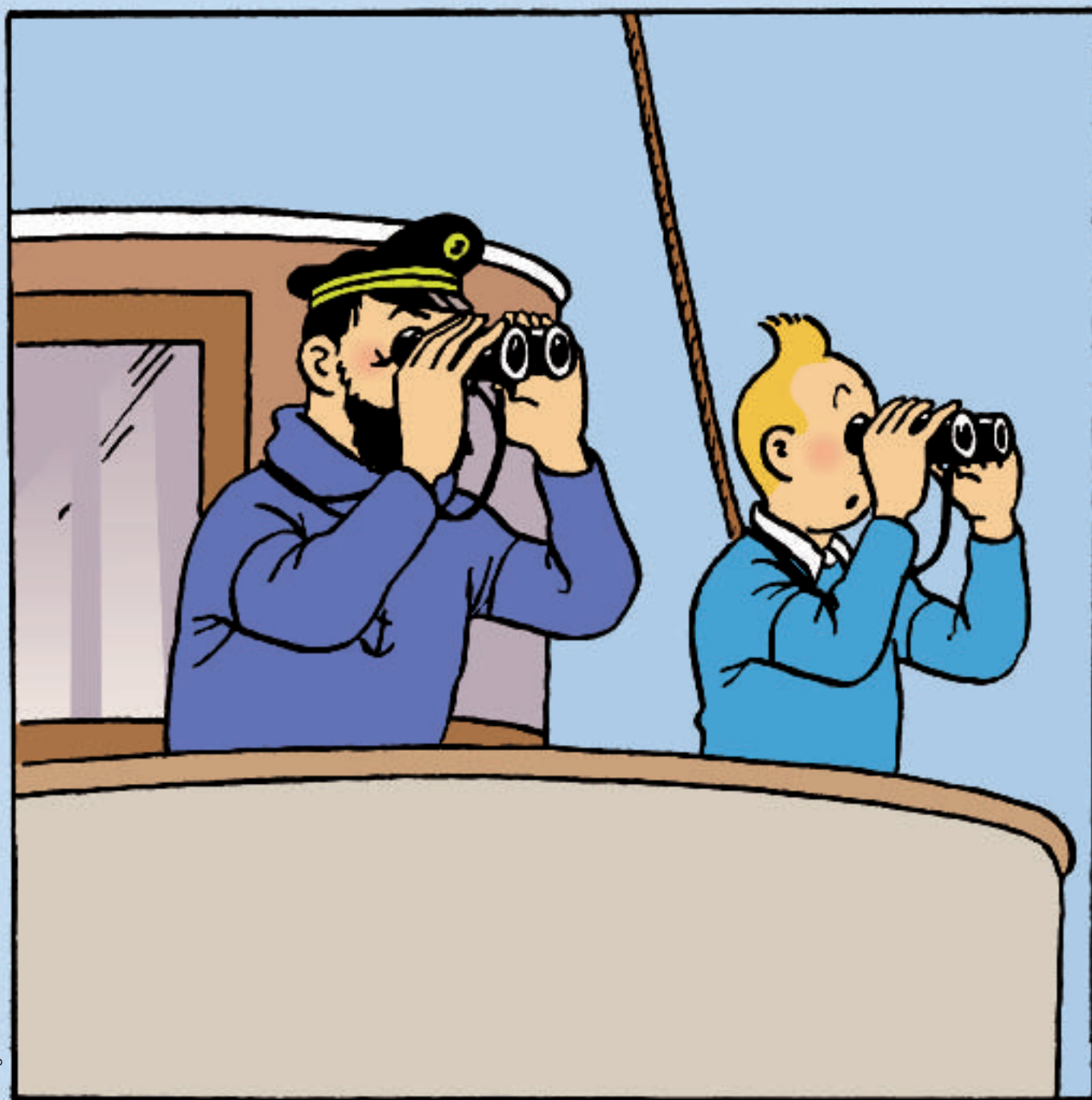




EXMAR



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HALF YEAR REPORT

20
04

1. Comments on the accounts on 30th June, 2004

The consolidated results after taxation as at 30th June 2004 amount to USD 6.7 million (including the capital loss realised on the sale of the 3 LPG/Ethylene tankers) compared to USD 7.8 million for the first six months of 2003.

The cash flow over the same period amounts to USD 30.2 million (USD 22.8 million for the first half year 2003).

CONSOLIDATED INCOME STATEMENT

	30/06/2004 in million USD	30/06/2003 (Pro forma*) in million USD
Operating income	207.0	165.8
Operating charges	186.8	148.0
Operating results	20.2	17.8
Financial income	6.0	8.2
Financial charges	18.4	17.7
Result on ordinary activities before taxes	7.8	8.3
Extraordinary income	0.5	0.7
Extraordinary charges	1.0	0.1
Result for the period before taxes	7.3	8.9
Income taxes	0.6	1.1
Consolidated result	6.7	7.8
Share of the group	6.7	7.8
INFORMATION PER SHARE (in USD per share)		
Result on ordinary activities per share	1.07	1.13
Consolidated profit	0.92	1.06
Cash flow	4.11	3.11
TOTAL NUMBER OF SHARES	7,350,000	7,350,000

* This is a pro forma consolidated result for the first semester 2003. The official result covers a 2 month shorter period as the partial demerger of CMB was entered in the books retroactively on 1st March 2003 and amount to USD 5 million

THE VARIOUS OPERATING DIVISIONS CONTRIBUTED TO THE CONSOLIDATED RESULT AS FOLLOWS:

LPG

	30/06/2004	30/06/2003 Pro forma*
Consolidated results (in million USD)	1.3	2.5

The results in each segment increased but the overall contribution was negatively influenced (3.9 millions) by a capital loss realised on the sale of the three Polar vessels.

VLGC (70,000 - 85,000 m³)

During the first half of the year this sector of the shipping market appeared as the 'poor relation' in comparison with other energy sectors. Product prices fluctuated culminating in a considerable increase during the second quarter. The driving force behind the movement was in the East, lead by China. Normally when product prices are high, spot freight rates tend to follow however, this year that has not been the case, with rates remaining close to USD 25,000,-/day excluding waiting time. Owing to high prices in both the East and the West, the opportunities for arbitrage were limited restricting long-haul movements which tend to tighten tonnage availability. Whilst waiting time reduced it still averaged of about 7%, eroding the returns which were close to USD 18,500,-/day. The sector was supported by a number of ships trading in clean petroleum products (CPP), however that market showed signs of weakness during the 2nd quarter at which time prospects for LPG were encouraging and some vessels were being cleaned up.

With an order book in the region of 18 ships the present situation is not expected to improve greatly until such time as the new LPG production comes on stream during 2005/2006.

MIDSIZE (20,000 - 40,000 m³)

Sustained LPG imports into India combined with an active Ammonia import program particularly into South-East Asia and USA underpinned employment during the first 6 months of the year. Although a certain tightness in product availability did affect capacity utilisation, freight levels remained stable.

Results for the Midsize fleet increased by 13 % in comparison with the same period last year, whilst idle time went down by 29 % to an average of 7 %.

Despite rising yard prices, seven more 35,000 m³ newbuildings have been ordered by third parties with delivery 2006/2007. The total Midsize order-book currently equals 12 vessels of which 6 will be operated by the Midsize fleet. The additional capacity represents 27 % of the existing tonnage in anticipation of growing seaborne gas volumes.

The sale of the LIBIN generated a capital gain of USD 6.2 million.

Longer term commitments are being further pursued, which is reflected in the Midsize fleet's substantial contract portfolio. The year 2005 is already 40 % covered.

ETHYLENE (Polar Class) (10,500 m³)

Although the year started on firm grounds driven by strong Ethylene and LPG activity, both commodities gradually lost pace. In order to limit increasing waiting time, a substantial amount of lower paying chemical cargoes have been transported in this segment.

A sale agreement was reached with a consortium of Japanese investors on the sale of POLAR BELGICA, POLAR DISCOVERY and POLAR ENDURANCE (10,500 m³ / '89 - '91 built). The agreement includes a Time-Charter back with options and the vessels remain employed in the MNGC Pool.

The results for the Polar vessels improved by 21 % compared to the same period last year. Idle time remained similar with an average of 10 %.

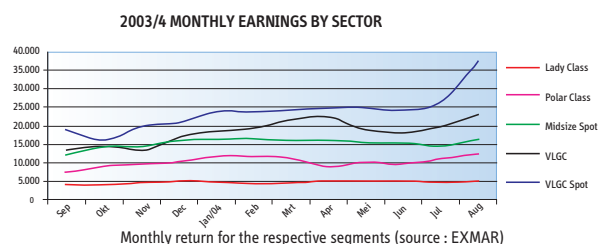
Prospects for the balance of the year however, are encouraging thanks to a recent upturn in Petrochemical Gases transportation for this type of vessels in particular.

FULLY PRESSURISED (Lady Class) (3,200 - 5,000 m³)

With the exception of the earlier part of the year, both the movements for LPG and Petrochemical Gases have gradually been gaining strength within this segment.

In cooperation with Lauritzen Kosan, the purchase of 12 pressurised carriers was successfully concluded. Their capacities are varying from 3,200 m³ to 5,000 m³ and the average age equals 5.5 years. The entire fleet has been delivered in June.

The results for the Lady Class increased by 14 % compared to the 1st half of 2003 whereas idle time remained as low as 1 % on average. Following the sale of the LIBIN with the firming of the freight markets, higher results can be expected for the rest of the year.



LNG

Consolidated result (in million USD)

The market was remarkably quiet during the period under review. Product was in very short supply not helped by a number of productions problems and fire-related incidents at several plants. In total about 100 cargoes were 'lost' during last winter as a result of which, at any one time, there were about 5 vessels idle. It is anticipated that for the next 12 to 18 months there will be an 'overhang' of spot tonnage of 7/10 ships.

The order book as at 30th June stood at around 80 ships due for delivery by 2008.

EXCEL completed the 6-months time charter to Sonatrach in March and will then be delivered on a 5-year charter to the Government of the Sultanate of Oman at a rate in line with the market.

EXCALIBUR is due for redelivery from Tractebel in October 2004 and strong

30/06/2004

30/06/2003

Pro forma*

4.6

4.5

efforts are being made to obtain period employment however, bearing in mind the comments above, opportunities are limited.

The permitting process for new terminals in the USA is proving very complicated with consequent delays and considerable interest is being shown in the Energy Bridge™ ships, the first of which, EXCELSIOR, is due for delivery in December 2004 and will start immediately a 20 year contract for Excelsior Energy of Texas. In April 2004 an order for the third 138,000m³ Energy Bridge™ ship was placed with Daewoo Shipbuilding & Engineering Company jointly by Exmar and an affiliate of the George Kaiser organisation for delivery in the 4th quarter 2006. At the same time a 20 year time charter with Excelsior was concluded for the ship.

The results for the rest of the book year will depend on whether the EXCALIBUR is employed following redelivery from present employment.

OFFSHORE

Consolidated result (in million USD)

The "Floating Production Storage and Offloading"-platform, FARWAH and the accommodation barge KISSAMA continued their term business with TOTAL. The results are in line with the expectations. For the second semester equal results are expected. The FARWAH performed six offloadings and all were completed successfully.

All Franship Offshore management service contracts are being performed without significant events. The Girassol contract has been extended by Total for one year.

30/06/2004

30/06/2003

Pro forma*

0.5

0.0

Considerable effort has been made to pursue a LPG FSO project. A bid was submitted in June but no formal reply has been received so far.

Interest is developing for a production application of an Exmar designed semisubmersible platform. A basic design of an accommodation barge is being developed in view of the expanding demand for offshore accommodation space in West Africa.

SERVICES

Consolidated result (in million USD)

The results of the service-activities were influenced (USD 1,6 million) by settlement of several tax claims and an accounts provision of USD - 0,8 million in the CEWAL file (alleged infringements of European competition rules - period 1987/1989).

TECTO

In view of the obligation of our fleet to comply with the ISPS (International Ship and Port authority Security) Code by 30th June 2004, TECTO has implemented security plans on board of all vessels. All vessels have been successfully audited by the respective flagstates.

TECTO has been awarded the full management of 4 new building capsize bulk carriers for Bocimar, a container vessel for Delphis and the crew management of 4 ULCC's and 1 VLCC owned by Euronav. All these vessels fly the Belgian flag.

TECTO is actually involved in the management of a fleet of 48 vessels and 2 offshore units, of which 21 for Exmar and 29 for third parties, representing in total 7,2 million DWT.

30/06/2004

30/06/2003

Pro forma*

0.3

0.8

BELGIBO

End June shows a contribution of USD 1,037,658 including an extraordinary capital gain of USD 410,113. All departments performed better, except inland hull, which is suffering from lack of underwriting capacity in favour of mutuals.

Belgibo, in association with JLT (London), has signed a contract with PSA-Europe/Hesse-Noord Natie for a European Insurance program. New prospects give us the hope to improve our last year performance.

TRAVEL PLUS

The forecasted increase in turnover, thanks to the acquisition of Travel's Corner, seems to materialise.

The website (www.travelplus.be) was launched in the mean time, and consequently one can make reservations through "Amadeus" a system supported by the major airlines.

Antwerp, 17th September 2004

2. Explanatory notes regarding the transitions to the IFRS standards

In 2003, EXMAR decided to apply the international accounting standards, IFRS "International Financial Reporting Standards", (initially called International Accounting Standards - IAS) already in the year 2004.

The European Union imposed the implementation of these standards as of the year 2005 for the consolidated annual accounts of all companies that are listed on one of the European exchanges.

Beginning 2005, EXMAR will publish its annual figures for 2004 and its quarterly results in accordance with the IFRS standards. With a view to providing the comparative data that is being demanded by IFRS, the consolidated financial information for 2003 and 2004 will be converted in accordance with these standards.

In order to satisfy the current requirements of the Euronext for the segment NextPrime, to which EXMAR belongs, these explanatory notes offer an overview of the impact caused by the implementation of the IFRS standards on the equity on the opening balance sheet for January 1, 2003 (opening balance sheet for IFRS).

The computed adjustments that will further be described in this note remain subject to change until the publication of the annual results as at December 31, 2004.

The information included in these explanatory notes has not been subject to an audit, as this is, in effect, not a requirement.

In the following reconciliation, consideration was given to all standards that were published by IFRS 1 and by the IASB on March 31, 2004, even those that had not yet been adopted by the European Commission.

A reconciliation of the equity under IFRS at the moment of the conversion (January 1, 2003) is listed below.

A reconciliation of the equity under IFRS

	Explanation	January 1 2003 (in '000 USD)
Equity by Belgian standards	-	242.099
Accounting for investments in subsidiaries	1	- 3.001
Provisions for dry-dock costs	2	+ 7.398
Other provisions	3	+ 2.493
Personnel benefits	4	- 1.736
Impairment	5	- 7.410
Financial derivative instruments	6	- 47.230
Equity by IFRS standards		192.613

EXPLANATION WITH THE RECONCILIATION OF EQUITY AS PER JANUARY 1, 2003.

1. Accounting for investments in subsidiaries (IAS 27)

The "control" criteria over group companies is stricter under IFRS than those defined under the Belgian accounting standards. In application of IAS 27 this means that in some cases, the proportional consolidation is to be replaced by the full consolidation method.

This results in an adjustment of the equity on January 1, 2003 in the amount of USD - 3.0 million.

2. Provisions for dry-dock costs (IAS 37)

The expenditures for the maintenance and repair works to the ships, for which provisions were made in keeping with the Belgian standards, will be taken back and entered directly into the results.

This results in a rise of the equity on January 1, 2003 in the amount of USD 7.4 million.

3. Other provisions (IAS 37)

The identification criteria for the provisions according to IFRS is stricter than that used under the Belgian accounting standards.

With a view to the transition to the IFRS standards, a number of existing provisions will have to be revised and they will be reduced by a net amount of USD 2.5 million on the opening balance sheet.

4. Employee benefits (IAS 19)

According to the Belgian accounting standards, only the actual payments made by the group to the insurers need to be assumed.

In the opening balance sheet, in order to conform with IAS 19 all of the actuarial results that relate to liabilities from "defined benefit" group insurance schemes will be posted as a debt. The identification of this debt will exert a negative influence on the equity in the amount of USD 1.7 million on January 1, 2003.

5. Write-downs (or "Impairment") (IAS 36)

An enterprise should assess at each balance sheet date whether there is any indication that an asset may be impaired. If any indication exists, the enterprise should estimate the recoverable amount of the asset. Recoverable amount is the higher of an asset net selling price and its value in use (present value of estimated further cash flow).

In the opening balance sheet, EXMAR will post an impairment loss on its fleet in the amount of USD 7.4 million.

6. Financial instruments (IAS 39)

IAS 39 defines the principles that are applicable for the recognition and measurement of financial assets and liabilities, and financial instruments. A company is required to recognise all its financial instruments, including therein, all derivative products.

EXMAR has subscribed to a variety of derivative products in order to provide partial hedging for its exchange rate risk, its product risk (bunker prices), and its interest rate risk.

According to IAS 39, the financial instruments are measured at fair value ("marked to market"). Any change of the fair value adoption, should be reported into profit or loss. In certain circumstances, "hedge accounting" may be applied. In this case, changes in fair value of these financial instruments are reported in a separate category of equity.

In order to conform IAS 39, EXMAR will record in the opening balance sheet, a "marked to market" for its derivative products in the amount of USD - 47.2 million primarily as a consequence of interest rate swaps undertaken as a hedge against the interest rate risk on the LPG and LNG fleet, for which long-term contracts have been concluded.

The transition to IAS/IFRS is proceeding according to plan, without any problems worth mentioning. EXMAR right now expects to publish, in the course of the second semester 2004, the following figures that will satisfy all adopted and imposed IAS/IFRS standards:

- Opening balance sheet January 1, 2003 according to IFRS standards and reconciliation with the Belgian standards;
- Revised balance sheet and profit and loss account 2003;
- Revised balance sheet and profit and loss account first semester 2004.

Consolidated Balance Sheet (in accordance with the Belgian accounting standards)

ASSETS	30/06/2004 (in thousands USD)	31/12/2003 (in thousands USD)	30/06/2003 (in thousands USD)
FIXED ASSETS	825.126	812.433	917.938
I. Intangible assets	591	271	212
II. Consolidation differences	5.096	5.825	3.154
III. Tangible assets	797.570	796.383	847.899
IV. Financial assets	21.869	9.954	66.673
CURRENT ASSETS	149.141	154.916	158.767
V. Amounts receivable after one year	-	329	-
VI. Stocks and contracts in progress	18	-	-
VII. Amounts receivable within one year	74.731	66.865	70.335
VIII. Investments	17.343	13.834	43.729
IX. Cash at bank and in hand	38.686	60.139	18.850
X. Deferred charges and accrued income	18.363	13.749	25.853
TOTAL ASSETS	974.267	967.349	1.076.705

LIABILITIES	30/06/2004 (in thousands USD)	31/12/2003 (in thousands USD)	30/06/2003 (in thousands USD)
CAPITAL AND RESERVES	249.557	243.820	258.068
I. Capital	48.519	48.519	48.519
II. Share premium account	6.260	6.260	6.260
III. Revaluation surpluses	-	-	-
IV. Reserves	199.982	193.297	195.184
V. Consolidation differences	-	-	-
VI. Translation differences	-5.204	-4.256	8.105
VII. Investment grants	-	-	-
MINORITY INTERESTS	1.272	1.221	1.416
VIII. Minority interests	1.272	1.221	1.416
PROVISIONS AND DEFERRED TAXES	44.321	44.161	37.913
IX. Provisions and deferred taxes	44.321	44.161	37.913
CREDITORS	679.117	678.147	779.309
X. Amounts payable after one year	518.027	520.962	534.214
XI. Amounts payable within one year	128.322	122.527	209.038
XII. Accrued charges and deferred income	32.768	34.658	36.057
TOTAL LIABILITIES	974.267	967.349	1.076.705

CONSOLIDATED INCOME STATEMENT (as at June 30, 2004)

	01/01/2004 - 30/06/2004 (in thousands USD)	31/12/2003 - 31/12/2003 (in thousands USD)	30/06/2003 - 30/06/2003 (in thousands USD)
I. Operating income	207.033	367.056	165.792
II. Operating charges	186.758	327.066	147.950
III. Operating result	20.275	39.990	17.842
IV. Financial income	5.981	19.447	8.207
V. Financial charges	18.414	48.652	17.751
VI. Result on ordinary activities	7.842	10.785	8.297
VII. Extraordinary income	458	3.269	700
VIII. Extraordinary charges	950	48	138
IX. Result before income taxes	7.349	14.006	8.860
X. Deferred taxes	-	20	-
XI. Income taxes	605	1.425	1.151
XII. Result for the period	6.745	12.561	7.708
XIII. Result of the enterprises accounted for using the equity method	-	9	107
XIV. Consolidated result	6.745	12.570	7.816
A. Share of minority interests in the result	59	-35	-68
B. Share of the Group in the result	6.685	12.605	7.883

REPORT OF THE JOINT STATUTORY AUDITORS ON THE SEMI-ANNUAL INFORMATION ON JUNE 30 2004 OF THE EXMAR GROUP

We have performed a limited review of the interim consolidated financial statements of the Exmar Group for the six months ended June 30, 2004. The procedures we performed, which were carried out in accordance with the guidance set out by the Institute of Réviseurs d'Entreprises concerning limited reviews, were substantially less in scope than those applicable to a full scope audit, and consisted principally of a review and analysis of financial information, and discussions with management. Based upon our review, we are not aware of any

items requiring adjustment that would affect the view shown by the interim consolidated financial statements for the six months ended June 30, 2004

Antwerp, September 17, 2004

The Joint Statutory Auditors

Helga Platteau,
Réviseur d'Entreprises

Klynveld Peat Marwick Goerdeler
Réviseurs d'Entreprises
Représentée par S. Cosijns



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Financial service
Fortis Bank, KBC Bank and Petercam

Ce rapport semi-annuel est aussi disponible en français.
Dit halfjaarverslag is ook beschikbaar in het Nederlands.

The Dutch version of this half year report
must be considered to be the official version.

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Concept and realisation: www.dms.be

