

**PRESS RELEASE**

**REGULATED INFORMATION**

**16 February 2012**

- ✓ **RECURRING OPERATING PROFIT RISING (+6.5%) TO EUR 3.5 M**
- ✓ **MECELCO AND LATENT EXCHANGE RATE DIFFERENCES BOTH IMPACTING ON THE NET RESULT**
- ✓ **POLICY OF ANNUALLY RAISING THE DIVIDEND IS CONTINUED: +21%**

TEXAF's Board of Directors drew up the company's statutory accounts (in accordance with Belgian law on annual accounts) and consolidated accounts (in accordance with the IFRS standards as adopted in the European Union) on 31 December 2011.

The Board wishes to point out that the company's assets are located in the Democratic Republic of Congo (DRC) and that the specific environment of the country entails certain risks. The accounts were drawn up based on an outlook involving stability in the social-economic and regulatory environment.

## ITEMS OF NOTE

- ✚ The economy of DR Congo continues to grow at a pace estimated at 6.5% per year. The Congolese franc has remained stable, supported both by the stability of prices for raw materials and a government policy of hoarding revenue. This policy is leading to difficulties for all public-entity suppliers, which are having great trouble getting paid. Price inflation for consumers, however, has accelerated and is now at 14% per year.
- ✚ **CARRIGRES** has had a difficult financial year, marked by major breakdowns and continual power cuts, but has managed to keep its profitability level.
- ✚ The Group decided that **MECELCO** should be backed by a larger industrial operator.
- ✚ In **REAL ESTATE**, the group is benefitting from the investments of recent years and its rental revenues have been exceeding EUR 10 million on an annualised basis. Following long legal battles, it is once again able to have the full use of its "FOMETRO" site.
- ✚ The consolidated operational result amounts to kEUR 3,771 (+15%), of which kEUR 3,472 is recurring (+6.5%). The net result (Group share) is at kEUR 1,831 (-42%) but in 2010 the Group achieved a capital gain on the transfer of assets of kEUR 1,737.
- ✚ On 9 February 2012, an extraordinary general meeting of **TEXAF SA** was held, at which, in addition to the setting of standards in line with new legal provisions, the decision was made to divide the share by 10, to immediately convert bearer securities, and to fix a new date for the ordinary general meeting, namely the second Tuesday in May.

## INDUSTRIAL ACTIVITIES

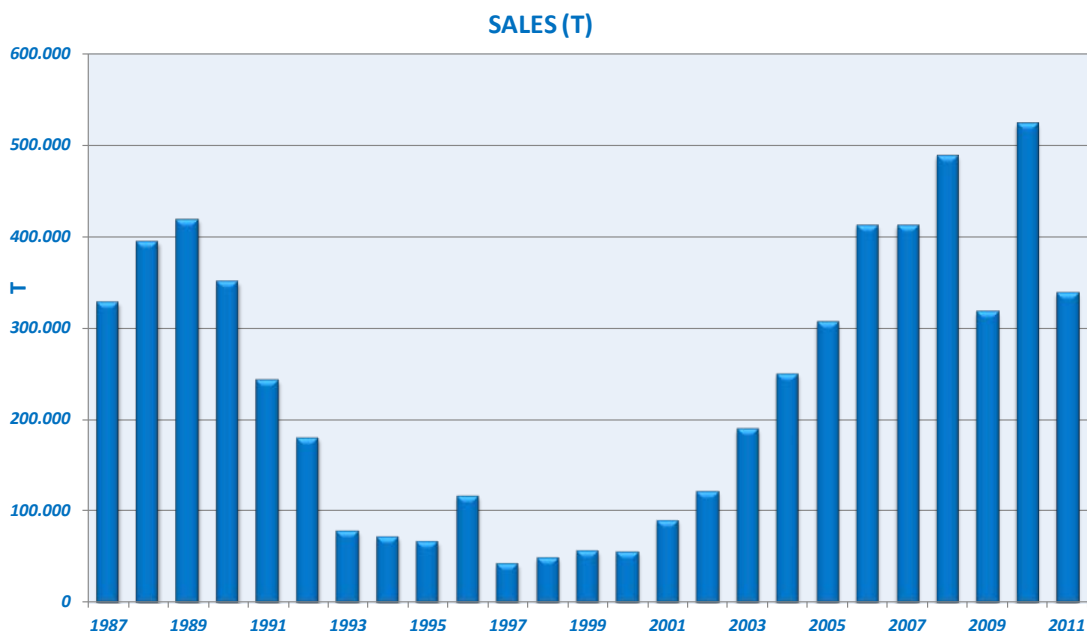
CARRIGRES (000 EUR)	2006	2007	2008	2009	2010	2011
Revenue from ordinary activities	4,817	5,537	7,628	4,916	6,601	<b>4,845</b>
Operating results	1,127	1,219	2,741	1,089	961	<b>942</b>
Net results	420	359	1,388	1,349	496	<b>855</b>
Net results (group share)	205	175	678	1,349	496	<b>855</b>

**CARRIGRES** has been fully consolidated since **TEXAF** took 100% control in 2009.

**CARRIGRES**, the crushed sandstone quarry located 10 km from the centre of Kinshasa, has had a difficult year: it was affected at the start of the year by a breakage in its main piece of equipment, the primary crusher, by the successive breakdowns of various machines, by daily electricity outages and, in December, by the prohibition of the use of explosives in the run-up to the election. In spite of sustained demand, sales therefore only reached 337,000 metric tons, about a quarter short of their normal level.

Measures have been taken to redress the situation, in particular the replacement of machines, negotiations with the Société Nationale d'Electricité for repairing the supply line, and the signing of a technical consultancy contract with a world leader in extraction.

The turnover reached kEUR 4.845, i.e. a 27% drop from the 2010 figure. The operational result decreased only slightly to kEUR 942 (-2%) as it was not affected by the same destocking effect as last year. The net result even increased to kEUR 855 (+72%) following variations in provisions.



MECELCO (000 EUR)	2006	2007	2008	2009	2010	2011
Revenue from ordinary activities	645	1,050	1,834	1,736	2,036	1,750
Operating results	-305	-115	2,783	-401	-328	-431
Net results	-312	-195	2,602	-349	-328	-586
Net results (group share)	-286	-195	1,711	-176	-165	-294

**MECELCO** (wagon maintenance, metalworking in Lubumbashi) shows disappointing results. These are due in part to a low level of orders for wagons by Gécamines and in part to a loss of kEUR 137 in a large metalworking contract carried out in 2009-2010.

Following the chronic absence of profitability in this activity, the Group is looking to have it backed by a larger industrial operator. Consequently, in conformance with the IFRS standards, **MECELCO**'s results are now presented separately in the consolidated accounts on a "Discontinued activities" line.

## REAL ESTATE ACTIVITIES

IMMO (000 EUR)	2006	2007	2008	2009	2010	2011
Revenue from ordinary activities	4,970	5,565	6,525	6,896	7,752	8,817
Operating results	1,986	3,000	1,967	2,141	2,319	2,829
Net results	2,089	2,635	1,177	830	2,842	1,320
Net results (group share)	2,089	2,714	1,182	741	2,773	1,270

The real estate activity is also bearing the costs of the holding's structural expenses.

**TEXAF** SA and its Congolese subsidiaries **COTEX**, **UTEXAFRICA** and **IMMOTEX** are developing building leasing activities in Kinshasa: residential housing, industrial buildings and offices.

This activity has benefitted from two new projects coming onto the market. As usual, these have found takers as soon as available. They consist partly of two apartment blocks with a total of 15 apartments, rented since June and August respectively, and partly of 2,500m<sup>2</sup> of **IMMOTEX** offices, part-owned at 50.01%, rented since November. In total, the Group's rental revenues total over EUR 10 million on an annualised basis.

These operations are in line with **TEXAF**'s strategy to continue to develop its real estate portfolio for its own account. This portfolio now includes 36 villas, 137 apartments, 16,000 m<sup>2</sup> of offices, 5,500 m<sup>2</sup> of commercial premises and 32,000 m<sup>2</sup> of warehouses. Now that this operation has been concluded, the group has an extra 13 hectares to develop in the centre of Kinshasa, and 100 hectares in the suburbs.

As a reminder, another conversion project in the former industrial area is still under discussion with an international organisation. It could ultimately cover less than the 23,000 m<sup>2</sup> of constructions initially foreseen, and /or it could be realised in phases.

Furthermore, the Group has just finished fitting out 500 m<sup>2</sup> of extra office space and is continuing with the construction of a block of 15 apartments, which will be available at the end of 2012.

Additionally, **TEXAF** has finally been able to enact judgements ordering the illegal occupants of the FOMETRO site to evacuate. Consequently, this 3,500m<sup>2</sup> site located at the western end of the Boulevard du 30 juin, the main artery road of Kinshasa, and facing the **COTEX** complex, is now available for major real estate development.

# TEXAF

SOCIETE ANONYME - NAAMLOZE VENNOOTSCHAP

In total, the revenues of this activity have risen by 14% to kEUR 8,817, and the operational result by 22% to kEUR 2,819. This progression was however slowed, both by large maintenance costs for the existing buildings and, once again, by heavy security charges and legal defence. The net result, of kEUR 1,320, is lower than that of last year, which benefitted from capital gains from a large asset sale.

## IMBAKIN

IMBAKIN, a subsidiary of TEXAF, retains debts of EUR 64 million owed to it by the Congolese state following its condemnation in 1997.

In 2011 the Group was able to ensure that the debt was indeed recorded in the State accounts, but no advancement has been made on the principle of settling this debt.

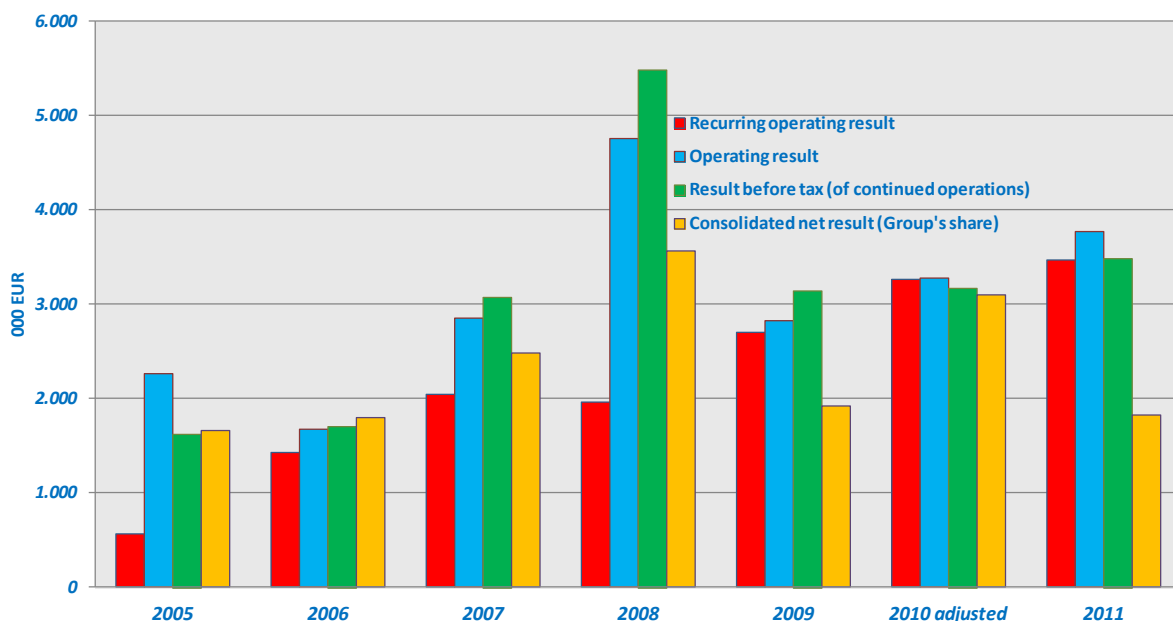
## CONSOLIDATED RESULTS

000 EUR	2009	2010	2010 adjusted	2011
Revenue from ordinary activities	13,548	16,389	14,353	13,663
Other recurrent operating income	468	841	723	677
Recurrent operating expenses	-11,319	-14,311	-11,816	-10,868
<b>Recurrent operating results</b>	<b>2,697</b>	<b>2,919</b>	<b>3,260</b>	<b>3,472</b>
y-1	38%	8%	12%	7%
Other non-recurrent operating items	132	33	19	299
<b>Operating results</b>	<b>2,829</b>	<b>2,952</b>	<b>3,279</b>	<b>3,771</b>
y-1	-40%	4%	11%	15%
Finance costs	-352	-148	-120	-344
Share in the result of holdings consolidated under the equity method	0		0	
Other non-operating income	665	16	16	62
<b>Results before tax (of continuing operations)</b>	<b>3,142</b>	<b>2,820</b>	<b>3,175</b>	<b>3,489</b>
y-1	-43%	-10%	13%	10%
Taxes	-1,312	-1,579	-1,609	-1,313
Result from contributed or discontinued operations	0	1769	1444	-586
<b>Net results after tax</b>	<b>1,830</b>	<b>3,010</b>	<b>3,010</b>	<b>1,590</b>
y-1	-59%	64%	0%	-47%
<b>Consolidated net results (group share)</b>	<b>1,915</b>	<b>3,104</b>	<b>3,104</b>	<b>1,831</b>
y-1	-46%	62%	0%	-41%
<b>Per share</b>				
Operating results in EUR	0.89	0.93	1.03	1.18
Consolidated net results (group share) in EUR	0.60	0.97	0.97	0.57
Number of shares in circulation	3,189,330	3,189,330	3,189,330	3,189,330

As explained above, MECELCO's results are now presented on the line "Results of discontinued activities". For the purposes of comparison, the 2010 results have also been adjusted to fit this new format.

## STATEMENT OF COMPREHENSIVE CONSOLIDATED INCOME

000 EUR	2009	2010	2011
<b>Results for the financial year</b>	<b>1,830</b>	<b>3,010</b>	<b>1,590</b>
Movements of variations in foreign currencies	-60	78	-9
Movements (after tax) of the reserves for financial assets available for sale	-	-39	
Movements (after tax) of revaluation reserves linked to the change of scope	3,335		
<b>COMPREHENSIVE INCOME</b>	<b>5,105</b>	<b>3,049</b>	<b>1,581</b>
<b>Allocated to:</b>			
<b>TEXAF shareholders</b>	<b>5,219</b>	<b>3,105</b>	<b>1,826</b>
<i>Per share (of 3,189,330 shares):</i>	<i>1.64</i>	<i>0.97</i>	<i>0.57</i>
Minority interests	-114	-56	-245



The accounts were drawn up in accordance with IFRS standards.

- ✚ Revenue from ordinary activities: - 7%
  - CARRIGRES's turnover: EUR 4.8 million (-27%)
  - Rents: EUR 8.8 million (+14%)
- ✚ Other recurrent operating income concerns the re invoicing of rental costs, the turnover from the concession's restaurant, and miscellaneous sales.
- ✚ Recurrent operating expenses: -10%
  - Depreciation : EUR 2.6 million (+ 8%)
  - Raw materials: EUR 2.1 million (stable)
  - Payroll expenses: EUR 2.3 million (+2%)

- ✚ The recurring operating profit increased by 6.5%.
- ✚ Financial costs rose, mainly following exchange rate losses due to the strengthening of the Congolese franc against the euro.
- ✚ The result of discontinued activities ,at -EUR 0.586 million, represents **MECELCO**'s contributions to the consolidated result. In 2010, this line also included a profit on the 70% transfer to Alta Invest.
- ✚ The net consolidated result (group share) amounts to EUR 1.8 million, i.e. EUR 0.57/divided share.
- ✚ The comprehensive result for the benefit of the shareholders amounts to EUR 1.8 million, i.e. EUR 0.57/divided share.

## CONSOLIDATED BALANCE SHEET BEFORE APPROPRIATION OF EARNINGS OF TEXAF SA (EUR 000)

000 EUR	31.12.2009	31.12.2010	31.12.2010 (Adjusted)	31.12.2011
<b>NON-CURRENT ASSETS</b>	<b>80,248</b>	<b>82,798</b>	<b>81,915</b>	<b>87,157</b>
<i>Property, plant and equipment</i>	16,477	15,704	14,829	15,070
<i>Investment properties</i>	63,750	67,069	67,069	72,056
<i>Investments</i>	-	-	-	-
<i>Other financial assets</i>	21	25	17	31
<b>CURRENT ASSETS</b>	<b>11,831</b>	<b>13,231</b>	<b>14,114</b>	<b>10,511</b>
<i>Activities destined for sale</i>	1,546	-	1,781	1,554
<i>Inventories</i>	3,178	2,577	2,388	2,954
<i>Receivables</i>	1,845	4,959	4,413	1,771
<i>Cash and cash equivalents</i>	4,702	4,863	4,792	3,573
<i>Other current assets</i>	560	832	740	659
<b>TOTAL ASSETS</b>	<b>92,079</b>	<b>96,029</b>	<b>96,029</b>	<b>97,668</b>
<b>OWNERS' EQUITY</b>	<b>50,863</b>	<b>53,040</b>	<b>53,040</b>	<b>53,885</b>
<i>Capital</i>	4,744	4,744	4,744	4,744
<i>Group reserves</i>	37,648	40,148	40,148	41,345
<i>Minority interests</i>	8,471	8,148	8,148	7,796
<b>NON CURRENT LIABILITIES</b>	<b>32,605</b>	<b>35,108</b>	<b>34,392</b>	<b>35,119</b>
<i>Deferred income tax liabilities</i>	26,765	26,857	26,623	26,649
<i>Other non-current liabilities</i>	5,840	8,251	7,769	8,470
<b>CURRENT LIABILITIES</b>	<b>8,611</b>	<b>7,881</b>	<b>8,597</b>	<b>8,664</b>
<i>Liabilities destined for sale</i>	-	-	1,399	1,732
<i>Other current liabilities</i>	8,611	7,881	7,198	6,932
<b>TOTAL LIABILITIES</b>	<b>92,079</b>	<b>96,029</b>	<b>96,029</b>	<b>97,668</b>

## CONSOLIDATED CONDENSED CASH FLOW STATEMENT

000 EUR	2009	2010	2010 adjusted	2011
<b>Cash and cash equivalents at beginning of year</b>	<b>5,382</b>	<b>4,702</b>	<b>4,702</b>	<b>4,792</b>
Cash flows from operating activities	4,019	5,648	5,774	7,005
Cash flows from investing activities	-5,059	-7,145	-7,106	-7,850
Cash flows from financing activities	361	1,678	1,678	-373
<b>Net increase (decrease) of cash and cash equivalents</b>	<b>-679</b>	<b>181</b>	<b>346</b>	<b>-1,218</b>
Fair value adjustment of the cash and cash equivalents and currency conversion discrepancies	-1	-20	-256	-
<b>Cash and cash equivalents at close of financial year</b>	<b>4,702</b>	<b>4,863</b>	<b>4,792</b>	<b>3,573</b>

The cash flows from investing activities do not include any significant transfer of assets (versus EUR 0.7 million in 2010). The cash flows from financing activities mainly include the net repayment of loans taken out at Congolese banks to finance constructions.

## AUDITOR'S REPORT ON THE CONSOLIDATED ACCOUNTS

The auditor has confirmed that his work is substantively completed and has not revealed any significant correction that should be included in the consolidated accounting information set out in this press release. However, he draws attention to the management's comments in this press release concerning the risks inherent in the presence of the group's key assets in the DRC and this country's economic and regulatory environment.

## SUBSEQUENT EVENTS AND 2012 PERSPECTIVE

The operating environment for economic actors in the Democratic Republic of Congo seems to be particularly unsettled at the start of this year, and the Group is still not able to assess all the implications for its activities. Two positive actions for the formal economy have been taken, but, unfortunately, with a certain degree of haste: the introduction of VAT and the promulgation at the end of the year of a Double Taxation Agreement between the DRC and Belgium. VAT entered into force on 1 January 2012, but not all measures have yet been clarified, and the Group is in discussion with the tax administration on issues that directly affect the business. It is however regrettable that the treaty of accession to the Organization for the Harmonisation of Business Law in Africa (OHADA), crucial to the legal security of economic operators, has not yet been ratified. Finally, the Group is concerned by a move to nationalise agricultural land conceded to foreign companies, thought to have taken place on 24 December last year and which, if it is confirmed, will disadvantage a sector of prime importance for the development of the country. Should this come into effect, we would have reason to fear that international financial bodies might suspend their support for the country.

- ✚ In spite of this delicate context, industrial activities in 2012 should bring about a higher operational profitability than in 2011 if the envisaged transfer of **MECELCO** is carried out and if the measures mentioned above to improve productivity and production at **CARRIGRES** bear fruit.
- ✚ Real estate activity should continue to grow with rental revenues of over EUR 10 million.
- ✚ For 2012, the group is expecting an improved operational result.
- ✚ The Board is not aware of any significant elements subsequent to closure.

## APPROPRIATION OF 2011 EARNINGS

Confident of the positive progress of the **TEXAF** group's activities in the DRC, the Board will propose to increase the dividend by 21% and to distribute EUR 893,012 or EUR 0.28 (EUR 0.21 **net**) per divided share, payable from 22 May 2012 on presentation of a no. 15 coupon.

## GOVERNANCE OF TEXAF

The director mandates of Mrs Nicole Hardenne and Mssrs Herman De Croo, Bernard de Gerlache, Jean-Pierre Kiwakana, Jean-Philippe Waterschoot and Albert Yuma Mulimbi are coming to an end. They will stand for office once again at then next General Meeting for their 3-year mandates as directors to be renewed.

## FINANCIAL AGENDA

- Tuesday 8 May 2012 at 11 am: Annual General Meeting
- Thursday 30 August 2012: Publication of half-yearly results
- End of February 2013: Publication of 2012 annual results

The dates for the publication of interim declarations have yet to be set.

*Texaf, founded in 1925, is the only investment company with industrial, financial and real estate interests listed on Euronext which currently has all its activities and subsidiaries in the Democratic Republic of Congo. This stock market listing of activities in DRC, along with the associated good governance and transparency requirements, constitutes one of the group's major assets in promoting the formal sector in the country.*

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