

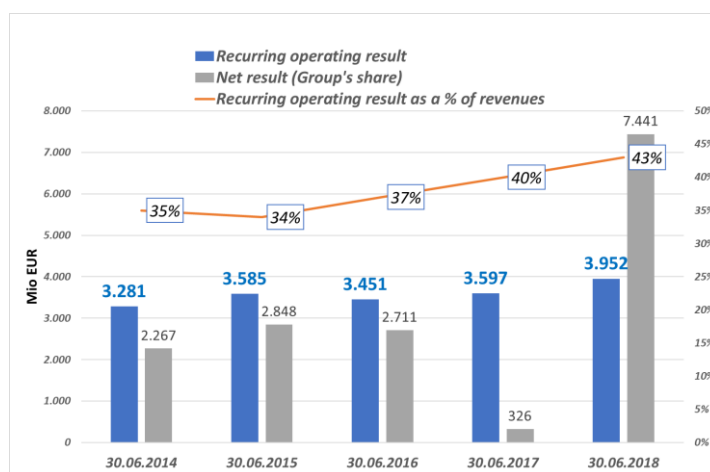
REGULATED INFORMATION

**RETURN TO BREAK-EVEN FOR CARRIGRES AND CAPITAL GAIN ON SALE OF A PLOT
GENERATE A RESULT BEFORE DEFERRED TAXES OF EUR 4 M.**

TEXAF's Board of Directors closed the company's consolidated accounts (in accordance with the IFRS standards as adopted in the European Union) on 30 June 2018. These interim accounts have not been audited.

HIGHLIGHTS FOR THE FIRST HALF OF 2018

- Economic activity in the Kinshasa region has continued at a very low level and a number of international groups have closed their Congolese subsidiaries. Thanks to the good performance of mining exports, the exchange rate for the Congolese franc has stabilised at its end 2017's level.
- Rents from the **REAL ESTATE ACTIVITY** have held up well in difficult circumstances and increased by 4% to EUR 8,465 K on a like-for-like basis. Its recurring operating result was EUR 4,375 K (-3%), given an increase in taxes.
- The Group's responsiveness has once again enabled it to implement a major cost reduction programme for the **QUARRYING ACTIVITY (CARRIGRES)** and return to a break-even recurring operating result (EUR 45 K), compared to a loss of EUR -458 K in H1 2017.
- These two developments combined to generate a 10% increase in the recurring operating result to EUR 3,952 K.
- As announced, the group sold a plot to the Congolese state. The first two payments received (USD 1.7 M of USD 5.4 M) generated a non-recurring result of EUR 1,378 K before tax.
- Furthermore, a re-valuation of deferred taxes has led to the recognition of a net write-back of these deferred taxes of EUR 3,492 K. In total, the net result (Group's share) reached EUR 7,441 K (vs EUR 326 K as at H1 2017).



CONSOLIDATED RESULTS FOR TEXAF GROUP (in EUR thousands)
(not audited)

EUR 000	30/06/2016	30/06/2017	30/06/2018	
Revenue from ordinary activities	9,270	9,079	9,290	
Other recurring operating income	792	876	689	
Recurring operating expenses	<u>-5,157</u>	<u>-4,959</u>	<u>-4,681</u>	
Recurring EBITDA ⁽¹⁾	4,905	4,996	5,298	
	y-1	-3%	2%	6%
Depreciation	<u>-1,454</u>	<u>-1,399</u>	<u>-1,346</u>	
Recurring operating result (EBIT) ⁽¹⁾	3,451	3,597	3,952	
	y-1	-4%	4%	10%
Non-recurring operating items	<u>-158</u>	<u>-3,417</u>	<u>1,378</u>	
Operating result (EBIT) ⁽¹⁾	3,293	180	5,331	
	y-1	3%	-95%	2,861%
Financial expenses	<u>-299</u>	<u>-772</u>	<u>-205</u>	
Result before tax (for continuing operations)	2,994	-592	5,126	
	y-1	-1%	-120%	N.A.
Current taxes	<u>-375</u>	<u>-198</u>	<u>-1,164</u>	
Result before deferred taxes	2,619	-790	3,962	
Deferred taxes	<u>93</u>	<u>1,120</u>	<u>3,492</u>	
Net result after tax	2,712	330	7,454	
Consolidated net result (Group's share)	2,711	326	7,441	
	y-1	-5%	-88%	2,180%
Per share				
Recurring operating result (in EUR)	0.974	1.015	1.115	
Operating result in EUR	0.929	0.051	1.504	
Consolidated net result (Group's share) in EUR	0.765	0.092	2.097	
Number of outstanding shares	3,543,700	3,543,700	3,543,700	

(1) EBITDA: EBIT to which depreciation is added but not variations in provisions and write-downs and reversals of write-downs on current assets.
EBIT: Net result to which are added current and deferred taxes on the result and financial expenses and income, including changes in exchange rates. Non-recurring items: income or expenses that are not expected to be repeated in each accounting year, such as gain or loss on disposals of non-current assets, write-down or reversal of write-down on non-current assets, costs relating to major restructuring, purchase or disposal of a business (e.g. redundancy or plant closure costs, commissions paid to third parties to acquire or dispose of an activity, etc.).

STATEMENT OF COMPREHENSIVE CONSOLIDATED INCOME (in EUR thousands)

(not audited)

	30/06/2016	30/06/2017	30/06/2018
Result for the financial year	2,712	330	7,454
Comprehensive income	2,712	330	7,454
Allocated to:			
TEXAF's shareholders	2,711	326	7,441
Minority interests	1	4	13

CONSOLIDATED BALANCE SHEET (in EUR thousands)

(not audited)

EUR 000	31/12/2016	31/12/2017	30/06/2018
NON-CURRENT ASSETS	107,866	109,125	110,081
Property, plant and equipment	13,728	9,955	9,962
Investment properties	93,867	99,100	100,053
Intangibles	41	23	19
Other financial assets	230	47	47
CURRENT ASSETS	13,156	11,129	12,429
Assets available for sale	1,179	0	0
Inventories	4,905	4,769	4,846
Receivables	1,114	1,469	2,626
Tax assets	1,518	919	902
Cash and cash equivalents	3,911	3,674	3,819
Other current assets	529	298	236
TOTAL ASSETS	121,022	120,254	122,510
EQUITY	78,099	80,167	84,735
Capital	21,508	21,508	21,508
Group's reserves	56,278	58,338	62,894
Minority interests	313	321	333
NON-CURRENT LIABILITIES	32,240	30,716	26,619
Deferred tax liabilities	21,756	19,810	16,318
Other non-current liabilities	10,484	10,906	10,300
CURRENT LIABILITIES	10,683	9,371	11,157
Liabilities associated with assets available for sale	337	0	0
Other current liabilities	10,346	9,371	11,157
TOTAL LIABILITIES	121,022	120,254	122,510

CONDENSED CASH FLOW STATEMENT (in EUR thousands)

(not audited)

EUR 000	30/06/2016	30/06/2017	30/06/2018
Cash and cash equivalents at the beginning of the year	5,461	3,911	3,674
Operating cash-flow after tax	3,795	3,831	3,993
Changes in net working capital	1,597	1,913	2,062
Cash flows from operating activities	5,392	5,744	6,055
Investments	-4,639	-2,610	-2,350
Divestments	1	192	555
Cash flows from investment activities	-4,638	-2,418	-1,795
Dividends	-2,039	-2,430	-2,886
Change in debt	-427	80	-1,229
Cash flows from financing activities	-2,466	-2,350	-4,115
Net increase (decrease) of cash and cash equivalents	-1,712	976	145
Cash and cash equivalents at year's end	3,749	4,887	3,819

Comments on consolidated results

The full half-yearly report drawn up in accordance with IAS 34 is available at www.texaf.be

- ◇ The recurring operating result increased by 10% thanks to a return to break-even by **CARRIGRES**, which has achieved significant cost savings, in an economic environment that has failed to improve. In total, the group's turnover remains unchanged. Recurring operating expenses (EUR 6.03 M as opposed to EUR 6.36 M in 2017, including depreciation) fell by 5%, leading to a 10% increase in the recurring operating result to EUR 3,952 K.
- ◇ As announced on 8 May, the Democratic Republic of Congo compulsorily purchased a plot of 10,637 m² from **UTEXAFRICA** (part of which is not suitable for development) at the edge of its compound. The fair

compensation to be paid was USD 5.4 M. As a precaution, the Group has recognised the gain solely on the basis of the amounts actually received on the reporting date, i.e. USD 1.7 M. This generated a non-recurring result of EUR 1,378 K before tax. By way of reminder, in 2017 the non-recurring result was negative to the tune of EUR 3,417 K, made up of exceptional depreciation and restructuring costs at **CARRIGRES**.

- ◇ Financial expenses were EUR 205 K (vs EUR 772 K).
- ◇ Tax expenses included a positive re-valuation of deferred taxes of EUR 3,492 K, which served to reduce the amount of net deferred tax liabilities to EUR 16,318 K. The major part of these deferred taxes is made up of the latent tax burden in the event of the disposal of the group's real estate assets at their consolidated book value. This value is indeed generally higher than the tax value in Congolese francs. The tax value is re-assessed every year based on an official coefficient that measures currency depreciation. However, the 2017 coefficient was greater than the devaluation against the euro, which resulted in a reduction in the latent tax burden of the group. This effect could be reversed in the future. Given the volatility inherent in this heading and how it is independent of performance during the period, **TEXAF** is now publishing a result before these changes in deferred taxes are taken into account, amounting to EUR 3,962 K (compared to a loss of EUR 790 K in the first half of 2017).
- ◇ In total, the net result (Group's share) was EUR 7,441 K, compared to EUR 326 K in the first half of 2017.

REPORT ON REAL ESTATE ACTIVITIES

- ◇ Contribution of real estate activity to the consolidated result (excluding the holding's expenses):

REAL ESTATE (EUR 000)	30/06/2014	30/06/2015	30/06/2016	30/06/2017	30/06/2018
Revenue from ordinary activities	6,498	6,965	7,480	8,166	8,465
Recurring operating result	3,504	3,225	3,710	4,525	4,375
Operating result	3,504	2,716	3,569	4,525	5,754
Result before deferred taxes	2,026	1,954	2,667	3,259	3,946
Net result (Group's share)	1,879	1,914	2,649	3,070	8,592

- ◇ **TEXAF SA** and its subsidiaries **COTEX**, **UTEXAFRICA** and **IMMOTEX** are developing real estate leasing activities in Kinshasa: residential housing, industrial buildings and offices.
- ◇ Rents grew by 4% to EUR 8,465 K on a like-for-like basis. Here, after a certain amount of rental vacancies at the start of 2017, the Group has returned to an occupancy rate of almost 100%.
- ◇ The recurring operating result decreased by 3% to EUR 4,375 K, mainly due to an increase in taxes in the DRC.
- ◇ The operating result increased by 27% to EUR 5,754 K, thanks to the capital gain, mentioned above, on a plot that was compulsorily purchased.
- ◇ The result before deferred taxes was EUR 3,946 K (+22%).
- ◇ The net result was EUR 8,592 K vs EUR 3,070 K as a result of a positive re-valuation of deferred taxes on properties.



Completed apartment building for the "Bois Nobles" project

REPORT ON QUARRY ACTIVITIES

- ◇ Contribution of quarry activity to the consolidated result

CARRIGRES (EUR 000)	30/06/2014	30/06/2015	30/06/2016	30/06/2017	30/06/2018
Revenue from ordinary activities	2,514	2,674	1,785	960	826
Recurring operating result	483	909	212	-458	45
Operating result	483	1,037	195	-3,875	45
Result before deferred taxes	525	995	233	-3,712	202
Net result (Group's share)	577	1,050	250	-2,538	-124

- ◇ The Group's responsiveness has once again enabled it to implement a major cost reduction programme for **CARRIGRES** and return to a break-even recurring operating result (EUR 45 K), compared to a loss of EUR -458 K in H1 2017.
- ◇ Sales amounted to 69,000 tons, which is 15% higher than in the first half of 2017, but, following the adoption of a more aggressive pricing policy, turnover declined by 14%.
- ◇ While the net result was negative to the tune of EUR 124 K, this was solely due to an adjustment of deferred taxes. By way of reminder, the previous financial year was impacted by an impairment of EUR 3,360 K before tax on the sandstone deposit.

REPORT ON HOLDING ACTIVITIES

- ◇ Contribution of holding activity to the consolidated result:

HOLDING COMPANY (EUR 000)	30/06/2014	30/06/2015	30/06/2016	30/06/2017	30/06/2018
Revenue from ordinary activities	3	8	5	0	0
Recurring operating result	-620	-562	-471	-470	-468
Operating result	-620	-562	-471	-470	-468
Result before deferred taxes ¹	-200	-203	-291	-308	-186
Net result (Group's share)	-103	-133	-188	-206	-1,036

¹ The holding receives interest income on loans to the real estate activity.

- ◇ Expenses totalled EUR 468 K, which is almost the same amount as last year.
- ◇ Following a re-valuation of deferred taxes of EUR 850 K, the net result was EUR -1,036 K (vs EUR -206 K).

EVENTS TAKING PLACE AFTER 30 JUNE 2018 AND OUTLOOK FOR 2018

- ◇ The construction of 36 housing units, making up the first phase of the so-called “Bois Nobles” project, has been completed and 28 units have been rented.
- ◇ After 30 June, the Group received a second payment (USD 700 K) for the sale of a site to the Congolese state. This has already been included in the results as at 30 June. The amount still outstanding is USD 3.7 M.
- ◇ The operating result for **CARRIGRES** for the rest of the year is difficult to predict and could be slightly lower than that for the first half of the year, without calling into question the benefits of the cost savings plan. The operating result for real estate should be in the same order of magnitude as in the first half of the year.
- ◇ The net result will also depend on future payments from the sale of the site to the Congolese state, while the re-valuation of deferred taxes will not be repeated in the 2nd half of the year.

FINANCIAL CALENDAR

- 🇪🇺 Friday, 9 November 2018: quarterly press release
- 🇪🇺 Thursday, 28 February 2019: publication of 2018 annual results
- 🇪🇺 Friday, 12 April 2019: publication of 2018 annual report
- 🇪🇺 Tuesday, 14 May 2019: General Meeting

TEXAF, established in 1925, is the only Euronext-listed industrial, real estate and agricultural investment company having all its activities and subsidiaries to date based in the Democratic Republic of Congo. The listing of Congolese activities on the stock exchange and the resulting obligations in terms of good governance and transparency constitute a major asset of the Group in the promotion of the formal sector in the DRC.

Contact: Jean-Philippe Waterschoot, CEO: +32 476 25 26 26 - +243 81 891 0525
 Christophe Evers, CFO: + 32 495 24 32 60
 Philippe Croonenberghs, Chairman: +32 495 24 32 64