



Annual Report 2005
Annual Accounts

FOYER S.A.

(formerly LE FOYER, Compagnie Luxembourgeoise S.A.)

Annual Report 2005

Annual Accounts

Table of Contents

Board of Directors	5
Supervisory bodies	5
Management report	7
Report from the statutory auditor	9
Balance sheet	10
Profit and loss account	12
Notes to the annual accounts	13



Board of Directors

(at 04.04.2006)

François TESCH, President

Romain BECKER

Marcel DELL

Dominique LAVAL

LUXEMPART S.A.

(usually representet by Jacquot SCHWERTZER)

Henri MARX

Théo WORRE

Patrick ZURSTRASSEN

Marcel MAJERUS, General Secretary

Supervisory bodies

Statutory auditor

PricewaterhouseCoopers s.à r.l.

Audit committee

(at 04.04.2006)

LUXEMPART S.A., President

(usually represented by SCHWERTZER)

Romain BECKER

Dominique LAVAL

François TESCH

Management report

of FOYER S.A. presented to the Annual General Meeting of Shareholders on 4 April 2006

The results for the 2005 financial year showed a consolidated net profit of € 21.67 million compared with € 10.59 million in 2004, representing an increase of 104.7%.

The table below gives a breakdown of these results:

€ millions	31.12.2005	31.12.2004
Income from participating interests	21.67	10.00
Foyer Assurances	18.97	7.51
Foyer Vie	1.65	0.99
Foyer Asset Management	1.05	1.50
Income from securities, cash and equivalents	1.66	1.48
Charges (amortisation, interest, financial expenses)	-0.46	-0.34
General expenses	-1.01	-0.28
Profit before tax	21.87	10.86
Tax	-0.19	-0.27
Net profit	21.67	10.59

Income from participating interests represents dividends paid to Foyer S.A. by some of its subsidiaries.

Overall the amount received by Foyer S.A. in 2005 was 116.8% higher than the amount of the previous financial year.

This substantial increase in dividends received from the subsidiaries mainly comes from Foyer Assurances. Excellent results achieved in 2004 and the important equity capital of this company made it possible to pay a dividend of € 18.97 million to Foyer S.A. allowing an increase of funds available for the development of the Group.

Outlook

Pending approval at the Annual General Meetings of the respective companies, it is expected that, in the first half of the 2006 financial year, Foyer S.A. shall receive the following dividends from its subsidiaries:

€ millions	
Foyer Assurances	22.28
Foyer Vie	2.47
Foyer Asset Management	0.79
Foyer Patrimonium & Associés	0.22
Total	25.76

The dividends received from subsidiaries have thus increased from € 21.67 million in 2005 to € 25.76 million in 2006.

As in the previous year, the excellent result achieved by Le Foyer Assurances in 2005 means that once again a substantial dividend of € 22.28 million can be paid to Foyer S.A.

Appropriation of profit

At the Annual General Meeting of Shareholders, the Board of Directors will propose distributing its available profits of € 22,460,808.70, consisting of a net profit for this year of € 21,674,292.91 plus retained earnings of € 786,515.79:

€	
Gross dividend of € 1.20 on 8,998,842 shares	10 798 610.40
Other reserves	10 000 000.00
Other reserves - special reserves	192 500.00
Retained profit	1 469 698.30
Total	22 460 808.70

If you approve this proposal, the company will pay a gross dividend of € 1.20, which, after the deduction of 20% withholding tax on Luxembourg dividend income, gives a net dividend per share of € 0.96, available from Monday 10 April 2006, payable against remittance of coupon No. 6:

- in the Grand Duchy of Luxembourg: at the Banque et Caisse d'Epargne de l'Etat,
- in Belgium: at the offices of Petercam S.A.

Luxembourg, 10 March 2006

The Board of Directors



Report from the statutory auditor to the shareholders of Foyer S.A.

(formerly LE FOYER, Compagnie Luxembourgeoise S.A.)

We have reviewed the accompanying annual accounts of **FOYER S.A.** (formerly LE FOYER, Compagnie Luxembourgeoise S.A.) for the financial year ended 31 December 2005 and have read the supporting management report. The annual accounts and management report are the responsibility of the Board of Directors. Our responsibility is to express an opinion on the accounts, based on our audit work, and to verify that the management report is in conformity with the accounts.

We conducted our audit in accordance with international audit standards. These standards require that we plan and perform our audit work so as to obtain reasonable assurance that the annual accounts are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures contained in the annual accounts. It also includes assessing the accounting principles and methods used and the significant estimates made by the Board of Directors in preparing the annual accounts, as well as evaluating the overall presentation of information. We believe that our audit provides a reasonable basis for the opinion expressed below.

In our opinion, the attached annual accounts, in conformity with the legal and regulatory requirements prevailing in Luxembourg, give a true and fair view of the assets, liabilities and financial position of **FOYER S.A.** (formerly LE FOYER, Compagnie Luxembourgeoise S.A.) at 31 December 2005 and its results for the year then ended.

The management report is consistent with the annual accounts.

Luxembourg, 10 March 2006

PricewaterhouseCoopers s.à r.l.

Statutory auditor

Represented by

Paul Neyens

Balance sheet at 31 December 2005

ASSETS

€	Notes	31.12.2005	31.12.2004
Fixed assets	3(b),4		
Tangible fixed assets			
Other equipment, machines and furniture		5 652.50	5 652.50
Long-term financial investments			
Shares in subsidiaries	5	44 769 864.44	44 519 944.44
Securities held as financial fixed assets		680 000.00	535 000.00
Total fixed assets		45 455 516.94	45 060 596.94
Current assets			
Accounts receivable	3(c)		
Accounts receivable (<1 year) from subsidiaries and entities under joint control		1 037.54	1.91
Other accounts receivable (<1 year)		48 669.91	44 899.47
Securities			
Other short-term investments	3(d), 3(e)	41 990 325.00	26 971 600.00
Cash at bank and on hand		5 174 762.94	8,733,765.28
Total current assets		47 214 795.39	35 750 266.66
Accruals		829 374.24	278 729.53
TOTAL ASSETS		93 499 686.57	81,089 593.13

LIABILITIES

€	Notes	31.12.2005	31.12.2004
Shareholders' equity	6		
Subscribed capital		44 994 210.00	44 994 210.00
Share issue premiums		3 106 002.40	3 106 002.40
Reserves			
Statutory reserve	7	4 499 421.00	4 067 000.00
Other reserves		15 400 000.00	15 400 000.00
Other reserves - special reserves	8	1 948 000.00	1 073 000.00
Retained earnings		786 515.79	952 548.70
Net profit		21 674 292.91	10 590 172.19
Total shareholders' equity		92 408 442.10	80 182 933.29
Provisions for liabilities and charges			
Provisions for taxes		851 607.71	789 487.79
Accounts payable	3(f)		
Due to associated undertakings (<1 year)		133 388.48	47 602.16
Due to tax authorities and social security			
Due to tax authorities		15 258.16	4 055.38
Other accounts payable (<1 year)		90 990.12	65 514.51
Total accounts payable		239 636.76	117 172.05
TOTAL LIABILITIES		93 499 686.57	81 089 593.13

Consolidated profit and loss account

for the financial year ended 31.12.2005

€	Notes	31.12.2005	31.12.2004
Expenses			
Other losses from the sale of assets		1 280 057.49	603 554.22
Adjustments to the value of securities included in current assets	3(g)	101 050.00	4 680.00
Interest and similar expenses			
Other interest and expenses		3 665.44	40 842.92
Tax on income from ordinary activities		50 297,01	250 076.50
Other taxes not included in the line above		144 663,82	19 770.68
Net profit		21 674 292.91	10,590,172.19
Total expenses		23 254 026.67	11 509 096.51
Income			
Other income from the sale of assets		267 608.40	448 165.50
Income from subsidiaries		21 674 857.50	9 997 423.49
Income from other short-term investments			
Other income		574 099.04	14 220.00
Other interest and similar income			
Other interest and similar income		589 731,73	982,287,52
Gains arising from the remeasurement of short term investments		147 730.00	67 000.00
Total income		23 254 026.67	11 509 096.51

Notes to the annual accounts

at 31 December 2005

General

- 1 FOYER S.A. (the company) was constituted on 13 November 1998 under the name LE FOYER, Compagnie Luxembourgeoise S.A.. Its registered offices are in Luxembourg and the corporate purpose is essentially all operations relating to the acquisition of shareholdings and the administration, management, control and development of such shareholdings.

Presentation of the annual accounts

- 2 The company prepares consolidated accounts and a consolidated management report in compliance with the criteria established under Luxembourg law, which are available for review at the company's registered office.

The company is also included in the consolidated accounts of LE FOYER FINANCE, Compagnie Luxembourgeoise S.A., the largest corporate group of which the company is a subsidiary. This company has its registered offices at 6, rue Albert Borschette, L-1246 Luxembourg and the consolidated accounts are available for review at this address.

Summary of main accounting policies

- 3 The main accounting policies used by the company in the preparation of the annual accounts are the following:

(a) Conversion of items denominated in foreign currencies

Assets and liabilities denominated in foreign currencies are converted to Euro (€) at the exchange rate in force on the date the accounts are closed.

Transactions in foreign currencies carried out during the year are converted to Euro (€) at the exchange rate in force on the date of the transaction.

(b) Fixed assets

Intangible fixed assets are valued at the historical cost of acquisition, including related expenses.

In the event of lasting depreciation, the value of fixed assets is adjusted to reflect the lower value assigned to them at the date the balance sheet accounts are closed. The amount depreciated is derecognised if the reasons having given rise to them have ceased to exist.

(c) Accounts receivable

Accounts receivable are recorded in the balance sheet at either their nominal value or their expected recovery value. These values are depreciated should their full or partial recovery come into doubt.

The amount of the depreciation is reversed if the reasons having given rise to them have ceased to exist.

(d) Other short-term investments, excluding bonds and other fixed-income securities

Other short-term investments, excluding bonds and other fixed-income securities, are valued at either historical cost or market value, whichever is lower. Amortisation corresponding to the difference between the market value and the cost of acquisition, is not reversed and the lower value (Beibehaltungsprinzip) is maintained, even if the reasons having given rise to the amortisation have ceased to exist.

(e) Bonds and other fixed-income securities

Bonds and other fixed-income securities are recognised at the historical cost of acquisition or at their redemption price, taking into account the following elements:

- Positive differences (agio) between the cost of acquisition and the redemption price are recognised directly in profit and loss account;
- Negative differences (disagio) between the cost of acquisition and the redemption price are not recognised against income until the security reaches maturity.

In the event of a decline in value that the Directors consider to be lasting, the value of bonds and other fixed-income securities is depreciated to reflect the lower value assigned to them at the date the balance sheet accounts are closed. This depreciation is not reversed, and the lower value (Beibehaltungsprinzip) is maintained, even if the reasons having given rise to the depreciation have ceased to exist.

(f) Accounts payable

Accounts payable are recorded as liabilities at their carrying value.

Where the sum required to settle the amount due is higher than the sum received, the difference is recorded as a loss on the date the debt is recognised.

Where the sum required to settle the amount due is lower than the sum received, the difference is recognised in profit and loss account and spread in equal installments over the remaining duration of the agreement.

(g) Amortisation and depreciation

Amortisation and depreciation are deducted directly from the value of the asset in question.

Fixed assets

4 Movements of fixed assets over the course of the year were as follows:

	Other equipment machinery and furniture €	Shares in subsidiaries €	Securities held as financial fixed assets €
Gross value at 01.01.2005	5 652.50	44 519 944.44	1 528 750.00
Additions in the year	-	294 000.00	-
Disposals in the year	-	-44 080.00	-
Gross value at 31.12.2005	5 652.50	44 769 864.44	1 528 750.00
Cumulative amortisation at 01.01.2005	-	-	-993 750.00
Value adjustments in the year	-	-	-
Gains arising from the remeasurement of financial and non-financial assets	-	-	145 000.00
Cumulative amortisation at 31.12.2005	-	-	-848 750.00
Net value at 31.12.2005	5 652.50	44 769 864.44	680 000.00
Net value at 31.12.2004	5 652.50	44 519 944.44	535 000.00

Long-term financial investments

5 The company has the following interests in subsidiaries at 31 December 2005:

	% holding	Cost of acquisition €	Shareholders' equity at 31.12.2005 €	Profit for 2005 €
Foyer Assurances S.A.	99.999394%	23 175 257.94	97 264 469.68	31 679 974.86
Foyer Vie S.A.	99.999394%	7 784 662.72	27 810 553.93	4 295 297.97
Foyer International S.A.	99.999857%	9 936 780.95	19 877 504.78	1 385 793.10
Foyer Asset Management S.A.	99.998333%	1 489 442.83	7 052 247.31	1 268 583.20
Foyer Patrimonium & Associés S.A.	88.028945%	2 383 720.00	2 532 224.97	905 012.94
		<u>44 769 864.44</u>		

Shareholders' equity

6 Mouvements in shareholders' equity over the course of the year were as follows:

€	Subscribed capital	Share issue premiums	Statutory reserve	Other réserves (special reserves)	Other réserves	Retained earnings	Profit of the year
At 31.12.2004	44 994 210.00	3 106 002.40	4 067 000.00	1 073 000.00	15 400 000.00	952 548.70	10 590 172.19
Appropriation of profit							
dividends							-9 448 784.10
réserves and retained earnings			432 421.00	875 000.00		-166 032.91	-1 141 388.09
2005 profit							21 674 292.91
At 31.12.2005	44 994 210.00	3 106 002.40	4 499 421.00	1 948 000.00	15 400 000.00	786 515.79	21 674 292.91

On 31 December 2005, subscribed capital was € 44 994 210.00, represented by 8 998 842 fully paid up shares without nominal value. Authorised share capital is € 74 350 000.00.

Statutory reserve

7 Under Luxembourg law, 5% of a company's annual net profit must each year be transferred to a statutory reserve. These transfers cease to be compulsory once the value of the statutory reserve is equivalent to 10% of the company's total share capital.

The statutory reserve cannot be distributed to shareholders, except in the event of the company's dissolution.

Other reserves – special reserves

8 The company reduced its wealth tax liability as permitted under current tax law. In compliance with legislation, the company allocated an amount corresponding to five times the wealth tax liability to a blocked reserve. This reserve may not be disposed of for five years from the year following the one in which the wealth tax liability was reduced.

The allocations made to this reserve are as follows:

2002	€ 388 000.00
2003	€ 685 000.00
2004	€ 875 000.00

Personnel employed during the year

- 9 The company did not employ any personnel in the year ended 31 December 2005 (2004: -).

Remuneration paid to members of administrative bodies

- 10 The company paid remunerations of € 90 000.00 (2004: € -) to the members of the administrative bodies in the year ended 31 December 2005. The remuneration paid in 2005 included a sum of € 45 000.00 corresponding to the sums due for 2004.





46, rue Léon Laval - L-3372 Leudelange

Tel.: +352 437 437 - Fax: +352 438 322

e-mail: contact@foyer.lu

www.foyer.lu



Foyer

SOCIÉTÉ ANONYME

www.foyer.lu