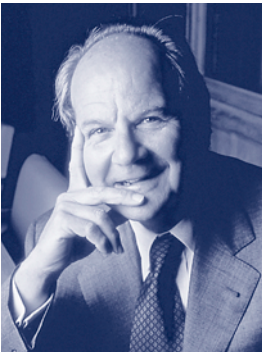




Fimalac

Shareholders' Newsletter

Chairman's Message



Dear Shareholder,

We had an excellent year in 2005 and we have begun 2006, which marks our Group's fifteenth anniversary, by announcing a major strategic transaction – the sale of 20% of FITCH GROUP to HEARST CORPORATION.

* * *

AN EXCEPTIONAL YEAR IN 2005

2005 was an exceptional year in several respects.

1) Divestment of non-strategic manufacturing businesses

As I previously announced, we have sold our remaining non-strategic manufacturing businesses in Europe, moving ahead of market expectations.

BEISSBARTH and ZIPPO, FACOM's garage equipment and vehicle hoist subsidiaries in Germany, were sold in the second half of last year, and on January 1, we completed the sale of the hand tools business, FACOM TOOLS. These transactions were preceded, in the first half of 2005, by the sale of CASSINA, our designer furniture subsidiary.

With these transactions, which were important for the future of our Group, FIMALAC has completed its withdrawal from European countries with low growth rates and from low added-value manufacturing businesses.

Now focused exclusively on ratings and enterprise risk management solutions, our Group has become a pure player in this sector. Our overriding objective is to build this business and we have no plans to branch out into any new business areas.

The sale of CASSINA boosted our cash position by some €90 million in 2005, while the sale of Facom at the beginning of this year has provided us with additional cash of around €340 million. The closing took place on January 1 and the more than €80 million profit on the sale will therefore be reflected in the 2006 accounts. Following these divestments, as of the end of February, the Group's parent company had cash reserves of some €150 million.

2) Faster growth in the ratings business

In 2005, FITCH RATINGS moved up a gear in its development, turning in outstanding revenue and earnings performances in the United States, Europe and the rest of the world.

Revenues were up 18.4% at \$593.6 million, while recurring operating profit was 50.8% higher at \$185.6 million. These strong gains were achieved in a very buoyant market. However, they also reflect FITCH RATINGS' increased recognition, with the addition of its ratings for securities

included in the world's main indices, such as those published by LEHMAN BROTHERS, MERRILL LYNCH and CALPERS, and the adoption by the world's main investors and fund managers of the guidelines recommending the use of FITCH RATINGS alongside MOODY'S and STANDARD & POOR'S.

3) Expansion of FIMALAC's enterprise risk management business

In January 2005, we expanded the Group's presence in the related area of enterprise risk management solutions, particularly for financial institutions, with the acquisition of ALGORITHMICS, a Toronto-based company with a wide international business base. ALGORITHMICS has forged a worldwide reputation as an expert in risk management solutions. It had 2005 revenue of some \$99 million, with over 660 employees and 18 offices world-wide serving some 300 clients.

FITCH RATINGS and ALGORITHMICS have been combined under the FITCH GROUP banner. In 2005, FITCH GROUP reported revenues of some \$693 million, with around 2,450 employees.

4) An exceptional year for FIMALAC on the earnings front

As could be expected, the combination of all these favorable developments led us to report excellent results for 2005.

In all, our Group ended the year with recurring operating profit of €107.2 million (2004: €76.1 million), up 40.9% on a reported basis and 60.4% like-for-like, on revenues – generated almost entirely by FITCH GROUP – of €557.9 million (2004: €412.7 million), up 35.2% on a reported basis and 19.1% like-for-like.

Consolidated net profit amounted to €57.6 million compared with €46.4 million in 2004. This good performance does not include the more than €80 million gain on the sale of FACOM, which will be recognized in 2006.

	2005	Change vs 2004
Revenue	€557.9m	+ 19,2 % ^(*)
Recurring operating profit	€107.2m	+ 60,4 % ^(*)
<i>Recurring operating profit as a % of revenue</i>	24,8 % ^(*)	
Profit for the period	€57.6m	

^(*) Like-for-like

You will find additional information in the press release announcing our 2005 results, attached to this newsletter.



Marc Ladreit de Lacharrière

1 SALE OF A 20% INTEREST IN FITCH GROUP

The acquisition by HEARST CORPORATION – one of the world's leading communication groups – of a 20% interest in FITCH GROUP alongside FIMALAC will help to speed development of the ratings business (FITCH RATINGS) and the risk management business (ALGORITHMIC).S).

The 20% interest is being sold for an estimated \$592 million (€493 million), based on an enterprise value of \$4,434 million less debt and the customary discount applied to minority interests. The after-tax gain on the transaction, which will be recognized in 2006, will amount to roughly €380 million.

HEARST's network and numerous contacts in the US market will be an important asset for FITCH. HEARST and FIMALAC have agreed to a long-term strategic action plan that will enable FITCH to leverage complementary skill-sets and expertise to support its growth dynamic.

2 NEW SHARE BUYBACK PROGRAM

Following the divestment of FACOM, our Group has significant cash reserves that will be further boosted by the proceeds from the sale of 20% of FITCH GROUP, to be completed before the end of April.

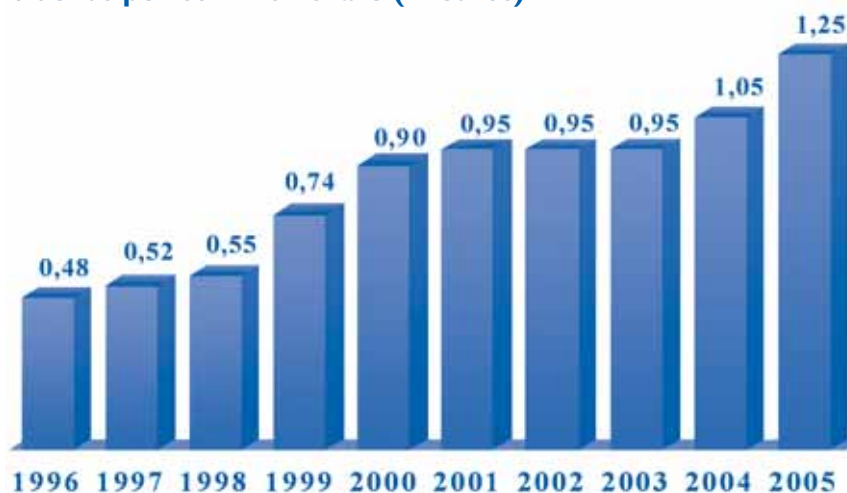
Now focused exclusively on ratings and enterprise risk management, our Group has become a pure player in this sector. Our overriding objective is to build this business and we have no plans to branch out into any new business areas. Our cash reserves will be used to speed growth of FITCH GROUP's business.

However, the Board of Directors has also decided to launch a new share buyback program, following shareholder approval at the General Meeting of March 16. In addition, the Board has decided to cancel 400,000 FIMALAC shares held in treasury, representing 1.06% of the capital.

3 DIVIDEND AND SHARE PERFORMANCE

At the Annual General Meeting of May 30, the Board of Directors will recommend a 19% increase in the dividend to €1.25 per share (2004 dividend: €1.05). The dividend will be paid as from June 1.

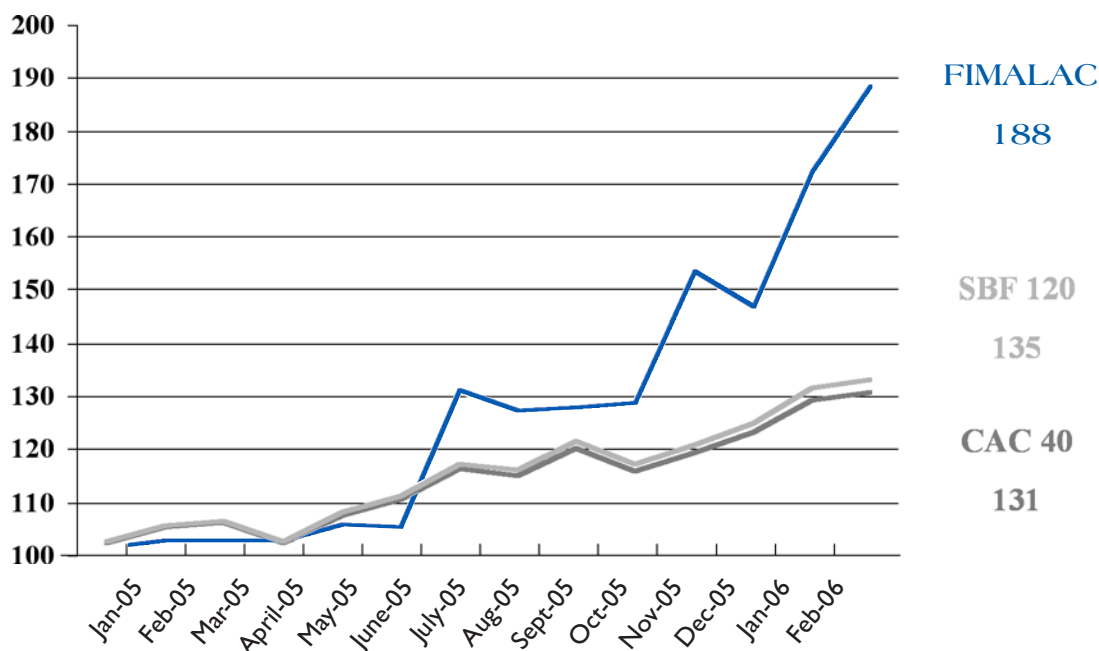
Growth in dividends per common share (in euros)



The FIMALAC share price rose from €35.20 on December 31, 2004 to €51.65 on December 31, 2005, a gain of 46.7% that reflects the favorable market response to our strategic refocusing. As you know, the share price has continued to rise strongly since the beginning of the year. In mid-February, our market capitalization stood at €2,398 million compared with €1,330 million as of January 1, 2005, representing an increase of some 80% over the last fourteen months.

Based on the enterprise value of FITCH GROUP (\$4,434 million) and including our cash reserves and other assets and liabilities, FIMALAC GROUP's net asset value represents an estimated €3,250 million or €86.7 per share.

Fimalac share performance compared with the CAC 40 and the SBF 120



4

CHANGE IN FISCAL YEAR-END

At the General Meeting on March 16, shareholders approved a change in the Group's fiscal year-end to September 30. The change was proposed because the revenues of FITCH RATINGS and, more notably, ALGORITHMICS, peak in the fourth quarter.

5

2006 OUTLOOK

The consolidated financial statements for fiscal 2006 (covering the nine months ending September 30) will include the €80 million gain on the divestment of FACOM and the estimated €380 million gain on the sale of 20% of FITCH GROUP.

6

FINANCIAL CALENDAR

- ◆ May 30, 2006: Annual General Meeting
- ◆ September 19, 2006: Board meeting to approve the financial statements for the six months ending June 30.

