

half year report **2005**



EXMAR

Consolidated interim financial statements

The consolidated interim financial statements of EXMAR for the six months ended 30th June 2005 have been prepared in conformity with IAS 34 (Interim Financial Reporting). The same accounting

policies and methods were followed, as compared to the annual accounts 2004. We refer to our annual report 2004 for the accounting policies under IFRS.

	30.06.2005	30.06.2004
a. Consolidated income statement according IFRS (in million USD)		
Operating income	253.91	203.43
Operating charges	-213.65	-179.10
Operating result (EBIT)	40.26	24.33
Financial income	15.03	16.61
Financial charges (1)	-32.99	-18.15
Result before taxes	22.30	22.79
Income taxes	-0.65	-0.61
Consolidated result after taxation	21.65	22.18
Share of the group in the result	21.69	22.10
b. Information per share		
Basic earnings per share (in USD)	3.16	3.01
Diluted earnings per share (in USD)	3.15	3.01
Weighted average number of shares during the period	6,873,726	7,343,236
	30.06.2005	31.12.2004
c. Balance sheet (in million USD)		
Shareholders' equity (2)	211.21	259.80
Ships (including ships under construction)	856.90	748.00
Net financial debts	600.11	476.58
Total assets	1,085.33	972.57

	30.06.2005	30.06.2004
LPG		
Consolidated key figures (in million USD)		
Consolidated income statement		
Turnover	166.03	132.92
EBITDA	29.74	22.69
Operating result (EBIT)	19.71	12.15
Consolidated result after taxation	10.90	6.00
Cash flow		
	20.90	16.55
Balance Sheet		
Fixed assets	405.30	396.96
Financial debts	285.64	265.98

VLGC (70,000 – 85,000m³)

Despite idle time increasing to an average 8.4%, average time-charter equivalent for the VLGC fleet improved by 23% (to USD 20,500/day) in comparison with the same period last year.

However the VLGC fleet did not meet earlier expectations particularly due to reduced product availability ex Arabian Gulf. Amongst others, persistent uncertainty on LPG pricing related to crude oil fluctuations slowed down the extraction of Saudi LPG. Freight rates came under increasing pressure and despite having five vessels continuously trading Clean Petroleum Products (CPP), the lack of LPG activity eventually resulted in a weak second quarter. Demand for product together with pricing volatility, subsequently, has seen a firming freight market and prospects for the balance of the year are more encouraging.

In March EXMAR placed with DSME in South Korea a newbuilding order for 2 VLGC's each with a capacity of 84,000m³ to be delivered at the end of 2007/beginning of 2008.

Since then, 13 more VLGC newbuildings were contracted by third parties in anticipation of growing seaborne LPG volumes. The current order book amounts to 40 vessels or about 38 % of the existing fleet.

MIDSIZE (20,000 – 40,000m³)

Average time-charter equivalent for the Midsize fleet increased by 15% (to USD 18,400/day) in comparison with the same period last year, whilst idle time remained stable at an average of 7%.

Active Ammonia imports, driven in particular by USA, South Korea and India, fuelled Midsize employment during the first 6 months of the year. In addition, large amounts of LPG traded across the North Sea and into India added to the strength in this segment. A firm time-charter market reflects the current tightness in vessel availability and medium to longer term commitments are being further pursued. The year 2006 is already 40% covered at rewording margin.

At the beginning of the year, three more 35,000m³ newbuildings have been ordered by third parties for delivery in second-half 2007. The total Midsize orderbook currently equals 16 vessels, which represents about 38% of the existing fleet.

In the meanwhile, Bergesen d.y. and EXMAR jointly concluded the purchase of Bibby Line's Midsize fleet, whereby EXMAR took delivery of BRUSSELS (ex-Oxfordshire, 35,000m³/1997) and Bergesen the other two. The vessels remain operational within the Midsize Pool.

ETHYLENE (Polar Class) (10,500m³)

Average time-charter equivalent for the Polar vessels improved by 36 % (to USD 17,900/day) compared to the same period last year.

The first semester of the year showed favourable prospects based on niche LPG trading and longer haul Petrochemical Gas trading.

The three POLAR vessels (10,500m³/1990), which were sold to Japanese investors in 2004, and time chartered back with options, were relet to Eitzen at a profit.

FULLY PRESSURIZED (Lady Class) (3,200 – 5,000m³)

Average time-charter equivalent for the Lady Class increased by 44% (to USD 6,830/day) compared to the first half of 2004, whereas idle time remained as low as 2% on average.

Whereas this segment enjoyed a strong commencement of the year, a slowdown in LPG activity and reducing trading margins in several Petrochemical Gases put spot freight levels under pressure in the second quarter. Solid market fundamentals, however, continued to support a firm time-charter market, which allowed the Exmar Kosan pool to enter into several medium-term commitments at improved levels. Cover for the balance of the year is about 70%.

EXMAR sold its 50% share in LADY KIRA (5,000m³/1994) and BIRGIT KOSAN (5,000m³/1999) in February and April respectively. Both sales generated a combined capital gain of approximately USD 4.7 million.

In August an agreement in principle was reached for the sale of 9 pressurized vessels. The vessels have a capacity of 3,200–3,500m³ each and were built between 1990 and 2001.

The vessels are to be acquired jointly by Sloman Neptun Schiffahrts-Aktiengesellschaft, the Schulte Group and Othello Shipping. The purchasers of the vessels will replace EXMAR in the Exmar Kosan Pool, where the vessels will continue to be operated. Delivery of the above-mentioned fleet is expected prior to the end of 2005. The capital gain is of about USD 41.5 million.

Prospects for the second semester 2005 remain encouraging in all segments, driven by firm product demand expectations in the Far East, the USA and India.

LNG	30.06.2005	30.06.2004
Consolidated key figures (in million USD)		
Consolidated income statement		
■ Turnover	26.35	29.66
■ EBITDA	25.69	15.98
■ Operating result (EBIT)	19.60	12.26
■ Consolidated result after taxation	-0.04	14.21
Cash flow		
	6.08	17.93
Balance Sheet		
■ Fixed assets	390.80	303.42
■ Financial debts	349.04	222.19

Product was in very short supply owing to a number of start-up problems in the west in addition to declining availability in the east. Egypt was expected to have two plants in operation however quality problems upstream meant that liftings were much reduced releasing tonnage onto the spot market. Gas pricing has also meant that cargoes from Trinidad, originally destined trans-Atlantic, have been diverted to the USA with consequent shorter voyages times. Declining production in Indonesia together with diversion to domestic demand necessitated Far Eastern importers to obtain most of the surplus production east of Suez utilising committed tonnage.

Shipping has been in plentiful supply on the spot market, especially in the west, and at any time there have been between five and ten ships idle. Charter rates were inevitably under pressure with daily rates reducing to low USD 20,000/day by the end of the semester.

The joint venture with Golar LNG, in which EXCALIBUR (138,000m³/2002) is operated, finally secured business during the second quarter. Since the end of the period EXCALIBUR has been employed by Distrigas and will continue for the balance of the third quarter however rates obtained were very low. Subsequent employment has been secured for the balance of the year with Excelsior Energy whereby the ship will carry out ship-to-ship (STS) operations with LNGRV's on a commercial basis, the first such operations in the LNG sector.

EXMAR participated in a number of tenders for long-term business for newbuildings primarily in the Middle East however without

success as levels achieved were even lower than previous tenders notwithstanding increased building costs.

Following renewed negotiations with Excelsior Energy of Houston, an agreement was reached whereby an order was placed with DSME for a further LNG regasification vessel with an increased capacity of 150,900m³. The ship will be owned jointly with EXMAR having 80% and Excelsior Energy 20%. Delivery will be in March 2008 and the vessel will be chartered to Excelsior for 25 years.

EXCELSIOR (LNGRV 138,000m³ LNGRV/2005), on long-term charter to Excelsior Energy, successfully completed the first discharge at the Gulf Gateway in March and, after a period of idle time, will discharge a further cargo in September.

Title to METHANIA (131,000m³/1978) was finally transferred to Distrigas in June under the terms of a long-standing agreement however the ship will continue to be managed by TECTO. The disposal resulted in a capital gain of USD 13 million.

EXCEL (138,000m³/2003) continues on time charter to the Sultanate of Oman.

Prospects for employment to the end of the year appear somewhat more encouraging however rates are not expected to improve dramatically not helped by the continuing overhang of ships in the spot market. Results, therefore, will depend on the employment of the ships in the joint venture with Golar LNG.

Offshore

Consolidated key figures (in million USD)

	30.06.2005	30.06.2004
Consolidated income statement		
■ Turnover	16.26	16.17
■ EBITDA	5.52	5.63
■ Operating result (EBIT)	2.09	2.25
■ Consolidated result after taxation	0.10	1.64
Cash flow	3.53	5.03
Balance Sheet		
■ Fixed assets	73.22	79.95
■ Financial debts	49.18	53.08

The FPSO FARWAH has been producing, storing, and offloading successfully to the satisfaction of Total during the first half of this year. The charter of the accommodation barge KISSAMA has been transferred from Total Angola to Sonangol. The results of both operations have been according to budget.

All marine management service contracts have been successfully executed and negotiations have started for the Girassol and Dalia marine management contracts.

The Floating Production Semi Submersible designed by Exmar Offshore has attracted a lot of interest. EXMAR has obtained firm price and schedule from a shipyard for the construction of this unit and negotiations with several potential oil companies are being held for a long term lease.

The level of activity both in DVO (Paris), consultancy and EOC (Houston), engineering has grown, also due to the increased work on the Floating Production Semi Submersible.

Services

Consolidated key figures (in million USD)

	30.06.2005	30.06.2004
Consolidated income statement		
■ Turnover	25.32	24.68
■ EBITDA	0.33	-0.88
■ Operating result (EBIT)	-1.14	-2.33
■ Consolidated result after taxation	10.73	0.24
Cash flow	12.20	1.68
Balance Sheet		
■ Fixed assets	31.31	32.35
■ Financial debts	14.19	18.79

TECTO

In January and May 2005, the first and second LNGRV vessels, EXCELSIOR and EXCELLENCE, joined the Tecto managed fleet for a period of 20 years. Three container vessels owned by Delphis have already joined the fleet during the first half of 2005, and the fourth one will follow in September.

As from 1st August 2005 Euronav took over the safety and quality management (incl. ISM) of their own VLCC fleet, which management was previously undertaken by TECTO. As a consequence, TECTO will no longer be exposed to any liability risks related to the management of crude oil tankers.

TECTO has made an initial assessment of the quality of its ship management systems, according to the "Tanker Management and Self Assessment" (TMSA) guide, and published the results on the OCIMF website.

BELGIBO

The operational results of BELGIBO on 30th June 2005 remain stable and the perspectives for the second semester will exceed those of last year, due to new concluded contracts.

TRAVEL PLUS

Travel Plus booked a turnover increase of 13% in comparison with the same period last year.

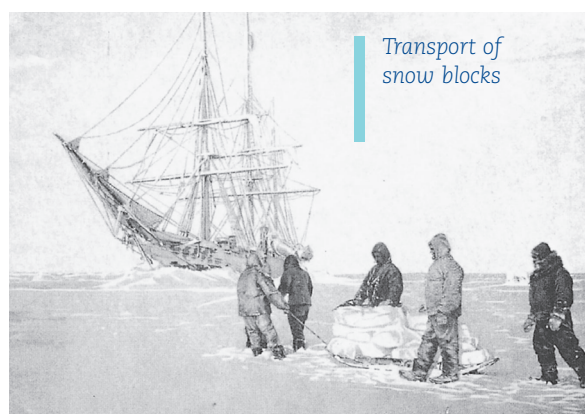
HOLDING

The financial result was positively influenced by a capital gain of USD 7.0 million realised on the trading of listed shares.

On 30th June 2005 EXMAR owned 686,554 of its own shares representing 9.3409%. The average purchase price amounted to EUR 47.8619 per share.

Upon this day, EXMAR owns 9.8224% of its own shares. The board of directors of EXMAR decided in its board meeting held on 9th September 2005 to convene an extraordinary meeting of shareholders on 28th November 2005 to decide upon the withdrawal of 650,000 own shares coupon nr. 3 attached, which have been bought by the company in accordance with the authorities granted by the extraordinary general meetings of 11th May 2004 and 17th May 2005. The board of directors decided in the same meeting, the appointment of Mr. Philippe Bodson as chairman of the board of directors in succession to Mr. Yves Brasseur, passed away on 11 August 2005.

The board of directors
Antwerp, 26th September 2005



2 CONSOLIDATED FINANCIAL STATEMENTS

for the period ended 30th June 2005

	30.06.2005	31.12.2004	30.06.2004
Income Statement (in thousands of usd)			
Turnover	233,960	423,746	203,433
EBITDA	61,282	88,799	43,417
Depreciation and amortisation expenses	-21,022	-37,573	-19,088
Result from operations (EBIT)	40,261	51,226	24,329
Financial result (1)	-17,965	-19,979	-1,540
Result before tax	22,296	31,248	22,789
Tax	-651	-1,093	-606
Result after tax	21,645	30,155	22,183
Minority interest	-3	-402	-88
Share in the companies' results valued in accordance with the equity method	45	0	0
Net result for the year	21,687	29,753	22,094
Balance Sheet (in thousands of usd)			
Assets			
Fixed assets	900,629	782,304	812,680
Tangible assets	875,492	755,049	784,494
Other fixed assets	25,137	27,255	28,186
Current assets	184,704	190,269	152,402
Trade and other receivables	82,690	79,759	89,331
Cash and cash equivalent	97,941	87,776	55,295
Other current assets	4,073	22,734	7,776
Total assets	1,085,333	972,573	965,082
Liabilities			
Equity	211,208	259,799	245,641
Capital and reserves (2)	211,015	259,443	244,293
Minority interests	193	356	1,348
Non-Current liabilities	713,824	578,465	553,959
Long-term borrowings	647,909	523,899	508,922
Other non-current liabilities	65,915	54,566	45,037
Current liabilities	160,300	134,310	165,483
Short-term borrowings	50,140	40,456	51,233
Trade debts and other payables	104,525	87,721	86,393
Other current liabilities	5,635	6,133	27,857
Total liabilities	1,085,333	972,573	965,082
Cash Flow Statement (in thousands of usd)			
Net cash and cash equivalents at the beginning of the period	87,655	74,457	74,457
Cash flows from operating activities	35,765	45,231	30,842
Cash flows from investing activities	-53,393	26,332	-28,602
Cash flows from financing activities	27,528	-58,494	-21,253
Effect of changes in exchange rates	-1,696	129	-268
Net cash and cash equivalents at the end of the period	95,859	87,655	55,175
Statement of changes in equity (in thousands of usd)			
Balance at beginning of the period	259,799	227,609	227,609
Issue of share capital	0	0	0
Repayment of share capital	0	0	0
Dividends	-9,165	-6,609	-6,609
Result for the period	21,687	29,753	22,094
Treasury shares	-36,566	-5,686	0
Currency translation differences	-5,329	1,953	-1,408
Changes – fair value reserve	-3,033	3,033	0
Changes – hedging reserve	3,117	10,704	3,920
Other changes (2)	-19,138	-1,360	-54
Minority interest	-164	402	88
Balance at the end of the period	211,208	259,799	245,640

(1) The financial result incorporates the effect of the mutation in the fair value of the financial derivative instruments (IAS 32c & 39) of USD – 8.6 million. These financial instruments were utilised in order to provide partial hedging for exchange risk, and more particularly the interest rate risks related to long-term financing of ships for which long-term contracts have been concluded.

(2) In the transition to IFRS, the exchange difference coming from the conversion to USD of the debt denominated in GBP in respect of the UK tax lease for the LNG vessel Excel, has not been taken into account. The impact amounts to USD – 19,23 million and has been recorded in the equity as at January 1, 2005.

3 REPORT OF THE JOINT STATUTORY AUDITORS

on the semi-annual information on 30th June 2005 of the Exmar Group.

(free translation of the auditor's report originally prepared in Dutch)

In accordance with our audit mandate, the Joint Statutory Auditors have performed a limited review on the condensed half-year consolidated financial information of Exmar NV and her subsidiaries (the 'Group') as of 30 June 2005, with a balance total of USD 1,085.33 and a share of the Group in the half-year profit as of 30 June 2005 of USD 21.69, the cash flow statement for the period ended per 30 June 2005 and the statement of changes in equity up to 30 June 2005. This condensed half-year consolidated financial information was drawn up in accordance with the International Financial Reporting Standards, as adopted by the European Union on 30 June 2005. The condensed consolidated financial information was drawn up under the responsibility of the Group management.

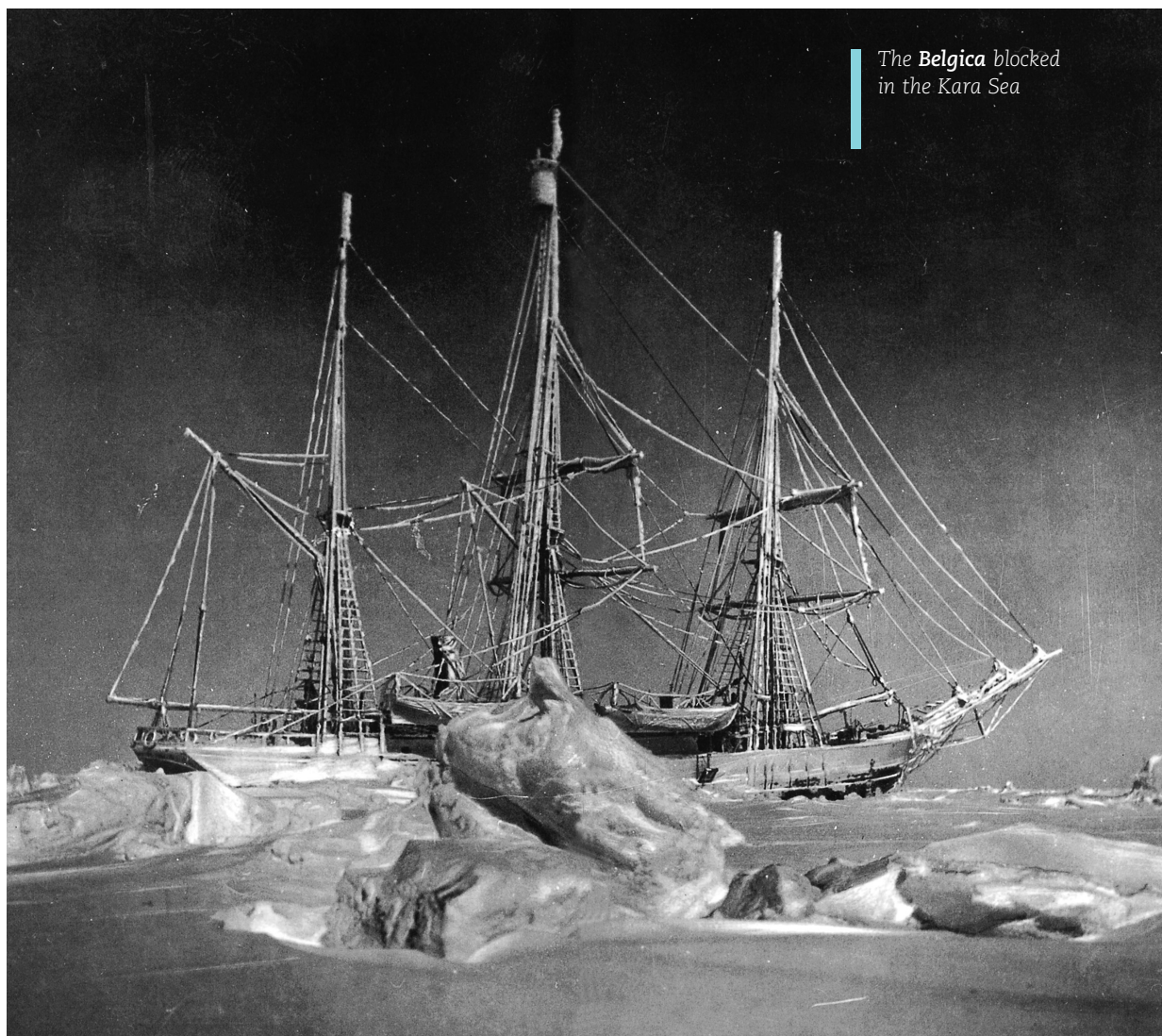
We conducted our review in accordance with the 'International Standards on Auditing', issued by the 'International Federation of Accountants'. This review was limited primarily to analysis, comparison and discussion of financial information and was therefore less exhaustive than a full scope audit of the financial statement, with the aim of certifying the consolidated financial statement. Accordingly we can not certify the above mentioned condensed half-year consolidated financial information.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial information does not give a true and fair view in accordance with the International Financial Reporting Standards, as adopted by the European Union on 30 June 2005.

Antwerp, 26th September 2005

Helga Platteau Réviseur d'Entreprises
Statutory Auditor
represented by H. Platteau

Klynveld Peat Marwick Goerdeler Réviseur d'Entreprises
Statutory Auditor
represented by S. Cosijns



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- All press releases by EXMAR can be consulted on the website: www.exmar.be.
- Questions can be asked by telephone on number +32(0)3 247 56 11 or by e-mail to corporate@exmar.be, to the attention of Patrick De Brabandere or Peter Verstuyft.

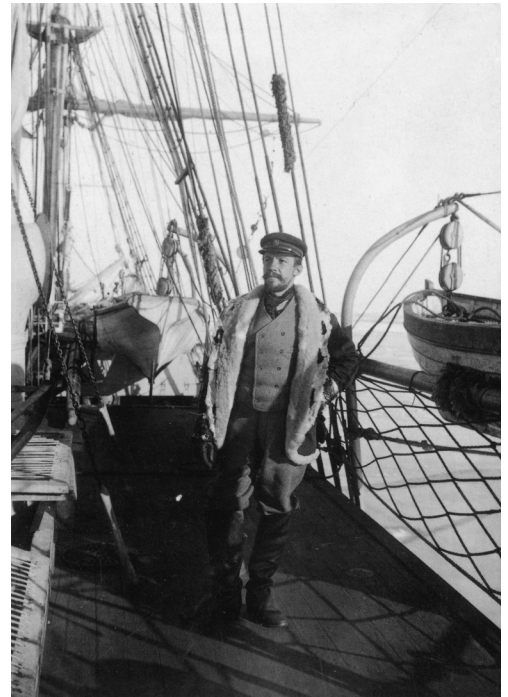
Financial service

Fortis Bank, KBC Bank and Petercam

Ce rapport semestriel 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.

Concept and realisation: www.dms.be



*Georges Lecointe,
second commander on the **Belgica***

IN MEMORIAM

After a lingering disease, **Yves Brasseur**, chairman of the board of directors of EXMAR passed away on 11th August 2005.

He obtained a degree in civil engineering, specialising in textiles, and started his career in the cotton-mill industry. In 1973 he joined the maritime world and was pioneer of the development of EXMAR.

Since 1982 he was director of CMB and in 2003 on the occasion of the partial demerger from CMB he was appointed as chairman of the board of directors of EXMAR.

The board of directors pays tribute to the man who has given years of dedication to EXMAR.

