

INTERMEDIATE ANNUAL REPORT

28 August 2009

REGULATED INFORMATION

INCREASE OF THE RECURRENT OPERATING RESULT FOLLOWING THE INTEGRATION OF CARRIGRES.

HIGHLIGHTS OF THE FIRST HALF OF 2009

The accounts of the first half of 2009 are marked:

- On the one hand, by the first overall integration of CARRIGRES leading to a doubling of the turnover and the addition of over EUR 3 million to the Group's own funds,
- By the observation that industrial revenues again exceeded real estate revenues, restoring to the Group the industrial image weakened following the halting of the textile activity in 2007,
- Next by the contrasting progression of business:
 - In real estate: rise in the space rented but also some expenses,
 - At MECELCO: considerable growth in metal working activity but pressure on the margins,
 - At CARRIGRES: fall in sales compared to the record level of 2008
- And finally, by a reduction in value of over EUR 0.5 million on deferred tax assets

The latter element explains why the progression of the recurrent operating result (+ 60%) is not at the same level as the net result.

Thanks to the integration of CARRIGRES, the Group's *overall* half-year result (share going back to TEXAF's shareholders) rose to EUR 4.1 million compared to EUR 2.9 million in the first half of 2008.

CONSOLIDATED BALANCE SHEET (in EUR thousands)

(non-audited)

000 EUR	30.06.2009	31.12.2008
Non-current assets	81,575	67,536
Property, plant and equipment	22,634	6,324
Investment properties	58,920	59,046
Investments	-	2,152
Other financial assets	21	14
Current assets	10,029	7,965
Inventories	2,853	378
Receivables	2,138	1,269
Tax Asset	1	170
Cash and cash equivalents	4,364	5,382
Other current assets	673	766
TOTAL ASSETS	91,604	75,501

TEXAF

Equity	49,724	46,711
Capital	4,744	4,744
Group reserves	36,488	32,935
Minority interests	8,492	9,032
Non-current liabilities	32,333	24,371
Deferred income tax liabilities	26,218	21,508
Other non-current liabilities	6,115	2,863
Current liabilities	9,547	4,419
TOTAL LIABILITIES	91,604	75,501

- + Integration of CARRIGRES since 1 January 2009:
 - o The impact of this integration on the balance sheet was mainly on fixed assets and “deferred income tax liabilities”
 - o This operation should clear “badwill” that would positively affect the result and which would be expressed during the course of the second half-year.
- + The Group’s own funds reached a threshold of close to EUR 50 million

CONSOLIDATED RESULTS OF THE TEXAF GROUP (in EUR thousands)

(non-audited)

	30.06.2009	30.06.2008	30.06.2007
Revenue from ordinary activities	7,162	3,464	3,057
Other recurrent operating income	263	270	135
Recurrent operating expenses	-5,982	-2,834	-2,040
Recurrent operating result	1,443	900	1,152
<i>Δ y-1</i>	60.44%	-21.90%	47.50%
Other non-recurrent operating items	100	2,690	78
Operating result	1,543	3,590	1,230
<i>Δ y-1</i>	-56.99%	191.90%	43.20%
Finance costs	-56	-51	-23
Other non operating results	154	83	66
Share in the result of equity accounted investments	0	565	37
Result before income tax (of continuing operations)	1,641	4,187	1,310
<i>Δ y-1</i>	-60.81%	219.60%	77.00%
Income tax expense	-980	-192	-514
Net result after tax	661	3,995	796
<i>Δ y-1</i>	-83.45%	401.90%	16.90%
Net consolidated result share of the Group	740	2,970	808
<i>Δ y-1</i>	-75.08%	267.60%	16.60%
Per share			
Recurring operating result in EUR	4.53	2.82	3.61
Operating result in EUR	4.84	11.26	3.86
Net consolidated result share of the Group in EUR	2.32	9.31	2.53
Number of shares in circulation	318,933	318,933	318,933

STATEMENT OF THE OVERALL CONSOLIDATED RESULT

(non-audited)

	30.06.2009	30.06.2008
Net result of the period	661	3,995
Net profit (expense) recorded directly in equity	(30)	(58)
Revaluation of assets (after tax)	<u>3,335</u>	<u>0</u>
	3,966	3,937
Going to:		
TEXAF's shareholders	4,059	2,907
Minority interests	<u>(93)</u>	<u>1,030</u>
	3,966	3,937

Commentary on the consolidated results and on the overall consolidated result

The 2009 half-year accounts fully integrate the CARRIGRES accounts, even though the latter were consolidated using the equity method in the first half of 2008.

- ✚ The accounts were drawn up according to the IFRS standards
- ✚ The full half-yearly report drawn up in accordance with IAS 34 is available on the web site: www.texaf.be
- ✚ The revenues:
 - The turnover from industrial activities which since 1 January 2009 has included the revenues of the CARRIGRES quarry amounting to EUR 2.9 million (- 14%) and those of the MECELCO engineering plant in the amount of EUR 0.845 million (+ 22%) now exceeds the size of the Group's rental revenues.
 - The real estate activity generated rents of EUR 3.39 million, an increase of EUR 0.629 million compared to the first half of 2008.
 - The "other recurrent operational revenues" (EUR 263 K compared to EUR 270 K in June 2008) are essentially made up of the re invoicing of water and electricity to the tenants and various sales.
- ✚ The *recurrent* operational expenses (EUR 6.0 million compared to EUR 2.8 million in 2008) rose considerably following the:
 - Taking over of CARRIGRES' costs in the amount of EUR 2,153 K
 - Increase of staff expenses (+EUR 180 K) not including CARRIGRES
 - Raw materials used (+EUR 109 K) at MECELCO
 - Rise in depreciation expenses (+EUR 120 K), following the investments made (not including CARRIGRES)
 - The increase of the "other recurrent operational expenses" (not including CARRIGRES) (+EUR 508 K) is due to expenses related to the security of assets (+EUR 274 K), re invoiced water and electricity (+EUR 64 K), real estate taxes (+EUR 96 K) and maintenance costs (+EUR 72 K)
- ✚ The rise of recurrent operational result can be explained by the elements above.
- ✚ The *non-recurrent* operational elements are made up of 2 elements relating to the previous financial years (EUR 100 K). We recall that the result of the first half of 2008 had been strongly influenced by non-recurrent elements amounting to EUR 2,690 K.
- ✚ The share in the result of the equity accounted investments only concerned CARRIGRES until 2008. Since 1 January 2009 CARRIGRES has been consolidated through full integration.
- ✚ The "tax expenses" line shows a depreciation of UTEXAFRICA's deferred tax assets following the depreciation of the Congolese Franc compared to the Euro: EUR 561 K.
- ✚ The Group's net result share stands at EUR 740 K, that is EUR 2.32 per share.
- ✚ Following the acquisition of CARRIAF/CARRIGRES the Group is induced to note in the balance sheet the revaluation of the share that it held in CARRIAF: +EUR 3,335 K. The Group therefore presents an *overall* result (shareholders' interest) of EUR 4,059 K compared to EUR 2,907 K for the same period in 2008.

CONSOLIDATED CONDENSED CASH FLOW STATEMENT (in EUR thousands)

(non-audited)

	30.06.2009	30.06.2008	30.06.2007
Cash and cash equivalents at beginning of year	5,382	4,104	3,650
Cash flows from operating activities	1,951	4,220	1,207
Cash flows from investing activities	-3,863	-2,066	-840
Cash flows from financing activities	878	-806	-366
Net variation of cash and cash equivalents	-1,034	1,348	1
Conversion rate adjustments	16		
Cash and cash equivalents at end of year	4,364	5,452	3,651
<i>TEXAF head office</i>	<i>1,213</i>	<i>3,697</i>	<i>3,376</i>

REPORT ON INDUSTRIAL ACTIVITIES

EUR thousands	CARRIGRES			MECELCO		
	30.06.09	30.06.08	30.06.07	30.06.09	30.06.08	30.06.07
Revenue from ordinary activities	2,926	3,416	2,170	845	690	389
Operating result	723	1,391	10	(158)	2,910	(130)
Net result	510	1,157	33	(183)	2,890	(135)
Net result (Group share)	510	565	16	(92)	1,856	(130)

CARRIGRES

✚ TEXAF SA, which owned 48.8% of CARRIAF (in liquidation), now controls it 100%, in part due to the acquisition of the shares held by the EIFFAGE BENELUX group. The TEXAF Group therefore now owns all of the shares of CARRIGRES, a 100% subsidiary of CARRIAF, the largest sandstone quarry in the RDC. For the TEXAF Group, this represents a significant investment in several respects:

- CARRIGRES produces aggregates for buildings, public infrastructure and the road industry. The full takeover of the sandstone extraction and crushing activity is testimony to the Group's desire to contribute to the reconstruction of the country.
- CARRIGRES has been fully consolidated, highlighting TEXAF's industrial objective in terms of employment, turnover and contribution to Group profits.
- CARRIGRES generates a substantial cash flow, sufficient to complement the Group's capacity for self-financing.

✚ The sandstone extraction and crushing activity in Kinshasa was not able to repeat the record performance of the first half of 2008: revenues dropped by 14%. The operation result is suffering the consequences of this.

✚ The crushed stone market has been disrupted by various factors: cutting off of the road between CARRIGRES and the city following major works, withdrawal by the government of various roadwork sites from some major customers, emerging competition and delays in the launching of new projects. It is difficult under these circumstances to forecast sales in the short term.

MECELCO

✚ MECELCO's sales rose by 22%. This turnover can be explained by the strong growth of metal working activity which greatly exceeds railway wagon maintenance and repair activity.

✚ The rise in metal working activity sales was made possible thanks to considerable sales efforts, to the detriment of gross profit.

- ✚ By way of a reminder: during the course of the first half of 2008, the result of the MECELCO metal/engineering construction plant in Lubumbashi had recorded a non-recurrent result of EUR 2,798 K following the transfer of a historical debt held over Gécamines.
- ✚ Various signs allow one to be hopeful about a revival of industrial activity in Lubumbashi in general and at MECELCO in particular.

REPORT ON REAL ESTATE ACTIVITIES

EUR thousands	REAL ESTATE ACTIVITIES		
	30.06.09	30.06.08	30.06.07
Revenue from ordinary activities	3,403	2,774	2,668
Operating result	977	709	1,360
Net result	334	540	918
Net result (share of the Group)	322	537	894

- ✚ The sectoral data for the real estate activity are to be interpreted by taking into account that they comprise all of the holding costs, such as remuneration and structure costs.
- ✚ Rental demand remains buoyant both in the residential sector and for office space. The increase in rental revenues illustrates this: +EUR 629 K (+23%). Over half of this rise can be explained by the increase in the spaces rented.
- ✚ Expenses related to the real estate activity are rising noticeably. A significant share of this rise is directly related to growing legal insecurity. It is for this reason that the building acquired in 2008 from Fométo is again inaccessible, despite rulings in TEXAF's favour.
- ✚ The net result includes a loss of deferred tax assets amounting to EUR 561 K, a consequence of the exchange loss of the Congolese Franc.
- ✚ The construction of the first 2 apartment buildings will be completed in September. The second building will be ready a month later. Tenants have been found for 9 of the 15 apartments at rates higher than those anticipated in the business plan.
- ✚ The construction work for 2 new similar buildings has started.

EVENTS OCCURRING AFTER 30 JUNE 2009 AND FORECAST FOR 2009

- ✚ No significant events took place after the half-yearly closure.
- ✚ The forecast of the result for 2009 has been reviewed downwards. The recurrent operation result should nevertheless experience growth in the second half-year. Any registering of "badwill" in relation to CARRIGRES could also contribute to a rise in the result.

TEXAF, founded in 1925, is the only investment company with industrial, financial and real estate interests that is quoted on the Euronext exchange and which to this day continues to have all its activities and establishments in the Democratic Republic of Congo.

This stock market listing of activities in the Congo, together with the resulting obligations of good governance and transparency, form a major asset of the Group in promoting the formal sector in the DRC.

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