

**PRESS RELEASE**

**26 August 2005**

**FIRST HALF YEAR NET PROFIT € 2.2 MILLION  
AND AN OPERATING PROFIT OF € 3.0 MILLION  
ASSETS UNDER MANAGEMENT UP 10% FROM € 4.9 BILLION TO € 5.4 BILLION**

Insinger de Beaufort Holdings SA (“Insinger de Beaufort”) is pleased to report an operating profit of € 3.0 million (31% increase) and a net profit of € 2.2 million for the half year ended 30 June 2005. This compares to € 2.3 million and € 1.3 million in respect of the second half of 2004.

**Main developments**

Private Banking and Asset Management showed an increase in gross income benefiting from the inflow of new assets, the introduction of alternative investments and a general increase in investment activity. Gross income from Institutional and Corporate Clients was tempered as a consequence of lower net commission earned (mainly due to relative high direct expenditure including commission payable). This was partially mitigated by corporate finance placing fees earned from listings on the AIM market in the UK.

Gross income for the period remained stable at € 38.6 million, with higher commission levels being off-set by higher direct expenditure. Gross Income includes some above average asset management performance fees that were at the same level as compared to the second half of 2004, resulting from both market appreciation and our investment process.

The growth in operating profit was attributable to Private Banking and Asset Management where the increase in income combined with the containment of costs has resulted in an increase in the operational margin. From the start of 2005, the Company has implemented accounting standard IFRS 2 (Stock Based Compensation). The resultant impact on the profit and loss account is not material.

The assets under management as at 30 June 2005 amounted to € 5.4 billion (31 December 2004: € 4.9 billion).

Shareholders’ equity decreased slightly from € 49.2 million to € 48.8 million, mainly due to the payment of dividend and an increase in treasury shares held. The group continues to maintain a highly liquid balance sheet and most of the assets are invested in cash or near cash and with loan assets being collateralised by liquid securities.

The Insinger de Beaufort group may from time to time take up Insinger de Beaufort shares and outstanding warrants 2008 from the market. This is executed on occasions when the group believes this to be opportune in terms of price, capital, or both. These shares will not be cancelled but may be used inter alia, to underpin the outstanding employee share options and compulsory convertible loan notes. During the period 157,000 shares and 4,000 warrants were purchased by the group and taken into treasury.

**Outlook**

Chief Executive Officer Ian Kantor said: ‘The continued focus on our core activities in Private Banking, Asset Management and financial services to Institutional and Corporate Clients has enabled us to improve our operating profit. Whilst managing to contain costs, personnel costs in particular, the operational profit increased substantially by 31% to € 3.0 million for the 6 months ended 30 June 2005 from € 2.3 million for the second half of 2004. A number of initiatives have been undertaken to further improve the operational margin.

The ongoing net inflow of assets under management is significant as this provides a basis for the growth of our annuity based income. Our success in attracting new clients and assets for management and advice is reliant on the consistency and quality of the service we deliver to clients. Investment performance is an important component of this, and considerable time and energy continues to be spent on our investment process, and this has again been evident in our investment performance in the past period.

A significant part of our income remains dependent upon investment market activity. Assuming there are no significant adverse developments in the financial markets, we anticipate that further improvement of our results is achievable.’

**Consolidated financials (unaudited)**

<b>Results in Euro</b>	<b>Half year ended 30 June 2005</b>	<b>Half year ended 31 December 2004</b>	<b>Half year ended 30 June 2004</b>
Gross income (million)	38.6	38.7	36.7
Profit before tax, before restructuring cost and exceptional result on sale of subsidiaries (million)	3.0	2.3	3.4
Profit before tax (million)	2.7	0.4	2.7
Profit after tax (million)	2.2	1.3	2.3
Net profit (million)	2.2	1.3	1.5
<b>Per ordinary share</b>			
Earnings per share (in cents) (fully diluted)	15.7	9.5	21.1 <sup>(1)</sup>
Proposed dividends (in cents)		12.0	
Net asset value	3.83	3.81	3.75
<b>Balance sheet</b>			
Shareholders' equity (million)	48.8	49.2	48.7
Number of ordinary shares of € 2.00 each in issue (million) (less shares held in treasury)	12.8	12.9	13.0 <sup>(2)</sup>
Number of ordinary shares held in treasury (million)	0.6	0.4	0.4
Number of warrants 2008 in issue (million) (less warrants held in treasury)	0.3	0.3	0.3
<b>Other information</b>			
Assets under management (excluding fiduciary assets) (billion)	5.4	4.9	4.7
Number of staff employed (FTE's)	437	436	439

**Notes:**

<sup>(1)</sup> Excluding result from discontinued operations.

<sup>(2)</sup> Includes the early exercise of 2.6 million warrants in June 2004

The full consolidated balance sheet, profit and loss account as per 30 June 2005, segmental information, movements in capital resources and the statement of cash flows for the year ended 30 June 2005 are attached as appendices.

Note: Comparative figures have been adjusted for the impact of IFRS 2.

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**NOTES TO EDITORS:**

Insinger de Beaufort is an Anglo Dutch banking group with origins dating back to 1779.

The group operates through three main business lines, focussing on Private Banking, Asset Management, both centred in Amsterdam and Institutional & Corporate Clients, centred in London. Insinger de Beaufort also has offices in: Eindhoven, The Hague, Geneva, Luxembourg, Jersey, Isle of Man, Rome and Johannesburg.

Insinger de Beaufort, as an independent group, offers its private clients a broad range of products and services, from integrated private banking, private equity and stockbroking to a full range of manager selection funds. The offering to institutional clients varies from asset management, equity and bond broking and research to mid market corporate finance services.

The group operates through Bank Insinger de Beaufort N.V. and its subsidiaries. Insinger de Beaufort Holdings S.A., the ultimate parent company, is listed on the Luxembourg Stock Exchange.

Additional information on the group and its services can be found by visiting Insinger de Beaufort's website at [www.insinger.com](http://www.insinger.com)

**APPENDIX 1 GROUP BALANCE SHEET**

	<b>Unaudited 30 June 2005</b>	<b>Dec 2004</b>
	€000's	€000's
<b>Assets</b>		
Cash and balances with central banks	5,365	9,430
Treasury bills	30,901	40,801
Loans and advances to credit institutions	100,268	114,782
Loans and advances to customers*	133,904	91,033
Debt securities and other fixed income securities		
- issued by public bodies	8,857	17,276
- issued by other borrowers	21,141	16,145
Shares and other variable yield securities	3,431	3,826
Investments in Associates	3,092	2,812
Financial fixed assets	749	752
Goodwill	21,049	20,868
Tangible fixed assets	9,895	9,317
Other assets	35,372	30,232
Deferred tax assets	8,599	9,270
<b>Total assets</b>	<b>382,623</b>	<b>366,544</b>
<b>Liabilities</b>		
Amounts owed to credit institutions	5,426	1,967
Amounts owed to customers**	282,927	270,462
Loan notes and other long term debt	9,348	9,180
Other liabilities	36,037	35,630
<b>Total liabilities</b>	<b>333,738</b>	<b>317,239</b>
<b>Capital resources</b>		
Shareholders' equity	46,740	47,984
Shareholders' compulsory convertible loan note	2,052	1,224
Minority interests	93	97
<b>Total equity and liabilities</b>	<b>382,623</b>	<b>366,544</b>
Off-Balance sheet items: contingent assets	11,464	11,464
Off-Balance sheet items: contingent liabilities	8,473	8,148
* Includes amounts receivable in respect of securities settlements	42,931	11,594
** Includes amounts payable in respect of securities settlements	37,967	16,505


**APPENDIX 2 GROUP PROFIT AND LOSS ACCOUNT**

	First half year 2005	Second half year 2004	First half year 2004	Full Year 2004
	€000's	€000's	€000's	€000's
Interest income	6,106	6,503	5,857	12,360
Interest expense	(3,190)	(3,286)	(3,528)	(6,814)
<b>Net interest income</b>	<b>2,916</b>	<b>3,217</b>	<b>2,329</b>	<b>5,546</b>
Commission income	44,527	42,048	39,868	81,916
Commission expense	(13,956)	(12,283)	(11,918)	(24,201)
Other operating income	5,147	5,707	6,409	12,116
<b>Gross income</b>	<b>38,634</b>	<b>38,689</b>	<b>36,688</b>	<b>75,377</b>
Personnel costs	(19,820)	(21,080)	(19,606)	(40,686)
Depreciation	(1,573)	(1,510)	(1,371)	(2,881)
Other general administrative expenses	(14,251)	(13,823)	(12,287)	(26,110)
<b>Operating profit</b>	<b>2,990</b>	<b>2,276</b>	<b>3,424</b>	<b>5,700</b>
Share of profits from associates	199	134	-	134
Redundancy expense	(531)	(1,972)	(744)	(2,716)
<b>Profit before taxation</b>	<b>2,658</b>	<b>438</b>	<b>2,680</b>	<b>3,118</b>
Taxation	(413)	833	(381)	452
<b>Profit after taxation</b>	<b>2,245</b>	<b>1,271</b>	<b>2,299</b>	<b>3,570</b>
Income/(expense) on sale of subsidiaries	-	1	(826)	(825)
Amortization of goodwill	-	-	-	-
<b>Net profit after goodwill amortization</b>	<b>2,245</b>	<b>1,272</b>	<b>1,473</b>	<b>2,745</b>
Profit attributable to minority interest	3	-	3	3
<b>Net profit</b>	<b>2,248</b>	<b>1,272</b>	<b>1,476</b>	<b>2,748</b>

Note: Comparative figures have been adjusted for the impact of IFRS 2


**APPENDIX 3 SEGMENTAL INFORMATION**

Segmentation of gross income	First half year 2005	Second half year 2004	First half year 2004	Full year 2004
	€000's	€000's	€000's	€000's
Private Banking	16,160	15,502	15,037	30,539
Asset Management	13,190	12,583	11,368	23,951
Institutional Clients	8,447	9,315	9,774	19,089
Ops & Support	(82)	(71)	(403)	(474)
Group	919	1,360	912	2,272
	<u>38,634</u>	<u>38,689</u>	<u>36,688</u>	<u>75,377</u>

Segmentation of operating profit	First half year 2005	Second half year 2004	First half year 2004	Full year 2004
	€000's	€000's	€000's	€000's
Private Banking	1,864	1,004	1,069	2,073
Asset Management	4,298	3,603	3,063	6,666
Institutional Clients	89	1,032	2,047	3,079
Ops & Support	(2,275)	(2,545)	(1,789)	(4,334)
Group	(986)	(818)	(966)	(1,784)
	<u>2,990</u>	<u>2,276</u>	<u>3,424</u>	<u>5,700</u>

Segmentation of profit before tax	First half year 2005	Second half year 2004*	First half year 2004*	Full year 2004*
	€000's	€000's	€000's	€000's
Private Banking	1,379	(44)	970	926
Asset Management	4,299	3,584	3,062	6,646
Institutional Clients	89	(485)	1,411	926
Ops & Support	(2,322)	(2,161)	(1,796)	(3,957)
Group	(787)	(456)	(967)	(1,423)
	<u>2,658</u>	<u>438</u>	<u>2,680</u>	<u>3,118</u>

\*Some minor reclassifications have been made in the 2004 figures to be comparable with the current segmentation allocation.

Note: The comparative figures have been adjusted for the impact of IFRS 2

**APPENDIX 4 MOVEMENTS IN SHAREHOLDERS' EQUITY**

	<b>Subscribed capital</b>	<b>Share premium</b>	<b>Other reserves</b>	<b>Compulsory convertible loan note</b>	<b>Shareholders' equity</b>
	€ 000's	€ 000's	€ 000's	€ 000's	€ 000's
<b>At 1 January 2005</b>	<b>25,825</b>	<b>(1,470)</b>	<b>23,629</b>	<b>1,224</b>	<b>49,208</b>
Dividend paid			(1,571)		(1,571)
Issue compulsory convertible loan note 2013				804	804
Net result for 6 months ended 30 June 2005			2,248		2,248
Movement in treasury shares	(314)	(1,151)			(1,465)
Other		155	(198)	24	(19)
Currency translation adjustments			(413)		(413)
<b>At 30 June 2005</b>	<b>25,511</b>	<b>(2,466)</b>	<b>23,695</b>	<b>2,052</b>	<b>48,792</b>



## APPENDIX 5 STATEMENT OF CASH FLOWS

	First half year 2005	Second half year 2004	First half year 2004	Full year 2004
	€000's	€000's	€000's	€000's
<b>Cash flows from operating activities*</b>				
Net profit	2,248	1,272	1,476	2,748
Adjustment for:				
Taxation	413	(833)	381	(452)
Profit attributable to minority interest	(3)	-	(3)	(3)
Depreciation of tangible fixed assets	1,573	1,510	1,371	2,881
Income from associates**	(199)	(134)	-	(134)
(Loss)/profit on sale of Bank Insinger de Beaufort Plc	-	(1)	826	825
<i>Net cash inflow from operating activities before changes in operating assets and liabilities</i>	<u>4,032</u>	<u>1,814</u>	<u>4,051</u>	<u>5,865</u>
<b>(Increase)/decrease in operating assets:</b>				
Loans and advances to credit institutions	14,514	(3,656)	(8,240)	(11,896)
Loans and advances to customers	(42,871)	32,750	(15,383)	17,367
Other assets	(5,086)	(43)	(5,180)	(5,223)
<b>Increase/(Decrease) in operating liabilities:</b>				
Amounts owed to credit institutions	3,459	635	(7,859)	(7,224)
Amounts owed to customers	12,465	(73,032)	13,307	(59,725)
Other liabilities	407	3,041	(408)	2,633
<i>Net cash (outflow) from operating activities before payment of taxation</i>	<u>(13,080)</u>	<u>(38,491)</u>	<u>(19,712)</u>	<u>(58,203)</u>
Taxation received	258	101	-	101
<i>Net cash (outflow) from operating activities after payment of taxation</i>	<u>(12,822)</u>	<u>(38,390)</u>	<u>(19,712)</u>	<u>(58,102)</u>
<b>Cash flows from investing activities</b>				
Net investment in non - trading securities	13,520	34,394	4,024	38,418
Net sale/(purchase) of fixed assets	(2,151)	(741)	931	190
Capitalisation of deferred considerations	-	(262)	-	(262)
Sale of Bank Insinger de Beaufort Plc	-	6,231	7,930	14,161
<i>Net cash inflow from investing activities</i>	<u>11,369</u>	<u>39,622</u>	<u>12,885</u>	<u>52,507</u>
<b>Cash flows from financing activities</b>				
Movement in minority interests	(1)	-	1	1
Dividends paid	(1,571)	78	(977)	(899)
Movement treasury shares	(1,464)	-	-	-
Share option expense	155	79	79	158
Issue of compulsory convertible loan note	996	-	-	-
Repayment of loans	-	(33)	(18,189)	(18,222)
Warrant exercise	-	-	11,864	11,864
Warrant buy back	-	(24)	(501)	(525)
Share buy back	-	(962)	(570)	(1,532)
<i>Net cash (outflow) from financing activities</i>	<u>(1,885)</u>	<u>(862)</u>	<u>(8,293)</u>	<u>(9,155)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<u>(3,338)</u>	<u>370</u>	<u>(15,120)</u>	<u>(14,750)</u>
Cash and cash equivalents at beginning of the period	9,430	9,486	25,223	25,223
Net (decrease)/increase in cash and cash equivalents	(3,338)	370	(15,120)	(14,750)
Exchange differences	(726)	(426)	(617)	(1,043)
Cash and cash equivalents at end of the period	<u>5,366</u>	<u>9,430</u>	<u>9,486</u>	<u>9,430</u>
* Cash flows from operating activities include:				
Interest received	6,106	6,503	5,857	12,360
Interest paid	(3,190)	(3,286)	(3,528)	(6,814)
Dividends received	-	-	-	-

\*\* Represents the income from the 25% investment in UTB Partners Ltd