Finasucre

Annual Report 2007/2008

Summary

Board of Directors

Count Paul Lippens	Chairman
Mr. Olivier Lippens	Managing Director
Count Guillaume d'Arschot Schoonhoven[1]	Director
Mr. Harold Boël[1]	Director
Count Richard Goblet d'Alviella	Director
Mrs. Claude Lippens	Director
Mrs. Florence Lippens[1]	Director
Count Maurice Lippens	Director
Mr Yves Boël	Honorary Chairman

[1] members of the audit committee

Statutory Auditor

ERNST & YOUNG Company Auditors SCCRL, represented by Mr. Vincent Etienne

Report of the Board of Directors

Ladies, Gentlemen,

It is our pleasure to report to you on our company's activity during our 78th fiscal year, and to submit for your approval - in accordance with the law and with our Articles of Association - the company's financial statements, for the year ended 31 March 2008, as well as its consolidated statements for the same period.

Presentation of the Finasucre Group

The group produces raw, direct consumption raw, white and refined sugar from cane and beet and markets them to industrial clients and to retail outlets in many different types of packaging. It also manufactures an entire line of caramels and specialities.
It sells renewable energy in the form of electricity; alcohol and molasses; beet pulps and other products used for animal feed.

Through its Galactic subsidiary, Finasucre is a large producer of lactic acid and its derivatives resulting from the fermentation of carbohydrates.
Finasucre is also involved in the engineering and production of equipment for sugar mills.
The group has factories throughout the world: in Belgium, the Netherlands, Congo, Australia and China.

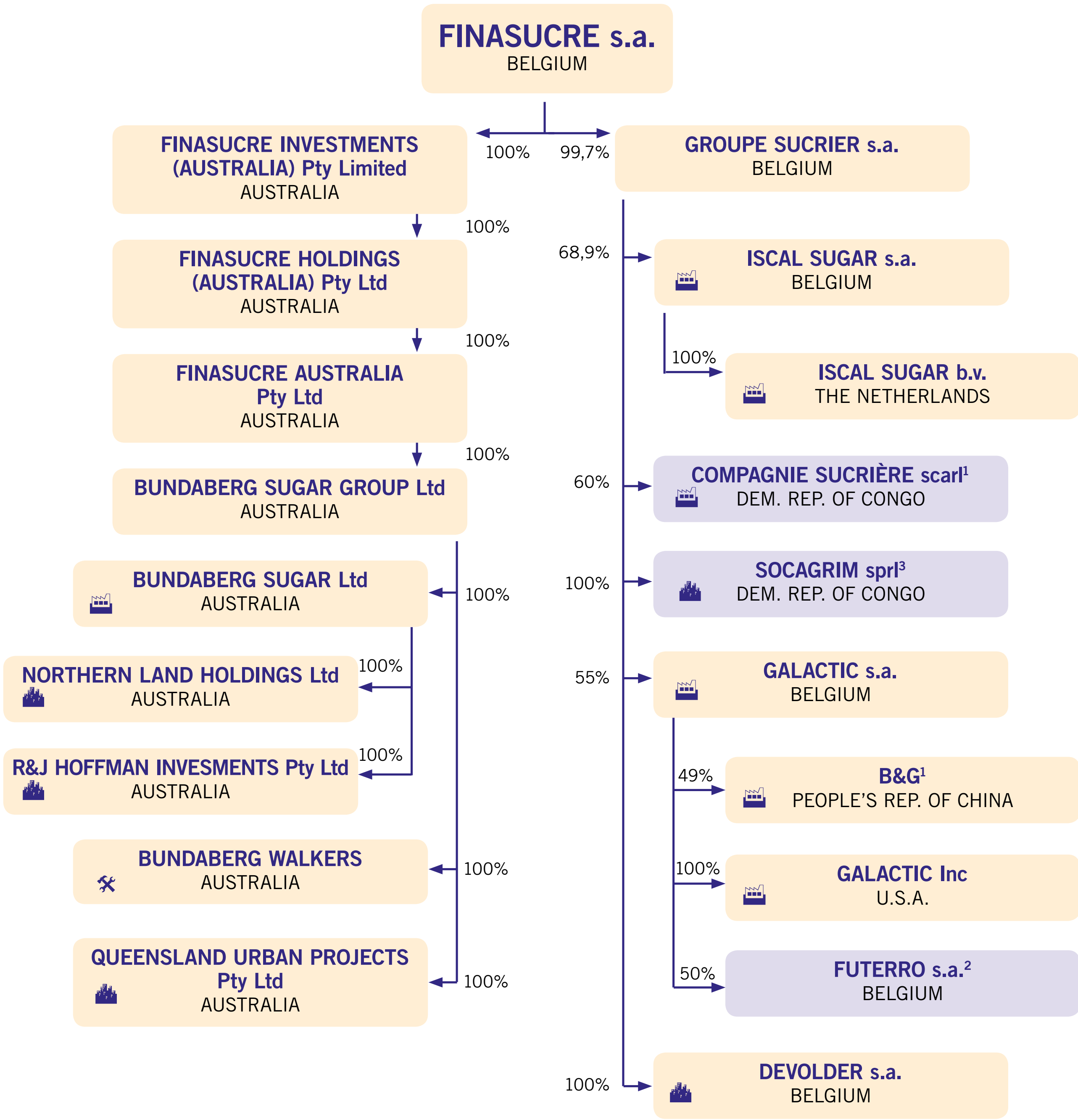
For the year ended 31 March 2008, the group recorded a turnover of € 394 million and net assets of € 392 million. The group employs 3,827 people worldwide on a permanent basis and about 1,600 people during the campaign to produce 1,046,958 tonnes of sugar.

As Finasucre is convinced of the future importance of sugar as a source of renewable energy, it plans to develop this new aspect of the business while continuing to expand current uses of natural sweeteners in all of its markets.

Significant developments in 2007/2008

- "Reform of the European sugar reform" giving rise to the closing of the Moerbeke plant and abandon by Iscal Sugar of one-third of a production quota to the Restructuring Fund.
- In Belgium, the setting up by Galactic, in conjunction with Total, of Futerro SA, a biodegradable plastics research firm.
- In the Congo, founding of Socagrim, to implement a real property project in Kinshasa.
- Failure of negotiations with Mulgrave Central Mill with a view to a merger with our North Queensland plants.
- Bundaberg Walkers Engineering won a significant equipment supply contract in the Sudan; this contract will keep our workshops busy for two years.

Consolidation chart for the year ended 31 March 2008



Consolidated companies
Non consolidated companies

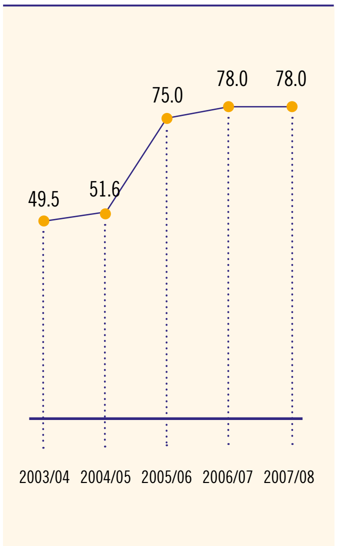
Sugar and by-products
Engineering
Real estate

[1] Financial Statements as ar 31 December 2007
[2] First fiscal year as per 31 december 2007
[3] First fiscal year as per 31 december 2008

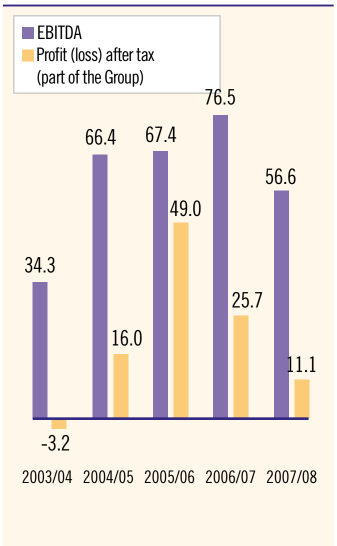
Key figures

	CONSOLIDATED GROUP		FINASUCRE S.A.	
in '000 €	**2007/2008**	2006/2007	**2007/2008**	2006/2007
Turnover	**393,811**	450,829	**-**	-
Operating cash flow (EBITDA)	**56,540**	76,522	**-**	-
Profit on ordinary activities before taxes	**3,382**	31,299	**11,391**	21,537
Profit (loss) after taxes (share of the Group)	**11,148**	25,710	**-**	-
Shareholders' equity	**392,459**	401,420	**293,849**	292,859
Total liabilities	**650,447**	693,286	**304,770**	306,077
Net dividend per share (in €)	**-**	-	**78.00**	78.00

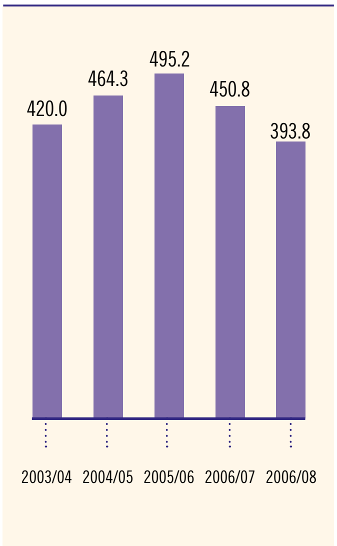
Net dividend per share
in €



EBITDA and consolidated results
in million €



Consolidated turnover
in million €



Report on our activities

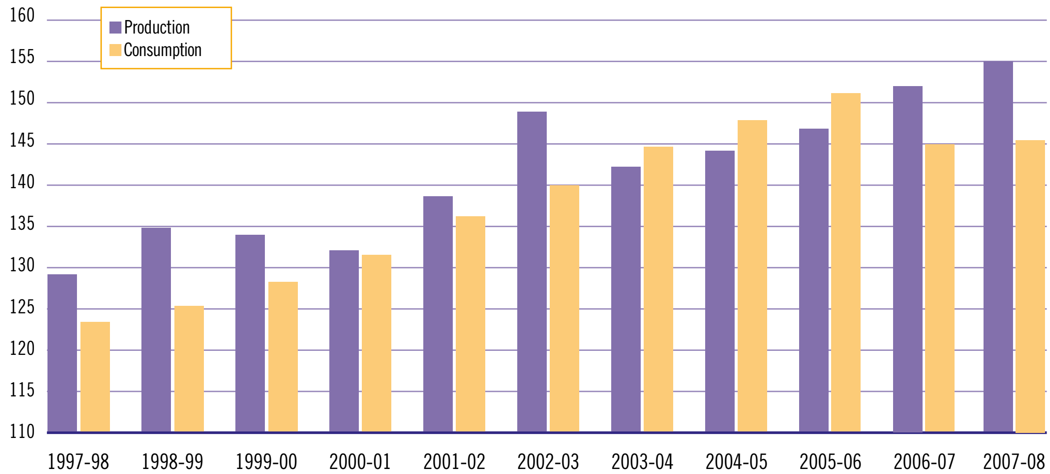
World Sugar Market
(review of the financial year 2007/2008 and outlook for 2008/2009)

During this year, global production reached a record, with 156 million tonnes, thereby exceeding global consumption by more than 11 million tonnes. Certain countries, such as Brazil, India, Russia, China and Thailand, had especially large harvests.

The price of sugar fell to 8.5 cts/pound in June 2007 as a result of over-production and short-selling by investment funds. Towards the end of 2007, the price of sugar recovered spectacularly, buoyed by the sharp rise in the price of fuel, which favoured the production of ethanol to the detriment of sugar, and via a large wave of speculative purchases by funds seeking alternative investments following the subprime crisis. The price reached 15 cts/pound at the end of February 2008, only to collapse when funds took their profits, thereby demonstrating the impact of the latter.

Production forecasts for 2008/2009 still show a significant surplus worldwide. The increase in the manufacture of ethanol is expected to limit this surplus, although we have little reason to hope for a rise in the price of sugar in the short-term.

World production and consumption
(in millions tons raw sugar) source: EDF Man



World raw sugar market price
(in USD cents / lb) source: QSL

Bundaberg Sugar (Australia)

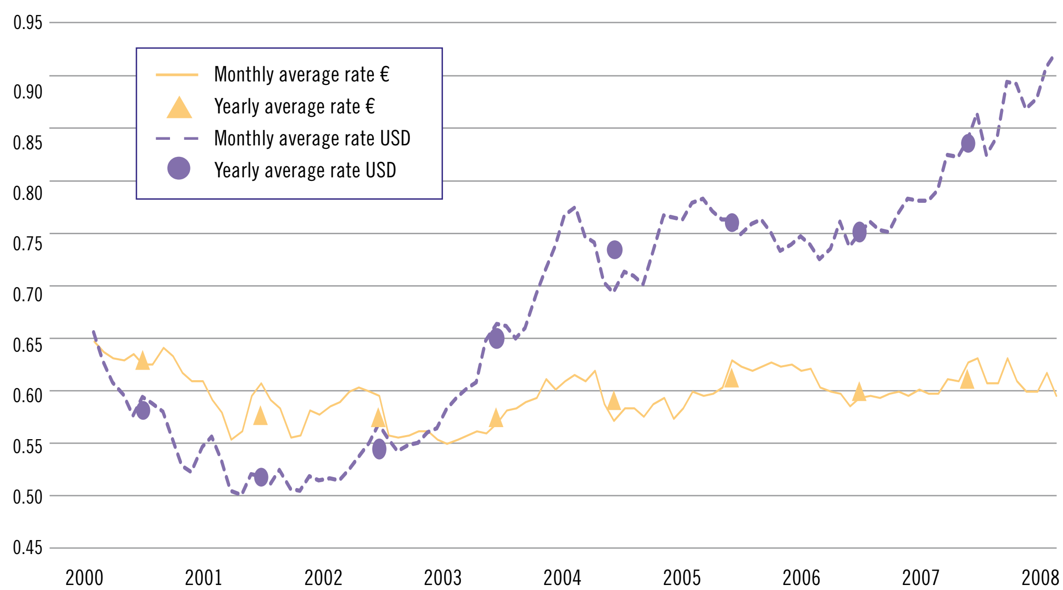
This last year has seen worldwide market volatility – primarily due to the impacts of the sub-prime crisis in the United States.

On top of the global market conditions, Australia's economy continues to be strong and inflationary pressures have not yet been curbed despite several interest rate rises in this twelve month period.

The disparity between Australian and US interest rates continues to grow. The AUD/USD exchange rate broke through the 95c mark for the first time in 24 years on 23 April 2008.

The volatility in the AUD/EURO exchange rate had a range of 5c, thus being more pronounced than for the prior year.

Australian Dollar exchange rate
vs US Dollar and vs EURO



The 2007 season saw a further decrease in Queensland sugar production (4.39 million tonnes – 1.5% down on 4.46 million tonnes the previous year). The main cause of the drop in production was a significant reduction in the area for cane; 7,500 fewer hectares were harvested than for the 2006 season. This was somewhat counterbalanced by the increase in cane sugar content which was up from 13.44 to 13.76. In the Northern region, 1,500 hectares of cane land was lost to forestry managed investment schemes whilst the Southern cane growing areas reduced significantly due to the continuing severe drought conditions.

The results of Bundaberg Sugar's 2007/2008 campaign are as follows:

	in '000 tons	
Campaigns	**2007/2008**	2006/2007
Cane crushed	**4,248**	4,630
Cane produced by Bundaberg Sugar	645	801
Production of raw sugar	**541**	587
Production of refined sugar	**142**	161

Production of raw sugar reached 541,000 tonnes (compared to 587,000 tonnes in 2006), from a harvest of 4.248 million tonnes of cane (compared to 4.630 million tonnes in 2006).

The Bundaberg Sugar Group employs some 920 people, as well as some 350 seasonal workers for the campaign.

For the 2007 season, Bundaberg Sugar continued its commercial arrangements with QSL. The QSL sugar price for 2007 is expected to be AUD 272/ts (compared to AUD 370 in the previous year). Some pricing of raw sugar via sugar futures, swaps and other mechanisms continued in accordance with the Voluntary Marketing Arrangements introduced during 2006. Negotiations are currently underway with growers to extend pricing facilities to them.

Consolidated results for the Bundaberg Sugar Group in respect of the year ended 31 March 2008 were lower than estimated due to the reduced cane crop and lower sugar prices offset by the sale of certain shares.

The main items of the consolidated income statement for 2007/2008 are:

in '000 AUD	2007/2008	2006/2007
Turnover	**253,869**	318,218
Operating cash flow	**1,314**	21,502
Depreciation	(8,347)	(10,095)
Financial results from operating activities	(1,532)	(310)
Results from hedging activities	(8,335)	13,738
Results before extraordinary items	**(16,900)**	24,835
Extraordinary results	5,406	6,202
Income tax	3,776	(4,012)
Net profit (before application of IFRS principles)	**(7,718)**	27,025

Bundaberg Sugar continued to expand its farm holdings – both for the production of cane and for the purpose of other agricultural businesses. At 31 March 2008, the company's land for agricultural pursuits was approximately 16,500 ha and settlement for the procurement of a macadamia farm with 184 ha is expected for July 2008.

The engineering subsidiary (BFEL) experienced an outstanding year during 2007/2008. Key highlights included the re-launch of the company with a change in name (now Bundaberg Walkers Engineering) and a new logo. Just prior to the end of the period, news was received that the company was successful in winning a tender for significant works involved with the White Nile Sugar Project in Sudan.

Bundaberg Sugar and Mulgrave Central Mill worked hard together throughout 2007 to bring together a complex but undeniably worthwhile merger of their milling operations. At the end of 2007, it appeared that the merger could not take place as it had been envisaged. We are continuing to look for a solution for these production resources.

Groupe Sucrier (Belgium)

Groupe Sucrier closed the financial year with a net profit of € 10.6, compared with € 7.4 for the preceding period. A proposal will be put to the Annual General Meeting of 25 June 2008 to distribute a total gross dividend of € 2.1 million.

Iscal Sugar (Belgium)

Iscal Sugar is the second largest participant in the Belgian sugar industry.

The 2007 sugar campaign

The 2007 campaign, which began on 17 September, ended in the two plants just before Christmas. The principal elements of the 2007 campaign are outlined below:

Campaigns		**2007/2008**	2006/2007
Surface	Ha	**29,023**	27,292
Yield	T/Ha	**60.1**	65.2
Sugar production	T	**280,989**	266,022
Campaign length		**96**	104

It is necessary to add to these production figures the work on order for Dutch beets (151,000 T of beets in 2007). Technically speaking, this was a successful campaign at the two plants. Extraction yields were excellent and energy consumption was greatly reduced compared to the previous year.

The new European sugar regime

We mentioned this last year. The European Commission estimated an abandonment of 6 million quota tonnes to the Restructuring Fund to balance European sugar demand/supply.

At the end of the 2007 campaign we recorded an abandonment of barely 2.2 million tonnes. This failure for the Commission led it to react by reforming the initial sugar reform.

The financial incentive to the abandonment of quota was revised sharply upwards, for both beet processors and planters, coupled with the dismantling of plants.

If a sugar demand/supply balance is not achieved in 2010, the Commission will reduce quotas (without financial compensation), to be calculated producer-by-producer based on the abandonment effort made by each producer beforehand.

We had to resign ourselves to taking a very painful decision at the end of December 2007: the closing of Moerbeke and the abandon of one-third of our quota to the Restructuring Fund. Thus, our quota will be reduced to 190,000 T as of the 2008 campaign.

As a result, we will once again focus on a single plant, albeit with significant strengths to face the future. Fontenoy is the most recent sugar refinery built in Western Europe and its technical design is highly efficient. By bringing its capacity to 11,000 T of beets a day it will comply with European standards. Its energy performance is optimal and represents a significant advantage for the future, because our industry is highly dependent on this factor. Its geographic location is excellent for beet supplies and for selling finished products.

The Fontenoy plant produces No. 1 quality sugar which it is able to sell in any type of packaging required by clients. Although it is true that with 190,000 T of sugar, Iscal Sugar is a minor player on the European scene, the company's strategy of pursuing niches should enable it to bolster its margins.

The sharp quota reduction had to be spread between our planters, who acted with a great deal of realism: 2,822 of them abandoned beet growing. Since the founding of Iscal Sugar in 2003, the number of planters has fallen by 57% and the average sowing has increased from 3 to 6.5 Ha.

In this process of restructuring the European sugar industry, the lack of a balance in sugar demand/supply has had an impact on the results of our subsidiary: its turnover amounted to € 189 million (down € 22.8 million) and operating cash flow was € 47.2 million, a decline of € 11.6 million. Operating income came in at € 5.3 million (compared to € 20.5 million last year). This significant variation also reflects the setting aside of provisions to cover the social cost of the restructuring.

Extraordinary net income amounted to € 23.4 million (compared to a loss of € 1.7 million last year). This is the result of the recovery of depreciation carried out on the abandoned quota that led to the compensation of the European Restructuring Fund, less extraordinary amortisation and provisions related to the prices of restructuring giving rise to the closing of the Moerbeke site. Most of these extraordinary items are included in taxable income.

The year's net profit came in at € 10.8 million (compared to € 7.4 million last year). We expect a gross dividend of € 5 million.

Restructuring of the share capital

The Extraordinary General Meeting of 28 March 2008 decided that the company would buy back € 17 million of its own shares, including € 13.7 million by withholding on available reserves and € 3.3 million in the form of a capital reduction. The accounts at 31 March 2008 reflect this transaction, although the capital reduction will only be formalised at the end of June, i.e. at the expiry of the legal term of two months after its publication.

This transaction gave rise to an accretion of the Sugar Group's stake in Iscal Sugar, from 62.6% to 68.9%.

Compagnie Sucrière (D.R. Congo)

A few significant figures on the economic and financial situation of the Democratic Republic of the Congo are shown hereunder:

	2007	2006	2005
GNP per inhabitant in USD	**(*)**	90.8	87.8
Inflation in %	**9.9**	18.20	21.3
Exchange rate (CDF/USD) (31 décember)	**503**	503	434

(*) figure not available

The 2007 campaign of Compagnie Sucrière did not achieve the solid performances turned in during previous years.

Agronomic yields were down, mostly due to climatic reasons. They were partially offset by slight progress in extraction. The plant produced 76,573 tonnes of sugar (compared to a production level of more than 85,000 tonnes for each of the two previous campaigns).

The rise in costs was very significant (fertilisers, steel and fuel). A moderate increase in the selling price of sugar nevertheless mitigated these negative effects on margins.

In consultation with the authorities, our subsidiary participated in a sugar import programme on the order of 30,000 tonnes over one year, in order to participate in the regulation of the supply of the local market.

Compagnie Sucrière did not export sugar to the European Union in 2007. However, as it did in the past, it exported 27,769 HL of alcohol to the European Union out of total production of 47,428 HL.

On 31 December 2007, the Company had 2,356 employees (permanent non-manual and manual workers), plus 1,139 seasonal workers to implement the campaign. Head count was therefore stable compared to the previous year.

Our subsidiary closed 2007 with a higher profit than the previous year, although this should be interpreted with caution. Its cash flow needs rose to cover its operating expenses and in order to replace and perform maintenance on its highly productive equipment. Having said that the Company decided to pay a dividend of USD 1 million. Understanding the payment problems experienced by the company, Groupe Sucrier agreed that the share due to it would be converted into a medium-term loan.

The Company remains cautious as it observes the overall situation of the country and, if appropriate, Groupe Sucrier could support its projects to reinforce production capacity and diversify into profitable projects.

Galactic (Belgium)

Producing at its normal capacity, our subsidiary succeeded in increasing its turnover. Despite the unfavourable effect of certain cost factors (notably, energy and the elimination of European refunds on sugar, its raw material), Galactic closed the year with a pre-tax profit that was € 3.6 million higher than the previous year (of which € 1.1 million was extraordinary).

Our subsidiary will distribute a first dividend of € 200,000 at the end of the year 2007/2008.

Its B&G subsidiary in China saw improved production and sales. Its results came in stronger than those of the previous year. Having said that, this growth was mitigated by the increase in the cost of raw materials and an increase in local taxes on its exports.

The growth of its Galactic Inc subsidiary in the USA is not currently living up to expectations and its results are mixed.

Galactic joined forces with Total to set up a Belgian joint venture subsidiary, Futerro SA, a firm active in the development of an original technology for producing biodegradable plastics using PLA (Poly Lactic Acid). Galactic has contributed all of its relevant patents.

Devolder (Belgium)

This subsidiary is currently inactive. It is holding its cash in the event it decides to make a real property investment.

The net profit for the year ending 31 March 2008 was € 17,148 (compared to € 716,918 in 2007, of which € 687,514 were posted to immunised reserves).

Socagrim (R.D. du Congo)

Socagrim SPRL was created in the summer of 2007 to build a combined office/apartment building in Kinshasa, for which it has acquired a plot of land.

Its first fiscal year will end on 31 December 2008.

Financial situation

Comments on the consolidated financial statements for the year ended 31 March 2008

We hereafter comment on the consolidated financial statements of the group as mentioned in Annex A of this report.

The changes to the group's activities and the major events mentioned in this report are reflected in the consolidated financial statements, as well as in the Balance Sheet and in the profit and loss account. The abandonment of one-third of Iscal Sugar's quota is having a significant impact on the Balance Sheet. Operating income is down sharply, mainly due to Bundaberg Sugar and, to a lesser extent, to Iscal Sugar, although this is somewhat mitigated by improved results at Galactic. Strong extraordinary income was due to the recording of the intervention of the European Restructuring Fund in the abandonment of Iscal Sugar's quota, although this was reduced by the amount of the extraordinary costs incurred by the restructuring at Iscal Sugar.

BALANCE

The consolidated balance sheet reflects, through our consolidated subsidiaries, the sugar and derived product activities in Belgium, the Netherlands, Australia, China and the USA during the twelve months of the financial year under review. The comparative figures of the preceding financial year also relate to a twelve-month period.

Our Australian subsidiaries have applied the IFRS principles for two years. Their accounts are consolidated as such at the group level, without any particular reinstatement, except for those that are significant, which are described more specifically below.

The comment hereunder underline the most significant variations observed in the main headings of the balance sheet compared to the previous year.

Intangible fixed assets (- € 63.9 million): last year, Iscal Sugar recorded amortisation of € 7.5 million on goodwill resulting from the merger with the Veurne sugar refinery. The abandonment of one-third of the quota led to the cancellation of contributions to the RF corresponding to € 56.5 million, which were activated last year and are amortised over 4 years.

Tangible fixed assets (- € 11.1 million): few investments were made and the decrease in this item is mainly due to the normal amortisation made (with the exception of Iscal Sugar, which decommissioned equipment affected by the restructuring).

Financial assets (- € 3.1 million) : Bundaberg Sugar's sale of portion of its shares in Sugar Terminals Ltd more than offset the amounts invested in the group's new (non-consolidated) stakes.

Amounts receivable and cash guaranties (- € 3 million): most of this item (and the explanation for this variation) is comprised of portfolio securities held by Bundaberg Sugar to cover its employee pension commitments.

Amounts receivable after more than one year (+ € 52,2 millions): most of this item is the result of Iscal Sugar's receivable for the compensation to be received in the near future from the RF.

Stocks : the overall increase in the level of stocks was primarily the result of Iscal Sugar's sugar stocks, which were higher than usual on 31 March. Surpluses on the European market take a bit longer to be reabsorbed.

Investments (- € 9 million) : the cash flows of Finasucre, Bundaberg Sugar and Groupe Sucrier fell slightly compared to the previous year.

Foreign currency translation differences (- € 8.6 million): the appreciation of the EURO, which had already begun the previous year, was accentuated vis-à-vis the currencies in which the accounts of certain subsidiaries are expressed (AUD, CNY and USD). The significant decoupling of the AUD in February and March 2008 accounts for substantially all of the unrealised foreign exchange losses on the consolidated Balance Sheet.

Minority interest (- € 6.4 million): this is accretion effect of the group's stake in Iscal Sugar, which accounts for most of this decrease.

Provisions, deferred tax and latent taxation liabilities (+ € 10.6 million): the provisions set aside by Iscal Sugar for the restructuring explains much of this variation.

Amounts payable after more than one year (- € 42.2 million): while Bundaberg Sugar's debt barely budged, this large decrease is mainly explained by the payment of the second year's contributions to the RF.

RESULTS

The financial data relating to our Australian subsidiaries is posted in Australian dollars (AUD) and is translated into EURO in the consolidated accounts at the rates mentioned below. The trend of the AUD compared to the USD is also to be observed, because Bundaberg Sugar's raw sugar selling prices are concluded in USD.

The financial data of our subsidiaries in China and the USA results from the translation into EURO of their accounting currencies (respectively CNY and USD), the variations of which during the last twelve months are not significant in the consolidated balance sheet and result.

Exchange rate			average 12 mths		**Exchange rate**			average 12 mths	
	as at 31-03-2008	as at 31-03-2007	1-04-2007 31-03-2008	1-04-2006 31-03-2007		as at 31-03-2008	as at 31-03-2007	1-04-2007 31-03-2008	1-04-2006 31-03-2007
1 AUD = **€**	0.5769	0.6066	0.6127	0.5963	1 AUD = **USD**	0.9122	0.8079	0.8688	0.7650
	- 4.9%		**+ 2.7%**			**+ 12.9%**		**+ 13.6%**	

The consolidated results are outlined below:

in '000 €	**2007/2008**	2006/2007
Turnover	**393,811**	450,829
Operating cash flow	**56,540**	76,522
Amortisation of contribution to the RF[1]	(27,473)	(27,473)
Depreciation additional quota (Iscal Sugar)	(2,469)	0
Depreciation Veurne goodwill - final (Iscal Sugar)	(7,529)	(7,529)
Ordinary amortisation	(12,887)	(13,222)
Interest charges of contribution to the RF[1] (Iscal Sugar)	(1,874)	(1,676)
Financial results	(926)	4,677
Results before extraordinary items	3,382	31,299
Extraordinary results	**29,354**	9,037
Income tax	(16,848)	(11,221)
Net earnings	**15,888**	29,115

[1] European Restructuring Fund

Operating income (- € 31.6 million): the fall mainly came from Bundaberg Sugar and, to a lesser extent, from Iscal Sugar, for the reasons already mentioned, while Groupe Sucrier and the Galactic group improved slightly.

Operating cash flow (- € 20.0 million): the production costs of the industrial subsidiaries were adjusted to the production level, although energy costs are being affected by the rise in global prices. Personnel expenses were up slightly, albeit in a non-recurring manner, because they include Iscal Sugar's provisions for the social cost of the restructuring. These two main factors explain the significant drop in operating cash flow.

Results before extraordinary items (- € 27.9 million): the table above shows details on the main components. Non-operating revenues and expenses fell, primarily due to the depreciation of financial instruments held by Bundaberg Sugar and less cash flow generated by Finasucre.

Extraordinary results (+ € 20.3 million): last year, Bundaberg Sugar made a large contribution to extraordinary results. This year it was Iscal Sugar who accounted for most of this item, as a result of the quota abandonment described in this report.

Taxes: the taxes have increased due to the fact that most of the exceptional profit is included in the chargeable base.

The Notes to the consolidated accounts described the development of the Group's balance-sheet components and consolidated income statement in greater detail.

Comments on the financial statements of Finasucre S.A. for the year ended 31 March 2008

We hereafter comment on the financial statements of Finasucre S.A. as mentioned in Annex B of this report.

BALANCE

Fixed assets

Financial assets

The interests held are shown in Appendix II of the financial statements. The € 1,462,000 increase in this item mainly resulted from the acquisition of shares of Biocapital (Brazil).

Current assets

Investments

Our current investments are constituted in treasury bills, short-term deposits, bonds and monetary funds.

Deferred charges and accrued income

These are charges to be carried forward to the following year, particularly interest due on our investments.

Capital and reserves

Capital

Revaluation surplus

Reserves

These amounts are unchanged.

Profit (loss) carried forward

According to the profit appropriation.

Provisions and deferred taxation

Provisions for liabilities and charges

This provision, constituted three years ago, remains unchanged. The dispute for which this provision had been set aside was resolved without cost.

Creditors

Amounts payable within one year

Includes tax, wage and Social Security debts, fees due and primarily the proposed profit distribution as well as the dividends to be paid from previous financial years.

Accrued charges and deferred income
These include interest collected in advance on treasury bills.

INCOME STATEMENTS

Charges

Services and other goods
The operating expenses were up slightly and the non-periodical remunerations of our directors have remained stable.

Remunerations, Social Security charges and pensions
These refer to charges for new employees who were freshly hired during the previous year.

Provisions for liabilities and charges
The provision previously set aside was booked as a profit for € 2,400,000. This result is not subject to tax, because, originally, the provision set aside had not been included in tax deductible expenses.

Financial charges
These are primarily comprised of a capital loss of € 1,559,000 on the bond portfolio. The other charges are mainly commissions on coupon payments and management expenses relating to our investment portfolio in bonds and monetary funds.

Income taxes
This amount corresponds to the estimated tax on the year's profit. It is insignificant as a result of the deduction of notional interest from the taxable base, introduced in tax legislation.

Income

Income from financial fixed assets
We have received, for the financial year 2006/2007, a dividend of € 5,072 thousands from Groupe Sucrier (compared to € 16,908 thousands for the previous year).

Income from current assets
We received € 5,524 thousands interest on our forward deposits and investments. The € 785,000 increase compared to the previous year is the result of an improvement in the market's yields.

Other financial income
Gains realised on our bonds portfolio.

Year's pre-tax income
No extraordinary revenues or charges were recorded during the year. However, it is important to point out that the result includes a net profit of € 2,400,000 from a one-time cancellation of a provision.

The annex to the financial statements of Finasucre S.A. describes the development of the balance sheet and income statement components in greater detail.

Additional information about the hedging of financial risks

Finasucre has recourse to hedging its exchange risks on its operations in foreign currencies.

Appropriation account, statutory elections

Appropriation account

The year's profit reached € 11,390,226.33 to which we must add the previous year's retained earnings of € 27,014,073.98, thereby forming a distributable profit of € 38,404,300.31 which we propose to distribute as follows:

Gross dividend	€ 10,400,000.00
Retained earnings	€ 28,004,300.31
TOTAL to be distributed	**€ 38,404,300.31**

If you approve this distribution proposal, the net dividend, after deduction of a 25% withholding tax, will be € 78.00, unchanged compared to previous year.

It will be payable as of 30 June 2008, in exchange for coupon no. 82, at the counters of Banque Degroof as well as at our registered office at 40, avenue Herrmann-Debroux, BE-1160 Brussels.

Statutory elections

The directorship of Mr Olivier Lippens expires at the end of this Annual General Meeting. He may be re-elected and run for a new three-year term of office that shall expire at the end of the Annual General Meeting of 2011.

In accordance with the law and the Articles of Association, we ask you to give discharge to the directors and to the auditor for their work over the period ended on 31 March 2008.

Additional information

Risks and uncertainties

In addition to the information given in this report, summarised below are the crucial points describing the risks and uncertainties that could impact our activities:

- Our European sugar activities are dependent on the evolution of the new Sugar Regime and particularly on the supply and demand of the European sugar each year, which depend to a large degree on the functioning of the Restructuring Fund set up to achieve a balance;
- The Australian operations are directly dependent on the evolution of the raw sugar world market, a part of which is the subject of the hedging of margins using financial futures instruments to make purchases/sales on the global sugar market;
- Oil price fluctuations have a direct impact on our companies, not only as fuel for the factories, but also on all other aspects of the business (fertilizers, transport, packing material, …); the raw sugar mills mitigate that impact by using bagasse as fuel.
- Our businesses are significantly affected by the evolution of currencies (the AUD/USD for Australia, the EURO/USD and USD/CHN for Galactic).

- Climate vagaries can affect our activities in all countries (frost, cyclones, drought, flood, …).
- Our subsidiaries in Congo are confronted with risks linked to the prevailing political situation.

Environment, personnel, customers

Our group is committed to sound environmental policy in all its operations. It observes the laws and standards in force in the countries in which it operates.

Unfortunately our group has experienced factory closures recently. It has always managed the closure and resultant rationalisation according to the social laws in place at the time, and in a manner which supports social dialogue and a smooth transition process. It is not always possible to prevent social conflict, but every effort is made to minimise disruption.

Our technical staff ensures a proper work safety environment, according to legal requirements in each country.

Desiring to offer our customers the best possible quality, our various businesses achieve the highest possible certification standards.

Future directions

Finasucre has enjoyed good growth over the past few years, aided by a European sugar industry that has provided us with comfortable revenue and enabled us to diversify.
The recent sugar reform has modified the situation and the reform of the CAP, by 2013, suggests that in 2014, the Sugar Regulation will be very or completely aligned with the global market.
This is already the case at our Australian sugar refineries.

Food processing (and sugar) has a good future, primarily as a result of the increase in the world's population, the shortage of farmland and as a source of renewable energy, although it is linked to climate conditions. Global warming will lead to more problems: droughts, cyclones and frost. It is likely that these violent and frequent excesses will have an impact on our results.

As a result, Finasucre has changed its risk profile and, in a highly foreseeable and regulated manner, it is and will be increasingly subject to the vagaries of the global climate and to raw materials and currency cycles.

These conclusions have led the Board of Directors to propose to the shareholders, in the second half of the year 2008, to buy back 15-20% of its own shares, in order to boost the liquidity of the Group's shares and to enable those shareholders who wish to do so to sell or reduce their stake.

In future, the company will adopt a dividend policy that will be based on its operating results.

Other information

- The Board of Directors is not aware of any circumstances or events occurring after the balance sheet's date (other than those described above) that could affect the normal operation of the company's activities.
- The company does not have any branches.
- The company did not carry on any distinct activity as regards Research and Development.
- None of the company's own shares were acquired by the company itself or by any direct subsidiary.
- The Board of Directors states that no decision has been carried out and no operations have been decided that would fall under the application of Article 523 of the Company Code concerning conflicts of interest with directors.
- No special mission was assigned to an auditor during the year.

This management report will be filed in accordance with the law and shall be kept at the registered office.

The Board of Directors
3 June 2008

Consolidated balance sheet (after appropriation) as at 31 March 2008

in '000 €

ASSETS		31-03-2008		31-03-2007	
Fixed Assets			**280,188**		**352,360**
I.	Formation expenses		11		25
II.	Intangible assets		26,153		90,027
III.	Consolidation differences (positive)		8,995		3,074
IV.	Tangible assets		224,286		235,362
	A. Land and buildings	136,282		148,191	
	B. Plant, machinery and equipment	72,141		73,389	
	C. Furniture and vehicles	2,204		2,590	
	D. Leasing and other similar rights	15		32	
	E. Other tangible assets	259		256	
	F. Assets under construction and advance payments	13,386		10,904	
V.	Financial Assets		20,743		23,872
	C. Other financial assets				
	1. Shares	10,434		10,569	
	2. Amounts receivable and cash guarantees	10,308		13,303	
Current assets			**370,259**		**340,926**
VI.	Amounts receivable after more than one year		54,900		2,692
	B. Other amounts receivable	53,809		2,692	
	C. Deferred taxes	1,090			
VII.	Stocks and contracts in progress				
	A. Stocks		76,982		73,779
	1. Raw materials and consumables	18,822		20,358	
	2. Work in progress	13,199		14,242	
	3. Finished goods	44,269		38,771	
	4. Goods purchased for resale	479		315	
	6. Advance payments	213		93	
	B. Contracts in progress		1,620		4,970
VIII.	Amounts receivable within one year		59,743		72,905
	A. Trade debtors	52,378		63,220	
	B. Other amounts receivable	7,365		9,684	
IX.	Investments		166,892		175,856
	B. Other investments	166,892		175,856	
X.	Cash at bank and in hand		9,320		8,790
XI.	Deferred charges and accrued income		802		1,934
TOTAL ASSETS			**650,447**		**693,286**

in '000 €

LIABILITIES	31-03-2008		31-03-2007	
Capital and reserves		**392,459**		**401,420**
I. Capital		2,232		2,232
A. Issued capital	2,232		2,232	
III. Revaluation surpluses		20,011		21,098
IV. Consolidated reserves		327,153		326,405
V. Consolidation differences (negative)		56,858		56,858
VI. Translation differences		(13,795)		(5,174)
VIII. Minority interests		22,832		29,248
Provisions, deferred tax and latent taxation liabilities		**36,326**		**25,732**
IX. A. Provisions for liabilities and charges		29,649		18,669
1. Pensions and similar obligations	13,794		1,115	
3. Major repairs and maintenance	865		3,367	
4. Other liabilities and charges	14,990		14,186	
B. Deferred tax and latent taxation liabilities		6,678		7,063
Creditors		**198,830**		**236,887**
X. Amounts payable after one year		45,545		87,712
A. Financial debts				
3. Leasing and other similar obligations			7	
4. Credit institutions	36,781		38,428	
5. Other loans	400			
D. Other debts	8,364		49,277	
XI. Amounts payable within one year		145,299		146,195
A. Current portion of amounts payable after one year	5,879		7,588	
B. Financial debts				
1. Credit institutions	37,000		27,765	
2. Other loans	389			
C. Trade debts				
1. Suppliers	34,151		41,454	
D. Advances received on contracts in progress	2,007		4,072	
E. Amounts payable regarding taxes, remuneration and social security				
1. Taxes	4,078		714	
2. Remuneration and social security	7,014		7,777	
F. Other amounts payable	54,781		56,824	
XII. Accrued charges and deferred income		7,986		2,980
TOTAL LIABILITIES		**650,447**		**693,286**

Consolidated income statement as at 31 March 2008

in '000 €

			31-03-2008		31-03-2007
I.	**Operating income**		**410,648**		**442,216**
	A. Turnover	393,811		450,829	
	B. [increase,(decrease)] in stocks of finished goods, work and contract in progress	6,037		(20,512)	
	C. Fixed assets - own construction	2,233		945	
	D. Other operating income	8,567		10,953	
II.	**Operating charges**		**(404,466)**		**(413,918)**
	A. Raw materials, consumables and goods for resale				
	1. Purchases	202,432		241,235	
	2. [(increase), decrease] in stocks	4,176		(7,439)	
	B. Services and other goods	64,752		64,977	
	C. Remuneration, social security costs and pensions	66,254		63,827	
	D. Depreciation of and other amounts written off formation expenses, intangible and tangible fixed assets	50,358		48,224	
	E. [increase, (decrease)] in amounts written of stocks, contracts in progress and trade debtors	581		(120)	
	F. [increase, (decrease)] in provisions for liabilities and charges	9,798		(2,002)	
	G. Other operating charges	6,115		5,160	
	H. Operating charges capitalised as reorganisation costs			56	
III.	**Operating profit (loss)**		**6,182**		**28,298**
IV.	**Financial income**		**10,303**		**10,563**
	A. Income from financial fixed assets	2,315		2,115	
	B. Income from current assets	6,492		1,168	
	C. Other financial income	1,497		7,280	
V.	**Financial charges**		**(13,103)**		**(7,562)**
	A. Interest and other debt charges	5,743		4,623	
	B. Amounts written down on positive consolidation differences	1,900		1,896	
	D. Other financial charges	5,460		1,043	
VI.	**Profit (Loss) on ordinary activities before taxes**		**3,382**		**31,299**

in '000 €

			31-03-2008		31-03-2007
VII.	**Extraordinary income**		**36,588**		**11,079**
	A. Write-back of amounts written down on intangible and tangible fixed assets	28,980			
	E. Gain on disposal of fixed assets	5,847		11,020	
	F. Other extraordinary income	1,761		59	
VIII.	**Extraordinary charges**		**(7,234)**		**(2,042)**
	A. Extraordinary depreciation of and amounts written off formation expenses, intangible and tangible fixed assets	5,268		322	
	D. Provisions for extraordinary liabilities and charges [increase, (decrease)]	1,430			
	E. Loss on disposal of fixed assets	528		1,652	
	F. Other extraordinary charges	7		68	
IX.	**Profit (Loss) for the financial period before taxes**		**32,735**		**40,336**
X.	**A. Transfer from deferred tax and latent taxation liabilities**		**3,351**		
	B. Transfer to deferred tax and latent taxation liabilities		**(2,040)**		**(1,810)**
XI.	**Income taxes**		**(18,158)**		**(9,411)**
	A. Income taxes	18,801		9,428	
	B. Adjustment of income taxes and write-back of tax provisions	(643)		(18)	
XII.	**Profit (Loss) for the financial period**		**15,888**		**29,115**
XIII.	**Share in the profit (loss) of the enterprises accounted for using the equity method**				
XIV.	**Consolidated profit (loss)**		**15,888**		**29,115**
	A. Share of third parties	4,740		3,405	
	B. Share of the group	11,148		25,710	

Annex to the consolidated accounts

I. Statement of formation expenses — in '000 €

		Formation expenses
a) Net carrying value as at the end of the preceding period		25
b) Movements of the period		
- New expenses incurred		-
- Depreciation		(15)
- Other		-
c) Net carrying value as at the end of the period		11
of which :		
- Expenses of formation or capital increase	11	
- Other	-	

II. Statement of intangible assets — in '000 €

	Research and development expenses	Concessions, patents, licences, etc…	Goodwill
a) Acquisition cost			
As at the end of the preceding period	240	110,330	48,658
Movements during the period			
- Acquisitions, including fixed assets, own production	-	122	4,806
- Sales and disposals	-	(55,406)	(12,149)
- Changes in the consolidation scope	-	-	-
- Translation differences	-	(6)	-
- Transfers from one heading to another	-	3	7,343
At the end of the period	240	55,042	48,658
c) Depreciation and amounts written down			
As at the end of the preceding period	(240)	(27,832)	(41,129)
Movements during the period			
- Recorded	-	(30,001)	(7,529)
- Written back as superfluous	-	28,938	-
- Translation differences	-	6	-
At the end of the period	(240)	(28,889)	(48,658)
d) Net carrying value at the end of the period	-	26,153	-

III. Statement of tangible fixed assets — in '000 €

	Land and buildings	Plant, machinery and equipment	Furniture and vehicles
a) Acquisition cost			
As at the end of the preceding period	131,637	240,197	10,264
Movements during the period			
- Acquisitions, including fixed assets, own production	4,450	7,565	482
- Sales and disposals	(1,104)	(958)	(193)
- Transfers from one heading to another	-	10,457	6
- Changes in the consolidation scope	(25)	(29)	-
- Translation differences	(4,923)	(3,894)	(298)
At the end of the period	130,036	253,339	10,261
b) Revaluation surpluses			
As at the end of the preceding period	39,715	8,386	-
Movements during the period			
- Trasferred revaluation gains	(7,343)	-	-
- Changes in the consolidation scope	25	-	-
- Translation differences	(1,346)	-	-
At the end of the period	31,051	8,386	-
c) Depreciation and amounts written down			
As at the end of the preceding period	(23,162)	(175,194)	(7,674)
Movements during the period			
- Recorded	(1,872)	(15,478)	(713)
- Written back as superfluous	93	242	166
- Transfers from one heading to another	-	(45)	-
- Changes in the consolidation scope	-	29	-
- Translation differences	137	862	164
At the end of the period	(24,805)	(189,584)	(8,057)
d) Net carrying value at the end of the period	136,282	72,141	2,204

	Leasing and other similar rights	Other tangible assets	Assets under construction and advance payments
a) Acquisition cost			
As at the end of the preceding period	56	481	10,949
Movements during the period			
- Acquisitions, including fixed assets, own production	-	10	13,462
- Sales and disposals	-	-	-
- Transfers from one heading to another	(11)	5	(10,472)
- Translation differences	-	-	(553)
At the end of the period	44	496	13,386
c) Depreciation and amounts written down			
As at the end of the preceding period	(24)	(225)	(45)
Movements during the period			
- Recorded	(6)	(12)	-
- Written back as superfluous	-	-	-
- Transfers from one heading to another	-	-	45
At the end of the period	(30)	(237)	()
d) Net carrying value at the end of the period	15	259	13,386

IV. Statement of financial fixed assets — in '000 €

	Other enterprises
1. Participating interests and shares	
a) Acquisition cost as at the end of the preceding period	14,837
Movements during the period	
- Acquisitions	8,207
- Sales and disposals	(8,140)
- Translation differences	(202)
At the end of the period	14,702
c) Amounts written down as at the end of the preceding period	(4,268)
Movements during the period	
At the end of the period	(4,268)
d) Net carrying value at the end of the period	10,434
2. Amounts receivable	
Net carrying value at the end of the preceding period	13,303
Movements during the period	
- Additions	343
- Translation differences	(501)
- Transfers from one heading to another	(2,837)
Net carrying value at the end of the period	10,308
Accumulated amounts written down on amounts receivable at the end of the period	-

V. Statement of enterprises excluded from the consolidation and in which a meaningful interest is held

	Year end	Currency	Shareholder's equity (in '000)	Results (in '000)	% shareholding
Compagnie Sucrière scarl Kwilu-Ngongo (Dem.Rep. of Congo)	31/12/07	CDF	17,330,515	4,857,524	60.00%
Sugar Terminals Limited King George Square Brisbane Qld 4000 (Australia)	30/06/07	AUD	348,205	24,658	4.26%
Socagrim sprl Bld du 30 Juin Kinshasa (Dem.Rep. of Congo)	31/03/08	CDF	-	-	100.00%
Futerro s.a. Place d'Escanaffles 23 7760 Celles (Belgium)	31/12/07	€	45	-17	27.50%

VI. Statement of consolidated reserves and profit carried forward — in '000 €

	Reserves and results brought forward
At the end of the previous financial period	326,405
Appropriation of prior results	-
Results of the current period (share of the group)	11,148
Appropriation of result	(10,400)
At the end of the period	327,153

VII. Statement of consolidation differences — in '000 €

	Goodwill	
	Positive	Negative
Net carrying value at the end of the preceding period	3,074	(56,858)
Movements during the period		
- arising from an increase of the percentage held	7,822	-
- depreciation	(1,900)	-
Net carrying value at the end of the period	8,995	(56,858)

VIII. Statement of amounts payable — in '000 €

A. Analysis of the amounts originally payable after one year according to their residual term	Amount payable (or the portion thereof) with a residual term of		
	No more than 1 year	Between 1 and 5 years	Over 5 years
Financial debts			
1. Subordinated loans	-	-	-
2. Unsubordinated debentures	-	-	-
3. Leasing and other similar obligations	14	-	-
4. Credit institutions	5,864	35,781	1,000
5. Other loans	-	400	-
Other amounts payable	-	8,364	-
Total	5,879	44,545	1,000

IX. Result — in '000 €

	Current period		Preceding period	
Net turnover		393,811		450,829
European Union	201,997		189,067	
Australia	151,022		180,446	
Other countries	40,792		81,316	
Workforce recorded in the personnel register				
Total number of personnel at the closing date		1,470		1,342
Personnel charges and pensions		66,180		63,827
Pensions provisions				
Increase (+) ; Decrease (-)	12,678		(3,335)	
Income taxes				
1. Income taxes of the current period		16,798		9,428
a. Taxes and withholding taxes due or paid	15,198		12,088	
b. Excess of income tax prepayments and withholding taxes capitalised	(126)		(2,808)	
c. Estimated additional charges for income tax	1,726		148	
d. Deferred taxes		-		-
2. Income taxes on previous periods		1,359		(18)
a. Taxes and withholding taxes due or paid	1,359		(18)	
3. Deferred taxes				
a. Beneficial deferred taxes		1,283		1,340
Accumulated tax losses deductible from future taxable profits	0		883	
Deduction for investments on later tax years	0		457	
Notional interests - deferred deduction	1,283		0	
b. Deferred tax liabilities		6,678		7,063
Deferred taxes	6,678		7,063	

X. Rights and commitments not reflected in the balance sheet — in '000 €

	Period	
	as a security for debts and commitments	
	of the enterprise	of third parties
A 2. Amounts of real guarantees, given or irrevocably promised by the enterprises included in the consolidation on their own assets.		
Pledge on current and other assets :		
- amount of the registration	7,341	-
- other pledged assets	1,500	-
A 5. b) Commitments from transactions :		
- to exchange rates (currencies to be received)	-	-
- to exchange rates (currencies sold to be delivered)	-	-

D. Members of management and employees of group companies benefit from an extra-legal pension scheme. The premiums paid for these group insurance contracts are partially borne by the personnel and partially by the enterprise.

Relationships with affiliated enterprises but not included in the consolidation — in '000 €

	Affiliated enterprises	Linked with participating interests
1. Financial fixed assets :		
- participating interests and shares	4,000	4,402
2. Amounts payable :		
- within one year	681	-
3. Amounts receivable :		
- within one year	2,468	-

XII. Financial relationships with directors or managers — in '000 €

	Period
A. Amounts of direct and indirect remunerations and pensions included in the income statement, to the directors and managers	1,244
B. Debts with directors and managers	-
C. Fees of the auditor(s)	296
D. Consulting assignments carried out by persons associated with the auditor(s)	39

Consolidation and accounting principles

I. Consolidation principles

CONSOLIDATION SCOPE

All affiliated companies as well as companies linked by participating interests are taken into consideration when drawing up the consolidated accounts. However, the companies meeting one or more of the following criteria could be excluded: (i) too low participating interest; (ii) located in a country with political or monetary instability; (iii) probable break of links with the group; (iv) liquidation, nationalisation or loss of activity; (v) impossibility to exercise power or impossibility to obtain information within a reasonable time or without generating disproportionate expenses.

Accordingly, as the present political situation in the Democratic Republic of Congo renders the continuation of normal economic activities uncertain, the companies located in that country (Compagnie Sucrière scarl and Socagrim sprl) have been excluded from the scope of consolidation. Futerro SA, a Belgian subsidiary in which Galactic SA holds a 50% stake, was also removed from the scope of consolidation. This company was founded during the third quarter of 2007 and its accounts closed at 31 December 2007 are insignificant.

CONSOLIDATION METHODS

- **Full consolidation**

The full consolidation method is used whenever one of the following two conditions is met: (i) the participating interest of the group in the capital of its subsidiary is more than 50 %; (ii) the group has controlling power in the company, as is the case with the financial holding in B&G in China.

This consolidation method consists of incorporating into the parent company's accounts all assets and liabilities of the consolidated subsidiary as a substitute for the carrying value of the participating interest therein. It reveals consolidation differences and identifies minority interests. Similarly, the income statement items of the subsidiaries are added to those of the parent company and their results of the year are split into the parent company's share and the share of third parties. Intercompany accounts and operations are eliminated on consolidation.

- **Equity method**

This method is used when the group's interest in the company is more than 20 % but less than 50 %. Assets and liabilities of the company consolidated using the equity method are not incorporated in each section of the consolidated balance sheet, but the account «participating interests» of the consolidating company is adjusted in the consolidated financial statements to take account of the fluctuations of its share in the net assets of the subsidiary. The consolidated income statement records the part of the group in the results realised by the company consolidated using the equity method, instead of the dividends received or the write-offs recorded.

No group interest was included in the consolidation using this method during the year under review or the previous year.

- **Consolidation differences**

The differences between, on the one hand, the share in the consolidated companies' shareholders' equity on the shares' acquisition date or on a date close to said date, and, on the other, the accounting net value of these interests on the same date are attributed, to the extent possible, to the asset and liability items that have a value superior or inferior to their book value in the subsidiary's accounts.

The remaining difference is posted to the consolidated balance sheet under the item «Positive consolidation differences» or "Negative consolidation differences», which cannot be compensated, except for those that are associated with the same subsidiary. «Positive consolidation differences» are depreciated over 5 years in the consolidated profit and loss account. Additional one-time depreciations are booked if, as a result of changes in economic circumstances, there is no longer any economic justification for keeping them at this value in the consolidated balance sheet.

- **Foreign currency translation differences**

The accounts of foreign companies included in the consolidation are translated into EURO at the exchange rate in force at 31 March for all balance sheet items and at the average rate in force during the financial year for all income statement items. In the specific case of B&G in China, which closes its financial year on 31 December, it is the exchange rates on this date that are used as well as the average price of the financial year for all its results items.

The exchange differences on foreign currency translation are recorded in the balance sheet under liabilities in the section «Foreign currency translation differences». They include the following two items: (i) exchange rate differences on equity, equalling the difference between the historical rate and the closing rate and (ii) exchange differences on results, equalling the difference between the average rate and the closing rate of the period.

- **Valuation rules**

The valuation rules used for the preparation of the consolidated accounts are the same as those applied to the annual statutory accounts. Group companies have adopted – per sector – uniform valuation rules so that no retreatment is required. The rules applied by B&G and Galactic Inc do not significantly diverge from those of the other Group companies and no adjustment is required.

For foreign subsidiaries, the necessary reclassifications and retreatments have been performed. The fiscal charge of the consolidated accounts corresponds to the sum of the individual fiscal charges of the consolidated companies using the equity method.

The consolidated financial statements of Finasucre Investments (Australia) Pty Ltd are prepared in accordance with Australian generally accepted accounting principles and valuation rules. They have not been adjusted with a view to their integration in the consolidated accounts of the Finasucre group. In fact, most of the accounting principles and valuation rules applied are very similar to those applied in the other companies of the Finasucre group and any possible discrepancies which could have a significant impact on the interpretation of the consolidated financial statements of the group are specified hereunder. However, new Australian standards (IFRS) have been applied starting in 2005/2006. Apart from the obligation henceforth to include in the accounts the current value of previously constituted funds and possibly supplemented in the course of the financial year and to post the deferred taxes according to the IFRS principles, the new standards do not require a reworking of the financial statements in order for them to be harmonised with the other consolidated companies.

- **Elimination of internal operations**

Intra-group operations affecting assets and liabilities, such as financial fixed assets, payables and receivables, as well as the income statement, such as interests, charges and income, are eliminated in the full and proportional consolidations. Dividends received from consolidated companies using the equity method are eliminated and replaced by our share in the result.

In the particular case of B&G in China, closing its accounts on 31 December, the elimination of internal transactions with companies of the consolidation perimeter has been done for the smallest amount appearing in the balance sheet and income statement items of the companies in internal relationships for each balance sheet and income statement item balance.

- **Accounting period of reference**

For companies included in the consolidation, the date of closure of the accounts is 31 March 2008, except for B&G in China, which closes on 31 December. The consolidated income statement shows twelve months of activity for all companies included in the consolidation as well as the comparative figures of the previous year

II. Statement of consolidated companies *(in accordance with the full consolidation method)*

Company	Registered address and National number	% Interest	% Control
Finasucre S.A.	Av.Herrmann-Debroux, 40-42 BE-1160 Brussels - Belgium Nat Nr 0403 219 201	Mother-company	
Groupe Sucrier S.A.	Chaussée de la Sucrerie, 1 BE-7643 Fontenoy - Belgium Nat Nr 0402 802 594	99.72%	99.72%
Finasucre Investments (Australia) Pty Ltd	Bundaberg (Queensland) - Australia ABN 23 062 315 593	100%	100%
Finasucre Holdings (Australia) Pty Ltd	Bundaberg (Queensland) - Australia ABN 16 011 060 727	100%	100%
Finasucre Australia Pty Ltd	Bundaberg (Queensland) - Australia ABN 73 011 060 530	100%	100%
Bundaberg Sugar Group Ltd	Bundaberg (Queensland) - Australia ABN 75 009 658 164	100%	100%
Bbs Finance Ltd	Bundaberg (Queensland) - Australia ABN 44 062 234 682	100%	100%
Queensland Urban Projects Pty Ltd	Bundaberg (Queensland) - Australia ABN 28 061 990 449	100%	100%
Bundaberg Foundry Engineers Ltd	Bundaberg (Queensland) - Australia ABN 49 009 696 128	100%	100%
Bundaberg Sugar Ltd	Bundaberg (Queensland) - Australia ABN 24 077 102 526	100%	100%
Bbs Subsidiary Pty Ltd	Bundaberg (Queensland) - Australia ABN 25 078 974 991	100%	100%
Northern Land Holdings Ltd	Bundaberg (Queensland) - Australia ABN 33 009 657 112	100%	100%
Iscal Sugar S.A. / N.V.	Chaussée de la Sucrerie, 1 BE-7643 Fontenoy - Belgium Nat Nr 0861 251 419	68.7%	68.9%
Iscal Sugar B.V.	Zuiveringweg, 14 – NL 8243 PZ Lelystad - The Netherlands	68.7%	100%
Devolder S.A.	Av.Herrmann-Debroux, 40-42 BE-1160 Brussels - Belgium Nat Nr 0422 175 969	99.72%	100%
Galactic S.A.	Place d'Escanaffles, 23 BE-7760 Escanaffles - Belgium N° Ent 0408 321 795	54.85%	55%
Galactic Incorporated	West Silver Spring Drive 2700 53209 Milwaukee - United States	54.85%	55%
B&G	Daqing road 73 233010 Bengbu - China	48.87%	60%

III. Summary of accounting principles

ASSETS

1. Valuation rule valid for all fixed assets (excluding financial fixed assets)
Fixed assets are valued at their acquisition value, which corresponds either to the acquisition price (including accessory costs), or to cost price, or to their incorporation value.

2. Start-up expenses
These are depreciated over 5 years.

3. Intangible fixed assets
Intangible fixed assets whose use is limited in time are depreciated over their lifetime or probable use, which cannot exceed 5 years.

To the extent possible, merger goodwill is allocated to any under-valuations of assets; the balance is depreciated over no more than 5 years, based on probable economic lifetime.

4. Tangible fixed assets
Tangible fixed assets whose use is limited in time are depreciated as of their acquisition or commissioning date.

The annual depreciation rates are calculated using the straight-line method or on a degressive basis, depending on the lifetime of the investments as defined below:

- Industrial buildings : 20 years
- Operating equipment : 10 years
- Tools : 3 years
- Movable objects : 10 years
- Office furniture : 5 years
- Computer equipment: 4 years
- Rolling stock: 5 years

Bundaberg Sugar's industrial buildings are depreciated using the straight-line method, based on the economic lifetime (40 to 67 years). Its industrial equipment and facilities are depreciated using the straight-line method, based on an economic lifetime of 5 to 40 years.
Tangible fixed assets, the estimated economic lifetime of which is not limited, are subject to value adjustments in case of long-lasting value decrease or depreciation.
Additional, one-time or accelerated depreciations can be applied based on tax provisions or due to changes in economic or technological circumstances.

5. Financial fixed assets
Participations, shares and participating interests are valued at their acquisition cost, excluding accessory costs. Write-downs are booked when the estimated value of a share is below inventory value, provided that the loss of value observed is of a lasting nature.
When financial fixed assets show a lasting and unquestionable surplus as compared to the initial book value, a revaluation can be performed.

6. Amounts receivable
Receivables are recorded at nominal value or acquisition cost. Receivables in foreign currency are recorded in EURO at the rate in force on the day of the transaction and revalued at the closing rate at year-end. Write-offs are recorded if the collectibility at due-date is partially or completely uncertain or hazardous.

7. Stocks
A. *Cane still growing in the fields*
Costs incurred by Bundaberg Sugar for the agricultural production of sugar cane are recorded in inventories from the moment of the last harvest until the balance sheet date. They are recorded under consumption in the following financial year based on the tonnage harvested.

B. *Goods, raw materials, consumable products and supplies*
Those goods are valued at the lower of either acquisition cost according to the weighted average prices method or market value at closing date. Spare parts or slow moving parts are systematically written off. Write-downs are booked on obsolete stocks or on slow moving stocks.

C. *Work in progress and finished goods*
The products are generally valued based on the «direct costing» method.

a) Crystallised sugar
This product is valued in accordance with the « direct costing » method which includes the following production costs: raw materials, consumable goods, and direct production cost, less the value of the sub-products (foam, pulps and molasses).

Those of Bundaberg Sugar include raw materials, consumption materials, direct manufacturing costs, and fixed manufacturing costs.

b) Gross sugar and syrup
These products are assigned a value based on the white content as per European regulations and the cost price of crystallised sugar.

c) Pulp, molasses and other by-products are valued at market price.

d) Lactic acid is valued at the lower of «full costing» price or realisation price. Work in progress is valued at the average sales price of the period.

e) Orders and Contracts in progress are valued at cost, increased by a percentage of profit considered as earned at balance sheet date (based on an individual rate of completion of at least 70%). Costs comprise all direct costs and a percentage of overhead expenses charged individually to each contract. If the costs incurred for a contract in progress exceed the expected income, the exceeding portion is immediately recorded as a charge.

8. Investments and cash at bank and in hand
Assets are recorded at their nominal value and investments are recorded in the balance sheet as assets at acquisition cost, excluding accessory costs. At year-end, a write-off is recorded if the realisable value is lower than acquisition cost.

9. Deferred charges and accrued income
Expenses incurred during the period but relating partially or totally to a following financial year are valued in accordance with the pro rata rule.

Income or part of income, the collection of which will only take place in a future period but relating to the period in question, are valued at the pro rata amount related to the said period.

LIABILITIES

10. Investment grants
Investment grants are progressively reduced, in proportion to the depreciation of the fixed assets for which the grants were obtained.

11. Provisions for liabilities and charges
At year-end, the Boards examine the advisability of setting up provisions to cover the risks or losses arisen during the period.

Deferred taxes and latent tax assets and liabilities are posted at Bundaberg Sugar according to the new IFRS accounting standards. The effects on the Group's consolidated income statement resulting from this first application have been isolated from the corresponding items in order to show the impact thereof and to enable comparison with the previous financial years' results.

12. Amounts payable after more than one year
Those debts are recorded at their nominal value. A value adjustment must be booked if the estimated value of the debt at the end of the year exceeds book value.

13. Amounts payable within one year
Those debts are recorded at their nominal value. A value adjustment must be booked if the estimated value of the debt at year-end is above the book value. Provisions are recorded for tax and social charges related to the period. Vacation pay accruals are computed in accordance with fiscal rules. The provisions are regularly reviewed and reversed when they became obsolete.

14. Accrued charges and deferred income
Charges or part of charges relating to the period but which will only be paid in a later period, are valued on the basis of the amount related to the period. Income received during the period but relating partially or totally to a future period is also valued based on the amount considered income from a future period. Income with uncertain collectibility is also recorded in that section.

15. Turnover
The net turnover recorded by Bundaberg Sugar on the sale of raw sugar is based on the «pool price» applicable per ton of sugar, estimated by Queensland Sugar Limited, the official organisation authorised to carry out the Australian exports of raw sugar. Any adjustment between this price and the final sales price is booked in the following financial year.

16. Extra-legal pension scheme
a) Apart from the legal pension schemes, certain group companies have adopted a complementary pension scheme in favour of their management and certain categories of employees. For that purpose, group insurance contracts have been subscribed, the premiums of which are covered by contributions by the persons insured and by the employer.

b) Bundaberg Sugar sets up provisions for the pension rights of its personnel. Those provisions are reviewed annually in order to be able to meet future estimated pension costs, based on the future level of remunerations and length of service of the entitled personnel, calculated at balance sheet date as per present interest rates applicable following the presumed due dates.

17. Deviations from the valuation rules
a) The receivable from the State of Congo (ex-Zaire), amounting to € 2.5 million (section V of the balance sheet) results from a handover agreement of 60 % of the shares of Compagnie Sucrière scarl, signed in 1977. It is still considered as 100 % collectible, but it is impossible to foresee a precise date.

b) As a consequence of the merger in 1989 between Sogesucre S.A., Suikerfabrieken van Vlanderen n.v. and Fabrique de Sucre de Frasnes-lez-Buissenal S.A. with a view to creating Groupe Sucrier S.A., and as a consequence of the acquisition of Devolder S.A. in 1989 and the demerger effective 1 September 1993 of Advanced Technics Company S.A. to create Brussels Biotech S.A., not all of the depreciations have been recorded in accordance with the depreciation rates indicated above. Fixed assets of those companies acquired before those dates of merger or demerger, have been depreciated at rates sometimes different from those mentioned above.

c) In accordance with tax provisions, the assets contributed to the company in 2003 by Groupe Sucrier S.A. to Iscal Sugar S.A. or resulting from merger in 2003 between the latter and Sucrerie de Fontenoy S.A. and Suikerfabriek van Veurne n.v. continue to be depreciated based on their original valuation rules.

d) By derogation, Iscal Sugar had initially undertaken to depreciate the goodwill recorded at the time of the merger with Suikerfabriek van Veurne n.v. over five six-month periods but has subsequently decided, with effect from the 2004/2005 financial year, to depreciate the balance over a four-year period.

Statutory auditor's report to the General Meeting of shareholders of Finasucre on the consolidated financial statements for the year ended 31 march 2008

In accordance with the legal requirements, we report to you on the performance of our mandate of statutory auditor. This report contains our opinion on the consolidated financial statements as well as the required additional comments.

Unqualified opinion on the consolidated financial statements

We have audited the consolidated financial statements of Finasucre and its subsidiaries (collectively referred to as 'the Group") for the year ended 31 March 2008, prepared in accordance with the financial reporting framework applicable in Belgium, which show a consolidated balance sheet total of € 650.447(.000) and a consolidated profit for the year, share of the Group, of € 11.148(.000).

Responsibility of the board of directors for the preparation and fair presentation of the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Responsibility of the statutory auditor

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the legal requirements and the auditing standards applicable in Belgium, as issued by the Institute of Registered Auditors (Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren). Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

In accordance with these standards, we have performed procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

In making those risk assessments, we have considered internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. We have evaluated the appropriateness of accounting policies used, the reasonableness of significant accounting estimates made by the Group and the presentation of the consolidated financial statements, taken as a whole. Finally, we have obtained from the board of directors and the Group's officials the explanations and information necessary for executing our audit procedures. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the consolidated financial statements for the year ended 31 March 2008 give a true and fair view of the Group's financial position and the results of its operations in accordance with the financial reporting framework applicable in Belgium.

Additional comments

The preparation and the assessment of the information that should be included in the directors' report on the consolidated financial statements are the responsibility of the board of directors.
Our responsibility is to include in our report the following additional comments, which do not modify the scope of our opinion on the consolidated financial statements:

- The directors' report on the consolidated financial statements deals with the information required by law and is consistent with the consolidated financial statements. We are, however, unable to comment on the description of the principal risks and uncertainties which the entities included in the consolidation are facing, and on their financial situation, their foreseeable evolution or the significant influence of certain facts on their future development. We can nevertheless confirm that the matters disclosed do not present any obvious inconsistencies with the information that we became aware of during the performance of our mandate.

Brussels, 5 June 2008
Ernst & Young Reviseurs d'Entreprises SCCRL
Statutory auditor
represented by Vincent Etienne, Partner

Balance sheet as at 31 March 2008

in 000 €

ASSETS	31-03-2008		31-03-2007	
Fixed assets		**149,471**		**148,009**
Financial fixed assets		149,471		148,009
Affiliated enterprises				
Participating interests	148,014		148,009	
Other financial assets				
Shares	1,457		-	
Current assets		**155,299**		**158,068**
Amounts receivable within one year		1		1
Other amounts receivable	1		1	
Current investments		154,467		157,389
Other investments	154,467		157,389	
Cash at bank and in hand		540		424
Deferred charges and accrued income		292		255
TOTAL ASSETS		**304,770**		**306,077**

EQUITY AND LIABILITIES	31-03-2008		31-03-2007	
Equity		**293,849**		**292,859**
Capital		2,232		2,232
Issued capital	2,232		2,232	
Revaluation surpluses		10		10
Reserves		263,602		263,602
Legal reserve	223		223	
Reserves not available				
Other	27		27	
Untaxed reserves	3,352		3,352	
Available reserves	260,000		260,000	
Accumulated profits (losses)		28,004		27,014
Provisions and deferred taxes		**-**		**2,400**
Provisions for liabilities and charges		-		2,400
Other liabilities and charges	-		2,400	
Amounts payable		**10,921**		**10,819**
Amounts payable within one year		10,565		10,619
Taxes, remuneration and social security				
Taxes	1		101	
Remuneration and social security	19		9	
Other amounts payable	10,544		10,510	
Deferred charges and accrued income		356		200
TOTAL LIABILITIES		**304,770**		**306,077**

Income statement as at 31 March 2008

in 000 €

	31-03-2008		31-03-2007	
Operating income				
Other operating income				
Operating charges		**2,072**		**(241)**
Services and other goods	232		212	
Remuneration, social security costs and pensions	95		28	
Other operating charges	1		1	
Provisions for risks and charges :				
[appropriation,(uses and write-backs)]	(2,400)			
Operating profit (Loss)		**2,072**		**(241)**
Financial income		**11,113**		**22,383**
Income from financial fixed assets	5,072		16,908	
Income from current assets	5,524		4,739	
Other financial income	517		736	
Financial charges		(1,795)		(605)
Other financial charges	1,795		605	
Gain (Loss) on ordinary activities before taxes		**11,390**		**21,537**
Extraordinary income		-		-
Extraordinary charges		-		-
Gain (Loss) before taxes		**11,390**		**21,537**
Income taxes		-		**(310)**
Income taxes	-		(310)	
Gain (Loss) of the period		**11,390**		**21,227**

APPROPRIATION ACCOUNT

Profit to be appropriated		**38,404**		**37,414**
Gain to be appropriated	11,390		21,227	
Profit brought forward	27,014		16,187	
Transfers to capital and reserves				
Result to be carried forward		**(28,004)**		**(27,014)**
Profit to be carried forward	28,004		27,014	
Profit to be distributed		**(10,400)**		**(10,400)**
Dividends	10,400		10,400	

Annex to the financial statements and accounting principles

C 5.4.1 Statement of financial fixed assets — in '000 €

	Period	Preceding period
Affiliated enterprises - Participating interests and shares		
Acquisition value as at the end of the period	148,337	148,337
Movements during the period		
Acquisitions	5	-
At the end of the period	148,342	148,337
Revaluation gains at the end of the period	11	11
Movements during the period :		
At the end of the period	11	11
Amounts written down at the end of the period	(339)	(339)
Movements during the period :		
At the end of the period	(339)	(339)
Net book value at the end of the period	148,014	148,009
Enterprises linked by a participating interest - Participating interests and shares		
Acquisition value as at the end of the period	-	-
Movements during the period :		
Acquisitions	1,457	-
At the end of the period	1,457	-
Net book value at the end of the period	1,457	-

C 5.5.1 Participating interests and other rights in other enterprises

Name of the registered office and for enterprise governed by Belgian law the VAT or national number and registered office	Rights held by			Information from the most recent period available			
	the enterprise		Subsi-diaries	Annual account as at	Currency	Capital and reserves	Net result
	Number	%	%			('000)	('000)
Groupe Sucrier S.A. Chaussé de la Sucrerie, 1 BE-7643 Fontenoy Belgium Nat Nr 0402802594	2,113,551	99.72	-	31/03/2008	€	41,945	10,649
Finasucre Investments (Australia) Pty Ltd ABN 75 009 658 164 PO BOX 500 4670 Brisbane - Australia	122,833,643	100.00	-	31/03/2008	AUD	260,757	-
Devolder S.A. Avenue Herrmann-Debroux, 40-42 BE-1160 Brussels - Belgium Nat Nr 0422175969	1	0.02	99.98	31/03/2008	€	1,086	17
Socagrim S.P.R.L. NRC Kinshase/Gombe 1556/M Kinshasa Dem.Rep. of Congo	21	0.05	99.95	31/03/2008 (6 months)	€	first financial year	

C 5.6 Other investments and deposits, allocation deferred charges and accrued income — in '000 €

	Period	Preceding period
Current investments		
Shares		-
Book value increased with the uncalled amount	4,699	-
Fixed income securities	26,368	32,389
Fixed income securities issued by credit institutions	-	-
Term accounts with credits institutions	123,400	125,000
With residual term or notice of withdrawal:		
up to one month	55,385	83,100
between one month and one year	68,015	41,900
Other investments not mentioned above	-	-
Deferred charges and accrued income		
Charges brought forward to the next period		-
Interest receivable		-

C 5.7 Statement of capital and shareholding structure — in '000 €

	Period	Preceding period
Statement of capital		
Social capital		
Issued capital at the end of the period	-	2,232
Issued capital at the end of the period	2,232	

	Amounts	Number of shares
Structure of the capital		
Different categories of shares		
Shares without nominal value	2,232	100,000
Registered	-	51,335
Bearer	-	48,665

Structure of shareholdings of the enterprise at year-end closing date, as it appears from the statements received by enterprise	
SA Wulfsdonck Investments	32.56%
Other nominal shareholders	18.78%
Bearer	48.66%
	100%

C 5.9 Statement of amounts payable, accrued charges and deferred income — in '000 €

	Period
Taxes, remuneration and social security	
Taxes	
Outstanding taxes debts	-
Accruing taxes payable	1
Estimated taxes payable	-
Remuneration and social security	
Amounts due to National Social Security Office	-
Other amounts payable in respect of remuneration and social security	19
Deferred charges and accrued income	
Interest collected in advance	356

C 5.10 Operating results — in '000 €

	Period	Preceding period
Employees recorded in the personnel register		
Total number at the closing date	2	2
Average number of employees calculated in full-time equivalents	1.5	0.5
Number of actual worked hours	2,594	561
Personnel costs		
Remuneration and direct social benefits	63	16
Employer's contribution for social security	16	4
Employers' premium for extra statutory insurance	2	1
Other personnel costs	13	7
Provisions for risks and charges		
Formed	-	-
Used and written back	2,400	-
Other operating charges		
Taxes related to operation	1	1

C 5.11 Financial and extraordinary results — in '000 €

	Period	Preceding period
Other financial income		
Win on bonds portfolio	515	736
Other financial charges		
Exchange losses	-	429
Bank charges	35	33
Miscellaneous financial charges	201	143
Loss on bonds portfolio	1,559	-
Extraordinary results		
Other extraordinary income	-	-
Other extraordinary charges	-	-

C 5.12 Income and other taxes — in '000 €

		Period
Income taxes		
Income taxes of the result of the current period		-
Income taxes paid and withholding taxes due or paid		-
Excess of income tax payments and withholding taxes paid included in assets		-
Estimated taxes payable		-
Income taxes on the result of prior periods		-
Additional income taxes due or paid		-
Additional income taxes estimated or provided for		-
In so far as taxes of the current period are materially affected by differences between the profit before taxes as stated in annual acounts and the estimated taxable profit		
Income definitively taxed		(4,819)
Notional interest deduction		(4,177)
Reversal of a taxed provision		(2,400)
Status of deferred taxes		
Deferred taxes representing assets		1,261
Other deferred taxes representing assets : deferred notional interests deduction		1,261

	Period	Preceding period
Value added taxes and other incoe taxes borne by third parties		
Amounts withheld on behalf of third party		
For payroll withholding taxes	53	37
For withholding taxes on investment income	1,753	1,687

C 5.13 Rights and commitments not reflected in the balance sheet	in '000 €
	Period
Succinct description of the complementary retirement or survival pension established for employees	
The company's employees are entitled to an extralegal pension plan.	
Contributions paid pursuant to group insurance contracts are borne in part by employees a and in part by the company	

C 5.14 Relationship with affiliated enterprises and enterprises linked by participating interest				in '000 €
		Period		Preceding period
Affiliated enterprises				
Financial fixed assets		148,014		148,009
Participating interests	148,014		148,009	
Financial results		5,072		18,160
Income from financial fixed assets	5,072		16,908	
Income from current assets		-	1,252	

C 5.15 Financial relationship with	in '000 €
	Period
Directors, managers, individuals or bodies corporate who control the enterprise without being associated therewith or other enterprises controlled by these persons	
Amounts of direct and indirect remunerations included in the income statement, to the directors and managers	152
Auditors or people they are linked to	
Auditor's fee	28

C 6 Social balance sheet — in '000 €

Number of joint industrial committee which is competent for the enterprise : 218

Statement of the persons employed - Employees recorded in the personnel register				
During the financial period and during the preceding financial period	1. Full-time	2. Part-time	3. Total (T) or total full-time equivalents (FTE)	
	(period)	(period)	(period)	(preceding period)
Average number of employees	1.0	1.0	1.5 (FTE)	0,5 (FTE)
Number of actual working hours	1,710	884	2,594 (T)	561 (T)
Personnel charges (000€)	62	32	95	28

At the end of the period		1. Full-time	2. Part-time	3. Total in full-time equivalents
Number of employees recorded in the personnel register		1	1	1.5
By nature of employment contract : Contract of unlimited duration		1	1	1.5
By sex :	Male	1		1.0
	Female		1	0.5
By professionnal category :	Management personnel	1		1.0
	Employees		1	0.5

List of personnel movements during the accounting period				
ENTRIES		1. Full-time	2. Part-time	3. Total in full-time equivalents
Number of employees recorded in the personnel register during the accounting period		-	-	-
By nature of the employment contract : Contract of unlimited duration		-	-	-
Per sex and level of education	Male : university education	-	-	-
	Female : university education	-	-	-

DEPARTURES	1. Full-time	2. Part-time	3. Total in full-time equivalents
Number of employees whose contract-termination date has been entered in the personnel register during the accounting period	-	-	-

Statement concerning the use of employment promotion measures during the accounting period			
	Number of employed persons involved		
	1.Number	2.In full-time equivalents	3.Amount of the financial profit
Measures comprising a financial advantage*			
* Financial benefit to the employer regarding the incumbent or his substitute			
Structural reduction of the social security contributions	2	1.5	2,660
Professional transition programme	-	-	-
Number of employees involved in one or more employment-promotion measures			
total (financial period)	2	1.5	
total (previous financial period)	2	1.5	

C.7 Summary of Accounting Principles

ASSETS

III. Tangible fixed assets
Tangible fixed assets are recorded in the balance sheet as assets at their historical purchase price, including accessory costs, or at cost or at the contribution value.

Depreciation is calculated on a linear basis, at the authorised tax rates, based on their estimated useful life.

IV. The acquisitions of the financial year are depreciated as from the year in which they are recorded.

V. Financial fixed assets
These assets are valued at acquisition cost, under deduction of related write-offs. Accessory costs are incorporated in the acquisition price.

Write-downs are booked when the estimated value of a share is below inventory value, provided that the loss of value observed is of a lasting nature.

Amounts receivable are recorded at nominal value. Write-offs are recorded if the collectibility at due-date is partially or completely uncertain or hazardous.

V. & VII. Amounts receivable after more than one year
Amounts receivable within one year
Amounts receivable are recorded at nominal value. Write-offs are recorded if the collectibility at due-date is partially or completely uncertain or hazardous.

VIII. & IX. Investments and cash at bank and in hand
Receivables are recorded at nominal value. Investments are recorded on the asset-side of the balance sheet at acquisition cost, excluding accessory costs. At the end of the financial year write-downs are recorded if the realisable value is below book value.

As to fixed interest bearing securities, held directly or indirectly through mutual fund instruments having a regular quotation and a liquid market, the market value at closing date is applied for valuation purposes.

LIABILITIES

VII. Provisions for liabilities and charges
At each closing date, the Board of Directors, ruling with prudence, sincerity and in good faith, examines the provisions to be constituted to cover the risks foreseen, potential expenses or losses arisen during the present or prior periods.

Provisions related to prior periods are regularly reviewed and written back if they are no longer relevant.

VIII. & IX. Amounts payable after more than one year
Amounts payable within one year
Those debts are recorded at their nominal value.

Assets and liabilities expressed in foreign currency
Valuations of credit balances, debts and foreign currency: assets and liabilities expressed in foreign currency are, in principle, valued at the exchange rate prevailing at the closing date of the financial year, allowing for any possible exchange risk covers. Exchange differences are recorded in the income statement.

Statutory auditor's report to the General Meeting of shareholders of Finasucre on the financial statements for the year ended 31 March 2008

In accordance with the legal and statutory requirements, we report to you on the performance of our mandate of statutory auditor. This report contains our opinion on the financial statements as well as the required additional comments.

Unqualified opinion on the financial statements

We have audited the financial statements for the year ended 31 March 2008, prepared in accordance with the financial reporting framework applicable in Belgium, which show a balance sheet total of € 304.770(.000) and a profit for the year of € 11.390(.000).

Responsibility of the board of directors for the preparation and fair presentation of the financial statements

The board of directors is responsible for the preparation and fair presentation of the financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Responsibility of the statutory auditor

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the legal requirements and the auditing standards applicable in Belgium, as issued by the Institute of Registered Auditors (Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren). Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

In accordance with these standards, we have performed procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, we have considered internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. We have evaluated the appropriateness of accounting policies used, the reasonableness of significant accounting estimates made by the company and the presentation of the financial statements, taken as a whole. Finally, we have obtained from the board of directors and the company's officials the explanations and information necessary for executing our audit procedures. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial statements for the year ended 31 March 2008 give a true and fair view of the company's financial position and the results of its operations in accordance with the financial reporting framework applicable in Belgium.

Additional comments

The preparation and the assessment of the information that should be included in the directors' report and the company's compliance with the requirements of the Company Code (Wetboek van vennootschappen/Code des sociétés) and its articles of association are the responsibility of the board of directors.

Our responsibility is to include in our report the following additional comments, which do not modify the scope of our opinion on the financial statements:

- The directors' report deals with the information required by law and is consistent with the financial statements. We are, however, unable to comment on the description of the principal risks and uncertainties which the company is facing, and on its financial situation, its foreseeable evolution or the significant influence of certain facts on its future development. We can nevertheless confirm that the matters disclosed do not present any obvious inconsistencies with the information that we became aware of during the performance of our mandate.
- Without prejudice to formal aspects of minor importance, the accounting records were maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- We do not have to report any transactions undertaken or decisions taken in violation of the company's articles of association or the Company Code. The appropriation of the results proposed to the shareholders' meeting complies with the legal and statutory provisions.

Brussels, 5 June 2008
Ernst & Young Reviseurs d'Entreprises SCCRL
Statutory auditor
represented by Vincent Etienne, Partner

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