

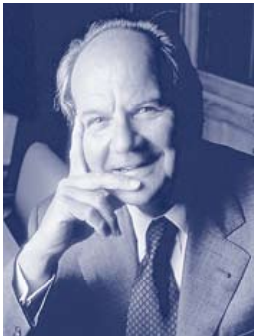


Fimalac

Shareholder's Newsletter

Chairman's Message

Dear Shareholder,



The significant growth in our key figures for the first half of fiscal 2011 (covering the period from October 2010 to March 2011) is encouraging. Our two financial services businesses, Fitch Ratings and Algorithmics, reported sharply higher revenues and robust operating results. Together, they accounted for most of the 31.2% increase in Fimalac's consolidated net profit for the period.

We are continuing to implement our diversification strategy. In addition to acquiring significant real estate assets, Fimalac has also become a leading player in the leisure and entertainment segment in France. Our acquisition of 40% of Groupe Lucien Barrière represented one of the highlights of the first half.

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First-half 2011 business review

1) Financial services activities

In the ratings segment, **Fitch Ratings** has enjoyed a steady recovery in business volumes since mid-2009. Like-for-like revenue growth accelerated from 6.3% in fiscal 2010 to **10.2%** in the first half of fiscal 2011.

After the United States last year, it was the turn of Europe to act as the main growth driver with the region's contribution to revenue up 13.7% during the period. Growth rates in Asia and Latin America were similar, at 14% and 12.1% respectively in the first half, ensuring a balanced spread of revenue sources.

Another noteworthy development during the period was the return to growth in structured finance issuance, which helped to sustain revenues alongside traditional corporate and financial institution ratings. This is an encouraging sign.

In the first half of fiscal 2011, Fitch Ratings reported recurring operating profit up **14%** like-for-like at **€82.6 million**, on revenue of **€263.8 million**, attesting to the company's tight cost discipline.

Algorithmics, our second financial services business, also had a good first half. Revenue grew by a strong **21.3%** like-for-like to **€66.1 million** and operating profit also rose at a satisfactory rate. Major license sales were recorded in both the insurance and banking segments, mainly in the United Kingdom, France and Australia.

2) Real estate activities

Our office building in the prestigious Canary Wharf district of London represents a major investment property that is carried in Fimalac's consolidated balance sheet for a net amount of some **€280 million**.

Built to the highest quality standards and with a total floor area of roughly 30,000 square meters, the property is now fully operational. Fitch Ratings and Algorithmics' London-based teams moved their UK headquarters there as planned in late 2010, occupying around 40% of the total space.

3) Diversified activities

As you know, our **Fimalac Développement** subsidiary is developing diversified business interests, by acquiring stakes in competitive companies with strong growth potential. We invest in these companies alongside their managers and play an active role in helping to run the business.

Last year we purchased a 40% interest in **Gilbert Coullier Productions**, France's leading concert and show promoter. In the first half of fiscal 2011, Fimalac Développement followed up this investment by acquiring control of **Vega**, France's foremost operator of concert halls, sports venues and conference centers for business and other events. And we have just announced that we're taking a 40% stake in **Auguri Productions**, another major French concert promoter, to further strengthen our presence in this business.

However, our largest recent transaction was the March 4 acquisition of **40% of Groupe Lucien Barrière**, representing an **€186 million** investment.

With a portfolio of 14 hotels, most of which are directly owned, and two prestigious brands – Barrière and Fouquet's – Groupe Lucien Barrière is a benchmark luxury hotel and resort operator present mainly in France.

It is also the leading casino operator in France and Switzerland, with 37 casinos, and has launched an online gaming (poker) business in partnership with Française des Jeux.

Last year, Groupe Lucien Barrière reported revenue of over €1 billion with some 6,400 employees. We intend to play an active role in its development, alongside the Desseigne-Barrière family which owns the other 60% of the capital.

Groupe Lucien Barrière also operates entertainment venues alongside several of its hotels and casinos, producing around 500 major shows a year and some 2,000 smaller ones. The strategic links with our other diversified investments in the entertainment sector are clear. Through our investments in Gilbert Coullier and Auguri in concert promotion, and in Vega and Groupe Lucien Barrière in show distribution, Fimalac has become a top tier player in France's entertainment industry and is committed to harmoniously developing the new business.

First-half net profit up 31.2%

Reflecting the strong performances by our subsidiaries, Fimalac's consolidated **recurring operating profit** amounted to **€75.5 million** for the period compared with €59.8 million for the first-half of fiscal 2010, up 26.3% on a reported basis and 23.9% like-for-like. Net profit attributable to equity holders amounted to **€23.1 million** for the first half, an increase of **31.2%** compared with €17.6 million for the same period of fiscal 2010:

KEY FIGURES FOR THE FIRST HALF OF FISCAL 2011

	First-half fiscal 2011	% change (reported)	% change (like-for-like*)
Revenue	€341.7m	+ 21.1%	+ 12.3%
Recurring operating profit	€75.5m	+ 26.3%	+ 23.9%
Profit attributable to equity holders of the parent	€23.1m	+ 31.2%	N/C

*At constant exchange rates and excluding material changes in scope of consolidation

40%-owned Groupe Lucien Barrière was acquired on March 4, 2011 and therefore had no impact on first-half consolidated profit (covering the six months ended March 31). It will be accounted for by the equity method as from the second half.

Marc LADREIT de LACHARRIERE



Fimalac

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