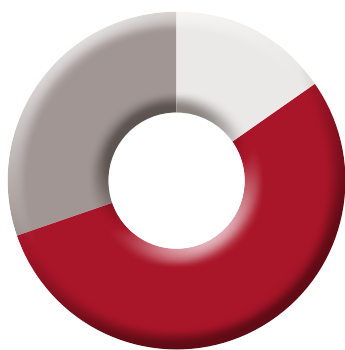
During 2010, the Company's portfolio was based on three distinct pillars, namely, a real estate sector (13% of the total), a long-term investment division composed of strategic shareholdings (56%) and a cash portfolio enabling it to meet its commitments and to meet any targeted opportunities (31%). The high percentage of consolidated cash is temporary and is the result of the sale of the participation in Bank Degroof. EUR 132 Mio were used beginning 2011 to reimburse the Group bank debt (excl. Neuhaus debt and USD debt in Surongo America, Inc.).

There is no predefined rule in terms of geographical, sectoral or monetary distribution.

The strategic shareholdings are at this time grouped in three sectors: private banking, industry and food. They all reflect the mission that the Company has set to itself.

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

Market Value at 31 December 2010



x € 1,000		Market Value	% of Division	Breakdown per Division
Pôle				
■ Real Estate	Europe	71,264	66.9%	
	USA	35,258	33.1%	
		<b>106,522</b>	<b>100.0%</b>	<b>13.1%</b>
	<i>Of which unlisted shareholdings</i>	<i>77,341</i>		
■ Strategic	Financial	80,289	17.7%	
	Industrial	180,157	39.7%	
	Food	181,824	40.1%	
	Other	11,669	2.6%	
		<b>453,939</b>	<b>100.0%</b>	<b>55.8%</b>
	<i>Of which unlisted shareholdings</i>	<i>309,234</i>		
■ Cashflow	Consolidated Cash <sup>(1)</sup>	231,815		
	Cash Equivalent	21,692	100%	
		<b>253,507</b>	<b>100%</b>	<b>31.1%</b>
	<i>Of which unlisted shareholdings excluding consolidated cash</i>	<i>0</i>		
<b>Total</b>		<b>813,968</b>		<b>100%</b>
	<i>Of which unlisted shareholdings excluding consolidated cash</i>	<i>386,575</i>		

(1) Incl. the debt relative to the sale of Bank Degroof participation for an amount of EUR 171 Mio

## 6. ACTIVITIES DURING THE FINANCIAL YEAR

### Real estate shareholdings

The current role of the real estate in the asset base is to contribute to the release of substantial and regularly growing income. It is an element providing stability of assets and of cashflow.

The real estate policy has to date been defined according to the following axes:

- Small number of investments and reaching a critical size
- Direct investments, if possible with a partner specialising in real estate management
- Expected return higher than that of the 10-year Government Bonds and growing.

The predominant element of the Company's real estate investments remains the shareholding in the Cofinimmo Company (see Page 25) of which it holds directly and indirectly 2.02% at 31 December 2010. In the context of the Group's deleveraging policy initiated in 2009, about half of the position in Cofinimmo was sold during 2010.

Since the end of 2003, the Company has held a shareholding in the property development company, Codic International (see Page 27).

Finally, the Company invests, via its American subsidiary Surongo America, in top-of-the-range residential projects in the United States (see Page 26).

In addition to these three shareholdings, the asset base also includes on own account:

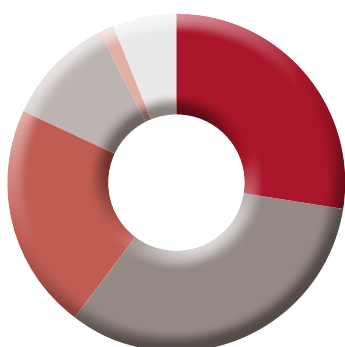
- Buildings at the head office and Treurenberg sites (3,000m<sup>2</sup> of offices, 2,000m<sup>2</sup> of apartments and 70m<sup>2</sup> of shops)
- Various other plots and land in the Provinces of Liege and Hainault (42 ha). An application for a housing-planning permit on 10 hectares in an industrial park in the Commune of Ans was filed on 31 December 2010.
- Two office buildings in Luxembourg (320m<sup>2</sup>)

At 31 December 2010, 90% of the flats, offices and shops held on own account were rented.

The Group's current real estate income in 2010 was EUR 3.4 million, a level comparable with that of 2009.

### COMPOSITION OF THE GROUP'S REAL ESTATE PORTFOLIO

Market Value at 31 December 2010



In € 1,000	Market Value	Quantity	Closing Price	% of Division	% of holding
■ Cofinimmo	29,182	299,576	97.41	27.4%	2.02%
■ Surongo America	35,258			33.1%	99.99%
■ Codic International	23,046	7,812		21.6%	23.81%
■ Site Bois Sauvage	10,939			10.3%	100.00%
■ Luxembourg	1,487			1.4%	100.00%
■ Land & Miscellaneous	6,611			6.2%	100.00%
<b>Total</b>	<b>106,522</b>			<b>100%</b>	

## Presentation of the Principal Real Estate Shareholdings



### Cofinimmo

#### Principal Closed-End Fund listed on NYSE Euronext Brussels.

At 31 December 2010, the Company held 2.02% of Cofinimmo.

The Company is conducting a strategy of growth on four main axes: the acquisition of offices let long-term to high quality occupants, the acquisition of nursing homes let very long-term to reputable operators, the forming of long-term real estate partnerships with industrial or service companies for their operating buildings and stakes in real estate Private Public Partnerships.

Cofinimmo recorded for the financial year closed on 31 December 2010:

- An increase of the current net result (Group share - excluding IAS 39) per share at EUR 8.02 as against EUR 7.47 in 2009

- An increase of its net profit (Group share) per ordinary share to reach EUR 5.64 in 2010 as against EUR 2.31 in 2009. Net profit per share was less influenced by the effect (non-cash) of a reduction in the fair value of the Company's asset base.

The net asset value at fair value before distribution reached EUR 98.21 per ordinary share at the end of 2010, as against EUR 93.51 at the end of 2009 (after distribution). The Company foresees a gross unitary dividend of EUR 6.50 for 2010, identical to that for 2009. (See [www.cofinimmo.com](http://www.cofinimmo.com) for further information)

In 2010, the Group sold nearly half of its position in Cofinimmo. These sales formed part of the deleveraging policy of the Group started in 2009.

## AUDITED CONSOLIDATED ACCOUNTS (IFRS)

(in EUR millions)	31/12/2010	31/12/2009	31/12/2008
Real Estate Result	214.32	214.29	198.43
Current Net Result	105.68	92.86	56.37
Net Group Result	83.80	32.45	-5.29
Shareholders' equity (Group)	1,459.78	1,400.90	1,368.58
Total Balance Sheet	3,381.91	3,402.68	3,550.06
Debt Ratio	47.50%	49.97%	52.79%
Estimated Dividend	96.61	91.06	84.90
<b>% of economic holding</b>	<b>2.02%</b>	<b>4.01%</b>	<b>4.93%</b>

## 6. ACTIVITIES DURING THE FINANCIAL YEAR



### Surongo America

**American company, a wholly-owned subsidiary, holding 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).**

Village Square Partners, LLP, the residential complex of 240 flats in Jacksonville (Florida) was 94% occupied at the end of 2010 against 91% at the end of 2009. The occupancy rate is highly satisfactory and incomes are slightly increasing. The fair value of this real estate investment increased by USD 1.3 million in 2010 (Group share after tax). The refinancing of the debt relating to this investment was finalised in October 2010 on good terms.

The real estate partnership, DSF Capital Partners, LP, has invested in two projects. The first concerns the renovation of a building which, at the end of December 2010, was 94% let (92% at the end of 2009). The second project is the construction of a hotel. This was inaugurated on 12 February 2009 and showed an occupancy rate and average price per room higher than in 2009. The refinancing of this partnership's debts was finalised in November 2010.

In 2006, Surongo America signed a commitment of USD 10 million in the DSF Capital Partners III, LP partnership. At the end of December 2010, the commitment was 90% paid up. This Partnership's two real estate investments are located in the periphery of Washington DC, which is one of the areas least affected by the crisis. They both have occupancy rates of more than 95% with rents slightly higher than in 2009. The construction of the third project began in 2010. The letting of this new project is envisaged for the beginning of 2012.

The real estate partnership in New York, Gotham City Residential Partners I, LP, was subscribed at the end of 2006. The aim of this project is to purchase apartment buildings with a view to their renovation. The total commitment of Surongo America is USD 10 million, of which USD 7.7 million were paid up at 31 December 2010, compared with USD 5.4 million at the end of 2009. At the end of 2010, the apartments were 94% let (against 93.5% at the end of 2009), 5% are being renovated and 1% is to let. Most of investments were made from shareholders' equity.

In October 2008, Surongo America seized an investment opportunity by joining with its historic partners in a project for taking over a real estate complex in Florida. The amount of the investment was USD 1.8 million. The project is on track.

In October 2010, Surongo America, Inc. subscribed to the creation of the Partnership Zeb Land, LLC for an amount of USD 2.8 million. In November 2010, Zeb Land, LLC acquired the production building of Nomaco (subsidiary of the Noël Group) and has let this building to Nomaco on a 10-year lease. This operation has enabled Noël Group to continue its deleveraging of bank debt and to repay part of its debts to Surongo America, Inc in anticipation.

The 2010 results were mainly affected by a positive fair value correction to Village Square Partner, LLP, (see above) and by a negative fair value adjustment of USD 6.9 million after tax with regard to Noël Group. (See also Noël Group on Page 34)

### AUDITED CONSOLIDATED ACCOUNTS (IFRS)

(in USD millions)	31/12/2010	31/12/2009	31/12/2008
Revenue	3.87	3.62	6.02
Net Group Result	-5.00	-6.57	-3.24
Shareholders' equity	29.36	34.36	40.93
Total Balance Sheet	78.71	77.83	90.81
Distributed dividend	-	-	-
<b>% of holding</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**Codic International**

Codic is an independent property development company created in 1970.

In recent years, the company has developed more than a million square metres of offices, business parks, shopping centres and multipurpose projects.

Initially established in Belgium, Codic took a very early interest in nearby markets. After investments in the Grand Duchy of Luxembourg and France, it was in Hungary, Spain and Romania that the Group reinforced its European positioning.

Like 2009, 2010 was marked by the world economic crisis and the property market drought but this year also experienced tougher terms for access to financing.

In 2009/2010, in spite of this difficult environment, Codic was able to register a good performances. The gross margin achieved via the various projects amounted to EUR

27.6 million and net profit amounted to EUR 9.2 million. Thanks to these results, the equity exceeded the 100 million euro threshold for the first time. The Group believes that recovery of the markets in 2011 will be slow, but it is also expecting trends to diverge in its various markets. In the course of these last two years, Codic International has seen a slowdown in its rate of growth, but the company has worked hard to be able to benefit from resumption of economic activity by preparing projects and acquiring new developments in France and in Luxembourg.

The Group can also rely on the confidence traditionally shown in it, even in periods of difficulty, by private and public economic players, financial partners and investors.

Despite the absence of any significant transaction in 2010/2011 and lack of visibility of the company in coming months, it is envisaging slightly positive results for the current financial year.

AUDITED CONSOLIDATED ACCOUNTS (IFRS)

(in EUR millions)	30/04/2010	30/04/2009	30/04/2008
Gross margin	27.63	31.64	70.80
Net profit	9.21	11.31	46.40
EBIT	17.26	17.96	60.96
Shareholders' equity	101.18	97.49	88.56
Total Balance Sheet	242.24	295.05	335.45
Distributed dividend	5.51	5.99	27.84
<b>% of holding</b>	<b>23.81%</b>	<b>23.81%</b>	<b>23.81%</b>

## 6. ACTIVITIES DURING THE FINANCIAL YEAR



### **Imolina**

**Luxemburg real estate company, a wholly-owned subsidiary of the Group.**

Rental payments from two Luxembourg buildings were received on a regular basis. The liquidation of the Alora Invest wholly-owned by Imolina, was closed at the end of 2010. This liquidation followed the sale of the Cofinimmo shares that it still held.

## Strategic shareholdings

This part of the assets reflects the Company's primary mission, which is to take shareholdings in companies, whether listed or not. It wishes henceforth to concentrate on a limited number of holdings, mainly industrial, in order to exercise an influence on them, especially with regard to the choice of managers and strategic orientations.

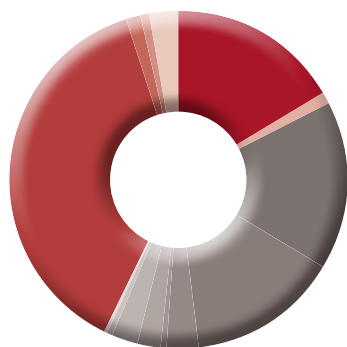
The main investment criteria include:

1. An understanding of the business in which the company is involved
2. Confidence in and partnership with management in situ
3. Quantified analysis

In 2010, the Group disposed of the totality of its shareholdings in Bank Degroof and Atrya. It also reduced its positions in Satair, Umicore and Ter Beke.

### COMPOSITION OF THE GROUP'S STRATEGIC PORTFOLIO

Market Value at 31 December 2010



x € 1,000	Market Value	Quantity	Closing Price	% of Sub-division	% of holding
<b>Financial 18%</b>					
■ Berenberg Bank	75,462			94.0%	12.00%
■ TC Re	4,827	52,190		6.0%	26.41%
	<b>80,289</b>			<b>100.0%</b>	
<b>Industrial 40%</b>					
■ Umicore (via Parfina)	72,975	1,875,000	38.92	40.5%	1.56%
■ Recticel	65,724	8,288,006	7.93	36.5%	28.65%
■ Noël Group (via SurAm)	14,187	6,015,841		7.9%	30.52%
■ Loan to Noel Group (via SurAm)	1,657			0.9%	
■ Biofirst	10,294	10,290		5.7%	49.40%
■ Satair	11,303	250,000	45.21	6.3%	5.84%
■ Maignon Technologies	2,315	5,000		1.3%	6.29%
■ Ceran	1,702	8,189		0.9%	35.95%
	<b>180,157</b>			<b>100.0%</b>	
<b>Food 40%</b>					
■ Neuhaus Holding	171,000			94%	100.00%
■ Galactic (via Serendip)	6,221	150,000		3.4%	11.25%
■ Ter Beke	4,603	76,974	59.80	2.5%	4.44%
	<b>181,824</b>			<b>100.0%</b>	
<b>Other 3%</b>					
■ Other	11,669			100%	
	<b>11,669</b>			<b>100.0%</b>	
<b>Total 100%</b>	<b>453,939</b>				

## 6. ACTIVITIES DURING THE FINANCIAL YEAR

### Presentation of the Main Strategic Shareholdings

#### 1. Financial sector



##### **Berenberg Bank**

Berenberg Bank, founded in 1590, is the oldest private bank in Germany and is one of the oldest banks in the world. Today, it is a high quality private bank in Germany. It manages EUR 25 billion of assets and employs more than 900 people, mainly in Germany but also abroad, all of whom are committed to the company's values: "Commitment, Reliability and Responsibility".

Private banking business is enjoying great success in the field of consultancy and management for its customers. The bank has received many Awards. It was selected as the

best private bank in Germany by "Euromoney" magazine and in the same year won the highest "summa cum laude" distinction awarded by "the Elite of Asset Managers". Furthermore, the "Thomson Extel Survey" covering 7,400 expert opinions, selected Berenberg as the best broking and analysis company in Germany.

In 2010, the bank continued its growth. Thanks to its conservative risk-taking policy and its excellent reputation, the number of customers has further increased this year.

#### AUDITED CONSOLIDATED ACCOUNTS

(in EUR millions)	31/12/2010	31/12/2009	31/12/2008
Net financial income	261.30	256.62	232.34
Assets under management	25,500	21,900	20,300
Cost / income ratio	73%	63%	67%
Net profit	61.74	64.21	48.24
Shareholders' equity	300.94	290.09	267.65
Total Balance Sheet	3,601.85	3,646.22	4,481.32
Distributed dividend	50.58	43.68	29.3
<b>% of holding</b>	<b>12.00%</b>	<b>12.00%</b>	<b>12.00%</b>





### Trade Credit Re

Belgian company providing credit insurance, insurance-guarantees and the insurance of various types of pecuniary losses, both in Belgium and the principal countries of the European Union.

In 2010, TCRe succeeded in reinforcing its position in the credit insurance market in a market where the demand for this kind of protection was weaker overall.

In the course of this sixth business year, gross premiums increased by 6.4% and net reinsurance premiums by 33.7%. Growth is admittedly more modest than in 2009, but the result is distinctly better since the compensation/premium ratio (loss ratio) was more favourable than in 2009. This

has been the result of a strict client selection policy, initiated several years ago.

TCRe s.a. closed with a profit of EUR 1.45 million; consolidated with its subsidiary TCRe<sup>2</sup> in Luxemburg, the result for the 2010 financial year amounted to EUR 2.69 million.

The capital of the company amounts to EUR 20,092,800. Compagnie du Bois Sauvage has a 26.41% shareholding. The other shareholders are: the management, the Office National du Ducroire (ONDD), the Office du Ducroire Luxembourgeois, ABN-AMRO Venturing Holding BV and a private shareholder.

### COMPANY ACCOUNTS

(in EUR millions)	<b>31/12/2010</b>	31/12/2009 audited	31/12/2008 audited
Gross premiums	40.13	37.73	32.84
Net reinsurance premiums	4.05	3.03	2.10
Net profit	1.45	0.07	0.00
Shareholders' equity	18.28	16.83	17.09
Total Balance Sheet	55.85	55.06	53.50
Distributed dividend	-	-	-
<b>% of holding</b>	<b>26.41%</b>	<b>26.41%</b>	<b>26.30%</b>

## 6. ACTIVITIES DURING THE FINANCIAL YEAR

### 2. Industrial sector



#### Umicore (via Parfina, sa)

Umicore concentrates its activities in four sectors: **Catalysis, Energy Materials, Performance Materials and Recycling**. The Group is developing its industrial activities on every continent in order to serve its customers on a global basis.

- Umicore's performance has increased significantly, supported in 2010 by demand in all its lines of business. Increased sales added to the positive impact of cost cutting measures have led to a significant improvement in recurring EBIT.

- In 2010, Umicore recorded:
  - A turnover of EUR 2 billion (up 16%)
  - A recurring EBITDA of EUR 469 million (up 78%)
  - A recurring EBIT of EUR 342 million (up 134%)
  - Adjusted profit per share of EUR 2.33 as against EUR 0.73 in 2009

Umicore will be proposing to its AGM a gross dividend of EUR 0.80 per share (an instalment of which, amounting to EUR 0.325, was already paid in October 2010). The company is forecasting an improvement in income in 2011. Umicore will continue to intensify its main investment plans in 2011. (See also [www.umicore.com](http://www.umicore.com))

#### CONSOLIDATED ACCOUNTS (audited IFRS)

(in EUR millions)	31/12/2010	31/12/2009	31/12/2008
Income (excluding Metals)	2,000	1,723	2,100
Net Group Result	249	74	122
Recurring EBIT	343	146	355
Shareholders' equity (Group)	1,517	1,314	1,291
Total Balance Sheet	3,511	2,826	3,025
<b>% of economic holding</b>	<b>1.56%</b>	<b>1.65%</b>	<b>2.15%</b>



## Recticel

The Recticel Group is active in four selected fields: flexible foams, sleep comfort, insulation, and automobile. Although the Group essentially produces semi-finished products (flexible foam and automobile sector), it is also active in a number of sectors such as the manufacturer of finished and consumer products for the retail trade. (Sleep comfort and insulation). With its slogan, "Passion for comfort", Recticel's objective is to distinguish itself as an important polyurethane foam producer contributing to everyday comfort for a wide public.

One thus finds, in the Sleep Comfort division, mattresses and bed frames marketed under well-known brand names (Beka®, Lattoflex®, Literie Bultex®, Schlaraffia®, Sembella®, Superba®, Swiss Flex®,...). The Insulation Division deals with top-quality thermal insulation products ready-to-use in construction projects. These insulation products are mar-

keted under well-known brand names (Euro Wall®, Powerroof®, Powerdeck® and Powerwall®).

Moreover, Recticel attaches great importance to innovation and to technological progress. The Group's various products are therefore being used in more and more innovative and novel applications.

As a market leader in most of its fields, Recticel today employs a total of 8,300 people in 110 establishments throughout 27 countries. The Group is globally present in Europe but also operates in the United States and Asia. In 2010, the Group achieved a turnover of EUR 1,348 million.

The Compagnie du Bois Sauvage shareholding remained unchanged in 2010 at 28.65%.

## AUDITED CONSOLIDATED ACCOUNTS (IFRS)

(in EUR millions)	31/12/2010	31/12/2009	31/12/2008
Sales	1,348.40	1,276.70	1,555.45
Net Group Result	14.40	20.70	11.50
EBITDA	83.50	102.30	108.80
Shareholders' Equity (Group)	241.7	225.50	210.60
Total Balance Sheet	777.50	757.90	898.80
Dividend	7.81	7.23	4.91
<b>% of economic holding</b>	<b>28.65%</b>	<b>28.65%</b>	<b>28.65%</b>

## 6. ACTIVITIES DURING THE FINANCIAL YEAR



### Noël Group

American holding company specialising in plastic extrusion and organized around its principal clusters of activity: insulation, special extruded foam profiles, synthetic wine bottle corks, decoration and expanded foam 'Leisure' products.

In 2010, Noël Group significantly improved its operational result. The year was marked by the recession and by a macroeconomic situation that continued to affect the Group's sales and results. The best sales progressions were recorded by Jyco, producer of seals for the automobile industry in Europe, and by the "Insulation" division.

This sales rise was counterbalanced by a fall in sales and margins in "Home Furnishing" products. The trend will probably continue in 2011.

Price increases in raw materials' also impacted the Group's margins. Spongex business continued to improve following the reorganisation implemented during the two previous financial years.

Jyco is still in a growth phase and is benefiting from a more dynamic automobile market.

Nomacorc (synthetic corks) in which Noël Group has a minority interest, experienced sustained activity in 2010 and exceeded in sales, volume and in operational results corresponding figures for the year 2009.

In view of the economic uncertainties, the Noël Group is remaining prudent but envisages an improvement for 2011. Technological innovation, which continues to be a strong pillar of the Group, should contribute to its development.

### CONSOLIDATED ACCOUNTS (US GAAP)

(in USD millions)	31/12/2010	31/12/2009	31/12/2008
Turnover	88.34	85.32	99.50
Net Group result	-2.07	-17.47	0.54
EBITDA	4.86	0.80	-2.50
Shareholders' Equity (Group)	47.61	44.95	61.57
Total Balance Sheet	74.62	75.61	94.71
Distributed dividend	-	-	0.5
<b>% of holding</b>	<b>30.5%</b>	<b>30.5%</b>	<b>29.3%</b>



### Satair

A Danish company listed on the Copenhagen Stock Exchange, Satair is one of the world leaders in the distribution of logistic services and spare parts for aircraft maintenance.

The Company holds a 5.8% shareholding at the end of 2010 for a total of EUR 11.3 million.

Satair had to confront an economic crisis which particularly affected the aeronautical sector. In this harsh environment, Satair managed to stabilise its turnover during 2009/10.

- 2009/10 turnover was USD 406.5 million, 1% less compared to the previous financial year;
- The 2009/10 EBITDA was USD 35.1 million, compared to USD 26.8 million for the previous year;
- Net profit for the financial year amounted to USD 19.8 million against USD 7.7 million at the end of the previous financial year.

Since the summer of 2010, air transport has experienced a significant recovery, from which the company has benefited:

- In October 2010, Satair sold its OEM division (assembly parts), which accounted for approximately 25% of its turnover, for a price of USD 162 million. The gain realised by that sale amounted to USD 67 million.
- Turnover at the end of December 2010 (1st half year period) amounted to USD 185 million, up 30% (excluding OEM activity). Over the same period, EBITDA amounted to USD 17.6 million against USD 11.1 million one year earlier.

In view of this trend, management has upwardly reviewed its forecasted results for 2010/11. On a comparable basis, to an annual turnover of USD 380 million (up 25%). A net result, after appreciation, of USD 85 million corresponding to a free cash-flow of USD 162 million. At 31 December 2010, company equities amounted to USD 126.74 million.

As mentioned in the letter to the shareholders on Pages 2 and 3, Bois Sauvage Group reduced its shareholding in Satair in 2010, descending from a 7% to a 5.8% holding of the latter's capital.

### AUDITED CONSOLIDATED ACCOUNTS (IFRS)

(in USD millions)	30/06/2010	30/06/2009	30/06/2008
Turnover	406.51	410.56	423.71
Net Group result	19.77	7.71	14.84
EBITDA	35.06	26.80	37.31
Shareholders' Equity (Group)	126.74	119.81	117.40
Total Balance Sheet	315.81	298.97	310.51
Distributed dividend	5.60	2.40	5.00
<b>% of holding</b>	<b>5.8%</b>	<b>7.0%</b>	<b>7.0%</b>

## 6. ACTIVITIES DURING THE FINANCIAL YEAR



### **Biofirst**

**In 2008, Compagnie du Bois Sauvage and Floridienne created, as a 50/50 partnership, the Biofirst Holding Company, in order to develop the projects and synergies of four companies: Biobest (99%), Chemcom (36%), Sopral Madagascar (99%) and Sotecna (78%). This "green" holding company will develop natural products and solutions oriented towards agriculture and human well-being.**

Through these various structures, Biofirst wants to play a key role in the research, discovery and industrialisation of sustainable development solutions, in fields such as wellbeing (fragrance, taste), food (vanilla, pepper...) and agriculture (pollination, integrated crop protection, and green chemistry).

BIOBEST is world number 2 in integrated crop protection. It specialises in biological pollination by bumblebees, and in biological control by beneficial insects and mites. Biobest is continuing its growth, now selling its services in more than 57 countries, and has continued to intensify its research efforts in order to face the many challenges of the market. Biobest has opened a new production unit in Mexico, and is extending its products in Latin America and Asia. Biobest has also successfully developed a local native species of bumblebee for the English market (*Bombus terrestris audax*), which now enables use of pollinating bumblebees to be extended to open fields.

Through its subsidiary, Tecnoscent, (50/50 joint venture with Givaudan, world leader in aromas and perfumes), Chemcom is today the world leader in human olfactory biology. Chemcom has developed an artificial human nose cloning and expressing all of the olfactory receivers (GPCR). This "nose" represents a powerful, robust and industrial tool. Its research into olfactory receivers has led to the discovery of the first molecules inhibiting the malodorous effects of perspiration. A discovery that could lead to a new generation of deodorants. ChemCom also develops technologies in the field of agriculture by studying the chemical communications of plants and insects. Some patented "green" products, non-toxic for man, with a specific action and usable in low concentration, could be launched.

Sopral is mainly active in Madagascar, in vanilla, green pepper and essential oils. Sopral has achieved safe sustainable development throughout the entire vanilla sector, from growers via harvesters to transformation. It has signed a long-term partnership with one of the largest players in the field of vanilla.

Sotecna specialises in the production of 100% pure and natural essential oils for the food industry. It has developed a second production site in Romania.



### **Groupe Ceran**

**Belgian company specialising in teaching languages by complete immersion.**

After a generalised fall in business in 2009, and despite the difficult economic context, in 2010 the Ceran Group experienced a stabilisation phase in its “Adults” business and a record year for its “Juniors” business. The sales trends recorded at the end of 2010 are consistent with a continued recovery in the “Adults” business envisaged for 2011.

At the end of 2010, the Ceran Group posted a consolidated turnover of EUR 8.5 million, that is to say a progression of 5% compared to 2009. The 2010 financial year ended with a net profit of EUR 0.4 million. The equity and cash position (EUR 2.2 million) were reinforced and debt remained under control.

The upgrading of the infrastructures continued in 2010 (renovation of 22 bedrooms and the English and French teaching departments). A new CRM was also launched.

An in-depth strategic reflection on the languages market and future axes for development was carried out over the year 2010. The strategic planning adopted foresees the development of products intended for professional customers in nearby markets, namely Belgium, Luxemburg, the Netherlands, Germany and France.

### **Matignon Technologie II**

**This investment fund was created in 2006 with the objective of constituting a portfolio of shareholdings in companies involved in medical technologies and services with significant prospects for growth, profitability and added value over a five to six year horizon.**

The Company has a shareholding of 6.3% in this fund.

The initial commitment of Compagnie du Bois Sauvage of EUR 5 million was paid up to EUR 3.1 million at 31 December 2010. During 2010, the fund made a repayment of EUR 0.2 million following the sale of its shareholding in the Belgian Company Eurogentec.

## 6. ACTIVITIES DURING THE FINANCIAL YEAR

### 3. Food sector



#### Neuhaus

**Famous Belgian manufacturer of luxury chocolate and confectionery products.**

In 2010, the Neuhaus Group achieved a 13% increase in turnover to nearly EUR 120 million and a 21% increase.

The Neuhaus brand is sold in more than 25 own shops and present in more than 40 countries and in 50 airports. Its turnover increased by more than 19% in 2010.

Jeff de Bruges (66% owned) extended its distribution network to more than 80 own shops and has more than 275 franchisees, the majority in France. Its turnover increased by 12% in 2010.

The opening of new sales outlets, increased renown of the Group's brands, constant improvement in productivity and reductions to structural charges were the basis of this increased profit.

The challenges for 2011 include:

- To continue to adapt the product range to market preferences
- To increase the number and quality of sales outlets, as well as the quality of the products
- To increase sales in the "business travel", e-commerce and company customer (BtoB) sectors
- To go even further in the improvement of the production and productivity apparatus while maintaining the products' high quality level.

#### AUDITED CONSOLIDATED ACCOUNTS (IFRS)

(in EUR millions)	31/12/2010	31/12/2009	31/12/2008
Turnover	119.86	105.67	102.25
Net Group result	10.95	10.31	8.94
EBITDA	27.86	24.16	22.39
Shareholders' Equity (Group)	57.59	50.89	45.18
Total Balance Sheet	108.58	100.25	87.06
<b>% of holding</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>





### Galactic (via Serendip)

**Belgian company producing lactic acid. With a world market share of 20%, Galactic is the second largest producer of lactic acid. Its shareholders are 100% Belgian.**

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

Galactic has continued its investments in the production of lactic acid bi-products with higher added value on its Belgian site. Indeed the development of PLA (polylactic acid), a bio renewable polymer, will in the medium term convert lactic acid, its raw material, into a commodity. The resources available to the research centre have been increased in order to accelerate development and to remain on top of this profitable sector.

In Asia, the Chinese production Joint Venture is performing well and its Japanese subsidiary finished its first financial year in profit.

In the United States, a lactic acid production unit started in January 2011 in a new building in Milwaukee.

High price increases for the raw materials (sugar, corn, chemical products) impose prudence for the coming year.

Futero, a Joint Venture with Total Petrochemicals, has started its pilot plant and the first kilos of PLA have been produced. The process now has to be optimised so that a technology ready for mass production can be supplied..

Compagnie du Bois Sauvage has a shareholding of 25% in the Serendip Company, which has a 45% shareholding in Galactic as its only asset.

## AUDITED COMPANY ACCOUNTS

(in EUR millions)	31/03/2010	31/03/2009	31/03/2008
Turnover	31.91	31.90	31.50
Net profit	2.98	1.35	2.28
EBITDA	5.52	3.80	5.56
Shareholders' equity	20.64	18.43	16.91
Total Balance Sheet	39.20	35.73	32.02
Dividend	1.00	0.85	-
<b>% of holding</b>	<b>11.25%</b>	<b>11.25%</b>	<b>11.25%</b>

## 6. ACTIVITIES DURING THE FINANCIAL YEAR



### Ter Beke

Ter Beke is an innovative Belgian food group, marketing its products in ten European countries. The group has two main activities: charcuterie and cooked dishes, has nine production sites in Belgium, Holland and France and employs 1,850 people.

In 2010, turnover and the net result rose respectively from EUR 392 million to EUR 402 million and from EUR 8.26 million to EUR 10.46 million. This turnover increase was due to the considerable growth of volumes in both divisions of the Group.

EBITDA increased by 6.7%, rising from EUR 35.2 million to EUR 37.5 million.

This rise was mainly due to growth in volume achieved, to new efficiency improvements throughout the entire supply chain and to sustained efforts in terms of cost control and reduction.

Ter Beke invested EUR 24 million in tangible fixed assets in 2010 against EUR 17 million in 2009.

The group is confident that it will be able to continue its growth in both divisions and that it will be able in 2011 to achieve an improvement of the 2010 results, except for unforeseen circumstances.

### AUDITED CONSOLIDATED ACCOUNTS (IFRS)

(in EUR millions)	31/12/2010	31/12/2009	31/12/2008
Turnover	402.18	392.37	393.20
Net Group Result	10.46	8.26	7.60
EBITDA	37.50	35.16	29.87
Shareholders' equity (Group)	89.12	82.46	78.15
Total Balance Sheet	242.61	230.02	239.44
Distributed dividend	4.33	4.07	3.64
<b>% of holding</b>	<b>4.44%</b>	<b>5.08%</b>	<b>5.08%</b>

## 4. Other shareholdings



### **Metrobél**

In 2010, Compagnie du Bois Sauvage has decided, with the aim of simplifying its structure, to take back directly the shareholdings and loans that were placed in Metrobél s.a. directly.

Metrobél will be put into liquidation during the course of 2011.



### **Euroscreen**

**Belgian biotechnology company focusing on cellular receptors.**

Euroscreen S.A : Belgian biotechnology company focusing on the discovery of new drugs. In 2010, Euroscreen, historically recognized as one of the world specialists in G Protein Cellular Receptors (GPCR), pharmacological targets of primary importance, became, in line with its mid-2006 change of strategy, a true "Drug Discovery" company.

The scientific data obtained in the context of its major project during these last two years has led to the identification, optimisation and in vivo proof of concept in animals of new proprietary little molecules that are active against diabetes and inflammatory pathologies. They have enabled it to sign an important collaboration and licence agreement with Ortho-McNeil-Jansen Pharmaceuticals Inc., a subsidiary of the Johnson & Johnson Group. This agreement has given rise to an "upfront payment" and will enable it to receive funding for the next three years of research in the form of "research fees". In total, this agreement could enable Euroscreen to receive more than EUR 150 million in "milestone payments".

Euroscreen will pursue the development of its pipeline on promising new projects and will preserve its mixed business model combining: (i) Its Euroscreen "Drug Discovery" unit and (ii) its "Euroscreen Fast" Business Unit, which is active in Europe, the United States and Asia, and dedicated to providing services for the biotechnological and pharmaceutical industries.

At the end of 2010, the company had EUR 7.0 million in cash at its disposal.

The Group's shareholding is 8.46%.

## 6. ACTIVITIES DURING THE FINANCIAL YEAR



### **Nanocyl**

**Belgian company, producer of carbon nanotubes.**

Nanocyl develops, produces and markets carbon nanotubes and products formulated on the basis of carbon nanotubes.

Nanocyl is continuing to consolidate its role as a key player on the world market in the production and marketing of carbon nanotubes and bi-products in the automobile and IC packaging sectors for their anti-static properties, and composites based on glass or carbon fibres for their mechanical reinforcement properties. NC7000 remains the benchmark nanotube on the world market for its excellent electrical conductivity properties.

2010 has seen the development of new non-inflammable and non-toxic thermoplastic products for applications in logistic, of rubber with reinforced mechanical properties, as well as improvement in maintenance of those properties over time. The use of composite-based products has accelerated and the use of carbon nanotubes for the manufacturing of a membrane in a type of battery has proceeded to the commercial stage.

The second large-scale industrial production unit (400 tons) was installed, thus achieving a significant increase of the production capacity.

Registration of the NC7000 has been successful both in the United States and in Canada.

A TS&D (Technical Service & Development) comprising five employees has been set up, in order to improve customer support and to accelerate the adoption of carbon nanotubes in new applications.

The Group's shareholding in Nanocyl was 7.10% at the end of 2010, slightly up from 2009 (6.92%)



### **XDC**

**XDC is the European leader in technologies and services relating to digital cinema.**

XDC is benefiting from an important dynamic. With its subsidiary FTT, XDC has installed more than 1,000 digital screens in Europe in 2010. The sales of XDC have exploded to EUR 61.2 million, partly thanks to the acquisition of FTT, which has been consolidated since 1 January 2010 and which is having a positive effect on the results. The EBITDA of XDC was positive at EUR 8.7 million (or 14% of its income) in 2010. The new XDC Group, including FTT, is strongly developing in Europe.

### **Bone Therapeutics**

**A Belgian company created in 2006, Bone Therapeutics specialises in the treatment of osteoarticular diseases by cellular therapy. The company develops innovative cellular products on the basis of a proprietary technological platform. The applications concerned are bone reconstruction (osteonecrosis, non-consolidated fractures, maxillofacial reconstruction,...) and the treatment of orphan bone diseases.**

In early 2011, Bone Therapeutics raised EUR 9.5 million in which Compagnie du Bois Sauvage was not involved. Thanks to this fund-raising, it will be able to continue its development programme confidently and to start its Phase III clinical research, the final stage before the marketing of products enabling bone reconstruction.



### **Guy Degrenne**

Listed French company. Benefiting from a great cutlery tradition, Guy Degrenne has become in a few decades a leader in tableware.

In recent years, the company has been the subject of an in-depth reorganisation. All of the Group's activities have been rethought and adapted to current market needs. In parallel, the Group's capitalization has been appreciably reinforced by a Mandatory Convertible Bond (MBC) issue.

The first half consolidated turnover at the end of September 2010 showed a rise of 4.7%. Combined with a satisfactory workload at the factories, this progression should lead to a noticeable improvement in profits.



### **Compagnie du Bois Sauvage (Nederland)** **Wholly-Owned Dutch Holding Company**

Compagnie du Bois Sauvage (Nederland) holds 99.99% of the US company, Surongo America, Inc. Information on this shareholding can be found on Page 26.

The company also owns the Luxemburg company, Imolina (see Page 28)



### **Compagnie du Bois Sauvage Services**

Belgian company providing accounting and administrative services for the Group companies.

This company centralises the IT equipment investments and ensures the quality of the logistical services indispensable to the proper working of the Group. It is wholly-owned.

## 6. ACTIVITIES DURING THE FINANCIAL YEAR

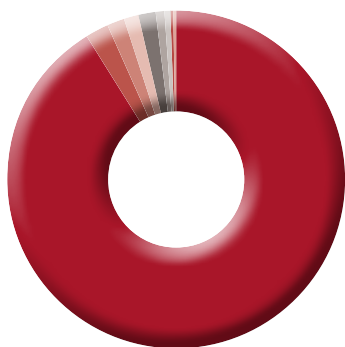
### Cash and cash equivalents

At 31 December 2010, the Group's cash and cash equivalents amounted to EUR 232 million. The few certificate positions still in portfolio after the reorganisation of 2009 and 2010 amounted to EUR 22 million. All of the positions

are intended to be realised as well as possible. There has been no further own-account trading activity since the end of 2008.

### OTHER FINANCIAL FIXED ASSETS – GROUP CASHFLOW

Market Value at 31 December 2010



x € 1,000	Market Value	Quantity	Closing Price	% of division
■ Consolidated Cashflow <sup>(1)</sup>	231,815			91.4%
■ Solvay	5,583	70,000	79.75	2.2%
■ Delhaize	4,145	75,000	55.27	1.6%
■ Total	3,965	100,000	39.65	1.6%
■ GDF Suez	3,759	140,000	26.85	1.5%
■ Fortis Bank	1,973	70,447	28.00	0.8%
■ Mobistar	1,940	40,000	48.51	0.8%
■ Ageas	257	150,000	1.71	0.1%
■ Other	71			0.0%
<b>Total</b>	<b>253,507</b>			<b>100%</b>

(1) Including receivable related to the sale of the shares of Bank Degroof for an amount of EUR 171 million

## 7. ACCOUNTABLE EXECUTIVES' DECLARATION

To the best of our knowledge,

- i) The financial statements, drawn up in compliance with IFRS standards, give a faithful image of the assets, financial situation and results both of the Company itself and other companies included in the consolidation,
- ii) The management report contains a faithful account of important developments and events and of the main transactions with contracting parties that have taken place during the course of the financial year and of their effects on the accounts and a description of the main risks and uncertainties to which the Company is exposed.

Vincent DOUMIER  
Managing Director

## 8. EARNINGS ALLOCATION AND PROFIT APPROPRIATION POLICY

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

- Reinforcement of the Company's resources;
- Return on capital.

The year 2010 has seen confirmation of the good operating results. The Board proposes to raise the gross dividend by EUR 0.20 per share to take it to EUR 6.80.

### COMPAGNIE DU BOIS SAUVAGE PROFIT APPROPRIATION

#### EUR

The result for the financial year amounts to	24,072,361.32
To which is added	
- The profit carried forward	146,933,255.82
<b>To make up the profit to be distributed</b>	<b>171,005,617.14</b>
We propose the following allocation:	
- To the statutory reserve	0
- To other reserves	0
- To unavailable reserves for own shares	1,600,362.43
- To the distribution of a gross dividend of EUR 6.80 <sup>(*)</sup>	10,571,599.60
- To the Directors'	222,559.99
<b>Balance carried forward</b>	<b>158,611,095.12</b>

(\*) The self-held Compagnie du Bois Sauvage shares are not entitled to the dividend.

If you approve these proposals, the dividend of EUR 6.80 gross will be payable with effect from 4 May 2011, at the head office and the counters of BNP Paribas Fortis and De-groof Bank, in exchange for Coupon 22.

The Compagnie du Bois Sauvage share will be quoted ex-coupon 22 as from 29 April 2011.

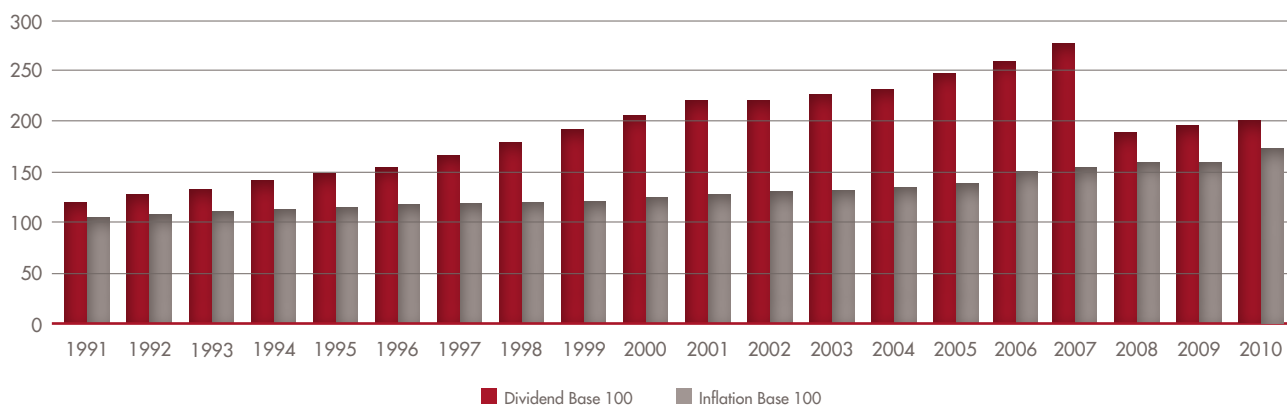
This dividend is higher than last year's dividend of EUR 6.60 gross. On the basis of the stock market price at 31 December 2010, it procures a gross return of 3.35%.

After distribution, the shareholders' equity (group share) will amount to EUR 372,387,691.01.



## DIVIDEND VERSUS INFLATION

Base 100 in 1990



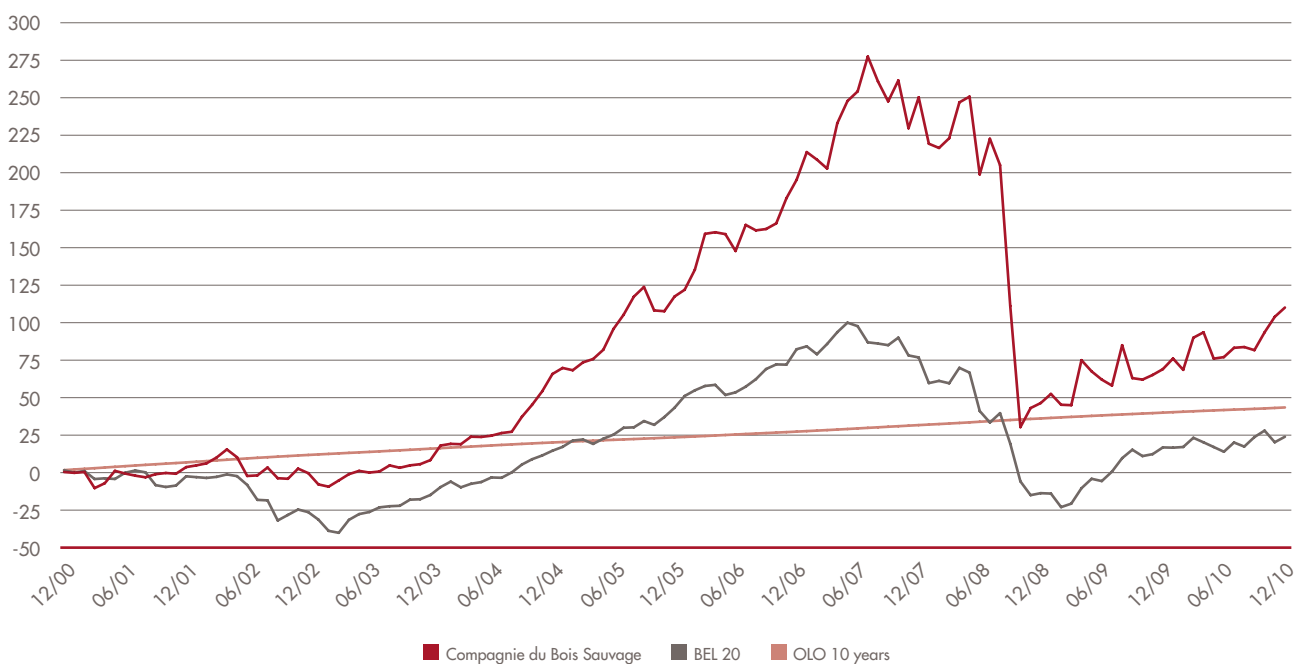
## TOTAL RETURN FROM 31/12/2000 TO 31/12/2010

	Total Return	Annual
Compagnie du Bois Sauvage	109.67%	7.68%
BEL 20	22.26%	2.03%
OLO 10 YEARS	41.79 %	3.55%

Source: Bloomberg

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

In %



## 9. PORTFOLIO VALUATION AS AT 31 DECEMBER 2010

The market value and the intrinsic value before distribution of the Compagnie du Bois Sauvage share have been calculated as at 31 December 2010.

The following hypotheses were adopted for this calculation:

- The real estate properties are valued on the basis of expert valuations
- No liquidation tax has been calculated
- No account has been taken of possible social liabilities
- The stock market prices at 31 December 2010 have been used to value listed companies.

As regards unlisted companies, these have been valued on the basis of their net book value or consolidated value (IFRS if available).

The Berenberg Bank has been valued on the basis of an average between the estimated net asset value and its return value. The estimated net asset value corresponds to the bank's consolidated equity plus an estimate of goodwill that reflects the value of the assets under management and an estimate of the value of the Corporate and Investment Banking activity. The return value has been calculated by using the average P/E of comparable listed companies.

The Noël Group (in the Group via Surongo America) has been valued by an expert. This valuation has been based on Business Units, using, in function of the adequacy, a Discounted Cash Flow model or the multiples of comparable companies.

The Neuhaus Company has been valued on the basis of the 2010 results and its 3-year business plan. The methods used are the DCF and the multiples of comparable companies.

THE INTRINSIC VALUE TREND IS THE FOLLOWING:

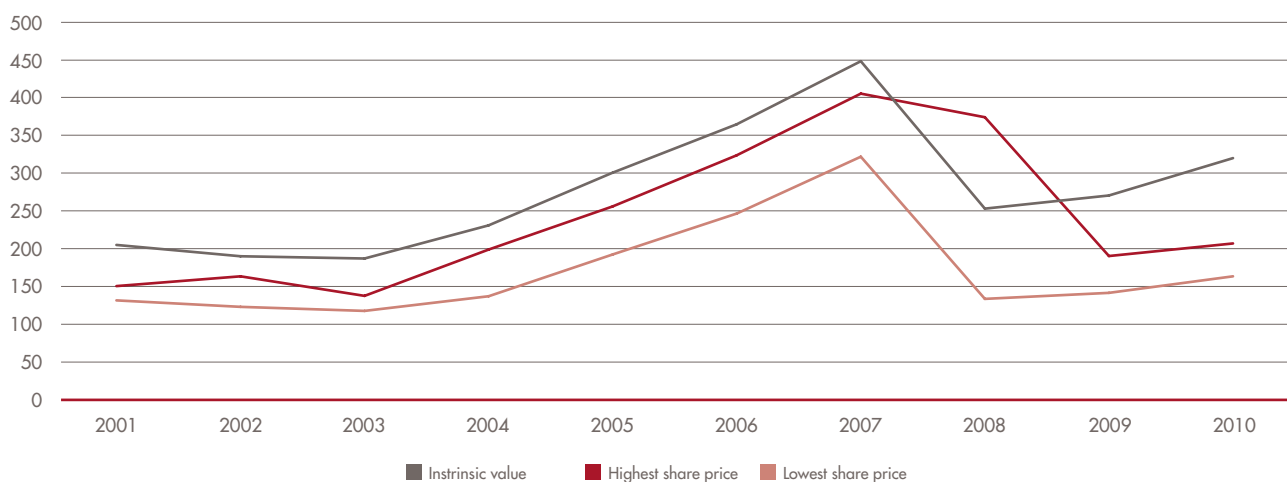
	<b>31/12/2010</b>	31/12/2009
Intrinsic value "in the money"	<b>325.97</b>	269.52
Intrinsic value "fully diluted"	<b>319.19</b>	268.33

The intrinsic "fully diluted" value assumes the conversion of all the convertible bonds and the exercise of all of the warrants and options in circulation.

The intrinsic value "in the money" assumes the conversion of the convertible bonds and the exercise of the warrants and options if the conversion or exercise price is lower than the stock market price.

#### INTRINSIC VALUE "FULLY DILUTED" TREND

EUR



## 10. PROSPECTS FOR 2011

### Post-closure events, projects and prospects

Among the projects being studied, there is at this time no significant investment file coming to fruition. The Board will nevertheless remain open to any proposal that could strengthen its current focus.

## 11. FINANCIAL CALENDAR

### Financial timetable

<b>Dividend ex-date:</b>	29 April 2011
<b>Dividend record date:</b>	3 May 2011
<b>Dividend payment date (Coupon 22):</b>	4 May 2011

<b>Annual results:</b>	1st half of March
<b>Annual General Meeting:</b>	last day of April
<b>Half-yearly results:</b>	2 <sup>nd</sup> half of August

## 12. SPONSORSHIP

Continuing its policy with regard to cultural sponsorship, the Compagnie du Bois Sauvage took part in prestige events organised by the non-profit-making "Friends of the Cathedral" association and supported the "Queen Elizabeth Competition" as well as the "Club of Bruocsella Companies" initiated by the non-profit-making Promethea association and the "Leuven Foundation".

Compagnie du Bois Sauvage also occasionally supported non-profit-making medical or social vocational associations, such as "Escalpade", "Fetus for Life", "Accueil et vie", "St Joseph Bicycle Challenge Institute" and "Face".

## 13. COMBINED ANNUAL REPORT INDEX

Combined Annual Report Content	Page(s)
■ Business trend, results and corporate situation	2 to 5,
■ Main risks and uncertainties	18
■ Circumstances likely to have a notable influence on the Company's development	18
■ Research & Development	N/A
■ Existence of Company branches	N/A
■ Risk management and derivative financial instruments	16

## CONSOLIDATED AND STATUTORY FINANCIAL STATEMENTS

Financial Year 2010

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56	Consolidated Statement of change in Equity
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58	<b>Statutory Auditor's Report</b>



**Consolidated financial statements for  
the period ended 31 December 2010**  
Presented to the General Meeting on 27 April 2011

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

x € 1,000	2010	2009
<b>Non-current Assets</b>	<b>459,428</b>	<b>653,032</b>
Fixed assets	33,885	36,634
Investment properties	41,549	38,018
Goodwill	10,962	10,962
Intangible assets	11,220	10,562
Shareholdings consolidated using equity method	128,683	134,904
Available-for-sale shareholdings	220,227	410,932
Other Assets	10,241	10,068
Deferred tax assets	2,661	952
<b>Current Assets</b>	<b>304,572</b>	<b>142,896</b>
Inventories	9,193	8,685
Customers and other debtors	202,292	27,867
Current tax receivables	6,775	7,873
Financial assets at fair value through profit or loss	31,692	32,695
Other Assets	3,761	1,763
Cash and cash equivalents	50,859	64,013
<b>Non-current assets held for sale</b>	<b>0</b>	<b>6</b>
<b>Total assets</b>	<b>764,000</b>	<b>795,934</b>

x € 1,000	2010	2009
<b>Shareholders' Equity</b>	<b>429,425</b>	<b>420,180</b>
<b>Group equity capital</b>	<b>416,002</b>	<b>373,372</b>
Capital	200,300	200,300
Undistributed profit	125,009	26,493
Reserves	90,693	146,579
<b>Non controlling interest</b>	<b>13,423</b>	<b>46,808</b>
<b>Liabilities</b>	<b>334,575</b>	<b>375,754</b>
<b>Non-current Liabilities</b>	<b>260,122</b>	<b>305,178</b>
Interest-bearing liabilities	243,941	289,899
Provisions	586	567
Deferred tax liabilities	6,104	4,220
Other non-current liabilities	9,491	10,492
<b>Current Liabilities</b>	<b>74,453</b>	<b>70,576</b>
Interest-bearing liabilities	30,855	23,245
Provisions	309	285
Suppliers and other creditors	21,793	21,856
Tax liabilities payable	5,958	5,718
Other liabilities	15,538	19,472
<b>Total liabilities and shareholders' equity</b>	<b>764,000</b>	<b>795,934</b>



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AS AT 31 DECEMBER

x € 1,000	2010	2009
<b>Operating income</b>	<b>148,220</b>	<b>135,921</b>
Sales	121,505	107,528
Interests and dividends	20,534	21,988
Rental income	3,435	3,407
Other income	2,746	2,998
<b>Operating expenses</b>	<b>-127,888</b>	<b>-116,657</b>
Purchasing	-61,323	-54,416
Personnel expenses	-35,914	-32,846
Amortisations, impairments and provisions	-7,376	-6,265
Financial expenses	-21,303	-21,048
Other expenses	-1,972	-2,082
<b>Share in the profit of shareholding consolidated using the equity method</b>	<b>5,586</b>	<b>3,213</b>
<b>Operating income before disposals and change in fair value</b>	<b>25,918</b>	<b>22,477</b>
Earnings on disposals	96,694	4,466
Changes in fair value and depreciations	9	-16,321
<b>Pre-tax profits</b>	<b>122,621</b>	<b>10,622</b>
Income taxes on profits	-9,161	-178
<b>PROFIT FOR THE YEAR</b>	<b>113,460</b>	<b>10,444</b>
<b>Other elements of the comprehensive income</b>	<b>-54,286</b>	<b>35,279</b>
Available-for-sale shareholdings		
Changes in fair value	33,094	24,735
Transfers to profit-and-loss following depreciation	0	6,700
Transfers to profit-and-loss following disposal	-92,257	5,213
Exchange differences on the conversion of activities abroad	4,877	-807
Share in the profit of shareholdings consolidated using the equity method		
Other	0	-562
<b>OVERALL FINANCIAL YEAR RESULT</b>	<b>59,174</b>	<b>45,723</b>
<b>Financial Year Result</b>	<b>113,460</b>	<b>10,444</b>
Group share	108,593	6,062
Non controlling interest	4,867	4,382
<b>Comprehensive Financial Year Income</b>	<b>59,174</b>	<b>45,723</b>
Group share	54,307	41,351
Non controlling interest	4,867	4,372

### FINANCIAL YEAR RESULT PER SHARE AS AT 31 DECEMBER

x € 1,000	2010	2009
Basic	69.49	3.88
Diluted	67.55	3.88

## CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

x € 1,000	Capital		Reserves			Undistri- buted profit	Group equity capital	Non controlling interest	Share- holders' Equity
	Share capital	Share Premiums	Reserves for re-evalua- tion <sup>(1)</sup>	Own shares	Conver- sion dif- ference				
<b>Balance at 31 December 2008</b>	<b>118,766</b>	<b>81,534</b>	<b>118,563</b>	-	<b>-7,273</b>	<b>29,740</b>	<b>341,330</b>	<b>44,244</b>	<b>385,574</b>
Available-for-sale shareholdings									
Change in fair value			24,735				24,735		24,735
Transfer to profit-and-loss following depreciation			6,700				6,700		6,700
Transfer to profit-and-loss following disposals			5,213				5,213		5,213
Change in conversion differences					-797		-797	-10	-807
Change in fair value of sharehold- ings in equity method			-562				-562		-562
<b>Other elements of the comprehensive Income</b>	<b>0</b>	<b>0</b>	<b>36,086</b>	<b>0</b>	<b>-797</b>	<b>0</b>	<b>35,289</b>	<b>-10</b>	<b>35,279</b>
Net profit for the year						6,062	6,062	4,382	10,444
<b>Comprehensive Income</b>	<b>0</b>	<b>0</b>	<b>36,086</b>	<b>0</b>	<b>-797</b>	<b>6,062</b>	<b>41,351</b>	<b>4,372</b>	<b>45,723</b>
Dividends paid						-10,001	-10,001	-623	-10,624
Other						692	692	-1,185	-493
<b>Balance as at 31 December 2009</b>	<b>118,766</b>	<b>81,534</b>	<b>154,649</b>	<b>0</b>	<b>-8,070</b>	<b>26,493</b>	<b>373,372</b>	<b>46,808</b>	<b>420,180</b>
Available-for-sale shareholdings									
Change in fair value			33,444				33,444		33,444
Transfer to profit-and-loss following disposals			-92,257				-92,257		-92,257
Change in fair value of shareholdings in equity method			-350				-350		-350
Change in conversion differences					4,877		4,877		4,877
Other							-		-
<b>Other elements of the comprehensive Income</b>	<b>0</b>	<b>0</b>	<b>-59,163</b>	<b>0</b>	<b>4,877</b>	<b>0</b>	<b>-54,286</b>	<b>0</b>	<b>-54,286</b>
Net profit for the year						108,593	108,593	4,867	113,460
<b>Comprehensive Income</b>	<b>0</b>	<b>0</b>	<b>-59,163</b>	<b>0</b>	<b>4,877</b>	<b>108,593</b>	<b>54,307</b>	<b>4,867</b>	<b>59,174</b>
Dividends paid						-10,314	-10,314	-2,117	-12,431
Change in the scope of consolidation						301	301	-36,148	-35,847
Change in own shares				-1,600			-1,600		-1,600
Other						-64	-64	13	-51
<b>Balance as at 31 December 2010</b>	<b>118,766</b>	<b>81,534</b>	<b>95,486</b>	<b>-1,600</b>	<b>-3,193</b>	<b>125,009</b>	<b>416,002</b>	<b>13,423</b>	<b>429,425</b>

(1) Available-for-sale shareholdings using the equity method

## CONSOLIDATED CASH FLOW STATEMENT

x € 1,000	2010	2009
<b>Pre-tax profits</b>	<b>122,621</b>	<b>10,622</b>
Adjustments		
Earnings on disposals	-96,694	-4,466
Changes in fair value and depreciations	-9	16,321
Share in the profit of shareholding consolidated using the equity method	-5,586	-3,213
Financial expenses	21,303	21,048
Interest and dividend income	-20,534	-21,988
Amortisations, impairments and provisions	7,376	6,265
Others	-6,552	-8,386
Changes in need for revolving funds		
Current assets elements	-15,142	1,833
Current liabilities elements	-2,332	-13,044
interest paid	-21,447	-20,029
Interest received	661	1,603
Dividends received		
Shareholdings in equity method	3,406	3,276
Other shareholdings	19,046	20,157
Tax paid	-7,648	-1,209
<b>Cash flow from operational activities</b>	<b>-1,531</b>	<b>8,790</b>
(Acquisitions) / disposals of shareholdings <sup>(1)</sup>	28,812	15,146
(Acquisitions) / disposals of other financial instruments	11,615	37,436
(Acquisitions) / disposals of real estate investments	286	1,828
(Acquisitions) / disposals of other fixed assets	-4,941	-9,115
(Acquisitions) / disposals of other non current assets	-173	8,452
<b>Cash flow from investment activities</b>	<b>35,599</b>	<b>53,747</b>
New loans	14,537	9,131
Loan repayments	-52,885	-52,432
Dividends paid to shareholders	-10,314	-10,624
Dividends paid to non controlling interest	-2,117	
Sales (Purchases) of own shares	-1,600	
Other	4,826	2,499
<b>Cash flow from financing activities</b>	<b>-47,553</b>	<b>-51,426</b>
<b>Net FY cash flow</b>	<b>-13,485</b>	<b>11,111</b>
Cash and cash equivalents at the start of the financial year	64,013	53,709
Exchange effect on cash flow and equivalents in currencies	331	-807
<b>Cash and cash equivalents at the end of the financial year</b>	<b>50,859</b>	<b>64,013</b>

(1) As the closing of the sales of the shares of Bank Degroof has been finalised on January 31, 2011, the line "Acquisitions/disposals of shareholding" include only the cash part as of December 31, 2010.

**Deloitte.**

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**COMPAGNIE DU BOIS SAUVAGE SA**

**STATUTORY AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010 TO THE SHAREHOLDERS' MEETING**

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 statement of financial position as at 31 December 2010, the consolidated statement of comprehensive income, 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 statement of financial position shows total assets of 764.000 (000) EUR and the consolidated statement of comprehensive income shows a consolidated profit (group share) for the year then ended of 108.593 (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 Réviseurs d'Entreprises/Instituut van de 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.

Deloitte Bedrijfsrevisoren / Reviseurs d'Entreprises  
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: Berkenlaan 8b, B-1831 Diegem  
VAT BE 0429.053.863 - RPR Brussel/RPM Bruxelles - IBAN BE 17 2300 0465 6121 - BIC GEBABEBB

Member of  
Deloitte Touche Tohmatsu

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 2010, 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, 8 March 2011

**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



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