



**LBC Holdings LLC Consolidated Financial Statements
For the 6 months ended June 30, 2006
(Unaudited)**

LBC Holdings LLC
JUNE 30, 2006
CONSOLIDATED BALANCE SHEET—ASSETS

in thousands of euros	June 30 2006 (Unaudited)	December 31 2005
Intangible fixed assets	4,599	4,811
Less : accumulated depreciation	(2,161)	(1,985)
	2,438	2,826
Tangible fixed assets	483,276	483,397
Less : accumulated depreciation	(289,498)	(285,360)
	193,778	198,037
Financial assets	1,596	1,640
Less : accumulated depreciation	(473)	(500)
	1,123	1,140
Goodwill on acquisitions	53,037	53,037
Less : accumulated amortisation	(5,636)	(4,310)
	47,401	48,727
TOTAL FIXED ASSETS	244,740	250,730
Trade inventories	255	250
Trade receivables	23,614	24,632
Other receivables	6,788	6,494
Net deferred financing expenses	13,718	14,819
Marketable securities	9,457	19,941
Cash and cash equivalents	17,967	4,758
Other	0	37
TOTAL CURRENT ASSETS	71,799	70,931
TOTAL ASSETS	316,539	321,661

See notes to the consolidated Financial Statements.

LBC Holdings LLC
JUNE 30, 2006
CONSOLIDATED BALANCE SHEET—LIABILITIES

in thousands of euros	June 30 2006 (Unaudited)	December 31 2005
Share capital	73,700	73,700
Retained Earnings	(10,775)	(5,332)
Net earnings for the year	2,322	(5,424)
Conversion adjustments	(1,177)	2,961
GROUP SHAREHOLDERS' EQUITY	64,070	65,905
MINORITY INTERESTS	5,125	5,126
PROVISIONS	5,201	5,265
TOTAL SHAREHOLDERS' EQUITY	74,396	76,296
Loans	192,713	198,056
Leases	3,341	
LONG TERM DEBT (LIABILITIES)	196,054	198,056
Trade payables	7,980	10,620
Other payables	16,511	13,645
Deferred tax reserve	17,094	19,211
Others liabilities and adjustments	4,504	3,833
CURRENT LIABILITIES	46,089	47,309
TOTAL LIABILITIES	242,143	245,365
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	316,539	321,661

See notes to the consolidated Financial Statements.

LBC Holdings LLC
For the 6 months ended June 30, 2006
CONSOLIDATED INCOME STATEMENT

in thousands of euros	June 30 2006 (Unaudited)	June 30 2005 (Unaudited)
NET SALES	66,488	59,727
Purchases	(21,399)	(18,326)
Operating taxes	(2,522)	(2,378)
Personnel costs	(18,904)	(17,942)
Total operating expenses	(42,825)	(38,646)
Other operating revenues	1,555	1,491
Other operating expenses	(223)	(134)
EBITDA	24,995	22,438
Amortisation, depreciation and provisions	(10,443)	(11,450)
EBIT	14,552	10,988
Share of joint venture operations	20	18
Net financial (expense) / income	(8,519)	(11,618)
Exceptional items, net	(361)	(190)
EARNINGS BEFORE INCOME TAX	5,692	(802)
Total taxes	(1,607)	(3,640)
EARNINGS BEFORE MINORITY INTERESTS	4,085	(4,442)
Less: minority interests	(437)	(405)
NET EARNINGS (LOSS)	3,648	(4,847)
Amortisation of goodwill	(1,326)	(1,296)
GROUP SHARE / NET EARNINGS (LOSS)	2,322	(6,143)

See notes to the consolidated Financial Statements.

LBC Holdings LLC
JUNE 30, 2006
CONSOLIDATED STATEMENT OF CASH FLOWS
(For the 6 months ended June 30, 2006)

in thousands of euros	June 30 2006 (Unaudited)	June 30 2005 (Unaudited)
Net earnings	2,322	(6,143)
Minority interests	437	405
Net income before minority interests	2,759	(5,738)
Adjustments to reconcile net income to cash flow:		
Amortisation, depreciation and provisions	11,768	12,549
Other provisions	662	260
Changes in deferred taxes	(2,028)	(331)
Gains and losses from disposals, net of tax	0	14
Equity in loss / (gain) of associated company	20	18
Net change in working capital:		
Operating accounts receivables	1,018	(1,521)
Operating accounts payables	(2,640)	1,855
Others, net	3,065	576
CASH FLOW FROM OPERATING ACTIVITIES	14,624	7,682
Additions to intangible assets	0	(103)
Additions to tangible fixed assets	(8,128)	(5,544)
Additions to investments	(59)	(38)
Proceeds from disposals of fixed assets	0	81
NET CASH USED IN INVESTING ACTIVITIES	(8,187)	(5,604)
Additions to borrowings	915	0
Repayment of borrowings	(3,618)	(1,759)
Net change in accrued interests	(229)	297
Dividend to minority interest	(153)	(41)
Net change in other liabilities	0	743
Previous shareholder current account payment		
NET CASH (USED IN) / PROVIDED BY FINANCING ACTIVITIES	(3,085)	(760)
CONVERSION AND TRANSLATION ADJUSTMENTS	(627)	2,137
NET CHANGE IN CASH AND CASH EQUIVALENTS	2,725	3,455
Cash and cash equivalents at beginning of the period	24,699	9,830
Cash and cash equivalents at end of the period	27,424	13,285

LBC Holdings LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE 6 MONTHS ENDED JUNE 30, 2006
(Figures in thousands of euros)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, RULES AND METHODS

Overview

The consolidated financial statements at June 30, 2006 presented herein consist of a balance sheet, an income statement, a statement of cash flows and the related notes. The comparative accounts presented herein consist of a balance sheet as of December 31, 2005 and a non audited income statement for the 6 month period ended June 30, 2006.

Accounting Principles

The consolidated financial statements of LBC Holdings LLC ("the Company") have been prepared in accordance with accounting principles generally accepted in France and rules described in CRC regulation 99-02 related to consolidated financial statements. The audited consolidated statements included herein have been prepared on the same basis as the annual consolidated financial statements of the former LBC Group prior to its acquisition by OEP (see Note 3), in accordance with accounting principles generally accepted in France.

Balance sheet date:

The individual financial statements of the companies forming part of the group (hereinafter referred to as "consolidated companies") are prepared as of the balance sheet date of the Consolidated Financial Statements. Assets and liabilities of consolidated companies are accounted for and valued uniformly in accordance with the principles described herein.

Companies controlled totally or through majority ownership are fully consolidated ("global integration" under French GAAP). Jointly controlled companies are consolidated using the proportionate method. Significant transactions between consolidated companies and inter-company operations are eliminated in the consolidated financial statements.

Functional currency:

LBC has decided that the group functional currency is the Euro. All subsidiaries have decided that their functional currency is the Euro or the USD depending on geography. For statutory purposes, the financial statements of the holding company are prepared in USD and translated in Euros for consolidation purposes using the Euro/USD exchange rate at closing date. Consolidated income is thus exposed to currency exchange rate fluctuations.

Balance sheet accounts of foreign companies are translated into euros at the closing date exchange rate. Income statement items are translated into euros at the average exchange rate for the period. Translation adjustments are booked in shareholders' equity. The Group's share in translation adjustments are included under the caption "conversion adjustments" in shareholders' equity.

<u>Currency</u>	<u>Closing rate June 30,</u> <u>2006</u>	<u>Average rate for the 6 month</u> <u>period</u>	<u>Closing rate December 31,</u> <u>2005</u>
US dollar	1.2713	1.2369	1.1797

Intangible fixed assets, mainly business goodwill and software are depreciated over their useful life.

Goodwill arising on an acquisition represents the cost of the acquisition over the fair value of the net identifiable assets.

Property, plant and equipment:

Property, plant and equipment are stated at acquisition or production cost less scheduled depreciation over its estimated useful life. Write-downs are made on property, plant and equipment whenever events or changes in circumstances indicate that the carrying value on an asset may not be recoverable.

Investments in non-consolidated companies are stated at cost less impairment losses. An impairment is recognised when the carrying amount of an asset exceeds its recoverable amount.

Accounts receivables and liabilities expressed in euros are stated at their historical value irrespective of due date and remuneration rate. Advances and liabilities expressed in foreign currencies are converted at the exchange rate as at the closing date. A provision is booked to reflect the risk of non-collection due to the financial position of debtors.

Exceptional or extraordinary items are defined as profit or losses that result from events or operations that are not part of the ordinary activity of the company and that should not as a consequence happen repeatedly or frequently.

Deferred tax assets are recorded for taxable temporary differences between the valuation of assets and liabilities in the financial statements of the consolidated companies and the carrying amounts for tax purposes. Net deferred tax assets are only recognised where a tax benefit can reasonably be expected to be realised.

A French group releasing agreement has been signed between LBC France Holding SAS, LBC France SAS, LBC SA, LBC Sotrasol SA, LBC Nantes SA, and LBC Marseille-Fos SAS with effect on August 1st, 2004. This agreement is governed by the group relief provisions of articles 223A and thereafter of the French General Tax Code.

The preparation of financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. In the preparation of these Consolidated Financial Statements, estimates and assumptions have been made by management concerning the selection of useful lives of property, plant and equipment and intangible assets, the measurement of provisions, the carrying value of investments, and other similar evaluation of assets and obligations.

Employee retirement commitments are booked as a liability. An actuarial valuation is carried out where this obligation exists based on the following assumptions:

- Discount Rate: 3.63 %
- Estimated annual salary increase: 2 %
- Retirement age: 60 or local legal age
- Social Security contributions: 43 % or local regulations
- Turnover: probability to be in the company: 50 % if under 45 years old and 100 % above 45 years old
- Mortality rate: INSEE tables

Provisions cover risks resulting from legal disputes and proceedings. In order to determine the amount of the provisions, the facts relating to each case, the size of the claim, claims awarded in similar cases and independent expert advice are considered along with assumption regarding the probability of a successful claim and the range of possible claims.

Other provisions also include expected charges for the rehabilitation of the concerned sites. The determination of the amount of the provision is complex and is based on the available site data, the technology and processes used as well as current regulation.

Application of the new French accounting standards on fixed assets

The new accounting standards on fixed assets, so-called "Règlement sur les actifs", are applicable for all financial years opened since January 1, 2005. The new regulation implies the following steps:

1. The review of all tangible fixed assets, in order to identify assets to be split by components.
2. The review of depreciation plans, in order to confirm consistency of accounting with assets useful economical lives and value at end of projected economical life within the company.
3. The definition and review of potential impairment indicators.
4. The recognition of future decommissioning costs accrued as separate components (assets).

Based on an internal study, LBC considers that fixed assets present at January 1, 2005 and not fully depreciated do not require to be divided into smaller components.

Moreover, the useful lives of fixed assets have remained unchanged since LBC considered them appropriate to reflect a normal depreciation of assets. The end-of-life value of assets is considered to be nil.

LBC considers that no impairment indicators appeared during the period which would require the recording of impairment on fixed assets.

The law foresees that the components for decommissioning costs of fixed assets should be fully accrued. These costs should also be recorded as components of fixed assets and depreciated over the useful lives of the installations.

LBC has no plan to close any site in the foreseeable future. Accordingly, the net present value of potential asset retirement cost is nil.

NOTE 2: SCOPE OF CONSOLIDATION

Applied consolidation rules and methods:

Company	Address	% Interest	Method
LBC Holdings LLC (Parent company)	1209 Orange street – Wilmington Delaware 19801 - USA	100	Parent
LBC Acquisition Corp inc	1209 Orange street – Wilmington Delaware 19801 - USA	100	Full integration
LBC Houston LP	11666 Port Road - Seabrook Texas 77 586 - USA	99,9	Full integration
LBC Baton Rouge LLC	11666 Port Road - Seabrook Texas 77 586 - USA	100	Full integration
LBC Finance SARL	10 boulevard Royal 2449 LUXEMBOURG	100	Full integration
LBC Luxembourg SARL	10 boulevard Royal 2449 LUXEMBOURG	100	Full integration
LBC Luxembourg Holding SCA	10 boulevard Royal 2449 LUXEMBOURG	100	Full integration
LBC Belgium BVBA	Bredestraat 4 2000 Antwerpen - BELGIUM	100	Full integration
LBC Antwerpen BV	Haven 275 - Leon Bonnetweg 28 2030 Anvers - BELGIUM	100	Full integration
LBC Rotterdam BV	Oude Maasweg 4 – PO BOX 5000 – 3197 Botlek - NETHERLANDS	100	Full integration
LBC France Holding SAS	5 ter rue du Dôme 75 116 Paris - FRANCE	100	Full integration
LBC France SAS	5 ter rue du Dôme 75 116 Paris - FRANCE	100	Full integration
LBC SA	5 ter rue du Dôme 75 116 Paris - FRANCE	100	Full integration

LBC Sotrasol SA	5 ter rue du Dôme 75 116 Paris - FRANCE	99,8917	Full integration
Sogestrol SAS (LBC Sogestran)	Route de la Chimie 76 700 Gonfreville L'Orcher- FRANCE	49,9459	Proportionate
LBC Nantes SA.	103, quai Emile Cormerais 44 800 St Herblain - FRANCE	99,5554	Full integration
LBC Marseille-Fos SAS	Route du Port Pétrolier 13117 Lavéra - FRANCE	99,9889	Full integration
Terliq SA	El Poligono El Fangal, Valle de Escombreras – 30350 Cartagena - SPAIN	78,1438	Full integration
Terquisa SA	Calle Santa Cruz de Marcenado 31 – Madrid - SPAIN	56,2876	Full integration
LBC Tanquipor SARL	Parque Industrial do Barreiro 2830 BARREIRO - PORTUGAL	71,1111	Full integration

Subsidiaries and joint ventures whose impact on the net worth financial position and results of the Company are individually and in aggregate immaterial are not consolidated.

NOTE 3: GOODWILL

LBC was acquired by its current shareholders on May 13, 2004 (“The Acquisition”). For the purposes of preparing our consolidated financial statements subsequent to the Acquisition, the total purchase price was allocated to the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values as of the date of the Acquisition, with any excess of the purchase price over the identifiable net assets acquired allocated to goodwill.

Complementary write-downs are made when impairment has been determined, i.e. when the book value of the reporting unit exceeds the net present value of future cash flows. Impairment testing relies upon long term earnings predictions based on economic trends. No complementary depreciation was recorded at year-end.

in thousands of euros	May 13 2004	December 31 2005
Purchase price	134,600	134,600
Costs and expenses of the Acquisition	2,377	3,579
Total consideration	136,977	138,179
Net assets of Target	(85,142)	(85,142)
Goodwill on Acquisition	51,835	53,037

The following table details changes in goodwill.

in thousands of euros	December 31 2005	Net increase (decrease)	June 30 2006
Gross goodwill	53,037	0	53,037
Amortisation	(4,310)	(1,326)	(5,636)
Net goodwill	48,727	(1,326)	47,401

NOTE 4: INTANGIBLE ASSETS

in thousands of euros	June 30 2006	December 31 2005
Gross intangible fixed assets	4,599	4,811
Depreciation	(2,161)	(1,985)
Net intangible fixed assets	<u>2,438</u>	<u>2,826</u>

The items, which regard intangible fixed assets, are valued at their acquisition cost or cost of production. These assets are depreciated on a straight-line basis following their actual estimated useful lives.

Intangible assets are mainly composed of "Other intangible fixed assets" for a gross value of € 3.6 million. They include the amounts paid for the access to property rights for the use of software programs, as well as the costs of software designed by the Company itself, if applicable, when it is foreseen that their utilisation will be spread over a number of years. The principal software programs include the data processing applications of the new Terminal Management System (TMS) which is being implemented according to plan. Maintenance costs of those applications are directly charged to the profit and loss account of the year in which they are incurred. Depreciation is calculated on a straight-line basis over a period of three years from the date of acquisition.

NOTE 5: TANGIBLE FIXED ASSETS

in thousands of euros	June 30 2006	December 31 2005
Land	19,043	20,488
Buildings	84,238	81,791
Industrial fixture and equipment	356,336	365,035
Other tangible fixed assets	14,619	12,140
Tangible fixed assets in progress	9,040	3,943
Gross tangible fixed assets	<u>483,276</u>	<u>483,397</u>
Depreciation	(289,498)	(285,360)
Net tangible fixed assets	<u>193,778</u>	<u>198,037</u>

The tangible fixed assets by region are as follows:

in thousands of euros	June 30 2006	December 31 2005
France	132,291	130,334
Other countries in Europe	202,737	196,712
United States	148,248	156,351
Gross tangible fixed assets	483,276	483,397
Accumulated depreciation	(289,498)	(285,360)
Net tangible fixed assets	193,778	198,037
France	41,068	41,883
Other countries in Europe	82,811	81,395
United States	69,899	74,759

Items included in tangible fixed assets are valued at their acquisition or production cost.

The depreciation of tangible fixed assets is calculated systematically applying the straight-line method over the useful life of the respective assets.

The useful lives used to calculate the depreciation of tangible fixed assets are as follows:

Items	Useful Life (years)
Buildings	20 to 30 years
Installations	10 years
Tanks	20 years
Machinery	5 to 10 years
Utilities & tools	5 to 10 years
Furniture	5 to 10 years
Data processing equipment	3 years
Vehicles	5 years

NOTE 6: TRADE ACCOUNTS RECEIVABLES

in thousands of euros	June 30 2006	December 31 2005
Trade accounts receivables	24,183	25,235
Provisions for bad debts	(569)	(603)
Net trade accounts receivables	23,614	24,632

All trade accounts receivables are due within 1 year.

NOTE 7: DEFERRED FINANCING COST AND ISSUANCE PREMIUMS

in thousands of euros	December 31 2005	Conversion Adjustment	Amortisation	June 30 2006
Deferred financing expense	8,422	(224)	(495)	7,703
Premiums on note issuance	6,397	0	(382)	6,015
Net deferred financing expenses	14,819	(224)	(877)	13,718

The deferred financing expense is linked to the issuance of the € 133 million Senior Subordinated Notes and the Senior Facility Agreement (see note 9 - Net debt). This amount is booked in the balance sheet on the line "Net deferred financing expenses".

The premium is relative to the issuance of the € 133 million Senior Subordinated Notes (see note 9 - Net debt).

NOTE 8: LONG TERM DEBT

The long term debt, including changes in 2006 is as follows:

in thousands of euros	December 31 2005	Increase	Repayment	Exchange + Other Variation	June 30 2006
High yield bond	133,000	0	0	0	133,000
Senior Facility Agreement	61,316	0	(2,850)	(2,640)	55,826
Other credit facilities	3,740	915	(768)	0	3,887
Long term loans	198,056	915	(3,618)	(2,640)	192,713
Leases	0	0	0	3,341	3,341
Long term debt	198,056	915	(3,618)	701	196,054

By maturity, the long term debt is as follows:

in thousands of euros	Due in less than 1 year	Due in more than 1 year	June 30 2006
High yield bond	0	133,000	133,000
Senior Facility Agreement	5,818	50,008	55,826
Other credit facilities	1,171	2,716	3,887
Long term loans	6,989	185,724	192,713
Leases	245	3,096	3,341
Long term debt	7,234	188,820	196,054

NOTE 9: NET DEBT

Net debt, including amounts payable within one year, is as follows:

in thousands of euros	December 31 2005	Net increase (decrease)	June 30 2006
High yield bond	133,000	0	133,000
Senior Facility Agreement	61,316	(5,490)	55,826
Other credit facilities	3,740	147	3,887
Accrued interest	2,502	(229)	2,273
Gross debt (loans)	200,558	(5,572)	194,986
Less: marketable securities	(19,941)	10,484	(9,457)
Less: cash and cash equivalents	(4,758)	(13,209)	(17,967)
Net debt (loans)	175,859	(8,297)	167,562
Leases	0	3,341	3,341
Net debt	175,859	(4,956)	170,903

In the balance sheet, accrued interest is booked in other liabilities and adjustments.

The Senior Credit Facilities consist of the following facilities:

- the Term A Facility, which is a U.S. dollar denominated term loan facility, in an amount equal to the U.S. dollar equivalent of € 41.3 million, less the U.S. dollar amount of the Letter of Credit Facility referred to below, with a final maturity seven years after the date of the Acquisition;
- the Term B Facility, which is a € 15.0 million euro denominated term loan facility, with a final maturity eight years after the date of the Acquisition;
- the Capex Facility, which is a € 15.0 million euro or U.S. dollar denominated term loan facility with final maturity seven years after the date of the Acquisition;
- the Revolving Credit Facility, which is a € 15.0 million euro denominated revolving credit facility with final maturity seven years after the date of the Acquisition;
- the Bank Guarantee Facility, which is a € 10.0 million euro bank guarantee facility pursuant to which bank guarantees denominated in euros can be requested; and
- the Letter of Credit Facility, which is a US\$ 7.2 million letter of credit facility pursuant to which a letter of credit denominated in U.S. dollars may be issued in support of the Industrial Revenue Bonds.

On May 13, 2004, the Company issued € 133.0 million aggregate principal amount of its 11% senior subordinated notes due 2014 (the "Notes"). The Notes will pay interest semi-annually on each May 15 and November 15, commencing November 15, 2004. At any time on or before May 15, 2009, the Notes may be redeemed in whole or in part by the Company paying a "make whole" premium. At any time on or after May 15, 2009, the Company may redeem all or part of the Notes by paying a specified premium. In addition, on or before May 15, 2007, the Company may redeem up to 35% of the Notes with the net proceeds from specified equity offerings. If LBC Holdings LLC undergoes a change of control or sells certain of its assets, it may be required to offer to purchase the Notes. The Notes are general obligations and will rank subordinate to all of the Company's existing and future senior indebtedness. The Notes are secured by a second ranking pledge of certain inter-company loans made by the Company to certain of its subsidiaries.

As at June 30, 2006, we had outstanding net debt including accrued interest of € 170.9 million.

As at June 30, 2006 LBC Holdings LLC and its consolidated subsidiaries also had unused facilities of € 30.0 million under the Senior Credit Facilities, consisting of a € 5.0 million Capex Facility, a € 15.0 million Revolving Credit Facility and a € 10.0 million Bank Guarantee Facility.

NOTE 10: SHAREHOLDERS' EQUITY AND MINORITY INTEREST

Changes in shareholders' equity are presented as follows:

in thousands of euros	June 30 2006	December 31 2005
Consolidated equity at opening balance	65,905	63,159
Consolidated net result for the year	2,322	(5,424)
Other	(19)	
Translation adjustments	(4,138)	8,170
Group Shareholders' Equity	<u>64,070</u>	<u>65,905</u>
Minority Interest	<u>5,125</u>	<u>5,126</u>

The Equity of LBC Holdings LLC is composed of 76,102.39 common units, 684,921.51 Series A preferred units and 119,052.40 Series B preferred units; all having a par value of \$ 100.00. Series A preferred units are entitled a cash rate per annum of 8% and Series B Preferred Units are entitled a cash rate per annum of 15% in the case there is a distribution declared or paid. Series A and Series B Preferred Units are not entitled to vote but are senior to common Units. If certain conditions are met and in particular by the Senior Facility Agreement and the High yield bond indenture the Series B may be redeemed (i) upon the written request by the majority of holders or (ii) on May 15, 2015. The members of LBC Holdings LLC have changed, in the course of 2005, the series B preferred Units to a perpetual form. Distributions of accrued interest on Series A and B are subject to covenants on our Senior Facility Agreement. No distribution has been declared or paid as of June 30, 2006.

NOTE 11: PROVISIONS

in thousands of euros	June 30 2006	December 31 2005
Provision for pension and retirement liabilities	2,290	1,999
Provision for risks	290	461
Provision for charges	2,621	2,805
Provisions	<u>5,201</u>	<u>5,265</u>

The provision for charges includes a € 2.3 million provision for land decontamination in our Antwerp terminal. This expense could, according to estimates reach a value of € 8.3 million, but the Acquisition Agreement provides that the majority of such incremental cost would be borne by the prior shareholder.

NOTE 12: DEFERRED INCOME TAXES

Deferred income taxes are recognised using the liability method for timing differences between the recognition of certain items of income and expenses for financial reporting and tax purposes, as well as for consolidation adjustments (mainly purchase accounting adjustments and the elimination of non-deductible provisions). Deferred tax assets are recognised for ordinary and evergreen tax loss carry-forwards, to the extent that they are offset by deferred tax liabilities. Net deferred tax assets are recognised only where the related tax benefit can reasonably be expected to be realised.

Deferred tax assets and liabilities

in thousands of euros	June 30 2006	December 31 2005
Deferred tax assets	56	145
Deferred tax liabilities	(17,094)	(19,211)
Net deferred tax position (liability)	(17,038)	(19,066)

In the balance sheet the deferred tax assets are included in the line "Other receivables".
On the other hand, the deferred tax liabilities are included in the line "Deferred tax reserve".

Detail of our profit and loss taxes

in thousands of euros	June 30 2006	June 30 2005
Income tax	2,492	3,309
Deferred tax	(885)	331
Total taxes	1,607	3,640

Basis of income tax

in thousands of euros	June 30 2006	June 30 2005
Net earnings	2,322	(2,419)
Income tax	1,607	3,640
Income before tax	3,929	1,221
Amortisation of goodwill	1,326	648
Taxable result	5,255	1,869
Income tax at the rate of 35 %	(1,839)	(654)
Others	232	(2,986)
Total taxes	1,607	3,640

The Parent company LBC Holdings LLC is a non taxable entity and any taxes due on the LBC Holdings LLC taxable result is payable by its shareholders.

NOTE 13: SALES, EBITDA AND EBIT

The sales allocation by region is presented as follows:

in thousands of euros	June 30 2006	June 30 2005
France	19,916	18,160
Other countries in Europe	23,340	21,880
United States	23,232	19,687
NET SALES	<u>66,488</u>	<u>59,727</u>

The EBITDA allocation by region is presented as follows:

in thousands of euros	June 30 2006	June 30 2005
France	6,596	5,477
Other countries in Europe	7,316	7,241
United States	11,083	9,720
EBITDA	<u>24,995</u>	<u>22,438</u>

As an indicator of the Company's financial performance, EBITDA, as Earnings Before Interest, Taxes, Depreciation and Amortisation, is calculated as follows:

= + Revenues, i.e. Net sales + all other operating revenues
- Operating expenses, including purchases, external costs, personnel costs and operating taxes but excluding interest, tax, depreciation and amortisation.

The EBIT allocation by region is presented as follows:

in thousands of euros	June 30 2006	June 30 2005
France	3,620	2,476
Other countries in Europe	2,527	1,681
United States	8,405	6,831
EBIT	<u>14,552</u>	<u>10,988</u>

As another indicator of the Company's financial performance, EBIT, as Earnings Before Interest and Tax, is calculated as follows:

= + Revenues
- Operating expenses, including purchases, external costs, personnel costs, operating taxes, depreciation and amortisation and other current operating taxes.

NOTE 14: AMORTISATION, DEPRECIATION AND PROVISIONS

Amortisation, depreciation and provisions are as follows:

in thousands of euros	June 30 2006	June 30 2005
Depreciation (intangible and tangible)	10,472	11,127
Amortisation	0	
Provisions	(29)	323
Amortisation, depreciation and provisions	<u>10,443</u>	<u>11,450</u>

NOTE 15: NET FINANCIAL EXPENSE

The net financial expense is as follows:

in thousands of euros	June 30 2006	June 30 2005
High yield bond	(7,315)	(7,315)
Senior Facility Agreement	(1,786)	(1,442)
Other borrowings	(149)	(110)
Financial charges	<u>(9,250)</u>	<u>(8,867)</u>
Gain on exchange	6,835	8,935
Loss on exchange	(5,586)	(10,820)
Net gain (loss) on exchange	<u>1,249</u>	<u>(1,885)</u>
Deferred financing expense	(495)	(512)
Premium on note issuance	(382)	(383)
Deferred financing cost & Premium on note issuance	<u>(877)</u>	<u>(895)</u>
Other	359	29
Net financial (expense) / income	<u>(8,519)</u>	<u>(11,618)</u>

NOTE 16: EXCEPTIONAL ITEMS

The main items in the extraordinary result are:

in thousands of euros	June 30 2006	June 30 2005
Related to current activities	393	738
Related to investing activities	178	7
Related to other exceptional activities	(210)	(555)
Net exceptional items (income)	<u>361</u>	<u>190</u>

The main components of the exceptional costs related to current activities are as follows:

in thousands of euros	June 30 2006	June 30 2005
Claims and disputes	257	110
Restructuring costs	0	548
Other exceptional costs related to current activities	136	80
Exceptional costs related to current activities	<u>393</u>	<u>738</u>

NOTE 17: OFF BALANCE SHEET ITEMS

in thousands of euros	June 30 2006	December 31 2005
Leasing guarantees	3,198	7,658
Options	6,705	6,266
Financial guarantees, endorsements and collateral	192,979	198,476
Seveso guarantee	2,004	2,004
Other commitments	22,461	22,067
Commitments given	<u>227,347</u>	<u>236,471</u>

in thousands of euros	June 30 2006	December 31 2005
Previous shareholder indemnities	24,200	24,200
Options	5,171	4,832
Customers	3,241	3,241
Other commitments	687	687
Commitments received	<u>33,299</u>	<u>32,960</u>

The main financial guarantees are related to the High yield bond issuance and the Senior Facility Agreement (See NOTE 9 – Net Debt) benefiting from pledges over certain group company shares, inter-company loans, and other assets including receivables of operating subsidiaries.

The option commitments are related to a call on 90% of the equity in our Spanish subsidiaries and a put given to our minority shareholders on 100 % of the equity of our Spanish subsidiaries.

The Previous shareholder indemnity is subject to certain caps and sub-caps. Subject to certain limitations, the guarantee is valid 7 years from the date of the acquisition or until the statute of limitations.

NOTE 18: HEADCOUNT

The total number of employees by nature as of June 30, 2006 is as follows:

	June 30 2006	June 30 2005
Managers	53	50
Employees / Office staff	192	182
Operators	345	341
Total headcount	<u>590</u>	<u>573</u>

The total number of employees by region as of June 30, 2006 is as follows:

	June 30 2006	June 30 2005
France	215	212
Other countries in Europe	241	226
United States	134	135
Total headcount	<u>590</u>	<u>573</u>

NOTE 19: OTHER COMMENTS

In respect of the Share Purchase Agreement between One Equity Partners LLC and Fimalac and particularly of its Article XI (Indemnification), LBC Holdings LLC and its subsidiaries received indemnities amounting to € 1.0 million.

NOTE 20: DIRECTORS' COMPENSATION

Global compensation to Directors by LBC Holdings LLC due to their function as Directors of the company is € 243.0 thousand.

NOTE 21: SUBSEQUENT EVENTS

On July 4, 2006, LBC announced the signature of a memorandum of understanding for the creation of a joint venture company between LBC and Ertisa, a leading producer of chemicals and a fully owned subsidiary of CEPESA, with the aim of constructing and operating a tank storage terminal in the port of Antwerp. The new company will be named LBC-ERTISA Tank Terminal Antwerpen N.V. and we plan to begin operations in the middle of 2007.