



Annual report 2009



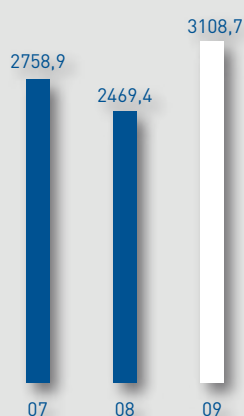


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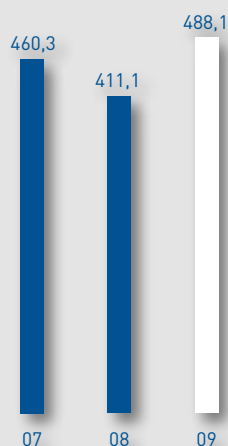
Key figures (consolidated) on 31 December 2009

€ millions

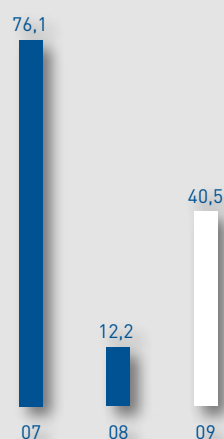
Invested assets



Shareholder equity (Group share)



Consolidated net result (Group share)



Financial ratios

	2009	2008	2007
Recurring earnings per share (in €)*	4.5	1.4	6.1
P/E (stock market value on 31.12)*	8.7	19.9	7.9
Gross dividend per share (in €)	1.34	1.12	1.48
Net dividend per share (in €)	1.14	0.95	1.26
Shareholders' equity (consolidated) per share (in €)	54.24	45.68	51.15

* 2007 : excluding the capital gain made on the disposal of Audiolux securities

Employees

Headcount at the year-end	526	459	450
Average number of employees in FTEs (full-time equivalent)	493.1	425.3	420.4

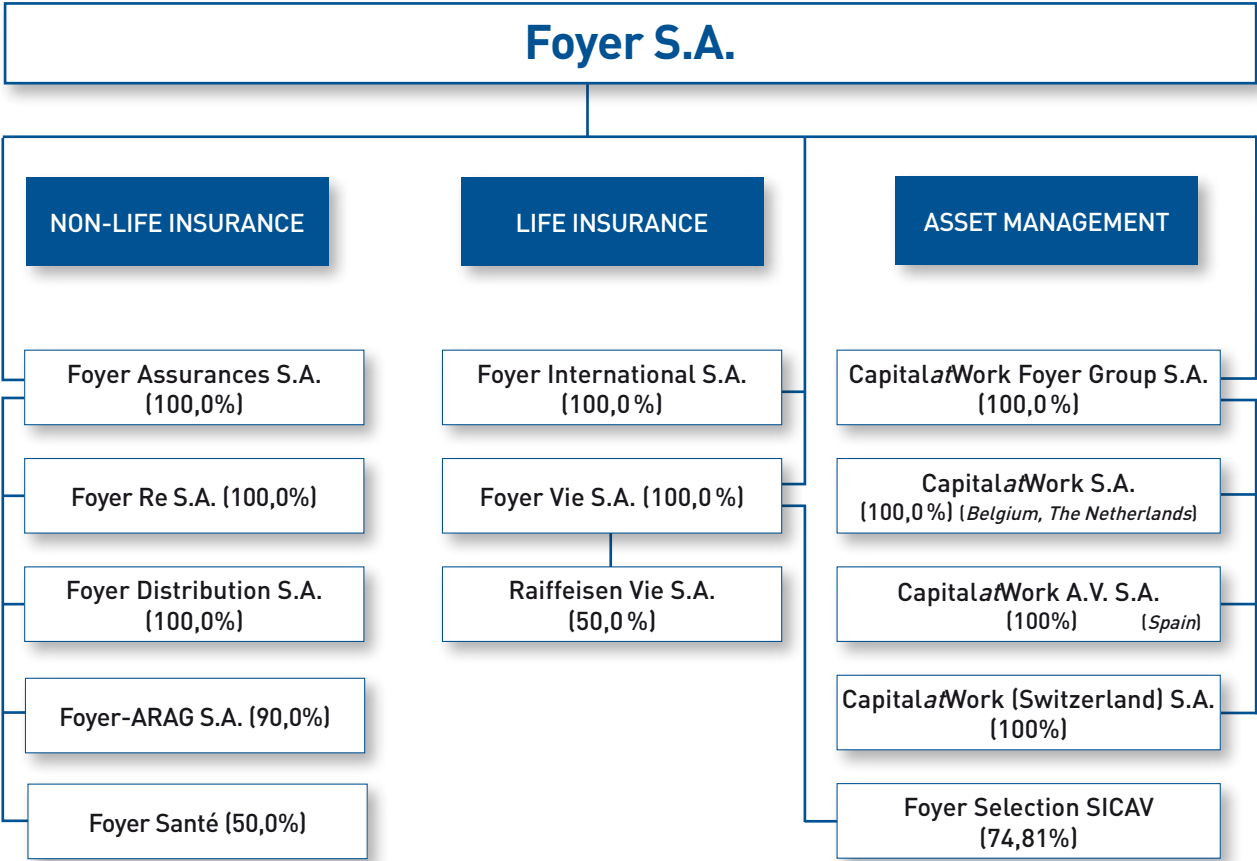
Securities portfolio

€ millions			
Equity securities and fixed income securities	1,286.5	1,123.6	1,115.5
Cash and cash equivalents (net)	143.3	157.6	179.0
Financial assets at fair value through income	1,629.6	1,159.3	1,434.4
Total	3,059.4	2,440.4	2,728.9

Consolidated balance sheet	2009	2008	2007
€ millions			
Total assets	3,461.7	2,748.8	3,047.8
Cash and cash equivalents	1,286.5	1,123.6	1,115.5
Equity securities and fixed income securities	1,629.6	1,159.3	1,434.4
Financial assets at fair value through profit or loss	192.7	186.5	209.1
Total liabilities	3,461.7	2,748.8	3,047.8
Technical provisions	1,557.7	1,395.8	1,456.4
Liabilities in respect of investment contracts	1,084.5	686.5	833.5
Shareholders' equity – Group share	488.1	411.1	460.3

Consolidated profit and loss account	2009	2008	2007
€ millions			
Net insurance premium revenue	353.4	279.1	276.2
Other technical products and commission	35.5	21.1	24.4
Net financial revenue	86.7	-119.1	80.2
Net operating income	122.2	-98.0	104.6
Net insurance benefits and claims	-316.9	-78.3	-205.2
Expenses	-102.3	-87.7	-78.1
Operating profit	56.4	15.2	97.5
Taxes	-14.8	-3.0	-21.5
Profit for the year	41.6	12.1	76.2
Group share	40,5	12,2	76,1
Earnings per share (in €)	4,5	1,4	8,5

Activities of the Foyer Group



Message from the President and the Managing Director

We are now, in 2010, entering the third consecutive year of a crisis whose severity is unprecedented since the late 1930s.

It all started in 2008 when the policy of cheap money as applied by the United States of America, linked with complex financial constructions and helped by globalisation, pushed the worldwide banking system to the brink of collapse.

It took rapid and concerted intervention by the central banks, together with massive support from governments, to prevent major banks going bankrupt.

With a melt down in the financial sector having been avoided by a hair's breadth in 2008, 2009 in turn was characterised by an economic crisis that saw the industrialised countries facing declines in their GDP. Once again, public money was called upon to help economic recovery, maintain purchasing power and support industry in an effort to soften soaring unemployment.

Helped by these measures, the 2009 financial year closed on a slightly optimistic note, with recovery in sight.

Even so, the situation in 2010 remains tense. The poor results of the two previous years have left public finances with massive deficits, with governments piling up debts. Certain countries are affected to such an extent that they have to appeal to European and even international solidarity.

While tough austerity measures are needed to get state budgets back into balance, economic recovery remains too fragile to permit any rebalancing.

A wellbalanced mix of stimulants and austerity measures is needed, to help both governments and social partners to commit themselves to a common journey full of dangers that has to be started now.

Are there already any lessons we can learn from this crisis? Are there already any new trends becoming evident? Can we already predict today what the world will look like after this crisis and what effects it will have on our business?

It would certainly be wrong to think that we will find the same environment as that existing before the crisis. As in any new situation, there will be new challenges and new opportunities.

Firstly, we believe that we must be prepared that growth in industrialised countries might be weaker than before, especially in the Grand Duchy. As a financial centre, Luxembourg will also need to face up to specific challenges.

There is a risk that the austerity measures needed to get public finances back into balance will have a negative influence on investment and consumption, weighing down growth in the years to come. In any event, these measures will be led by the desire to avoid any negative effect on the Grand Duchy's competitiveness, and especially its financial market, in relation with the other European countries.

Authorities are tempted to react to the crisis by introducing much tighter regulations of the financial sector, thus responding to deep public resentment against banks. Triggered by fear, such a reflex could lead directly to excessive regulatory constraints, which, by trying to prevent future derailments, have the potential to strangle economic growth.

Such a "no risk" approach, involving significant cost in terms of growth and burdens for the consumer, could at the end of the day end up by making the crisis last instead of overcoming it. There is no doubt that measures are needed to limit possible deficits, but there is no need to paralyse the whole system.

We need to avoid falling from one extreme into the other, concentrating on the new opportunities appearing on the horizon. In the current situation, each state must ask itself which role it would like to and is in a position to play in the economy and the priority measures needed to be taken.

What we are seeing is that the model of the welfare state, as we have known it in the boom years, will be difficult to maintain. Here, the private pension and health insurance sector should be in a position to play a greater role in the coming years.

We also see a new field of opportunities opening up in the areas of environmental protection and new sources of energy. The insurance industry can act as an important promoter in these areas, integrating them into its commercial policies.

The Foyer Group has well resisted over the past two very eventful years, not only by its ability to restore its equity base through a prudent and proactive policy that now allows it to face the future with serenity, but also by succeeding to maintain a commercial development strictly focused on the needs of its clients in all of its three core businesses - insurance, retirement savings and wealth management.

Finally, an effective reduction of risks, strict cost control and a prudent investment policy have enabled the Foyer Group to significantly improve its results compared with 2008.

We are confident that our financial strength will help us both to address the challenges and to seize the opportunities of tomorrow.

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

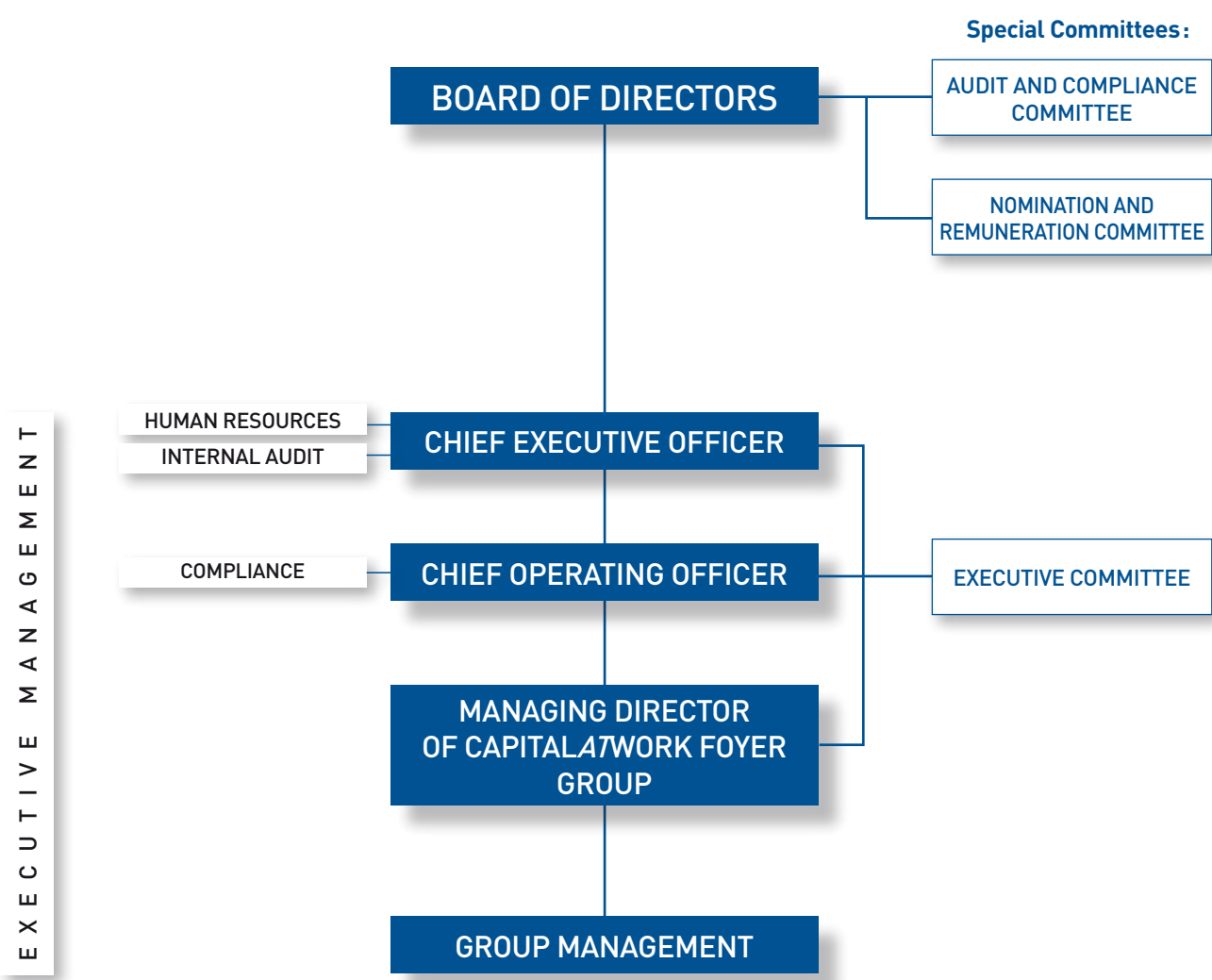
Our thanks also go out to all our employees for their dedication and loyalty, upon which the Group's success is based.

François TESCH
Managing Director

Lucien THIEL
President



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 6 April 2010, the Board of Directors of Foyer S.A. will be constituted as follows :

Lucien THIEL

Chairman of the Board of Directors
Independent Non-Executive Director

François TESCH

Executive Director
CEO of the Group Foyer S.A.

Romain BECKER

Non-Executive and Independent Director

Dominique LAVAL

Non-Executive Director

Henri MARX

Non-Executive Director

Jacquot SCHWERTZER

Non-Executive and Independent Director

Michel TILMANT

Non-Executive and Independent Director

Théo WORRÉ

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.

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



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 CapitalaWork Foyer Group 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.

François TESCH
Chief Executive Officer (CEO)



Marc LAUER
Chief Operating Officer (COO)



Vincent DECALF
Managing Director
of CapitalaWork Foyer Group



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



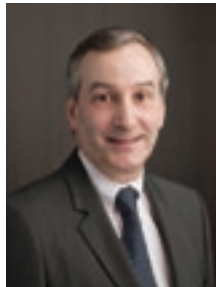
Research and Development
Philippe BONTE



Legal
Oliver PETERS



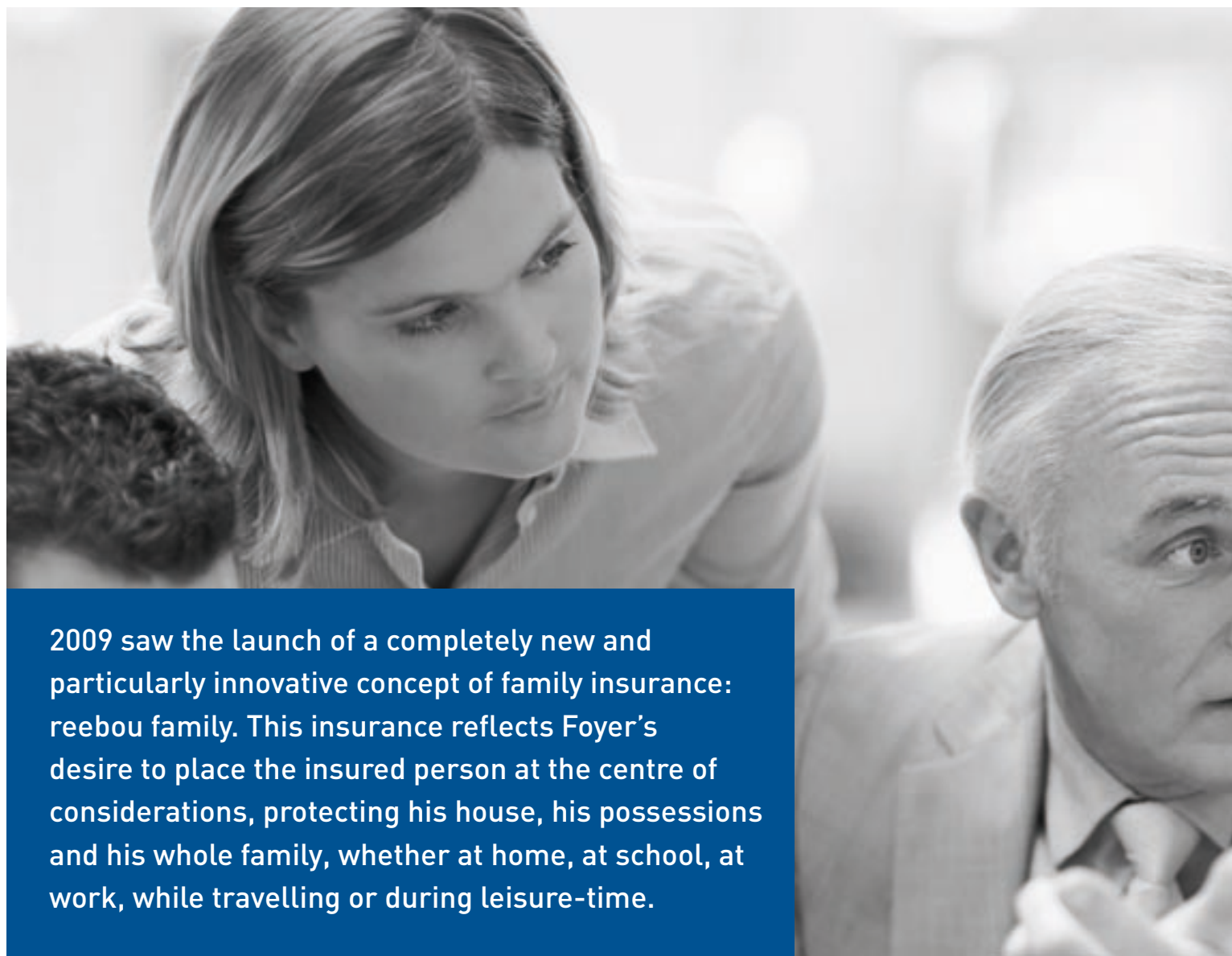
Asset Management
André BIRGET



Information Systems
Daniel ALBERT

The Foyer Group at a glance

Founded in 1922 and quoted on the stock exchange since 2000, Foyer has become a leading player in the Luxembourg life and non-life insurance market. In the last few years, the Group has been successfully expanding its wealth management business within Europe.



2009 saw the launch of a completely new and particularly innovative concept of family insurance: reebou family. This insurance reflects Foyer's desire to place the insured person at the centre of considerations, protecting his house, his possessions and his whole family, whether at home, at school, at work, while travelling or during leisure-time.

Firmly rooted in the business tissue of Luxembourg, the Foyer Group's local family-based shareholder base contribute to its stability and independence. Its insurance and asset management expertise and know-how measure up to its ambition: to provide a comprehensive response to its clients' needs in its three core businesses: insurance, retirement savings and wealth management.

Since its foundation, Foyer has become a prestigious financial player due to its permanent focus on those two key values that have guaranteed its success over the years: its strong client-focalization and its operational excellence. Foyer has been committed for many years now to a comprehensive customer approach, putting it in a position to better target the needs of all individual clients.



The Foyer Group at a glance

As a key strategic challenge for the Group, putting the client at the centre of its considerations is the constant motivation for all managers and employees. In an increasingly complex world, the importance of constantly listening to customers is paramount. Foyer wants to offer its clients the insurance products and financial services best suited to their needs. This goal is shared by its agents who build on their professionalism and their client proximity to strengthen trust, embodying the Group's motto "**Äert Vertrauen a sécheren Hänn**". This approach is backed up by a network of over 400

agents providing close-at-hand advice and by a range of innovative and adaptable products and services.

Client focalization has become a priority for Foyer, fitting in well with another of the Group's key values: innovation. Thinking about tomorrow, better anticipating the needs and expectations of the market are essential and increasingly important factors. Insurance often shows its true value to clients in difficult times. It is therefore paramount that the insurer is there not only to cover any damage, but also to support the client at such



difficult times and help him get back to his normal family life. For this reason, excellent service has always been a top priority of the Group.

Foyer does its best to develop scalable and customisable solutions addressing the individual needs of its clients, whether located in Luxembourg or abroad. It is in this sense that the Luxembourg-based Group was among the first to market life insurance products in Europe under the free provision of services legislation. This booming business now accounts for a significant portion of the Group's turnover.

For several years now, the Foyer Group has also been strengthening its wealth management division for a well-off private clientele. The 2009 acquisition of CapitalaWork has enabled the Group to expand its wealth management operations in Europe, with a special focus on the Benelux countries and giving the Group international reach.

Marc Lauer

Chief Operating Officer

“ Excellence and the desire to establish a relationship of trust with our clients are two of the Group's key values. Our constant goal is to improve our products and develop our business to best satisfy our customers. These qualities have enabled us to become the number one insurance company in the Luxembourg market and they will undoubtedly help us to continue successfully developing our business activities beyond the borders of Luxembourg. ”



Non-Life Insurance

The Foyer Group, Luxembourg's number one insurance company, offers its private and professional clientele a large range of products and services.



In 2009, Foyer launched its new *mobile crédit* product, allowing clients to finance and insure their vehicles all in one go.

It is a competitive and particularly flexible product, enabling Foyer agents to reply to all customers' requests within 2 hours.

An offer tailored to the needs of each individual client

It is the Foyer Group’s desire to put the client at the centre of all considerations.

This client-focusing approach shows in product development, where the Group has structured its

offering around its clients’ main needs. Foyer offers comprehensive solutions providing appropriate protection and integrating the concept of service at all levels of the client relationship.

All solutions offered by the Foyer Group can be tailored to the individual needs of each client, evolving in line with every stage of family life:



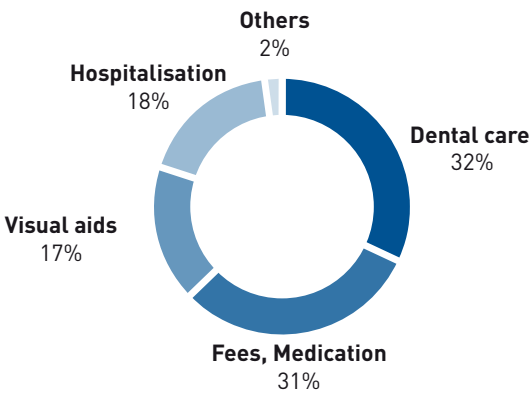
Non-Life Insurance

- **mobile + mobile crédit, a unique offer combining car insurance and financing:** in 2009, the Foyer Group expanded its vehicle-related product range and is now offering financing in conjunction with insurance. This means that a client can now finance and insure his vehicle with his agent all in one go. The **mobile** car insurance provides optimal protection against depreciation for both new and used vehicles, guarantees mobility in the case of an accident thanks to its telephone helplines and can be completed by a drivers accident insurance;
- **reebou family:** 2009 saw Foyer introducing a new concept in home insurance: a modularised policy enabling a client to insure his family, his home and his household possessions all within a single policy. Families can now buy, in addition to their home insurance, one or more packs (accidents, legal expenses, travel, valuables) in line with their priorities and needs, adapting cover over time;



- **medicis**: supplementary health insurance covering hospital care and outpatient fees and also offering assistance benefits. With **medicis**, patients have free choice of doctor, both in the Grand Duchy and abroad, and may use alternative forms of medicine (homeopathy, osteopathy, etc.).

Reimbursement for medical treatment – by type



Paul Fohl

Director Foyer Assurances

“ Innovation and listening to clients enable the Foyer Group to develop comprehensive solutions and quality services, strengthening its position as market leader. ”



Non-Life Insurance

In close collaboration with its network of agents, the Foyer Group is continually seeking to provide a premium level of service, much appreciated by its clients, so that each claim can be treated under the best possible conditions. In addition to having his agent and personal advice close at hand, the client has 24 hours a day and 7 days a week access to a call centre and to fast and efficient support services.

Whether seeking advice or submitting a claim, the goal is to provide the client with help in all his insurance-related dealings.

Made-to-measure insurance for business professionals

Whatever the size of the company, Foyer has solutions fitting every situation. They allow company managers to devote their valuable time completely to developing their business activities.

Made-to-measure products for the self-employed and SMEs

- **mobile pro** and the "fleet" product are used for insuring a whole fleet of vehicles within a single policy, thereby simplifying the management of insurance policies;

Non-Life Insurance: consolidated results

SECTOR INFORMATION
€ millions

	Non-Life insurance		
	2009	2008	2007
Premiums earned, net of reinsurance	210,69	196,86	189,48
Net operating revenue	19,53	-7,73	52,81
Insurance claim costs net of reinsurance	-125,54	-117,16	-108,58
Expenses	-59,24	-57,25	-52,70
Group share in the profit of subsidiaries	-	-	0,12
Income before tax	45,74	14,72	81,13
Taxes	-13,00	-2,83	-17,27
Net income	32,74	11,89	63,86

- **reebou pro** is a comprehensive multi-risk insurance covering buildings, merchandise, civil and professional liability as well as third-party assets;
- **medicis pro** provides complete cover of healthcare costs and financial security in the case of occupational disability thanks to income protection insurance

Made-to-measure insurance for companies

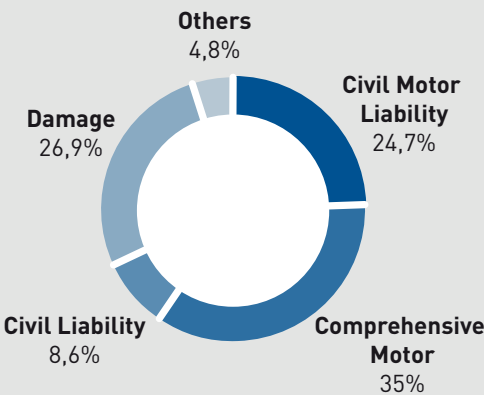
The Foyer Group has a team of business specialists devoted to managing company-related risks.

These specialists evaluate the risks and propose made-to-measure solutions for all business activities and very individual risks.

Thanks to an exclusive partnership with Atradius, a world leader in credit insurance, Foyer also offers solutions tailored to SMEs to cover the risk of their clients insolvency.

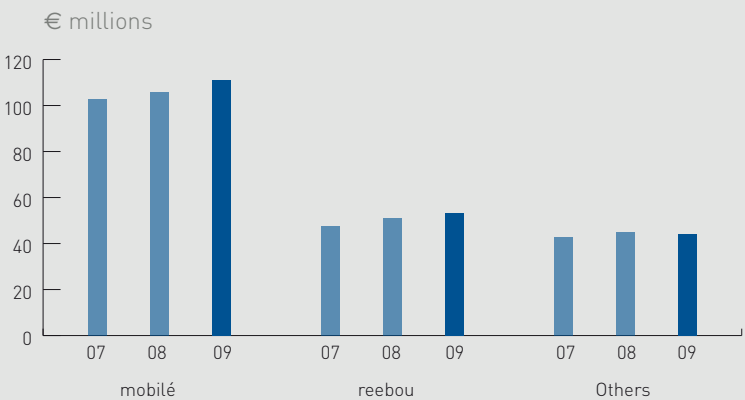
Distribution of turnover
Foyer Assurances

on 31.12.2009 (excluding captive companies and Belgian Market)



Development of turnover

(excluding captive companies and Belgian market)



Life Insurance

The needs of our private and professional clients are constantly changing. The Foyer Group's range of products is part of this permanent evolution.



As a selection criterion for companies wanting to recruit and retain staff, Group Insurance is becoming an indispensable pillar for the long-term stability of the pension system. It embodies the willingness of companies to implement a socially responsible HR policy.

The new offer of disability cover, particularly well suited to the needs of the self-employed and professionals, reflects this trend. The option of premiums being partially refunded in the absence of claims is a novel feature on the market.

Life Insurance, going well beyond of risk cover, has become an indispensable product in the Foyer Group's

range of investment products. The **flexivie** range combining security, flexibility and performance meets up particularly well today's needs of our clientele, destabilised by the crisis and disappointed by the returns on short-term financial investments.

Three years after its launch, **flexivie click** continues to post very attractive returns, combining an effective



Life Insurance

investment and inheritance tool in a single policy.

The network of agents, all with solid financial training and present throughout the Grand-Duchy, enable a wide distribution of high-quality products. Its client proximity creates an atmosphere of trust indispensable to its operations.

The Foyer Group's strong equity base also provides a solidity which is beyond the average for the industry.

Life insurance and retirement savings

In an increasingly difficult economic climate, the debate concerning the future of pensions cannot be put off for long.



Individual pension insurance will gradually become an indispensable additional source of income enabling citizens to calmly consider their future after ending their working life. But despite the attractive tax framework, clients' expectations go far beyond this, meaning that planning and analysing long-term needs are becoming increasingly necessary.

In this difficult economic environment, **Group Insurance** also acquires a new meaning, becoming a selection criterion for companies recruiting and retaining staff and an indispensable pillar for the long term stability of our pension system. Group Insurance embodies the willingness of companies to implement a socially responsible HR policy.

A team of specialists offers made-to-measure solutions to companies, together with efficient online tools. Backed up by its network, marketing efforts target SMEs in particular. Foyer Life Insurance is also part of the European landscape, especially through its partnership with Generali Employee Benefits, a global insurance network.

Life Insurance outside the Grand-Duchy's borders

Foyer's Life Insurance operations are expanding in Europe, in particular following the 2009 takeover of Generali Luxembourg's portfolio.

Philippe Bonte
Director Foyer Life Insurance

“ In recent years, Foyer Life Insurance has become a master solution for investment and inheritance planning. The Foyer Group's financial strength is particularly important in a difficult economic and financial environment, prompting more and more people to turn naturally to Foyer Life Insurance for the long-term management of their investments. ”



Life Insurance and the Freedom to Provide Services legislation: made-to-measure advice for a demanding international clientele

As a 100% subsidiary of the Group, Foyer International is specialised in developing Life Insurance activities beyond the borders of the Grand-Duchy of Luxembourg under the Freedom to Provide Services legislation.

Foyer International works exclusively on a business-to-business (B2B) basis. The company is a privileged partner of asset managers, family offices, and prestigious specialised financial institutions in the private banking sector.

Foyer International is building on its membership within a group which is independent of any financial institution, retaining its character and historical family values while offering the transparency associated with a quoted public company. The Group’s loyalty to its key values, together with its financial strength, are determining factors for the trust shown by its clients.

In the context of efficient long-term wealth management, Foyer International offers made-to-measure Life Insurance solutions based on an open architecture. In this context, our products have been developed to meet the requirements of a high net worth clientele, offering tax and inheritance benefits in complete security and in compliance with the legal and fiscal frameworks of different countries of residence.

Foyer International has a proven ability to adapt to frequent regulatory changes, both in national legislation and in the European framework set by the various relevant directives. Foyer International experts are in constant contact with tax and legal consultants in all countries concerned.

Life Insurance: consolidated results

SECTOR INFORMATION

€ millions

	Life insurance		
	2009	2008	2007
Premiums earned, net of reinsurance	142,74	82,21	86,74
Net operating revenue	76,17	-97,36	42,43
Insurance claim costs net of reinsurance	-191,63	38,88	-96,57
Expenses	-19,94	-20,66	-20,14
Group share in the profit of subsidiaries	-	-	-
Income before tax	7,34	3,07	12,46
Taxes	-2,14	0,01	-2,65
Net income	5,20	3,08	9,81

Foyer International is currently active in several European countries, including Germany, Belgium, Spain, France, Italy, Scandinavia and Portugal. With the steadily increasing mobility of European citizens, demand for made-to-measure cross-border solutions is steadily

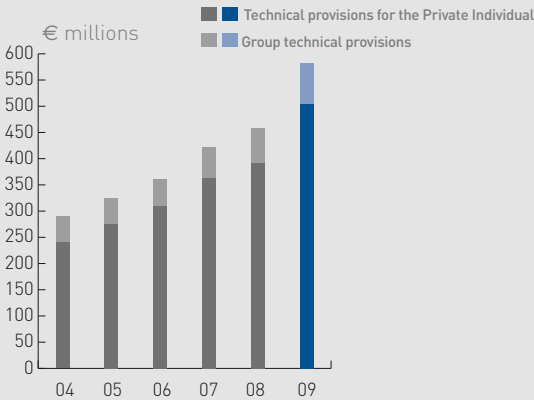
increasing. The experience of an international team with highly specialised knowledge, backed by lawyers and tax specialists available in each country, enables Foyer International to respond to this demand.

Jean-Louis Courange
Director Foyer International

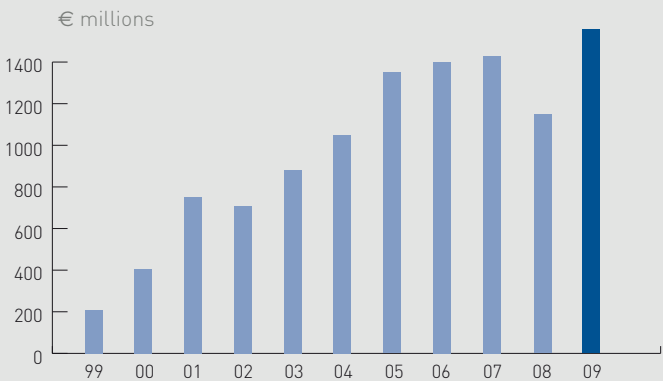
“ With the expertise of our team of international experts, and despite the difficult international financial situation and a changing regulatory environment, the trust of our partners has been strengthened, enabling Foyer International to achieve its ambitious development goals in 2009. ”



Life Insurance:
Technical provisions



Foyer International
Commitments towards clients



Asset management by CapitalaWork Foyer Group

CapitalaWork Foyer Group S.A. is the new unit resulting from the merger of the three Luxembourg companies, CapitalaWork Group S.A., CapitalaWork Int'l S.A. and Foyer Patrimonium S.A.



CapitalaWork Foyer Group analyses the financial situation of its customers before defining a strategy in line with their needs and risk profile.

The legal merger of these three entities, simplifying the structure and reducing organisational processes, has led to the creation of a strong division within the Foyer Group specialised in asset management.

An expanded service offering

As a pan-European asset management company for private and professional clients, Capitala@Work Foyer Group manages close to \$3.70 billion, backed up by the competence of around a hundred experts.



Asset management by CapitalaWork Foyer Group

Based in Luxembourg, Belgium, the Netherlands, Switzerland and Spain, CapitalaWork Foyer Group is a key partner in wealth structuring, transfer and management.

CapitalaWork Foyer Group has developed a range of services responding to the individual needs of its clientele.

Strengthened independent management

Though now 100% owned by Foyer S.A., CapitalaWork Foyer Group retains its independence vis-à-vis all financial groups. In a globalized environment, such independence, a guarantee for the absence of any potential conflict of interest, coupled with the stability of the Group's family shareholders, is a real asset and ensures the objectivity of all advice provided to clients.



CapitalaWork Foyer Group has developed a range of professional skills guaranteeing its independence in management decisions.

Since 1990, the Group has built up a diversified clientele, both in structure (private and institutional investors), and in the nature of the chosen investment (management mandates in fixed return investments and shares). This clientele has been attracted by the investment approach

focused on value, i.e. the search for quality assets with an attractive market valuation.

For CapitalaWork Foyer Group, investing on the stock market has nothing to do with speculation but is seen as a conscious choice for a healthy long-term growth model.

Vincent Decalf
Managing Director of
CapitalaWork Foyer Group

“ Following the merger of CapitalaWork and Foyer Patrimonium, 2010 will be devoted to the commercial development of our activities, a development based on high-quality and optimised business processes. ”



Asset management by CapitalaWork Foyer Group

In tandem: asset management and insurance

Managing private assets within an insurance company is nothing atypical. Both in insurance and in private asset management, the “management of assets/liabilities” is part of everyday life: ALM (Asset and Liability Management) for the former, wealth planning for the latter.

Foyer and CapitalaWork Foyer Group go further, with different professions working together. Thus, insurance agents are directly involved in the development of the company. Trained by our customer relations officers, they represent a source of confidence to their existing clients and provide an initial qualified contact with CapitalaWork Foyer Group’ private asset management.

Asset management

SECTOR INFORMATION

€ millions

	Asset Management		
	2009	2008	2007
Premiums earned, net of reinsurance	-	-	-
Net operating revenue	26,48	7,12	9,34
Insurance claim costs net of reinsurance	-	-	-
Expenses	-23,19	-9,74	-5,28
Group share in the profit of subsidiaries	-	-	-
Operating profit	3,29	-2,62	4,06
Taxes	0,35	-0,22	-1,54
Net income	3,64	-2,84	2,52

Outlook for 2010

The global economic and financial crisis in the second half of 2008 led to a deep recession in developed countries in 2009. A depression was avoided due to bail-outs of "too big to fail" banks and to a remarkable concerted international action (G20) for growth and financial stability.

Because of important market fluctuations, 2009 will go down in history. Basically, the excessive indebtedness of the private sector in 2009 has now been passed on to the public sector.

Moving out of this situation in 2010 will be particularly arduous and will affect the markets. One needs to remain cautious and selective.

This attitude, naturally present in the Group' management methodology, will enable it to make its expertise a reality to its clients and to strengthen its market positions.

Evolution of managed assets

€ millions (pro forma data)



A comprehensive approach to customer needs and close-at-

The Foyer Group's expertise and know-how in insurance and asset management match its ambition: to provide a comprehensive response to its clients' needs in its three core businesses: insurance, retirement savings and wealth management.

These goals are shared by its agents who build on their professionalism and their proximity to their clients to strengthen trust, embodying the Group's motto **"Äert Vertrauen a sécheren Hänn"**.

Distribution of Foyer's products and services focus is provided by a network of 400 exclusive agents, based in virtually every town and village of the Grand Duchy. The Raiffeisen brokerage and banking network serves to underline this customer presence.



The Foyer Group provides comprehensive solutions to the needs of its clients in three areas: insurance, retirement savings and wealth management. It provides its clients with advice, taking their needs and expectations into account and listening carefully to each and every one of them.

hand service

Client-focalization within the Foyer Group

Trust need to be earned!

Experience, expertise and professionalism are only fully effective when accompanied by a well constructed approach putting the client at the centre of all considerations.

This has led to the Foyer Group developing a true customer culture or client-focalization, conveyed through its network of agents.

This client-centricity is embodied in product development, in the advisory approach adopted by the agents and the tools available to the agent network.

The product range is organised around different categories of needs in the broadest sense. The goal is to provide each customer with comprehensive solutions in insurance, retirement savings and investment. Due to scalable and flexible products, an agent can accompany a client throughout his life, offering solutions tailored to his budget and protection needs.

An agent network at the service of clients

To always provide the best customer advice taking his aspirations into account, the Foyer Group builds on the experience and the availability of its extensive network of close-at-hand agents.

An agent's primary mission is to advise the client and help him find the most appropriate solutions by understanding his overall needs and taking his current situation and future needs into account.

The Foyer Group provides constant support for its agents in their mission, with a focus on further training, developing tailored communication and marketing campaigns and providing efficient IT tools.

The Foyer Group keeps in close contact with its distribution network, permanently checking whether its marketing objectives and company projects are in line with market expectations.

In conclusion, the Foyer agent is a professional staying close to each of his clients, constantly listening to him and offering high value-added advice.

“ Client proximity, listening to clients, providing advice and professionalism are the key assets of an agent network transforming each product into a commercial success. ”

Gilbert Wolter
Director of Sales and Marketing



Research and Development

In a world where client needs are constantly changing, one of the main tasks of a Research and Development department is to design and price new products.

This has led to various innovative products unique to the market being offered over the last years. In the field of Life Insurance, "cash back" life annuity and disability pensions represent particularly innovative offers. The permanent exchange of information on client needs with the agent network and the monitoring of new developments abroad

both enable the R&D department to develop innovative products.

In Non-Life Insurance, **reebou family** is a unique approach, offering a comprehensive solution tailored to a client's needs.



Listening to the needs expressed by customers and closely monitoring developments abroad, the R&D department designs new products and management tools.

This product consists of very innovative packs for insuring a client's home and assets and protecting him against everyday risks.

An R&D department is more than just a mere product designer. It also provides management with tools enabling it to monitor and steer operations.

These tools enable the right decisions to be taken, at the right moment and fully taking the environment into consideration.

Supported by Executive Management, the R&D department is working hard on implementing the Solvency II Directive within the Foyer Group.

This directive, which will come into force in 2012, will fundamentally change the insurance industry. Keeping up to date with developments in this area is a sine qua non condition for keeping one length ahead of competition and for anticipating the services and products the market will be needing tomorrow.

The application of the Solvency II Directive also brings with it major changes in processes and in the way information is structured. The preparation and introduction of this second pillar are the two main challenges facing the R&D department in the years to come.

Philippe Bonte

Director for Research and Development

“ The mission of a Research and Development Department consists of understanding the current environment, anticipating tomorrow's environment and client needs and providing management with guidance so that the Foyer Group can consolidate its leading position in its principal operating sectors. ”



Managing talents and sharing Group values

Operating for several years in all fields of insurance, Foyer is Luxembourg’s leading insurance company. The integration of CapitalatWork Foyer Group has given the Group a new dimension, combining commercial success and financial ambitions.

Spurred on by these new perspectives, the Foyer Group is, more than ever before, building up its resources in order to grasp the challenge of the future and confirm its leading position in the insurance sector but also to firmly establish itself in the financial sector.

The Human Resources department is contributing to the Foyer Group’s strategy and development by implementing efficient HR processes and resources, aimed at a continuing optimisation of employees’ skills.

Continuing enhancement of employees’ skills

Our employees constitute our greatest asset. We want them to develop their capabilities as best as possible. Despite a somewhat turbulent economic environment, Foyer has not hesitated to continue to invest in its human capital. The Human Resources Department is offering an ambitious training programme completed by individual coaching.



Our employees constitute our greatest asset.
We want them to develop their capabilities as best as possible.

Our employees are invited to anticipate the future ...

The responsiveness and business dynamism of the Foyer Group are spurred on by a major performance management programme, focusing on responsibility, delegation and management by objectives.

Diversity of skill profiles

The new financial activities make Foyer a company of choice for candidates looking for new challenges.

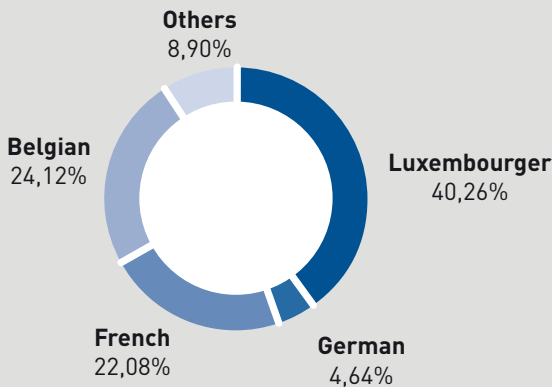
Previously accustomed to attract candidates with an insurance background, we are now receiving more and more high-quality applications from candidates with a banking profile. In addition, the Foyer Group puts a special focus on maintaining perfect harmony with the multicultural nature of a significant portion of its clientele by hiring employees from the Grand Duchy and the neighbouring countries.

Benoît DOURTE
Director of Human Resources

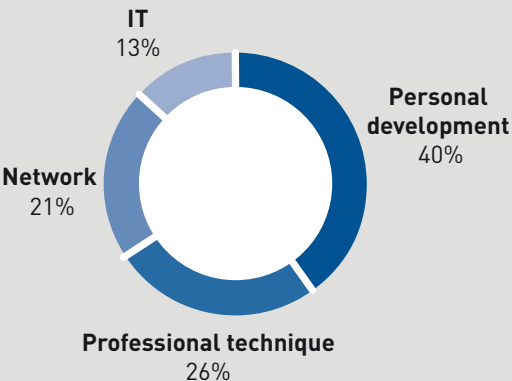
“ More than ever, the role of Human Resources is to make sure that the Foyer Group bases its development on the shared values of Trust, Excellence, Innovation, Integrity and Independence. ”



Multicultural workforce



Distribution of the training budget



Sustainable development

Continued action for sustainable development and environmental protection

Aware of the challenges that environmental protection and the fight against global warming pose for future generations, the Foyer Group has in recent years strengthened its actions promoting sustainable development.

Certified CO₂ neutral headquarters

The Foyer Group has been using nothing but green electricity since 2008, enabling it to cut its GHG emissions by 59%. Foyer has also compensated its CO₂ emissions stemming from heating its building and employee travel by the purchase of compensation certificates. Thanks



With its new product, reebou family, Foyer is promoting investment in energy conservation measures in homes, with energy class A & B housing enjoying reduced premiums.

to these two measures, Foyer premises are certified as being CO₂ neutral by MyClimateLux a.s.b.l.

Optimising paper consumption

Together with energy, paper is an important component of the environmental footprint associated with the Group's operations. In addition to using only FSC certified paper for all its publications, the Foyer Group aims to achieve a continual reduction in its paper consumption. To do this, an electronic document management system has been installed and the Foyer Group is pushing email communication with its agents with the aim of putting an end to all paper-based communication by 2011.

Concrete actions vis-à-vis employees and clients

The Foyer Group compensated the annual CO₂ emissions of every new car insured under a **mobile** policy signed between February and May 2009 (equivalent to 11,225 tonnes of CO₂).

With its new product, **reebou family**, Foyer is also promoting investment in energy conservation measures in homes, with energy class A & B housing enjoying reduced premiums. Foyer has also developed specific cover for environmental facilities.

Future projects

Foyer is working to increase its employees' and agents' awareness of environment protection through regular articles published in the company magazine. The Group will be continuing its efforts to get staff to reduce their consumption of electricity and paper and is also encouraging the use of public transportation and carpooling.

Benoît DOURTE

Director of Human Resources

“ The commitment of the Foyer Group to sustainable development is underlined by concrete actions and a willingness to increase the awareness of employees, agents and clients alike. ”



Foyer S.A. on the stock market

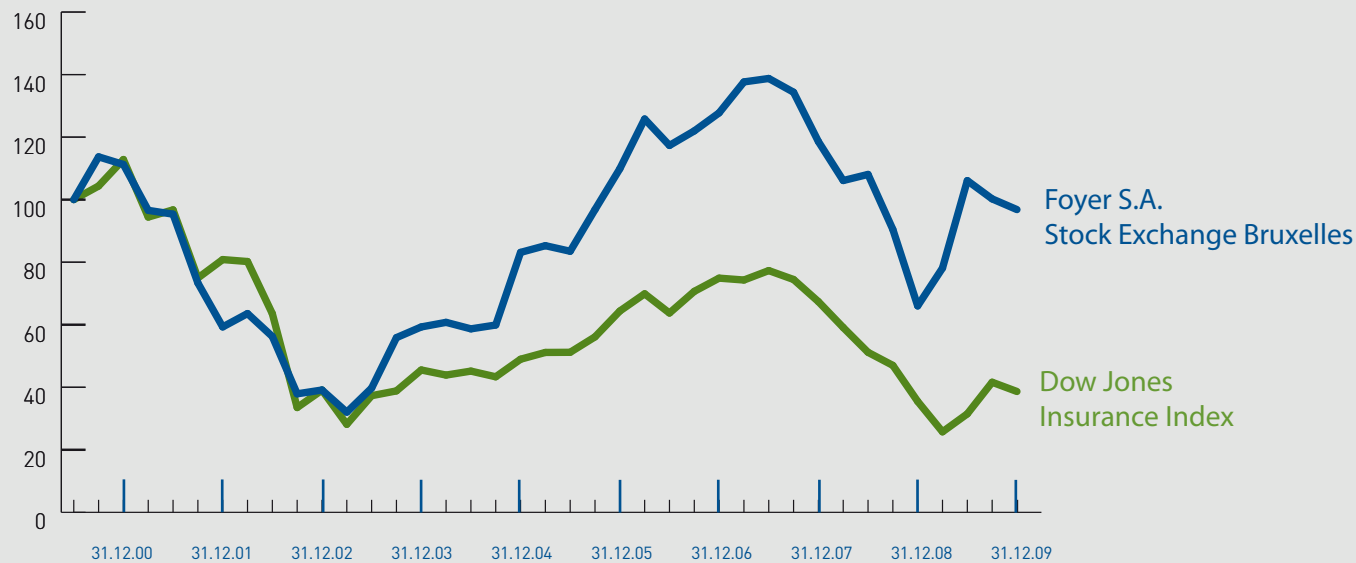
Structure of the shareholding on 31 December 2009

Foyer Finance S.A.	78,62 %
Luxempart S.A.	4,67 %
Public et institutions	16,23%
Foyer S.A.	0,48%

Stock value on 31 December 2009

	2009	2008	2007
Number of shares in circulation	8 955 472	8 995 041	8 997 275
Closing price	39,6	27	48,4
Market capitalisation	354 636 691	242 866 107	435 468 110
High for the year	44,5	48,6	60
Low for the year	21	25,63	47
Free float	1 460 477	1 500 046	1 502 280

Information on changes in the stock market price (base 100)



Finance Department

Mr. André BIRGET
Tel : + 352 437 43 3063
e-mail : andre.birget@foyer.lu

12, rue Léon Laval
L-3372 LEUDELANGE

Listing markets: Brussels & Luxembourg
ISIN Code: LU 112960504
We invite you to visit our website at : www.foyer.lu

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12, rue Léon Laval - L- 3372 Leudelange
Tel.: +352 437 437 - Fax: +352 437 43 3466
e-mail: contact@foyer.lu
www.foyer.lu

