



ANNUAL REPORT  
**2011**

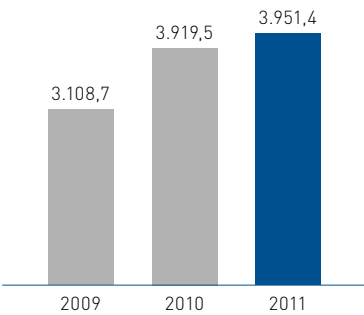
# Table of contents

Message from the Chairman and the Managing Director	page 6
The organisational structure of the Group	page 8
The Board of Directors	page 9
The Committees of the Board of Directors	page 10
The Executive Management	page 11
The Executive Committee	page 11
The Group Management	page 12
Foyer Group at a glance	page 14
Insurance for individuals	page 16
Insurance for businesses	page 20
Our cross-border activities	page 24
Asset management by CapitalatWork Foyer Group	page 28
Foyer S.A. on the stock market	page 32

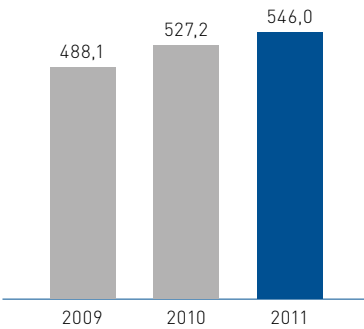
# Key figures

(consolidated) on 31 December 2011

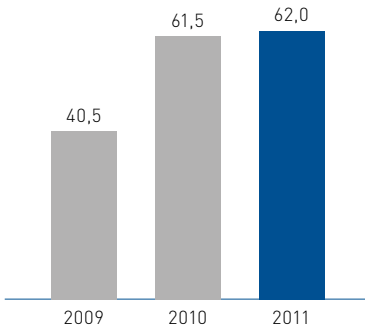
## Invested assets



## Shareholder equity (Group share)



## Consolidated net results (Group share)



## Financial ratios

	2011	2010	2009
Earnings per share (in €)	6.98	6.88	4.51
P/E (stock market value on 31.12)	6.15	6.10	8.73
Gross dividend per share (in €)	1.59	1.48	1.34
Net dividend per share (in €)	1.35	1.26	1.14
Shareholders' equity (consolidated) per share (in €)	61.59	59.01	54.51

## Employees

Headcount at the year-end	579	556	526
Average number of employees in FTEs (full-time equivalent)	536.8	530.7	493.1
Number of agents and agency employees	701	687	660
Including professional agents and employees	300	280	260

## Securities portfolio

€ millions

Equity securities and fixed income securities	1,360.0	1,320.7	1,286.5
Cash and cash equivalents (net)	217.6	201.0	143.3
Financial assets at fair value through income	2,347.3	2,325.2	1,629.6
Total	3,924.9	3,846.9	3,059.4

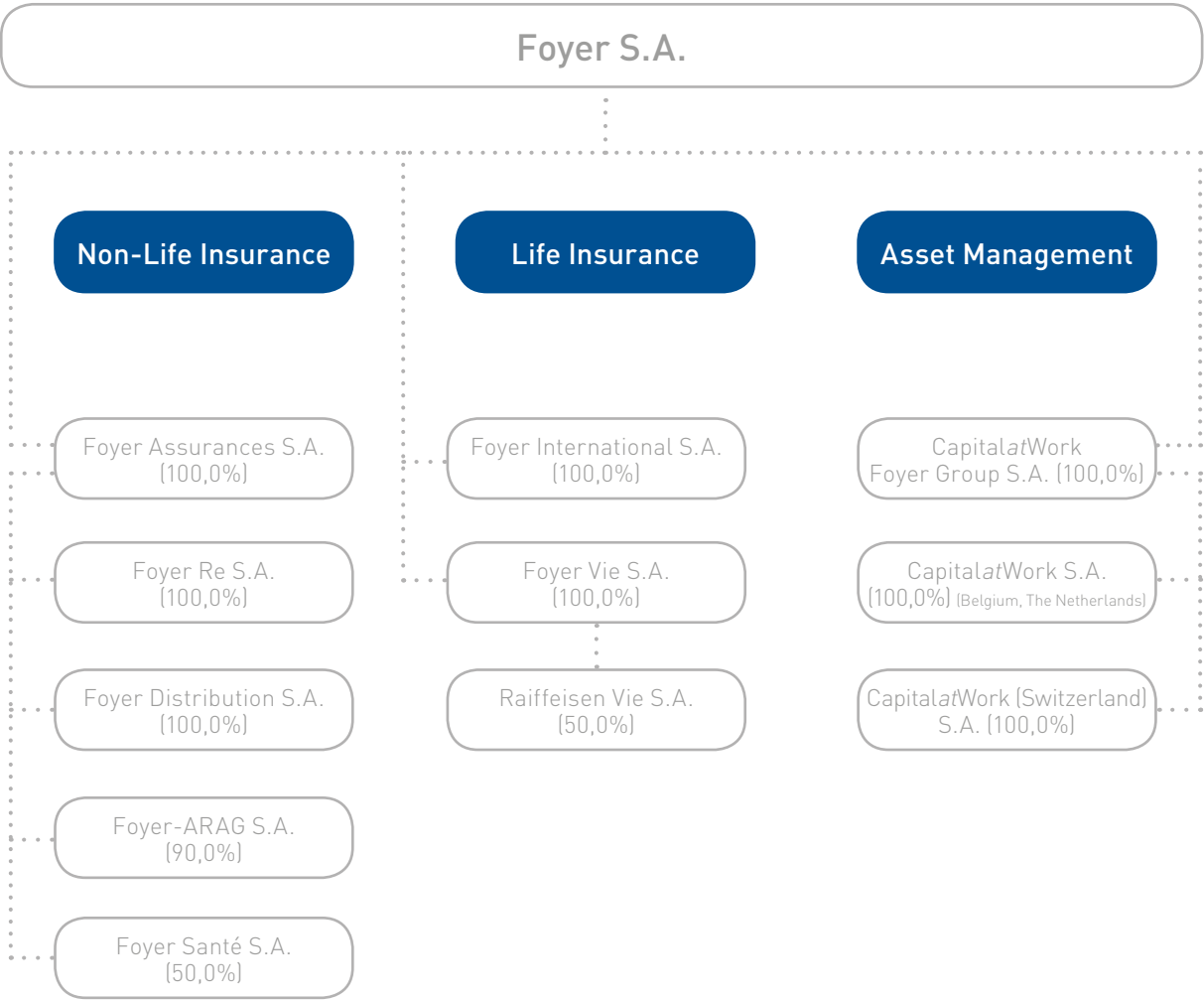
Consolidated balance sheet

€ millions	2011	2010	2009
<b>Total assets</b>	<b>4,225.1</b>	<b>4,198.7</b>	<b>3,460.7</b>
Cash and cash equivalents	1,360.0	1,320.7	1,286.5
Equity securities and fixed income securities	2,347.3	2,325.2	1,629.6
Financial assets at fair value through profit or loss	244.2	273.5	192.7
<b>Total liabilities</b>	<b>4,225.1</b>	<b>4,198.7</b>	<b>3,460.7</b>
Technical provisions	1,655.7	1,617.2	1,557.7
Liabilities in respect of investment contracts	1,825.5	1,750.2	1,084.5
Shareholders' equity - Group share	546.0	527.2	488.1

Consolidated profit and loss account

€ millions	2011	2010	2009
<b>Net insurance premium revenue</b>	<b>357.6</b>	<b>342.5</b>	<b>353.4</b>
Other technical products and commission	43.3	41.3	35.5
Net financial revenue	40.0	138.2	86.7
<b>Net operating income</b>	<b>83.3</b>	<b>179.5</b>	<b>122.2</b>
Net insurance benefits and claims	-250.0	-328.5	-316.9
Expenses	-113.2	-108.8	-102.3
<b>Operating profit</b>	<b>77.7</b>	<b>84.7</b>	<b>56.4</b>
Taxes	-15.5	-22.8	-14.8
<b>Profit for the year</b>	<b>62.2</b>	<b>61.9</b>	<b>41.6</b>
Group share	62.0	61.5	40.5
Earnings per share (in €)	7.0	6.9	4.5

Activities  
of Foyer Group



Situation on 31 December 2011

# Message from the Chairman and the Managing Director

We remain deeply saddened by the sudden passing of Mr. Lucien Thiel on 25 August 2011. Mr. Thiel joined the Board of Directors on November 1, 2007 as director and chairman, a position he held until the Annual General Meeting of Shareholders of 5 April 2011. As a member of the Board of Directors, Mr. Thiel never failed to bring his extensive experience in Luxembourg's economic and political world to the debates. Always gracious and good-humoured, he leaves us with fond memories and a deep sense of gratitude.

## 2011 - Another difficult year

Although the first half of 2011 seemed to confirm the economic recovery observed in 2010, the financial crisis in the eurozone in the second half of the year once again led to high volatility in the stock markets. Austerity plans were to be implemented in most of the Southern European countries, with the aim of reducing their budget deficits. Greece was rescued in extremis from bankruptcy by a restructuring plan that was unprecedented in scale. Lastly, the European Central Bank was forced to intervene yet again in early 2012, injecting significant liquidity into the banking system to ensure that it would function properly.

While all these measures now seem to be bearing fruit, as demonstrated by the recovery in the stock markets since early 2012, the fact remains that the budget imbalances in Europe will continue to contribute, in the short and medium term, to the region's fragility and to a slowdown in growth.

The Grand Duchy of Luxembourg appears to have been spared the turmoil that has engulfed Europe and, more specifically, the Southern countries.

Despite this relatively positive observation, we must not forget that our public finances remain in a very fragile state from a revenue standpoint, and that the major essential social expenditure reforms have yet to be implemented.

The private insurance sector has informed the authorities that it is ready to play a larger role in the areas of pension insurance and health insurance.

## Our 2011 results

Foyer Group had performed well in 2011, despite the difficult environment in the second half.

Consolidated sales rose 5.6% to € 410.86 million. This strong growth shows that not only was our offer able to withstand more difficult economic conditions but also that it is capable of winning market share. Our efforts to professionalise the agent network, which began long ago, are now paying off.

We also note that our Life insurance activity, marketed under the freedom to provide services regime, continues to grow, as a result of the marketing efforts that have now been rolled out to eight European countries and despite the high volatility associated with regulatory changes and with significant stock market impacts. We are convinced that our prudent and professional approach to the business, with a long-term vision, will prevail in this high-potential market. Our aim is to set the standard for the industry.

Consolidated earnings after tax reached € 62.20 million in 2011. The disposal of our reinsurance company, Foyer Re, in early 2011 accounted for € 24.34 million of these earnings.

Although financial results in this difficult time declined versus 2010, the prudent management of our assets, favouring investments in corporate bonds, allowed us to avoid investments in the sovereign debt of European countries affected by the crisis.

These positive 2011 results once again allowed the Group to strengthen its capital, and thus its soundness. Our solvency ratios are significantly above the sector average. We believe this is an important guarantee of safety for the clients who entrust us with a significant share of their assets.

### An improving dividend policy

The strong results recorded in 2011 have allowed us to propose a 7.1% increase in the dividend payment compared with the previous financial year. This ongoing improvement in our dividend is part of our policy to develop our business in a sustainable manner with a medium- and long-term vision.

### Outlook

The economic outlook for 2012 remains uncertain.

Despite the rebound in stock prices at the start of the year and the respite from market volatility, following the European Central Bank's intervention and the agreement on the Greek debt refinancing, the economic outlook for 2012 calls for a slowdown in activity.

We remain cautiously optimistic about our activities in the Grand Duchy of Luxembourg, and believe we can maintain our growth rates at levels close to those achieved in 2010 and 2011.

The commercial outlook is favourable for our insurance activities that fall under the freedom to provide services regime. In Life insurance, we will continue our efforts to market our products in eight European countries, while strengthening our teams in France and in the Scandinavian countries, where the markets are particularly buoyant. The sales recorded in the first two months of 2012 indicate that we will significantly exceed the figures recorded in 2011.

The asset management activity of CapitalatWork Foyer Group is growing at a satisfactory pace.

Despite the positive outlook for operating results, earnings will remain subject to the risks inherent in the insurance activity, as well as to stock market performances.

### Strengthening our Board of Directors

We are pleased to inform you that we are strengthening the composition of our Board of Directors, which will increase, subject to the approval of the Annual General Meeting of Shareholders of 17 April 2012, from nine to ten members, with the appointment of Ms. Carole Wintersdorff, legal counsel (ArcelorMittal), and Mr. Paul Mousel, lawyer.

Lastly, we would like to thank all the shareholders of Foyer S.A. for the trust they have shown us. Our thanks also go to all of our employees for their dedication and commitment and to our clients for their loyalty to the Group.



François Tesch  
Managing Director



Henri Marx  
Chairman

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. Foyer Group also has a corporate governance charter.



# The Board of Directors

Subject to approval by the General Meeting of 17 April 2012, the Board of Directors of Foyer S.A. will be constituted as follows:

**Henri Marx**  
Chairman of the Board of Directors  
Non-executive and independent Director

**François Tesch**  
Executive Director  
CEO of Group Foyer S.A.

**Romain Becker**  
Non-executive and independent Director

**Dominique Laval**  
Non-executive Director

**Paul Mousel**  
Non-executive and independent Director

**John Penning**  
Non-executive Director

**Jacquot Schwertzer**  
Non-executive and independent Director

**Michel Tilmant**  
Executive Director

**Carole Wintersdorff**  
Non-executive and independent Director

**Patrick Zurstrassen**  
Non-executive and independent Director

Mr Oliver Peters, Head of Legal, is the secretary of the Board of Directors.



From left to right: Oliver Peters, Dominique Laval, Patrick Zurstrassen, François Tesch, Henri Marx, John Penning, Michel Tilmant, Jacquot Schwertzer, Romain Becker.  
Absent in the photo: Carole Wintersdorff and Paul Mousel.

# 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, Compliance and Risk Management Committee

MM. Jacquot Schwertzer, Chairman of the Committee, non-executive and independent Director, Dominique Laval, non-executive Director, Henri Marx, non-executive and independent Director.

Mr Franck Tousch, Head of internal Audit and secretary of the Committee.

## The Nomination and Remuneration Committee

MM. Patrick Zurstrassen, Chairman of the Committee, non-executive and independent Director, Romain Becker, non-executive and independent Director, André Elvinger, external member (1), François Tesch, executive Director, CEO (2).

Mr Benoît Dourte, Human Resources Manager 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. Foyer Group, on the one hand, and Luxempart Group on the other.

(2) Mr François Tesch is only a member of the Nomination and Remuneration Committee for questions relating to nomination 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 a manager, advisor on strategy which allows these parties to consult one another, coordinate their respective actions and exchange information.

Mr Benoît Dourte, Human Resources Manager and member of the Executive Committee of CapitalatWork Foyer Group, is a permanent guest to the meetings of the **Executive Committee**.

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  
Advisor on strategy

The Group Management

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



**Daniel Albert**  
Information systems



**André Birget**  
Asset management



**Philippe Bonte**  
Local Life Insurance and  
Research and actuarial  
Studies



**Jean-Louis Courange**  
International Life Insurance



**Benoît Dourte**  
Human Resources  
and General Services



**Paul Fohl**  
Risk management



**Marc Lauer**  
Accounting and Reporting



**Franck Marchand**  
Non-Life Insurance



**Oliver Peters**  
Legal



**Michel Tilmant**  
Wealth management



**Gilbert Wolter**  
Sales and Marketing

# Foyer Group at a glance

Since its founding in 1922, Foyer Group has become one of the most important and oldest Luxembourg financial institutions.

In an ever-changing world, Foyer’s family shareholder base and local roots ensure its longevity and independence. Listed on the Luxembourg and Brussels stock exchanges since 2000, the Group attaches great importance to compliance with its governance code. In recent years, Foyer has also adopted a risk management policy consistent with the most recent European prudential requirements, thus making the Group one of the leaders in the Luxembourg market on this issue.

Foyer Group now has a presence in Luxembourg and across Europe, via its three business lines: insurance, protection and wealth management. Closely attuned to the needs of its individual and business clientele, Foyer seeks to establish a long-term relationship with each of its clients, always aiming to provide an even higher level of excellence and impeccable service.

With its leadership position in the Luxembourg insurance market and approximately ten-year

presence in southern Belgium, Foyer assists thousands of individual clients at every stage of their lives, providing everyday insurance solutions as well as protection products that help them build the foundation of a worry-free future. The Group also puts all its insurance expertise to work for small, medium and large Luxembourg enterprises, so that they can enjoy maximum protection.

Foyer Group has developed a diversified offer, customised for the very specific asset management and structuring needs of its international clientele. A pioneer since the liberalization of the insurance markets, Foyer offers Life insurance products under the freedom to provide services regime to a European clientele concerned about transferring its assets under the best possible conditions. In addition, CapitalatWork Foyer Group, a subsidiary of the Foyer Group with operations in four European countries, has been offering high-performing long-term wealth management solutions for about twenty years.

To meet the needs of this diverse and international clientele, Foyer relies on the strong values shared by all of its 579 employees across four countries and its

701 agents and agency employees located across the Grand Duchy of Luxembourg. Close attention is paid to the recruitment of Group employees, based not only on their professional skills but also on values such as commitment, humanism and sense of responsibility. Thanks to a human resources management policy grounded in skills sharing, extensive training options, internal mobility and individual empowerment, Foyer thus has full confidence in the Group's human capital.

Lastly, in 2012, a financial group must be socially committed, through its support of social projects and cultural or sporting events and its implementation of a sustainable development policy. On this front, Foyer Group takes pride in having been a socially and ecologically responsible player for many years, not only through its concrete, daily actions, but also through its significant contribution to sports, culture and innovative projects at a local, national and international level.



Backed by its stability, shared values and the desire to always do better, Foyer Group offers a full range of insurance, protection and wealth management services to private and business clients. Our goal is to establish individual and lasting relationships with each one of our clients, by offering them products that meet their needs and expectations.

Marc Lauer  
Chief Operating Officer

# Insurance for individuals



Continual innovation, high-quality services and operational excellence have allowed Foyer Group to consolidate its leadership position on the Luxembourg market.

## Flexible products and personalised services for a demanding clientele

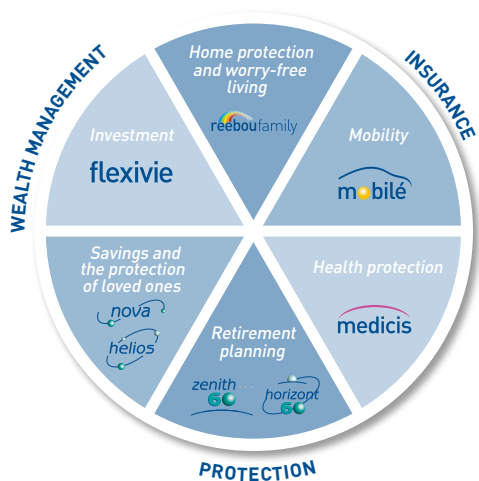
One of the priorities of Foyer is to offer its clients personalised and high-end products and services.

To achieve this goal, the Group has developed a full range of products and services grouped by category of need. It is thus able to meet its clients' insurance, protection and wealth management demands.

The products offer different levels of coverage based on individual situations. They are flexible, adjustable and can be adapted to each client's lifecycle.



Individuals’ areas of need



Foyer Group has also developed tools that allow its employees and partners to anticipate, to the extent possible, the needs and expectations of its clients. Thus, each employee and each agent in contact with a client is able to provide a suitable response.

→ Mobility

**mobile** is a very comprehensive car insurance policy that offers optimal protection, for the vehicle and all its passengers.

By combining this with the **mobile crédit** financing option, Foyer Assurances can offer its clients a “turnkey” solution.

In just one easy step with their Foyer agent’s help, clients can finance and insure their car. Afterwards, they benefit from professional advice and assistance in the event of an accident — a comprehensive service which makes life easier.

→ Home protection and worry-free living

**reebou family** allows for the best possible insurance for both a home and its contents, and proposes a variety of coverage options to protect the whole family.

The **reebou family** packs include comprehensive insurance for all the family’s travels, family legal protection, and coverage for personal accidents, leisure equipment and valuables.

Clients can adjust the policy at any time, based on their needs or situation. They can therefore rest assured that they are well protected against all eventualities.

Taking out a policy is easy, and bundling coverage in just one policy makes day-to-day management much simpler.

→ Health protection

Health care represents an ever larger share of the family budget. **medicis**, the supplemental insurance offered by Foyer Santé, guarantees the highest level of reimbursement for care and offers clients a choice of several options, depending on their needs. Clients can thus choose insurance to cover hospitalization, the cost of outpatient care or a comprehensive policy that covers all healthcare costs.

→ Investment

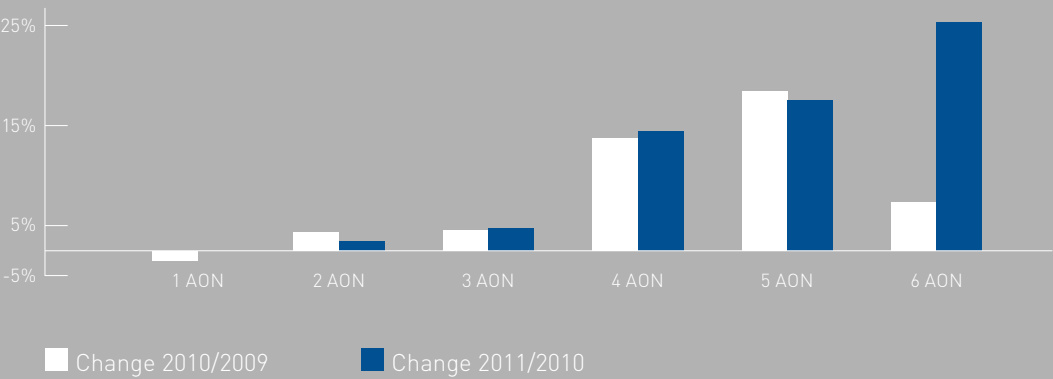
More and more clients are putting their trust in Foyer to manage their savings, as demonstrated by the success of **flexivie click**. A high-performance investment tool and estate-planning solution all in one, **flexivie click** meets the expectations of clients seeking to diversify their investments while enjoying the benefits of Life insurance.

**reebou invest: a comprehensive offer for property owners**

Real estate is a timeless investment option and

many investors choose to allocate some of their assets to the purchase of real property. To assist its clients in this process, Foyer Assurances has developed an innovative product that meets the investor's every need. In addition to the traditional coverage for building damage, **reebou invest** provides coverage for all the liabilities that a landlord may incur. Legal protection coverage is also offered, to ensure that the rights of landlords are protected and recognised in the courts. Lastly, **reebou invest** safeguards the profitability of the investment by covering the potential risk of tenant default.

The annual change in the number of households by number of areas of need covered



### → Retirement planning

Owing to the current changes in demographics, the future of the state pension is uncertain. Individual pension insurance is an essential solution for those seeking supplemental income to guarantee a worry-free retirement.

Against this backdrop, clients benefit from the favourable tax treatment afforded to individual pension insurance; their expectations are much higher, however. In fact, planning for and analyzing one's long-term needs is becoming, to an even greater degree, the basis of an active and worry-free retirement.

### → Savings and the protection of loved ones

With **cumulus** and its **helios** line, Foyer Group offers its clients solutions that combine savings and protection. In fact, these products offer a very attractive return on the amounts invested and pay survivors a lump sum in the event of death.

Foyer Vie is always innovating, and now offers guaranteed capital products, in addition to the traditional guaranteed rate products. Clients thus benefit from exceptional performance, as well as the certainty that their capital will not be affected by the turmoil in the financial markets



We believe it is important to give our clients the right advice, based on an in-depth analysis of their needs, and to offer them tailor-made solutions while guaranteeing high-end service.

Franck Marchand  
Managing Director of Foyer Assurances

Insurance  
for businesses



Excellence is one of Foyer Group’s five key values. This is of particular importance in a relationship between professionals, and takes a number of forms.

Excellence is first and foremost a passion to please one’s clients, to make them the core concern. In its quest for excellence, the Group takes care to maintain a preferred relationship with its business clients, thanks in particular to all of its technical/commercial specialists who provide them with optimal service every day. Each business client may therefore call on the services of a client manager, the specialist who provides support every step of the way, in close collaboration with an agent or broker.

The Group's products are also constantly evolving to adapt to these clients' needs. The Research and Actuarial Studies team is continually revamping and adapting this offer intended for a demanding public, one that is always looking for innovative solutions.

Excellence also has an operational aspect. To guarantee operational excellence, Foyer is continually updating its management systems. It also seeks to optimise its organization to offer its clients reliable and innovative solutions and the best possible service. For example, the e-advantis portal, the online management tool for group contracts, allows group Life insurance clients to interact with Foyer via a secure web interface.

Foyer Group also has the resources necessary to keep up to date with their clients globally, while making sure each employee entirely understands their situation.

The self-employed and SMEs: customised products, simple management and the advisory services of a local agent

Foyer offers its business clients products that are, above all, customised for their needs, offering them effective protection against the risks they face. Combined with the personalised advisory services of a local agent and simple management, this offer allows clients to spend their valuable time on growing their business.

**mobilé pro and the fleet product** allow clients to insure their car fleet under one policy, making fleet insurance management simple and transparent.

**reebou pro** is a comprehensive, multi-risk insurance which covers buildings, merchandise, and civil and professional liability, as well as business interruption resulting from the damage.

**advantis** is the supplemental pension plan solution, an all-in-one policy covering retirement, death and disability. The e-advantis portal gives the employer and its employees access to efficient online management of their supplemental pension plan.

**medicis pro** offers supplemental healthcare coverage, for both medical expenses and loss of income in the event of incapacity for work. It can easily be combined with **advantis** to provide optimal protection for employees against life's uncertainties.

**protection juridique pro** is a unique policy in the Grand Duchy of Luxembourg, providing insurance coverage for expenses incurred by companies seeking to assert their rights in court.

**responsabilité civile pro** is an essential coverage that is mandatory for some professions. It guarantees the company's survival in the event of damage caused to third parties. This coverage is included in the **reebou pro** product.

Companies: tailor-made solutions  
and a follow-up service offered by  
a team of specialists

The solutions cited above cover most of the risks a company will face under normal circumstances. Certain business clients engaged in particular activities may have specific needs that are not covered by this offer.

When that is the case, Foyer Group arranges for the services of a team of experts to examine their specific risk exposure and offer them tailor-made coverage solutions.

Foyer partners with recognised specialists when the coverage of certain specific risks is beyond the scope of the Group’s expertise. Foyer has also formed an exclusive partnership with Atradius, a world leader in credit insurance, to offer its self-employed, SME and large business clients solutions that protect them against customer insolvency.

Change in business client sales  
€ million

	2011	2010	2009
Foyer Assurances Business Insurance *	84.8	80.2	79.3
Foyer Vie Group Insurance **	17.2	15.1	16.6
Foyer Santé Group Insurance **	2.2	1.7	1.3

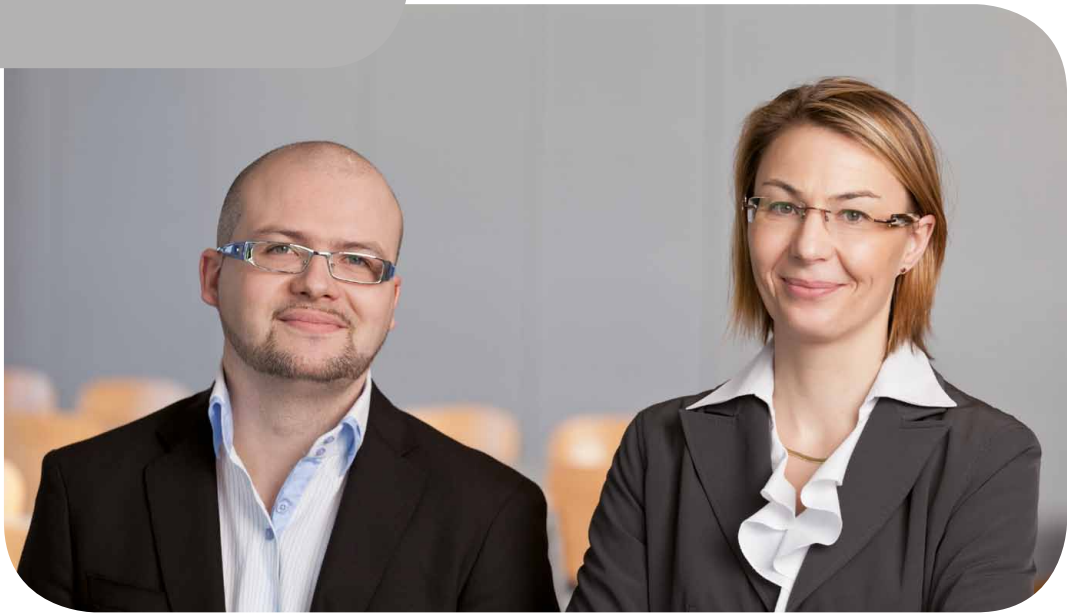
\* Net premiums issued    \*\* Gross premiums issued



Innovation is of the utmost importance in a B2B relationship.  
Meeting a business partner’s needs is the basis  
for a long-lasting relationship of trust.

Philippe Bonte  
Managing Director of Foyer Vie

# Our cross-border activities



## Insurance for individuals in Belgium: a targeted offer, distributed by a network of broker partners

For several years, Foyer has taken advantage of the options offered by the freedom to provide services regime to market its Non-Life insurance products in Belgium.

It markets them exclusively through a network of independent brokers with which it has developed close partnerships. This local relationship, based on two-way communication and complementarity, is instrumental to achieving their shared ambitions.

Foyer aims to satisfy a demanding clientele with a high-end offer that allows its broker partners to set themselves apart and demonstrate their independence.

The Group’s strategy is based first on a selective underwriting policy targeting clients with a well-known and controlled risk profile, enabling it to meet its profitability targets, and second on the

choice of broker partners that would like to assist it in this strategy. Consequently, Foyer limits the number of points of sale per region, in an effort to account for a significant share of the business of the partners selected.

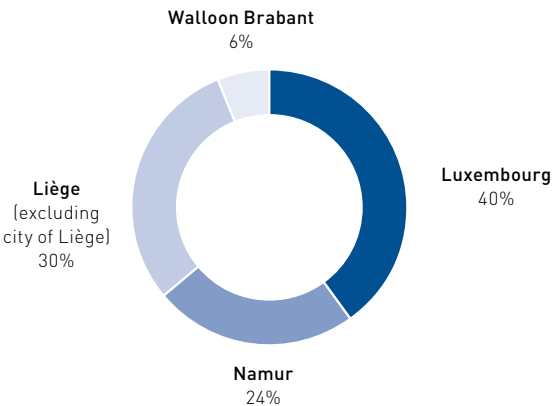
Growth in the Group’s activities in Belgium has accelerated significantly in recent years; the portfolio has doubled in volume in three years. The Belgian Non-Life activity has thus become a real growth driver for the Group.

In 2011, the Group created a team dedicated entirely to the Belgian market to handle policy and claims management, while taking into account the specifics of the Belgian environment. Foyer is thus better able to adapt its services to the demands of this highly competitive market and to strengthen its local ties to its broker partners.

Synergies with the departments that handle the Luxembourg market limit operating expenses and allow Belgian clients to benefit from the know-how of Foyer Assurances.



Geographic breakdown of broker partners in Belgium (by province)



Foyer is currently defining the key objectives that will allow it to achieve critical mass in this market and accelerate this activity’s growth.

The Group continues to expand its distribution network in the Walloon region and in the German-speaking cantons in order to increase its penetration rate.

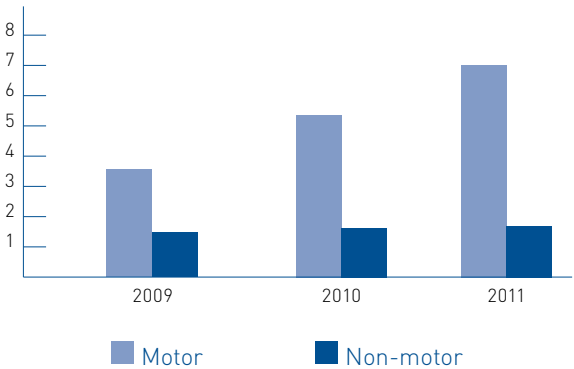
As the automotive product is the main growth engine in Belgium, Foyer keeps a very close eye on any developments in this mature market so it can quickly reposition itself and maintain its attractiveness in the most profitable segments.

Foyer has also made its new “Loggia” home product available to its broker partners. This is a true innovation that will allow it to reach a broader target and boost the attractiveness of its offer.

By retaining its human scale and pursuing a truly unique distribution strategy Foyer Group should be able to meet brokers’ expectations, thanks in particular to its rapid decision-making. Lastly, the investments made to achieve operational excellence should allow Foyer to improve the quality of its services as well as its responsiveness in its day-to-day management.

Change in sales in the Belgian market

€ million



We offer brokers products that allow them to differentiate themselves from the other distribution channels. Our products must offer them real added-value and help them demonstrate the value of their profession to their clients.

Gilbert Wolter  
Sales and Marketing Manager

Foyer International: Life insurance under the freedom to provide services regime, tailor-made solutions for a demanding international clientele

The opportunities offered thanks to the freedom to provide services regime beyond the borders of the Grand Duchy of Luxembourg have allowed Foyer International to offer a comprehensive range of products intended for a high-end clientele. These solutions combine sophisticated asset management services, the tax benefits of Life insurance and financial security, all required by prudent investors. In each country, the tailor-made solutions offered meet clients' long-term tax optimization, estate planning and financial soundness needs.

Foyer International works exclusively with wealth management professionals. It is thus a partner

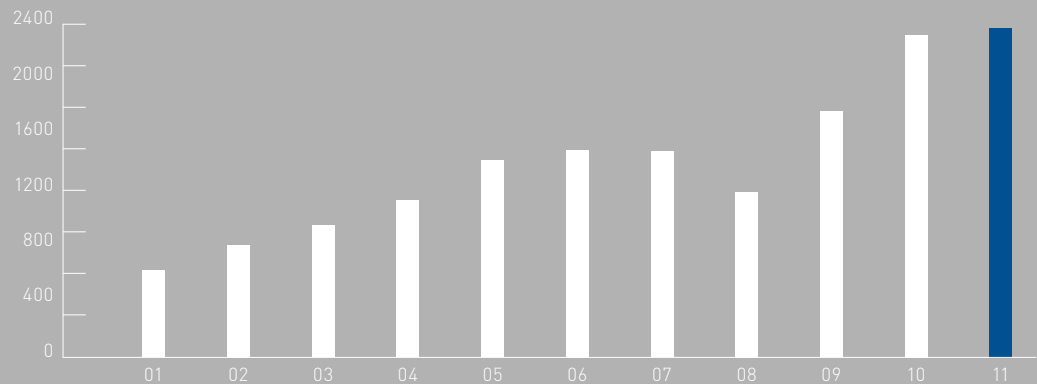
of reference, with a reputation for high-quality, expert advice, in particular among banks and private bankers, asset managers, family offices and financial advisors.

In close collaboration with internal and external experts, Foyer International offers, in eight European countries (Germany, Belgium, Spain, France, Italy, Norway, Portugal and Sweden), high-end, flexible and transferable Life insurance solutions that comply with existing regulations.

Foyer International offers tailor-made solutions based on an open architecture to guarantee long-term, effective and safe asset management. Specific products have thus been devised to meet the demands of a wealthy clientele, while offering tax and inheritance benefits and complying with the legal and tax environments of their country of residence, a factor in long-term security.

Foyer International  
Commitments towards clients

€ million



In the current economic environment, the Luxembourg regulatory provisions ensuring policyholders optimal protection of their investments are no longer considered ancillary, but are an integral part of an effective asset protection strategy.

New challenges always present new opportunities: Foyer International thus adapts to the frequent regulatory changes, with respect to both national legislation and changes in European directives. Foyer International's specialists are thus in constant contact with tax and legal experts in all the countries in which its products are available.

Foyer International benefits from its affiliation with an independent Group; it is able to retain its character and firmly rooted family values, while offering the transparency of a listed company. The Group's fidelity to its principles and its financial

soundness are what make the difference for the clients that place their trust in it.

The increasing mobility of European nationals calls for more and more frequent customised cross-border solutions. The experience of the teams at Foyer International means that this need can be met with the support of local specialists in each of the countries concerned.



The high-end clientele demands sound, long-term, wealth transfer management solutions that comply with existing regulations. Thanks to the expertise of our team of international specialists and to Luxembourg's regulatory provisions, we are able to offer these clients unique, innovative and safe structuring solutions.

Jean-Louis Courange  
Managing Director of Foyer International

Asset management  
by CapitalatWork  
Foyer Group



The asset management activity of CapitalatWork Foyer Group expanded sharply in 2011, despite the difficulties of the international financial environment, characterised by a high degree of instability.

The merger of the various legal entities of CapitalatWork Group and of Foyer Patrimonium has begun to bear fruit and has allowed the Group to continue its expansion, based on more than €4.00 billion in capital under management.

The year 2011 was marked by economic and financial upheavals, the consequences of which are not yet fully known: the end of the myths of European convergence, risk-free interest rates and the welfare state; and the fear of an explosion of the eurozone and of the single currency are just some of the issues that left their mark during the year.

In addition, interest rates for high-quality borrowers reached an all-time low, while spreads between the rates for so-called “risky” borrowers and “risk-free” rates recorded record highs.

In this environment, CapitalatWork Foyer Group’s independence and its affiliation with a sound, family Group are two of its key advantages, reassuring its clients and employees as to the sustainability of its model.

In Luxembourg, CapitalatWork Foyer Group gained momentum thanks to a promotional campaign aimed at the general public and to financial conferences designed to improve awareness among Foyer Group’s network of insurance agents, the preferred partners of CapitalatWork Foyer Group, and among local economic players.

2011 results and 2012 outlook

The past year was a notable one, due both to the markets’ volatility and to the results recorded by the Group’s management activity.

In an economic and financial world that has lost its bearings, CapitalatWork Foyer Group’s management philosophy and risk aversion have allowed it to record highly satisfactory performances for its clients, in particular in bond management, which was awarded a five-star rating by Morningstar.

The results achieved thanks to CapitalatWork Foyer Group’s strategic vision and management discipline are likely to reassure its clients that the decision to entrust it with their assets was the right one. Thus, CapitalatWorkFoyer Group’s assets under management increased significantly, as net inflows of capital from private clients rose by 8.4% in 2011.

Umbrella SICAV				
	Funds	Performance 2011	Benchmark	Morningstar
Fixed Income Funds	Corporate Bonds at Work	5.46%	1.49%	★★★★★
	Government Bonds at Work	6.86%	3.41%	N/A
	Cash+ at Work	1.72%	1.32%	★★★★★
	Inflation at Work	5.51%	-2.01%	★★★★

Its professional status in the financial sector has also allowed it to remain on the sidelines of the violence of this crisis, which has rocked financial institutions throughout the eurozone.

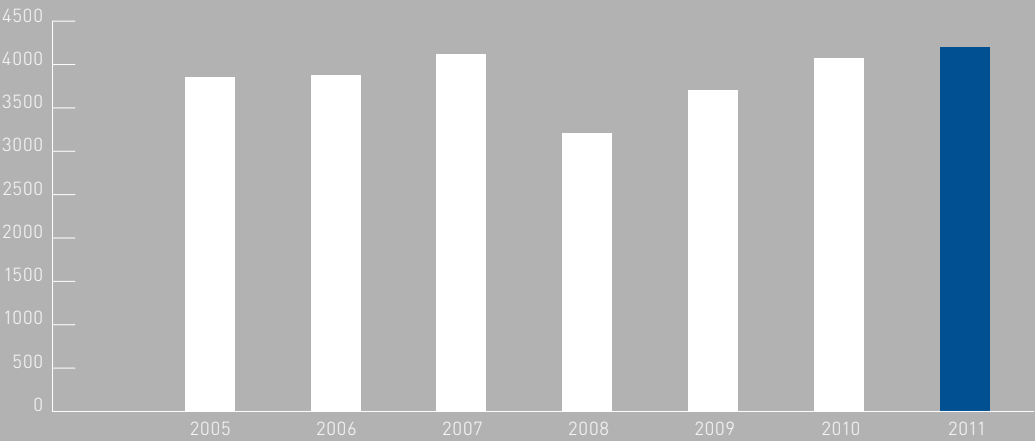
Budgetary austerity, discipline and deficits have entered our daily lexicon, setting the stage for a challenging 2012. Nevertheless, the recent decisions of the central banks and certain economic data have eliminated the possibility of the worst-case scenario that some had been entertaining. The economic and financial environment is a real challenge and will force the

asset managers and analysts at CapitalatWork Foyer Group to once again differentiate themselves by bringing safety, transparency and performance to the investments their clients have entrusted to their care.

To conclude, the financial contribution of CapitalatWork Foyer Group to the results of the Foyer Group rose strongly compared with the previous year, partially as a result of cost control. The development of the Foyer Group's financial division is set to continue in the long term.

Evolution of managed assets

€ million (pro forma data)





In an economic and financial world that has lost its bearings,  
CapitalatWork Foyer Group’s management philosophy  
and risk aversion have allowed it to record highly satisfactory  
performances for its clients..

Michel Tilmant  
Managing Director of  
CapitalatWork Foyer Group

# Foyer S.A. on the stock market

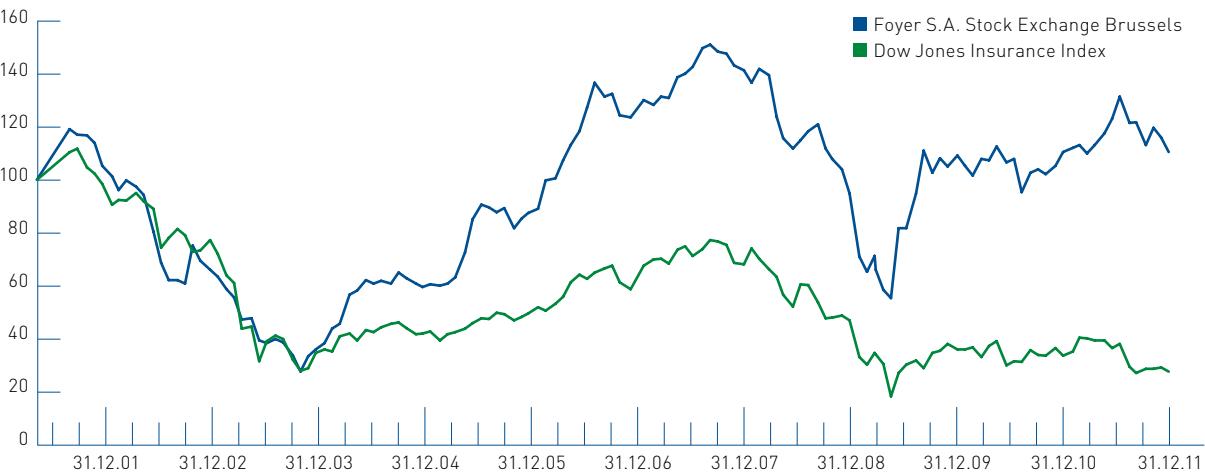
## Structure of the shareholding on 31 December 2011

Foyer Finance S.A.	78.79 %
Luxempart S.A.	5.46 %
Public and Institutions	14.27 %
Foyer S.A.	1.48 %

## Stock value on 31 December 2011

	2011	2010	2009
Number of shares in circulation	8,865,304	8,933,452	8,955,472
Closing price	43.0	42.0	39.6
Market capitalisation	381,208,072	375,115,649	354,636,691
High for the year	51.6	44.5	44.5
Low for the year	41.4	37.0	21.0
Free float	1,283,909	1,424,701	1,460,477

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



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We invite you to visit our website at: [www.foyer.lu](http://www.foyer.lu)

The publication of the annual and half-yearly results as well as the interim management statements will take place on the dates indicated in the financial calendar (see site [www.foyer.lu](http://www.foyer.lu))



**Financial calendar**

Thursday 8 March 2012	Publication of the 2011 annual results
Tuesday 17 April 2012	2012 Annual General Meeting
Friday 11 May 2012	Interim Management Statement
Friday 24 August 2012	Publication of first half 2012 results
Friday 9 November 2012	Interim Management Statement



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