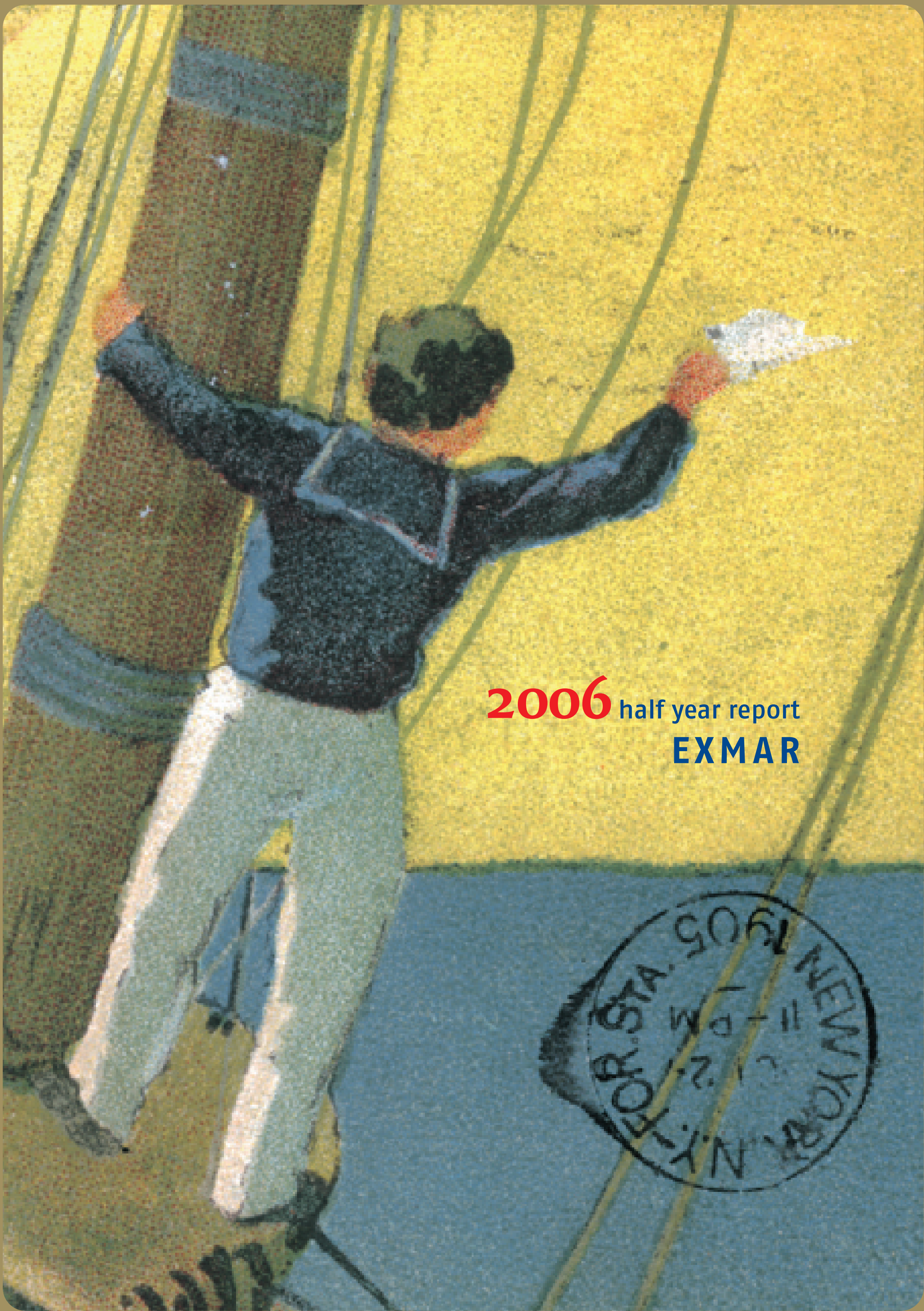

2006 half year report

EXMAR

EXMAR

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1. Consolidated interim financial statement

EXMAR ended on 30th June 2006 with a consolidated result after tax of USD 57.3 million (USD 23.7 million for the same period in 2005).

A. Consolidated income statement according to IFRS (in million USD)	30/06/2006	restated 30/06/2005
Turnover	243.3	234.0
Operating Cash Flow (EBITDA)	84.8	65.8
Depreciation	-24.2	-23.5
Operating results (EBIT)	60.6	42.3
Net financial expense (-)/income	-1.9	-18.0
Result before tax	58.7	24.3
Income tax	-1.4	-0.6
Consolidated result after tax	57.3	23.7
Share of the group in the result	57.3	23.7

B. Balance sheet according to IFRS (in million USD)	30/06/2006	restated 30/06/2005
Company's equity	285.3	214.7
Vessels (including vessels under construction)	941.6	861.0
Net financial debts	663.2	600.1
Total assets	1,184.8	1,088.9

C. Information per share (in USD per share)	30/06/2006	restated 30/06/2005
Weighted average number of shares during the period	32,288,117	34,368,630
EBITDA	2.63	1.91
EBIT	1.88	1.23
Consolidated result after tax	1.78	0.69

The operating result (EBIT) was influenced positively by the reversal of USD 11.0 million on the provision for the balance sheet guarantee made within the framework of the sale of HNN to PSA and by a profit of USD 10.0 million realised on the sale of EXMAR 50% share in 4 Lady class vessels (compared to USD 17.7 million capital gain realised on sale of vessels in the first semester 2005).
The financial result incorporates the changes in the 'fair value' of the financial instruments (IAS 32 & 39) of USD 20.4 million (USD −12.3 million as per 30th June 2005) and other financial income of USD 0 (USD 6.9 million during the first semester 2005).

The board of directors decided to change the accounting policies concerning the costs of dry-docking. Dry-docking costs previously were taken immediately in costs. Under the changed accounting policies, they are capitalized and depreciated only over the period until the next dry-docking. This decision has been taken in order to improve the comparison of the EXMAR figures with those of other peers. The effect on the result as per 30th June 2006 amounts to USD −3.5 million (USD 2,05 million on 30th June 2005).

2. Contribution per division

LPG

Consolidated key figures (in million USD)	30/06/2006	restated 30/06/2005
Turnover	147.6	166.0
Operating Cash Flow EBITDA	45.5	34.3
Operating result (EBIT)	32.9	22.1
Consolidated result after tax	32.8	13.3
Cash Flow	7.4	7.4
Property, plant and equipment	386.4	407.7
Financial debts	244.4	285.6

The consolidated result was influenced positively by the profit of USD 10.0 million realises on the sale of the 50% share in 4 Lady Class vessels (USD 4.7 million in June 2005) and the changes in the 'fair value' of the derivated financial instruments of USD of USD 4.2 million (USD -1.7 million as per 30th June 2005).

VLGC (70,000 – 85,000 m³)

Although some volatility occurred at the beginning of the year, the market sentiment has been firm all along. Freight levels enjoyed a marked upward movement not only due to increasing LPG export volumes ex Qatar and West Africa but also thanks to longer-haul LPG imports from the East into Western petrochemical facilities. Contrary to previous years where part of the fleet was carrying clean petroleum products to generate employment, all VLGC's are presently exclusively committed to LPG.

Idle time remained as low as 1.7% compared to an average 8.4% for the same period last year. Results for the VLGC fleet improved by as much as 36%.

In anticipation of growing seaborne LPG volumes and expected replacement of ageing tonnage, the current orderbook further increased to 59 vessels or 56% of the existing fleet. Newbuilding prices remain firm.

Midsize (20,000 – 40,000 m³)

Subsequent to a few strong months, the 2nd Quarter suffered from a reduction in vessel utilisation for Ammonia trading, which generated idle time. Lower Ammonia trading was mainly due to a slowdown of import requirements into the American market related to unusual natural gas price discrepancies between Europe and USA. In addition, overall Midsize activity into the Indian market went through a temporary decline.

Still, the structural market outlook for this segment remains firm, which is being reflected by several medium- and long-term Time-Charters that have recently been concluded. The balance of the year 2006 is already covered for about 72% at rewarding levels.

Results for the Midsize fleet increased by 5% in comparison with the same period last year, despite an average 10% waiting time.

Libramont (38,000 m³) has joined the fleet on 16th May and **BW Sombeke** (38,000 m³, in joint venture with Bergesen) will be delivered 1st half November 2006.

Ethylene – Polar Class (10,500 m³)

The three vessels contributed in accordance with budget estimates under their Time-Charter commitments to Eitzen of Denmark.

In September 2006, an agreement has been reached to terminate the Time-Charters both with Eitzen of Denmark, as Charterers, and the Japanese Head-Owners, whereby EXMAR will be generating a profit of about USD 11 million.

Fully Pressurised – Lady Class (3,200 - 3,500 m³)

In June, an agreement was reached whereby EXMAR sold its 50% stake in 4 jointly-owned pressurised vessels to Lauritzen Kosan of Denmark. By doing so EXMAR has at present no pressurised tonnage left. The deal resulted in a book profit of USD 10 million and net cash proceeds of USD 15 million.

LNG

Consolidated key figures (in million USD)	30/06/2006	restated 30/06/2005
Turnover	34.8	26.3
Operating Cash Flow EBITDA	22.2	25.7
Operating result (EBIT)	15.5	19.2
Consolidated result after tax	14.8	-0.4
Cash Flow	19.6	10.3
Property, plant and equipment	488.8	390.4
Financial debts	374.6	349.0

The consolidated result was influenced positively by the changes in the 'fair value' of the derivated financial instruments of USD 14.9 million (USD -11 million as per 30th June 2005). The consolidated results as per 30th June 2005 incoporated a capital gain of USD 13 million on the sale of the LNG carrier **Methania**.

The results of the half-year in the LNG sector were as expected following the extension of the time charter of **Excalibur** with Excelerate Energy.

Following the order in late 2005 of a further 150,900 m³ LNGRV, to be named **Express**, EXMAR reached agreement with DSME in March for the construction of two more in the same class for delivery in the 3rd and 4th Quarters of 2009. Several expressions of interest for employment have been received and the company is confident that long-term business will be concluded in the near future.

As a result of trials in the latter part of 2005 of the concept of commercial ship-to-ship transfers, the intention was to carry out the first operation in the early part of 2006. However the volatile product market during this period meant that the LNGRV's were continuously employed in conventional trades. The first commercial ship-to-ship (STS) transfer of LNG has now been carried out between two EXMAR vessels, **Excalibur** and **Excelsior**, both under Belgian flag, with complete success and the resulting facility will greatly enhance the operational flexibility of the LNGRV's.

EXMAR will continue its efforts in developing its interests in future gas import facilities in Belgium together with promoting the utilisation of LNGRV's as alternative discharge solutions in small and emerging markets.

OFFSHORE

CONSOLIDATED KEY FIGURES (in million USD)	30/06/2006	restated 30/06/2005
Turnover	23.8	16.3
Operating Cash Flow EBITDA	7.1	5.5
Operating result (EBIT)	3.7	2.1
Consolidated result after tax	0.9	0.1
Cash Flow	-1.9	5.0
Property, plant and equipment	66.3	73.2
Financial debts	43.2	49.2

The **Farwah** FPSO had a successful first 6 months in 2006. It produced, stored and exported without incidents to the satisfaction of the charterer, Total.
The accommodation barge **Kissama** also delivered as expected and to the satisfaction of the charterer, Sonangol.

During the first semester EXMAR decided to order a semi-submersible production unit, based upon the in-house developed OPTI-EX design. Negotiations with shipyards are still going on. The finalisation of the building contract is foreseen before the end of the year.

In the mean time, detailed engineering is being continued, as it is still the intention to have the unit delivered begin 2009.

In parallel, EXMAR continues its efforts for a separate listing of its offshore division.

All General Service Contracts (GSC) were executed with success during the first semester. The Serepca GSC has been extended with one year untill July 2007. The Girassol and Dalia Marine Management contracts, which will be operational by the end of the year, are under preparation and on time.

The activities of the engineering offices DVO (Paris) and EOC (Houston) have increased substantially due to a strong engineering market in general. The EOC office has substantially increased its number of employees to accommodate the higher demand for engineering services.

SERVICES

CONSOLIDATED KEY FIGURES (in million USD)	30/06/2006	restated 30/06/2005
Turnover	37.1	25.3
Operating Cash Flow EBITDA	10.1	0.3
Operating result (EBIT)	8.5	-1.1
Consolidated result after tax	8.8	10.7
Cash Flow	-53.7	-12.8
Property, plant and equipment	34.9	31.3
Financial debts	10.6	14.2

The consolidated result (after tax) as per 30th June 2006 was influenced positively by the reversal of USD 11 million on the provision for the balance sheet guarantee made within the framework of the sale of Hesse-Noord Natie to PSA (as per 30th June 2005, a capital gain of USD 7 million was realised on the trading of listed shares).

EXMAR SHIPMANAGEMENT

'TECTO' was renamed 'EXMAR shipmanagement' in order to increase market-transparency and enhance further the integration with EXMAR's core activities.
In view of the expected global shortage of qualified seamen, a Cadet Training Program was set up in Manila (The Philippines), to broaden our actual crewing resources in Belgium, India and Ukraine.

BELGIBO has signed a management agreement with purchase obligation regarding the transport insurance portfolio of Assupar NV (company declared bankrupt). Also an agreement was reached for the take-over of the 'Belgische Nationale Lloyd', specialist in inland insurances. On annual basis, both transactions will represent an increase in turnover of more than EUR 0.5 million.

BELGIBO

The results of the first semester are in line with last year results. The negative effect of the weak dollar has been compensated by a 13.6% higher turnover.

TRAVEL PLUS

TRAVEL PLUS shows a sustained growth, as turnover increased with 18.5% compared to the same period last year. The company successfully added the organization of incentive events to their product portfolio.

OUTLOOK

In the LPG division, the prospects for the second semester 2006 remain encouraging in both the VLGC and Midsize segments.
All the LNG vessels are covered for the balance of 2006 and therefore results in this sector for the second semester are expected to be in line with the first semester.

In the offshore division results are expected to be in line with the results of the first semester.

The board of directors, Antwerp, 12th September 2006

CONSOLIDATED FINANCIAL STATEMENT

for the period ended 30th June 2006

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INCOME STATEMENT (in thousands of USD)	30/06/2006	restated (3) 31/12/2005	restated (3) 30/06/2005
Turnover	243,266	451,688	233,960
Operating Cash Flow (EBITDA)	84,837	157,963	65,802
Depreciation and amortisation expenses	-24,231	-46,257	-23,494
Result from operations (EBIT) (note 1)	60,606	111,706	42,308
Net financial expense (-)/income (note 2)	-1,932	-29,623	-17,964
Result before tax	58,674	82,083	24,344
Tax	-1,374	-650	-651
Result after tax	57,300	81,433	23,693
Minority interest	-	-1	3
Share in the company's result valued in accordance with the equity method	34	80	45
Net result for the period	57,333	81,514	23,735

BALANCE SHEET (in thousands of USD)	30/06/2006	restated (3) 31/12/2005	restated (3) 30/06/2005
Assets			
Non-current assets	982,626	878,313	904,160
Tangible assets	959,392	864,526	879,023
Other fixed assets	23,234	13,787	25,137
Current assets	202,196	197,481	184,704
Trade and other receivables	90,567	67,104	82,690
Cash and cash equivalent	91,840	116,747	97,941
Other current assets	19,789	13,630	4,073
Total assets	1,184,822	1,075,794	1,088,864
Liabilities			
Equity	285,270	268,856	214,740
Capital and reserves	285,145	268,741	214,547
Minority interests	125	115	193
Non-Current assets	733,808	668,616	713,824
Long-term borrowings	719,401	625,517	647,909
Other non-current liabilities	14,407	43,099	65,915
Current liabilities	165,744	138,322	160,300
Short-term borrowings	33,607	32,989	50,140
Trade debts and other payables	125,317	98,723	104,525
Other current liabilities	6,820	6,610	5,635
Total liabilities	1,184,822	1,075,794	1,088,864

CASH FLOW STATEMENT (in thousands of USD)	30/06/2006	restated (3) 31/12/2005	restated (3) 30/06/2005
Net cash and cash equivalents at the beginning of the period	115,703	87,655	87,655
Cash Flows from operating activities	38,995	80,486	40,285
Cash Flows from investing activities	-86,283	-39,536	-57,913
Cash Flows from financing activities	18,723	-11,376	27,528
Effect of changes in exchange rates	-145	-1,526	-1,696
Net cash and cash equivalents at the end of the period	86,993	115,703	95,859

STATEMENT OF CHANGES IN EQUITY (in thousands of USD)	30/06/2006	restated (3) 31/12/2005	restated (3) 30/06/2005
Balance at beginning of the period	268,856	259,799	259,799
Issue of share capital	-	-	-
Repayment of share capital	-	-	-
Dividends	-27,545	-9,165	-9,165
Result for the period	57,334	81,514	23,735
Treasury shares	-18,426	-42,017	-36,566
Currency translation differences	1,513	-6,329	-5,329
Changes in fair value reserve	1,022	-2,776	-3,033
Changes in hedging reserve	2,099	5,108	3,117
Other changes	-	-17,470	-17,654
Share option plan	417	193	-
Minority interest	-	-1	-164
Balance at the end of the period	285,270	268,856	214,740

(1) The operating result (EBIT) was influenced positively by the reversal of USD 11 million on the provision for the balance sheet guarantee made within the frame-work of the sale of Hesse-Noord Natie to PSA and by a profit of USD 10 million realised on the sale of EXMAR 50% share in 4 Lady class vessels (compared to USD 17.7 million capital gain realised on the sale of vessels in the first semester 2005).

(2) The financial result incorporates the changes in the 'fair value' of the financial instruments (IAS 32 & 39) of USD 15.3 million (USD -8.6 million as per 30th June 2005) and other financial income of USD 0 (USD 6.9 million during the first semester 2005).

(3) In its meeting of 12th September 2006, the board of directors has decided to change the accounting policies concerning the costs of dry-docking. This decision has been taken in order to improve the comparison of the EXMAR figures with those of other peers. Previously dry-docking costs were taken immediately in costs in the period in which they occurred. Under the changed accounting policies these costs are capitalised and depreciated over the period until the next dry-docking.
The changes in the accounting policies are applied with retrospective effect. These changes result in the table underneath, reflecting comparable figures on 30th June and 31st December 2005. Opening retained earnings were raised by USD 1.48 million, being the result of the changes on the periods before 1st January 2005.

EXTRACT FROM THE NOTES (modification of the accounting policies concerning te costs of dry-docking)

(in million USD)	Property, plant and equipment (vessels)	Profit and loss: Services and goods	Profit and loss: Depreciations	Equity: Retained earnings	Equity: Result of the year
Expenses from last dry-docking, capitalised, before 2005	10.40	10.40		-10.40	
Depreciations of these capitalised expensens till 1/1/2005	-8.92		-8.92	8.92	
Total correction on opening retained earnings per 1/1/2005	**1.48**	**10.40**	**-8.92**	**-1.48**	
Dry-docking expensens capitalised for the 1st semester 2005	4.52	4.52			-4.52
Raised depreciation for the 1st semester 2005	-2.47		-2.47		2.47
Total correction for the 1st semester 2005	**2.05**	**4.52**	**-2.47**		**-2.05**
Dry-docking expenses capitalised for the 2nd semester 2005	7.40	7.40			-7.40
Raised depreciation for the 2nd semester 2005	-3.27		-3.27		3.27
Raised depreciation for the 2nd semester 2005	**4.13**	**7.40**	**-3.27**		**-4.13**

Report of the joint statutory auditors

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on the Semi-Annual Information on 30th June 2006 of the EXMAR Group

In accordance with our audit mandate, the Joint Statutory Auditors have performed a limited review on the condensed interim consolidated financial information of EXMAR NV and her subsidiaries (the 'Group') as of 30th June 2006, with a balance total of USD 1,184,822,479 and a share of the Group in the half-year profit as of 30th June 2006 of USD 57,333,997, the cash flow statement for the period ended per 30th June 2006 and the statement of changes in equity up to 30th June 2006. This condensed interim consolidated financial information was drawn up in accordance with the recognition and measurement criteria of the International Financial Reporting Standards. The condensed consolidated financial information was drawn up under the responsibility of the Group management.

We conducted our review in accordance with the 'International Standard on Review Engagements 2400', 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 statements, with the aim of certifying the consolidated financial statements. Accordingly we can not certify the above mentioned condensed interim 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 30th June 2006.

Antwerp, 13th September 2006

Helga Platteau	**Klynveld Peat Marwick Goerdeler**
Bedrijfsrevisor	**Bedrijfsrevisoren**
Statutory Auditor	Statutory Auditor
represented by	represented by
Helga Platteau	Serge Cosijns

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- 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 en Petercam

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

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

Concept and realisation: www.dms.be

Cover passenger list (1912)

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