



SAPPEC

CONSOLIDATED ACCOUNTS AT 30.06.2006

june 2006

I. KEY FIGURES (IN K€)

	30.06.06	30.06.05
Revenue	245,287	232,601
Operating result	7,226	11,182
EBITDA	14,506	21,018
EBIT	8,939	15,633
Consolidated net result	3,993	7,574 ^{a)}

	30.06.06	31.12.05
Total balance sheet	352,581	367,170
Total non-current assets	165,115	168,973
Total shareholders' equity (excl. minority interests)	109,331	109,476
Minority interests	16,228	17,539
Net debt	136,550	144,772

Despite a slight increase in « income from ordinary activities », the Operating Result has slumped by -35% (-3,956 k€) compared with the previous year, one of the reasons being the reduction in the gross margin of the “agro commodities distribution” business.

The fact that the 2006 half-year accounts show a capital gains lower than those recognised on 30.06.05 also contributes to a reduction in the EBIT and the consolidated net result.

Though there is a significant reduction in profitability compared with 2005, it has be taken in consideration that 2005 was an exceptional year, in what concerns the “agro commodities distribution” business and the generated capital gains.

In the balance sheet, the value of the « non-current assets » is slightly down (-3,858 k€), as a result of a decrease on investments (the investment programme of the logistical platforms is coming to an end), but also as a result of the sale of the company Naturener Eólica, which was consolidated according to the global integration method.

The amount of the net worth was maintained at almost the same level as at 31.12.05, as a result of the dividend distribution decided by the OGA of 20/06/2006 (2,935 k€) which is close to the result of the half year – Group's share (2,845 k€).

The minority interests decreased due to the purchase of the capital of CITRI and Naturener which was held by third parties.

Finally, a reference to the net financial liabilities, which fell by 8,204 k€ (-5,6%).

a) At the time of preparation of the consolidated accounts at 30.06.2005, the hedging accounting principles were applied to most of the derivative products. The more in-depth analysis carried out subsequently led us to the conclusion that these products did not respect all of these principles (IAS 39§88). In view of this, the amount recognised on this date of +154 k€ has been replaced by -896 k€ and the net result after taxes dropped from 8,432 k€ to 7,574 k€.

II. ANALYSIS OF THE SECTORS OF ACTIVITY

	30.06.2006	30.06.2005	(Δ %)
Turnover	245,287	232,601	5.5%
Crop protection	34,657	33,853	
Crop nutrition	10,733	9,045	
Chemical products distribution and environment	17,753	17,959	
Logistics	6,345	8,223	
Agro commodities distribution	167,585	158,454	
Energy	4,569	4,560	
Unallocated ⁽¹⁾ + Eliminations	3,645	507	

	30,06,2006	30,06,2005	(Δ %)
EBITDA	14,506	21,018	-31.0%
Crop protection	4,419	5,077	
Crop nutrition	567	788	
Chemical products distribution and environment	1,997	2,368	
Logistics	916	5,554	
of which: recurrent	916	1,554	
Agro commodities distribution	2,778	6,683	
Energy	4,357	3,305	
of which: recurrent	2,660	3,505	
Unallocated (1) + Eliminations	-527	-2,757	

	30,06,2006	30,06,2005	(Δ %)
Résultat Opérationnel	7,226	11,182	-35.4%
Crop protection	3,447	3,969	
Crop nutrition	177	236	
Chemical products distribution and environment	1,091	1,419	
Logistics	-324	216	
Agro commodities distribution	2,138	6,059	
Energy	1,443	2,172	
Unallocated (1) + Eliminations	-746	-2,889	

(1) Includes «Holdings», «Property» and «cons. adjust»

CROP PROTECTION

After the 20% downturn suffered by the markets on the Iberian Peninsula in 2005 resulting from the drought, despite more favourable climatic conditions, these failed to recover during the first half of 2006, growing an average of only 2 to 3%.

The high quantity of stock in distribution at the beginning of the year and the price and outlet difficulties faced by certain crops (wine in Portugal and citrus in Spain) explain this weak recovery of the markets and, consequently, the increase of the competitive pressure.

A) EVOLUTION ON THE PORTUGUESE MARKET:

Sapac Agro Portugal maintains its position of co-leader on the Portuguese market, with a market share of over 33% and during the first half of 2006 generated sales that are identical to the 2005 levels.

The competitive pressure is also growing, which caused a slight decrease in the gross margin when compared with 2005 (-1.5%), and client payment terms have increased. Some measures have been taken and others are in study in order to counteract this negative evolution on the client payment terms.

Selectis had a very difficult beginning of campaign as secondary player, operating under a rigid commercial policy, the company was unable to achieve its sales objectives in a context of client's high stock levels.

The structure costs and the financial costs are in accordance with our forecasts.

B) EVOLUTION ON THE SPANISH MARKET

Sapac Agro Espagne had a 6.6% growth in sales compared with the 2005 figures and was therefore able to increase slightly its market share in Spain. The gross margin is holding up at its 2005 level and the rotation of the working capital is at the same level as 2005.

In the agrochemical sector **Tradecorp** had a sales increase of 8.9% compared with 2005 and was also able to increase its market share in this sector in Spain. The gross margin increased 2 points compared with 2005.

Also in Spain, the structure costs and the financial costs are in accordance with the forecast.

CROP NUTRITION

Total sales increased 13.6 %, 6.7 % in the Iberian Peninsular and 20 % internationally, but remain below the forecast, particularly in Brazil.

A) EVOLUTION ON THE IBERIAN MARKET

The commercial reorganisation carried out at Tradecorp, effective since March, seems to have already positive results. Sales are growing and a product focused policy should allow an improvement in the gross margin, which erosion has been stopped.

At Tradecorp in Spain, the structure costs are in accordance with the forecast as well as the rotation of the working capital.

B) INTERNATIONAL EVOLUTION

At international level, sales are up by 20% compared with 2005 and the average gross margin remains stable. The increase in sales is confirmed on all the markets with the exception of Brazil. The team in Brazil was reorganised and the effective launch of this new commercial subsidiary is thus postponed for one campaign.

The structure costs are in accordance with the forecast as well as the rotation of working capital.

CHEMICAL PRODUCTS DISTRIBUTION AND ENVIRONMENT

A) CHEMICAL PRODUCTS DISTRIBUTION

The sector of chemical products distribution witnessed a rather difficult first semester, the second quarter allowing a considerable recovery of the deviation observed at the end of the first quarter. The solvents sector is the most affected by the absence of economic recovery and strong competition in Portugal.

The polymers and paraffin sector is progressing compared with the first half of 2005, and the incorporation of new products in the plastics sector is starting to have good results.

The classics sector is finishing the half year below its objectives and the good performance of the first half of 2005 but the differences do not give ground for concern and recovery is on its way.

B) ENVIRONMENT

The first half year was reasonably good for the CITRI activity.

- The production of RDF (secondary fuel) is on its way and the local cementary should start to use this source of fuel from September onwards.
- The construction of the third cell is still waiting for final authorisation, but everything admits the possibility that the investment will probably be done in 2007.
- The CIRVER (processing and recycling of hazard industrial waste) project follows the usual administrative procedures to obtain all the required authorisations and this procedure should be terminated before the end of the year.

AGRO COMMODITIES

The usual activity of Interpec Iberica is essentially divided into two: the **Trade** activity which consists of buying then selling or of selling then buying the « commodities » by always maintaining the positions, the “open positions” (purchase or sale promises) strictly under control, and the **Distribution** activity, which consists of accepting, transporting, insuring, unloading, storing and delivering the merchandises ordered by the clients.

As stipulated down by IAS 39, the company values the « open position » through the calculation of its result (we have been following this accounting principle since 1988). We have therefore more active periods of Trade, followed by quieter periods during which Distribution takes place.

During the 1st half of 2006:

1. The demand for agricultural products in Spain fell about 15%, especially in the pork sector and poultry industry due to the bird flu threat.
2. A large majority of the 2005 agricultural production which had been held back by the farmers (which favoured imports during the 2nd half of 2005) flooded the market during the first half of 2006, causing surpluses and forcing prices to levels unfavourable to imports.

It is within this framework that Interpec Ibérica suffered a strong reduction of its Trade activity and therefore a strong reduction in its operating result even if, maintaining its Distribution volume.

The companies Seporta and Seporsur have all together suffered a slight decrease in activity, partly balanced by the discharge of « clinker » for third parties in Seporsur.

In Portugal, Seteia was less affected than Interpec, due to a well targeted niche policy. The quantities processed are also lesser but the unitary margin is higher.

LOGISTICS

LAND ACTIVITY

Despite a slightly higher turnover than in the 1st semester of 2005, the current result of the division showed a negative trend.

The rail junction of the Valongo terminal is operational only since early September (three months behind schedule) and the activity of the Lisbon terminal is still affected by unfavourable economic conditions. In this context is being carried out a reformulation of the commercial strategy and a reorganisation of the teams in order to better reach markets and clients.

PORT ACTIVITY

The Setúbal port terminal has increased significantly its profitability compared with 2005.

ENERGY

The production of our power stations is lower than the one obtained during the 1st semester of 2005 (-10.6%), essentially due to the lack of water in the reservoirs of the dams that supply our power stations in Albacete. Galicia and Extremadura are doing better than in 2005 and the North is stable.

The average accumulated price paid to the producer is 6% higher than in 2005.

The difference between the recurrent EBITDA 2005/2006 for the period is mainly due to the accounting in the 2006 accounts of a large part of the repair costs in one of our power stations.

During the first semester, the accounts registered the capital gains on the sale of the wind park of Cuenca (1.956 mill. €), which is the first lot of capital gains on the sale of the wind park projects.

PROPERTY AND OTHER ACTIVITIES

During the first semester it was considered in the accounts the sale of one plot of our industrial estate.

III. CONSOLIDATED ACCOUNTS AT 30 JUNE 2006

1 – CONSOLIDATED BALANCE SHEET

Consolidated balance sheet on 30.06.06 and 31.12.055		(in k€)
ASSETS	30.06.06	31.12.05
I. NON-CURRENT ASSETS	165,115	168,973
1. Property, plant and equipment	140,184	145,180
2. Investment property	1,345	1,345
3. Intangible assets	19,618	18,115
5. Other financial assets	611	810
6. Deferred tax assets	3,356	3,454
7. Derivative financial instruments		68
II . CURRENT ASSETS	187,467	198,197
11. Inventories	76,593	86,403
12. Other financial assets	14,393	1,060
13. Derivative financial instruments	57	110
14. Tax receivables	9	309
15. Trade and other receivables	78,731	83,895
17. Cash and cash equivalents	16,492	24,575
18. Other current assets	1,193	1,845
TOTAL ASSETS	352,581	367,170

ASSETS

The decrease in the non-current assets results from the sale of Naturener Eólica (-9.0 mill. €, which includes the sale of the « Porma line » to the local authorities: -2.8 mill. €) partially balanced by the investments during the period (+8.9 mill. €, of which: 3.7 for «logistics»), by the increase in the «goodwill», followed by the purchase of the 26% of the CITRI capital held by minority shareholders (+1.8) and of Naturener (+0.2), by the disappearance of the goodwill of Eólica (-0.6) and by the depreciations of the semester.

In terms of current assets, the reduction of 10.7 mill. € is the consequence of the reduction in inventories (9.8 – essentially in the sector of “agro commodities distribution”) and on « other receivables»(-5.8 of which 4.7 – VAT to be recovered).

The increase in « Other financial assets » corresponds to the investment of the « cash » received from the sale of Naturener Eólica in view of its reinvestment to profit from the related fiscal advantages.

Consolidated balance sheet on 30.06.06 and 31.12.05		(in k€)
LIABILITIES	30.06.06	31.12.05
I. TOTAL EQUITY	125,559	127,015
A. Equity attributable to equity holders of the parent	109,331	109,476
1. Issued capital	43,727	43,727
A. Subscribed capital	36,600	36,600
B. Share premiums	7,127	7,127
2. Reserves	65,659	65,749
3. Treasury shares (-)	-55	0
B. Minority interests	16,228	17,539
II. LIABILITIES	227,023	240,155
A. Non-current liabilities	99,823	98,677
5. Interest-bearing borrowings	86,563	85,499
2. Bond loan	22,663	22,650
3. Liabilities from financial leases and similar	31,363	29,086
4. Credit institutions	22,537	23,763
5. Other loans	10,000	10,000
6. Non-interest-bearing borrowings	532	513
7. Deferred income	2,053	2,185
8. Provisions	4,356	4,237
2. Tax charges	736	736
4. Other risks and charges	3,620	3,501
9. Derivative financial instruments	96	63
10. Deferred tax liabilities	3,885	3,906
11. Trade and other payables	141	141
D. Other debts	141	141
12. Other liabilities	2,197	2,133
B. Current liabilities	127,200	141,478
13. Interest-bearing borrowings	66,479	83,848
3. Liabilities from financial leases and similar	4,662	3,850
4. Credit institutions	43,214	44,946
5. Other loans	18,602	35,052
15. Deferred income	264	342
17. Derivative financial instruments	453	1,396
18. Tax liabilities	3,839	4,801
19. Trade and other payables	47,130	43,900
20. Other liabilities	9,035	7,191
TOTAL EQUITY AND LIABILITIES	352,581	367,170

SHAREHOLDERS' EQUITY + LIABILITIES

The shareholders' equity had almost no variation between 31.12.05 and 30.06.06 (-0.1 mill. €), as a result of the identical amounts of the distributed dividend (-2.9 mill. €) and the result of the semester (+2.8 mill. €).

On the other hand, the « minority interests » suffered a decrease (-1.3 mill. €) due to the purchase by the Group of the share of the minority shareholders in the capital of CITRI (-1.8), the purchase of own shares by Naturener (-0.6) and the result of the semester (+1.1).

Liabilities show a global reduction of 13.1 mill. €. The major variation are under heading « current interest-bearing liabilities » (-17.4 mill. € ; -21%), mainly due to the reduction in stocks and cash. The net debt fell from 145.3 mill. € to 137.1 mill. € (-8.2 mill. €).

2 – CONSOLIDATED INCOME STATEMENT

Consolidated income statement on 30.06.06 and 30.06.05		(in k€)	
	30.06.06	30.06.05	
1. Revenue	245,287	232,601	
2. Other operating income	918	1,837	
3. Operating expenses (-)	-238,979	-223,255	
4. Profit (loss) from continuing operations before tax, finance and other related costs	7,226	11,182	
6. Gain (loss) on disposal of non-current assets not held for sale	52	1,734	
7. Gain (loss) on investments	1,662	2,717	
8. Gain (loss) on financial instruments designated as cash flow hedges	127	-896	
9. Interest income (expense) - net	-3,910	-3,824	
13. Profit (loss) before tax	5,156	10,914	
14. Income tax expense	-1,163	-3,339	
15. Profit (loss) of the period from continuing operations	3,993	7,574	
17. Attributable to equity holders of the parent	3,993	7,574	
18. Attributable to minority interests	-1,148	-546	
19. Equity holders of the parent	2,845	7,028	
I. EARNINGS PER SHARE			
1. Basic earnings (losses) per shares			
1.1 Basic earnings (losses) per share from continuing operations	2.95	5.59	
2. Diluted earnings (losses) per share			
2.1 Diluted earnings (losses) per share from continuing operations	2.95	5.59	

The volume of the «Revenue» has held up close to the 2005 figures: 245.3 mill. €, against 232.6 mill. € as at 30.06.05.

Despite this, the weight of the « raw materials and consumables + stock variation » on the value of the « sale of goods » increased from 81.18% in 2005 to 82.86% in 2006, leading to a reduction in the operating result, which is down from 11.2 mill. € to 7.2 mill. € at 30.06.06.

This reduction, which generally affected all Divisions, and which is tangible above all in the “agro commodities distribution”, due to the combination of a sluggish market in Spain during the first half year and a supply reinforced by abnormally high levels of locally produced stocks. On the other hand, we must have in mind the fact that 2005 was particularly favourable to this activity.

The profit on the disposal of assets (0.1 mill. €) relates to non significant sales.

The “financial result” (1.7 mill. €) was generated by the disposal of the company Naturener Eólica (2.0 mill. €). The disposal allows for a capital gains value that depends on the quantity of Mkw’s authorised for the parks that the company is developing. Consequently, the capital gains recorded as at 30.06.06 only concern one single park, with any additional capital gains spread over 2007 and 2008. On the other hand, all of the costs of the disposal operation are already taken into account. This item also recognises the reduction in the market value of the securities held by Naturener (-0.3 mill. €).

The impact of the application of the financial risk management policy followed by the Group by the adoption of derivative exchange rate and interest rate instruments was +0.1 mill. €, against -0.9 mill. € at 30.06.05. This latter value is different to that presented in 2005, due to the fact that a more in-depth analysis of the practice of the Group relating to the management of this type of risk made us doubt that the exception provided for in the IAS 39 (« hedging » accounting) is effectively applied.

The “financial result” presents a loss of 3.9 mill. €, slightly up compared with 30.06.2005 (-3.8 mill. €). This includes an increase in the interests of 0.4 (increase in the indexing rates, despite a reduction in the debt and in the « spreads »), partially cancelled by a reduction in the costs of financial services and a favourable variation in the exchange rate differences.

The “income taxes” comes to 1.2 mill. € (3.3 mill. € in 2005), which represents an average tax rate of 22.6%, against 30.6% in 2005, a reduction that is in line with the fact that it is mainly a Spanish company (Interpec) that presents a reduction in the taxable result (the tax on profits in Spain is 35%).

IV. MOVEMENTS OF CONSOLIDATED SHAREHOLDERS' EQUITY

(in k€)

	Capital	Share premiums	Hedging reserves	Other reserves	Shareholders' equity	Own capital	Third party interest	Total shareholders' equity
Closing balance sheet as at 2004	36,600	7,127		56,573		100,300	14,365	114,665
Changes on the previous financial year								
Changes to accounting methods affecting the shareholders' equity			-238	71	-233	-400	-48	-447
Opening balance as at 1 January 2005	36,600	7,127	-238	56,644	-233	99,901	14,317	114,218
Result of the financial year				7,028		7,028	547	7,575
Dividends				-2,706		-2,706		-2,706
Operations with own shares					63	63		63
Others			238	-376		-138	212	74
Closing balance as at 30 June 2005	36,600	7,127	0	60,591	-170	104,148	15,076	119,224
Result of the financial year	-	-	-	5,105	-	5,105	573	5,678
Operations with own shares				53	170	223		223
Capital increase						0	2,080	2,080
Others						0	-191	-191
Closing balance for 2005	36,600	7,127	0	65,749	0	109,476	17,539	127,014
Result of the financial year	-	-	-	2,845		2,845	1,148	3,993
Dividends	-	-	-	-2,935		-2,935		-2,935
Operations with own shares					-55	-55		-55
Others	-	-	-			0	-2,460	-2,460
Closing balance as at 30 June 2006	36,600	7,127	0	65,659	-55	109,331	16,228	125,559

V. CASH FLOW STATEMENT

(in k€)

	30.06.06	30.06.05
Opening balance	24,575	22,020
1. Result of the financial year	3,993	7,575
2. Adjustments for elements without cash impact	4,208	1,171
Depreciation provisions	5,567	5,386
(Recovery of) impairment losses	319	189
Profit (loss) on the disposal of non-current assets not available for sale	-1,713	-4,452
Increase (decrease) in provisions	35	48
3. Increase (decrease) in operating capital	8,889	672
Increase (decrease) in stocks	9,784	5,027
Increase (decrease) in trade and other receivables	4,604	-9,155
Increase (decrease) in financial instruments held for transaction purposes	-790	898
Increase (decrease) in supplier and other payables	-3,840	3,917
Increase (decrease) in fiscal debts	-1,453	1,030
Other increase (decrease) in working capital/operating capital	584	-1,045
A . Cash flow relating to operations	17,090	9,417
1 . Acquisitions	-8,928	-8,852
Payments made for the acquisition of non-current, non financial assets (-)	-8,928	-8,852
2. Disposals	16,665	5,704
Entries relating to the disposal of non-current, non-financial assets	1,774	1,968
Entries relating to the disposal of subsidiaries, related companies or joint ventures (net of the disposed cash)	14,891	3,736
Other cash flow relating to investment activities	-13,634	-189
B. Net cash flow relating to investment activities	-5,897	-3,337
(Purchase) disposal of own shares	-55	64
Dividend allocated to the shareholders (-)	-2,935	-2,844
Variation of the long-term loans	1,083	5,713
Variation of the short-term financial liabilities	-17,369	-15,897
C. Net cash flow relating to financing activities	-19,276	-12,963
D. Net increase in cash and cash equivalents	-8,082	-6,883
E. Impact of the changes to the consolidation scope	1	49
F. Cash and cash equivalents, closing balance	16,492	15,087

VI. ACCOUNTING POLICIES

The accounting principles and evaluation rules adopted by the group to prepare its annual accounts have been applied in the preparation of these half-yearly consolidated accounts.

These rules are part of the consolidated accounts closed at 31.12.2005 and are available in the corresponding report.

VII. CONSOLIDATION SCOPE

In 2006, the consolidation scope was modified, as follows:

Entries:	
Citri	(26.00%)
Nuenex Gestión de Energia, SL	(24.25%)
New Energy Generation, SA	(24.75%)
Exits:	
Naturener Eolica, SA	

VIII. NOTES TO THE CONSOLIDATED ACCOUNTS AT 30.06.2006

ACCOUNTING PRINCIPLES

The Group adopted the IFRS standards adopted by the European Union as from 1 January 2005.

These consolidated accounts have been prepared in accordance with these standards and in particular standard IAS 34 thereof.

DISPOSAL OF SUBSIDIARIES

In 2006, the Group disposed of its entire stake in the company Naturener Eolica.

The impact of this disposal (reduction) in the accounts is as follows :

Non-current assets	6,205
Current assets	396
Current liabilities	4,712
Net assets	1,889
Profit (loss)	2,630
Total price received	
Settled	5,527
in cash	5,527
Net cash income from disposal	5,526
payment in cash	5,527
bank balances and cash disposed	1

At 30 June 2006 the group holds no assets and exercises no activities to which IFRS 5 («Non-current assets held for sale on discontinued operations») applies.

DIVIDENDS

The application of the dividend as decided by the AGO of 20.06.2006 was as follows :

Dividends	2,845
Directors' fee	91
Total	2,936
Number of shares	1,355,000
Dividend per share (€)	2.10
Number of own shares held	646
Dividend of own shares	1
Dividend paid	2,844

ADJUSTMENTS

The audit performed on the consolidated accounts at 31.12.2005 detected that certain treatments linked to the first application of the IAS standards on 30.06.2005 were incorrect, in particular the application of the hedging accounting methods to certain derivative instruments and the evaluation of certain fixed assets.

These adjustments were taken into account in the accounts closed at 31.12.2005, thus implying the corresponding adjustments to the accounts (non-audited) at 30.06.2005. The impact of these adjustments is summarised in the following tables:

Consolidated balance sheet at 30.06.05		(in k€)	
	before adjust.	after adjust.	ajust.
Non-current assets			
Tangible fixed assets	143,909	143,155	-754
Intangible fixed assets	18,746	18,538	-208
Deferred tax assets	4,868	4,953	85
Non-current hedging instruments	27	0	-27
Current assets			
Current hedging instruments	388	275	-113
Current trade and other receivables	95,446	95,370	-76
Other current assets	4,417	4,394	-23
Shareholders' equity and minority interests			
Consolidated reserves	61,555	60,591	-964
Minority interests	15,186	15,076	-110
Non-current liabilities			
Deferred tax liabilities	4,564	4,747	183
Current liabilities			
Current hedging instruments	1,349	1,257	-92
Other current liabilities	8,775	8,643	-132

Consolidated income statement at 30.06.05

(in k€)

	before adjust.	after adjust.	ajust.
Depreciations	-5,317	-5,386	-69
Profit (loss) on cash flow hedging instruments	154	-897	-1.051
Tax charges (income) on the result	-3,600	-3,338	262
Result after tax including the discontinued activities	8,433	7,575	-858
Minority interests	-581	-547	34
Net result transferred to shareholders' equity	7,852	7,028	-824
Basic result per share	6	5	-1

LIMITED AUDIT REPORT OF THE AUDITOR ON THE INTERIM FINANCIAL REPORTING OF SAPEC SA AT 30 JUNE 2006

To the shareholders of SAPEC SA

We have carried out a limited audit of the consolidated balance sheet of Sapec SA as at 30 June 2006, as well as of the consolidated income statement, of the consolidated statement of changes in equity and of the consolidated cash flow statement for the six month period closed on this date. The preparation of this interim financial reporting is the responsibility of the Board of Directors of Sapec SA. Our responsibility is to report on the results of our limited audit of this interim financial reporting.

We have performed our audit in accordance with the international standard 2410 « Limited audit of the interim financial reporting performed by the company's independent auditor ». This standard requires that we plan and perform the limited audit to obtain reasonable assurance about whether the interim financial reporting is free of material misstatement. A limited audit consists essentially of a discussion, comparison and analysis of the financial data and therefore provides a lesser assurance than a full audit. We did not perform a full audit and, consequently, do not express any opinion on the interim financial statements.

On the basis of our limited audit, nothing leads us to believe that the interim financial reporting was not prepared, in all significant regards, in accordance with standard IAS 34 « Interim Financial Reporting », as adopted in the EU.

10th of September 2006

The Auditor,

Mazars & Guerard
Company Auditors SCCRL
Represented by

X. Doyen