



Desjardins
Capital régional
et coopératif



Montréal



Eastern Townships



Navigo



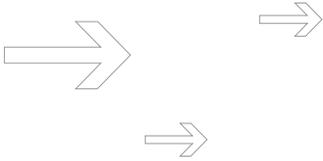
Capitale-Nationale

SEMI-ANNUAL REPORT

30.06.2007



Gaspésie-Îles-de-la-Madeleine



MESSAGE FROM THE CHAIRMAN OF THE BOARD

CAPITAL RÉGIONAL ET COOPÉRATIF DESJARDINS REMAINS COMMITTED TO QUÉBEC COMPANIES



André Lachapelle
Chairman of the Board of Directors

Dear Shareholders:

As at the close of the first half of 2007, Capital régional et coopératif Desjardins had commitments with 186 companies and cooperatives totalling \$448 million, providing over 29,000 jobs in various regions of Québec. Our investments also contribute to the development of 33 businesses included in the Desjardins – Innovatech S.E.C. portfolio. During the first six months of 2007, we made disbursements totalling \$63 million to 75 companies and cooperatives. Over 119,000 shareholders are making a tangible contribution to the development of these companies and cooperatives scattered throughout Québec. And that is precisely where our strength lies. Providing capital that stays home in Québec to stimulate our economy.

While we are proud of our progress in actively supporting regional economic development, our results were greatly affected by three contextual situations. At the end of the first half of 2007, our share price stood at \$9.92, down \$0.29 from its February 2007 price. This decline was mainly due to the presence of a number of younger companies in our portfolio and the challenges faced by some other holdings, but also to the impact of the rising Canadian dollar. Against a backdrop of volatile capital markets, the increase in interest rates during the first half of the year also adversely affected the value of our investment portfolio. This is a temporary situation, however, as this portfolio is positioned primarily in the bond market, and the Company intends to hold the securities to maturity.

Rest assured that we have taken a series of concrete steps in the past twelve months to rebalance our portfolio. In fact, our manager's strategy has started producing favourable results in a number of industries thanks to the significant valuation potential of numerous companies. While this potential does mitigate our risk, it is still insufficient to offset our overall portfolio losses, particularly in life sciences and technologies. As a result, over the past few months, the manager has introduced some significant measures to secure our biotech portfolio via a different management approach in line with current economic conditions and the present shape of our industry.

In conclusion, I invite you once again to acquire Capital régional et coopératif Desjardins shares. With our capital-raising campaign in full swing throughout the Desjardins caisse network, these shares represent an attractive investment, particularly if you have no extra RRSP contribution room.

André Lachapelle

CONDENSED AUDITED INTERIM FINANCIAL STATEMENTS

Please find below the condensed audited interim financial statements of Capital régional et coopératif Desjardins as at June 30, 2007. The complete audited interim financial statements, including the notes thereto and the schedule of cost of investments impacting the Québec economy are available on the Company's website (www.capitalregional.com) and were deposited at the Autorité des marchés financiers.

Except for the information presented on a common share basis, the number of shares and the information in the note for the reader, the information provided is in thousands of dollars.

BALANCE SHEETS

	As at June 30, 2007 \$	As at December 31, 2006 Restated (note 1) \$
ASSETS		
Investments impacting the Québec economy	344,312	315,700
Investments	296,995	305,345
Accounts receivable	6,965	5,756
Cash and cash equivalents	19,884	20,600
Software (net of accumulated amortization of \$3,140; December 31, 2006 – \$2,902)	100	338
Income taxes	5,840	3,577
Future income taxes	8,143	4,463
	682,239	655,779
LIABILITIES		
Accounts payable and accrued liabilities	966	1,159
	966	1,159
NET ASSETS	681,273	654,620
SHAREHOLDERS' EQUITY		
Share capital	696,598	650,197
Retained earnings (deficit)	(15,325)	4,423
	681,273	654,620
Number of outstanding common shares	68,683,496	64,139,488
Net value per common share	9.92	10.21

STATEMENTS OF EARNINGS (LOSS)

FOR THE SIX-MONTH PERIODS ENDED JUNE 30,

	2007 \$	2006 Restated (note 1) \$
REVENUE		
Realized revenue		
Interest and dividends on investments	6,872	7,175
Gain (loss) on disposal of investments	3	(166)
Interest on debentures and dividends	7,659	4,355
Loss on disposal of investments impacting the Québec economy	(3,808)	(2,052)
Negotiation fees	1,106	678
Membership dues	64	118
Changes in unrealized appreciation (depreciation) of		
Investments impacting the Québec economy	(17,782)	(2,470)
Investments	(7,132)	(7,472)
	(13,018)	166
EXPENSES		
Operating expenses	10,675	10,181
Shareholder services	903	939
Capital tax	229	102
Amortization of software	238	367
	12,045	11,589
LOSS BEFORE INCOME TAXES	(25,063)	(11,423)
Recovery of income taxes	(5,322)	(1,708)
NET LOSS FOR THE PERIOD	(19,741)	(9,715)
Weighted average number of common shares	66,806,800	58,736,643
Net loss per common share	(0.30)	(0.17)

NOTE FOR THE READER

Note 1 – Consolidation of interests in investment companies

In April 2007, the Accounting Standards Board (AcSB) agree to propose a modification to Accounting Guideline No. 18, "Investment Companies" (AcG-18). This amendment changes the criteria for determining if interests in investment companies must be consolidated or presented at fair value. The Company early adopted the amendment of AcG-18.

As a result, all of the Company's interests in investment companies are no longer subject to consolidation and are presented at fair value. All the interests which were presented previously at fair value remain as such.

The comparative figures for the year ended on December 31, 2006 were restated in consequence. The restatement had the following impact: Investments impacting the Québec economy increased by \$22.3M, Investments decreased by \$27.9M, Cash and cash equivalents decreased by \$20.0M and the Minority interest of \$25.3M was eliminated.

This change had no impact on shareholders' equity and net value per common share as of December 31, 2006, nor on net loss and net loss per common share for the six-month period ended on June 30, 2006.

INTERIM FINANCIAL STATEMENTS

For a free copy of the full set of audited interim financial statements as at June 30, 2007:

Visit the Company's website (www.capitalregional.com and go to References/Publications/Financial Reports)

or

Detach the order form and send it by fax to (514) 281-7808 or by mail to:

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