



Annual report 2008

Summary

Message from the Chairman and the Managing Director	p.2
The organisational structure of the Group	p.4
The Board of Directors	p.5
The Committees of the Board of Directors	p.6
The Executive Management	p.7
The Executive Committee	p.7
The Group Management	p.8
The Foyer Group at a glance	p.11
Non-Life insurance	p.13
Life insurance	p.17
Asset Management by Foyer Patrimonium	p.21
400 representatives, leading ambassadors of the Foyer Group	p.25
Research and Development	p.27
Managing talents and sharing the Group's values	p.29
Sustainable development and environmental protection	p.31
Foyer S.A. on the stock market	p.32

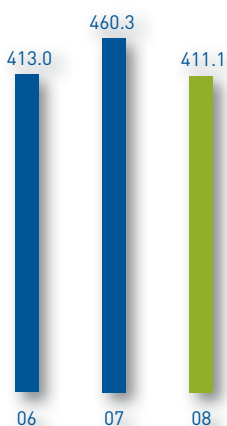
Key figures (consolidated) on 31 December 2008

€ millions

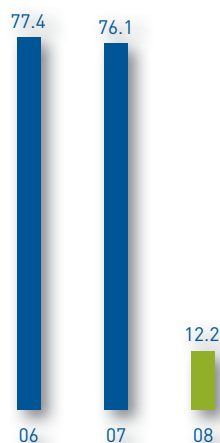
Invested assets



Shareholder equity (Group share)



Consolidated net result (Group share)



FINANCIAL RATIOS

	2008	2007	2006
Recurring earnings per share (in €)*	1.4	6.1	8.6
P/E (stock market value on 31.12)*	19.9	7.9	6.0
Gross dividend per share (in €)	1.11	1.48	1.34
Net dividend per share (in €)	0.95	1.26	1.14
Shareholders' equity (consolidated) per share (in €)	45.68	51.15	45.89

* 2007: excluding the capital gain made on the disposal of Audiolux securities
2006: excluding the capital gain made on the sale of the Kirchberg building

EMPLOYEES

Headcount at the year-end	459	450	439
Average number of employees in FTEs (full-time equivalent)	425.3	420.4	416.2

SECURITIES PORTFOLIO

€ millions			
Equity securities and fixed income securities	1 123.6	1 115.5	1 041.2
Cash and cash equivalents	157.6	179.0	110.0
Financial assets at fair value through income	1 159.2	1 434.4	1 442.6
Total	2 440.4	2 728.9	2 593.7

A photograph of a modern glass skyscraper with a blue sky in the background, positioned at the top of the page.

CONSOLIDATED BALANCE SHEET

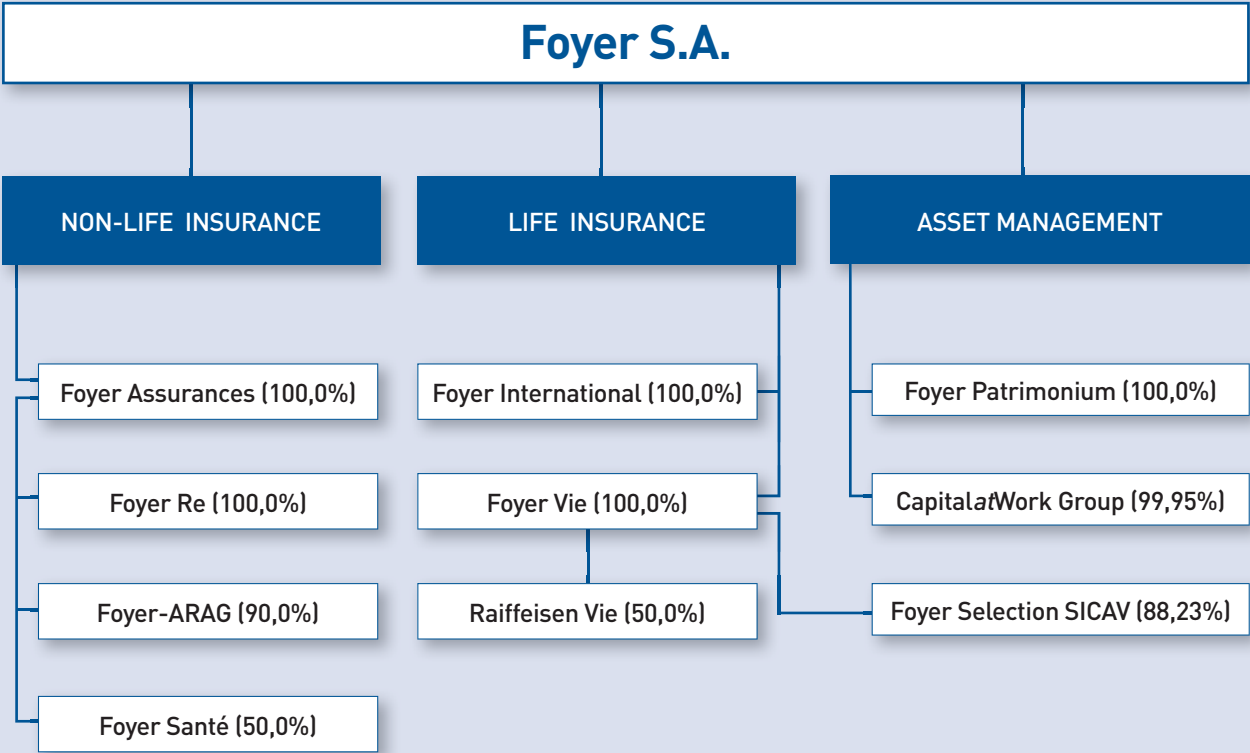
	2008	2007	2006
€ millions			
TOTAL ASSETS	2 748.8	3 047.8	2 841.7
Cash and cash equivalents	186.5	209.1	141.1
Equity securities and fixed income securities	1 123.6	1 115.5	1 041.2
Financial assets at fair value through profit or loss	1 159.2	1 434.4	1 442.6
TOTAL LIABILITIES	2 748.8	3 047.8	2 841.7
Technical provisions	1 395.8	1 456.4	1 330.8
Liabilities in respect of investment contracts	686.5	833.5	835.1
Shareholders' equity – Group share	411.1	460.3	413.0

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	2008	2007	2006
€ millions			
Net insurance premium revenue	279.1	276.2	250.6
Other technical products and commission	21.1	24.4	24.6
Net financial revenue	-119.1	80.2	103.8
Net operating income	-98.0	104.6	128.4
Net insurance benefits and claims	-78.3	-205.2	-192.9
Expenses	-87.7	-78.1	-77.4
Operating profit	15.2	97.5	108.7
Taxes	-3.0	-21.5	-31.2
Profit for the year – Group share	12.2	76.1	77.4
Earnings per share (in €)	1.4	8.5	8.6



Activities of the Foyer Group



Situation on 10 March 2009



Message

from the Chairman and the Managing Director

The whole world is currently going through a financial and economic crisis of an unprecedented scale.

At present, it is the banking sector that is being hardest hit. Banks are facing massive write-downs, with their solvency itself in question. To preserve the whole banking system and avoid disastrous consequences for the economy, governments are finding themselves obliged to intervene, providing massive financial support practically leading to the nationalisation of banks in difficulties.

In this mournful context, eyes are obviously turning towards the economy. Here we see a sharp downturn, leading to a growing number of bankruptcies and a disturbing rise in unemployment.

Plans to trigger consumption and help for companies in difficulties, involving vast public spending, are being implemented both in industrialised and emerging countries.

Despite the lack of any definite outlook with regard to the magnitude or duration of the crisis, analysts seem to be in agreement that 2009 will be an extremely difficult year, before things start picking up again in 2010.

In this context, the insurance world is faced with its own challenges, though without being confronted with the same consequences as the banking sector. Insurance companies which have avoided branching out into areas of purely financial insurance have seen only their assets hit by the crisis.

The impact of the stock market crisis on share prices and the effect of spreads on bond prices are at the forefront here. Dependent on their individual investment policies –aggressive or cautious – insurance companies have registered major corrections of asset values in their 2008 balance sheets, with decreases in equity capital being recorded.

The insurance companies with large amounts of equity capital are the ones which in all probability will best ride the storm.

Right from the start of the turmoil on the stock markets, the Foyer Group took conservative measures to preserve its solid financial footing.

It cut back its portfolio of shares exposed to stock exchange risks to less than 6%. Its investments in the bond market are mainly in government bonds and top-quality corporate bonds.

This gradual reduction of the share portfolio in the course of the 2008 financial year did not however prevent the Group from incurring major costs affecting profits. In spite of excellent operational results, at a level close to those registered for 2007, consolidated net profit is down from €76.19 million in 2007 to €12.13 million in 2008.

For the same period, the Group's consolidated equity dropped 10.7%, from €460.29 million in 2007 to €411.11 million in 2008. Nevertheless, this decrease remains very limited in comparison to the Group's competitors.

Due to the still high levels of equity in relation to its solvency margin requirements, the Group's solid financial footing is illustrated by its solvency margin rate. At of 409.1% on 31.12.2008, it is well above the average rate of under 200% for the insurance sector as a whole.

The Group's strong capitalisation also enabled it to seize an investment opportunity and pursue its development strategy in the area of private banking.

By acquiring CapitalatWork, a company known for its wealth management and active in the Grand Duchy of Luxembourg, Belgium, Switzerland, the Netherlands and Spain, the Group has strengthened its Private Banking division. CapitalatWork complements Foyer Patrimonium perfectly, giving it the necessary scope for further growth in international markets.

The merger of Foyer Patrimonium and CapitalatWork will give birth to a new business unit with more than 100 employees and managing assets worth some €3.50 billion. The Foyer Group thereby confirms its ambition to become a leading player in the Benelux wealth management market.

In spite of the drop in profits compared with 2007, the Board of Directors wishes to maintain its policy of paying an annual dividend and will be proposing to the Annual General Meeting of shareholders the payment of a gross dividend of €1.18 (€0.95 net) per share. This compares with the gross dividend of €1.48 (€1.26 net) per share paid in 2007.

The Foyer Group, thanks to its solid financial footing, is facing up to the crisis from a position of strength. This solid financial footing is enabling it to pursue its strategy especially in the area of Private Banking, in which new opportunities could arise.

An economic and financial crisis is, generally speaking, a good time for companies to consolidate their core business and move forward.

We would like to thank all Foyer S.A. shareholders for the confidence placed in us, especially in these troubled times.

Our thanks likewise go out to all our staff for the devotion and loyalty shown towards our Company.

François TESCH
Managing Director

Lucien THIEL
Chairman of the Board of Directors

The organisational **structure** of the Group



Foyer's Board of Directors adheres to the ten Principles of Corporate Governance set out by the Luxembourg Stock Exchange. The Foyer Group also has a Corporate Governance Charter.

The **Board** of Directors

Subject to approval by the General Meeting of 7 April 2009, the Board of Directors of Foyer S.A. will be constituted as follows :



From left to right : sitting, Théo Worré, Henri Marx, Lucien Thiel, François Tesch, Dominique Laval. Standing, Marcel Majerus, Patrick Zurstrassen, Romain Becker, Jacquot Schwertzer.

Lucien THIEL

Chairman of the Board of Directors
Independent Non-Executive Director

Henri MARX

Non-Executive Director

François TESCH

Executive Director
CEO of the Group Foyer S.A.

Jacquot SCHWERTZER

Non-Executive
and Independent Director

Romain BECKER

Non-Executive and Independent Director

Théo WORRÉ

Non-Executive Director

Dominique LAVAL

Non-Executive Director

Patrick ZURSTRASSEN

Non-Executive and Independent Director

Mr Marcel MAJERUS is the Group's Director of legal affairs and the secretary of the Board of Directors.

The **Committees** of the Board of Directors

In accordance with Article 18 of the Articles of Association of Foyer S.A., the Board of Directors will be assisted by the following committees:

The Audit and Compliance Committee

Mr Jacquot SCHWERTZER, Chairman of the Committee, Non-Executive and Independent Director,
Mr Dominique LAVAL, Non-Executive Director,
Mr Henri MARX, Non-Executive Director.

Mr Franck TOUSCH, Head of Internal Audit, and Secretary of the Committee.

The Nomination and Remuneration Committee

Mr Patrick ZURSTRASSEN, Chairman of the Committee, Non-Executive and Independent Director,
Mr Romain BECKER, Non-Executive and Independent Director,
Mr André ELVINGER, External Member ⁽¹⁾,
Mr François TESCH, Executive Director, CEO ⁽²⁾.

Mr Benoît DOURTE, Director of Human Resources, and Secretary of the Committee.

(1) Mr André Elvinger has been requested to join the Nomination and Remuneration Committee, in his capacity as Chairman of the Board of Directors of the parent company Foyer Finance S.A., in order to guarantee a consistent nomination and remuneration policy among the two business sectors grouped under Foyer Finance S.A., i.e. the Foyer Group, on the one hand, and the Luxempart Group on the other.

(2) Mr François Tesch is only a member of the Nomination and Remuneration Committee for questions relating to nominating and dismissing Directors or the COO.

The **Executive** Management

The Executive Committee

The **Executive Committee** is not a special committee within the meaning of article 18 of the Articles of Association.

The **Executive Committee** is a consultative body comprising the **CEO**, the **COO** and the **Managing Director of Foyer Patrimonium** which allows these parties to consult one another, coordinate their respective actions and exchange information.

From time to time and depending on the items on the agenda, the **Executive Committee** may call on other Executive Managers or any other person capable of clarifying particular matters.

Chief Executive Officer (CEO)

François TESCH



Chief Operating Officer (COO)

Marc LAUER



Managing Director of Foyer Patrimonium

Vincent DECALF



The Group Management

The Group Management is composed of Operational Management and Staff Management.

Operational Management



Non-Life Insurance
Paul FOHL



International Life Insurance
Jean-Louis COURANGE



Local Life Insurance
Philippe BONTE



Wealth Management
Vincent DECALF

Staff Management



Commercial, Marketing
Gilbert WOLTER



**Human Resources Management,
Corporate Services**
Benoît DOURTE



Accounting and Reporting
Marc LAUER



Legal
Marcel MAJERUS



Research and Development
Philippe BONTE



Information Systems
Daniel ALBERT



Asset Management
André BIRGET



The Group is expanding
its activities and developing
its asset management business

The Foyer Group **at a glance**

The first insurance company belonging to the Foyer Group was established in 1922.

Firmly rooted in the industrial fabric of Luxembourg, the Foyer Group remains essentially a family business, thereby guaranteeing stability and independence.

Over the course of the years, Foyer has become the number one insurer on the Luxembourg market, in both Life and Non-Life insurance.

In July 2000, Foyer S.A., the Group's parent company went public, being quoted on the Luxembourg and Brussels stock exchanges. This was an important step in line with the Group's ambitions to develop its activities outside Luxembourg and in new lines of business.

The Foyer Group was a forerunner in taking advantage of the freedom of services legislation, marketing its Life and Non-Life insurance products in Europe from its Luxembourg base. This activity today represents major growth potential for the Group.

More recently, the Foyer Group has developed its asset management activities in the area of wealth management. The recent acquisition of CapitalaWork, whose activities are to be merged with those of Foyer Patrimonium, will provide the Group with the international reach and the size necessary to respond to the needs of a well-off private clientele. The Group has more than 120 employees, mainly based in the Benelux countries, working in this field.

The Foyer Group is a key player in the Grand Duchy's financial market, employing more than 550 people and operating a network of 400 insurance agents present in nearly every town and village in the country.

Marc Lauer
Chief Operating
Officer



"Right from the start, the Foyer Group was always a front-runner and innovator, constantly developing new Life and Non-Life insurance products.

The first Luxembourg insurance group to go public, we are likewise a front-runner in offering our Life insurance products under the freedom of services legislation.

Thanks to its independent shareholder base and the dynamism shown by its employees, the Foyer Group has been able to maintain its decision-making centre in the Grand Duchy. Its strategy today involves expansion into areas outside insurance and developing its asset management business, as illustrated by the recent acquisition of CapitalaWork, a company already operating in several European countries."



The service offered anticipates
customer expectations
for high-quality services

Non-Life insurance

In terms of market shares, the Foyer Group is Luxembourg's number one insurance company, offering a range of products and services targeting private individuals and professionals for whom tailored solutions are of special importance.

In addition to this comprehensive range of products, Foyer also offers services very much appreciated by its clientele. These include :

- A network of agents providing clients with advice at home
- A 24/7 call centre providing quick and efficient assistance in the case of a vehicle-related claim
- Direct handling of claims without any financial involvement of clients
- Telephone access to personalised legal advice

Perfect cover for individuals

Foyer Assurances has basically three product ranges on offer for private individuals :

- **mobile : a modularised motor cover that can be tailored to client needs**

The Foyer Group's leadership position is based on its top-quality guarantees and services. In 2008, Foyer introduced new guarantees, including protection against vehicle depreciation for a period of three years.

- **reebou : household insurance with multiple guarantees**

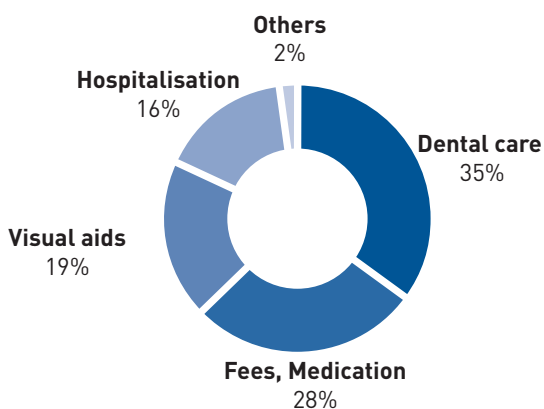
reebou multi-risk household insurance is one of the flagship products in the sector. Its simplicity avoids the risk of any under-valuation of the property insured. The insurance cover offered takes into account both the quality of the property and its size. In the event of loss, the property will be fully covered at its full reconstruction value.

Furthermore, **reebou** covers a whole range of needs, including multimedia equipment, luggage, student accommodation, assistance in emergencies, etc.

- **medicis : supplementary health insurance**

This insurance covers such cases as enabling a parent to stay at the bedside of a sick child, payment of an insured person's residual medical costs, free choice of doctor, hospitalisation outside the Grand Duchy. This product is also in demand from employers, who are increasingly offering it to their employees.

Reimbursement for medical treatment – by type



Made-to-measure insurance for the self-employed and companies

For every insurance product covering private individuals, there is an equivalent option for business professionals, appropriately named **mobile pro, reebou pro, medicis pro**.

Foyer is also indisputably the Grand Duchy’s top business risk insurer. Field consultants are backed up by a team of specialists evaluating risks and offering made-to-measure solutions for a wide range of professions and complex circumstances.

Such tailor-made protection enables the client to focus his whole attention on developing his business without any worries.



Paul Fohl
Director
Foyer Assurances

“We centre all our attention on our clients: our processes are set up to always provide the best service – from taking out the insurance policy to settling a claim.”

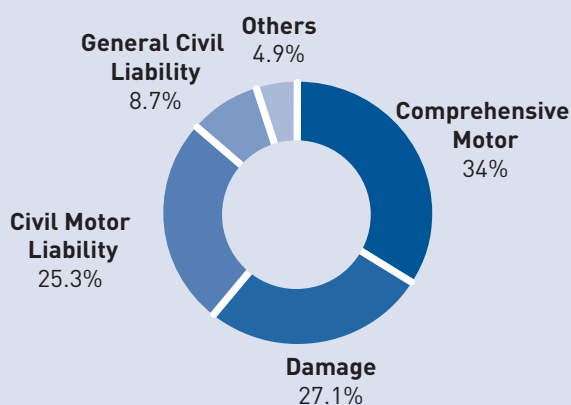


Consolidated **Non-Life** insurance

SECTOR INFORMATION	Non-Life insurance		
	2008	2007	2006
€ millions			
Premiums earned net of reinsurance	196.82	189.48	183.45
Net operating revenue	-7.73	52.81	63.21
Insurance claim costs net of reinsurance	-117.16	-108.58	-98.59
Expenses	-57.25	-52.70	-54.24
Group share in the profit of subsidiaries	-	0.12	0.09
Income before tax	14.68	81.13	93.92
Taxes	-2.83	-17.27	-27.11
Net income	11.85	63.86	66.81

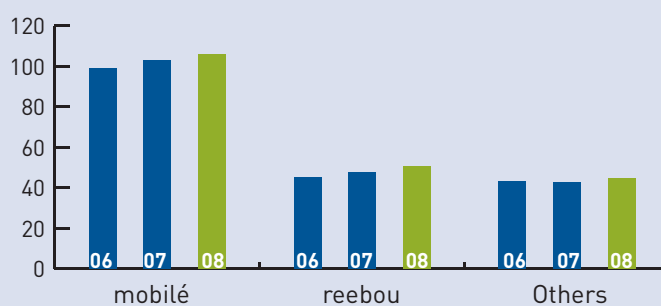
Distribution of Foyer Assurances turnover

at 31.12.2008 (excluding captives)



Trends in turnover

€ millions (excluding captives)





Life insurance offers sound
high-yield solutions for savings,
investments and contingency
planning

Life insurance

Life insurance is an easy and flexible solution for reconciling long-term contingency savings, insurance, investment and the transfer of wealth to following generations within a single contract. The Foyer Group's range of products targets private individuals and professionals alike.

The Life insurance market has seen a number of major innovations in the area of savings and investment plans in the last few years. This trend led the Foyer Group to round off its range with a series of Life insurance products linked to investment funds and products with a guaranteed return. This evolution was able to take place thanks to intensive financial training provided to the Group's network of agents.

This network of agents is present in nearly every town and village in the Grand Duchy, giving Foyer's products wide coverage.

2007 saw the launch of **flexivie click**, a product combining security, flexibility and performance. It is being very well accepted by Foyer's clientele in Luxembourg. In these times of uncertain and volatile financial markets, this product is just what clients want in terms of security.



Philippe Bonte
Director of Foyer Vie

"These days, even more so than in the past, the Foyer Group's solid financial footing is a trump card. In these difficult economic and financial times, Foyer Vie offers sound high-yield solutions for savings, investments and contingency planning."

Personal Life insurance

Individuals entrusting their money to an insurance company, especially from a long-term pension perspective, want the ease of mind of knowing their insurance company stands on a solid financial footing. The Foyer Group has substantial equity capital, presenting a margin of security higher than the market average.

The Group's asset management expertise also enables it to offer high yields on its Life insurance savings products.

Group insurance for companies is soaring

Group insurance represents the perfect incentive for businesses undertaking recruitment or loyalty programmes.

Legislation encourages companies to take out pension plans for their employees. Whereas such plans were previously reserved mainly for management, all staff benefit from the new plans. The Foyer Group and its wide network of agents have made a major contribution to the rapid development of supplementary pension plans in the Grand Duchy.

A high-performing and specialised team backs up this network, offering tailor-made solutions for companies. Marketing efforts are focused in particular on small and middle-sized businesses.

Life insurance contracts written under the Freedom of Services Directive : know-how 'à la carte'

Through its subsidiary Foyer International, the Foyer Group has been one of the principal players and promoters of contracts written within the framework of the Freedom of Services Directive on Luxembourg market.

As part of its sound and long term asset management program, Foyer International provides tailor-made Life insurance solutions that can be adapted to the subscriber's particular profile : from the basic product linked to a SICAV (unit trust), up to special funds aimed at a limited number of clients opting for a more personalised investment policy.

In addition to offering tailor-made services, Foyer International offers a whole range of advantages :

- **A unique structure built around an international team of qualified professionals**, having in-depth knowledge of international markets and of legislation in numerous European countries.

- **Legal expertise covering several European countries**
In just over ten years, thanks to its independence, Foyer International has become a preferred partner of asset managers and financial institutes specialising in Private Banking services for their European wealth management clients.

The company's business today covers several countries, including Belgium, Germany, France, Italy, Spain, Portugal and the Scandinavian countries.

- **Cross-border and tailor-made solutions**

The insurance services that Foyer International offers are positioned in a very exclusive market and respond to the new mobility needs of European citizens.

Unlike exclusively national representatives, Foyer International partners are today able to provide optimal solutions, reflecting the clients' particular tax and legal environment. Every particular case, however complex, can find a tailor-made solution in the best interests of the policyholder, who is also free to choose his financial manager and custodian bank and remains, for the entire life of the contract, in his own cultural and linguistic environment.

- **True expertise in Family Office**

Succession management is the other business area of Foyer International which has seen steady growth. Here again, the company's value added lies in its state-of-the-art knowledge. An international team, working with a network of specialist legal and tax firms in each country, works on optimal solutions for transferring assets from one generation to the next.

Every person involved in the contracts developed by Foyer International is bound by the same strict confidentiality and discretion.



Jean-Louis Courange
Director of Foyer
International

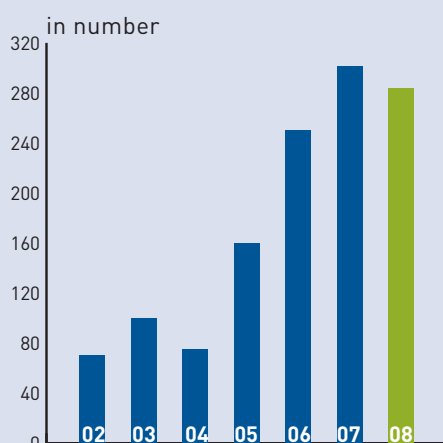
"Our product range enables our institutional partners to offer specialised, high-quality solutions to a wide range of international customers."



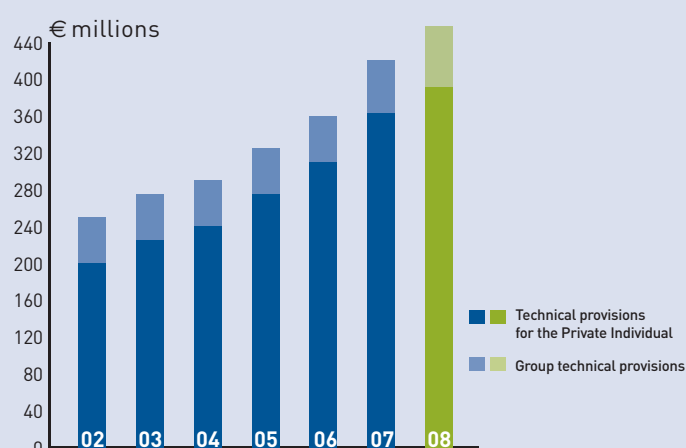
Consolidated **Life** insurance

SECTOR INFORMATION € millions	Life insurance		
	2008	2007	2006
Premiums earned net of reinsurance	82.25	86.74	67.19
Net operating revenue	-97.36	42.43	57.86
Insurance claim costs net of reinsurance	38.88	-96.57	-94.27
Expenses	-20.66	-20.14	-19.13
Group share in the profit of subsidiaries	-	-	-
Income before tax	3.11	12.46	11.65
Taxes	0.01	-2.65	-2.82
Net income	3.12	9.81	8.83

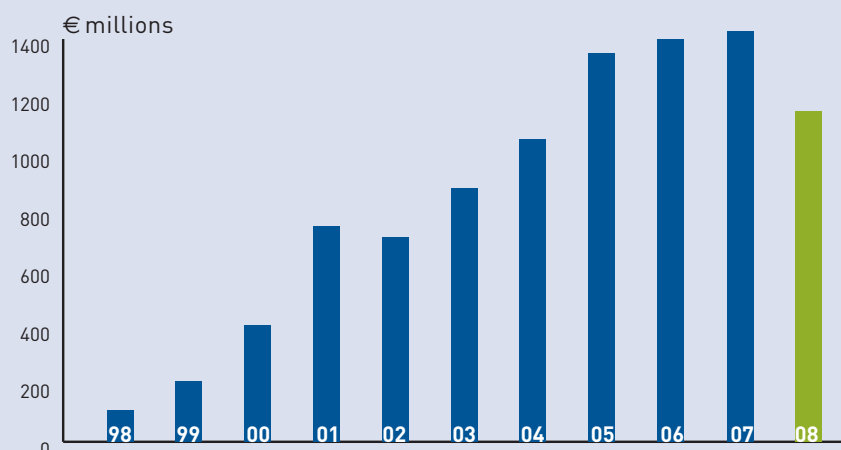
Number of unit-linked contracts



Technical Provisions Life



Foyer International Commitment to the customers





The merger with CapitalatWork will offer our customers a wider range of services and stronger independent management

Asset Management by Foyer Patrimonium

Foyer Patrimonium makes its asset management expertise available to private individuals and institutional investors.

Private management

A global personalised approach to managing wealth owned by private individuals and small and medium size companies

Foyer Patrimonium offers its private individual, self-employed, entrepreneur or small and medium sized corporate clients a full range of services: wealth consultancy, wealth management and investment products that aim for protection and performance.

More than 90.0% of the mandates awarded to Foyer Patrimonium are discretionary management contracts, proof of the confidence and the close links between clients and the managers. This trust given by the Foyer Patrimonium clientele is based on the strengths of our range of services, together with the company's independence from all financial institutions, and its Luxembourg shareholder base.

The global view as a Family Office

Foyer Patrimonium managers take the time to personalise the services, products and solutions offered to each client in accordance with his/her needs and aspirations, based on an in-depth knowledge of his/her family and overall asset situation. Where necessary, these tailored services are accompanied by advice provided by our taxation and succession structuring specialists.

Sound experience at the service of clients

Senior managers, chosen on the basis of their minimum 10 – 15 years of experience working in the financial sector, with skills kept up-to-date by regular training and exercising strict respect of the rules of confidentiality and discretion inherent to wealth management, are Foyer Patrimonium's key assets.

Independence that makes the difference

The independence of the Foyer Group is a major advantage for its private banking business. It enables the company to offer its clients an open architecture and to remain objective in terms of selecting assets. As a third party manager, Foyer Patrimonium staff can concentrate fully on their profession and vocation: to advise and offer the best products. This means that clients are free to decide at which bank their assets are actually held, with Foyer Patrimonium managers holding a management mandate for the assets at this bank. This type of management makes them independent of logistic constraints, which are largely subcontracted to the bank in charge of the technical tool. The strategy of open architecture and close reporting to the client base enables the managers to go very far in terms of transparency and communication. It is a characteristic appreciated by a clientele that is increasingly seeking a personal service no longer found in the increasingly standardised offerings from major banking institutions.

A tradition of financial competence

Since its creation, Foyer has been successfully managing family and institutional assets, with a permanent concern for protection and performance. Administered by a dedicated team of professionals, the unit trusts offered reflect the risk profiles chosen by our clients: either dynamic, balanced or defensive.



Vincent Decalf
Managing Director
of Foyer
Patrimonium

"The merger of CapitalatWork and Foyer Patrimonium will benefit shareholders, employees and above all our clients. The latter will find themselves being offered expanded services and independent, strengthened and transparent management especially where financial products used to support investments are involved."

These are mainly managed as FoF (fund of funds), in accordance with the principle of open architecture. The client benefits from double diversification. The FoF products consist of a portfolio of proven third party funds selected for their capacity of anticipating future developments. In addition to the inherent diversity of these funds, Foyer Group managers are continually aware of getting the right balance of the different funds. They want to perform better than the market, increasing the absolute and relative performance and further reducing the risk of volatility.

Foyer Patrimonium also offers 'tailored' direct online investments as well as structured products for more sizeable financial portfolios. This significant management expertise is also applied to the management of the Group's own assets of nearly €1.2 billion.

For optimal reporting, the net value of the stock of unit trusts managed by Foyer Patrimonium is updated each week and made available on the website www.foyerpatrimonium.com. It is also possible to view a list of recommended bonds [here](#).

Access to financial markets and tailored structuring

As a member of the Luxembourg and Euronext stock exchanges and other platforms, the company has excellent settlement facilities for managed or institutional intermediation clients. Access to stock and bond markets via high-performance electronic platforms at Foyer's disposal is essential. It enables Foyer to provide the best service to professional intermediation clients who wish to carry out their market transactions subject to the best conditions, even on securities that are not very liquid. The company also has a strong presence in structured or customised market products. The electronic tools also allow the asset management team to show maximum responsiveness and act at the least expense in strategic portfolio management. The marriage of the 'market' and 'management' spirits is thus particularly fruitful.

Exciting prospects

The consolidated wealth management activities of the Foyer Group are leading to further development, with the Group recruiting new managers focused on the Luxembourg, Belgian, German and French markets, but this is also spurred on by the acquisition of CapitalaWork Group S.A.

The Foyer Group is thus building up its private banking division, leading eventually to a diversification of the Group's sources of revenue.

But it is not just that the two companies Foyer Patrimonium and CapitalaWork complement each other. Thanks to them the Group will have a solid base for its future expansion in the various countries in which CapitalaWork already conducts its business.

The new set-up will be managing assets worth €3.5 billion and will have 120 employees spread over Luxembourg, Belgium, the Netherlands, Spain and Switzerland, thus becoming one of the top independent players in the Benelux wealth management market.

By means of its management methods, its talent for innovation and its access to financial markets, Foyer's wealth management business is now more than ever professional and in close contact with its customers. The Group's private banking know-how is leading to improvements in the Group's other lines of business and foreshadows the development of new sophisticated products which can be offered to clients using existing distribution channels.



André Birget
Approved Director,
Chief Investment
Officer

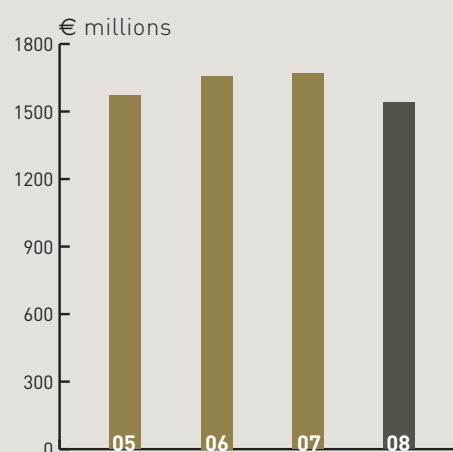
"The crisis on the financial markets and in the real economy reached extreme levels in 2008. Faced with such volatility, risk management and wealth protection are the top priorities for cautious, disciplined and clear-sighted management as conducted by our teams."



Asset Management by Foyer Patrimonium

SECTOR INFORMATION	Asset Management		
	2008	2007	2006
€ millions			
Premiums earned net of reinsurance	-	-	-
Net operating revenue	7.12	9.34	7.33
Insurance claim costs net of reinsurance	-	-	-
Expenses	-9.74	-5.28	-4.07
Group share in the profit of subsidiaries	-	-	-
Operating profit	-2.62	4.06	3.26
Taxes	-0.22	-1.54	-1.28
Net income	-2.84	2.52	1.98

Changes in assets under management





Protecting our customers
and offering them solutions
covering their total needs

400 representatives, leading ambassadors of the Foyer Group

In addition to marketing its services through insurance brokers and the banking network of the Raiffeisen Bank, the Foyer Group relies on a network of 400 exclusive agents who are present in almost every town and village of the Grand Duchy.

Since 1922, these special Group ambassadors have managed to forge close trust-based links with their clients.

Foyer does not just sell insurance products. The Group wants to offer its clients ease of use, minimising as far as possible the inconvenience caused by any mishap. The agent is there to take care of as much as possible.

The strength of the Group and the finishing touch of the craftsman

Agents use state-of-the-art IT tools put at their disposal by the Group, enabling them to fully devote their time to meeting their clients' needs for advice.

This proximity and an availability not confined to office hours, together with skills constantly updated by intensive training, are the guarantees for high-quality customer service.

The Foyer Group was the first insurer in the market to invest heavily in making its network more professional. The Group training courses on insurance subjects are a benchmark in the Grand Duchy today.



Gilbert Wolter
Sales Director

"As market leader in Luxembourg, we do not merely focus on offering high-quality products and services. Together with our agents, we try to cover as best as possible all aspects of insurance, from advisory services to claim settlement, including taking care of as much of the administrative burden as possible."



Creativity is driven
by the needs expressed
by our customers

Research and Development

In a continually changing world, creativity and responsiveness have become synonyms for growth and progress.

These are exactly the qualities which have enabled the Foyer Group to rapidly climb the ladder to become the leader in its principal markets.

This innovatory spirit has not happened by chance.

It is based first and foremost on its network of agents' permanently gathering data on customer needs. The Group's research bureau, made up of experienced practitioners from the various sides of the industry, conducts in-depth analyses on data thus collected.

This monitoring of what is happening locally is complemented by a wider view of the market, fed by regular contacts with the Group's reinsurers and professional organisations. Particular attention is also paid to new products developed in markets abroad.

The research bureau likewise closely follows developments in actuarial science and the evolution of insurance legislation.

It is an active participant in the European "Solvency 2" project, taking part in the Quantitative Impact Studies (QIS) conducted by the Committee of European Insurance and Occupational Pensions Supervisors (CEIOPS). All companies within the Group participated in the QIS4 conducted in 2008.

This research, together with discussions on the inherent volatility of the Group's portfolio, led to a restructuring of the Group's reinsurance programme, optimising the price/protection relationship of its reinsurance treaties.

These discussions likewise serve as input for product design and for setting prices.

Philippe Bonte
Research and
Development Director

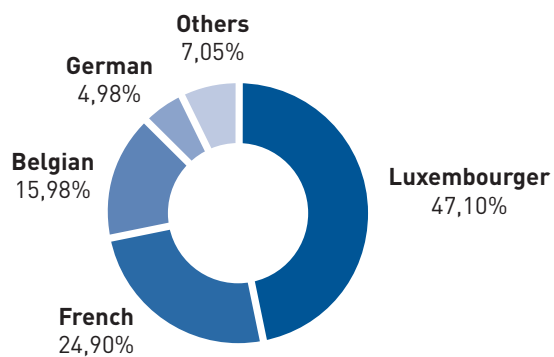


"With the slowdown in economic growth and the technological and environmental trends appearing on the horizon, both private individuals and professionals are facing new challenges.

The Foyer Group remains more than ever convinced that its knowledge of the market and innovatory spirit will enable it to reply as best as possible to the needs and requirements of its clientele."



Multicultural staff



Maintaining a climate of trust by reassuring and motivating our employees

Managing talents and sharing the Group's values

Foyer has for many years been the No. 1 insurance company in the Luxembourg market. The company is today diversifying into the areas of asset management and wealth management.

This reinforcement in the area of wealth management is providing the Foyer Group more and more with the wherewithal to forge ahead and to confirm its leading position in the insurance sector.

- **A training programme with the resources to ensure excellence**

Foyer counts on its human capital and assigns top priority to continually improving the skills of its staff and representatives. An ambitious training programme has been developed, together with an opportunity for private coaching.

- **Dynamic management of diversity**

The recruitment of new staff from both the Grand Duchy and neighbouring European countries means that the Foyer Group is ideally positioned to deal with the multicultural nature of a large part of its Luxembourg customer base.

- **A new management philosophy based on assigning responsibility**

The responsiveness and commercial dynamism of the Foyer Group are backed up by an ambitious performance management programme, based on responsibility, delegation and management by objectives.

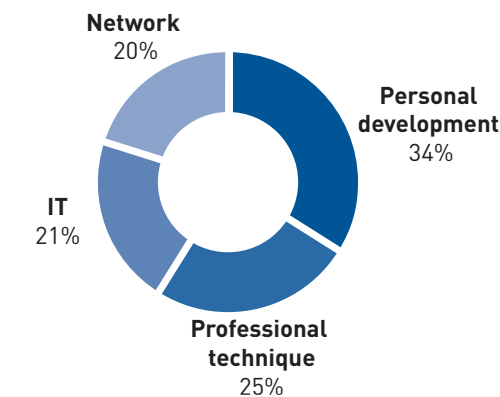
Our employees are invited to anticipate the future. An 'innovation programme' has been established to gather innovative ideas or proposals put forward by employees.

- **Assertion of the five Foyer principles as principles for action**

The development of the Foyer Group management strategy has likewise been implemented by asserting five company values, selected and shared by everyone :

- Trust** : do what you say and say what you do
- Excellence** : a passion to satisfy your client
- Innovation** : question what you are doing
- Integrity** : be an example
- Independence** : take responsibility for what you do

Spread of the budget envelope for training



Benoît Dourte

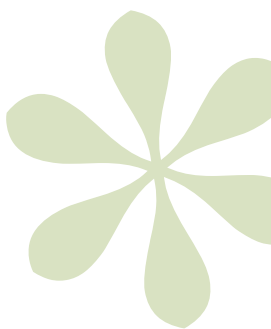
Director of Human Resources

"In the current climate of economic uncertainty, it is important for an employer to maintain a climate of calm and trust within the company. Reassuring and motivating our employees has become a top priority. "



Ideas and audacity –
the ingredients for
sustainable development

The Group steps up its commitment to **sustainable development** and **environmental protection**



In January 2009, the Foyer Group concluded a **partnership agreement with the non-profit organisation MyClimateLux.**

MyClimateLux activities are aimed in particular at making companies and the public at large aware of climate change, the efficient use of energy and renewable energy sources, together with enabling the voluntary compensation of CO₂ emissions by investing in high-quality climate protection projects.

Within the framework of this partnership, the Foyer Group has adopted a new corporate signature :



*bring a smile to our planet

Foyer is breaking new ground with a compensation action for the benefit of its customers

The Foyer Group launched its first green initiative, targeting car insurance customers. Under it, the CO₂ emissions of each new car insured under a mobile policy taken out between February and the end of May 2009 will be compensated for one year.

What this means in practice :

- Foyer calculates annual CO₂ emissions, based on a total of 15,000 kilometres
- Foyer invests in MyClimateLux projects to compensate each tonne of CO₂ emitted
- With the funds thus collected, MyClimateLux finances concrete climate protection projects recognised by the Kyoto protocol

EXAMPLE OF A COMPENSATION CERTIFICATE

Period :	17.02.2009 to 17.02.2010
Vehicle :	
CO ₂ emission level :	123 g/km
Total annual emission for 15 000 km :	1.845 tonne
Compensation carried by Foyer :	33.21 €

Green electricity and the compensation of headquarters CO₂ emissions

In 2007, the Group's "carbon footprint" was audited using the ADEME (Agence de la Maîtrise de l'Energie et de l'Environnement) method, itself based on the Carbon Balance tool certified by the United Nations and conforming to the ISO 14064 standard.

Given the importance of electricity in producing greenhouse gases, the Foyer Group decided to go green in 2008, henceforth using only green electricity free of all CO₂ emissions.

Foyer also compensates the CO₂ emissions resulting from heating its offices and employee travel by purchasing compensation certificates from MyClimateLux.



Foyer S.A. on the stock market

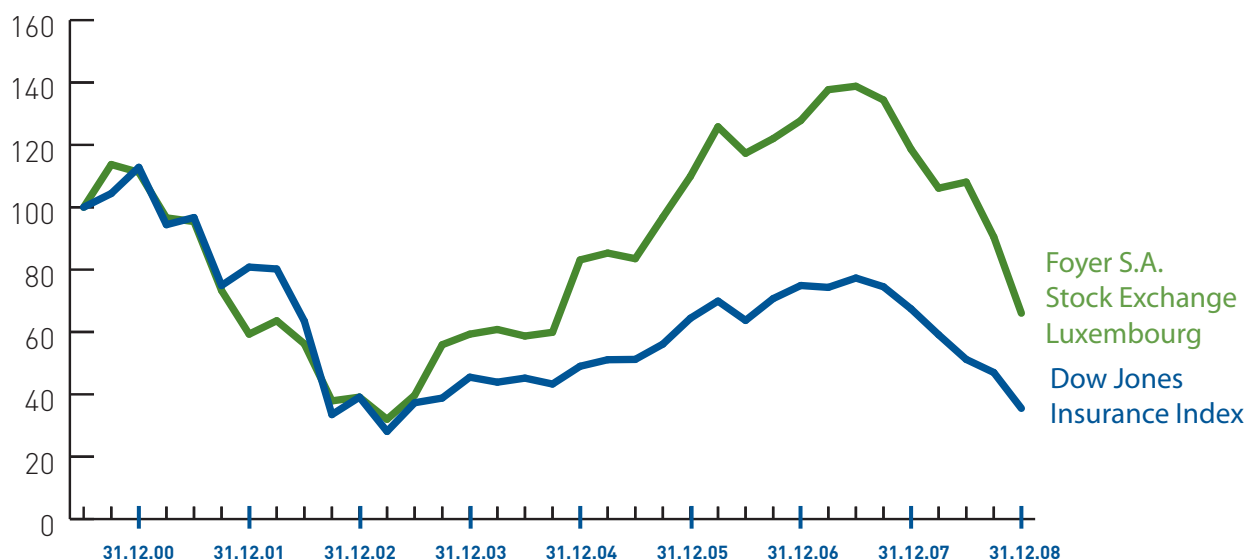
Structure of the shareholding at 31 December 2008

Foyer Finance S.A.	78.62%
Luxempart S.A.	4.67%
Public et institutions	16.67%
Foyer S.A.	0.04%

Stock value (at 31 December 2008)

	2008	2007	2006
Number of shares in circulation	8 995 041	8 997 275	8 998 842
Closing price	27	48.4	52
Market capitalisation	242 866 107	435 468 110	467 939 784
High for the year	48.6	60	54
Low for the year	25.63	47	43.5
Free float	1 500 041	1 502 280	1 502 842

Information on changes in the stock market price



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The publications of the annual and half-yearly results are produced on the day following approval by the Board of Directors.

Production : www.comfi.lu

Financial calendar

Wednesday 11 March 2009	Publication of the 2008 annual results
Tuesday 7 April 2009	2009 Ordinary General Meeting
Tuesday 12 May 2009	Management's Interim Statement
Friday 28 August 2009	Publication of the 2009 half-year results
Thursday 12 November 2009	Management's Interim Statement



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