

**PARTNERS FOR
SUSTAINABLE
GROWTH**

ANNUAL REPORT 2016



ACKERMANS & VAN HAAREN

ANNUAL REPORT 2016



ACKERMANS & VAN HAAREN

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KEY FIGURES 2016

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MISSION

Our mission is to create shareholder value through long-term investments in a limited number of strategic participations with growth potential on an international level.

Long-term perspective

- Clear objectives agreed upon with the participations.
- Responsibility of the participations for their own financial position.
- Strive for annual growth in the results of each participation and of the group as a whole.
- Focus on growth companies in an international context.

Positioning of Ackermans & van Haaren

- An independent and diversified group.
- Led by an experienced, multidisciplinary management team.
- A healthy financial structure to support the growth ambitions of the participations.

Proactive shareholder

- Involvement in selecting senior management and defining long-term strategy.
- Permanent dialogue with management.
- Monitoring and control of strategic focus, operational and financial discipline.
- Active support of management for specific operational and strategic projects.



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Partners for sustainable growth

Partners

- A partnership right from the start of Ackermans & van Haaren.
- Successful track record of partnerships in the participations.
- Partnerships with families, co-shareholders and management teams as the basis for further growth.
- Model of active ownership.

Growth

- An entrepreneurial group that seeks to develop its businesses on a recurrent basis through internationalization and innovation.
- Focus on operational excellence and the capacity to achieve long-term recurrent and profitable growth.

Sustainable

- Development and growth of activities in a sustainable way, with respect for people and society.
- Transparent reporting and communication, with an eye for financial balances and discipline.
- Focus on recurring results and a long-term steadily increasing dividend.

2016 AT A GLANCE

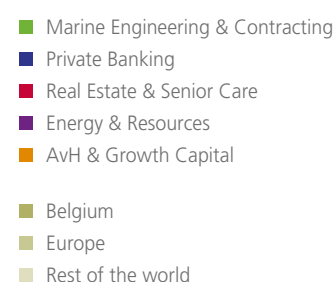
- **DEME** reported a good result, despite a lower turnover as expected. The order book increased to 3,800 million euros. CFE confirmed its turnaround and made a positive contribution to the group profit in 2016.
- Both **Bank J.Van Breda & C^o** and **Delen Investments** in 2016 realized a significant further growth in assets under management, laying solid foundations for 2017.
- All group companies in 'Real Estate & Senior Care' contributed to the significant result of this segment. **Extensa** made good progress on Cloche d'Or (Luxembourg) and on Tour & Taxis (Brussels), where an agreement was reached on the sale of the Herman Teirlinck building.
- **Sipef** doubled its result in 2016 thanks to the combination of increasing palm oil production and rising market prices. Sipef makes significant progress in the expansion of its plantations.
- The operating losses of and impairments on **Groupe Flo** and **CKT Offshore** overshadowed the improvement in the results of most of the other Growth Capital participations.
- By acquiring the 26% minority interest in Sofinim on September 30, 2016, AvH increased its shareholding percentage in the participations that are held through Sofinim. Since the supervision and direction of those participations are integrated within Ackermans & van Haaren, 'Development Capital' is now reported under 'AvH & Growth Capital'.

Net result	Net equity (part of the group - before allocation of profit)	Gross dividend	Market capitalization
224 (million euros)	2,783 (million euros)	68 (million euros)	4,425 (million euros)
6.77 (euros per share)	83.08 (euros per share)	2.04 (euros per share)	132.10 (euros per share)

Breakdown of the consolidated net result (part of the group)

(€ mio)	2016	2015
■ Marine Engineering & Contracting	105.2	109.2
■ Private Banking	98.5	104.0
■ Real Estate & Senior Care	46.2	35.6
■ Energy & Resources	9.2	7.4
Contribution from core segments	259.1	256.2
Growth Capital	2.7	8.9
AvH & subholdings	-10.8	-9.8
Net capital gains(losses) / impairments	-26.8	5.2
Result before exceptional results	224.2	260.5
Exceptional results	-	23.5 ⁽¹⁾
Consolidated net result	224.2	284.1

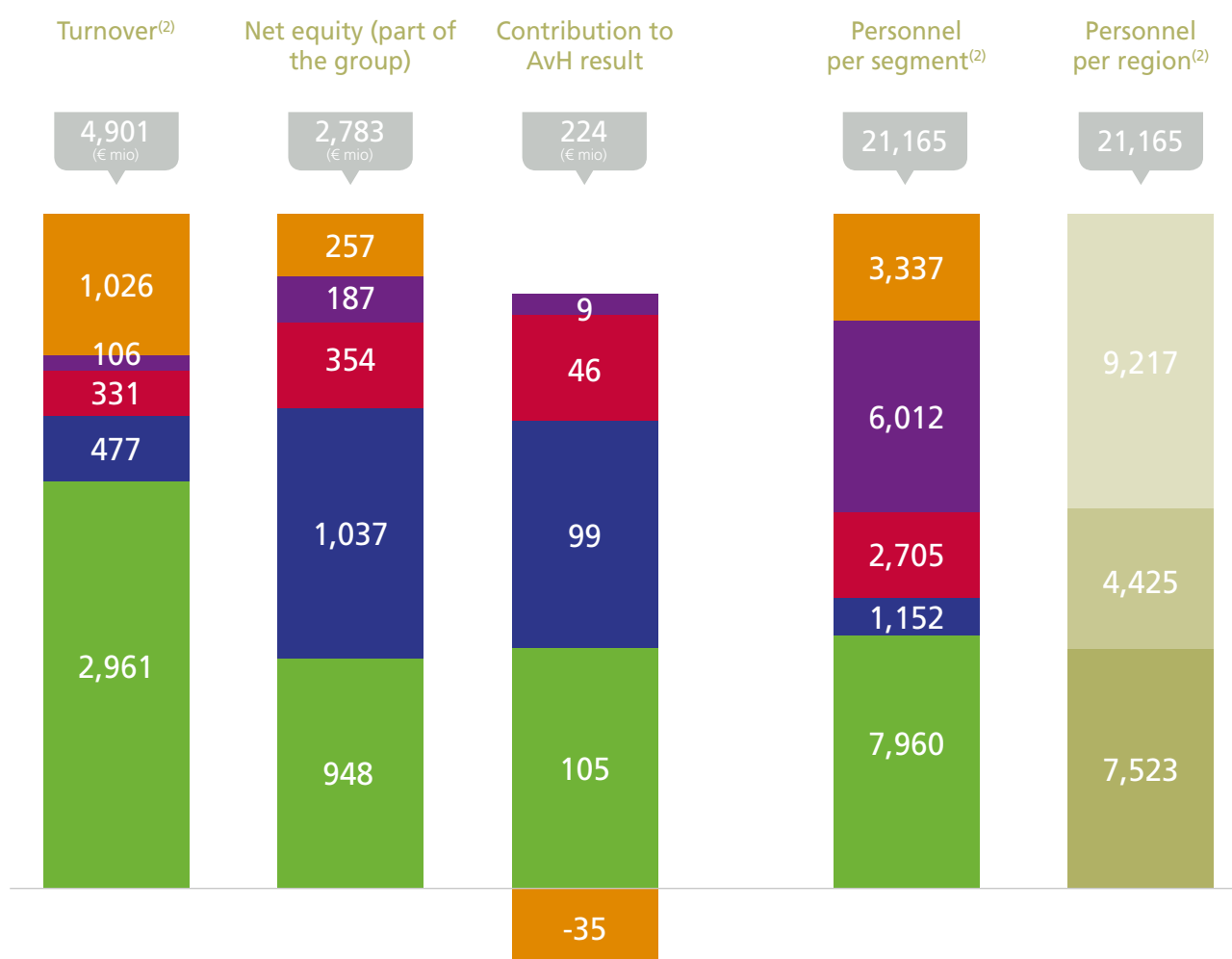
⁽¹⁾ Remeasurement Tour & Taxis



Key figures - consolidated balance sheet

(€ mio)	31.12.2016	31.12.2015
Net equity (part of the group - before allocation of profit)	2,783.1	2,607.3
Net cash position of AvH & subholdings	68.3	76.3

⁽²⁾ Based on consolidated figures 2016, pro forma: all (exclusive) control interests incorporated in full, the other interest proportionally



KEY EVENTS 2016

January

- AvH reduces its stake in Holding Groupe Duval from 37.8% to 21.8% by swapping it for an additional 25% interest in Patrimoine & Santé, to 47.5%.



March

- CFE is awarded the contract for the construction (in joint venture) of the new ZNA hospital in Antwerp.



May

- Jan Suykens succeeds Luc Bertrand as chairman of the executive committee. Luc Bertrand succeeds Jacques Delen as chairman of the board of directors.
- AvH appoints two new female directors: Valérie Jurgens and Marion Debruyne.
- DEME signs a partnership agreement with COSCO Shipping for the development of offshore wind energy in China.
- DEME and CFE sign contracts for the Fehmernbelt Fixed Link project, the world's longest undersea road and rail tunnel between Germany and Denmark.
- Extensa acquires the former customs office building on the Tour & Taxis site.



1. HPA - Le Grand Jardin 2. DEME - Bonny River 3. DEME / CFE - Fehmernbelt Fixed Link project 4. Jan Suykens - Luc Bertrand

February

- DEME commissions the 'Bonny River', a trailing suction hopper dredger of the new generation.
- DEME and Siemens sign an EPCI foundation contract for the Hohe See offshore wind farm (Germany).

April

- DEME Concessions takes a stake in the Scottish tidal energy development company.
- Leasinvest Real Estate signs a usufruct agreement with the European Parliament for the Montoyer building in Brussels that will be redeveloped.

June

- Tideway (DEME) signs a contract for the installation of export cables for the Hornsea Project One offshore wind farm.
- Leasinvest Real Estate finalizes the sale of the Royal20 office building in the Grand Duchy of Luxembourg.

KEY EVENTS 2017

February

- DEME signs new contracts in India and the Maldives, and in the Netherlands for the construction of the Rijnlandroute.

March

- Sipef reaches an agreement on the potential acquisition of 95% of Dendy Marker in South Sumatra.
- DEME orders two new vessels, 'Orion' and 'Spartacus', worth a total of 500 million euros.

July

- AvH and CFE increase their joint stake in Rent-A-Port Energy to 100%. The name is changed to Green Offshore.
- HPA acquires control over CIGMA, a residential care centre with 60 beds and a crèche with 50 cots.

September

- DEME is awarded contracts for the Freetown Terminal extension project in Sierra Leone and for the expansion of Port Louis in Mauritius.
- BPI (CFE) and Immobel will jointly develop the new head offices of Allianz in Brussels.
- Delen Private Bank opens its renovated office in Liège.
- AvH finalizes the acquisition of the 26% minority interest in Sofinim.
- AvH takes a 15% stake in OncoDNA.

November

- CFE Polska begins construction work on 'Holiday Park Kowatry', a new international amusement park of Plopsaland.
- Leasinvest Real Estate diversifies into a fourth country, Austria, by acquiring the Frun Park Asten retail park.
- Anima Care acquires the care centres 'Duneroze' in Wenduine and 'Le Birmingham' in Sint-Jans-Molenbeek.



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5. Leasinvest Real Estate - Royal20 (Grand Duchy of Luxembourg) 6. Delen Private Bank (Liège) 7. Anima Care - Duneroze (Wenduine) 8. Sipef - Plantation with mature palms

October

- Rentel reaches financial close on the 309 MW offshore wind project in the Belgian North Sea.

December

- Sipef reaches an agreement on the increase of its stake in PT Agro Muko to 95%.

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ACKERMANS & VAN HAAREN

MESSAGE FROM THE CHAIRMEN

Ladies and gentlemen,

2016 was a year of major political and economic uncertainty and volatility on the financial markets.

Politically, the Brexit referendum in the United Kingdom, the institutional referendum in Italy, and the presidential elections in the US had a surprising outcome. The great apprehension beforehand on the markets was followed each time by an equally surprising positive response from those same markets.

Economically, the ECB's policy of low interest rates has so far been unable to generate a lasting recovery of the Western European economies. In the meantime, the returns of savers and banks alike are under pressure.

Financially, the oil price fluctuated between 29 USD/bbl and 52 USD/bbl, the price of palm oil between 566 USD and 788 USD, the Eurostoxx between 3,088 and 3,288 (with a low point of 2,687), and the BEL20 between 3,643 and 3,606 (with a low point of 3,131).

Against this backdrop, the companies in the core segments of the Ackermans & van Haaren group stood their ground exceptionally well. The fact that their contribution to the group result was higher even than in the previous record year 2015 is proof of the resilience and sustainability of the diversified character of the AvH model.

2016 was clearly a year in which the AvH model, centred on a balanced diversification and a recurring stable growth of the results in the core segments, proved its soundness. This was also highlighted in the choice of the group's new baseline, '**Partners for Sustainable Growth**'.

The success of the AvH model has been based from the outset on solid partnerships. Ackermans & van Haaren has a proven track record in that respect, be it with Vinci at DEME, the Delen family in banking, the Bracht family at Sipef, and the many management teams of the companies. Ackermans & van Haaren is an entrepreneurial group that seeks to develop businesses through diversification and innovation, with focus on operational excellence and healthy balances. We strive for recurrent results in the activities we develop, with emphasis on long-term growth of profit rather than of revenue. Sustainability also means respect for people and the environment, and the desire to develop a long-term relationship with all the stakeholders of our businesses. That is, and always will be, at the heart of everything we do, and of the ambition to create long-term sustainable shareholder value.

Ackermans & van Haaren wants to achieve this by a long-term focus on a limited number of strategic participations. The consolidated shareholders' equity of the AvH group has increased each year by an average 13% since the group went public in 1984. In the early years, a particular segment would perform very well, or there would be exceptional profits. Over the years, the **diversification** of activities led to a more balanced distribution.

In 2016, the 'Marine Engineering & Contracting' segment represented 34% of the consolidated equity of the AvH group, the 'Private Banking' segment 37%, and the other group companies 29%. The growth through specialization, international diversification and innovation at DEME and our banks Delen Investments and Bank J. Van Breda & C^o meant that in the last five years these two core segments accounted for on average 84% of the 'current' result of the group (contribution of the core segments). This constitutes a solid and recurring profit basis for the group. The success of 2016 is that, alongside those two growth segments, the other activities such as real estate and, following on from that, senior care, and the plantations of Sipef now represent 21% of the group result, compared with just 16% on average over the last five years. The strong momentum in the development of the Tour & Taxis site in Brussels and the Cloche d'Or site in Luxembourg, and the recurring contribution of Anima Care and Residalya also create good prospects for the coming years. The recently announced acquisitions by Sipef of the minority interests in its Agro Muko plantation and of the Dendy Marker plantation increase its oil palm acreage by approximately 30%. These transactions will help to increase Sipef's recurring contribution in the 'Energy & Resources' segment. In this way, Sipef is developing into an increasingly strategic participation within the AvH group.



Ackermans & van Haaren realized a consolidated net profit of 224.2 million euros over 2016, compared with 284.1 million euros in 2015. This decrease is the result of operating losses and impairments on Groupe Flo and CKT Offshore totalling 34 million euros in 2016, as opposed to non-recurring capital gains of 55 million euros in 2015 (remeasurement Tour & Taxis, Egemin). The underlying contribution of the core segments increased by 3 million euros to 259.1 million euros.

In 2016, **DEME** reported a result of 155.3 million euros on an economic turnover of 1,978.2 million euros, which in both instances is lower than in 2015. It should be said that 2015 was an exceptional year with the large-scale works on the Suez Canal, and probably the best year ever in the dredging business. The second half of 2016 was already an improvement on the first half of the year with the start-up of some new major projects, primarily offshore wind farms. The order backlog has attained another record high at 3,800 million euros. If we include two contracts that have been awarded but not yet started up - Hohe See and Fehmernbelt - the total order backlog amounts to approx. 5 billion euros. DEME continues to invest in the renewal and expansion of its fleet. Of the six vessels that were commissioned, DEME expects to start deploying the Minerva, Scheldt River and Livingstone in the course of 2017. DEME has recently also ordered two new vessels that should make it even more competitive: the Spartacus will be the most powerful and most advanced cutter suction dredger in the world for dredging works in the hardest and most compact rock and soil types, while the Orion will set a new benchmark as an offshore DP3 crane vessel with a lifting capacity of more than 3,000 tonnes up to a height of more than 50 metres for construction work out at sea. Due to the delay in the delivery of

the new vessels, DEME's net financial debt has temporarily decreased to 154.6 million euros, against a total equity of 1,221 million euros.

One of the most remarkable achievements in 2016 was the turnaround which **CFE** managed to accomplish in its traditional construction activities, with every one of CFE's business units making a positive contribution to this result. This shows that in recent years a great deal of effort had gone into strengthening the organization, tightening up procedures and fine-tuning the strategy, with success. CFE still hopes to recover its outstanding claim against Chad and has presented the local authorities with a concrete solution to this issue. CFE has a well-filled order book worth 956.7 million euros, in construction and real estate development.

Despite highly volatile stock markets, which in the first six months went into the red at one point, our bankers recorded an excellent commercial performance. The inflows at **Delen Private Bank** almost reached 90% of the record inflows of previous years, while at Bank J.Van Breda & C° they virtually equalled those of 2015. The assets under management at Delen Private Bank totalled around 27.4 billion euros at year-end 2016. If we include the deposits and life insurance products of Bank J.Van Breda & C°, the two banks have, on and off balance, approximately 33.5 billion euros under management for their clients in Belgium. In the UK, JM Finn & Co has 8.4 billion pounds under management, which as a result of the depreciation of pound sterling (impact 1,520 million euros) amounts, in euro terms, to just 9,730 million euros. Oyens & Van Eeghen remained relatively stable at 657 million euros. Delen Investments continues to invest heavily in the reinforcement of its commercial organization and in the digitization of its services.

Consequently, the net profit decreased to 87.9 million euros. The equity of 621 million euros gives a very solid Core Tier1 capital ratio of 30.9%.

The teams of **Bank J.Van Breda & C°** also recorded a strong commercial performance with a 7% increase in deposits and a 14% increase in off-balance-sheet investments. The loan portfolio, which again increased by 7%, once more experienced very small loan losses of just 0.01%. Bank J.Van Breda & C° was able to offset the pressure on interest margins with an increase in fee income. The decrease of its result to 37.7 million euros is almost entirely attributable to the increased bank tax (+66%), which now accounts for 10% of the general expenses. With equity at 518.3 million euros, Bank J.Van Breda & C° also boasts a very strong capital ratio of 14.8% and an exceptionally solid balance sheet with a leverage ratio of 9.8%.

In the real estate segment, **Leasinvest Real Estate** continues to make a recurring contribution of 10 million euros, thanks to a healthy and diversified portfolio, with a new market in Austria, and an active management of its properties. At **Extensa**, the Tour & Taxis project in Brussels and the Cloche d'Or project in Luxembourg experienced good momentum, and in 2016 made another substantial recurring contribution to the result. On the Tour & Taxis site, the Herman Teirlinck building, for which a sales agreement was signed with Baloise, should be completed in the course of 2017. The approval of the special zoning plan at year-end 2016 should allow us to start the residential developments on the site in 2017. In Luxembourg, too, the residential development on the Cloche d'Or site is progressing well, and construction work has begun on two office buildings. In view of those developments, Extensa should be able to realize solid recurring re-

sults for several more years to come. By swapping our interest in Holding Groupe Duval for a 70% stake in HPA/Residalya, the volatile (in 2015 negative) contribution of Duval is traded in for a positive recurring contribution from Residalya. **Residalya** currently has 2,439 beds in 32 French residences in operation, while Anima Care operates 1,621 beds in 14 residences in Belgium. **Anima Care** and HPA together already return a profit of 6.8 million euros. The operational involvement of both management teams and the motivation and dedication of the staff of the two senior care groups guarantee a top-quality service to the residents.

Sipef reported a better second half of the year in terms of production volumes and palm oil prices; consequently, the company could still close the 2016 financial year with a substantial increase in the result to 39.9 million USD. The main events took place just before and after the year-end: in December, Sipef reached an agreement on the acquisition of the minority interests in its Agro Muko plantation (36.84% and 10.87% respectively) for an amount of 144 million USD. In February 2017, Sipef announced an agreement on the acquisition of a new plantation, Dendy Marker (6,562 ha, to be expanded up to 9,000 ha), subject to the usual conditions precedent, for the sum of 53.1 million USD. In this way, Sipef's acreage can be increased from 56,117 ha to 72,840 ha (excluding planned plantings), without taking into account its own development on the plantations of Musi Rawas. Sipef plans to increase its capital in the coming months by 97.2 million USD, which will be backed by AvH.

In September 2016, AvH bought back the minority interest of NPM Capital in **Sofinim** for 106 million euros, giving AvH full 100% control. Sofinim, and in general all the 'Growth Capital' initiatives of the

group, will now be grouped together and reported in the 'AvH & Growth Capital' segment. It is the duty of the AvH team, besides overseeing the key participations, to keep an eye open for new initiatives, ideas and entrepreneurs in order to secure the long-term growth in an increasingly global environment. Apart from the impairments on Groupe Flo and CKT Offshore, which are reported as 'held for sale', the good performance of Turbo's Hoet Groep, Telemond Group and Corelio-Mediahuis should be mentioned as well. Agidens, Distriplus, Euro Media Group and Manuchar are holding their ground very well too.

AvH maintains a solid balance sheet, which is necessary in these volatile markets and to support the strategic priorities of the participations. The consolidated equity stands at 2,783 million euros, which is 83.08 euros per share. The net cash position is 68.3 million euros.

The board of directors proposes to the general meeting a gross dividend of 2.04 euros (68.3 million euros in total), which is a 4% increase.

The board of directors wishes to thank all the staff of the AvH group for their daily efforts to realize the objectives of their companies, and for the group as a whole.

March 29, 2017

Luc Bertrand
Chairman of the board of directors

Jan Suykens
Chairman of the executive committee

ANNUAL REPORT OF THE BOARD OF DIRECTORS

Dear shareholder,

It is our privilege to report to you on the activities of our company during the past financial year and to submit to you for approval both the statutory and consolidated annual accounts closed on December 31, 2016. In accordance with Article 119 of the Companies Code, the annual reports on the statutory and consolidated annual accounts have been combined.

I Statutory annual accounts

1. Share capital and shareholding structure

No changes were made to the company's share capital during the last financial year. The share capital amounts to 2,295,278 euros and is represented by 33,496,904 no-nominal-value shares. All shares have been paid up in full. In 2016, 40,500 options were granted in the framework of the stock option plan. As at December 31, 2016, the options granted and not yet exercised entitled their holders to acquire an aggregate of 331,000 Ackermans & van Haaren shares (0.99%). The company received a transparency notice on October 31, 2008 under the transitional regulations of the Act of May 2, 2007, whereby Scaldis Invest NV - together with Stichting Administratiekantoor 'Het Torentje' - communicated its holding percentage. The relevant details of this transparency notice can be found on the company's website (www.avh.be).

2. Activities

For an overview of the group's main activities during the 2016 financial year, we refer to the Message from the chairmen (p. 14) and to the Key events (p. 10).

3. Comments on the statutory annual accounts

3.1 Financial situation as at December 31, 2016

The statutory annual accounts have been prepared in accordance with Belgian accounting principles. The balance sheet total at year-end 2016 amounted to 2,537 million euros, which is an increase compared with the previous year (2015: 2,453 million euros). Besides the 11 million euros in tangible fixed assets on the balance sheet (primarily the office building located at Begijnenvest and Schermersstraat in Antwerp), the assets consist of 52 million euros in investments and 2,457 million euros in financial fixed assets. On the liabilities side of the balance sheet, the recording of the dividend of 68 million euros and the profit for the financial year of 323 million euros resulted in a shareholders' equity of 1,680 million euros (2015: 1,426 million euros). This amount does not include unrealized capital gains present in the portfolio of Ackermans & van Haaren and group companies. In 2016, the short-term financial debts consisted for the most part of financial liabilities incurred by AvH Coordination Center, a company that is an integral part of the group and which fulfils the role of internal bank for the group. The other liabilities already include the profit distribution for the 2016 financial year that is being proposed to the ordinary general meeting. In the course of 2016, Ackermans & van Haaren pur-

chased 356,058 treasury shares and sold 360,912. These transactions relate to the implementation of the stock option plan and the liquidity agreement with Kepler Cheuvreux that came into effect on July 1, 2013.

3.2 Appropriation of the results

The board of directors proposes that the result (in euros) be appropriated as follows:

Profit carried forward from the previous financial year	1,232,561,679
Profit for the financial year	322,517,543
Total for appropriation	1,555,079,223
Allocation to the legal reserve	0
Allocation to the non-distributable reserves	1,987,567
Allocation to the distributable reserves	0
Dividends capital	68,333,684
Directors' fees	655,000
Profit to be carried forward	1,484,102,972

The board of directors proposes that a gross dividend of 2.04 euros per share be distributed. After deduction of withholding tax (30%), the net dividend will amount to 1.4280 euros per share. If the annual general meeting approves this proposal, the dividend will be payable from May 31, 2017. Following this distribution, shareholders' equity will stand at 1,679,713,507 euros and will be composed as follows:

Capital	
Subscribed capital	2,295,278
Issue premium	111,612,041
Reserves	
Legal reserve	248,081
Non-distributable reserves	24,434,922
Tax-exempt reserves	0
Distributable reserves	57,020,213
Profit carried forward	1,484,102,972
Total	1,679,713,507

3.3 Outlook

As in previous years, the results for the current financial year will to a large extent depend on the dividends paid by the companies within the group and on the realization of any capital gains or losses.

4. Major events after the closing of the financial year

Since the closing of the 2016 financial year, there have been no major events which could have a significant impact on the development of the company, except those referred to under II.3 below.

5. Research and development

The company undertook no activities in the area of research and development.

6. Financial instruments

Companies within the group may use financial instruments for risk management purposes. Specifically, these are instruments principally intended to manage the risks associated with fluctuating interest and exchange rates. The counterparties in the related transactions are exclusively first-ranked banks. As at the end of 2016, neither Ackermans & van Haaren nor any other fully consolidated group company within the 'AvH & subholdings' segment had any such instruments outstanding.

7. Notices

7.1 Application of Article 523 of the Companies Code

Extract from the minutes of the meeting of board of directors held on March 21, 2016:

"Before the board of directors starts deliberations on the new draft shareholder agreement with the Delen family concerning the two banks, Jacques Delen declares that he, as a party to that agreement, has a proprietary interest within the meaning of Article 523 of the Companies Code.

Jacques Delen will inform the company auditor of the potential conflict of interest after this meeting. Jacques Delen leaves the meeting and does not take part in the deliberations or decision-making concerning this item.

Piet Bevernage says that the main reason for amending the shareholder agreement of January 30, 2004, between Ackermans & van Haaren and the Delen family is connected with the request by the National Bank of Belgium to abolish the limited partnership corporate structure of Delen Investments, since it is said to prevent a proper prudential control over the banks. Since the joint control between Ackermans & van Haaren and the Delen family over Bank Delen is currently organized through this limited partnership structure, an abolition of that structure means that the joint control will henceforth have to be organized through a combination of contractual and statutory mechanisms. Piet Bevernage goes on to list the main differences between the existing agreement of January 30, 2004, and the new draft agreement (with regard to participation, dividend policy, non-competition and duration of the agreements).

Finally, the board of directors discusses some specific provisions of the (summary of the) draft agreement.

The board of directors is of the opinion that the continued successful partnership with the Delen family is in the interest of the company and approves the proposed broad outlines of the new shareholder agreement. The new shareholder agreement will have no further significant proprietary consequences for the company.

Jacques Delen rejoins the meeting."

7.2 Additional remuneration for the auditor

Pursuant to Article 134, §§2 and 4 of the Companies Code, we inform you that an additional fee of 6,050 euros (excluding VAT) was paid to Ernst & Young Tax Consultants for tax advice and 1,250 euros (excluding VAT) to Ernst & Young Bedrijfsrevisoren for miscellaneous activities.

7.3 Acquisition and transfer of treasury shares

On November 26, 2014, the extraordinary general meeting authorized the board of directors of Ackermans & van Haaren to acquire treasury shares within a well-defined price range during a period of five years. In the course of the 2016 financial year, Ackermans & van Haaren acquired 356,058 treasury shares to hedge its obligations under the stock option plan (15,000 shares) and its liquidity agreement with Kepler Cheuvreux. More details can be found in the financial statements (p. 167-168).

Taking into account the sale of 360,912 shares, the situation as at December 31, 2016 was as follows:

Number of treasury shares	302,978 (0.90%)
Par value per share	0.07 euros
Average price per share	80.53 euros
Total investment value	24,400,170.03 euros

In addition, Brinvest, a direct subsidiary of Ackermans & van Haaren, holds another 51,300 shares of Ackermans & van Haaren.

7.4 Notice pursuant to the law on takeover bids

In a letter dated February 18, 2008, Scaldis Invest sent a notice to the company in accordance with Article 74, §7 of the Act of April 1, 2007 on takeover bids. From this notice, it appears that Scaldis Invest owns over 30% of the securities with voting rights in Ackermans & van Haaren and that Stichting Administratiekantoor 'Het Torentje' exercises ultimate control over Scaldis Invest.

7.5 Protection schemes

On November 26, 2014, the extraordinary general meeting renewed the authorization of the board of directors to proceed, in case of a takeover bid for the securities of Ackermans & van Haaren, with a capital increase in accordance with the provisions and within the limits of Article 607 of the Companies Code.

The board of directors is allowed to use these powers if the notice of a takeover bid is given by the Financial Services and Markets Authority (FSMA) to the company not later than three years after the date of the abovementioned extraordinary general meeting (i.e. November 26, 2017).

The board of directors is also authorized for a period of three years expiring on December 14, 2017 to acquire or transfer treasury shares in the event that such action is required in order to safeguard the company from serious and imminent harm.

II Consolidated annual accounts

1. Risks and uncertainties

This section describes, in general terms, the risks facing Ackermans & van Haaren as an international investment company, and the operational and financial risks associated with the various segments in which it is active (either directly or indirectly through its subsidiaries).

The executive committee of Ackermans & van Haaren is responsible for the preparation of a framework for internal control and risk management which is submitted for approval to the board of directors. The board of directors is responsible for the evaluation of the implementation of this framework, taking into account the recommendations of the audit committee. At least once a year the audit committee evaluates the internal control systems which the executive committee has set up in order to ascertain that the main risks have been properly identified, reported and managed. The subsidiaries of Ackermans & van Haaren are responsible for the management of their own operational and financial risks. Those risks, which vary according to the sector, are not centrally managed by Ackermans & van Haaren. The management teams of the subsidiaries in question report to their board of directors or audit committee on their risk management.

Risks at the level of Ackermans & van Haaren

Strategic risk

The objective of Ackermans & van Haaren is to create shareholder value by long-term investment in a limited number of strategic participations. The availability of opportunities for investment and divestment, however, is subject to macroeconomic, political, social and market conditions. The achievement of the objective can be adversely affected by difficulties encountered in identifying or financing transactions or in the acquisition, integration or sale of participations.

The definition and implementation of the strategy of the group companies is also dependent on this macroeconomic, political, social and market context. By focusing as a proactive shareholder on long-term value creation and on the maintenance of operational and financial discipline, Ackermans & van Haaren endeavours to limit those risks as much as possible.

In several group companies, Ackermans & van Haaren works together with partners. At Delen Investments, for example, control is shared with the Jacques Delen family. Strategic decisions require the prior consent of both partners. In certain group companies, AvH has a minority stake. The

diminished control which can result from that situation could lead to relatively greater risks; however, this is offset by a close cooperation with and an active representation on the board of directors of the group companies concerned.

Risk related to the stock market listing

As a result of its listing on Euronext Brussels, Ackermans & van Haaren is subject to regulations regarding information requirements, transparency reporting, takeover bids, corporate governance and insider trading. Ackermans & van Haaren pays the necessary attention to keeping up and complying with the constantly changing laws and regulations in this area.

The volatility of the financial markets has an impact on the value of the share of Ackermans & van Haaren and of some of its listed group companies. As mentioned earlier, Ackermans & van Haaren seeks to systematically create long-term shareholder value. Short-term share price fluctuations and the speculation associated with this can produce a momentarily different risk profile for the shareholder.

Liquidity risk

Ackermans & van Haaren has sufficient resources at its disposal to implement its strategy and seeks to achieve a position without net financial debts. The subsidiaries are responsible for their own debt financing, it being understood that, in principle, Ackermans & van Haaren does not provide credit lines or guarantees to or for the benefit of its participations. The external financial debts of 'AvH & subholdings' primarily correspond to the treasury bonds issued by Ackermans & van Haaren (commercial paper programme).

Ackermans & van Haaren has confirmed credit lines from various banks with which it has a long-term relationship, such credit lines amply exceeding the outstanding commercial paper obligations. The board of directors believes that the liquidity risk is fairly limited.

Risks at the level of the group companies

Marine Engineering & Contracting

The **operational risks** of this segment are essentially associated with the execution of often complex land-based and marine contracting projects and are, among other things, related to the technical design of the projects and the integration of new technologies; the setting of prices for tenders and, in case of deviation, the possibility or impossibility of hedging against extra costs and price increases; performance obligations (in terms of cost, conformity, quality, turnaround time) with the direct and indirect consequences associated with these; the time frame between quotation and actual execution; changes in the regulatory framework, and relations with subcontractors, suppliers and partners. In new markets, such as the development of concessions for wind farms, the companies are confronted with a still unstable regulatory framework, technological developments, and the ability to finance those large-scale projects. In order to cope with those risks, the various group companies work with qualified and experienced staff. By taking part in risk committees at DEME, CFE and Van Laere, Ackermans & van Haaren monitors the operational risks of the main projects from the tendering stage.

The construction and dredging sector is typically subject to **economic fluctuations**. The market of large traditional infrastructural dredging works is subject to strong cyclical fluctuations on both the domestic and international markets. This has an impact on the investment policy of private sector customers (e.g. oil companies or mining groups) and of local and national authorities. DEME, CFE and Rent-A-Port, which are active in countries such as Oman, Qatar, Vietnam, Chad and Nigeria, are exposed to **political risks**. Personal relations and a strong local network are the main risk management factors in that respect.

DEME is to a significant degree active outside the euro zone, and accordingly runs an **exchange rate risk**. DEME hedges against exchange rate fluctuations or enters into foreign currency futures. Certain materials or commodities, such as fuel, are hedged as well. Most of CFE's activities are inside the euro zone, and where relevant exposure to foreign exchange fluctuations is limited as much as possible. Although Rent-A-Port is mainly active in countries outside the euro zone, it is mostly exposed to the USD since most business contracts are concluded in USD.

Given the size of the contracts in this segment, the **credit risk** is also closely monitored. Both DEME and CFE have set up procedures to limit the risk to their trade receivables. Furthermore, a large part of the consolidated turnover is realized through



DEME - Lower Churchill - Canada

CFE - Docks - Brussels



CFE - Wroclaw - Poland

DEME - Wissant



public sector or public sector-related customers. The level of counterparty risk is limited by the large number of customers. To contain the risk, the group companies concerned constantly monitor their outstanding trade receivables and if necessary adjust their position. For the purposes of major foreign contracts, for instance, DEME regularly uses the services of the Credendo Group insofar as the country concerned qualifies for this service and the risk can be covered by credit insurance. For large-scale infrastructural dredging contracts, DEME is dependent on the ability of customers to obtain financing and can, if necessary, organize its own project financing. Although the credit risk cannot be ruled out altogether, it is still limited. CFE's order book for Africa has diminished due to a greater selectivity in the acceptance of projects. At year-end 2016, the CFE group still had a net claim of around 60 million euros against the Chadian government. The recovery of those receivables will also be a major challenge in 2017. CFE is making every effort, together with the local authorities, to find financing to allow the settlement of the outstanding receivables. Rent-A-Port has a small number of customers and counterparties owing to the very nature of the group's activities. Consequently, it runs a higher credit risk. By ensuring sufficient contractual guarantees and by building and maintaining strong relations with its customers, the group is able to limit this risk. The companies from the 'Marine Engineering & Contracting' segment bill and are paid as the works progress.

The **liquidity risk** is limited by spreading the credit and guarantee lines over several banks and by di-

versifying the expiration dates over the long term. DEME permanently monitors its balance sheet structure and pursues a balance between a consolidated shareholders' equity position and consolidated net debts. DEME predominantly invests in equipment with a long life which is written off over several years. For that reason, DEME seeks to schedule a substantial part of its debts over a long term. DEME worked out a new bank financing structure in 2015: in 2015 and 2016, unsecured financing was concluded on a bilateral basis with 8 and 9 banks respectively, with an average maturity of 7 and 7.5 years respectively. Some loan agreements include ratios (covenants), which DEME must observe. In order to diversify the funding over several sources, DEME issued a retail bond of 200 million euros in January 2013. This was placed with a diversified group of (mainly private) investors. According to the terms of issue, DEME will not make any interim redemptions of the principal, but will instead repay the entire loan on the maturity date in 2019.

Private Banking

Since Delen Investments and Bank J.Van Breda & C^o are both specialist niche players with a culture of prudence, the **operational risk** has a limited impact. Operational departments and control functions work together closely in a 'three lines of defence' model to monitor the quality of operations. They are backed up by an efficient IT system that automates the main processes and provides built-in controls. To ensure the continuity of operations in the event of contingencies, both organizations have detailed continuity and restoration plans.

The **credit risk** and risk profile of the investment portfolio have for many years now been deliberately kept very low by Delen Investments and Bank J.Van Breda & C^o. The banks invest in a conservative manner. The volume of lending at Delen Private Bank is very limited, as this is merely a supporting product in the context of asset management. The loans that are extended are usually temporary bridge loans that are amply guaranteed by pledges on securities. The credit risk at JM Finn & Co is very limited. The credit portfolio of Bank J.Van Breda & C^o is very widely spread among a client base of local entrepreneurs and professionals at Bank J.Van Breda & C^o and of business executives at ABK bank. The bank applies concentration limits per sector and maximum credit amounts per client.

Bank J.Van Breda & C^o adopts a cautious policy with regard to the **interest rate risk**, well within the standards set by the NBB. Where the terms of

assets and liabilities do not match sufficiently, the bank deploys hedging instruments (a combination of interest rate swaps and options) to correct the balance. The interest rate risk at Delen Investments is limited, due to the fact that it primarily focuses on asset management.

Delen Investments aims to limit the **exchange rate risk**. The foreign currency positions are systematically monitored and hedged on the spot market. At present, the net exposure in pound sterling is limited since the impact of exchange rate fluctuations on the equity of JM Finn & Co is neutralized by an opposite impact on the liquidity obligation on the remaining 20% in JM Finn & Co.

The **liquidity and solvency risk** is continuously monitored by a proactive risk management. The banks want to be sure at all times that they satisfy the regulatory requirements and maintain a capitalization level that amply covers the level of activity and risk that is taken. Furthermore, the two groups have more than sufficient liquid assets to meet their commitments, even in unforeseen market conditions, as well as sound Core Tier1 equity ratios.

Both banks are adequately protected against **income volatility risk**. The operating costs of Delen Investments are amply covered by the regular income, while in the case of Bank J.Van Breda & C^o the income from relationship banking is diversified in terms of clients as well as of products, and are supplemented by the specialist vendor activity for car dealers (Van Breda Car Finance).

The **market risk** may arise from the limited short-term investments, in Delen Investments' and Bank J.Van Breda & C^o's own name, or may manifest itself on outstanding positions on suspense accounts over which securities for client portfolios are traded. The intention is that the positions on those suspense accounts be liquidated so that the bank is not exposed to a market risk. The fair value of the assets under management for clients is partly determined by the developments on the financial markets. Although this has no direct impact on the equity position of the two banks, the total volume of assets under management is a determining factor for their revenues.

Real Estate & Senior Care

A first crucial element related to the **operational risks** in the real estate sector is the quality of the offering of buildings and services. In addition, long-term lease contracts with solvent tenants are expected to guarantee the highest possible occupancy rate of both buildings and services and a recurrent flow of income, and should limit the risk of non-payment. Finally, the renovation and maintenance risk is also continuously monitored. For Anima Care and HPA, top-quality care for the residents is important. There is a strong focus on

working methods, operating systems and human resources management to guarantee a pleasant living environment with a high quality of service.

The real estate development activity is subject to strong cyclical fluctuations (**cyclical risk**). Development activities for office buildings tend to follow the conventional economic cycle, whereas residential activities respond more directly to the economic situation, consumer confidence and interest rate levels. Extensa Group is active in Belgium and Luxembourg (where the main focus of its activity lies) as well as in Turkey, Romania and Slovakia, and is therefore subject to the local market situation. The spread of its real estate operations over various segments (e.g. residential, logistics, offices, retail) limits this risk.

The **exchange rate risk** is very limited because most operations are situated in Belgium and Luxembourg, with the exception of Extensa's operations in Turkey (risk linked to the Turkish lira) and in Romania (risk linked to the RON). Leasinvest Real Estate's activities and investments in Switzerland expose it to an exchange rate risk, more particularly the volatility of the Swiss franc against the euro. In order to minimize this risk, the variability is hedged with a hedging instrument.

Extensa Group and Leasinvest Real Estate possess the necessary long-term credit facilities and backup lines for their commercial paper programme to cover present and future investment needs. Those credit facilities and backup lines serve to hedge the **financing risk**.

The **liquidity risk** is limited by having the financing spread over several banks and by diversifying the expiration dates of the credit facilities over the long term. At the beginning of 2015, Extensa Group took out a loan of 75 million euros with a view to acquiring the remaining 50% stake in the T&T group; this loan was already partly repaid following the sale of the Royal Warehouse. The tapping of various sources of funding was put into practice in 2013 with the successful launch by Leasinvest Real Estate of a public bond offering for 75 million euros with six-year maturity and a private bond offering for 20 million euros with seven-year maturity. At Anima Care, the expansion through acquisitions of existing residences and the construction of new care centres is financed by the paying-up of the authorized capital and by external financing. The cash drain in the start-up phase is taken into account in the financing of projects. Residalya has signed four bilateral contracts to reschedule part of its debts and to have the necessary funds for investments readily available. The real estate operations of Patrimoine & Santé are financed with long-term loans over 15 to 25 years.

The hedging policy for the real estate activities is aimed at confining the **interest rate risk** as much as possible. Financial instruments are used for that purpose.

Energy & Resources

The focus of this segment is on businesses in growth markets, such as India and Indonesia. Since the companies concerned are to a great extent active outside the euro zone (Sagar Cements and Oriental Quarries & Mines in India, Sipef in Indonesia and Papua New Guinea among others), the **currency exchange rate risk** (on the balance sheet and in the income statement) is more relevant here than in the other segments. The **geopolitical** developments in those areas also call for special attention.

The production volumes and therefore the turnover and margins realized by Sipef are also influenced by **climatic conditions** such as rainfall, sunshine, temperature and humidity.

Whether or not the group succeeds in achieving its contemplated **expansion** plans will depend on securing new concession agreements for agronomically suitable land that satisfies the group's sustainability policy on economically responsible terms.

The group is also exposed in this segment to fluctuations in **commodity** prices (e.g. Sipef: mainly palm oil and palm kernel oil; Sagar Cements: coal and electricity).

As far as NMP is concerned, the risk of discontinuity of income (**credit risk**) is estimated to be fairly limited, since it has long-term transport contracts with large national and international petrochemical firms.

Growth Capital

Ackermans & van Haaren makes venture capital available to a limited number of companies with international growth potential. The investment horizon is on average longer than that of the traditional players on the private equity market. The investments are usually made with conservative debt ratios, with in principle no advances or securities being granted to or for the benefit of the group companies concerned. In addition, the diversified nature of these investments contributes to a spread of the economic and financial risks. Usually, Ackermans & van Haaren will finance those investments with shareholders' equity.

The **economic** situation has a direct impact on the results of the group companies, particularly in the case of the more cyclical or consumer-driven companies. The fact that the activities of the group companies are spread over various segments affords a partial protection against the risk.

Each group company is subject to specific **operational risks** such as price fluctuations of services and commodities, the ability to adjust sales prices and competitive risks. The companies themselves monitor those risks and can try to limit them by

operational and financial discipline and by strategic focus. Monitoring and control by Ackermans & van Haaren as a proactive shareholder also play an important role in that respect.

Several of the group's companies (e.g. Manuchar, Telemond, Turbo's Hoet Groep) are to a significant extent active outside the euro zone. The **exchange rate risk** in each of these cases is monitored and controlled by the group company itself.

2. Comments on the consolidated annual accounts

The consolidated annual accounts were prepared in accordance with International Financial Reporting Standards (IFRS).

The group's consolidated balance sheet total as at December 31, 2016 amounted to 12,875 million euros, which is an increase of 5.1% compared with 2015 (12,253 million euros). This balance sheet total is obviously impacted by the manner in which certain group companies are included in the consolidation. The full consolidation of the stake in Bank J.Van Breda & C^o had a major impact on the consolidated balance sheet.

Shareholders' equity (group share) at the end of 2016 was 2,783 million euros, which represents an increase of 176 million euros compared with 2015 (2,607 million euros). In June 2016, AvH paid out a gross dividend of 1.96 euros per share, resulting in a decrease in equity by 65.7 million euros.

The acquisition as of September 30, 2016 by AvH of the 26% minority interest in Sofinim, which until then had been held by NPM Capital, led to a (mechanical) increase in AvH's shareholding percentage in the participations that are held through Sofinim. The segmentation was streamlined after that transaction. Since the direction and supervision of the Sofinim portfolio could be fully integrated in the AvH organization, that part of the AvH group is now reported, with effect from the 2016 financial statements, as one segment under the heading 'AvH & Growth Capital', and the presentation was also adjusted accordingly for the previous years.

Ackermans & van Haaren closed the 2016 financial year with a net profit of 224.2 million euros (group share), a solid result. The contribution of the core segments even increased slightly in comparison with 2015, which was already a record year for DEME and the two banks of the group.

Unlike in 2015, when the results were positively influenced by the remeasurement that had to be recognized following the acquisition of control over the Tour & Taxis site and the capital gain that Agidens realized on the sale of its Handling Automation division (Egemin), non-recurring elements had a negative impact on the results of 2016. On top of its share in the operating losses of subsidiar-

ies Groupe Flo and CKT Offshore, AvH recognized substantial impairments and provisions, causing these two participations to have a joint negative impact of 34.0 million euros on the group result in 2016. AvH reported its stakes in those two companies under 'held for sale'.

Following the swap of an additional portion of Holding Groupe Duval shares in Patrimoine & Santé at the beginning of 2016, AvH's stakes in Residalya and Patrimoine & Santé were contributed to the new structure, HPA, which now encompasses the French retirement home operations of the group. This development, along with the further expansion of Anima Care in Belgium and the favourable outlook for Extensa and Leasinvest Real Estate, lays the foundations for a more recurring and structural contribution of the real estate segment to the consolidated results of the group.

At year-end 2016, Ackermans & van Haaren had a net cash position of 68.3 million euros, compared with 76.3 million euros at year-end 2015. Besides cash and short-term deposits, this cash position consisted of 68.0 million euros in short-term investments (including treasury shares) and 30.4 million euros in short-term debt in the form of commercial paper.

An (economic) breakdown of the results for the group's various segments is set out in the 'Key Figures' appendix to the annual report.

Marine Engineering & Contracting

DEME (AvH 60.4%) reported a net profit of 155.3 million euros in 2016. As was already announced at the publication of the half-year results, DEME was unable to match its record year 2015 (with, among other things, the large-scale works on the Suez Canal): the (economic) turnover eventually came to 1,978.2 million euros (2015: 2,351.0 million euros). The start-up of some major projects for the construction of offshore wind farms during the second half of the year, along with the other activities of the DEME group, already resulted in a marked increase in the level of activity: the turnover in 2H2016 reached 1,175.1 million euros, and DEME expects to continue this positive trend in 2017.

The execution of the many projects in which DEME is involved generally progressed well, leading to an operating cash flow (EBITDA) of 450.1 million euros (22.8% of turnover). Even though this figure is lower than in 2015 (558.4 million euros, or 23.8%), it is clearly better than expected and above the historical range of 16% to 20% EBITDA margin.

Major projects carried out in 2016 included Jurong Island Westward Extension (JIWE) and Tuas Terminal Phase 1 in Singapore, and the widening and deepening of the Pacific access channel of the Panama Canal. DEME had a very busy second half

of the year in the United Kingdom with the Galloper and Race Bank projects, as well as in Africa, India and in many places in Europe. GeoSea was able to finish the transport and installation of the monopile foundations for the 54 wind turbines of the German Nordsee One wind farm sooner than expected.

DEME was able to add 2,593 million euros worth of new contracts to its order backlog in 2016 for the construction of offshore wind farms (Merkur (Germany), Hornsea1 (UK), Horns Rev (Denmark), Rentel (Belgium)), in traditional dredging activities (renewal of maintenance dredging contract for the Belgian coast, Port Louis in Mauritius) and in the environmental sector (Blue Gate remediation works in Antwerp). The order backlog increased to 3,800 million euros at year-end 2016 (2015: 3,185 million euros). It should be noted that the contracts for the Hohe See phase 2 and Fehmernbelt projects have been won, but have not yet been included in the order book pending their financial close or the granting of the final permits.

In order to execute this sizeable order backlog, DEME continued its investment programme. Six new vessels are currently under construction (the self-propelled jack-up vessel Apollo, the multi-purpose and cable-laying ship Living Stone, the self-propelled DP2 crane vessel Gulliver, and three hoppers), together representing an investment of approximately 500 million euros. Despite some delay at the shipyards building those vessels, the majority will be completed in 2017 and will be deployed immediately. This delay has led to a number of payments that were planned for 2016 being deferred to 2017. Consequently, the total investment is limited to 194.7 million euros in 2016, which naturally had a positive impact on DEME's net debt position, which improved to 154.6 million euros at year-end 2016 (2015: 266.7 million euros).

In 2016, DEME, through its subsidiary DEME Concessions, also invested in a 12.5% stake in the company that will develop the Merkur offshore wind farm (396 MW) as well as in a 18.9% stake in Rentel (309 MW).

CFE (AvH 60.4%) succeeded in 2016 in reporting a marked improvement in its results (without DEME's contribution): the loss of 26.3 million euros in 2015 was turned around in 2016 to a profit of 13.0 million euros.

CFE improved the performance of its Contracting division in terms of turnover, profit and order book. The turnover generated by the construction activities in Belgium turned out slightly lower in 2016 in a competitive market. CFE was actively involved in the construction of the Docks shopping centre in Brussels, the structural work on AZ Sint-Maarten hospital in Mechelen, and several 'Schools of Tomorrow'. A solid operating result was recorded on most of the projects. CFE's Luxembourg and Polish entities realized a higher turnover and result.

In the multitechnics segment, too, CFE realized a marked turnover growth, fuelled by the vigorous development of its subsidiary VMA in Belgium and abroad. VMA achieved excellent results. The HVAC activities had to contend with some difficult projects.

The Rail Infra & Utility Networks segment expects to see its turnover increase from 2017 onwards, whereas in 2016 it remained at roughly the same level as in 2015.

In CFE's new organizational structure, the Contracting activity bears fully its own overhead as of 2016. Nevertheless, the net profit of Contracting increased to 10.4 million euros compared with 9.7 million euros in 2015. The order book increased slightly to 850.5 million euros (2015: 836.3 million euros).

CFE's real estate development division continued in 2016 with the development of projects that had been started up earlier, the principal ones in Belgium being Oosterover in Ostend, Ernest in Ixelles, and Erasmus Gardens in Anderlecht. The Kons building in Luxembourg will eventually be handed over to the buyer in 2017. In Poland, the third phase of the Ocean Four project was completed, while other projects continued in Warsaw and Wrocław. Since no major transactions were finalized in 2016, the result of this division remains fairly limited.

In 2016, CFE took an important step in the reduction of the activities and losses of the Holding and the operations that were not transferred to Contracting. As a result of the transfer to DEME of the Civil Engineering activities at the end of 2015 and the scaling down of business in Africa following the delivery in 2015 of large-scale projects in Chad and Algeria, the turnover in 2016 decreased to 36.3 million euros, compared with 207.2 million euros in 2015.

As regards the projects that were not transferred, CFE had to face further losses again in 2016 on the Brussels-South wastewater treatment plant project and on the works on the railway station area in Mechelen. For the construction of the new Brussels-South wastewater treatment plant, an agreement could be reached with the customer on the first two phases of the project. In Nigeria, construction of the Eko Tower building was completed, and in Belgium, final settlements were obtained for several projects, such as the schools in Eupen and a number of projects for the OCMW (Welfare Office) in Brussels.

As was already the case in 2015 with the sale of the road-building activities of Van Wellen, CFE was able to realize capital gains on the disposal of its 25% stake in Locorail, the operating company responsible for financing and maintaining the Liefkenshoek rail tunnel in Antwerp, and of its 18% stake in Coentunnel Company BV, which is

responsible for financing and maintaining the second Coentunnel in Amsterdam.

CFE continues its efforts together with the Chadian government to find a solution to refinance outstanding invoices. Although progress has been made, no solution has been reached yet. CFE's net exposure to Chad amounted to 60 million euros at year-end 2016 (2015: 60 million euros).

Algemene Aannemingen Van Laere (AvH 100.0%) reported a very busy year in 2016 and realized a consolidated turnover of 195.0 million euros. Disappointing operating results on a large project left Van Laere with a loss of 2.5 million euros, compared with a profit of 2.1 million euros in 2015. For that reason, Van Laere has decided to focus more on operational excellence. The consolidated order book at year-end 2016 amounted to 127 million euros (2015: 199 million euros).

In the second half of 2016, the Vietnamese activities of **Rent-A-Port** (AvH 72.2%) made a positive contribution to the results thanks to the growing interest of Japanese and German companies in locating in the industrial zone of Dinh Vu, which is benefiting from the construction of the deepest sea port of North Vietnam.

The contribution of 6.9 million euros to the consolidated result of AvH includes the indirect participation that is held through CFE. AvH has a direct interest of 45%, as well as an additional participation of 27.2% through CFE. The contribution of CFE's interest in Rent-A-Port has not been eliminated in the results of CFE.

Early July 2016, AvH and CFE increased their stake in Rent-A-Port Energy to 100% by acquiring the participation held by the management of Rent-A-Port. At the same time, the company's name was changed to **Green Offshore** (AvH 80.2%). Green Offshore holds stakes in offshore wind farms in Belgium: Rentel (12.5% directly and indirectly), Otary (12.5%), and the still-to-be-developed offshore wind projects Seastar and Mermaid.

Private Banking

The assets under management of **Delen Investments** (AvH 78.75%) attained a record high of 37,770 million euros at year-end 2016 (2015: 36,885 million euros).

The strong growth in assets under management at Delen Private Bank is the result of a positive impact of the increasing value of the assets and of a solid organic net growth. At the UK asset manager JM Finn & Co, the assets under management decreased as a result of a limited net outflow, but mainly due to the exchange rate development of pound sterling against the euro (-13.9%, -1,520 million euros), which is only partly offset by the positive evolution of the value of the client port-

folios (in GBP). Oyens & Van Eeghen manages 657 million euros worth of assets for private clients and foundations.

The gross revenues of the Delen Investments group decreased in 2016, despite the acquisition of Oyens & Van Eeghen, to 313.1 million euros as a result of the decrease in variable fees in volatile market conditions, the impact of the exchange rate (GBP) on the consolidation of the revenues of JM Finn & Co and low market interest rates. Nevertheless, Delen Private Bank continued in 2016 to invest in strengthening its organization and improving its systems and infrastructure. The cost-income ratio stood at 57.8% (Delen Private Bank 46.3%; JM Finn & Co 85.8%; Oyens & Van Eeghen 96.8%). This ratio decreased slightly compared to 2015 (54.9%) since the investments and higher expenditure do not immediately generate an increase in income.

The net profit decreased in 2016 to 87.9 million euros (compared with 92.4 million euros in 2015), which includes the contribution of JM Finn & Co of 5.6 million euros and of Oyens & Van Eeghen of 0.1 million euros.

The consolidated equity of Delen Investments stood at 621.2 million euros as at December 31, 2016 (compared with 582.6 million euros at year-end 2015). The Core Tier1 capital ratio of 30.9% is well above the industry average.

In 2016, **Bank J. Van Breda & C°** (AvH 78.75%) again reported a solid commercial performance. The client assets increased in 2016 by 1.3 billion euros (+12%), to more than 12.4 billion euros, of which 4.2 billion euros client deposits (+7%) and 8.2 billion euros entrusted funds (off-balance sheet investments) (+14%). Delen Private Bank manages more than 4.7 billion euros for clients of Bank J. Van Breda & C° and its affiliate ABK bank. The loan portfolio totalled more than 4.2 billion euros, a 7% increase on 2015. The provisions for loan losses represented 0.01% of the average loan portfolio, or 0.6 million euros.

The 7% cost increase is almost entirely due to the increase in the bank taxes to 8.2 million euros (+66%). Without the bank taxes, costs increased by only 3%, despite investments in additional account managers and IT. The cost-income ratio stood at 59.4%, compared with 55.6% in 2015. This makes Bank J. Van Breda & C° still one of the best performing Belgian banks.

The net profit amounted to 37.7 million euros (2015: 40.5 million euros), the second best result in the bank's history. The 7% decrease in net profit is due to pressure on the interest margin and higher bank taxes.

The equity (group share) increased from 501.6 million euros to 518.3 million euros, allowing the bank to sustain commercial growth without losing

a solid balance sheet structure, which is the best protection for the depositors. The solvency expressed as equity to assets (leverage ratio) stood at 9.8%, well above the 3% which the regulator wants to introduce at the earliest by 2018 under Basel III. At the end of 2016, the Core Tier1 capital ratio stands at 14.8%.

Real Estate & Senior Care

Leasinvest Real Estate (LRE, AvH 30.0%) confirmed the positive expectations in 2016 and ended its 2016 financial year with a higher net result (group share) of 31.1 million euros (30.6 million euros at 31/12/2015).

At the end of April, a usufruct agreement for a term of 21 years was concluded with the European Parliament for the office building Montoyer 63 in Brussels that will be redeveloped. At the end of the second quarter, LRE finalized the sale of the Royal20 office building in the Grand Duchy of Luxembourg for an amount of 62.5 million euros (excluding VAT). At the beginning of November 2016, LRE further diversified its retail portfolio to a fourth country. The group acquired two Austrian real estate companies that own the Frun Park Asten retail park. This 18,300 m² retail park yields an annual rental income of 2.3 million euros, and represents an overall investment of 38 million euros.

At year-end 2016, the fair value of the consolidated real estate portfolio, including project developments, amounted to 859,9 million euros (compared with 869,4 million euros as at 31/12/2015). The decrease is primarily the result of the sale of Royal20.

The rental income increased by 12% in 2016 to 56.6 million euros. This record result is due to the acquisition of the Royal Warehouse office building on the Tour & Taxis site in Brussels at the end of 2015. The average duration of the portfolio decreased from 4.8 years to 4.4 years, primarily as a result of the temporary departure of the tenant of the Montoyer 63 office building during the renovation works. The occupancy rate increased to 96.77% (2015: 95.80%). The rental yield calculated on the fair value remained virtually stable in relation to the previous financial year (2016: 6.78%; 2015: 6.88%).

At year-end 2016, the equity (group share) stood at 356 million euros (2015: 362 million euros). The debt ratio remained stable at 58.05% (2015: 58.03%).

The net result of **Extensa Group** (AvH 100.0%) for the 2016 financial year - excluding the contribution of LRE to the result - amounted to 30.4 million euros, compared with 31.0 million euros in 2015 (excluding the remeasurement of 23.5 million euros at year-end 2015 on the acquisition of control over Tour & Taxis).

In 2016, Extensa acquired the former customs office building (6,511 m² above ground) on the Tour & Taxis site in view of its redevelopment in line with the other historic buildings on the site. The third quarter also saw the start of refurbishment works on the 'Gare Maritime', for which a contract was signed with the first tenant (as from 2018). The residential development 'Gloria' was completed at the beginning of 2017, and 111 of the 115 apartments have already been sold. Construction of the impressive Herman Teirlinck building is also progressing according to schedule. At year-end 2016, Extensa reached an agreement on the sale to the insurance company Baloise of the project company developing this building.

In Luxembourg, apartments in the Cloche d'Or project are also selling very well. Construction work on this site has begun on the office building (30,000 m²) for Deloitte Luxembourg for which a long-term lease has been concluded.

Anima Care (AvH 92.5%) realized a turnover of 56.4 million euros in 2016. The turnover increase by 9.4 million euros compared with 2015 is primarily attributable to the expansion of the portfolio. The newly built residence 'Aquamarijn' in Kasterlee opened at the end of March 2015 and made a full year's contribution to the result in 2016. In the last quarter of 2016, Anima Care finalized the acquisitions of 'Le Birmingham' (60 beds, Sint-Jans-Molenbeek) and 'Duneroze' (160 retirement home beds, 40 convalescent home beds, Wenduine), so far with only a limited impact on the result.

The four newly built residences, which opened during the 2013-2015 period, are beginning to run at full capacity, which in 2016 was reflected in a significant increase in EBITDAR to 14.0 million euros (2015: 9.3 million euros) and in profit to 3.9 million euros (2015: 1.1 million euros).

The group's equity increased from 40.0 million euros at year-end 2015 to 46.6 million euros at year-end 2016. In 2016, the capital was paid up further to the amount of 2.5 million euros.

At year-end 2016, Anima Care had 1,347 retirement home beds, 77 convalescent home beds and 197 service flats in operation, spread over 14 care centres (7 in Flanders, 3 in Brussels, 4 in Wallonia).

In accordance with the agreements that were concluded with Eric Duval, AvH reduced its stake in **Holding Groupe Duval** from 37.8% (at year-end 2015) to 21.8% by swapping it for an additional 25% interest in the real estate company Patrimoine & Santé (from 22.5% at year-end 2015 to 47.5%). The interests of AvH, CEO Hervé Hardy and other management members in Residalya and Patrimoine & Santé were then contributed into a new structure, HPA, of which AvH owns 70.9%. HPA in turn owns 100% of the French retirement home operator Residalya and 73.7% (end 2016) of Patrimoine & Santé, which owns the real estate of most of the

residences that are operated by Residalya. Early 2017, the final stake of 21.8% of AvH in Holding Groupe Duval was swapped against shares in Patrimoine & Santé. These shares will be contributed into HPA in 2017, whose stake in Patrimoine & Santé will increase to 100%.

HPA (AvH 70.9%) realized a turnover of 105.6 million euros in 2016, compared with 91.6 million euros in 2015 (Residalya), an Ebitdar of 23.3 million euros and a net result of 2.9 million euros. This turnover increase is attributable to a higher occupancy rate (98.4%) and the expansion of the portfolio. In 2016, the group acquired the residences 'Ambroise Paré' (88 beds) in Lyon and 'Demeure du Bois Ardent' (76 beds) in Saint-Lô. HPA also acquired control over CIGMA, situated in Laval (Mayenne). CIGMA operates and owns the real estate of a residential care centre with 60 beds and a crèche with 50 cots.

At year-end 2016, HPA's network numbered 2,439 beds, spread over 32 residences.

Energy & Resources

Sipef (AvH 27.8%) recorded a strong performance in 2016. Palm oil production experienced a solid increase (+12.3%) during the last quarter, resulting in a 2.3% growth in annual volumes. This annual growth was reported primarily at Sipef's own plantations (+3.2%). Total production for the year amounted to 297,705 tonnes (compared with 290,907 tonnes in 2015).

Market prices for palm oil showed an upward trend in the second half of the year, ending at a peak of 795 USD per tonne in December.

The turnover increased by 18% to 267 million USD thanks to the increase in production volumes and palm oil prices. Higher selling prices for palm and palm kernel oil and lower costs contributed to a net result of 39.9 million USD, compared with 18.7 million USD in 2015.

The main investments concerned, besides the usual replacement investments and maintenance of the immature plantations, the payment of additional land compensations and planting of oil palms in the new project in South Sumatra.

In December 2016, Sipef reached an agreement with its joint venture partners PT Austindo Nusantara Jaya TBK and M.P. Evans Group Plc on the acquisition of their interest of 10.87% and 36.84% respectively in PT Agro Muko, for a total amount of 144.1 million USD. As a result, Sipef increases its participation in Agro Muko to 95% and acquires exclusive control over PT Agro Muko.

In 2016, **NMP** (AvH 75.0%) was closely involved in discussions on a review of safety regulations relating to pipeline transportation of gases and other

products. In 2016, Nitraco (joint venture between NMP and Praxair) finished the project for additional extensions of the existing nitrogen network in the Antwerp port area and started up work on an extension of the existing oxygen network to TRA (Total Refinery Antwerp). NMP also signed an agreement with Nippon Shokubai Europe (NSE) for the construction of a new propylene pipeline between the site of Oiltanking Antwerp Gas Terminal and the site of NSE in Zwijndrecht to supply the new plant.

The result for the financial year 2016 amounted to 2.5 million euros (2015: 2.1 million euros), which was more than expected.

Sagar Cements (AvH 19.9%) reported only a limited turnover increase in 2016, from 7,524 million INR in 2015 to 7,690 million INR in 2016. As the persistent over-capacity and low market demand were reflected in lower prices, the strong increase in volumes could not be translated into a similar turnover increase. The increase in sales volumes was made possible by a continuous increase in the capacity utilization of BMM, which was acquired in 2015. The net result amounted to 2.9 million euros (2015: 6.3 million euros).

Sagar Cements further increased its production capacity by acquiring a 181,500 tonnes grinding unit in Andra Pradesh in 2016.

Oriental Quarries & Mines (AvH 50.0%), which operates three quarries in India, experienced a difficult second half of the year as a result of a downturn in the construction market. OQM reported a small net loss. AvH recognized a goodwill impairment on its interest in OQM against the 2016 result.

AvH & Growth Capital

On September 30, 2016, AvH finalized the acquisition of the 26% minority interest in Sofinim, for an amount of 106 million euros. A first instalment of 50 million euros has already been paid; the balance will be settled in 2017 and 2018 (28 million euros per instalment). As of the fourth quarter of 2016, AvH's shareholding percentage in the participations of Sofinim no longer needs to adjust for the 26% minority interest. The discount that was secured in this transaction on the book value of the minority interest amounts to approximately 27 million euros and was recognized directly in equity, since AvH already had exclusive control over Sofinim.

The results on the participations are described in detail from page 48 onwards.

3. Major events after the closing of the financial year

At the beginning of 2017, **DEME** landed new contracts worth 100 million euros in India and the Maldives where land reclamation works will be carried out for the construction of ten islands intended for the development of tourism infrastructure, and worth 128 million euros for the construction of the Rijnlandroute in the Netherlands, a complex infrastructure project with a traffic junction and a bored tunnel. Now that the financial close of the Hohe See project has been reached in February, this project will be included in the order backlog for 2017.

In February 2017, DEME confirmed the additional order of two new vessels, for a total amount of 500 million euros: Spartacus, the most powerful state-of-the-art cutter suction dredger in the world (44,180 kW) for dredging works in the hardest and most compact rock and soil types also in offshore conditions, and Orion, an offshore crane vessel (44,180 kW) with dynamic positioning and a lifting capacity of 3,000 tonnes at more than 50 metres for construction work out at sea, such as offshore wind farms, services for customers in the offshore oil and gas industry, and the dismantling of old offshore structures.

AvH increased its stake in **Sipef** to 28.7% in January 2017.

On February 21, 2017, Sipef announced that the conditions precedent related to the Agro Muko transaction were fulfilled and that an agreement was reached on the potential acquisition of 95% of the shares of PT Dendy Marker Indah Lestari in South Sumatra for an amount of 53.1 million USD. Dendy Marker owns 6,562 prepared/planted hectares of oil palms with a potential for expansion up to 9,000 hectares, and has a palm oil extraction mill with a capacity of 25 tonnes/hour. Dendy Marker's operations are RSPO certified. These transactions will be financed by a combination of a capital increase of a maximum amount of 97.2 million USD with preferential subscription rights for the current shareholders and a long-term loan. In the course of April, an extraordinary general meeting of Sipef will decide on this capital increase, which will be supported by AvH.

4. Research and development

In the area of research and development at the fully consolidated subsidiaries of AvH, the DEME teams of R&D and the Central Competence Centre develop groundbreaking, innovative technologies, while the engineering departments of CFE and Van Laere are involved in civil engineering and construction projects. Sipef is involved in the development of high-yielding oil palms through a stake in Verdant Bio Science.

5. Financial instruments

Within the group (a.o. Bank J.Van Breda & C°, Leasinvest Real Estate, DEME, Extensa), an effort is being made to pursue a cautious policy in terms of interest rate risk by using interest swaps and options. A large number of the group's companies operate outside the euro zone (a.o. DEME, Delen Investments, Sipef, Manuchar, Telemond Group, Turbo's Hoet Groep). Hedging activities for interest rate and exchange rate risk are always carried out and managed at the level of the individual company.

6. Outlook 2017

The board of directors believes that the companies of the group are well positioned: DEME has an all-time high order book and is preparing for a significant increase in activity in 2017 and 2018; Delen Investments and Bank J.Van Breda & C° should in 2017 be able to reap the benefits of their solid commercial performance in 2016; another strong contribution is expected from the real estate developments of Extensa and the real estate and senior care subsidiaries; Sipef started 2017 with better market prices for palm oil and has reached important agreements for a substantial expansion of its plantations. AvH & Growth Capital should improve its contribution to the result compared with 2016.

Barring unforeseen circumstances, this should lay the foundations for an increase of the group's result in 2017.

III Corporate governance statement

1. General

Ackermans & van Haaren applies the Belgian Corporate Governance Code (the 'Code'), as published on March 12, 2009, as its reference code. The Code can be consulted on the website of the Corporate Governance Committee (www.corporategovernancecommittee.be).

On April 14, 2005, the board of directors of Ackermans & van Haaren adopted the first Corporate Governance Charter ('Charter'). The board of directors has subsequently updated this Charter several times.

- On April 18, 2006, the Charter was aligned to various Royal Decrees adopted pursuant to European regulations on market abuse.
- On January 15, 2008, the board of directors amended Article 3.2.2 (b) of the Charter in order to clarify the procedure regarding investigations into irregularities.
- On January 12, 2010, the Charter was modified to reflect the new Code and the new independence criteria set forth in Article 526ter of the Companies Code.
- On October 4, 2011, the board of directors deliberated on the adaptation of the Charter to the Act of April 6, 2010 on the reinforcement of corporate governance in listed companies and the Act of December 20, 2010 on the exercise of certain shareholders' rights in listed companies. On that occasion, the board of directors also tightened its policy on the prevention of market abuse (Section 5 of the Charter) with the introduction of a prohibition on short selling and speculative share trading.
- On October 10, 2016, the Charter was amended to bring it into line with Regulation (EU) no 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

- Finally, on February 24, 2017, the Charter was brought into line with the Act of December 7, 2016 on the organization of the profession and the public supervision of company auditors.

The Charter is available in three languages (Dutch, French and English) on the company's website (www.avh.be).

This chapter ('Corporate Governance Statement') contains the information as referred to in Articles 96, §2 and 119, second paragraph, 7° of the Companies Code. In accordance with the Code, this chapter specifically focuses on factual information involving corporate governance matters and explains any derogations from certain provisions of the Code during the past financial year in accordance with the principle of 'comply or explain'.



Board of directors - from left to right: Top: Frederic van Haaren, Thierry van Baren, Marion Debruyne, Pierre Macharis, Julien Pestiaux
Bottom: Alexia Bertrand, Jacques Delen, Luc Bertrand, Valérie Jurgens, Pierre Willaert

2. Board of directors

● *audit committee* ● *remuneration committee* ● *nomination committee*

2.1. Composition

Luc Bertrand (°1951, Belgian)

○ ○ ●

Chairman of the board of directors (as of May 23, 2016)

Non-executive director (since 1985)

Mandate end 2017

- Commercial engineer (KU Leuven - 1974).
- He began his career at Bankers Trust, as Vice-President and Regional Sales Manager, Northern Europe.
- He has been with Ackermans & van Haaren since 1986.
- Chairman of the executive committee of Ackermans & van Haaren from 1990 until May 23, 2016.
- Chairman of the board of directors of CFE, DEME, and Sipef, and director of Delen Private Bank, Bank J.Van Breda & C° and Atenor Group.
- Member of the board of ING Belgium.
- Chairman of de Duve Institute and Middelheim Promotors. Member of the boards of several other non-profit organizations and public institutions such as KU Leuven, Voka, Institute of Tropical Medicine, Museum Mayer van den Bergh and Europalia.



Jacques Delen (°1949, Belgian)

○ ○ ●

Chairman of the board of directors (until May 23, 2016)

Non-executive director (since 1992)

Mandate end 2020

- Studies as stockbroker (1976).
- Chairman of the board of directors of Delen Private Bank since July 1, 2014.
- Chairman of the board of directors of Ackermans & van Haaren from 2011 to 2016.
- Director of the listed agro-industrial group Sipef and of Bank J.Van Breda & C°.



Alexia Bertrand (°1979, Belgian)

○ ○ ●

Non-executive director (since 2013)

Mandate end 2017

- Master's degree in law (Université Catholique de Louvain - 2002); LL.M. (Harvard Law School - 2005).
- She works as an adviser at the office of the Deputy Prime Minister and Minister of Foreign Affairs since 2012, and was appointed 'chef de cabinet' for general policy on October 1, 2015.
- She regularly teaches courses in negotiation techniques.
- From 2002 to 2012, she worked as a lawyer specializing in financial and company law (with Clifford Chance and later with Linklaters).
- For part of that time, she was a teaching assistant at the Law Faculty of the Université Catholique de Louvain and research assistant at the Katholieke Universiteit Leuven.



Marion Debruyne bvba⁽¹⁾

○ ○ ●

permanently represented by Marion Debruyne (°1972, Belgian)

Independent, non-executive director (since 2016)

Mandate end 2020

- University degree in engineering (RU Ghent - 1995); Ph.D. Applied Economic Sciences (RU Ghent - 2002).
- She lectured at Wharton School, Kellogg Graduate School of Management, and Goizueta Business School, all in the USA.
- She was appointed dean of Vlerick Business School in 2015.
- Independent director at Kinopolis.



Valérie Jurgens (°1973, Dutch)

○ ○ ●

Independent, non-executive director (since 2016)

Mandate end 2020

- Ph.D. and research associate at the School of Oriental and African Studies of London University (2010).
- Valérie Jurgens is also on advisory bodies of several institutions that work to improve the condition of man and the environment in the United Kingdom and in the Caribbean.



Pierre Macharis (°1962, Belgian)*Non-executive director (since 2004)**Chairman of the remuneration committee (since 2011)**Mandate end 2020*

- Master's degree in commercial and financial sciences (1986); Industrial engineering with a specialization in automation (1983).
- CEO and chairman of the executive committee of VPK Packaging Group.
- Chairman of Cobelpa, the Association of Belgian Pulp, Paper and Boards Industries.
- Director at CEPI, the Confederation of European Paper Industries.
- Member of the board of directors and of the executive committee of VBO.

**Julien Pestiaux** (°1979, Belgian)*Independent, non-executive director (since 2011)**Mandate end 2019*

- Electromechanical civil engineer, specialization energy (Université Catholique de Louvain - 2003); Master's degree in engineering management (Cornell University - USA).
- Partner at Climact, a company that advises on energy and climate. In 2014, he worked together with the British Department for Energy and Climate Change and with a broad international consortium on the development of a global model to analyse worldwide energy consumption and greenhouse gas emissions.
- He worked for five years as a consultant and project leader at McKinsey & C°.

**Thierry van Baren** (°1967, French / Dutch)*Independent, non-executive director (since 2006)**Mandate end 2018*

- Master's degree and teaching qualification in philosophy; MBA, specialization marketing (Solvay Business School).
- Independent consultant.
- He worked for 13 years as marketing consultant at a.o. TBWA Belgium, BDDP Belgium, Ammirati Puris Lintas and Ogilvy Brussels.

**Frederic van Haaren** (°1960, Belgian)*Non-executive director (since 1993)**Mandate end 2017*

- Independent entrepreneur.
- Alderman of the municipality of Kapellen.
- Director for various companies and associations: director at water-link and at Koepel van Vlaamse Bosgroepen, chairman of the non-profit organization Consultatiebureau voor het Jonge Kind in Kapellen, of Zonnekind primary school in Kalmthout and of Bosgroepen Antwerpen Noord, as well as member of the police council of the police zone Noord.

**Pierre Willaert** (°1959, Belgian)*Non-executive director (since 1998)**Chairman of the audit committee (since 2004)**Mandate end 2020*

- Master's degree in commercial and financial sciences; Diploma of the Belgian Association of Financial Analysts (ABAF-BVFA), of which he is still a member.
- Pierre Willaert was a managing partner and member of the audit committee at Bank Puilaetco, until the acquisition by KBL in 2004. He worked for many years as a financial analyst at Bank Puilaetco and covered the main sectors represented on the Belgian stock exchange. Later he became responsible for the institutional management department.
- Director at Tein Technology, an ICT company in Brussels specializing in, among other things, video surveillance.



⁽¹⁾ References in this annual report to 'Marion Debruyne' should be read as Marion Debruyne bvba, permanently represented by Marion Debruyne.

The mandates of Alexia Bertrand, Luc Bertrand and Frederic van Haaren expire at the ordinary general meeting of May 22, 2017. The board of directors will propose to the ordinary general meeting to renew their mandates for a period of four years.

2.2 Independent directors

- Marion Debruyne
- Valérie Jurgens
- Julien Pestiaux
- Thierry van Baren

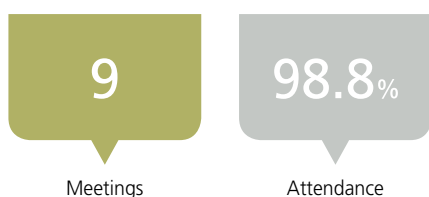
Marion Debruyne, Valérie Jurgens, Julien Pestiaux and Thierry van Baren meet the independence criteria set out in Article 526ter of the Companies Code.

2.3 Other directors

- Alexia Bertrand
- Luc Bertrand
- Jacques Delen
- Pierre Macharis
- Frederic van Haaren
- Pierre Willaert

Luc Bertrand, Jacques Delen and Frederic van Haaren are directors of Scaldis Invest which is, with a stake of 33%, the principal shareholder of Ackermans & van Haaren. Luc Bertrand and Frederic van Haaren are also directors of Belfimas, which holds a controlling interest of 91.35% in Scaldis Invest. Scaldis Invest and Belfimas are holding companies which exclusively invest (directly and indirectly) in Ackermans & van Haaren shares.

2.4 Activity report



In 2016, the board of directors discussed and regularly updated the budget for the current financial year, monitored the group’s results and the development of the activities of the various group companies on the basis of reports prepared by the executive committee, examined the off-balance-sheet commitments, and discussed the recommendations of the advisory committees.

Several (dis)investments were discussed in the course of 2016, such as the expansion of Leasinvest Real Estate in Austria, the investments by DEME and GeoSea in a new cutter suction dredger (Spartacus) and a self-propelled jack-up vessel (Orion) respectively, the investment in OncoDNA,

participation in the financing of Rentel (309 MW offshore wind farm) through Green Offshore, the Fehmernbelt project of DEME and CFE, the increase of Sipef’s stake in Agro Muko and the acquisition of NPM Capital’s 26% interest in Sofinim.

The board of directors devoted one meeting largely to the group’s strategy and also compared AvH’s historical results with those of certain comparable European groups.

The board of directors also discussed the proposals to amend the shareholder agreements with the Delen (regarding both banks) and Bracht (regarding Sipef) families.

In 2016, the board of directors invited the management of DEME, Extensa Group and Leasinvest Real Estate to give a presentation on the general state of affairs of their respective companies and/or on particular investments.

Finally, the board of directors appointed Jan Suykens to succeed Luc Bertrand as chairman of the executive committee with effect from May 23, 2016.

In accordance with Article 2.7 of the Charter, assessment procedures are carried out periodically within the board of directors. These assessments take place on the initiative and under the supervision of the chairman.

The annual assessment by the non-executive directors of the relationship between the board of directors and the executive committee took place on March 21, 2016. This assessment procedure was carried out in the absence of the executive director. On that occasion, the non-executive directors expressed their general satisfaction with the good quality of the collaboration between the two bodies and made a number of suggestions to the executive director in this respect.

Alexia Bertrand was unable to attend the board meeting of March 21, 2016.

For the sake of completeness, it should be mentioned that the members of the executive committee attend the meetings of the board of directors.

2.5 Code of conduct regarding conflicts of interest

The board of directors published in the Charter (Articles 2.9 and 4.7) its policy regarding transactions between Ackermans & van Haaren or a company affiliated to it on the one hand, and members of the board of directors or executive committee (or their close relatives) on the other, which may give rise to a conflict of interest (within the meaning of the Companies Code or otherwise). In 2016, no decisions had to be made to which this policy applied, except for the deliberations on the amendment of

the shareholder agreement between Ackermans & van Haaren and the Delen family (see I,7.1 above).

2.6 Code of conduct regarding financial transactions

The board of directors published its policy on the prevention of market abuse in the Charter (Section 5). At the meeting of October 10, 2016, the Charter was amended to bring it into line with Regulation (EU) no 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

3. Audit committee

3.1 Composition

President	Pierre Willaert Non-executive director
	Julien Pestiaux Independent, non-executive director
	Thierry van Baren Independent, non-executive director

All members of the audit committee have the necessary accounting and audit expertise:

- **Pierre Willaert** (°1959) holds a master’s degree in commercial and financial sciences and obtained the diploma of the Belgian Association of Financial Analysts (ABAF-BVFA), of which he is still a member. He worked for many years as a financial analyst at Bank Puilaetco. Later he became responsible for the institutional management department. Pierre Willaert was managing partner and member of the audit committee of Bank Puilaetco until 2004. Pierre Willaert was appointed director at Ackermans & van Haaren in 1998 and has been chairman of the audit committee since 2004.

- **Julien Pestiaux** (°1979) graduated in 2003 in electromechanical civil engineering (specialization energy) from the Université Catholique de Louvain and also obtained a master’s degree in engineering management at Cornell University (USA). The focus of the master in engineering management was on financial and economic analyses. Most of the course was given at the Johnson Graduate School of Management of Cornell. Julien Pestiaux is a partner at Climact, a company that advises on energy and climate themes with numerous business customers. Before that, he worked for five years as a consul-

tant and project leader at McKinsey & C°, where he became acquainted with various aspects of accounting. Julien Pestiaux was appointed director at Ackermans & van Haaren in 2011.

- **Thierry van Baren** (°1967) holds a master's degree and teaching qualification in philosophy and obtained an MBA from Solvay Business School. As part of this degree course, he specialized in, among other things, 'Finance', 'Financial Accounting' and 'Managerial Accounting'. Thierry van Baren is now an independent consultant and in this capacity familiar with different accounting aspects. Thierry van Baren was appointed director at Ackermans & van Haaren in 2006.

3.2 Activity report



At its meeting of January 15, 2016, the audit committee discussed the annual reporting on internal audit and risk management with, among other things, the external IT audit report. At this meeting, the committee also deliberated on the proposal to renew the auditor's mandate.

On February 22 and August 24, 2016, in the presence of the financial management and the auditor, the audit committee focused mainly on the reporting process and on the analysis of the annual and half-yearly financial statements respectively. The members of the audit committee received in advance the available reports of the audit committees of the operational subsidiaries of Ackermans & van Haaren.

The audit committee meeting of March 16, 2016 focused on the financial reporting, as published in the annual report of 2015, the review of the 'one-on-one' rule related to the non-audit services provided by Ernst & Young, and an analysis of the off-balance-sheet commitments.

On November 21, 2016 the audit committee deliberated on the internal audit and control of HR and ICT, off-balance-sheet commitments, BEPS (base erosion and profit shifting), and the reports of certain operating subsidiaries.

The audit committee reported systematically and extensively to the board of directors on the performance of its duties.

4. Remuneration committee

4.1 Composition

President	Pierre Macharis Independent (until the annual general meeting of May 23, 2016), non-executive director
	Thierry van Baren Independent, non-executive director
	Frederic van Haaren (until June 13, 2016) Non-executive director
	Julien Pestiaux (since June 13, 2016) Independent, non-executive director

4.2 Activity report



Since the director's mandate of Pierre Macharis ceased to be independent at the annual general meeting of May 23, 2016, the remuneration committee was no longer composed of a majority of independent directors as required by Article 526quater, §2, second paragraph, of the Companies Code.

On June 13, 2016, the board of directors unanimously decided to appoint Julien Pestiaux to the remuneration committee to replace Frederic van Haaren, and thanked Frederic van Haaren for his professional and constructive attitude as a member of the remuneration committee for many years.

At its meeting of March 21, 2016, the remuneration committee discussed the draft remuneration report, which in accordance with Article 96, §3 of the Companies Code constitutes a specific part of the Corporate Governance Statement, and ensured that the draft report contains all the information required by law. The committee also reviewed the payment of variable remuneration to the members of the executive committee against the recommendations it had made on this subject at its meeting of November 17, 2015.

At the meeting of November 18, 2016, the committee discussed the fixed and variable remuneration of the members of the executive committee for 2017, the remuneration of the directors, and the number of stock options to be granted to the

members of the executive committee, and made recommendations in this respect to the board of directors. The committee also recommended maintaining the attendance fee for directors (for meetings of the board of directors and of the audit and remuneration committees) at 2,500 euros for the 2016 financial year.

5. Nomination committee

On January 18 and February 23, 2016, the board of directors deliberated as the nomination committee on the future composition of the board of directors, the succession of the CEO, and the succession of the chairman of the board of directors, and decided, in accordance with the procedure of Article 2.2.2 of the Charter, to propose to the ordinary general meeting of May 23, 2016 to appoint Marion Debruyne and Valérie Jurgens as independent directors and to reappoint Jacques Delen, Pierre Macharis and Pierre Willaert.

6. Executive committee

6.1 Composition

The chairman of the board of directors attends the meetings of the executive committee as an observer.

Luc Bertrand (°1951, Belgian)

Chairman of the executive committee (until May 23, 2016)

- Commercial engineer (KU Leuven - 1974).
- He began his career at Bankers Trust, as Vice-President and Regional Sales Manager, Northern Europe.

Since 1986 at Ackermans & van Haaren



Jan Suykens (°1960, Belgian)

Chairman of the executive committee (as of May 23, 2016)

- Master's degree in applied economic sciences (UFSIA - 1982); MBA (Columbia University - 1984).
- He worked for a number of years at Generale Bank in Corporate and Investment Banking.

Since 1990 at Ackermans & van Haaren



Tom Bamelis (°1966, Belgian)

CFO and member of the executive committee

- Master's degree in commercial engineering (KU Leuven - 1988); Master's degree in Financial Management (VLEKHO - 1991).
- He worked for Touche Ross (now Deloitte) and Groupe Bruxelles Lambert.

Since 1999 at Ackermans & van Haaren



John-Eric Bertrand (°1977, Belgian)

Member of the executive committee

- Master's degree in commercial engineering (UCL - 2001); Master's degree in International Management (CEMS - 2002); MBA (Insead - 2006).
- He worked as senior auditor at Deloitte and as senior consultant at Roland Berger.

Since 2008 at Ackermans & van Haaren



Piet Bevernage (°1968, Belgian)

Secretary general and member of the executive committee

- Master's degree in law (KU Leuven - 1991); LL.M. (University of Chicago Law School - 1992).
- He worked as a lawyer in the Corporate and M&A Department at Loefft Claeys Verbeke.

Since 1995 at Ackermans & van Haaren



André-Xavier Cooreman (°1964, Belgian)

Member of the executive committee

- Degree in law (KU Leuven - 1987); International Relations (Johns Hopkins University, Bologna Campus - 1998); Tax Management (ULB - 1991).
- He worked for the International Development Law Institute (Course Assistant, Italy), Shell Group (Legal Counsel, The Netherlands), Fortis Bank (Corporate & Investment Banking), McKinsey & C° (Consultant) and Bank Degroof (Public Sector Manager).

Since 1997 at Ackermans & van Haaren



Piet Dejonghe (°1966, Belgian)

Member of the executive committee

- Master's degree in law (KU Leuven - 1989); Postgraduate degree in management (KU Leuven -1990); MBA (Insead - 1993).
- He worked as a lawyer for Loeff Claeys Verbeke and as a consultant for The Boston Consulting Group.

Since 1995 at Ackermans & van Haaren



Koen Janssen (°1970, Belgian)

Member of the executive committee

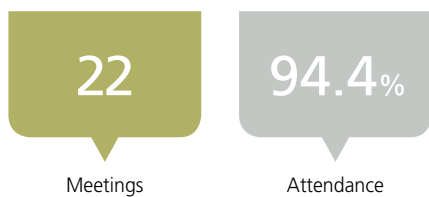
- Degree in electromechanical civil engineering (KU Leuven - 1993); MBA (IEFSI, France - 1994).
- He worked at Recticel, ING Investment Banking and ING Private Equity.

Since 2001 at Ackermans & van Haaren



Executive committee - from left to right: Piet Bevernage, Jan Suykens, Piet Dejonghe, André-Xavier Cooreman, Koen Janssen, Tom Bamelis, John-Eric Bertrand

6.2 Activity report



The executive committee is responsible for, among other things, the day-to-day management of Ackermans & van Haaren and prepares the decisions to be taken by the board of directors.

During the past financial year, the executive committee prepared and followed up on the participation in the boards of directors of the subsidiaries, examined new investment proposals (both in the current group companies and outside), approved certain divestments, prepared the quarterly, half-yearly and annual financial reports and investigated the implications of changes in the law relevant for the company.

7. Internal and external audit

7.1 External audit

The company's statutory auditor is Ernst & Young Bedrijfsrevisoren BCVBA, represented by Patrick Rottiers and Wim Van Gasse. The statutory auditor conducts the external audit (of both consolidated and statutory figures) of Ackermans & van Haaren, and reports to the board of directors twice a year. The statutory auditor was appointed at the ordinary general meeting of May 23, 2016 for a three-year term, which expires at the ordinary general meeting of May 27, 2019.

In 2016, a statutory annual fee for auditing the statutory and consolidated Ackermans & van Haaren annual accounts of 55,000 euros (excluding VAT) was paid to the auditor. In addition, a fee of 6,050 euros (excluding VAT) was paid to Ernst & Young Tax Consultants for tax advice and 1,250 euros (excluding VAT) to Ernst & Young Bedrijfsrevisoren for various activities.

The total fees for audit activities paid in 2016 by Ackermans & van Haaren and its consolidated subsidiaries to Ernst & Young amounted to 1,174,543 euros (including the abovementioned 55,000 euros).

7.2 Internal audit

The internal audit is conducted by the group controllers, Hilde Delabie and Bart De Leeuw, who report to the executive committee. At least once a year, the group controllers report directly to the audit committee.

7.3 Principal features of the internal control and risk management systems with regard to the process of financial reporting and preparation of the consolidated annual accounts

The board of directors of Ackermans & van Haaren is responsible for assessing the effectiveness of the internal control and risk management systems. By means of the present system, the board of directors aims, at group level, to ensure that the group's objectives are attained and, at subsidiary level, to monitor the implementation of appropriate systems that take into account the nature of each company (size, type of activities, etc) and its relationship with Ackermans & van Haaren (controlling interest, shareholders' agreement, etc). Given the diversified portfolio and the small number of staff working at the holding company, the group opted for a customized internal control model that nevertheless has all the essential features of a conventional system. The internal control and risk management system is characterized by a transparent and collegiate structure. The executive committee deliberates and decides by consensus. Risks are identified on an ongoing basis and properly analysed. Appropriate measures are proposed to accept, limit, transfer or avoid the identified risks. These assessments and decisions are clearly minuted and documented to allow a strict follow-up.

The board of directors also regards the timely provision of complete, reliable and relevant financial information in accordance with IFRS and with the other Belgian reporting requirements to all internal and external stakeholders as an essential element of its corporate governance policy. The internal control and management systems for financial reporting endeavour to satisfy those requirements as fully as possible.

7.3.1 Control environment

The control environment is the framework within which internal control and risk management systems are set up. It comprises the following elements:

a. Integrity and ethics

The family values that underlie the group's success are today reflected in a relationship between the various stakeholders that is based on respect: the shareholders, the management, the board of directors and the staff, but also the business partners. Those values are put into practice by the management on a daily basis, and are explicitly enshrined in the Internal Company Guidelines to ensure that they are clear to everyone.

b. Skills

Another cornerstone of Ackermans & van Haaren's management policy is the way in which its members work together as a professional team. Special attention is paid to a balanced and qualitative

content for every position within the organization. Additionally, the necessary training is provided to ensure that knowledge is constantly honed and fine-tuned. Highly skilled people with the right experience and attitude in the right job form the basis of the group's internal control and risk management system. This equally applies to the board of directors and the audit committee, who seek to ensure that the backgrounds and experience of the members are complementary.

c. Governance body / audit committee

The duties and responsibilities of the board of directors and, by extension, its advisory committees, such as the audit committee, are clearly set out in the Charter. The audit committee oversees the financial reporting of the group, the internal control and risk management system, and the internal and external audit procedures.

d. Organizational structure, responsibilities and powers

As already pointed out, Ackermans & van Haaren has a highly transparent organizational structure at group level, where decisions are adopted collectively by the executive committee. The organizational structure and powers are clearly set out in the Internal Company Guidelines.

7.3.2 Risk management process

The risks with regard to financial reporting have been identified and can be divided into a number of categories.

Risks at subsidiary level: these are typically highly diverse and are addressed by the attendance by the investment managers of Ackermans & van Haaren at the meetings of the boards of directors and advisory committees of the subsidiaries, clear reporting instructions to the subsidiaries with deadlines and standardized reporting formats and accounting principles, and an external audit of the half-yearly and annual figures that also takes into account internal control and risk management features at the level of each individual company.

Risks in terms of provision of information: these are addressed by a periodical IT audit, a proactive approach involving the implementation of updates, backup facilities and regular testing of the IT infrastructure. Business continuity and disaster recovery plans have also been put in place.

Risks in terms of changing regulations: these are addressed by close monitoring of the legislative framework on financial reporting and by a proactive dialogue with the auditor.

Finally, there is the integrity risk, which is addressed by maximum integration of accounting and reporting software, extensive internal reporting at different levels, and proactive assessment of complex and important transactions.

7.3.3 Control activities

As already pointed out above in the description of the risks, various controls are built into the financial reporting process in order to meet the objectives with regard to this reporting as fully as possible.

First, a number of basic controls such as segregation of duties and delegation of powers are built into the administrative cycles at group level: purchasing, payroll and (dis)investments. This ensures that only permissible transactions are processed. The integration of accounting and reporting software at group level serves to cover a number of integrity risks. Additionally, a stable IT infrastructure with the necessary backup systems guarantees an adequate communication of information.

Clear reporting instructions with timely communication of deadlines, standardized reporting formats and uniform accounting principles are in place to address certain quality risks in the reporting by the subsidiaries.

There is also a cycle of external audit of both the consolidated group reporting and the reporting by the subsidiaries. One of the purposes of this external audit is to assess the effectiveness of the internal control and risk management systems implemented by the subsidiaries and to report on this to the statutory auditor of Ackermans & van Haaren.

Finally, there is a system of internal audit of the financial reporting by the different policy and management levels. This internal audit is completed prior to the external reporting.

Changes in the legislative framework on financial reporting are closely monitored and the impact on the group reporting is discussed proactively with the financial management and the external auditor.

7.3.4 Information and communication

The Charter provides that every employee of Ackermans & van Haaren can approach the chairman of the board of directors and/or the chairman of the audit committee directly to inform them of any irregularities in financial reporting or other matters.

7.3.5 Review

Each year, the internal control and risk management system is reviewed by one of the group controllers for effectiveness and compliance. The internal auditor reports his findings to the audit committee.

8. Shareholder structure

8.1 Shareholder structure

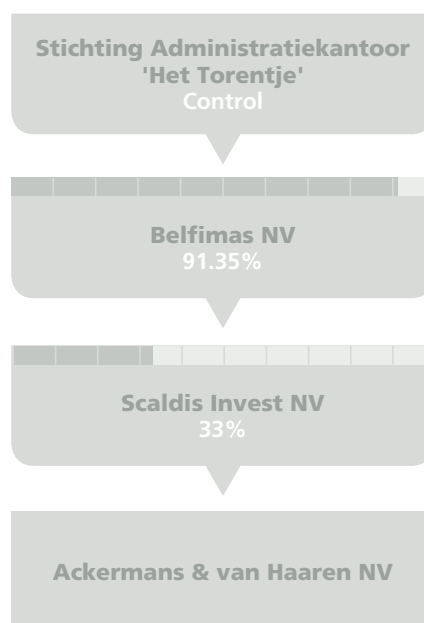
Scaldis Invest holds 11,054,000 shares in the capital of Ackermans & van Haaren, i.e. a stake of 33%. Scaldis Invest is in turn controlled by Belfimas, which holds 91.35% of the capital of Scaldis Invest. The ultimate control of Scaldis Invest is held by Stichting Administratiekantoor 'Het Torentje'.

8.2 Cross shareholdings

Ackermans & van Haaren holds 302,978 treasury shares as at December 31, 2016. These shares were among other things acquired with a view to covering the stock option plan. Its direct subsidiary, Brinvest NV (99.9%), holds 51,300 shares in Ackermans & van Haaren.

8.3 Graphic representation

The shareholder structure, as known on December 31, 2016, is shown below:



8.4 Reference shareholder

Belfimas is the (indirect) reference shareholder of Ackermans & van Haaren. Belfimas' sole purpose is to invest, directly or indirectly, in Ackermans & van Haaren shares. Any transfer of securities issued by Belfimas is subject to a statutory right of approval of the Belfimas board of directors. Two of Ackermans & van Haaren's directors, Luc Bertrand and Frederic van Haaren, are members of the board of directors of Belfimas. The board of directors is not aware of any agreements between Ackermans & van Haaren shareholders.

9. Comply or explain

The Charter of Ackermans & van Haaren complies with the provisions of the Code on all but one point:

- Composition of the nomination committee

In accordance with provision 5.3/1, Appendix D of the Code, the majority of the members of the nomination committee should be independent non-executive directors. The Ackermans & van Haaren nomination committee consists of all the members of the board of directors. The board of directors is of the view that in its collectivity it is better placed to evaluate its size, composition and succession planning.

IV Remuneration report

1. Procedure for developing a remuneration policy and determining the level of remuneration

In 2016 the company followed the procedure set out below for developing its remuneration policy and determining the level of remuneration paid to non-executive directors and members of the executive committee.

1.1 Remuneration policy

At its meeting of March 21, 2016, the remuneration committee discussed the draft remuneration report, which in accordance with Article 96, §3 of the Companies Code constitutes a specific part of the Corporate Governance Statement, and ensured that the draft report contains all the information required by law.

The committee also reviewed the payment of variable remuneration to the members of the executive committee against the recommendations it had made on this subject at its meeting of November 17, 2015. It should be recalled that, on November 25, 2011, the extraordinary general meeting authorized the board of directors, to depart from Article 520ter, second paragraph of the Companies Code, and to link the entire variable remuneration of the members of the executive committee to predetermined and objectively quantifiable performance criteria measured over a one-year period.

Finally, the committee proposed to keep the fixed remuneration of the directors (incl. attendance fees) for financial year 2016 at the same level as in 2015.

1.2 Remuneration level

The remuneration paid to the members of the executive committee consists of five components (see 2.1 below). These components are evaluated each year, generally during a meeting in November, by the remuneration committee and reviewed for compliance with market practices. Review is carried out based on public information (for example, the remuneration data disclosed in the annual reports of other comparable listed companies) and salary studies, and any modifications proposed by the remuneration committee are submitted to the board of directors for approval.

The remuneration of non-executive directors consists exclusively of a fixed remuneration composed of a basic amount, an additional amount for the director's membership of a specific committee and an attendance fee per meeting of the board of directors, of the audit or remuneration committee. Remuneration for non-executive directors is periodically reviewed by the remuneration committee.

Any modifications proposed by the committee are submitted to the general meeting for approval.

2. Application of the remuneration policy to the members of the executive committee in 2016

2.1 Principles

The remuneration paid to the members of the executive committee consists of five components: (i) fixed remuneration; (ii) variable remuneration, i.e. cash bonus based on the consolidated net result; (iii) stock options; (iv) fixed-contribution group insurance scheme (supplementary pension, death benefit, disability allowance, and orphan's pension) and hospitalization insurance; and (v) company car and smartphone.

The company strives to strike a healthy balance between a market-based fixed compensation on the one hand and a combination of short-term incentives (such as the annual cash bonus) and long-term incentives (stock options) on the other.

The fixed remuneration for the members of the executive committee (salary, group and hospitalization insurance, company car) evolves according to their responsibilities and experience, as well as to market developments.

The bonus that is granted to members of the executive committee is based on predetermined and objectively quantifiable performance criteria measured over a period of one financial year and is, in particular, dependent on the consolidated net result. There is no long-term cash incentive plan. The bonus is paid out in cash, after the board of directors has approved the consolidated net result of the previous financial year.

The granting of stock options is not linked to predetermined and objectively quantifiable performance criteria. The board of directors decides on the granting of stock options to members of the executive committee based on the recommendation of the remuneration committee. Stock options are granted under a stock option plan that was approved in 1999 by the board of directors, which also serves as an incentive for persons who are not members of the executive committee. In accordance with applicable tax law, the members of the executive committee are taxed on the stock options that are granted. The ultimate value of this remuneration element is dependent on how the share price evolves.

2.2 Relative weighting of each component of the remuneration

In 2016, the relative share of each component in the overall remuneration paid to members of the executive committee was as follows:

Fixed remuneration	43.95%
Bonus	39.46%
Stock options	7.15%
Group and hospitalization insurance	8.75%
Company car and smartphone	0.69%

2.3 Characteristics of the stock options

The stock options granted pursuant to the stock option plan of Ackermans & van Haaren have the following characteristics:

- Offer: beginning of January.
- Exercise price: price determined on the basis of (i) the closing price of the share preceding the date of the offer, or (ii) the average closing price of the share during the 30 days preceding the date of the offer, whichever is lower.
- Exercise period: the options may be exercised as from the lapsing of the third calendar year following the year in which the offer took place until the end of the eighth year following the date of the offer.

2.4 Changes to the remuneration policy

No significant changes were made to the remuneration policy in 2016 compared with 2015, except for the fact that Jan Suykens succeeded Luc Bertrand as chairman of the executive committee on May 23, 2016. This change of position and change in responsibilities had an impact on the fixed and variable remuneration of the individuals concerned.

2.5 Remuneration policy for the next two financial years (2017-2018)

The board of directors does not expect to make any fundamental changes to the remuneration policy in the current and next financial years.

2.6 Remuneration of the CEO

As was mentioned above, Luc Bertrand was succeeded as CEO by Jan Suykens immediately after the annual general meeting of May 23, 2016, and was appointed chairman of the board of directors with effect from that date. Since this is a transition-

al year, the individual remuneration of Luc Bertrand as CEO for the first five months of the year and that of Jan Suykens, also as CEO, for the last seven months of the year are shown below. It should be mentioned that the board of directors, at the suggestion of the remuneration committee, decided to grant Luc Bertrand a variable remuneration over the whole financial year 2016 in recognition of the dynamic way in which, in his position as CEO, he shaped the group's diversification strategy and translated it into profitable growth during the past 30 years. Under his leadership, the market capitalization of Ackermans & van Haaren has increased over the past 30 years from 50 million euros to nearly five billion euros today.

Luc Bertrand (from January until May 2016):

Status	self-employed
Fixed remuneration	€ 290,550
Variable remuneration (12 m)	€ 747,758
Group insurance ('fixed contribution' type) and hospitalization insurance (contributions paid by the company)	€ 75,673
Benefits in kind (company car and smartphone)	€ 8,287

Jan Suykens (from June until December 2016):

Status	self-employed
Fixed remuneration	€ 277,830
Variable remuneration (7 m)	€ 264,359
Stock options (taxable basis)	€ 64,165
Group insurance ('fixed contribution' type) and hospitalization insurance (contributions paid by the company)	€ 60,167
Benefits in kind (company car and smartphone)	€ 3,096

2.7 Remuneration of the other members of the executive committee

The total gross amount paid directly or indirectly by Ackermans & van Haaren or its subsidiaries in the form of individual remuneration and other benefits to the other members of the executive committee in 2016 (including the amounts and benefits granted to Jan Suykens in his capacity as member of the executive committee until the end of May 2016) can be broken down as follows:

Status	self-employed
Fixed remuneration	€ 2,134,050
Variable remuneration	€ 1,414,454
Stock options (taxable basis)	€ 375,826
Group insurance ('fixed contribution' type) and hospitalization insurance (contributions paid by the company)	€ 402,047
Benefits in kind (company car and smartphone)	€ 31,272

2.8 Options exercised by and granted to the members of the executive committee in 2016

(i) Exercised in 2016

Three members of the executive committee exercised a total of 14,500 options in 2016.

Name	Number	Exercise price	Year granted
Piet Bevernage	2,000	€ 62.12	2007
Piet Bevernage	2,000	€ 66.05	2008
Piet Bevernage	2,000	€ 60.81	2011
Piet Bevernage	2,000	€ 56.11	2012
André-Xavier Cooreman	2,000	€ 52.05	2010
André-Xavier Cooreman	2,000	€ 56.11	2012
Koen Janssen	2,500	€ 60.81	2011

(ii) Granted in 2016

Expiration date	January 3, 2024
Exercise price	€ 130.95
Jan Suykens	8,000
Tom Bamelis	5,000
Piet Bevernage	5,000
André-Xavier Cooreman	5,000
Koen Janssen	5,000
John-Eric Bertrand	4,000
Total	32,000

2.9 Main contractual conditions

The contracts of the members of the executive committee contain the customary provisions regarding remuneration (both fixed and variable), non-competition and confidentiality, and are of unspecified duration. The only contracts concluded after July 1, 2009 were those concluded on April 17, 2012, June 27, 2014, and July 3, 2015 with Koen Janssen, André-Xavier Cooreman and John-Eric Bertrand respectively with respect to their mandates on the executive committee, of which they have been members since April 1, 2012, July 1, 2014, and July 1, 2015 respectively.

The current chairman of the executive committee is entitled to unilaterally terminate his contract, subject to 6 months' notice while the company is entitled to do the same, subject to 24 months' notice.

The other members of the executive committee may unilaterally terminate their contracts, subject to 6 months' notice while the company may do the same, subject to 18 months' notice. This period may increase to a maximum of 24 months depending on the age of the concerned executive committee member at the time of the unilateral termination of the contract by the company, except for Koen Janssen, André-Xavier Cooreman and John-Eric Bertrand, whose contracts for the provision of services date from after the effective date of Article 554, fourth paragraph of the Companies Code (namely May 3, 2010), which imposed limitations on the length of notice periods:

- 18 months in case of termination before 50th birthday,
- 20 months in case of termination between 50th and 52nd birthday,
- 22 months in case of termination between 52nd and 54th birthday,
- 24 months in case of termination after 54th birthday.

The contracts between the company and the members of the executive committee also contain provisions regarding the criteria for granting variable remuneration and give the company the right to reclaim variable remuneration that was granted on the basis of incorrect financial information.

3. Remuneration of (non-)executive directors

On the recommendation of the remuneration committee, the board of directors proposed on March 27, 2013 to adjust the remuneration of the directors, which had remained unchanged in 2011 and 2012, from financial year 2013 as follows:

Basic amount for the chairman of the board of directors	€ 60,000
Basic amount for the directors	€ 30,000
Additional fee for members of the remuneration committee	€ 2,500
Additional fee for the chairman of the audit committee	€ 10,000
Additional fee for members of the audit committee	€ 5,000
Attendance fee per meeting of the board of directors or the audit or remuneration committee	€ 2,500

This proposal was approved by the ordinary general meeting of May 27, 2013. At that meeting, the chairman made clear that the sum of 2,500 euros for attendance fees should be regarded as a maximum amount. The board of directors decided to implement this increase in three stages: 800 euros for 2013, 1,600 euros for 2014, and 2,500 euros for 2015 and subsequent years.

Having regard to the fact that on May 23, 2016, Luc Bertrand was appointed chairman of the board of directors, succeeding Jacques Delen, and that, additionally, in the interest of the group, he became or remained chairman of CFE, DEME and Sipef, and remained a director of Delen Private Bank, Bank J.Van Breda & C° and Atenor Group, the remuneration committee proposed to grant him a fixed remuneration of 350,000 euros per year, with effect from June 1, 2016. This proposal was announced to the annual general meeting of May 23, 2016.

Each director received a director's fee in 2016 (for financial year 2015).

The amounts paid by Ackermans & van Haaren in the form of individual remuneration and other benefits to the directors in 2016 can be summarized as follows:

Since the amounts of the remuneration, director's fees and attendance fees are not linked to the company's results, they may be classed as fixed, non performance-related remuneration.

For the sake of completeness it should be noted that in 2016 Luc Bertrand received additional remuneration in his capacity as chairman of the executive committee of Ackermans & van Haaren (until end of May 2016) as well as director's fees from Sipef (42,500 euros). Jacques Delen also received, directly and indirectly, remuneration in 2016 in his capacity as chairman of the board of directors of Bank Delen and as manager of Delen Investments to the amount of 406,500 euros (including pension insurance) and has a company car at his disposal. In 2016, he also received director's fees from Sipef to the amount of 25,000 euros. The remuneration which Sipef paid to Luc Bertrand and Jacques Delen is mentioned in Sipef's annual report (Remuneration report - Remuneration of non-executive directors) for financial year 2016.

On behalf of the board of directors,
March 29, 2017

Luc Bertrand
Chairman of the board of directors

	Directors' fees	Attendance fees
Alexia Bertrand	€ 30,000	€ 20,000
Luc Bertrand	€ 45,000	€ 22,500
Marion Debruyne bvba	€ 30,000	€ 12,500
Jacques Delen	€ 45,000	€ 22,500
Teun Jurgens	€ 30,000	€ 10,000
Valérie Jurgens	€ 30,000	€ 12,500
Pierre Macharis	€ 32,500	€ 27,500
Julien Pestiaux	€ 37,500	€ 37,500
Thierry van Baren	€ 37,500	€ 40,000
Frederic van Haaren	€ 32,500	€ 25,000
Pierre Willaert	€ 40,000	€ 35,000
Total	€ 390,000	€ 265,000

CORPORATE SOCIAL RESPONSIBILITY

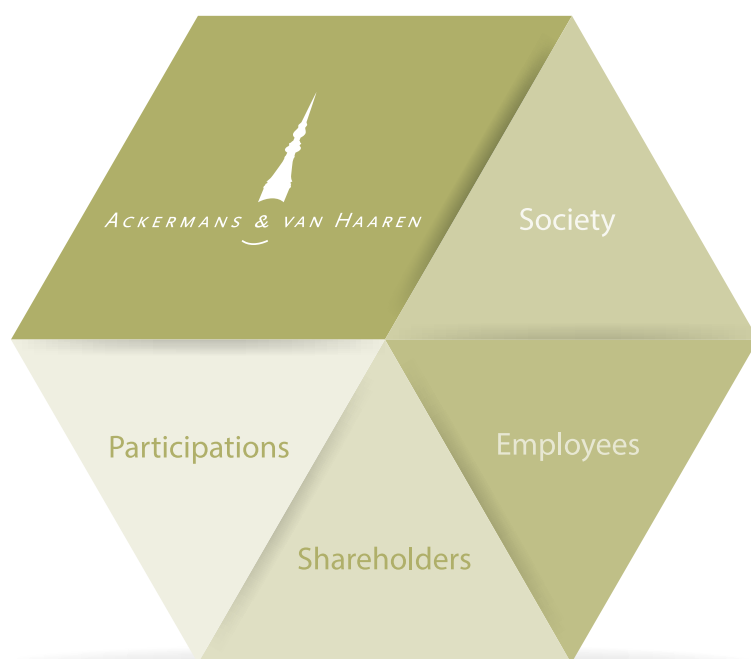
Ackermans & van Haaren wants to develop and grow its activities in a sustainable way, with respect for people and society, with transparent reporting and communication, and an eye for financial balances. Our new baseline, **'Partners for sustainable growth'**, confirms this ambition and sets the trend for the future even more clearly.

Ackermans & van Haaren considers the family values of the founding families, who are still closely involved in the company, to be of paramount importance. Elements such as continuity, ethical entrepreneurship, long-term thinking, the creation of value through growth, working with partners and mutual respect have consequently been the main drivers of the group's policies for many decades. As 'Partners for sustainable growth' we will build

further on these foundations together with our stakeholders.

Ackermans & van Haaren as a partner

Our baseline, 'Partners for sustainable growth', is founded on these four pillars:



A partnership with our participations

We strongly believe in a lasting relationship with our participations. Over the years, our group has grown from a dredging group into an industrial group with a diversified portfolio in four strategic segments. In our investment policy we also take global trends into account, such as global warming and population ageing. In this respect, we extended our group in 2009 with a stake in Anima Care, and in 2016 we added a small stake in OncoDNA.

Our long-term investment horizon gives our group companies the time to formulate and implement their own long-term strategy. In practice, this means for our main participations in each of the four strategic segments an average annual growth of the shareholders' equity over the last ten years (2006-2016) of:

- 15.3% at DEME,
- 12.5% at Bank J.Van Breda & C° and Delen Investments,
- 14.7% in the 'Real Estate & Senior Care' segment,
- 12.5% at Sipef.

We expect our group companies to invest in innovation and in the development of their activities with respect for people and society. Together we look at the trends, on a global scale where relevant, so that we can be a partner by making the strategic decisions on the board of directors. More information can be found in the section on corporate social responsibility at our participations.

We attend all meetings of the boards of directors and audit committees of the group companies and, where necessary, we offer support in major operational challenges. For this purpose, we have assigned one or more investment manager(s) to each of our group companies. They form a stable contact between the participations and the group.

We regularly bring together representatives of our group companies to discuss a common topic, which can be anything from purchasing or human resources policy to awareness and prevention of fraud. In this way, we endeavour to increase the knowledge of every person in our group and to promote the exchange of best practices. Once a year we organize our 'AvH Event', where the management teams of our group companies get an update on the group's strategy and are asked to think about a (new) challenge presented by a keynote speaker, for example on the subject of digitization or HR.

A partner for our shareholders

Ever since we were founded as a partnership between Hendrik Willem Ackermans and Nicolaas van Haaren, we have sought to be a good partner for our shareholders and for our group companies. With our transparent communication and reporting we want to justify the confidence that our shareholders have in us. This is one of the nine principles from our Corporate Governance Charter, which is also available on our website.

Over the last 10 years, the average annual growth of our equity amounts to 6.9%, which is a steady growth over time. The dividend followed the same trend, with an average annual growth of 5.9%. Over that same period, the market value of the AvH share increased by an average 7.7% per year. Consequently, the average annual value creation for the shareholder (share and dividend) amounted to 8.9%. By comparison, the Bel All-Share index decreased on average by 0.7% per year over that same period.

Employees as partners

People play a crucial role in the successful implementation of any corporate strategy, within both Ackermans & van Haaren and the group companies. One of the priorities is, therefore, to attract and retain talented people with complementary skills and experience. AvH is also actively involved in the selection of upper-level management in its participations.

The group makes no distinction whatsoever in terms of gender, religious beliefs, ethnic origin or sexual orientation in the employee regulations, selection and promotion policies, or evaluation systems. The group also prohibits all forms of discrimination in recruitment and promotion.

Rules of conduct in financial transactions are set out in the 'Corporate Governance Charter', and must be observed by all our staff and members of the board of directors.

We can count on a stable team of 30 employees at the head office, who have an average length of

service of 18 years. This team is in constant touch with the group companies. This guarantees long-term continuity of cooperation.

In 2016, the size of the board of directors was increased to 10 members, of whom three women and seven men. The average length of service is 14 years. The members of our board of directors map out the long-term strategy of the group. The executive committee meets every two weeks to translate this strategy into the daily management.

A partner in the society

For many years now, Ackermans & van Haaren has supported certain scientific and socio-cultural projects which, where possible, are linked to the Antwerp region. The aim is to build with the partners a sustainable relationship, which is evaluated at regular intervals. In 2016, AvH supported, among others, the following institutions, organizations and projects to a total amount of approx. 300,000 euros:

Scientific

- de Duve Institute (www.deduveinstitute.be)
- Insead Innovator Prize (www.insead.edu)
- Institute of Tropical Medicine (www.itg.be)
- KU Leuven Doctoral Student (www.kuleuven.be)
- Itinera (www.itinerainstitute.org)

Cultural

- Royal Museum of Fine Arts in Antwerp (www.kmska.be)
- Middelheim Museum Antwerp (www.middelheimmuseum.be)
- Festival van Vlaanderen (www.festival.be)
- Mayer van den Bergh Museum (www.museummayervandenbergh.be)
- Le Concert Olympique (www.leconcertolympique.eu)
- Europalia (www.europalia.eu)

Social

- Hoger Wal (via Koning Boudewijnstichting) (www.hogerwal.be)
- Lucia (www.luciaweb.be)
- Monnikenheide (www.monnikenheide.be)
- Community of Sant' Egidio (www.santegidio.be)
- SOS Children's Villages (www.sos-kinderdorpen.be)
- Belgo-Indian Village Reconstruction Organisation (www.villagereconstruction.org)
- Point Urbain (www.pointurbain.com)

Corporate social responsibility at our participations

Our new baseline pursues development and growth of activities in a sustainable way, with respect for people and society. All our group companies have subscribed to this objective. Below we give some inspiring examples in our four strategic segments. We want to express our sincere gratitude for the dedication and effort of every person who has made a contribution, however big or small, to this corporate social responsibility in one of our group companies during the past year. Only together can we give shape and expression to this great concept.

Innovation

The increasing demand for responsible and ethical management also manifests itself in an extra dimension as far as innovation is concerned, both technologically and in respect of services and products on offer. It no longer suffices to merely develop new applications; their impact on society must also be taken into account.

In 2016, **DEME** and Royal IHC together won the 'DPC Innovation Award' for the first LNG-powered dredgers. These awards are given to the most innovative and forward-looking projects in the dredging and port industries. The trailing suction hopper dredgers 'Minerva' and 'Scheldt River', which are built by Royal IHC, will be the first dredgers in the world with dual fuel engines and able to run entirely on LNG. Both dredgers will receive a Green Passport and a Clean Design Notation. They meet the strictest international emission standards.

In 2016, DEME began construction of a number of state-of-the-art vessels, including several world firsts, that will join the fleet this year. In its concern to save the future of the planet, DEME invests in dual fuel vessels which are fitted with engines that run on diesel or on LNG while reducing carbon emissions and virtually eliminating all NOx, SOx and particulate emissions. Once this investment programme has been completed, DEME will be one of the very few fleet owners to use this technology on such a large scale. Those investments amply surpass the legal requirements, and all the vessels of DEME (such as Minerva, Scheldt River, Apollo, Blanew, Gulliver) will be awarded a Green Passport and a Clean Design certificate.

DEME's showpiece of 2016 is the 'Living Stone', the first green multipurpose vessel. This dual fuel vessel has a heat recovery system, and its spent oil is biodegradable. This vessel combines green technology with an impressive cargo capacity of 12,500 tonnes and a deck area of 3,000 m². It will be deployed on its first assignment in the second quarter of 2017, on the Hornsea Project One wind farm off the Yorkshire coast. In 2017, DEME will proudly present another addition to its fleet:



Sipef
RSPO certified palm oil
plantations



Leasinvest Real Estate
Treesquare



DEME - Orion

'Bonny River', a dual fuel trailing suction hopper dredger whose special design of hull makes it ideally suited for coastal protection works; its optimized fuel consumption also helps to reduce the carbon footprint.

DEME is preparing for the future by investing in 'Spartacus' and 'Orion'. With a cutting capacity of 9,000 kW, the cutter suction dredger 'Spartacus' will be the most powerful of its kind in the world. It will have 50% more capacity than DEME's existing cutter suction dredgers, which are already giants in their own right. Its enormous cutting capacity will enable it to cut harder types of soil at speeds that were not possible before. This means that the cutter suction dredger will be able to handle the work without having to rely on the use of dynamite and blasting. The 'Spartacus' will be able to dredge down to a depth of 45 metres, whereas the current limit on the market is 35 metres. Its high fuel autonomy and accommodation capacity make it ideally suited to operate in very remote locations with limited infrastructure. It will be fitted with powerful dredge pumps with an astounding 26,000 kW capacity. The planned new vessel will also be more comfortable for the crew, as the deckhouse will rest on air cushions to minimize vibrations. The vessel also has a large on-board workshop to repair cutter heads. Another giant in which DEME is investing is the 'Orion', which will be deployed primarily on the offshore wind market. The 210-metre-long vessel for offshore construction work will be equipped with a crane with an unparalleled lifting capacity. The 'Orion' has an extraordinary transport capacity and is capable of carrying several very large and heavy monopiles

and transition pieces in one shipment. The two vessels will be delivered in 2019.

Innovation plays an increasingly important role in the construction industry too. The companies of the CFE group are very much aware of that, and invest in large-scale training programmes in BIM (Building Information Model) and Lean. CFE Bouw Vlaanderen has tested the BIM approach in the field and has developed a novel and highly positive formula from it, called BlueBeam. BlueBeam makes it possible to work digitally and in real time, and also simplifies several processes.

Sipef is working together with New Britain Palm Oil on the development of high-yield F1 hybrid oil palms that should lead to significant yield and productivity improvements for the palm oil industry worldwide, and for farming in general. An F1 hybrid variety is the first generation offspring of two distinct and genetically uniform parents, each with identical sets of chromosomes. This technology has the potential to substantially increase the palm oil yield per unit area compared with the conventional method.

Sustainable investment

Investments must also take into account the challenges of our society. Investments are considered from a sustainability perspective: do they mean an improvement for people or the environment, and are they ethically sound? Our products must also be developed in a sound way.

In recent years renewable energy has become an increasingly important element of Ackermans & van Haaren's strategy. Many group companies have invested in, and developed, renewable energy, energy savings or co-generation. Most group companies have also incorporated environmentally friendly initiatives into their existing activities and day to day operations.

DEME's focus on being in the vanguard of blue energy is exemplified by its involvement in MeyGen, the groundbreaking tidal energy project in Scotland of Tidal Power Scotland, in which DEME acquired an interest in April 2016. This project will be the first tidal energy plant with multiple turbines in the world that will be connected to the public power grid. DEME's subsidiary GeoSea was awarded the installation contract for Phase 1A of MeyGen, a challenging project for which the jack-up vessel 'Neptune' was deployed. MeyGen 1A represents a capacity of 6 MW, with an Atlantis turbine of 1.5 MW and three Andritz Hammerfest turbines of 1.5 MW. GeoSea is enthusiastic about the application of its worldwide leading expertise in this fascinating and groundbreaking project. GeoSea is now working on the preparation of the second phase of 6 MW of MeyGen, which will be executed in 2018.



Institute of
Tropical Medicine
Antwerp



DEME - Entrepreneur for Entrepreneurs

CFE - Docks - Brussels

DEME is also involved in two other tidal energy projects, the West Islay Tidal Energy Park in Scotland (30 MW) and Fair Head in Northern Ireland (100 MW). These projects are developed in collaboration with local partners.

Sipef continues to invest in the reduction of biogas emissions. Five of the eight processing plants are now equipped with methane capture installations to comply with the standards for green energy certification in Europe. In North Sumatra, a high-tech composting plant was completed that will be able to process all the empty fruit bunches (EFB) and liquid waste from the extraction mill, improve the soil structure of the oldest oil palm plantations, and diminish the use of chemical fertilizers. In Bengkulu, the installation for the production of electricity from methane gas was completed, so that, as soon as the Indonesian government is ready for it, the first supply of power to the public grid can be initiated; this is an important step for both Sipef and the local authority.

To conserve the environment, Sipef pursues an ecological and responsible agricultural policy in accordance with the principles and criteria of the 'Roundtable on Sustainable Palm Oil' (RSPO). It encompasses a whole number of environmental and social topics such as transparency, compliance with legal standards, good agricultural policy, sustainable development of land, and a constant pursuit of perfection. The group is guided in this matter by the 'Sipef Responsible Plantations Policy', an overarching group policy on sustainability that is supported by various more specific policies. The aim is to guarantee the long-term positive effects of the activities in four areas: responsible social practices, responsible plantation and processing manage-

ment, responsible development of new operations, and full traceability. The banana plantations Plantations J. Eglin in Ivory Coast and the Cibuni tea plantation in Indonesia were certified in 2016 by the 'Rainforest Alliance'.

Delen Private Bank has an additional social impact by the investment choices it makes every day. In that connection, the bank subscribes to the 'Principles for Responsible Investment' endorsed by the United Nations, thereby confirming its commitment to responsible investment. In this respect, Delen works together with fund manager Capfi Delen Asset Management (Cadelam), a subsidiary of Delen Private Bank. Together they see to it that the investments comply with the basic principles that have been defined. Considerable importance is attached to the cautious nature of the investment philosophy, which is typified as dynamic due diligence. Here, too, emphasis is on simplicity and common sense with a long-term view.

At **Bank J. Van Breda & Co**, compliance is an independent function that monitors and promotes compliance with the rules relating to integrity in banking. The integrity policy prioritizes the following areas: money laundering prevention, anti-abuse of tax arrangements, transactions in financial instruments, insider trading, price manipulation, privacy law, duty of discretion, ethical codes etc.

Leasinvest Real Estate strives for a 'BREEAM In-Use Excellent' rating for the redevelopment of the Treesquare and Montoyer office buildings in Brussels. For the Monnet office building in Luxembourg, a 'BREEAM Refurbishment Excellent' rating is expected based on the application that was sub-

mitted in February 2016. Where possible, energy saving measures are taken to make the buildings more sustainable and energy-efficient. The roof of the Frun retail park in Asten for instance, which was acquired in 2016, was fitted with solar panels to maximize the sustainability of the retail park. More than 0.500 GkWh green energy is now generated each year, resulting in a 400-tonne reduction in carbon emissions.

The building projects of **CFE**, too, keep the environment in mind. The group has constructed several passive buildings: the 'De Vonck' school in Knokke (MBG), a crèche with wooden framework in Laken, the 'Les Trèfles' school in Anderlecht (CFE Brabant), the 'Laiterie', a cafeteria situated in a listed park in Schaarbeek (Leloup Entreprises Générales), and the Green Wall building for IFAPME in Gembloux (Druart). Many projects have won, or will win, the 'BREEAM Very Good' or 'BREEAM Excellent' certification. Examples include the large Docks Brussels complex (BPC), the Promenade project (CFE Polska) and the Kons and Glesener buildings in Luxembourg (CLE). Several other projects developed by BPI (Edengreen, Greenhill, G4S, Differdange, Kiem, Route d'Esch) also received, or will receive, sustainability certificates.

Finally, AvH and CFE increased their stake in **Green Offshore** to 100% in 2016. The group has interests in several offshore wind farm projects, such as Rentel, off the Ostend coast, which will supply renewable energy to some 285,000 households.

Human resources policy

The AvH group aims to keep its workforce of 21,165 employees (through its stake in the group companies) motivated and committed. Training and education are important aspects for all employees to further develop their talent and, hence, contribute to the group's success. Some group companies run their own training centres, others use external organizations. Safety is an important aspect too.

In several countries, **DEME** has been accoladed as employer of choice. The initiatives underlying this success include 'People@DEME' and 'Time To'. The 'People@DEME' platform gives every employee access to a personal development matrix, which offers an insight into his duties and responsibilities and presents various training opportunities. Besides compulsory training programmes, it offers non-binding suggestions for career development. 2016 also saw the launch of the new 'Time To' assessment platform, which helps staff members and managers to assess their performance, skills and development needs. The system also provides DEME with a valuable database of skills to ensure that the right specialists are assigned to the projects.

The **Van Laere** group wants to project itself as one of the most advanced companies in the area of safety, vitality/health, environment, quality and customer focus. To achieve this, a dynamic care system has been introduced that is integrated in the general policy of the company. This care system defines all the principles to comply with laws and regulations, to achieve maximum internal and external customer satisfaction, and to pursue a continuous improvement of safety, health, environmental and quality matters. To give visual expression to this message, a logo is used that regularly comes up in training sessions or on posters. In this way, the company endeavours to instil a safety and quality reflex in employees, to further increase their safety awareness, and to prevent accidents, incidents and costs of failure.

Bank J. Van Breda & C^o attaches great importance to its human resources policy and is committed as an employer to the following aspects: freedom, scope and equal opportunity for maximum personal development; a pragmatic approach; integrity, team spirit and pleasure; clear goals; appreciation of professionalism and dedication; room to fail, learn and start again; professional and, where necessary, private coaching; open and direct communication; bidirectional performance appraisal; and work for everyone who contributes wholeheartedly to the accomplishment of this corporate mission.

Anima Care stands for quality. It combines a pleasant living and working environment with a high quality of service. Anima Care focuses on the continuous improvement of its working methods and operating systems, and pays special heed to

the selection, coaching and development of its staff, who put the quality vision and values of Anima Care into practice day after day. The staff are continuously coached and are regularly given in-service training so that they can grow in their job and become ready to take on greater responsibility. Using well thought-out and clearly defined processes, the teams are encouraged to work more efficiently so that more time remains for what really counts: high-quality care for the residents.

In order to optimize the management of its plantations, **Sipef** devotes a great deal of attention to the agricultural and managerial training of the local workforce. The group's policy in the agricultural, technical, environmental and general areas is set out in manuals containing practical guidelines on how to pursue this policy. Proper application is taught in training sessions. The group sees to it that all employees can work in a healthy and safe environment.

In society

Obviously, stakeholders of a company include more than employees, customers and suppliers. Businesses are part of society and influence, and are influenced by, many groups and individuals. Most group companies give structural support to projects in their neighbourhood or projects that are linked to their activities.

DEME has for the second time won the 'Entrepreneur for Entrepreneurs Trophy' as most sustainable company 2016. DEME earned this accolade primarily with a sustainable dredging project on the Congo River. Although DEME has dredged the Congo River on a regular basis since 1989, the group decided to look for a more sustainable solution. A toll system was introduced for ships that use the Congo River, in order to generate the necessary resources to permanently maintain the depth of the river and prevent silting. The public-private partnership also organizes the training of 40 young Congolese operators. The training programme includes a four-year course at the Antwerp Maritime Academy. After a preparatory year in Congo, the first two students have arrived in Belgium to commence their studies.

Sipef has its own Indonesian foundation through which it has in the last few years made a long-term contribution to conservation in that country. It runs a small organization which protects two beaches on the south coast of Sumatra where endangered turtles lay their eggs, and actively protects more than 12,000 ha of endangered woods next to Kerinci Seblat National Park. Sipef works closely together with the local population to stop poaching and illegal tree felling. The group also intends to replant woodlands as part of a 60-year agreement with the government.

Each year, **Delen Private Bank** selects a number of initiatives which it supports financially as part of its social commitment. Preference is shown for small-scale projects that genuinely and sympathetically pursue a social, educational or artistic purpose.

Bank J. Van Breda & C^o is well aware of its social responsibility. Although it deals with successful entrepreneurs and liberal professionals on a daily basis, it realizes that success does not come easy. That is why it gives structural support to two social initiatives with which its clients also feel close affinity. These organizations are less well known to the general public and therefore find it more difficult to secure funding. Its support goes to 'Entrepreneurs Without Borders' and 'Doctors Without Vacation'.

Every year, **Leasinvest Real Estate** evaluates new opportunities and starts up new initiatives. In 2016, they included Cliniclowns, vzw De Zwaluw, managed by the King Baudouin Foundation, Oscare Children's Burns Fund, and 'Doctors Without Borders'.



DAILY MANAGEMENT AND SUPERVISION

Executive committee

President	Jan Suykens
Members	Tom Bamelis John-Eric Bertrand Piet Bevernage André-Xavier Cooreman Piet Dejonghe Koen Janssen

Follow-up participations

(Together with the members of the executive committee)

Marc De Pauw
Matthias De Raeymaeker
An Herremans
Philip Heylen
Jens Van Nieuwenborgh

Group services

Finance

Tom Bamelis	Financial director
Hilde Delabie	Group controller
Bart De Leeuw	Group controller
Marc De Groot	Accountant
Bart Bressinck	Accountant
Jean-Claude Janssens	Treasurer
Katia Waegemans	Communication & information manager



Group services

Legal and administrative affairs

Piet Bevernage
Sofie Beernaert

Secretary-general
Legal counsel

Administration

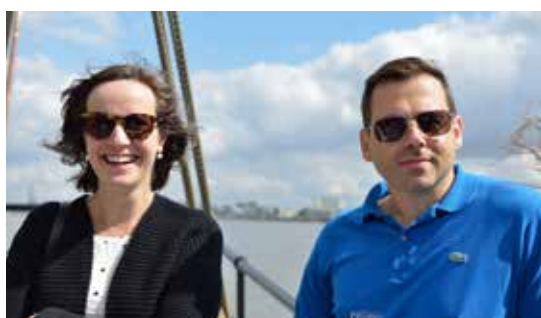
Patricia Bielen
Chantal Dille
Sarah Franssens
Michaëla Goelen
Sonja Goossens

Lydie Makiadi
Robin Muller
Filip Portael
Brigitte Stockman
Garry Suy
Petra Van de Velde

Management assistant
Management assistant
Management assistant
Reception
Personnel
administration
Management assistant
Reception
IT
Management assistant
Caretaker
Management assistant

Auditor

Ernst & Young Bedrijfsrevisoren BCVBA,
represented by Patrick Rottiers & Wim Van Gasse



ACTIVITY REPORT 2016



ACKERMANS & VAN HAAREN

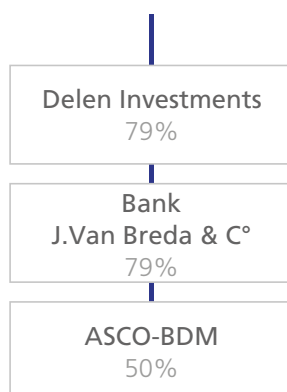
ACKERMANS & VAN HAAREN

31/12/2016

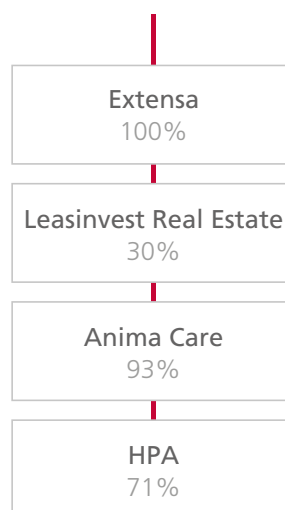
MARINE ENGINEERING & CONTRACTING



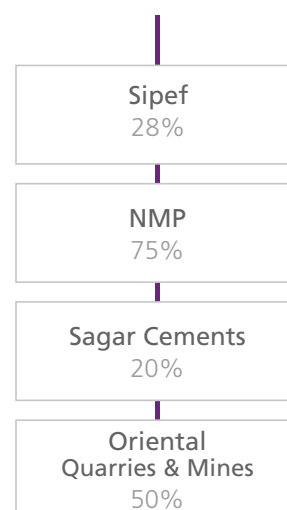
PRIVATE BANKING



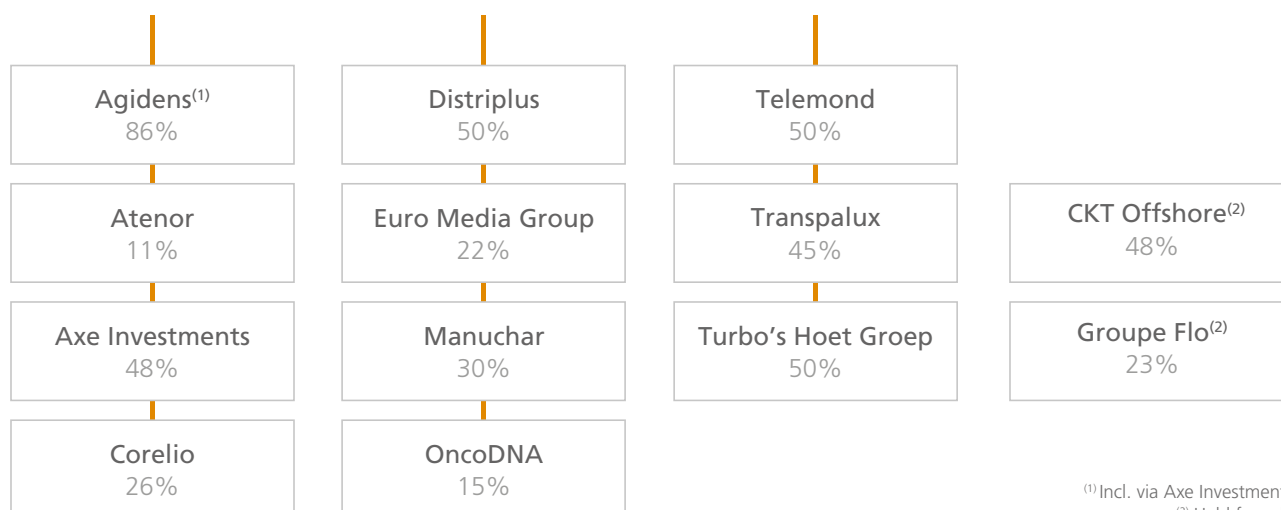
REAL ESTATE & SENIOR CARE



ENERGY & RESOURCES



AvH & GROWTH CAPITAL



⁽¹⁾ Incl. via Axe Investments
⁽²⁾ Held for sale



MARINE ENGINEERING & CONTRACTING

DEME reported a good result, despite a lower turnover as expected. The order book increased to 3,800 million euros. CFE confirmed its turnaround and made a positive contribution to the group profit in 2016.

DEME - Jurong Island Westward Extension - Singapore

60% | DEME

The Belgian dredging and environmental group DEME is one of the largest and most diversified dredging and marine companies in the world.

60% | CFE

CFE is a listed Belgian industrial construction company active in Belgium, Luxembourg and Poland.

100% | A.A. VAN LAERE

Van Laere is a general contractor for large engineering projects in Belgium.

72% | RENT-A-PORT

Rent-A-Port develops port projects, based on its port-related and logistical know-how and experience.

80% | GREEN OFFSHORE

Green Offshore holds minority interests in offshore wind farms.

Contribution to the AvH consolidated net result

(€ million)	2016	2015	2014
DEME	93.9	121.6	103.0
CFE	7.2	-13.4	-3.4
Algemene Aannemingen Van Laere	-2.5	2.1	0.9
Rent-A-Port	6.9	1.0	4.3
Green Offshore	-0.3	-2.0	-0.2
Total	105.2	109.2	104.5



60%

AvH shareholding percentage

DEME

DEME is one of the largest marine engineering companies in the world. In addition to its core activities of dredging and civil marine engineering, the group has developed complementary offshore activities in the area of renewable energy, oil and gas, as well as soil and sludge remediation, and aggregate and mineral mining.

Financial overview 2016

DEME reported a net profit of 155.3 million euros in 2016. DEME was unable to match its record year 2015 (with, among other things, the large-scale works on the Suez Canal): the (economic) turnover eventually came to 1,978.2 million euros (2015: 2,351.0 million euros). The start-up of some major projects for the construction of offshore wind farms during the second half of the year, along with the other activities of the DEME group, already resulted in a marked increase in the level of activity: the turnover in 2H2016 reached 1,175.1 million euros, and DEME expects to continue this positive trend in 2017.

The execution of the many projects in which DEME is involved generally progressed well, leading to an operating cash flow (EBITDA) of 450.1 million euros (22.8% of turnover). Even though this figure is lower than in 2015 (558.4 million euros, 23.8%), it is clearly better than expected and above the historical range of 16% to 20% EBITDA margin.

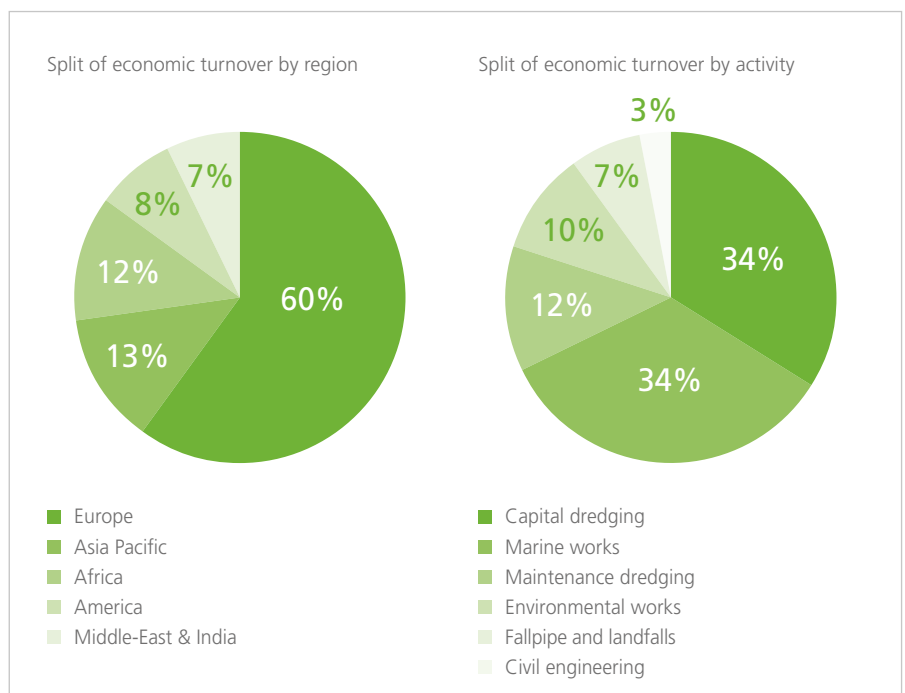
DEME was able to add 2,593 million euros worth of new contracts to its order backlog in 2016 for the construction of offshore wind farms (Merkur (Germany), Hornsea1 (UK), Horns Rev (Denmark), Rentel (Belgium)), in traditional dredging activities (renewal of maintenance dredging contract for the Belgian coast, Port Louis Mauritius) and in the environmental sector (Blue Gate remediation works in Antwerp). The order backlog increased to 3,800 million euros at year-end 2016 (2015: 3,185 million euros).

Investment programme

In order to execute this sizeable order backlog, DEME continued its investment programme. Six new vessels are currently under construction (the self-propelled jack-up vessel Apollo, the multi-purpose and cablelaying ship Living Stone, the self-propelled DP2 crane vessel Gulliver, and three hoppers), together representing an investment of approximately 500 million euros. Despite some delay at the shipyards building those vessels, the majority will be completed in 2017 and will be deployed immediately. This delay has led to a number of payments that were planned for 2016 being de-

ferred to 2017. Consequently, the total investment is limited to 194.7 million euros in 2016, which naturally had a positive impact on DEME's net debt position, which improved to 154.6 million euros at year-end 2016 (2015: 266.7 million euros).

In February 2017, DEME confirmed the additional order of two new vessels, for a total amount of 500 million euros: Spartacus, the most powerful state-of-the-art cutter suction dredger in the world (44,180 kW) for dredging works in the hardest and most compact rock and soil types also in offshore conditions, and Orion, an offshore crane vessel (44,180 kW) with dynamic positioning and a lifting capacity of 3,000 tonnes at more than 50 m for construction work out at sea, such as offshore wind farms, services for customers in the offshore oil and gas industry, and the dismantling of old offshore structures.





Panama



Nouvelle Route du Littoral - La Réunion



Singapore

Dredging and marine engineering

DEME consolidated its position with a number of new contracts and the continuation of several long-term projects.

In Belgium, maintenance dredging continued in 2016 in the ports of Zeebrugge, Ostend and Blankenberge, and the fairways in the North Sea and the river Scheldt. DEME was also involved in the renovation of the quay wall of the PSA container terminal in the port of Antwerp. A number of breakwaters on the Belgian coast were demolished for the construction of the landfall point for power cables from the offshore wind farms. In the Netherlands, DIMCO (DEME Infra Marine Contractors) carried out deepening and soil improvement works for the construction of the new quay of the Offshore Terminal Rotterdam. In June, DEME finished the coastal protection works for the 290 ha Waterdunen project in Breskens. Also in the Netherlands, DEME finished the final phase of the beach replen-

ishment works in Dishoek, Zoutelande and Goeree-Westhoofd. In 2016, de Vries & van de Wiel, together with a Dutch partner, realized the Kooyhaven site, an approximately 21 ha industrial zone connected with the waterways, and the dredging works on the Waddenzee were completed. In Germany, Nordsee Nasbagger- und Tiefbau carried out maintenance works on the Weser under a two-year contract; water injection maintenance works on the Elbe and the Kiel Canal continued, and a contract was won to extend the Europe Quay in Cuxhaven. In France, SDI (Société de Dragage International) was active in Bayonne, on the Seine between Le Havre and Rouen, and on the coast in Wissant. On La Réunion, DEME continued work on the 'Nouvelle Route du Littoral', a 13 km coastal road built offshore. DEME handles the dredging of the foundation pits for the viaduct of the new road. In Italy, maintenance dredging works were carried out in the port of Livorno. On Yard Belleli di Taranto, SIDRA (Societa Italiana Dragaggi) built a sheet pile wall and a wastewater treatment plant.

Thanks to the deployment of state-of-the-art equipment and techniques, work on the Tuas Terminal Phase 1 mega project in Singapore has reached full speed. In a joint venture with the South Korean company Daelim Industrial, DEME is building 21 deepwater quays with an annual container capacity of 20 million TEU. An important milestone was the successful installation in April 2016 of the first of a total of 222 caissons that will form the structure of the quay. The Jurong Island Westward Extension project is progressing according to plan and will be finished by 2018. The project involves the reclamation of around 38 million m³ of land on Jurong Island, Singapore's petrochemical hub. In Papua New Guinea, works to remove potentially contaminated mine-derived sediments from the Lower Ok Tedi River were resumed in March 2016 after a period of slack activity due to unusually low water levels caused by El Niño. The present contract runs at least until 2020.



Northwind

The La Mer Jumeirah Open Beach project in Dubai, which presented a major challenge in geotechnical terms, was successfully completed in 2016. This project involved the reclamation of 2.9 million m³ of new land for residential, commercial and leisure purposes. The New Port project in Doha was fully completed at the beginning of 2016. The works involved dredging the fairway and land reclamation for the economic zone and the new naval base. In 2016, DEME forged ahead with its activities in Egypt. The works for the second contract awarded by the Suez Canal Authority to dredge the eastern access channel to Port Said were completed well ahead of schedule. DEME also carried out dredging works in the port of Alexandria, dredging and land reclamation works to enlarge the Ras Al Teen naval base, and dredging and pipeline installation works for the Burullus Combined Cycle Power Project. In Turkey, DEME finished widening and deepening the navigation channel, turning basin, port basin and access channel in the port of Mersin.

In 2016, Dredging International returned to Panama to continue widening and deepening the Pacific Access Channel; these works were finished sooner than planned. DEME will still be engaged on the Panama Canal in 2017 with dredging works near the Cocoli Locks. Also in Panama, DEME widened and deepened the turning basin and access channel of Manzanillo International Terminal. In addition, DEME was also active in Mariel Port (Cuba), Barranquilla and Cartagena (Colombia), the port of Montevideo (Uruguay), the port of Santos and on the Rio Grande (both in Brazil).

Through its subsidiary International Seaport Dredging (ISD), DEME remains a prominent player in India with, among other projects, the expansion of the port of Kamarajar and dredging works at the ports of Dhamra, Salaya and Kakinada. At the end of 2016, DEME started a land reclamation project in Emboodhoo Lagoon, in the Maldives. Ten paradisiac islands will be developed there for tourism.

In 2016, DEME was still working on the large-scale EKO Atlantic City project in Nigeria. Maintenance dredging works continued on the Bonny River as part of a concession agreement with the Nigerian National Ports Authority. Also in Nigeria, DEME was involved in the extension of the port of Onne



Zoutelande Dishoek - The Netherlands

and in a land reclamation project on Ilubirin Island. A contract was also awarded for dredging works on the access channel to the Lagos Deep Offshore Logistics base. DEME also won contracts for port extensions in Sierra Leone, Mauritius and Guinea, as well as a maintenance contract in Ivory Coast. Maintenance dredging works were also carried out in Angola. In Congo, the PPP with the local company La Congolaise des Voies Maritimes continued for maintenance works on the Congo River.

Marine & offshore solutions

2016 was a very busy year for offshore energy. Work on the German Nordsee One offshore wind farm was completed at the beginning of 2016. GeoSea also installed 91 foundations for the Race Bank wind farm and in December installed the first foundation for the Galloper wind farm, both in the United Kingdom. Tideway, another subsidiary of DEME, will protect the foundations against erosion. GeoSea won a major contract for Hornsea Project One in the United Kingdom, the world's biggest offshore wind project, and was awarded a contract for Borkum Riffgrund 2 in Germany. GeoSea also won EPCI contracts for Merkur (Germany) and Rentel (Belgium), work on which is due to begin in

2017. In Denmark, GeoSea landed a contract for the 400 MW Horns Rev 3 wind farm. In the fourth quarter, GeoSea was involved in the construction of the unique MeyGen tidal energy plant in the far north of Scotland, installing the foundations for a first series of four underwater turbines. GeoSea was also awarded the EPCI contract for Hohe See in Germany, of which the financial close took place in the first quarter of 2017.

In October, a unique partnership agreement was signed between DEME and the Chinese company COSCO Shipping for the joint development of offshore wind power in China.

Under a maintenance contract, GeoSea Maintenance carried out maintenance works for C-Power on the Belgian coast. Maintenance works were carried out using the jack-up vessels 'Neptune' and 'Thor' for various customers in the Irish Sea and the North Sea. GeoSea Maintenance will provide logistic and maintenance services for Rentel using its fast crew vessels and jack-up vessels.

EverSea, DEME's subsidiary specializing in complex offshore marine engineering projects, successfully carried out the installation of the unmanned gas platform P11-E for the Dutch company Oranje-Nas-

DEME NV

(€ 1,000)	2016		2015	
	(1)	(2)	(1)	(2)
Turnover	1,978,250	1,978,194	2,286,124	2,351,020
EBITDA	447,389	450,145	489,215	558,389
EBIT	226,956	217,584	269,211	318,364
Net result (group share)	155,334	155,334	199,196	199,196
Shareholders' equity (group share)	1,220,638	1,220,638	1,132,860	1,132,860
Net financial position	-151,215	-154,639	-269,465	-266,747
Balance sheet total	3,288,676	3,312,389	3,149,769	3,233,452
Order backlog (€ mio)		3,800		3,185
Capex (€ mio)		195		373
Personnel		4,284		4,186

⁽¹⁾ Following the introduction of the new accounting standards IFRS10/IFRS11, group companies jointly controlled by DEME are accounted for using the equity method with effect from 1/1/2014.

⁽²⁾ In this configuration, the group companies that are jointly controlled by DEME are still proportionally integrated. Although this is not in accordance with the new IFRS10 and IFRS11 accounting standards, it nevertheless gives a more complete picture of the operations and assets/liabilities of those companies. In the equity accounting as applied under (1), the contribution of the group companies is summarized under one single item on the balance sheet and in the income statement.



Scheldt - Antwerp

sau Energie. For the dismantling of the Thames gas platform in the North Sea, EverSea took part in the removal and transportation of a ventilation tower and a crane boom.

Despite the challenging conditions in the oil and gas industry, Tideway managed to maintain a high level of activity in 2016, partly thanks to projects in the offshore wind sector. In Germany, Tideway arranged the cable crossings for the DolWin 3 and Veja Mate offshore wind farms. Tideway also protected the foundations of the Nordsee One and Galloper wind farms against erosion, and replaced the infield power cable of the C-Power wind farm off the Belgian coast. Rock placement works were carried out for the Godewind I and II offshore wind farms in Germany, as well as for the Lower Churchill project in Canada.

Related services

In 2016, the joint venture Combined Marine Terminal Operations (CTOW) continued the contract for the provision of harbour towage services in the port of Onne in Nigeria. Two new tugs, 'CTOW Bieke' and 'CTOW Lala', joined the fleet.

Scaldis Salvage & Marine Contractors

Scaldis salvaged the wreck of the 'Flinterstar', which had sunk off the Belgian coast in 2015. Scaldis also transported and installed the substations for the Nordsee One and Rampion offshore wind farms and the transformer station for Nobelwind. It performed hoisting operations as part of the decommissioning of the Viking Bravo gas platform in the North Sea. Preparatory work was carried out on several platforms that will be dismantled between 2017 and 2020.

DEME Concessions

In 2016, financial close was reached for the Merkur (Germany) and Rentel (Belgium) offshore wind farms, in which DEME Concessions Wind has a stake of 12.5% and 18.9% respectively. Besides

Rentel, DEME Concessions holds concessions for the Belgian offshore wind farms Seastar and Mermaid. The stake in the Coentunnel in Amsterdam and half of the stake in the offshore wind farm C-Power have been sold.

DEME Concessions acquired a minority interest in Tidal Power Scotland Limited (TPSL) which, together with Scottish Enterprise, owns MeyGen, the world's first tidal energy plant. Besides its stake in TPSL, DEME is also, through DEME Blue Energy (DEME Concessions 70% - ParticipatieMaatschappij Vlaanderen 30%) and in association with Nuhma, a partner (50%-50%) in BluePower, another development company in the field of tidal energy. DEME develops, in association with the Irish company DP Marine Energy, the West Islay Tidal Energy Park (30 MW - Scotland) and Fair Head (100 MW - Northern Ireland) projects.

Global Sea Mineral Resources is a subsidiary of DEME active in sustainable deep-sea mining. A state-of-the-art pre-prototype vessel, the 'Patania', has been developed and will be tested in 2017 on an expedition in the Pacific at a depth of more than 4 km.

Marine infrastructure solutions

At the beginning of 2016, DIMCO, in joint venture with a Dutch partner, won the contract for the construction of a 460 m quay wall for the new Offshore Terminal in the port of Rotterdam. The first 150 metres of the quay became operational in December 2016. In January, DIMCO also won the contract for the installation of six dolphins and 27 mooring buoys in the port of Rotterdam, and won contracts for the construction of a new wharf at the Maasvlakte Oil Terminal and the extension of the Caland wharf. DIMCO continued work on the Spoorzone Delft project, where it is involved in the design and construction of the 2.3 km Willem van Oranje rail tunnel. Together with two partners, DIMCO is engaged on the extensive renovation of the dam complex on the river Lek.

Environmental solutions

DEC (DEME Environmental Contractors), DEME's environmental division, worked on different remediation projects in Belgium: Carcoke in Zeebrugge, Rhodia in Ghent, Bayer in Rieme, Electrabel in Evergem, and Eandis in Kortrijk and Veurne. For Blue Gate in Antwerp, soil surveys were completed as part of the remediation works that will begin in 2017. DEC also continued the operation of Amoras, where dredged material from the port of Antwerp is processed. DEC carried out remediation works in the United Kingdom for Avenue Coking Works in Chesterfield, and finished a project in Staveley Goyts for the removal and treatment of contaminated sediments. In 2016, DEC, in partnership with the Norwegian company Veidekke

Entreprenør, started the remediation of a former Norwegian refinery site for ExxonMobil.

In the autumn, de Vries & van de Wiel started soil remediation works on the former NAF site in Alphen aan den Rijn.

Ecoterres, DEME's environmental subsidiary in Wallonia, treated around 450,000 tonnes of contaminated soil and sediments at its specialized recycling plants in Belgium and France.

Purazur, a subsidiary of DEME specializing in wastewater treatment, started building a new wastewater treatment plant in 2016 for the waste processing firm Indaver in Antwerp. Purazur is responsible for the design, construction and commissioning of the new plant.

DEME Building Materials

Despite the slowdown seen in recent years in the European construction industry, DEME Building Materials reported a marked growth in business in 2016, particularly in the first six months, with full occupancy of the gravel suction hopper dredgers 'Charlemagne' and 'Victor Horta'. This was due in large measure to the growing demand in the United Kingdom. In the Netherlands, DEME Building Materials supplied approximately 50,000 tonnes of sand and gravel for the new Offshore Terminal Rotterdam, built by DIMCO.

Outlook 2017

DEME's strong order backlog, which has increased to a new record level, enables the company to keep up the momentum of the closing months of 2016. This should lead to a markedly higher level of activity (turnover) with margins in line with the historical range.



www.deme-group.com

From left to right: Christel Goetschalckx, Philip Hermans, Eric Tancré, Hugo Bouvy, Steven Poppe, Lucas Bols, Els Verbraecken, Dirk Poppe, Alain Bernard, Luc Vandembulcke, Tom Lenaerts, Bart Verboom, Pierre Potvliege, Wim Biesemans, Theo Van De Kerckhove, Hans Casier, Bernard Paquot, Martin Ockier, Pierre Catteau



60%

AvH shareholding percentage

CFE

CFE is a Belgian industrial group, listed on Euronext Brussels, active in three major areas: Dredging and Marine Engineering, Contracting, and Real Estate Development.

Financial overview 2016

After two difficult years of reorganization in 2014 and 2015, CFE closed 2016 with a positive result and a well-filled order book.

CFE improved the performance of its Contracting division in terms of turnover, profit and order book. In CFE's new organizational structure, the Contracting activity bears fully its own overhead as of 2016. Nevertheless, the net profit of Contracting increased to 10.4 million euros compared with 9.7 million euros in 2015. The order book increased slightly to 850.5 million euros (2015: 836.3 million euros).

The Real Estate Development division continued in 2016 with the development of projects that had been started up earlier. Since no major transactions were finalized in 2016, the result of this division remains fairly limited.

In 2016, CFE took an important step in the reduction of the activities and losses of the Holding and the operations that were not transferred to Contracting. As a result of the transfer to DEME of the Civil Engineering activities at the end of 2015 and the scaling down of business in Africa following the delivery in 2015 of large-scale projects in Chad and Algeria, the turnover of this segment in 2016 decreased to 36.3 million euros.

Operational overview 2016

The reorganization carried out in 2015 took shape in a rearrangement of CFE's activities (except for DEME's dredging activity) in two independent entities: CFE Contracting (Benelux, Poland and Tunisia) for construction, multitechnics and rail infra & utility networks, and BPI for the entire real estate development activity. This structure, which in no

way precludes productive synergies, soon began to bear fruit.

A small number of activities remain in the holding, such as international construction, which focuses on the completion of contracts in progress and the recovery of the amounts due by Chad (60 million euros).

Contracting

2016 was a positive year for CFE Contracting, with a general increase in results in several markets, in Belgium and internationally (Poland, Luxembourg and Tunisia). The satisfactory order book level means that the company can look forward to 2017 with confidence.

The two branches of CFE Bouw Vlaanderen reported another excellent year. MBG continued to work on the AZ Sint-Maarten hospital project (Mechelen) and completed several projects of the 'Scholen van Morgen' (Schools of Tomorrow) programme. Atro Bouw completed the prestigious 'O Building' with its gold-coloured facades for the University of Ant-

werp, and reported a vigorous turnover increase. The two branches will grow towards a closer partnership in 2017. Groep Terryn, now a full entity of CFE, went through a year of transition under the leadership of a new management team. Among other projects, BPC Brabant completed the large shopping centre Docks Brussels to the customer's satisfaction. CFE Brabant has returned to profit and merged with BPC Brabant on January 1, 2017, and now operates under the name BPC. A merger is also planned between Amart and Leloup Entreprise Générale, which increased its turnover by 50%. After a solid growth, BPC Hainaut-Liège-Namur reported a slight downturn. Nevertheless, the year saw the completion of several major projects, such as the 'Les Grand Prés' shopping centre in Mons.

In Luxembourg, CLE started, continued or completed a large number of construction and civil engineering projects, such as Galerie Kons and Pulvermühle Viaduct. Turnover increased by 60%. CFE Polska recorded an excellent result in Poland, ending the year with a 40% turnover increase and highly satisfactory margins, despite increased competition. In Tunisia, CTE is still confronted with difficult market conditions.

Early 2017, an 'Electro' cluster was formed with VMA, VMA West, Vanderhoydonks and Nizet Entreprise as a group specializing in electrotechnical installations for the construction, infrastructure and manufacturing industries. VMA carried out

CFE (excluding DEME): Breakdown by division

(€ million)	Turnover		Net result ⁽¹⁾	
	2016	2015	2016	2015
Buildings	548.5	516.9		
Multitechnics	159.2	140.5		
Rail Infra	62.8	61.5		
Contracting	770.5	718.9	10.4	9.7
Real estate development	12.1	27.2	1.4	7.0
Holding, non-transferred items and eliminations	36.3	207.2	1.2	-43.0
Total	818.9	953.3	13.0	-26.3

⁽¹⁾ Including contribution from Rent-A-Port (45%) and Green Offshore (50%) to CFE



Docks - Brussels



Remacom - Lochristi



AZ Sint-Maarten - Mechelen



Tunnel R11 - Deurne

tious project on the site of Allianz in the centre of Brussels.

In Luxembourg, BPI Luxembourg finished the Kons project (delivery in 2017), received final planning permission for the G4S project, started sales of the site on Route d'Esch, and won the Kiem project on the Kirchberg plateau.

In Poland, all but one of the units of the Wola Tarasy project were sold by January 1, 2017. Sales of the Wola Libre project in Warsaw continued. In Gdansk, tower blocks 3 and 4 of the Four Oceans complex have virtually all been sold. BPI Polska also started sales of the Bulwary Książęce project in Wrocław and acquired a site in Warsaw for a residential property.

Outlook 2017

The Contracting division should in 2017 confirm the positive trend that was begun in 2016. The Real Estate Development division should report a substantially higher net result in 2017. The result of the Holding and non-transferred items will very much depend on how the situation in Chad will evolve for the CFE group.



www.cfe.be

From left to right: Raymund Trost, Frédéric Claes, Piet Dejonghe, Renaud Bentégeat, Gabriel Marijsse, Fabien De Jonge, Jacques Lefèvre, Yves Weyts



major automation and installation projects in the automotive industry, the healthcare and office sectors. It saw its turnover increase and recorded good results. The same picture emerges for VMA West and Vanderhoydonks. Nizet Entreprise carried out numerous assignments in Belgium, Sri Lanka and Vietnam. It opened a branch in Luxembourg. Despite some fine achievements, such as the 'Rive Gauche' project in Charleroi, 2016 was a difficult year for Druart. The new management team is tasked with improving the company's profitability in 2017. The subsidiary Procool saw its turnover increase by 25% and has a well-filled order book. Maintenance further strengthened its position as a major player on the technical maintenance and services market.

ENGEMA reported a stable level of business in signalling and replacement of overhead contact

lines, and an increase in activity for electrification works. After a thorough reorganization, ETEC reported a profit in 2016. Louis Stevens & Co carried out several electrification and telecom installation contracts. Remacom continued the activities developed in 2015, primarily for Infrabel.

Real Estate Development

BPI, which encompasses all the group's real estate activities in Belgium, Luxembourg and Poland, has successfully continued its development and sales of several big projects.

In Belgium, BPI continued work on the Solvay project in Elsene and the Oosteroever project in Ostend, launched the sale of the Erasmus Garden apartments, and took the first steps in an ambi-

CFE NV (including DEME)

(€ 1,000)	2016	2015	2014
Turnover	2,797,085	3,239,406	3,510,548
EBITDA	465,863	504,925	479,485
EBIT	227,570	228,905	220,399
Net result (group share)	168,411	174,961	159,878
Shareholders' equity (group share)	1,521,559	1,423,277	1,313,627
Net financial position	-213,051	-322,719	-188,130
Balance sheet total	4,328,219	4,302,159	4,215,452
Order book (€ mio)	4,757	4,160	3,566
Personnel	7,752	8,160	8,021

A.A. VAN LAERE

Van Laere Group is a contractor operating primarily in Belgium, focused on large-scale sustainable and innovative projects in civil engineering and in industrial construction, offices, care sector and residential properties, as part of new construction, refurbishment and renovation projects.

Financial overview 2016

With a consolidated turnover of 195 million euros in 2016, Van Laere Group realized a 14% increase compared with last year, which means a very high level of activity. The commercial efforts of recent years have clearly paid off. Nevertheless, this turnover trend was accompanied by growing pains. The combination of tendering costs for major future projects, weaker figures at the subsidiaries, and especially a heavy loss-making project pushed the group into the red.

Operational overview 2016

Algemene Aannemingen Van Laere

The high level of activity was especially noticeable at the parent company Van Laere. It was particularly active on the Tour & Taxis site in Brussels, where the 66,500 m² Herman Teirlinck building, Belgium's biggest passive office building, will accommodate 2,600 civil servants of the Flemish government from 2017 onwards. 115 apartments were also built as part of a number of projects for Extensa. In the residential sector, the Regatta and Hemixveer 1 projects were successfully completed for Vooruitzicht, and the Hemixveer 2 project was started up. Construction work continued on the Verrewinkel apartment project in Uccle for Bouygues Immobilier.

Its strict safety culture and sound approach earned Van Laere several contracts at Brussels Airport. The Passport project was built for Codic, while the nearby Gateway project was completed for Codic and Immoebel.

In the office market, the Design & Build project Imalso for the refurbishment and construction of offices for the Flemish government experienced considerable delay. In Brussels, the Square de Meeus and Montoyer office projects were started up for Leasinvest Real Estate. In Utrecht in the Netherlands, a cinema complex for Kinepolis was completed successfully and in a short time.

Van Laere was still particularly active in the DBM programme 'Scholen van Morgen' (Schools of Tomorrow). In the course of 2016, no fewer than nine schools were completed, and construction work began on a school in Laken, while the 30-year maintenance phase for the completed schools started to run. The Karel de Grote Hogeschool in Antwerp was completed as well.

In the care sector, the 120,000 m² AZ Delta hospital in Roeselare was completed, and a contract was landed for the conversion of an office building into a residential care centre in Brussels for Cofinimmo.

In the manufacturing industry, Van Laere worked on the BASF site in Antwerp and on the site of Genzyme (Sanofi) in Geel, and the cleanroom for IMEC in Leuven was completed. A 44,000 m² distribution centre in Marche-en-Famenne is nearing completion.

The car park segment remains important. Construction work began on the underground car park Specqvest in Mechelen, commissioned by Q-Park, while construction of the car parks under the 'Gedempte Zuiderdokken' in Antwerp, for the same customer, will start in 2017.

Van Laere invested in its future in 2016 by increasing its workforce and by implementing the Secure programme, which focuses on operational excel-

lence, lean building, and innovative techniques such as BIM (Building Information Model). This programme, in which more than half of the employees are actively involved, will continue in 2017. In commercial terms, Van Laere continues to invest in key accounts and building team formulas. This produced an attractive order portfolio. Van Laere is also a member of selected consortiums that take part in tenders for major infrastructure projects such as the Antwerp Oosterweel Link.

Groupe Thiran

Thiran reported a turnover that was 13% down on 2015 in a difficult market. The delayed start of a number of projects caused a shift of turnover and margin to 2017, while a loss-making project led to a negative result for Thiran as well. Thiran remains an established name in the hospital sector, where it is valued for its high-quality work. The order book for 2017 is promising, yet the pressure on margin remains high.

Arthur Vandendorpe

This contractor specializing in restoration work, and highly dependent on public contracts, experienced a difficult year. The turnover growth target was not reached, and there was a considerable turnover of staff which had an impact on the progress of certain projects. The workforce has been strengthened, yet the market remains difficult due to current government spending cuts. 2017 should mark a return to profit.

Alfa Park

Alfa Park performed fairly well in 2016, with attractive service level agreements being concluded with key accounts, turnover in the existing car parks steadily increasing to full capacity, and costs decreasing. Nevertheless, Alfa Park still failed to make a positive contribution to the group's result. In 2016, time was taken to reflect on how the growth of these activities can be speeded up, on



Herman Teirlinck - Brussels

Karel de Grote Hogeschool - Antwerp



Kinepolis
Utrecht



Gateway - Zaventem

the basis of the existing platform that has developed successfully.

Outlook 2017

The first half of 2017 will be characterized by a lower turnover, since there are many projects for key accounts and in building teams that will only

reach the execution phase in the second half of 2017. At 127 million euros, the order book for 2017 and subsequent years is already well filled, especially as this does not yet include the projects that have been won since, such as 'Gedempte Zuidekkes' project in Antwerp. 2017 will be a year of transition, with work continuing on the operational excellence programme 'Secure'.



A.A. Van Laere NV

(€ 1,000)	2016	2015	2014
Turnover	194,986	170,491	166,861
EBITDA	-920	5,893	4,989
EBIT	-3,399	3,258	2,490
Net result (group share)	-2,466	2,084	856
Shareholders' equity (group share)	36,199	39,277	37,014
Net financial position	15,378	17,851	8,129
Balance sheet total	114,790	104,775	100,920
Personnel	462	465	460

From left to right: Veerle Verduyck, Geert De Kegel, Natalie Verheyden, Jean Marie Kyndt, Johan Vanhaleweyk, Rudi De Winter



72%

AvH shareholding percentage

RENT-A-PORT

Rent-A-Port develops greenfield port projects and port-linked industrial zones. The complete management of the distribution of utilities (electricity, water, waste disposal, wastewater treatment) should make it possible to finance renewable energy and drinking water supply initiatives. These initiatives are implemented by the subsidiaries Rent-A-Port Green Energy and Infra Induss, a joint venture with Waterlink.



Tien Phong South - Vietnam

2016 was a year of consolidation and preparation of further growth for Rent-A-Port and Rent-A-Port Green Energy.

The balance sheet of Rent-A-Port was strengthened in 2016 by the sale of Rent-A-Port's interest in the offshore wind farm projects Rentel, Seastar



www.rentaport.be

From left to right: Geert Dom, Marc Stordiau, Lutgart Devillers, Marcel Van Bouwel, Valentijn Maussen



and Mermaid to the shareholders AvH and CFE. The level of debt decreased significantly. The development activities in Vietnam and Oman, which account for a substantial part of the result of Rent-A-Port, are recognized according to the equity method.

Staff recruitment in Oman, Vietnam and Qatar has increased the workforce of the Rent-A-Port Group to 330 people. These employees specialize in en-

gineering, financial management and port-related operations.

In Vietnam and Oman, steps were taken to strengthen the control of the group's own electricity grids. The local and central authorities of those countries would also like to see more green energy being produced, bringing the reorientation in favour of wind energy, solar panels and waste-to-energy conversion to a decisive stage.

In the province of Quang Ninh (Vietnam), Rent-A-Port took the lead in securing two major concessions: Tien Phong South (360 ha, without external partners) and Tien Phong North (1,200 ha, in joint venture with a Qatari partner). The water engineering works of Tien Phong South started in 2016, and the administrative organization was put in place for a first industrial park. The requisite 'Investment Certificate' was obtained on December 28, 2016. This project is similar to what Rent-A-Port did with the Dinh Vu concession in 2001-2004.

The home country approach, involving an in-depth knowledge of the country and the necessary contacts, was successfully applied in 2016 in Vietnam, Oman and Qatar. In Vietnam, several initiatives were undertaken in close collaboration with the national government in Hanoi to turn the electricity grid of Dinh Vu into an independent entity, the large-scale disposal of all floating waste in Halong Bay, and the production of fresh water for irrigation in the Mekong Delta.

Rent-A-Port NV

(€ 1,000)	2016	2015	2014
Turnover	4,309	4,386	5,981
EBITDA	-2,334	-2,040	-2,173
EBIT	-2,373	-2,073	-2,208
Net result (group share)	4,423	2,599	5,927
Shareholders' equity (group share)	45,788	41,551	33,530
Net financial position	-7,620	-9,372	-8,914
Balance sheet total	61,664	60,045	53,708

80%

AvH shareholding percentage

GREEN OFFSHORE

Green Offshore participates in the development of offshore wind farms.



Early July 2016, AvH and CFE increased their stake in Rent-A-Port Energy to 100% by acquiring the participation held by the management of Rent-A-Port. At the same time, the company's name was changed to Green Offshore.

Green Offshore holds stakes in offshore wind farms in Belgium: Rentel (12.5% directly and indirectly), Otary (12.5%), and the still-to-be-developed offshore wind projects Seastar and Mermaid.

Rentel is an offshore wind concession in the Belgian North Sea. The wind farm is situated at approximately 40 km from Ostend and will comprise 42 wind turbines of 7.35 MW. With a total installed capacity of 309 MW, the wind farm will supply renewable energy to some 285,000 households. With a height of 183 metres, the wind turbines will be the tallest yet installed in the Belgian North Sea. They will be supplied and maintained by Siemens and will operate with direct drive. In this

case, the rotor is directly connected to the generator (without gearbox).

Rentel reached the financial close in the fourth quarter of 2016. The offshore works will begin in the spring of 2017, and the wind farm is expected to start supplying power to the Belgian grid in mid-2018. The wind farm should be fully operational by the end of 2018. The Rentel project will contribute to Belgium's leadership role in offshore wind energy and will help to realize Belgium's climate goals for 2020.

Green Offshore NV

(€ 1,000)	2016	2015	2014
Turnover	0	37	0
EBITDA	-182	-321	-302
EBIT	-184	-354	-302
Net result (group share)	-342	-375	-322
Shareholders' equity (group share)	5,001	4,342	2,117
Net financial position	-27,103	0	0
Balance sheet total	32,694	7,197	4,985

A modern office interior with large windows, a dark sofa, and a marble floor. The scene is brightly lit, suggesting a professional and contemporary environment.

PRIVATE BANKING

Both Bank J.Van Breda & C^o and
Delen Investments in 2016 realized a significant further
growth in assets under management,
laying solid foundations for 2017.

79% | DELEN INVESTMENTS

Delen Investments specializes in asset management and general financial advice for a wide range of private clients.

79% | BANK J.VAN BREDA & C°

Bank J.Van Breda & C° is a specialized advisory bank focusing exclusively on entrepreneurs and liberal professionals.

50% | ASCO-BDM

The insurance group ASCO-BDM focuses on marine and industrial insurance via brokers.

Contribution to the AvH consolidated net result

(€ million)	2016	2015	2014
Finaxis	-1.0	-0.8	-0.6
Delen Investments	69.2	72.8	63.6
Bank J.Van Breda & C°	29.7	31.9	28.0
ASCO-BDM	0.6	0.1	0.4
Total	98.5	104.0	91.4

DELEN
PRIVATE BANK



79%

Shareholding percentage AvH

DELEN INVESTMENTS

Delen Investments CVA specializes in asset management and general financial advice for a wide range of private clients. The Delen Investments group, which has grown into a well-established name in Belgium (Delen Private Bank), the Netherlands (Oyens & Van Eeghen) and the United Kingdom (JM Finn & Co), had a total of 37,770 million euros under management at year-end 2016.

Financial overview 2016

The assets under management of the Delen Investments group attained a record high of 37,770 million euros at year-end 2016 (36,885 million euros at year-end 2015).

The vigorous growth at **Delen Private Bank**, where the assets under management increased from 25,555 million euros (2015) to 27,383 million euros (2016), is the result of a positive impact of the increasing value of the assets and of a strong organic net growth in terms of both existing and new private clients. The constant inflow of assets, to which all Belgian branches contribute, testifies to the confidence that clients have in Delen Private Bank, and confirms its prominent position in discretionary asset management in Belgium. In the first half of the year, the inflow of assets had decreased slightly in relation to the record level of 2015 due to difficult market conditions, but in the second half of 2016 the inflow had fully recovered. The prudent investment strategy continues to prove its added value. In 2016, Delen Private Bank realized better returns for its clients than the industry average (with similar risk profile).

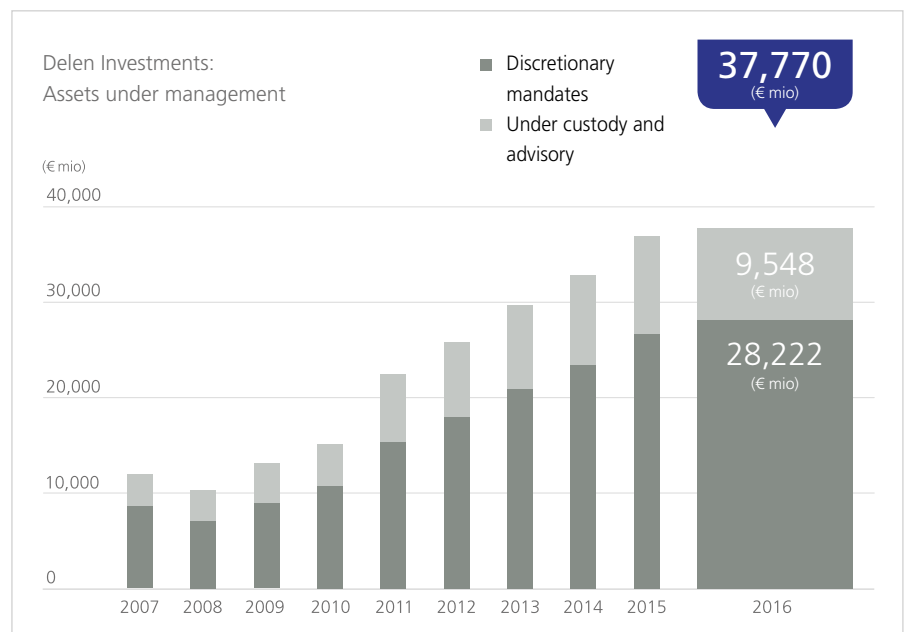
At the UK asset manager **JM Finn & Co** (Delen Investments 80.1%), the assets under management decreased from 10,758 million euros (7,929 million £) at year-end 2015 to 9,730 million euros (8,331 million £) at year-end 2016. This decrease is a result of a limited net outflow, but mainly due to the exchange rate development of the pound sterling against the euro (-13.9%, -1,520 million euros), which is only partly offset by the positive evolution of the value of the client portfolios (in GBP).

At December 31, 2016, the assets under management for private clients and foundations at **Oyens & Van Eeghen** amounted to 657 million euros (572 million euros at year-end 2015).

The gross revenues of the Delen Investments group decreased in 2016, despite the acquisition of Oyens & Van Eeghen, to 313.1 million euros, in which the share of JM Finn & Co and Oyens & Van Eeghen amounted to 81.0 million euros. This decrease is primarily due to the decrease in variable fees in volatile market conditions, the impact of the exchange rate (GBP) on the consolidation of the revenues of JM Finn & Co, and low market inte-

rest rates. The operating costs increased by 5.8% (8.2% excluding JM Finn & Co and Oyens & Van Eeghen). At Delen Private Bank, the increased costs connected with the constant developments in IT, the recruitment of staff, the temporary rental of offices in Antwerp, and the organization of client events are a direct result of the growing activity. At JM Finn & Co, the increase in costs in local currency terms is limited and the result of higher personnel costs (connected with the recruitment of extra staff) and increased expenditure on marketing and IT. The cost-income ratio remained highly competitive at 57.8% (only 46.3% for Delen Private Bank, 85.8% for JM Finn & Co, and 96.8% for Oyens & Van Eeghen). This ratio decreased slightly compared to 2015 (54.9%) since the investments and higher expenditure do not immediately generate an increase in income. At year-end 2016, the group had 657 employees (FTE), of whom 335 at Delen Private Bank, 296 at JM Finn & Co, and 26 at Oyens & Van Eeghen.

The net profit decreased in 2016 to 87.9 million euros (compared with 92.4 million euros in 2015). The contribution of JM Finn & Co to the net result





1. Delen Private Bank - Liège
2. Delen Private Bank - Brussels
3. Delen Private Bank - Brussels
4. Delen Private Bank - Ghent
5. Delen Private Bank - BP Building - Antwerp



Delen Private Bank - Ghent

of the group was 5.6 million euros (after depreciation of the activated client base and 19% minority interests of 2.5 million euros; contribution in 2015: 5.5 million euros). The contribution of Oyens & Van Eeghen to the net result of the group was 0.1 million euros (after depreciation of the activated client base of 0.1 million euros).

The consolidated equity of Delen Investments stood at 621.2 million euros as at December 31, 2016 (compared with 582.6 million euros as at December 31, 2015). It already takes into account the option of the JM Finn & Co management to sell the remaining shares (valued at 25.0 million euros) to the Delen Investments group in the future. The group's Core Tier1 capital (taking into account the intangible assets of 241.0 million euros, of which 50.7 million euros from clients of JM Finn & Co and 7.2 million euros from clients of Oyens & Van Eeghen) amounted to 377.3 million euros at the year-end (compared with 284.9 million euros at year-end 2015). The Delen Investments group is more than adequately capitalized and amply satisfies the Basel III criteria with respect to equity. The Core Tier1 capital ratio of 30.9% is well above the industry average and takes into account the long-term commitment to buy out minority shareholders in JM Finn & Co. Delen Investments has a sound and easily understood balance sheet. Cash and cash equivalents continue to be invested conservatively with the National Bank of Belgium, in high-quality government bonds (no PIIGS exposure), in short-term deposits with highly respected banks or in high-quality short-term commercial paper from blue-chip companies. The impact of the Basel III requirements is limited for Delen Investments, as its capital consists exclusively of Core Tier1 capital, its portfolio is invested conservatively, and the group's ratios already exceed the present and future requirements by a comfortable margin. The return on (average) equity was a highly satisfactory 14.6%.



Delen Private Bank - Hasselt

Operational overview 2016

Delen Private Bank

In 2016, Delen Private Bank applied its traditional investment principles to let the assets of its clients, within the limits of their risk profile, benefit from the opportunities in the markets. In a context of far-reaching political changes, increasing interest rates and poor performance of the European stock markets, Delen Private Bank recorded very satisfactory results and always kept the risks limited.

In 2016, Delen Private Bank continued with its strategy of optimizing the quality and efficiency of its asset management by, as before, striving for an ever bigger share of management mandates. At year-end 2016, 76% (20,728 million euros) of the assets entrusted to Delen Private Bank were being managed through direct discretionary management or through its own financial BEVEKs (open-ended investment trusts). In terms of number of accounts, the share of management accounts is 90%. This now represents more than 22,000 management mandates. Delen Private Bank invested its clients' assets in widely diversified share portfolios, with the emphasis on Europe. The maturity of bonds was kept short (less than one year) to hedge against the risk of rising interest rates. As far as currencies are concerned, the wide diversification outside the euro zone was maintained and even slightly increased in the last quarter. For the bonds part of the portfolios, Delen Private Bank continued to opt primarily for short-term investments in solid

countries and businesses, but with a more dynamic contribution through investments in perpetual bonds. This policy bore fruit in 2016, with all asset classes contributing to the result.

Delen Private Bank continues, even in a prominent position, to gain market share in the Belgian private banking market as a result in part of the strong growth in new private assets. The development of the local establishment of the bank is bearing fruit, with more than three quarters of net capital inflows coming through the branches, rather than through the head office in Antwerp and in Luxembourg. This encourages Delen Private Bank to carry on investing in staff and infrastructure. The renovated branch in Liège opened in 2016. The Antwerp staff moved to a temporary location in order that extension and renovation works at the head office can begin in 2017. More investments are planned in West Flanders, as well as in Leuven and Namur where Delen Private Bank will open new branches. Extensions are planned in Brussels and Ghent.

Through its branches, Bank J.Van Breda & C° again contributed substantially to the result of Delen Private Bank. At December 31, 2016, Delen Private Bank was managing 4,737 million euros for clients introduced through the network of Bank J.Van Breda & C°. In addition, Delen Private Bank takes care of the securities administration for Bank J.Van Breda & C° (865 million euros). Bank J.Van Breda & C° thus represents approximately 20.1% of the total assets managed by Delen Private Bank.

Delen Investments CVA

(€ 1,000)	2016	2015	2014
Gross revenues	313,071	314,094	278,546
Net result (group share)	87,877	92,417	80,825
Shareholders' equity (group share)	621,204	582,554	517,390
Assets under management	37,769,779	36,884,917	32,866,141
Cost-income ratio	57.8%	54.9%	55.0%
Return on equity	14.6%	16.8%	16.5%
Core Tier1 capital ratio ⁽¹⁾	30.9%	26.0%	27.8%
Personnel (FTE)	657	641	563

⁽¹⁾ Core Tier1 = solvency ratio.

JM Finn & Co

At JM Finn & Co, the client portfolios, with on average a greater weighting in shares, evolved in a very positive way. After a volatile period in the run-up to the Brexit poll, the London stock market resolutely opted for an upward trend. The weakening of the pound sterling also generated an additional contribution of foreign shares. Thanks to the skills of its asset managers and the strong markets in the United Kingdom, JM Finn & Co was able to achieve good results for its clients in 2016.

The acquisition of 73.49% of the London-based asset manager JM Finn & Co in 2011 was an important step for the Delen Investments group. In 2016, Delen Investments bought 6.52% from the minority shareholders in order to increase its direct shareholding to 80.1%. At year-end 2016, JM Finn & Co had 9,730 million euros (8,331 million £) assets under management, of which 71% under discretionary management. The increase in assets under management and in the share of discretionary management confirms JM Finn & Co as a healthy firm with growth potential. JM Finn & Co's position in the UK onshore asset management market, combined with the skill and experience of Delen Private Bank, should enable JM Finn & Co to continue expanding and to become a prominent player in the British asset management market.

2016 was another busy year for JM Finn & Co in operational terms: harmonizing the pricing policy, taking important initiatives to meet the tightened compliance environment, improving the efficiency of the organization, and further developing the partnership with Delen Private Bank. Emphasis is also on further increasing commercial activity by rolling out the new asset planning activity and the implementation of new CRM software. The executive committee of JM Finn & Co continues to ensure that the strategic initiatives and priorities are steadily implemented with success, in order that the successful growth strategy can be coupled with the necessary profit improvement.

Oyens & Van Eeghen

In 2015, Delen Private Bank acquired all the shares of Oyens & Van Eeghen, one of the Netherlands' oldest independent financial institutions, founded in 1797. In this way, Delen Private Bank strengthened its position in the Benelux area. At year-end 2016, Oyens & Van Eeghen had 657 million euros worth of assets under management for private clients, of which 94% under discretionary management. Oyens & Van Eeghen also manages 667 million euros for local authorities under fixed-term mandates. Over the past few years, Oyens & Van Eeghen has increasingly and successfully focused on the segment of specialized asset management and fiduciary advice for private clients and institutional parties. Oyens & Van Eeghen provides a high-quality platform on which to develop the

Delen model in the Dutch onshore asset management market.

Oyens & Van Eeghen started the year with an over-weighting of shares and a consequently greater exposure to the more difficult markets in the first quarter. The recovery opened the way to good results, even prompting an increase in the proportion of shares at the year-end. The strategy of buying shares in cyclical industries which are relatively undervalued after a difficult period also made a positive contribution to the investment result. The bonds part of the portfolios has maturities that are somewhat longer than at Delen Private Bank, but are still short. Coupled with an effective selection of credit risk, the short maturities made a satisfactory contribution to the bond portfolios.

In operational terms, 2016 was a busy year with important developments. Several teams of staff ensured that the expertise, particularly in the field of BEVEKs, and the IT systems which Delen Private Bank developed in Belgium can also be deployed in the Netherlands. In 2017 this will result in a substantial improvement in terms of service and efficiency in the Netherlands. Oyens & Van Eeghen will thus be able to serve a larger clientele from its branch offices in Amsterdam and Den Bosch. There are also plans to recruit talented commercial staff to support and accelerate growth. To this end, four additional commercial staff members were hired in 2016.

Outlook 2017

Delen Private Bank stands by its philosophy of prudent investment and is confident that this approach will continue to make the difference in the long term. Delen Private Bank (Belgium, Luxembourg and Switzerland), JM Finn & Co (United Kingdom) and Oyens & Van Eeghen (the Netherlands) will continue to dedicate their efforts to attract new capital, with a focus on regions where their brand recognition is on the rise. Delen Private Bank enters 2017 with a healthy dose of cautious optimism. Delen Private Bank will endeavour to make the most of the new market conditions and to keep track of developments in order to ensure the long-term protection and profitability of its clients' assets.

Along with the successful implementation of the strategic initiatives to strengthen the JM Finn & Co model and the further integration of Oyens & Van Eeghen in the group, the Delen Investments group will also continue to assess external growth opportunities. The group is convinced that its business model, which is developing at a steady pace in Belgium, can also be applied in other markets where the group has a presence.

DELEN
INVESTMENTS

www.delen.be

Delen Private Bank - from left to right: René Havaux, Alexandre Delen, Filips De Ferm, Paul De Winter, Arnaud van Doosselaere, Bernard Woronoff, Eric Lechien, Christian Callens



JM Finn & Co - from left to right: top: Simon Temple-Pedersen, Gregory Swolfs, Hugo Bedford, Eric Lechien; bottom: Charles Beck, Sarah Soar, Steven Sussman, Paul Dyas



Oyens & Van Eeghen - from left to right: Eric Lechien, Pim Baljet, Frederik Baert, Frederik Kalff, Marc Bakker



79%

Shareholding percentage AvH

BANK J.VAN BREDA & C°

Bank J.Van Breda & C° is a specialized advisory bank focusing exclusively on entrepreneurs and liberal professionals. Subsidiary ABK bank positions itself as an asset manager for private clients. Van Breda Car Finance offers car finance and leasing services through car dealers.

Financial overview 2016

In 2016, Bank J.Van Breda & C° again reported a solid commercial performance in each of its three activities: asset management for entrepreneurs and liberal professionals (Bank J.Van Breda & C°), asset management for private clients (ABK bank), and car finance & leasing services through dealers (Van Breda Car Finance).

The commercial volumes (total client assets + lending to clients) increased by 11%, from 15.1 billion euros at year-end 2015 to 16.7 billion euros at year-end 2016.

With a consolidated net profit of 37.7 million euros (-7% compared with 2015), the bank recorded the second best result in its history. As in previous years, the profit is based on solid underlying commercial results. Despite the volume growth, the net profit decreased due to pressure on the interest margin and higher bank taxes.

The bank's equity increased to 518 million euros, with a 7.4% return on equity (ROE).

Bank product holds up despite pressure on the interest margin

The consolidated bank product amounted to 134 million euros in 2016. This result is almost entirely commercially driven, as realized capital gains, dividends and results of hedging instruments represent less than 2% of the total bank product.

- Despite the increase in deposits (+7%) and loan portfolio (+7%), the interest result decreased by 4%. This is a consequence of a flat yield curve, the pressure on the interest margin, and the

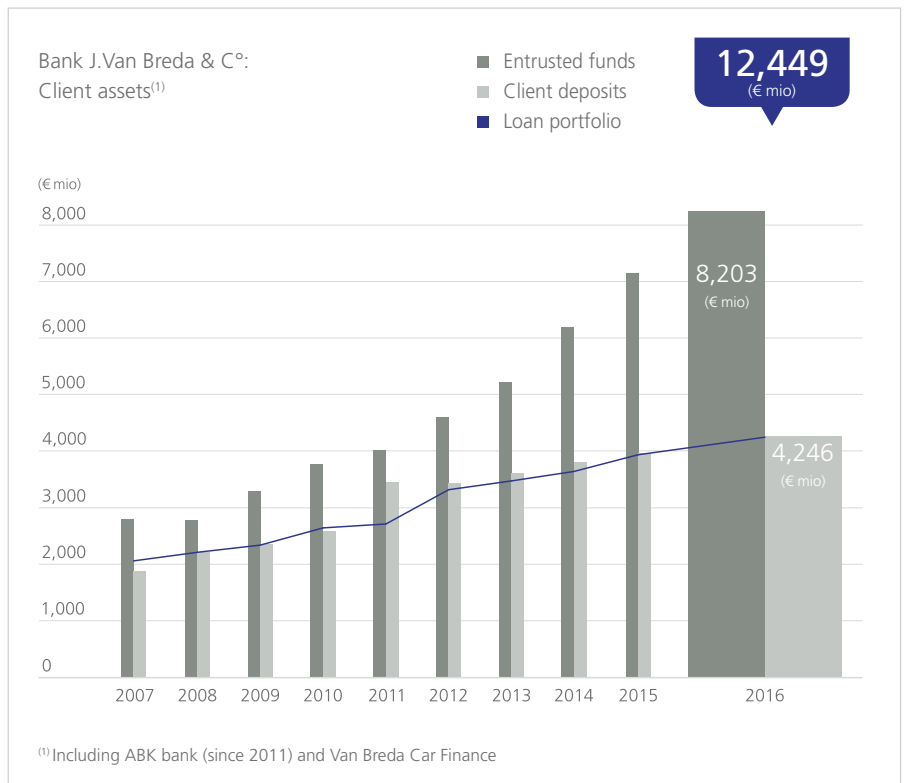
bank's strategy of prioritizing security over performance in its investment portfolio.

- The increase in fee income (+5%) was driven by a solid growth of entrusted funds (+14%).
- The 7% cost increase is almost entirely due to the increase in the bank taxes to 8.2 million euros (+66%). Without the bank taxes, costs increased by only 3%, despite investments in additional account managers and IT. The cost-income ratio stood at 59%, compared with 56% in 2015. This makes Bank J.Van Breda & C° still one of the best performing Belgian banks.

Entrusted funds and lending

Total client assets increased by 1.3 billion euros (+12%), to more than 12.4 billion euros, of which 4.2 billion euros client deposits (+7%) and 8.2 billion euros entrusted funds (off-balance sheet investments, +14%). The loan portfolio totalled more than 4.2 billion euros, a 7% increase on 2015.

The provisions for loan losses represented 0.01% of the average loan portfolio, or 0.6 million euros. Nevertheless, this cautious policy has done nothing to inhibit lending, causing the loan portfolio to grow by 7%.



Bank J.Van Breda & C°
Antwerp



Bank J.Van Breda & C°
's Gravenwezel



ABK bank - Ghent

Strong liquidity and solvency

Its cautious approach guarantees a comfortable liquidity position for Bank J.Van Breda & C° at all times. The Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR) stood at 150% and 123% respectively, which is well above the requisite lower limit of 100%. The loan portfolio is financed entirely from client deposits, making the bank independent from external funding on the international markets.

The equity (group share) increased from 502 million euros to 518 million euros, allowing the bank to sustain the rate of commercial growth without losing a solid balance sheet structure, which is the best protection for the depositors. The solvency expressed as equity to assets (leverage ratio) stood at 9.8%, well above the 3% which the regulator wants to introduce at the earliest by 2018 under Basel III.

Operational overview 2016

Bank J.Van Breda & C°

The trend of steady commercial growth continued in 2016. With an overall increase of 1.3 billion euros (+12%), the client assets of entrepreneurs and liberal professionals amounted to 12.1 billion euros.

Despite a context of low interest income, the client deposits increased by 294 million euros (+8%) to a total volume of 4 billion euros. Because of its asset management strategy, Bank J.Van Breda & C° has a substantial volume of long-term deposits. As a result of the low interest rates, however, the bank reported a bigger increase in short-term deposits over the past year.

Entrusted funds increased by 1 billion euros (+14%) to 8.1 billion euros, of which 4.7 billion euros is managed by Delen Private Bank.

Despite an uncertain economic climate, the volume of lending to entrepreneurs and liberal professionals increased by 288 million euros (+8%) to 3.8 billion euros.

Bank J.Van Breda & C° and the receivers of Optima Bank reached an agreement in 2016 on the acquisition by Bank J.Van Breda & C° of the portfolio of supplementary pension plans at the Belgian insurance companies Baloise Insurance and Ergo Insurance. As an asset manager for entrepreneurs and liberal professionals, Bank J.Van Breda & C° has a thorough expertise in supplementary pension plans. By acquiring this insurance portfolio, Bank J.Van Breda & C° gains access to more clients. The portfolio comprises around 6,600 contracts, which together represent approximately 140 million euros worth of accumulated reserves. These are mainly pension savings contracts and so-called second-pillar contracts: free supplementary pensions for the self-employed, health insurance contracts for medical liberal professionals and in-



Bank J.Van Breda & C° - Antwerp



Women's bobsleigh team Belgian Bullets

dividual pension plans for business managers. As a result of this acquisition, policyholders can now call upon the services of Bank J.Van Breda & C°.

ABK bank

ABK bank advises its clients with a long-term vision on the accumulation, management and protection of assets.

ABK bank reported a strong performance in 2016, both in commercial and operational terms. The number of new accounts increased further, as did the average assets under management. At year-end 2016, clients had entrusted 344 million euros worth of assets. Within the category of client deposits, there was a loss of non-core clients, which was almost entirely offset by the increase in entrusted funds of banking core clients. This increase was to be found in asset management and the funds of Delen Private Bank as well as in investment insurance.

The loan portfolio decreased by 19.3 million euros to 124 million euros. This decrease is almost entirely attributable to the decrease of professional

loans, which has ceased to be the strategic focus since the acquisition.

ABK bank took its first step outside Antwerp province with the opening of a branch office in Ghent. It is a confirmation of the bank's national ambitions.

Van Breda Car Finance

As a division of ABK bank, Van Breda Car Finance is active throughout Belgium in the sector of car finance and financial car leasing.

The new production volume increased by 12% in 2016, while the portfolio increased by 8% to 319 million euros. This significant increase is due in part to the positive trend in the sales of new and used cars on the Belgian market. Thanks to the further increase of the share of financial leasing in the total production volume, the interest margin remained stable. The increased production volumes generated increasing fee income. Nevertheless, the impact of this was largely neutralized by the increased commissions paid to car dealers. The operating costs decreased by 2%. Provisions for

loan losses represented only 0.04% of the average loan portfolio. This means that Van Breda Car Finance reported a good result in 2016 as well.

Outlook 2017

Interest rate volatility, elections in Europe in challenging geopolitical conditions, uncertainty over future US policy, and a European context of fragile growth mean that it is difficult to make profit projections.

The pressure on the interest margin, the bank taxes and the necessary investments in the future affect the results. Nevertheless, Bank J.Van Breda & C° remains well equipped for the future in each of its three areas of activity.

Over the last few years, the bank has proven that it can show good results, even in difficult or uncertain conditions. The goodwill, reputation, positioning, constant investments and sound financial structure of the bank all constitute a solid basis for a long-term financial growth.



www.bankvanbreda.be

From left to right: Dirk Wouters, Vic Pourbaix, Marc Wijnants



Bank J.Van Breda & C° NV

(€ 1,000)	2016	2015	2014
Bank product	133,964	133,872	119,377
Net result (group share)	37,736	40,479	35,494
Shareholders' equity (group share)	518,257	501,633	474,981
Balance sheet total	4,992,240	4,717,833	4,487,430
Client assets	12,448,468	11,134,393	10,018,353
Loan portfolio	4,223,318	3,932,237	3,639,208
Net loan loss provision	0.01%	0.01%	0.01%
Cost-income ratio	59.4%	55.6%	59.7%
Return on equity	7.4%	8.3%	7.7%
Core Tier1 capital ratio	14.8%	14.5%	14.9%
Solvency ratio (RAR)	15.8%	15.9%	16.8%
Personnel	471	465	459

50%

Shareholding percentage AvH

ASCO-BDM

The insurance group ASCO-BDM provides marine and industrial insurance via brokers. BDM is an insurance underwriting agency offering risk coverage in niche markets on behalf of the insurer ASCO and a number of major international insurers. The close collaboration between BDM and ASCO within the same group assures BDM of a substantial underwriting capacity and offers ASCO a powerful commercial instrument.

BDM continued to focus in 2016 on the marketing of niche products in 'Property & Casualty' through a network of medium-sized insurance brokers, supported by the recruitment of a Chief Commercial Officer and a number of technical experts. In the Marine segment, commercial campaigns helped to further increase the market share in Pleasure Cruising.

The 'Property & Casualty' portfolio increased by 3% in 2016. A solid growth in niche segments such as Engineering (+13%) was moderated somewhat by a deliberate reduction of the share in more volatile business.

The Marine portfolio experienced another decrease, albeit much less markedly than in 2015. This was primarily a result of the end of the reorganizations that were carried out in previous years, as well as of a decrease in commodity prices and the weak market in Cargo and Hull. A cautious recovery of the premium volume could be seen by the end of 2016.

ASCO's gross premiums increased by 4% in 'Property & Casualty', but decreased by 37% in Marine. This decrease is the result of the reorganizations that were carried out in this part of the portfolio in previous years, but at the same time it

generated very good technical results in this segment. Despite a disappointing technical result in Cars, and even after taking into account ASCO's share in the terrorism segment (cf. the terrorist attacks of 22/3/2016), ASCO at year-end 2016 reported the best technical result in many years.

Very good investment results and overheads that are well under control contributed to a net profit of 1.1 million euros, compared with a net profit of 0.2 million euros in 2015.

In 2017, the group wants to further develop its commercial network of small and medium-sized insurance brokers in 'Property & Casualty'. ASCO-BDM wants to project itself, more than ever before, through direct contact with the product specialists, as a partner for insurance brokers in the fields where it can offer specific expertise.

BDM NV - Continentale Verzekeringen NV (ASCO NV)

(€ 1,000)	2016	2015	2014
ASCO			
Gross premiums	27,794	32,175	29,260
Net result (group share)	1,145	248	577
Shareholders' equity (group share)	11,782	10,614	10,352
BDM			
Premiums earned	52,685	53,631	60,217
Operating results	5,989	6,155	6,753
Net result (group share)	47	72	202
Shareholders' equity (group share)	5,266	5,177	5,437
Personnel (ASCO-BDM)	50	55	68



www.bdmantwerp.be



www.ascocontinentale.be

From left to right: Bart Dewulf, Michel de Lophem, Wilfried Van Gompel, Hugo De Cupere, Sofie Lins, Luc De Backer, Jos Gielen





REAL ESTATE & SENIOR CARE

All group companies in Real Estate & Senior Care contributed to the significant result of this segment. Extensa made good progress on Cloche d'Or (Luxembourg) and on Tour & Taxis (Brussels), where an agreement was reached on the sale of the Herman Teirlinck building.

100% | EXTENSA

Extensa is a real estate developer focused on residential and mixed projects in Belgium and the Grand Duchy of Luxembourg.

30% | LEASINVEST REAL ESTATE

LRE is a listed real estate company active in retail, offices and logistics in the Grand Duchy of Luxembourg, Belgium, Switzerland and Austria.

93% | ANIMA CARE

Anima Care focuses on the upmarket segment of accommodation and care for the elderly in Belgium.

71% | HPA

HPA is active in the sector of accommodation for the elderly in France and covers the activities of Residalya (operation) and Patrimoine & Santé (real estate).

Contribution to the AvH consolidated net result

(€ million)	2016	2015	2014
Extensa	30.4	31.0	3.4
Leasinvest Real Estate	10.1	9.9	10.3
Anima Care	3.6	1.1	0.5
HPA	2.1	1.6	-
Holding Groupe Duval	-	-8.0	0.5
Total	46.2	35.6	14.7



EXTENSA GROUP

Extensa is a real estate developer focused on residential and mixed projects in Belgium and the Grand Duchy of Luxembourg.

Financial overview 2016

The net result of Extensa Group for the 2016 financial year - excluding the contribution of LRE to the result - amounted to 30.4 million euros, compared with 31.0 million euros in 2015 (excluding the remeasurement of 23.5 million euros at year-end 2015 on the acquisition of control over Tour & Taxis).

The net contribution of the Tour & Taxis project amounted to 27.1 million euros and is generated by the rental and management of properties (such as the Sheds, Hôtel de la Poste, car parks, events) and the recognition of a partial result (according to percentage of completion) of the margin on the Herman Teirlinck building and the Gloria residence. In Luxembourg, the residences and two office projects in Cloche d'Or contributed 11.7 million euros.

The balance sheet total increased from 559 million euros at year-end 2015 to 654 million euros at year-end 2016, which is largely explained by the construction projects in progress. The equity increased from 205 million euros to 242 million euros over this period.

Operational overview 2016

Urban development projects

The procedure for drawing up a special zoning plan for the **Tour & Taxis** site in Brussels was initiated in 2015 and was approved by the city of Brussels in December 2016. After approval by the Brussels-Capital Region at the beginning of 2017, the planning process for the site can be completed at last.

Construction work on the Herman Teirlinck office building (48,096 m² gross) began in April 2015 and will be completed in the second quarter of 2017.

This highly energy-efficient building has been pre-let to the Flemish Community and will be the new Flemish Administrative Centre in Brussels. In 2015, Participatiemaatschappij Vlaanderen (PMV) took a 49% stake in the project company as planned. At year-end 2016, Extensa reached an agreement on the sale of the project company to the insurance company Baloise. The contribution of both transactions is recognized according to percentage of completion of the building, and amounted to 20.2 million euros in 2016. The proceeds will enable Extensa to repay the remaining balance of the bridge loan of 75 million euros which it had taken out at the beginning of 2015 to acquire the 50% stake in Tour & Taxis.

The 115 apartments of the Gloria residence, the first apartment building on the Tour & Taxis site, are fully completed in the first quarter of 2017. Almost all residential units were sold by the end of 2016. A planning application was submitted in the fourth quarter of 2016 for the remainder of this residential quarter, situated on either side of a new avenue with rows of trees. The project comprises a residential care centre, service flats and 350 apartments, all designed by the architects AWG, Sergison Bates and noA. The planning permission can be approved as soon as the special zoning plan has become final. Hence, it should be possible to start the construction in 2017.

In May 2016, Extensa acquired the Hôtel des Douanes from Sopima (Belgian federal government). This former office building of the customs authorities with a (gross) area of 8,872 m² is strategically situated in the southern corner of the Tour & Taxis site. It is situated opposite the Picard Bridge, on which construction work will begin in the second quarter of 2017. At year-end 2016, Publicis One centralized its Belgian operations in this building pending its permanent relocation to the 'Gare Maritime' at the end of 2018.

The renovation of the existing structure of the 'Gare Maritime' has started and will be completed by the end of 2017. This former freight station (40,000 m²) will be the new focal point of the Tour & Taxis site, and combines work space, thematic retail stores and sales outlets of food and drink. Some of the surrounding buildings (the Quai, 'Dangerous Products') were also refurbished and will be used mainly for events.

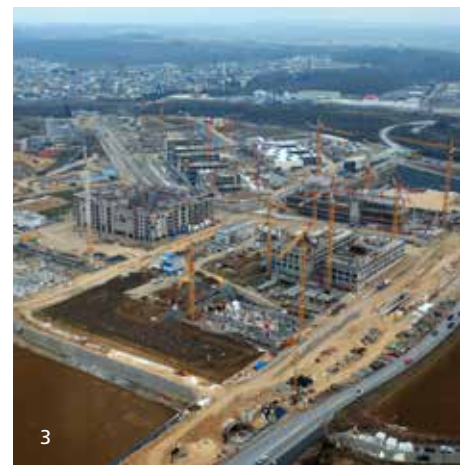
On the site adjoining the future Picard Bridge, Extensa will put up an apartment building with 138 residential units. Sales and construction are expected to start in the first half of 2017.

In the context of the **Cloche d'Or** project, Grossfeld PAP (Extensa 50%) has purchase options on very well located sites in the south of Luxembourg city. The major routes that structure the area are currently under construction by the city of Luxembourg and the Luxembourg state.

Off-plan sales of the apartments began in October 2014. By the end of 2016, 567 housing units were sold. Construction work on phases 1, 2 and 3 has begun. Sales of phase 4 began in the first quarter of 2017.

Construction work has started on the head offices of Alter Domus (10,500 m²) and Deloitte Luxembourg (30,000 m²). Completion is scheduled for the third quarter of 2018.

On the building lot that was sold in 2014, Auchan Group is currently putting up a regional shopping centre, which will open in 2019. This will make the site even more attractive for residents and business customers.



1. Cloche d'Or - Deloitte office buildings - Luxembourg (artist impression)
2. Cloche d'Or - Luxembourg (artist impression)
3. Cloche d'Or - Luxembourg
4. Tour & Taxis - Brussels



Tour & Taxis - Brussels

Developments and residential projects in Belgium

In the inner-city project 'De Munt' in Roeselare (Extensa 50%), the fourth and last phase of the 145 apartments was finished. A few apartments are still for sale. In 2016, a City Delhaize supermarket opened to complete the existing retail offering in the project.

Several new construction projects are going through the administrative procedures for enforceable building permits. In Flanders, projects in Edegem, Schilde, Wuustwezel, Kapellen, Brasschaat and Leuven are under investigation. The Groeninge project in Kontich (651 houses and apartments) made substantial progress in the planning procedure. In Wallonia, the outcome for the projects in Wavre, La Hulpe and Tubize looks favourable.

Slovakia, Romania, Turkey

In Trnava, Slovakia, Top Development (Extensa 50%) consolidated its retail park (7,789 m²) by adding a petrol station. Further developments on the available building lots are under investigation.

In view of market conditions, no special progress was made in the development of the Romanian land positions.

Control was acquired over a new land position in the vicinity of the Topkapi Palace (Zeytinburnu) in Istanbul (Turkey) with a view to the development of around 250 apartments (of which 147 units for Extensa).

Real estate investments

At the beginning of 2016, apart from the heritage buildings on the Tour & Taxis site, four other rented buildings with a total carrying value of 12 million euros are all that remains in the real estate lease portfolio. These properties are actively managed.

Outlook 2017

Extensa's developments on Tour & Taxis and Cloche d'Or will continue to support the results of Extensa in 2017 and subsequent years.

extensa

www.extensa.eu

From left to right: Filip Dumalin, Laurent Jacquemart, Kris Verhellen, Peter De Durpel, Ward Van Gorp



Extensa Group NV

(€ million)	2016	2015	2014
Balance sheet			
Leasinvest Real Estate (LRE) ⁽¹⁾	104.3	106.1	98.4
Tour & Taxis	359.8	240.0	52.8
Cloche d'Or	80.3	91.1	100.2
Other positions	58.3	58.2	59.8
Cash & equivalent	32.9	38.3	11.5
Other assets	18.2	25.4	8.4
Total assets	653.8	559.1	331.3
Shareholders' equity (group share)	242.4	205.2	135.3
Minority interests	5.7	8.4	2.2
Financial debt ⁽²⁾	293.0	266.1	166.2
Other liabilities	112.7	79.4	27.6
Total liabilities	653.8	559.1	331.3

⁽¹⁾ Number of shares 1,444,754 (29.3%); shares through AvH: 37,211

⁽²⁾ Net financial debt: € 260.1 mio (2016), € 227.9 mio (2015), € 154.7 mio (2014)

30%

Shareholding percentage AvH

LEASINVEST REAL ESTATE

Leasinvest Real Estate (LRE) is a public regulated real estate company which focuses on retail and offices in four countries (the Grand Duchy of Luxembourg, Belgium, Austria and Switzerland).

The economic situation in 2016 evolved very well in the Grand Duchy of Luxembourg and relatively well in Belgium. In Switzerland there was a decrease in domestic consumption due to the stronger position of the Swiss franc against the euro at the beginning of 2015. By diversifying into Luxembourg (since 2006), Switzerland (end of 2014) and Austria (end of 2016), LRE is turning outside Belgium towards countries with AAA rating, a healthy economy with low unemployment, high per capital GNP, and a steady growth.

In the Grand Duchy of Luxembourg, where LRE is one of the prime foreign property investors, 2016 was marked by 35% less office rentals than in the record year 2015, whereas retail remained on the same level as 2015. In Belgium, the office market recorded a remarkable 50% increase in rental volumes compared with 2015. Rents remained on the same level, while the vacancy rate decreased to 9%. The rental volume in the retail market showed a positive trend, however, with a 10% increase. The retail rental market in Switzerland remained stable.

The acquisition of the Frun retail park in Asten in Austria marks the presence of Leasinvest Real Estate in a fourth country, although the financial impact will only be felt to its full extent in 2017. This transaction is in line with the strategic reorientation towards more retail and less office space, and a geographical diversification across four countries.

Financial overview 2016

At year-end 2016, the fair value of the consolidated real estate portfolio, including project developments, amounted to 859.9 million euros (compared with 869.4 million euros as at 31/12/2015).

The 1% decrease is primarily the result of the important sale of Royal20. The overall real estate portfolio comprises 48% retail (2015: 42%), 37% offices (2015: 42%), and 15% logistics (2015: 16%). There are 15 sites in Luxembourg (49% based on the fair value of the portfolio), 13 sites in Belgium (42%), 3 sites in Switzerland (5%), and 1 site in Austria (4%).

The rental income increased by 12% in 2016 to 56.6 million euros. This record result is due to the acquisition of the Royal Warehouse office building on the Tour & Taxis site in Brussels at the end of 2015. The average duration of the portfolio decreased from 4.8 years to 4.4 years, primarily as a result of the temporary departure of the tenant of the Montoyer 63 office building until after the renovation works. The occupancy rate increased to 96.77% (2015: 95.80%). The rental yield calculated on the fair value remained virtually stable in relation to the previous financial year (2016: 6.78%, 2015: 6.88%).

At year-end 2016, the equity (group share) stood at 356 million euros (2015: 362 million euros). The revalued net assets stood at 72.2 euros per share based on the fair value of the real estate (73.4 euros at 31/12/2015), and 75.6 euros (76.9 euros at 31/12/2015) based on the investment value. The financial debt increased slightly to 541 million euros (532 million euros at 31/12/2015). The debt ratio (calculated according to the Belgian Royal Decree of 12/05/2014) remained stable at 58%. The balance sheet total amounted to 988 million euros at the end of the financial year (2015: 976 million euros).

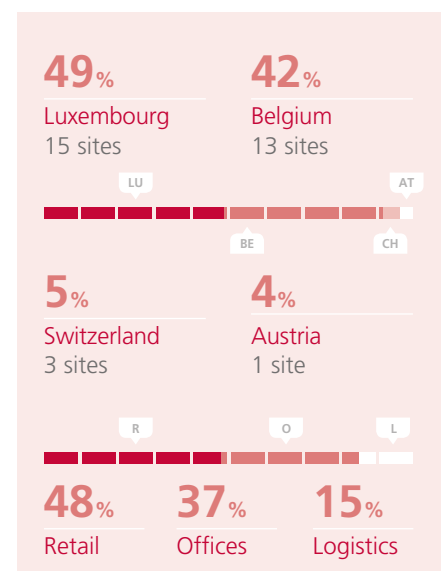
LRE ended its 2016 financial year as expected with a higher net result (group share) of 31.1 million euros (30.6 million euros at 31/12/2015), or 6.30 euros per share (6.20 euros at 31/12/2015). The EPRA profit increased by 9% to 27.9 million euros.



Knauf shopping center - Luxembourg

The price of the LRE share fluctuated in 2016 between 90.20 euros and 114.00 euros. The closing price at the end of the year was 105.50 euros. The gross dividend per share for the 2016 financial year will amount to 4.90 euros, or a gross dividend yield (based on the closing price) of 4.6% (2015 financial year: 5.05%).

LRE: Real estate portfolio
(% based on fair value)





1. Frun® retail park Asten - Austria
 2. Royal20 - Luxembourg
 3. Retail Park Strassen - Luxembourg (artist impression)
 4. Treesquare - Brussels (artist impression)

Operational overview 2016

At the beginning of January, a demolition and building permit was granted for the Treesquare office building on Square de Meeûs in Brussels. The demolition and construction works have begun, and the provisional acceptance is expected by the end of 2017.

At the end of March, Leasinvest Real Estate was admitted to the BelMid index of Euronext Brussels.

At the end of April, a usufruct agreement for a fixed and irrevocable term of 21 years was concluded with the European Parliament, the sitting tenant of the office building Montoyer 63 in Brussels. The building will be redeveloped and was vacated at the end of November.

In mid-June, the notarial deed of sale was executed for the Zeutestraat building in Mechelen, whereby the property was sold to an end user for 4.5 million euros.

At the end of June, the second notarial deed was executed according to plan for the forward sale of the completed Royal20 office building in Luxembourg city. The property was sold to a private investor for 62.5 million euros (excluding VAT).

In September, the renovation works began for the first phase of Retail Park Strassen (Luxembourg), and will be finished by the end of June 2017. The sitting tenants have extended their leases.

Also in September, a lease extension was signed with the sitting tenant for half of the office space in the Raghen Park in Mechelen. Part of the remaining office space will be transformed into a business centre, while new tenants will be sought for the other part.

At the beginning of November, the acquisition of Frun Park Asten (Austria) was finalized for a fair va-



Montoyer 63 - Brussels (artist impression - © SVR-ARCHITECTS)

lue of 38 million euros. This is LRE's first investment in a fourth country.

During 2016, several leases were concluded in Luxembourg, Belgium and Switzerland.

Outlook 2017

After the good results of 2016, the company expects for 2017 an EPRA profit in line with previous years. Consequently, the company expects to maintain the dividend over 2017 at the same level.

Leasinvest Real Estate Comm. VA

(€ 1,000)	2016	2015	2014
Net result (group share)	31,118	30,618	32,572
Shareholders' equity (group share)	356,407	362,405	336,410
Real estate portfolio (fair value)	859,931	869,361	756,327
Rental yield (%)	6.78	6.88	7.23
Occupancy rate (%)	96.77	95.80	96.24
Per share (in €):			
Net asset value	72.20	73.40	68.10
Closing price	105.50	93.09	91.61
Gross dividend	4.90	4.70	4.55



www.leasinvest.be

From left to right: Jean-Louis Appelmans, Michel Van Geyte



ANIMA CARE

Anima Care specializes in the care and health sector in Belgium, focusing on the upmarket segment of accommodation and care for the elderly. Anima Care invests in operational activities and real estate in the segment of residential care for the elderly.

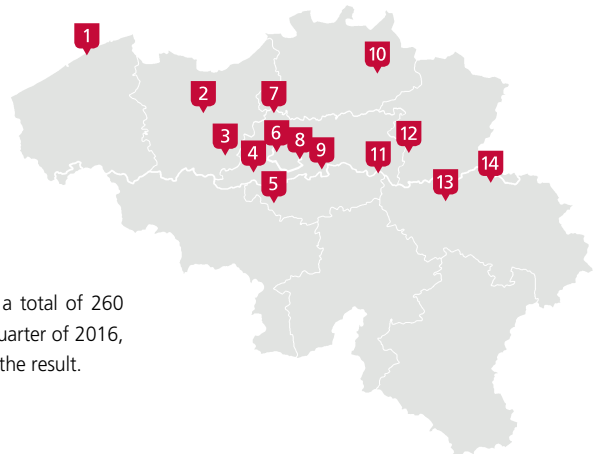
Anima Care resolutely opts for quality. It combines a pleasant living environment with a high quality of service. Anima Care focuses on the continuous improvement of its working methods and operating systems, and pays special heed to the selection, coaching and development of its staff, who put the quality vision and values of Anima Care into practice day after day.

At year-end 2016, Anima Care had 1,347 retirement home beds, 77 convalescent home beds and 197 service flats in operation, spread over 14 care centres (7 in Flanders, 3 in Brussels, 4 in Wallonia).

Financial overview 2016

Anima Care realized a turnover of 56.4 million euros in 2016. The turnover increase by 9.4 million euros compared with 2015 is primarily attributable to the expansion of the portfolio. The newly built residence 'Aquamarijn' in Kasterlee opened at the end of March 2015 and made a full year's contribution to the result in 2016. The acquisitions of 'Le Birmingham' and 'Duneroze', with a total of 260 beds, were reported as of the last quarter of 2016, so far with only a limited impact on the result.

1. Duneroze - Wenduine
2. Kruyenberg - Berlare
3. De Toekomst - Aalst
4. Home Scheut - Anderlecht
5. Au Privilège - Haut-Ittre
6. Le Birmingham - Sint-Jans-Molenbeek
7. Zonnestein - Zemst
8. Parc des Princes - Oudergem
9. Résidence St. James - La Hulpe
10. Aquamarijn - Kasterlee
11. Zevenbronnen - Landen
12. Philemon & Baucis - Zoutleeuw
13. Château d'Awans - Awans
14. Les Comtes de Méan - Blegny



Aquamarijn - Kasterlee



The four newly built residences, which opened during the 2013-2015 period, are beginning to run at full capacity, which in 2016 was reflected in a significant increase in EBITDAR to 14.0 million euros (2015: 9.3 million euros) and in profit to 3.9 million euros (2015: 1.1 million euros).

The group's equity increased from 40.0 million euros at year-end 2015 to 46.6 million euros at year-end 2016. In 2016, the capital was paid up further to the amount of 2.5 million euros, leaving at year-end 2016 6.7 million euros of capital still to be paid up.

The net financial debt increased from 69.2 million euros at 31/12/2015 to 72.7 million euros at 31/12/2016. This increase is largely attributable to the financing of the acquisition of the operation and buildings of 'Duneroze'. The acquisitions of



Blegny (artist impression)

'Duneroze' and 'Le Birmingham' largely account for the increase in the balance sheet total from 140.2 million euros at year-end 2015 to 151.9 million euros at year-end 2016.

Operational overview 2016

In the spring of 2016, Anima Care started construction work on 22 service flats in Blegny, next to the care centre that opened in October 2013. They will be completed in the second quarter of 2017.

In November 2016, Anima Care acquired 'Le Birmingham' in Sint-Jans-Molenbeek and 'Duneroze' in Wenduine. 'Le Birmingham' has 60 retirement home beds, while 'Duneroze' has 160 retirement home beds and 40 convalescent home beds in operation.

At the end of 2016, a contract was signed for the acquisition of the three Brussels retirement homes

of Valmont Santé Belgium, which together have 167 retirement home beds in operation. The acquisition is scheduled for the end of March 2017.

Several building projects in Aalst, Zoutleeuw and the Brussels-Capital Region, and renovation works in Berlare and Awans are in preparation.

Outlook 2017

In 2017, a great deal of effort will be invested in the integration and operational improvement of the recent acquisitions. In the spring, work will begin on the new extension with 30 beds in Aalst, while the renovation of 52 rooms in Berlare will start as well. The acquisition of operations from Valmont Santé Belgium also includes a new construction project in Vorst. Planning permission has already been granted, and construction work will begin in the course of 2017. Subject to the necessary planning permissions being granted, construction works

Duneroze - Wenduine

Aquamarijn
Kasterlee

for the other projects currently in preparation will be started up as well.

Anima Care will continue to invest in its growth by acquisitions, the development of new care centres, the extension of existing care centres, and the expansion of its range of services. The growth of activity, high-quality service and operational improvement constitute the foundations for a further improvement of profitability in the future. As a 100% Belgian-based firm, and with its strategy of providing top-quality care and investing in high-quality real estate, Anima Care is a unique player on the Belgian market.

www.animacare.be

Anima Care NV

(€ 1,000)	2016	2015	2014
Turnover	56,438	46,981	37,927
EBITDA	13,094	8,890	5,388
EBIT	8,392	4,539	2,423
Net result (group share)	3,939	1,075	463
Shareholders' equity (group share)	46,645	40,039	35,744
Net financial position	-72,705	-69,242	-60,232
Balance sheet total	151,902	140,180	121,957
Personnel	1,119	824	659

From left to right: Olivier Fassin, Jeroen Versnick, Ingrid Van de Maele, Peter Rasschaert, Johan Crijns, Luc Devolder



71%

Shareholding percentage AvH

HPA

The HPA group comprises Residalya, which operates retirement homes in France, and Patrimoine & Santé, which owns most of those residences. Residalya specializes in accommodation and care of dependent elderly, with special emphasis on human relations between residents and staff.

In accordance with the agreements that were concluded with Eric Duval, AvH reduced its stake in Holding Groupe Duval from 37.8% (at year-end 2015) to 21.8% by swapping it for an additional 25% interest in the real estate company Patrimoine & Santé (from 22.5% at year-end 2015 to 47.5%). The interests of AvH, CEO Hervé Hardy and other management members in Residalya and Patrimoine & Santé were then contributed into a new structure, HPA, of which AvH owns 70.9%. HPA in turn owns 100% of the French retirement home operator Residalya and 73.7% (end 2016) of Patrimoine & Santé, which owns the real estate of most of the residences that are operated by Residalya. Early 2017, the final stake of AvH in Holding Groupe Duval was swapped against shares in Patrimoine & Santé. These shares will be contributed into HPA in 2017, whose stake in Patrimoine & Santé will increase to 100%.

From an organizational point of view, HPA, incorporated under Belgian law, was set up as an umbrella holding company bringing together and directing all the activities of Residalya (operation) and Patrimoine & Santé (real estate). The first phase of this legal restructuring process was carried out in June 2016 when the shareholders officially contributed shares to this holding. After this first phase, bilateral contracts in the form of a 'Euro PP' were signed with four banks and two investors. The objective was to refinance certain existing debts at a lower cost - thereby reducing the repayment costs - and to open a separate credit line for the development activities.

Financial overview 2016

HPA realized a turnover of 105.6 million euros in 2016, compared with 91.6 million euros in 2015 (Residalya only), an EBITDAR of 23.3 million euros and a net result of 2.9 million euros. This turnover increase is attributable to a higher occupancy rate (98.4%) and the expansion of the portfolio.

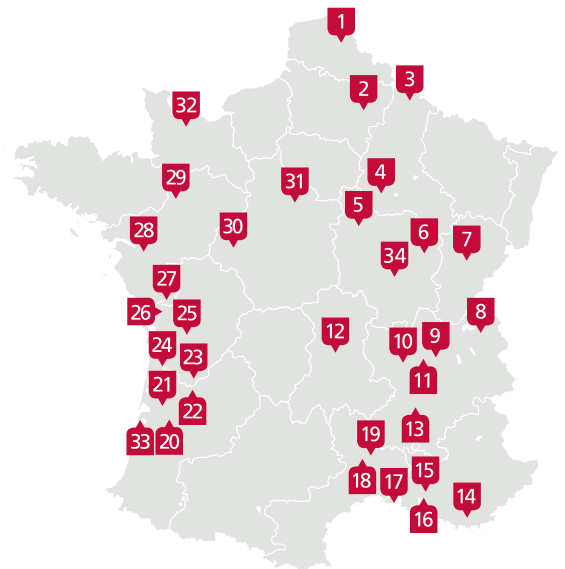
Operational overview 2016

Residalya continued to develop its activities in 2016. In January 2016, 'La Demeure du Bois Ardent' in Saint-Lô (76 beds) and 'La Résidence Ambroise Paré' (Residalya 60%) in Lyon (88 beds) were added to the network.

In July 2016, HPA fully integrated SCI Cigma du Tertre, the owner of the building complex in which a residential care centre with 60 beds ('Le Cigma de Laval') and a company crèche with 50 cots ('Crèche du Tertre') are operated. In the meantime, these two centres have also been integrated in the network of Residalya.

The Residalya network succeeded in 2016 in maintaining a constant level of activity. Over the whole 2016 financial year, the occupancy rate of the consolidated centres was 98.4% compared with 95.8% in 2015. The average rent, an important turnover element, also steadily increased this year. The rent is in line with the prices of competing centres in the neighbourhood.

- | | |
|-------------------------------|-------------------------------|
| 1. Les Terrasses de la Scarpe | 18. Les Portes de NiTmes |
| 2. Les Portes de Champagne | 19. Les Cinq Sens |
| 3. Résidence Ducale | 20. Le Clos Caychac |
| 4. Les Jardins de Creney | 21. Résidence Aloha |
| 5. Résidence d'Automne | 22. Le Mont des Landes |
| 6. Résidence Valmy | 23. La Chenaie |
| 7. Résidence Granvelle | 24. Le Jardin des Loges |
| 8. Villa Charlotte | 25. Les Jardins de Saintonge |
| 9. Résidence Marguerite | 26. Le Littoral |
| 10. Résidence Le Rivage | 27. Les Portes du Jardin |
| 11. Résidence Ambroise Paré | 28. La Lande Saint-Martin |
| 12. Les Rives d'Allier | 29. CIGMA de Laval |
| 13. Le Clos Roussel | 30. Le Clos Saint-Vincent |
| 14. Le Grand Jardin | 31. Résidence Valois |
| 15. Les Séolanes | 32. La Demeure du Bois Ardent |
| 16. Les Maisons de Marie | 33. Le Pyla sur Mer (2017) |
| 17. La Carrairade | 34. Villa Thalia (2017) |



Residalya forges ahead with its renovation programmes (La Lande St Martin, Garons) and its projects to improve the equipment of the centres. These investments are necessary to enable the company to make the difference with the competition. The summer of 2016 saw the start of extension works at the residence 'Granvelle'. The capacity of this residential care centre is being expanded from 84 to 99 beds and 25 service flats. Completion is expected in 2018. It will be the first residence to be operated partly as a residential care centre, partly as



Résidence Valois



Les Jardins de Saintongne



Le Rivage

a complex with service flats. Such a configuration will meet the specific needs of residents who are not staying in a medical establishment, but nevertheless feel safer in a centre that is adapted to their advanced age.

Several plans are being investigated as part of the further development based on a mixed model, with a combination of residential care centres and service flats: 'Le Taillan Médoc' in Gironde, 'La Tour de Salvagny' in the Rhône Valley, and 'Oyonnax' in Ain. These new projects will be further developed in

the coming months. The new centres are expected to open between 2019 and 2020.

At year-end 2016, Residalya operated 32 residences spread across France, with a total of 2,439 beds.

Outlook 2017

HPA has also taken initiatives to expand its network through acquisitions. In 2016, two projects were initiated and completed in January 2017: the resi-

dences 'Pyla sur Mer' (60 beds, to be extended to 83 beds in the next few years by the transfer of beds) and 'Villa Thalia' (95 beds). Both projects allow HPA not only to acquire the operational activity and the buildings, but also to plan renovation or even extension works that open up the possibility of a future increase in the average rent.

HPA NV

(€ 1,000)	2016 ⁽¹⁾	2015 ⁽²⁾	2014 ⁽²⁾
Turnover	105,578	91,576	80,819
EBITDA	20,169	6,369	5,379
EBIT	3,703	2,868	2,280
Net result (group share)	2,936	1,875	1,454
Shareholders' equity (group share)	61,062	25,604	23,729
Net financial position	-182,297	-22,238	-23,268
Balance sheet total	337,224	96,267	83,754
Personnel	1,547	1,445	1,322

⁽¹⁾ Including Patrimoine & Santé

⁽²⁾ Excluding Patrimoine & Santé

Residalya

www.residalyu.fr

From left to right: Christophe Fabre, Marie-José Le Roy Raynal, Hervé Hardy, Frédéric Hoepffner





ENERGY & RESOURCES

Sipef doubled its result in 2016 thanks to the combination of increasing palm oil production and rising market prices. Sipef makes significant progress in the expansion of its plantations.

Sipef - Cibuni tea estate with, in the front, a detail of the young shoots


28%**SIPEF**

Sipec is an agro-industrial group, specialized in tropical agriculture, with plantations for palm oil, rubber and tea in the Far East.


75%**NMP**

NMP realizes and manages pipelines for the transport of industrial gases and products for the petrochemical industry.


20%**SAGAR
CEMENTS**

The listed Indian company Sagar Cements produces a wide range of cement.


50%**ORIENTAL
QUARRIES &
MINES**

OQM is active in the exploitation and production of aggregates in India, intended for road construction and for the production of concrete.

Contribution to the AvH consolidated net result

(€ million)	2016	2015	2014
Sipec	10.0	4.6	9.9 ⁽¹⁾
Nationale Maatschappij der Pijpleidingen	1.9	1.6	1.7
Sagar Cements	0.4	1.2	6.0
Oriental Quarries & Mines	-3.1	0.0	0.3
Total	9.2	7.4	18.0

⁽¹⁾ Restated in accordance with IAS41R



28%

Shareholding percentage AvH

SIPEF

Sipef is a Belgian listed plantation group specializing in sustainable tropical agriculture (60,637 ha oil palms, 6,325 ha rubber) in Indonesia and Papua New Guinea.

The group's core activities are historically situated on the island of Sumatra in Indonesia, where a total of 47,016 hectares have been planted with oil palms and 6,325 hectares with rubber trees, supported by five palm oil extraction mills and three rubber factories. In the hills near Bandung, on the island of Java, lies Cibuni, a high-quality tea plantation of 1,743 planted hectares and a factory for the production of black tea. The Indonesian operations are the most important for the group, representing 58.4% of the gross operating profit.

A second, albeit smaller, plantation operation has been developed in Papua New Guinea since the nineteen seventies. The oil palm plantations were steadily expanded to an operation with 13,621 hectares of oil palms and three extraction mills, while the rubber operations were sold in 2016 as they were not profitable. Including the harvests from roughly the same area of oil palms belonging to neighbouring farmers, the palm oil activities in Papua New Guinea generate 35.4% of the gross operating profit.

The company's focus is entirely on Southeast Asia. The historically more important interests in African agricultural business are now confined to the profitable production of bananas and tropical flowers in Ivory Coast for the European export market on a total area of 732 planted hectares, which in 2016 represented 4.8% of the gross operating profit.

Financial overview 2016

Sipef had a good year in operational terms, with a solid increase in palm oil production during the fourth quarter making up for the relatively difficult production conditions earlier in the year. With stable costs and rising selling prices for palm oil and rubber towards the end of the year, the group's

annual turnover increased by 18.2% and the gross operating profit by 69.1%. Consequently, the operating result amounted to 47.5 million USD compared with 21.4 million USD in 2015.

As the long-term investments in the agricultural sector are traditionally financed from the company's equity, the financial costs are very limited. After an effective tax rate of 26.9%, Sipef realized a net IFRS result (group share) of 39.9 million USD, which is more than double the result of 18.7 million USD in 2015.

Operational overview 2016

The palm oil activities experienced the delayed effects of the El Niño drought that prevailed in 2015 particularly in the second and third quarters of 2016. The trend was reversed by an exceptionally productive fourth quarter, allowing the year to close with a 2.3% overall production increase for the group. The relatively young plantations in the UMW/TUM palm oil project in North Sumatra (+33.9%) and those of Hargy Oil Palms in Papua New Guinea (+7.9%) were markedly less affected by the drought than the more mature plantations elsewhere in North Sumatra (-7.7%) and in Agro Muko in Bengkulu (-2.0%). The older plantations of neighbouring farmers in Papua New Guinea needed more time to recover as well (-2.1%).

The annual increases in workers' wages imposed by the local authorities were to a considerable extent offset by lower fertilizer and fuel prices, while the persistent weakening of the local currencies against the USD also helped to keep production costs in USD terms well under control.

At first, the palm oil markets totally ignored the signals of the projected lower palm oil production

Production (in tonnes)⁽¹⁾ and planted areas (in hectares)

	T	297,705
	ha	60,637
	T	9,192
	ha	6,325
	T	2,940
	ha	1,743

⁽¹⁾ Own + outgrowers

volumes caused by El Niño, and the record soybean harvests in South America supported this negative price trend. It was only in the third quarter that the industry came to realize the full impact of a six-million-tonne reduction in the annual volumes of the two main producing countries, Indonesia and Malaysia. Such a decrease had never occurred before, and the low stocks pushed up prices, particularly for the short-term positions. It meant that the year ended at a price of 765 USD per tonne, CIF Rotterdam.

Despite the sale of the loss-making rubber plantations in Papua New Guinea and a 3% volume increase in Indonesia, the contribution of the rubber activities to the gross operating profit remained slightly negative. The persistently low rubber prices in 2016 did not allow even the highly cost-effective plantations in Indonesia to make a profit; therefore the sudden increase in world market prices towards the year-end was most welcome. Increased demand from China and the prospects of an economic upswing in the US after the presidential elections, in combination with heavy rainfall in the producing countries Thailand and Vietnam, gave a different picture of existing stocks and pushed prices up again above 2 USD per kg.



1. Plantation with mature palms
2. Team of experienced tea pickers working on the Cibuni tea plantation
3. Freshly harvested palm fruit bunches
4. Immature palm, planted by Luc Bertrand in September 2015

The black tea which Sipef grows in Indonesia is similar in quality to Kenyan tea, which was in sufficient supply during the first months of the year thanks to good precipitation. It was not until the fourth quarter that the low prices began to bottom out and pick up again, driven by a limited La Niña drought effect on the Kenyan fields. Consequently, the gross operating profit for tea was halved compared with 2015, which was a good year.

The bananas grown by Sipef are supplied from Ivory Coast at contractually fixed prices and volumes to mainly British and French customers, thereby limiting the impact of the volatile banana markets, driven by fluctuating volumes from Central and South America. Weather conditions and management changes failed to yield the volumes projected in 2016 for this expanding activity.

Sipef's expansion plans were focused entirely on the development of additional oil palm plantations in South Sumatra, Indonesia. On the three concessions in the Musi Rawas region, the additional compensation of 2,662 hectares at year-end 2016 meant a total of 11,354 hectares of farmland now being available for development, of which 6,097 hectares are planted or prepared for planting, which is double the area at year-end 2015. Sipef wants to expand the total project to at least 18,000 hectares, of which 3,000 hectares will be reserved for neighbouring farmers.

Following the disposal of more than 3,000 hectares of loss-making rubber operations and the additional planting of 2,854 hectares of oil palms, Sipef at year-end 2016 had a total area of 69,437 hectares in operation, of which 18.9% has yet to reach the production stage. In this expansion of operations, the sustainability aspects under the Roundtable on Sustainable Palm Oil (RSPO) certification remain paramount.



www.sipef.com

From left to right: Thomas Hildenbrand, Charles De Wulf, Johan Nelis, Robert Kessels, François Van Hoydonck



Cibuni tea plantation with young shoots in the foreground

Outlook 2017

Thanks to favourable weather conditions, the year was off to a vigorous start with increasing palm oil and rubber production volumes in the first two months of the year. Despite normal production trends, the volume projections for the coming months remain positive, as is the price trend for the first six months of the year. The company took advantage of these recent market trends to put volumes on the market with a view to ensuring good prices for the first half of the year. The record soybean harvests announced in South and North America for the rest of the year are already weighing on price projections for the second half of 2017.

The projected contribution of rubber is largely supported by the rapidly increasing prices on the world market, fuelled by a growing demand and a temporarily disrupted supply from Thailand and Vietnam.

In the first quarter of 2017, Sipef will also finalize the acquisition announced in December 2016 of a

47.71% stake in PT Agro Muko in Bengkulu, Indonesia, with the payment of 144.1 million USD. Consequently, the stake will be increased to 95%, giving Sipef exclusive control. 9,366 hectares will be added to the total area (share of the group). It was also announced on February 21, 2017 that an agreement was reached on the potential acquisition of 95% of the shares of PT Dendy Marker for the price of 53.1 million USD. Dendy Marker owns 6,562 prepared/planted hectares of oil palms with a potential for expansion up to 9,000 hectares, as well as 2,781 hectares cultivated by neighbouring farmers and a palm oil extraction mill with a capacity of 25 tonnes/hour.

These transactions will be financed in the first half of 2017 by a combination of a capital increase of a maximum amount of 97.2 million USD with preferential subscription rights for the current shareholders and a long-term loan. Following this acquisition and the realization of the planned development of the Musi Rawas expansion, Sipef will come close to 90,000 planted hectares in group share.

Sipef NV

(USD 1,000)	2016	2015	2014 ⁽¹⁾
Turnover	266,962	225,935	285,899
EBITDA	76,587	49,586	82,307
EBIT	47,479	21,447	60,819
Net result (group share)	39,874	18,708	48,967
Shareholders' equity (group share)	448,063	415,429	410,946
Net financial position	-45,061	-50,521	-24,617
Balance sheet total	615,332	579,032	571,383

⁽¹⁾ Restated following the early application, as of 2015, by Sipef of the amendments to IAS16 and IAS41 - property, plant and equipment and bearer plants

75%

Shareholding percentage AvH

NMP

Nationale Maatschappij der Pijpleidingen (NMP - National Pipeline Company), originally set up by the Belgian State, specializes in the construction and management of pipelines for the transport of industrial gases and products for the petrochemical industry.



Pipelines constitute strategic, reliable, safe and environmentally friendly supply lines for the petrochemical industry and are vital to that industry's presence in Belgium. NMP contributes towards this as manager of a 700 km network of pipelines. In order to carry out this management in the best possible way, NMP uses a comprehensive safety management system and a geographical information system.

NMP was closely involved in discussions on a review of safety regulations relating to pipeline

transportation of gases and other products. These reviewed regulations will come into effect in 2017. An examination of any necessary adjustments to the existing safety management system to comply with the new regulations is currently in progress.

In 2016, Nitraco (joint venture between NMP and Praxair) brought into use the new oxygen pipeline between its sites in Antwerp and Zwijndrecht, as well as the extension of an existing nitrogen pipeline to Vynova in Tessenderlo. In the same year, the project for additional extensions of the existing

nitrogen network in the Antwerp port area was finished, and work was started at the end of 2016 on an extension of the existing oxygen network in the Antwerp port area to TRA (Total Refinery Antwerp).

In 2016, NMP signed an agreement with Nippon Shokubai Europe (NSE) for the construction of a new propylene pipeline between the site of Oiltanking Antwerp Gas Terminal and the site of NSE in Zwijndrecht to supply the new plant. Construction of this pipeline began at the end of 2016 and will probably be completed by mid-2017. It will be brought into use at the beginning of 2018 at the earliest.

The result for the financial year 2016 was slightly up on 2015. This increase is primarily attributable to the opening of the new Nitraco pipelines and to increased transport on the Antwerp-Geel propylene pipeline. Apart from the changes caused by the sale of Canal Re at the beginning of January 2017, 2017 is expected to show a similar result as in 2016. The opening of new pipelines is expected to have a positive effect on NMP's result over the coming years.



Nationale Maatschappij der Pijpleidingen NV

(€ 1,000)	2016	2015	2014
Turnover	13,539	13,739	13,641
EBITDA	4,905	5,088	5,444
EBIT	2,994	2,872	3,145
Net result (group share)	2,545	2,129	2,294
Shareholders' equity (group share)	30,012	28,899	28,204
Net financial position	20,909	19,577	17,218
Balance sheet total	42,898	43,328	43,984
Personnel	4	5	5

From left to right: Gert Van de Weghe, Guy De Schrijver



20%

Shareholding percentage AvH

SAGAR CEMENTS

Sagar Cements is a listed manufacturer of cement, based in Hyderabad (India). The plants in the states Telangana and Andhra Pradesh, in the south of India, have a total cement capacity of 4 million tonnes per year.

In 2016, India had the fastest growing economy in the world, stimulated by economic reforms, low commodity prices and stable inflation. Nevertheless, growth in the construction industry remained low as a result of delays in large infrastructure works and the challenges presented by the demonetization of the Indian banknotes which had a serious impact on demand at the end of the year.

Sagar Cements reported only a limited turnover increase in 2016, from 7,524 million INR in 2015 to 7,690 million INR in 2016. As the persistent over-capacity and low market demand were reflected in lower prices, the strong increase in volumes could not be translated into a similar turnover increase. The increase in sales volumes was made possible by a continuous increase in the capacity utilization of BMM. The acquisition in 2015 of BMM Cements, based in the south of Andhra Pradesh, with a capacity of 1 million tonnes and its own 25 MW thermal power plant, resulted in the expansion of Sagar's production capacity to 3.75 million tonnes in 2015 and a significant optimization of the company's transport costs. The BMM plant is situated on the southern edge of the historical markets of Sagar's Matampally plant. Sagar increasingly supplied the southern markets of Karnataka and Tamil Nadu, which are characterized by a more favourable dynamic of demand and supply, from BMM. The BMM plant made a significant operational contribution to the group's result in 2016.

At the same time, Sagar continued to diversify beyond its core markets Andhra Pradesh and Telangana by increasing sales on the eastern markets. In order to limit the logistical costs of supplying those markets and to optimize the capacity utilization of the furnace of the Matampally plant, Sagar Cements acquired a grinding unit with an annual capacity of 0.18 million tonnes of cement. This acquisition will enable Sagar to supply the east coast states of Andhra Pradesh and Odisha with slag cement (PSC) made from clinker from the Matampally plant. The company is currently expanding the capacity of the grinding unit to 0.3 million tonnes and intends to increase it to 1.5 million tonnes per year.

Sagar Cements increased its capital by 31 million euros in two phases at the end of 2016 and the beginning of 2017 to finance this expansion and to invest in its own 15 MW thermal power plant and a 6 MW heat recovery system in the cement plant in Matampally. This will further reduce its dependence on the national grid and optimize the cost of power generation. At year-end 2016, AvH subscribed to the first share issue on a 50/50 basis with the



Reddy family, the developers of Sagar Cements. The second phase of the capital increase was reserved for qualified institutionals and was successfully closed in February 2017. As a result, AvH's stake decreased slightly to 17.6%.

The states of Andhra Pradesh and Telangana are currently engaged in major infrastructure projects such as seaports, airports and industrial corridors. Further public spending on infrastructure and a long-expected recovery of rural demand are also expected to stimulate the demand for cement. Since no extra capacity is expected to be brought into operation in southern India until 2018, the utilization level in the region is expected to increase significantly.

Sagar Cements LTD

(€ 1,000)	2016	2015	2014
Turnover	103,613	105,341	65,920
EBITDA	16,377	19,689	46,348
EBIT	10,057	15,849	43,580
Net result (group share)	2,913	6,415	32,686
Shareholders' equity (group share)	80,510	75,581	65,269
Net financial position	-64,206	-60,229	-475
Balance sheet total	184,842	176,554	128,578
Exchange rate INR/€			
P&L	74.22	71.43	80.65
Balance sheet	71.55	72.12	77.29



www.sagarcements.in

50%

Shareholding percentage AvH

ORIENTAL QUARRIES & MINES

Oriental Quarries & Mines (OQM), a joint venture between AvH and Oriental Structural Engineers, is active in the exploitation and production of aggregates for the construction of roads, pavements, airfields, railways, racing circuits and buildings, and for the production of ready-made concrete. The products of OQM are marketed under the brand name 'Oriental Aggregates'.

OQM was operating three quarries at the end of 2016: in Mau and Bilaua (in the Gwalior region in northern India) and in Bidadi (southern India). Aggregates from OQM's quarries in northern India are used for large infrastructure works such as highways, railways and racing circuits. The Bidadi quarry focuses primarily on the market of ready-made concrete and real estate projects.

2016 was a challenging year for OQM. The decision of the government to replace banknotes slowed down building activity. This had a knock-on effect on the demand for aggregates in the various regions, particularly during the fourth quarter of 2016. In Bidadi, demand also suffered considerably from the lack of new real estate projects. Mau and Bilaua were affected by certain changes in the reg-

ulations governing the mining industry, which led to a temporary closure of all plants in the Bilaua area. Nevertheless, OQM realized a turnover of 9.5 million euros in 2016. AvH recognized a goodwill impairment on its interest in OQM against the 2016 result.

The industry expects a vigorous recovery in the demand for infrastructure as the government's tax revenues increase in 2017 and the government implements its plan to stimulate public spending. The demand for aggregates is expected to increase in 2017 throughout the country, fuelled by the start of several highway projects. The gradual decrease in mortgage rates at the beginning of 2017 should also create fresh demand on the housing market.



Oriental Quarries & Mines Pvt LTD

(€ 1,000)	2016	2015	2014
Turnover	9,496	6,230	8,015
EBITDA	374	500	738
EBIT	-64	-84	462
Net result (group share)	-44	-34	662
Shareholders' equity (group share)	7,824	7,770	7,281
Net financial position	2,072	1,705	1,362
Balance sheet total	9,335	9,455	8,912
Exchange rate INR/€			
P&L	74.22	71.43	80.65
Balance sheet	71.55	72.12	77.29

www.orientalaggregates.com

From left to right: Sandeep Aiyappa, Manoj Mishra, Parijat Mondal, Sunil Sharma





GROWTH CAPITAL

The operating losses of and impairments on Groupe Flo and CKT Offshore overshadowed the improvement in the results of most of the other 'Growth Capital' participations.

Telemond - Production Henschel Engineering Automotive

Agidens⁽¹⁾
86%

Distriplus
50%

Telemond
50%

Atenor
11%

Euro
Media Group
22%

Transpalux
45%

Axe Investments
48%

Manuchar
30%

Turbo's Hoet
Groep
50%

Corelio
26%

OncoDNA
15%

⁽¹⁾ Including indirect stake via Axe Investments
⁽²⁾ Held for sale

CKT Offshore⁽²⁾
48%

Groupe Flo⁽²⁾
23%

Contribution to the AvH consolidated net result

(€ million)	2016	2015	2014
Contribution of participations	2.7	8.9	-2.1
AvH & subholdings	-10.8	-9.8	-9.9
Capital gains/losses and impairments	-26.8	5.2	-2.9
AvH & Growth Capital	-34.9	4.3	-14.9

AvH & GROWTH CAPITAL

Most participations were able to improve their results in a volatile environment, although this was overshadowed by substantial losses and impairments at CKT Offshore and Groupe Flo.

In 2016, the M&A market began to show signs of overheating, fuelled by the cheap money. In addition, institutional parties wished to maintain or even increase their allocations to private equity, attracted by the good returns and the lack of real alternatives. The presence of wealthy Chinese buyers in certain industries is also becoming increasingly evident. Both the absolute valuation parameters (EV/EBITDA) and the share of bank debt in total financing (NFD/EBITDA) increased to the highest multiples in years. Financial buyers are increasingly gaining the upper hand over industrial parties, especially where large companies are concerned, and the share of secondary buyouts remains considerable. This means we are in a seller's market, marked by stiff competition in bids. This calls for a cautious investment policy.

We also notice a further increase in start-ups with innovative ideas and business models who are looking for funding and markets, along with a growing interest in growth capital. The many successful role models, government support and various private initiatives are clearly creating a more solid basis for a renewed interest in entrepreneurship. This can only be welcomed.

The environment in which our participations operate did not become any easier in 2016. The consequences of the financial crisis and the concomitant cuts in public spending continued to weigh on consumer confidence and purchasing power. On top of that came the terrorist attacks, the Brexit and the developments in US politics, with potential implications for international trade. This had an effect on exchange rates, commodity prices and interest rates.

In this climate, AvH continues to focus on operational improvements, increasing market share or finding new markets, coupled with good corporate governance, without making excessive use of the debt lever. The group focuses on a limited number of portfolio companies, where in-depth knowledge of their markets is developed in close consultation with the management. This gives AvH expert knowledge to help shape the strategy to be followed. The investment horizon is longer than is customary in the sector, thus allowing a stable corporate policy and investments. AvH takes a selective look at new projects when justified by the long-term growth prospects and valuations, on the basis of the trends it observes in sectors, technology and geographical markets.

AvH & Growth Capital

On September 30, 2016, AvH finalized the acquisition of the 26% minority interest in Sofinim, for an amount of 106 million euros. A first instalment of 50 million euros has already been paid; the balance will be settled in 2017 and 2018 (28 million euros per instalment). As of the fourth quarter of 2016, AvH's shareholding percentage in the participations of Sofinim was no longer adjusted for the 26% minority interest. The discount that was secured in this transaction on the book value amounts to approximately 27 million euros and was recognized directly in equity, since AvH already had exclusive control over Sofinim.

Since the supervision and direction of the Sofinim participations have become fully integrated within AvH as of 4Q 2016, this is now reported in the 'AvH & Growth Capital' segment. At the same time as this regrouping in one segment, the participation in Telemond Group (50%) has been reclassified and is now reported under 'AvH & Growth Capital' (previously 'Energy & Resources').

In 2016, Growth Capital couldn't count on the substantial capital gain of 31.7 million euros that was realized in 2015 at Egemin. At the same time, the operating losses and impairments at the Dutch company CKT Offshore and the French Groupe Flo had a negative impact of 34 million euros. The improved performance of the other participations becomes more apparent when those effects are left out of consideration.

Contribution of participations

Most participations reported solid results. Amstedijk Beheer, Agidens, Corelio, Manuchar, Telemond Group, Transpalux and Turbo's Hoet Groep realized a far higher net profit. Atenor managed to maintain its result, while Distriplus and Euro Media Group limited their losses compared with previous years. The losses of CKT Offshore remained substantial and on the same level as in 2015.

Most participations continued to invest heavily in the further expansion and renewal of their distribution channels (Distriplus, Manuchar and Turbo's Hoet Groep) or in their geographical and product diversification. At Corelio, the Mediahuis business model proves successful. Early 2017, the activities of Mediahuis were further expanded in the area of television, radio and Media Group Limburg in the Netherlands. In certain participations (Corelio, CKT Offshore, Euro Media Group and Telemond), major restructuring operations took place that weighed on the results. The turnaround at Telemond seems to have been accomplished in difficult market conditions. At Euro Media Group, all countries performed well, except France, where further actions are being taken. In that same French market, Transpalux succeeded in making a good recovery. At Agidens, the kick-off without the Handling Automation division (Egemin) was a success. CKT Offshore, active in an offshore market adversely affected by low oil prices, went through a thorough restructuring process and focused on the completion of existing problematic projects. Sofinim, together with the other shareholder, made this possible with various follow-up investments. The company will now focus on smaller, less risky



1. Agidens
2. Euro Media Group
3. OncoDNA
4. Corelio
5. Telemond

contracts, pending a recovery of the market.

Investments were limited to 6.7 million euros, such as in CKT Offshore, and taking an interest in OncoDNA. With a stake of 15%, AvH has become the biggest investor in this relatively new Belgian company which develops medical diagnostics for cancer treatment.

GIB

The persistent difficult market conditions in France, partly as a result of the terrorist attacks and the accompanying terrorist threat, led again to a decrease in Groupe Flo's turnover and a substantial decrease in its operating results. This prompted a reconsideration of all strategic options at year-end 2016, which will take effect in 2017.

86%

Shareholding percentage AvH
(Including indirect participation via Axe Investments)


AGIDENS

Agidens provides consultancy, automation and maintenance services for five focus markets: Life Sciences, Tank Terminals, Food & Beverage, Infrastructure and Chemicals.

The first full financial year following the divestment of the Handling Automation division and the brand name Egemin was a success for Agidens. The strategic five-year plan '20/20 Vision' that was developed in 2015 was off to a vigorous start. The order book was worth approximately 50 million euros. The group currently has around 600 employees spread over Belgium, the Netherlands, France, Germany and Switzerland.

The strategy of Agidens is based on four major pillars: internationalization, market differentiation, product innovation and sustainable relationships. To support this, the 'Agidens Innovation Eco System' was created in 2016. For the future, the development of new products, services and operational models will contribute significantly to the further growth of Agidens.

In 2016, Agidens Process Automation developed new software applications through open innovation and in collaboration with several partners. Those new applications will generate further growth in the Belgian and international tank terminal market.

 www.agidens.com

From left to right: Jo Janssens, Marc Boxcstaal, Geert Stienen, Arnoud den Hoedt, Pieter Tilkens, Steven Peeters



The **Tank Terminal** business unit was able in 2016 to further strengthen its prominent market position in the ZARAG area (the area between Zeebrugge, Amsterdam, Rotterdam, Antwerp and Ghent). A record turnover was recorded, despite the fact that there were fewer greenfield projects on the market.

Despite difficult market conditions, the **Food** business unit was able to report growth thanks to the strategic initiatives that were identified.

Excellent successes were also achieved in the **(fine) chemical industry**.

The **Life Sciences** division continued its vigorous growth, building on the solid foundations of its key account management. It was able to win a number of managed services contracts for major players in the pharmaceutical industry. The automation activities were successfully expanded from the traditional markets of Belgium and the Netherlands into Switzerland. The new branches in France and Germany reported their first successes in 2016 and laid the foundations for further growth in 2017.

In 2016, the **Infra Automation** division worked on the Beatrix lock in the Netherlands, the biggest project in the company's 70-year history. The first international engineering projects were also added to the order book.

With a clear strategic plan and focus, a growing demand for automation and a well-filled order book for 2017, Agidens will continue to invest in profitable growth in the coming years.



Tank terminal project

Agidens NV

(€ 1,000, IFRS)	2016	2015 ⁽¹⁾	2014 ⁽²⁾
Turnover	75,026	61,930	128,356
EBITDA	4,557	62,898	10,170
Net result (group share)	1,588	58,504	4,335
Shareholders' equity (group share)	22,564	88,074	26,376
Net financial position ⁽³⁾	2,613	71,100 ⁽³⁾	5,911

⁽¹⁾ Agidens without Handling Automation (except capital gain)

⁽²⁾ Egemin International (incl. Handling Automation)

⁽³⁾ 2015: Including the proceeds of the sale of Handling Automation

11%

Shareholding percentage AvH

ATENOR GROUP

Atenor Group is a listed real estate developer specializing in large-scale urban projects (offices, mixed residential complexes) in outstanding locations and built with great technical and architectural quality. With its extensive know-how, the group designs and builds projects in Belgium and abroad.

Atenor Group closed the 2016 financial year with a positive net result of 20.4 million euros. The group thus improved its result for the fourth consecutive year.

The results were influenced by the delivery of the Trebel building to the European Parliament at the end of June. The second half of the year was marked by the sale of a first building on the Vaci

Greens office park in Budapest (Hungary). Atenor also continued work on the construction and marketing of several residential projects, where the margin on the units sold was recognized according to percentage of completion. Finally, Atenor also had rental income from the projects in Budapest and in Bucharest (Romania). Atenor not only sees its result increase, but also diversifies its sources of revenue.

Following on from earlier acquisitions, Atenor acquired a new project in the centre of Bucharest (Dacia, 12,000 m² office space). The group also acquired control over the company that owns the Realex project (42,000 m² office space) in the European district of Brussels.

Despite the uncertainties that are inherent in the business of any real estate developer, Atenor already from the start of 2017 has a clear view of its future results, which look promising thanks to the sustained activity on the property market in Budapest and Bucharest.

In November 2016, the reference shareholders, including Sofinim, extended the shareholder agreement that binds them for a period of at least five years.



Trebel - Brussels (artist impression)



Vaci Greens - Budapest - Hungary (artist impression)

www.atenor.be

From left to right: Sidney D. Bens, Stéphan Sonnevile, William Lerinckx, Laurent Collier



Atenor NV

(€ 1,000, IFRS)	2016	2015	2014
Turnover	156,830	116,748	110,801
EBITDA	35,853	34,612	30,795
Net result (group share)	20,375	19,958	15,333
Shareholders' equity (group share)	136,654	126,799	112,904
Net financial position	-305,077	-339,342	-199,572

48%

Shareholding percentage AvH

AXE INVESTMENTS

The investment company Axe Investments is a joint venture between Anacom (controlled by Christian Leysen) and Ackermans & van Haaren.

The brands Inia (Unified Communications), Neo (e-learning), IntoApps (Mobile Apps) and Thing-tank (Internet of Things) belong to the Xylos group. The firm has 200 employees and has branches in Brussels, Antwerp and Herentals.

REstore is a European energy technology firm specializing in automated demand response. REstore supplies interruptible power to energy suppliers and grid managers in the form of a virtual peak plant. Using its own software platforms FlexPond™ and FlexTreo™, it connects those parties to major commercial and industrial consumers, and enables those consumers to minimize their energy costs and maximize income from automated demand response. FlexTreo™ was introduced in 2016 and uses cloud connectivity and big data controlled energy intelligence to respond to real-time opportunities in the energy market.

The real estate of Axe Investments had a good occupancy rate. The renovation works in progress still weighed on the contribution of the real estate portfolio of Axe Investments.

The annual result of Axe Investments was determined by the results of the portfolio companies and the rental income from the Ahlers building, along with the investment results.



Ahlers building

Axe Investments has, as an investment company, shareholdings in the ICT firm Xylos, in Agidens, and in the energy company REstore. Axe Investments also owns part of the Ahlers building on Noorderlaan in Antwerp.

Xylos is a leading company in the Belgian ICT market that focuses on the digital transformation of its customers, providing solutions in change management, the digital workplace, the Intelligent Cloud, mobile apps and collaboration platforms.

Axe Investments NV⁽¹⁾

(€ 1,000, IFRS)	2016	2015	2014
Turnover	718	614	553
EBITDA	159	184	107
Net result (group share)	14,898 ⁽²⁾	402	277
Shareholders' equity (group share)	13,144	15,582	15,530
Net financial position	2,237	4,920	5,120

www.axe-investments.com

axe | investments

⁽¹⁾ The figures of Agidens / Egemin are not consolidated by Axe Investments.

⁽²⁾ Including dividend payment by Agidens. This dividend is eliminated in AvH's consolidated financial statements, since Agidens is fully consolidated.

26%

Shareholding percentage AvH

CORELIO

Through its interest in Mediahuis, media group Corelio is the number one player on the Flemish print and digital newspaper market, and with NRC Handelsblad it also owns a publication that ranks as the prime reference in journalism in the Netherlands. The group is also active in the audiovisual media and the free local press, and has two separate printing divisions.

Mediahuis kept up its multichannel investment in its news brands and online platforms. Consequently, the year ended with an increase in REBITDA (from 41.8 million euros to 43.6 million euros). With 516,803 copies sold, the Mediahuis news brands - Het Nieuwsblad/De Gentenaar, Gazet van Antwerpen, De Standaard, Het Belang van Limburg - consolidated their strong position. Advertising revenue increased slightly, while the share of online in advertising revenue continued to increase.

Thanks to a solid performance on the readership market, **NRC** realized a REBITDA of 19.4 million euros (2015: 18.4 million euros).

At **De Vijver Media**, SBS and its channels Vier, Vijf and Zes continued to invest in wider coverage, resulting in an increase in advertising revenue. New external production rights gave Woestijnvis a solid improvement in its operating result in 2016. The feature film 'De Premier', which premiered in the autumn, met with great success.

The **Nostalgie** radio stations kept up their momentum of previous years. The Leuven-based television channel **ROB** continued to grow, while the free magazine **Rondom** reaped the benefits of an upturn in the local advertising market.

Printing Partners realized a strong annual result and reached a social agreement on the merger of the two production sites in Paal-Beringen by the end of 2021. **Corelio Printing** also held its ground very well.

The innovation and reorganization plans of previous years reached their full effect in 2016, resulting in a significant improvement in both the REBITDA and the consolidated net profit. The significant decrease in the net financial debt is attributable to the excellent operating results of all the divisions.

Mediahuis will expand further in 2017. After approval of the competition authorities, De Limburger, Metro (50%), De Vijver Media (30%), Nostalgie SA (50%), Vlaanderen Eén (75%), ATV, TV Limburg, TV Oost, and ROB TV will be contributed into Mediahuis.



NRC

Corelio NV

(€ 1,000, IFRS)	2016	2015	2014
Turnover	513,078	521,898	398,274
EBITDA	51,032	67,665	27,328
Net result (group share)	13,904	11,379	1,773
Shareholders' equity (group share)	74,602	66,044	59,313
Net financial position	-117,426	-162,171	-89,492



From left to right: Bruno de Cartier, Geert Steurbaut, Gert Ysebaert



50%

Shareholding percentage AvH

DISTRIPLUS

Distriplus is a retail group active in the beauty & care sector through the Planet Parfum and Di chains, with 203 retail outlets in Belgium and Luxembourg.



Di



From left to right: top: Marc Boumal, Helen Willems, Matthias De Raeymaeker, Barbara Sindic
bottom: Veerle Hoebrechts, Tanguy De Ripainseel



In a retail market affected by the terrorist attacks in Brussels and Paris, **Planet Parfum** managed to increase its turnover slightly in 2016 to 97 million euros. The number of retail outlets increased to 82 with the opening of 4 new stores, of which 3 in Wallonia and 1 in Brussels.

The new retail concept, with greater emphasis on an omnichannel retail experience for the customer,

has proved its success. The roll-out will be accelerated, with 40 stores being transformed in 2017. By the end of 2017, 90% of the turnover will be realized at those renewed stores.

The online presence of Planet Parfum was further reinforced, so that the e-shop's turnover more than doubled in 2016.

In 2017, focus will be on the refurbishment of the stores and on training, for which e-learning tools will become available.

Di experienced a difficult year in terms of turnover. The Brussels area in particular, where Di has a strong presence, suffered from the impact of the terrorist attacks. The number of retail outlets was increased to 121 with the opening of 5 new stores.

At Di, due to the growth of low-end retail with its highly aggressive promotional activity, the turnover remained stable at 105 million euros, despite a few shop openings. Di wants to differentiate itself more clearly and faster by offering its own range of affordable beauty products.

On a consolidated basis, Distriplus ended with an operating result which, adjusted for certain non-recurring items, is in line with 2015. The net result came to -2.4 million euros (2015: -13.1 million euros).

Distriplus NV

(€ 1,000, IFRS)	2016	2015	2014
Turnover	203,841	203,226	199,927
EBITDA	7,523	8,399	12,019
Net result (group share)	-2,394	-13,127	3,717
Shareholders' equity (group share)	50,862	53,256	66,382
Net financial position	-44,491	-50,556	-54,199

22%

Shareholding percentage AvH

EURO MEDIA GROUP

Euro Media Group (EMG) is an important player on the European market of audiovisual technical services. The group has a presence in seven countries: France, Belgium, the Netherlands, Germany, the United Kingdom, Switzerland and Italy.

EMG has a large capacity of mobile production facilities and studios, and provides a variety of specialized services, such as remote production solutions, radio frequency (RF) solutions, and slow motion and other specialized cameras. EMG also supplies second screen solutions through Netco Sports, which was acquired in September 2015.

2016 was a particularly busy year for EMG. This increase is to a large extent attributable to the international sporting events of 2016 (Euro 2016 and Summer Olympic Games in Brazil), where the group had a very strong presence. EMG also benefited from the full-year contribution of the acquisitions of 2015, namely Broadcast RF in the United Kingdom and Netco Sports in France.

2016 saw a significant improvement of the results in France, not only because of the international sporting events, but also due to the positive impact in 2016 of the restructuring of the studio activities that was carried out in 2015. This positive impact,

however, was partly offset by the decision of a major customer of Euro Media in France to insource its studio activities from August 2016 onwards. EMG will continue to work on the rightsizing and profitability of its French operations.

The Netherlands, Italy and Germany reported a vigorous growth in 2016, with positive developments on the local market, despite stiff competition. Belgium continued to deliver a good financial result, in line with 2015. The Brexit decision of June 2016 had a significant impact on the exchange rate between pound sterling and the euro. The activities in the United Kingdom continued to meet expectations in local currency terms, thanks to a strong local market.

The net result remains negative in 2016 (-4.4 million euros), although 6.5 million euros is attributable to the recognition of interest charges on convertible bonds that EMG issued in 2014, and 7.4 million euros represents non-recurring costs (such



Euro Media France at Olympique Lyon

as for restructuring). Excluding these non-recurring and non-cash costs, the group recorded a positive result in 2016.

EMG worked on external growth opportunities in several countries during 2016. As a result, it was able to finalize the acquisition of DB Video in Belgium in January 2017. DB Video will help EMG to further strengthen its position in the institutional and corporate market segment, while the group will also benefit from DB Video's presence in the market of sporting and live events.

EMG expects its financial performance to improve further in 2017, adjusted for the impact of the international sporting events of 2016 and compared with 2015. EMG will implement its new group strategy in 2017, with greater emphasis on sporting and live events, further development of the integrated range of services, and maximization of the added value from non-sports and non-live activities.

Financière EMG⁽¹⁾

(€ 1,000, IFRS)	2016	2015	2014 ⁽¹⁾
Turnover	318,638	294,000	317,848
EBITDA	55,098	38,094	39,250
Net result (group share)	-4,431	-18,803	-9,873
Shareholders' equity (group share) ⁽²⁾	94,643	96,143	
Net financial position (without convertible bonds)	-61,494	-66,262	

⁽¹⁾ Financière EMG was set up in 2014 following the entry of PAI (and acquisition of control) in the ownership of Euro Media Group. The first (extended) financial year of Financière EMG was closed on December 31, 2015. Financière EMG owns 100% of the capital of Euro Media Group and has no activities besides its participation in Euro Media Group. The income statement of Financière EMG, however, is influenced by the financing structure at Financière EMG, which consists of cumulative preference shares and includes 78.7 million euros in convertible bonds (2015: 72.2 million euros).

⁽²⁾ In these figures, 78.7 million euros worth of convertible bonds, issued by Financière EMG for the benefit of the shareholders of Financière EMG, are included in the equity but not in the net financial position (2015: 72.2 million euros).



30%

Shareholding percentage AvH

MANUCHAR

Manuchar is internationally active in buying and selling a wide range of products, with special focus on chemicals and steel. Manuchar also offers added value in the logistics, distribution and financing of those products. Manuchar focuses on growth markets and has 1,875 people working in 41 countries, mainly in Latin America, Africa and Asia.



In the chemicals sector, Manuchar combines its trading activities with logistics services and the distribution of **chemicals** in emerging markets. Profitability continued to improve in 2016, despite the



www.manuchar.com

persistent difficult market conditions in countries such as Brazil, Colombia and Nigeria. Manuchar continued its strategy of maintaining control and of controlling costs throughout the value chain by using its own warehouses. New warehouses were completed and opened in Vietnam, Honduras, Colombia and Argentina. In Brazil and Vietnam, extension work began on warehouses for cereals and



Manuchar NV

(€ 1,000, BGAAP)	2016	2015	2014
Turnover	1,105,746	1,196,725	1,084,583
EBITDA	51,451	57,164	43,364
Net result (group share)	11,697	8,245	8,263
Shareholders' equity (group share)	84,014	76,873	70,269
Net financial position	-293,978	-314,139	-297,925

fertilizers to meet the growing demand for those products in those parts of the world. At the same time, Manuchar keeps expanding its own product portfolio in order to gain a top three position in the distribution of chemicals. Manuchar's newer markets such as Turkey and Dubai continued to evolve favourably in 2016. The sodium sulphate production plant in Mexico became operational in 2016 and realized its first sales. As world market leader in the distribution of sodium sulphate, Manuchar wants to meet the demand for South American sources. At the same time, it wants to ensure even better control over quality, from extraction to delivery to the customer.

2016 was a difficult year for **steel** trading (Manuchar Steel). Turnover decreased in a challenging market with stiff competition. Steel for international trading is sourced from different countries and delivered by Manuchar to the growth markets of Latin America, Africa, the Middle East and Asia.

Manuchar also actively trades in **other commodities** such as polymers, paper, pharmaceuticals, automotive parts, wood and cement. Cement in particular saw a strong turnover increase in 2016.

In 2016, the profitability was increasingly derived from added value in local logistics and sales, at the expense of pure trading profit.

Manuchar continues to pursue a strategy of different products and services in growth markets where it can differentiate itself by its distribution and logistics services.

15%

Shareholding percentage AvH

ONCODNA

OncoDNA is a Belgian-based firm set up in 2012 which specializes in personalized molecular analyses for cancer patients. Those analyses make it possible to offer patients new treatment options that are better adapted to the characteristics of their tumours.

After four years, OncoDNA already works together with more than 3,000 oncologists and around a hundred institutions in more than 50 countries. At year-end 2016, OncoDNA had a team of 35 people, a number that is still growing.

On September 1, 2016, Ackermans & van Haaren became the biggest shareholder (15%) of the company OncoDNA, following the close of a capital round of a total of 7.7 million euros.

In 2016, OncoDNA officially launched its new solution, OncoTRACE. This first truly personalized test in the world uses a simple blood sample to monitor the evolution of a patient's cancer, so that the efficacy of the treatment can be assessed quickly.

OncoSHARE, the innovative communication, sharing and networking platform, brings together the biggest online community in the field of cancer, with more than 10,000 users (oncologists, patients and people close to them).

OncoDNA wants to accelerate its international growth and keep expanding its network of oncologists, for example by the launch throughout Europe of the SaaS (Software as a Service) solution OncoKDM. This will give a large number of cancer treatment centres worldwide access to OncoDNA's database and expertise. Several important partnerships have already taken shape or are about to do so. OncoDNA will build on its first successes of 2016 to develop its network of partners and strengthen ties with the pharmaceutical industry.

A new solution, OncoSTRAT&GO, will be officially launched in 2017. It makes tumour analysis possible based on a biopsy of the primary tumour or a metastasis, also using a blood sample. Two major projects will be launched with the support of the Walloon Region. The first, ARCHE, will demonstrate the clinical efficacy of OncoSTRAT&GO. More than 1,200 patients will be involved. The second major project in bioinformatics will be announced in the course of 2017.

Oncology is the first therapeutic field that applies personalized treatments by combining diagnostic tools, knowledge bases and medication therapies. OncoDNA is currently well placed to become the leading European player in this scientific revolution that benefits patients.



www.oncodna.com

From left to right: Pierre Flamant, Jean Stephenne, Jean-Pol Detiffe, Jean-François Laes



50%

Shareholding percentage AvH

TELEMOND GROUP

Telemond Group is primarily a supplier to the crane and automotive industry, with production sites in Poland. Its core competency is the production and management of the supply chain of complex steel structures, with strong specialization in high-grade and wear-resistant steel.

Despite the negative market trends, **Teleskop** and **Montel** were able to increase their market share with their principal customers in the hoisting business. The group also entered into new partnerships in the rail sector and in the construction of lifting platforms.



Henschel Engineering Automotive



Teleyard

Teleyard, the new entity in Stettin (Poland), targets the marine and offshore industry. The entity consolidated its reputation as a reliable supplier of very large complex steel structures and has won many new customers.

Henschel Engineering Automotive stepped up the production of its new line of loading platforms with flip-down sides for the VW Crafter van.

For 2017, the group expects to see a further increase in its results thanks to the further development of its Teleyard activities and the higher turnover of Henschel Engineering Automotive.

Telemond's customers were still confronted with a sharp downturn in the hoisting business and a slowdown in the construction industry in several key markets, such as China, South America and Russia. The overcapacity was offset by a reduction

in the workforce. The effects of these cost cuts became noticeable in 2016. The group recorded a net profit of 2.2 million euros. The turnover decreased slightly to 69.0 million euros, due to a persistent difficult market environment in the BRICS countries and Southern Europe.



www.telemond.be

From left to right: Tobias Müller, Christopher Maas, Reiner Maas, Dieter Schneider, Frank Ceuppens



Telemond, Telehold, Henschel⁽¹⁾

(€ 1,000, IFRS)	2016	2015	2014
Turnover	69,006	69,869	79,588
EBITDA	6,592	1,724	7,789
Net result (group share)	2,176	-2,623	3,826
Shareholders' equity (group share)	47,405	47,225	49,735
Net financial position	-13,623	-17,781	-17,209

⁽¹⁾ Consortium consolidation

45%

Shareholding percentage AvH

TRANSPALUX

Transpalux is a French leader in the rental of filming equipment. It has a wide range of lighting equipment, cameras, vehicles and generators. Transpalux is also the leading manager of film studios in France.



The company puts its know-how and more than 65 years of experience at the service of the greatest producers and directors. Each year, Transpalux is involved in the production of more than 200 feature films and television productions.

For instance, in 2016 it supplied Europacorp, the company of Luc Besson, with all the lighting equipment for the blockbuster 'Valérian et la cité des mille planètes', which will be screened in June 2017.

2016 also saw a crucial change in the law on tax credits for film productions, which increased from

20% to 30%. This new tax arrangement is far more advantageous for the French film producers, allowing many productions to come back to France and especially preventing others from leaving.

In 2016, Transpalux realized a turnover of 29.7 million euros (a 19% increase) and an operating cash flow (EBITDA) of 3.5 million euros. The net result of the group amounted to 1.4 million euros. This vigorous increase in the result was also made possible by the acquisition of the operation of the Bry-sur-Marne studios. The turnover of these studios amounted to nearly 4 million euros for the first full financial year, which confirms the site's potential.

The 'museums and exhibitions' activity also made a good contribution to the result. Development of electrical equipment for trade fairs continued.

Finally, November 2016 saw a change of the principal shareholder of Transpalux. The B Live group acquired the 55% controlling interest held by the Watchers group.

The outlook for the Transpalux group in 2017 remains encouraging, and the group has already landed several major productions for 2017, despite increased competition. The tax system will continue to be beneficial for Transpalux, which is ideally placed to work for big film productions. The only possible hitch is increased competition from the other French players, who will not hesitate to drastically cut their margins. Transpalux can count on the quality and know-how of its teams.



www.transpalux.com

From left to right: Didier Diaz, Thierry Masurel



Transpalux

(€ 1,000, French GAAP)	2016	2015	2014
Turnover	29,695	24,570	22,681
EBITDA	3,517	2,966	2,732
Net result (group share)	1,368	-100	409
Shareholders' equity (group share)	8,590	7,104	7,204
Net financial position	-3,011	-3,554	-2,605

50%

Shareholding percentage AvH

TURBO'S HOET GROEP

Turbo's Hoet Groep (THG), with its headquarters in Hooglede (Roeselare), is active in the sales, maintenance and leasing of trucks. The company also distributes and overhauls parts and turbochargers for trucks and cars. The group has its own sites in Belgium, France, the Netherlands, Russia, Belarus, Bulgaria, Romania and Poland.



Turbo's Hoet Groep - Hooglede

TH Trucks (dealerships, sales and maintenance of trucks, light commercial vehicles and trailers) has 34 sites: in Belgium (12), France (7), Russia (10), Bulgaria (4) and Belarus (1). It is one of the biggest



www.th-group.eu

From left to right: Serge Van Hulle, Peter Tytgadt, Filip Matthijs, Bart Dobbels, Kristof Derudder, Piet Wauters



DAF dealers worldwide. TH Trucks is also a dealer for Iveco, Dongfeng, Nissan, Mitsubishi and Kögel. 350 mechanics are at the service of customers every day.

TH Lease (long and short-term rental of trucks, light commercial vehicles and trailers) is the largest independent leasing company for commercial vehicles in Belgium with a fleet of more than 3,600 units. This service is offered in the other countries too.

TH Parts (Belgium, France, the Netherlands, Russia, Bulgaria, Poland, Belarus) is a key player for parts for trucks, light commercial vehicles and trailers. More than 200 specialists advise customers on the right choice of parts. The large stock of parts guarantees ready availability.

TH Turbos is one of the biggest distributors worldwide of turbochargers for the aftermarket. THG's sites in six countries (Belgium, France, the Netherlands, Bulgaria, Poland and Romania) have very large stocks of new and revised turbochargers for cars, trucks and industrial applications. The technical support, repair service and warranty conditions make for an impeccable customer service.

Registrations of heavy-duty trucks in the EU increased by 12.3% in 2016. TH Groep generated a turnover in 2016 of 393 million euros, which is 12% more than in 2015. The EBITDA increased by 21% to 25.9 million euros, and the net result amounted to 9.3 million euros.

In Belgium, the garage in Strépy (Hainaut) was refurbished in 2016. In Bulgaria, construction began of a new garage in Sofia, and in France a service point was acquired in Roncq. In 2017, THG plans new service points in Erembodegem (Belgium), Dunkirk and St-Quentin, and the construction of a new garage in Le Havre (France). In addition, the group is actively looking for further expansion potential.

Turbo's Hoet Groep NV

(€ 1,000, BGAAP)	2016	2015	2014
Turnover	393,046	350,573	366,514
EBITDA	25,863	21,366	14,989
Net result (group share)	9,279	8,425	355
Shareholders' equity (group share)	97,565	86,885	81,009
Net financial position	-94,413	-85,291	-96,212

At year-end 2016, AvH transferred its interests in Groupe Flo and CKT Offshore to 'held for sale' on the basis of their estimated liquidation value. The combination of loss contributions from and impairments on those participations had a combined impact of -34 million euros on the income statement.

CKT OFFSHORE

CKT Offshore is an EPC contractor specializing in the design, construction, maintenance and repair of (modular) accommodation, technical modules, architectural finishing and insulation on a turnkey basis.

(€ 1,000, IFRS)	2016	2015
Turnover	15,077	76,262
EBITDA	-20,423	-15,750
Net result (group share)	-19,467	-19,799
Shareholders' equity (group share)	-1,619	3,466
Net financial position	729	4,169

In 2016, CKT Offshore was primarily engaged on the completion of the Aasta Hansteen project for Statoil in Norway. As in 2015, CKT Offshore was confronted with a sharp decrease in investments in that sector and made losses on the completion of some major orders. In light of the strong decrease

in turnover, CKT Offshore carried out restructuring operations involving the closure of its branch in the UK and a strong reduction in its workforce in the Netherlands. The group recorded a net loss of 19.5 million euros over the financial year.

GROUPE FLO

Groupe Flo is the French leader in the commercial restaurant business. The group has a portfolio of well-known brands of theme restaurants (Hippopotamus, Tablapizza and Taverne de Maître Kanter) and world-renowned brasseries (La Coupole, Bofinger, Le Boeuf sur le Toit). These businesses are spread across France, though mainly in Paris and its environs.

2016 was marked by a further deterioration of the French economic situation and a difficult restaurant market. After an exceptional 2015 due to the terrorist attacks, 2016 was stained by the attack on the evening of July 14 in Nice. These events prevented a recovery of the market. Groupe Flo continued to feel the consequences of the general downturn in restaurant visits, even though some positive signs could be seen at the end of 2016.

This downturn affected all chains, except for Tablapizza, which ended 2016 with a slightly positive result after a year of transition since the launch of the new concept and the review of the pro-

(€ 1,000, IFRS) ⁽¹⁾	2015	2014
Turnover	294,555	313,605
EBITDA	7,869	20,188
Net result (group share)	-51,494	-35,724
Shareholders' equity (group share)	75,991	126,728
Net financial position	-73,803	-68,487

⁽¹⁾ 2016 figures not yet finalized

duct offering. The brasseries continued to be heavily affected by the collapse of tourism in Paris. Hippopotamus more or less followed the market trend, but went through some difficult periods. In the second half of 2016, the first new-generation Hippopotamus opened on the Place de la Bastille. The next projects are in the pipeline. This new look represents a thoroughgoing modernization of the concept in line with the spirit of the times. Finally, the concessions continued to be profitable in 2016, even though this year there was a lower level of activity at the Disney sites.

The process of selling off non-strategic sites was accelerated in 2016 in order to make the necessary resources available to finance and reposition the operations. The group's general organization was optimized further and keeps evolving in order to face the challenges as well as possible.

In view of the impact of this very difficult context on its performance and cash position, Groupe Flo reached an agreement with its banks in early

December 2016 for a standstill until the end of April 2017. The group also announced it would reconsider its strategic options. In that context, Groupe Flo received non-binding offers in February 2017 for the acquisition of certain assets or for investments in the capital of Groupe Flo. Such operations, to which several conditions are attached, will in that case also require an agreement on the restructuring of the bank debts.

Because of the uncertainty associated with the developments described above, Groupe Flo had not yet adopted its annual financial statements when AvH's consolidated annual figures for 2016 were adopted. At year-end 2016, AvH measured its (indirect) shareholding in Groupe Flo at the stock market price at year-end 2016.

LEXICON

- **Cost-income ratio:** The relative cost efficiency (cost versus income) of the banking activities.
- **Core Tier1 capital ratio:** A capital ratio of the liquidity buffers held by banks to offset any losses, seen from the regulator's perspective. The equity of a bank consists of share capital and undistributed profits. This equity is necessary to offset losses on loans.
- **EBIT:** Earnings before interest and taxes.
- **EBITDA:** EBIT plus depreciation and amortisation on fixed assets.
- **EBITDAR:** EBITDA plus rent cost.
- **EPRA profit:** Net result excluding the portfolio result and variations in the fair value of the non-effective interest rate hedges, previously net current result.
- **Net financial position:** Cash & cash equivalents and investments minus short and long term financial debt.
- **REBITDA** (Recurring Earnings Before Interest Taxes Depreciation and Amortisation): Profit earned on the active (recurring) items.
- **Rental yield based on fair value:** Rental yield is only calculated on buildings in operation, excluding the projects and the assets held for sale.
- **Return on equity (ROE):** The relative profitability of the group, more particularly the amount of net income returned as a percentage of shareholders' equity.



FINANCIAL STATEMENTS 2016



ACKERMANS & VAN HAAREN

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ACCOUNTS

The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards and IFRIC interpretations effective on December 31, 2016, as approved by the European Commission.

Income statement

(€ 1,000)	Note	2016	2015
Revenue		3,649,117	4,011,231
Rendering of services		179,897	156,934
Lease revenue		8,546	8,607
Real estate revenue		179,314	119,053
Interest income - banking activities		106,615	116,083
Fees and commissions - banking activities		48,011	44,663
Revenue from construction contracts		3,020,241	3,453,179
Other operating revenue		106,493	112,712
Other operating income		9,782	7,869
Interest on financial fixed assets - receivables		317	869
Dividends		9,292	6,881
Government grants		121	0
Other operating income		52	118
Operating expenses (-)		-3,347,785	-3,702,275
Raw materials and consumables used (-)		-1,769,842	-1,989,833
Changes in inventories of finished goods, raw materials & consumables (-)		25,780	-13,281
Interest expenses Bank J, Van Breda & C° (-)		-32,544	-38,986
Employee expenses (-)	23	-717,569	-725,540
Depreciation (-)		-262,910	-275,012
Impairment losses (-)		-30,230	-21,275
Other operating expenses (-)		-552,702	-630,028
Provisions		-7,766	-8,319
Profit (loss) on assets/liabilities designated at fair value through profit and loss		40,587	82,463
Financial assets held for trading	19	0	0
Investment property	9	40,587	82,463
Profit (loss) on disposal of assets		17,635	97,281
Realised gain (loss) on intangible and tangible assets		3,514	19,037
Realised gain (loss) on investment property		3,584	3,231
Realised gain (loss) on financial fixed assets		9,350	73,846
Realised gain (loss) on other assets		1,188	1,167
Profit (loss) from operating activities		369,337	496,569
Finance income		31,433	50,709
Interest income		11,423	10,492
Other finance income		20,010	40,216
Finance costs (-)		-90,491	-108,603
Interest expenses (-)		-49,546	-42,970
Other finance costs (-)		-40,946	-65,633
Derivative financial instruments designated at fair value through profit and loss	19	122	-4,348
Share of profit (loss) from equity accounted investments	10	108,660	110,549
Other non-operating income		1,785	1,566
Other non-operating expenses (-)		0	0
Profit (loss) before tax		420,847	546,442
Income taxes	20	-54,794	-108,046
Deferred taxes		13,146	-50,447
Current taxes		-67,940	-57,599
Profit (loss) after tax from continuing operations		366,053	438,395
Profit (loss) after tax from discontinued operations	4	0	-1,141
Profit (loss) of the period		366,053	437,254
Minority interests		141,816	153,175
Share of the group		224,237	284,079
Earnings per share (€)			
1. Basic earnings per share			
1.1. from continued and discontinued operations		6.77	8.58
1.2. from continued operations		6.77	8.59
2. Diluted earnings per share			
2.1. from continued and discontinued operations		6.74	8.54
2.2. from continued operations		6.74	8.56

(1) We refer to the segment information on pages 133 to 144 for more comments on the consolidated results.

Statement of comprehensive income

(€ 1,000)	2016	2015
Profit (loss) of the period	366,053	437,254
Minority interests	141,816	153,175
Share of the group	224,237	284,079
Other comprehensive income	-24,305	28,706
Items that may be reclassified to profit or loss in subsequent periods		
Changes in revaluation reserve: financial assets available for sale	-3,711	14,934
Taxes	267	1,532
	-3,444	16,466
Changes in revaluation reserve: hedging reserves	-5,325	-19
Taxes	-1,378	-684
	-6,702	-703
Changes in revaluation reserve: translation differences	-1,622	10,770
Items that cannot be reclassified to profit or loss in subsequent periods		
Changes in revaluation reserve: actuarial gains (losses) defined benefit pension plans	-19,333	904
Taxes	6,796	1,270
	-12,536	2,174
Total comprehensive income	341,748	465,960
Minority interests	127,414	163,277
Share of the group	214,335	302,683

The recognition at fair value of financial assets available for sale yields an unrealized loss of 3.4 million euros, resulting from the accounting revaluation (since they are unrealized capital gains or losses) of financial assets which at December 31, 2016 are still in portfolio, but are available for sale. The negative value is explained by the decrease in unrealized capital gains on AvH's investment portfolio, Leasinvest Real Estate (primarily the Retail Estates shares) and Bank J.Van Breda & C°.

Hedging reserves arise from fluctuations in the fair value of hedging instruments used by group companies to hedge against certain risks. Several group companies have hedged against a rise in interest rates. The market value of this hedging instrument showed a negative trend over 2016, particularly due to the way this item evolved at Leasinvest Real Estate (-10.3 million euros). It should be pointed out, however, that the market value of these hedging instruments evolved positively in the second half

of 2016. Consequently, the change in this revaluation reserve turned out less negative than was the case at June 30, 2016.

Translation differences arise from fluctuations in the exchange rates of group companies that report in foreign currencies. During 2016, the negative fluctuations (mainly GBP and PLN) outweighed the positive fluctuations (USD), amounting to -1.6 million euros in total.

With the introduction of the amended IAS 19 accounting standard in 2013, the actuarial gains and losses on certain pension plans are recognized directly in the other comprehensive income. The negative trend of -12.5 million euros in 2016 is primarily explained by actuarial adjustments to DEME's pension plans (retirement age, accounting for defined contribution plans).

Assets

(€ 1,000)	Note	2016	2015
I. Non-current assets		8,523,262	7,952,062
Intangible assets	6	166,832	157,012
Goodwill	7	342,539	333,882
Tangible assets	8	2,134,639	1,945,772
Land and buildings		475,433	231,112
Plant, machinery and equipment		1,488,867	1,587,959
Furniture and vehicles		31,411	32,120
Other tangible assets		4,364	4,100
Assets under construction and advance payments		134,301	90,174
Operating lease - as lessor (IAS 17)		263	306
Investment property	9	1,010,754	955,090
Participations accounted for using the equity method	10	1,153,300	1,137,249
Financial fixed assets	11	289,146	261,386
Available for sale financial fixed assets		113,043	101,491
Receivables and warranties		176,103	159,894
Non-current hedging instruments	19	3,576	4,228
Amounts receivable after one year	11	160,669	138,445
Trade receivables		4,230	1,845
Finance lease receivables	15	129,272	113,956
Other receivables		27,167	22,644
Deferred tax assets	20	134,236	113,272
Banks - receivables from credit institutions and clients after one year	12	3,127,572	2,905,726
II. Current assets		4,247,159	4,261,397
Inventories	13	114,536	98,981
Amounts due from customers under construction contracts	13	247,803	370,095
Investments		621,408	636,083
Available for sale financial assets	11	621,405	636,073
Financial assets held for trading		3	10
Current hedging instruments	19	3,551	9,455
Amounts receivable within one year	11	1,405,260	1,365,992
Trade debtors		1,166,164	1,149,540
Finance lease receivables	15	47,850	43,750
Other receivables		191,245	172,703
Current tax receivables	20	24,429	11,748
Banks - receivables from credit institutions and clients within one year	12	1,041,064	994,336
Banks - loans and advances to banks		74,156	85,220
Banks - loans and receivables (excluding leases)		931,915	879,746
Banks - cash balances with central banks		34,993	29,370
Cash and cash equivalents		754,315	704,987
Time deposits for less than three months		156,773	204,333
Cash		597,542	500,654
Deferred charges and accrued income		34,793	69,720
III. Assets held for sale	9-10	104,637	39,587
Total assets		12,875,059	12,253,045

The breakdown of the consolidated balance sheet by segment is shown on page 136-137 of this report. This reveals that the full consolidation of Bank J.Van Breda & C° (Private Banking segment) has a significant impact on both the balance sheet total and the balance sheet structure of AvH. Bank J.Van Breda & C° contributes 4,992.2 million euros to the balance sheet total of 12,875.1 million euros, and although

this bank is solidly capitalized with a Core Tier 1 ratio of 14.8%, its balance sheet ratios, as explained by the nature of its activity, are different from those of the other companies in the consolidation scope. To improve the readability of the consolidated balance sheet, certain items from the balance sheet of Bank J.Van Breda & C° have been summarized in the consolidated balance sheet.

Equity and liabilities

(€ 1,000)	Note	2016	2015
I. Total equity		3,916,348	3,815,612
Equity - group share		2,783,083	2,607,339
Issued capital		113,907	113,907
Share capital		2,295	2,295
Share premium		111,612	111,612
Consolidated reserves		2,682,090	2,496,006
Revaluation reserves		11,915	21,817
Financial assets available for sale		31,145	32,153
Hedging reserves		-18,635	-17,821
Actuarial gains (losses) defined benefit pension plans		-11,569	-3,912
Translation differences		10,974	11,397
Treasury shares (-)	21	-24,830	-24,392
Minority interests	14	1,133,265	1,208,273
II. Non-current liabilities		2,675,375	2,617,200
Provisions	16	105,989	103,191
Pension liabilities	24	56,021	45,600
Deferred tax liabilities	20	256,685	217,986
Financial debts	17	1,413,303	1,336,904
Bank loans		892,811	812,546
Bonds		434,049	417,040
Subordinated loans		3,344	2,200
Finance leases		79,446	104,083
Other financial debts		3,654	1,035
Non-current hedging instruments	19	84,352	85,145
Other amounts payable after one year		54,346	46,230
Banks - non-current debts to credit institutions. clients & securities	18	704,680	782,144
Banks - deposits from credit institutions		0	0
Banks - deposits from clients		647,175	719,359
Banks - debt certificates including bonds		0	3
Banks - subordinated liabilities		57,505	62,782
III. Current liabilities		6,277,332	5,820,233
Provisions	16	37,865	34,392
Pension liabilities	24	214	246
Financial debts	17	560,632	438,892
Bank loans		299,610	274,998
Bonds		0	0
Finance leases		52,202	17,776
Other financial debts		208,819	146,118
Current hedging instruments	19	25,147	36,188
Amounts due to customers under construction contracts	13	222,816	212,179
Other amounts payable within one year		1,573,372	1,582,065
Trade payables		1,270,310	1,281,046
Advances received on construction contracts		3,814	4,138
Amounts payable regarding remuneration and social security		183,864	188,642
Other amounts payable		115,384	108,239
Current tax payables	20	51,989	49,603
Banks - current debts to credit institutions. clients & securities	18	3,727,271	3,395,076
Banks - deposits from credit institutions		24,422	42,007
Banks - deposits from clients		3,532,914	3,183,127
Banks - debt certificates including bonds		161,693	166,179
Banks - subordinated liabilities		8,242	3,763
Accrued charges and deferred income		78,027	71,593
IV. Liabilities held for sale	10	6,004	0
Total equity and liabilities		12,875,059	12,253,045

Cash flow statement (indirect method)

(€ 1,000)	2016	2015
I. Cash and cash equivalents - opening balance	704,987	922,226
Profit (loss) from operating activities	369,337	496,569
Reclassification 'Profit (loss) on disposal of assets' to cash flow from divestments	-25,102	-97,281
Dividends from participations accounted for using the equity method	65,608	42,548
Other non-operating income (expenses)	1,785	1,566
Income taxes	-65,173	-131,986
Non-cash adjustments		
Depreciation	262,910	275,012
Impairment losses	30,171	21,183
Share based payment	-1,618	2,194
Profit (loss) on assets/liabilities designated at fair value through profit and loss	-40,587	-82,463
(Decrease) increase of provisions	1,342	7,056
(Decrease) increase of deferred taxes	-13,146	50,447
Other non-cash expenses (income)	1,391	-6,989
Cash flow	586,920	577,855
Decrease (increase) of working capital	71,291	-163,854
Decrease (increase) of inventories and construction contracts	115,994	3,082
Decrease (increase) of amounts receivable	-37,227	-111,537
Decrease (increase) of receivables from credit institutions and clients (banks)	-265,930	-332,534
Increase (decrease) of liabilities (other than financial debts)	7,038	71,259
Increase (decrease) of debts to credit institutions, clients & securities (banks)	261,979	213,169
Decrease (increase) other	-10,563	-7,294
Cash flow from operating activities	658,211	414,001
Investments	-1,168,089	-912,027
Acquisition of intangible and tangible assets	-217,138	-308,165
Acquisition of investment property	-114,766	-36,223
Acquisition of financial fixed assets	-222,562	-209,509
New amounts receivable	-81,695	-19,444
Acquisition of investments	-531,929	-338,685
Divestments	701,601	603,454
Disposal of intangible and tangible assets	9,275	32,568
Disposal of investment property	66,146	23,974
Disposal of financial fixed assets	51,563	206,975
Reimbursements of amounts receivable	35,527	8,593
Disposal of investments	539,090	331,344
Cash flow from investing activities	-466,488	-308,573
Financial operations		
Interest received	11,142	9,830
Interest paid	-57,421	-54,954
Other financial income (costs)	-20,366	-24,964
Decrease (increase) of treasury shares	-801	-4,110
(Decrease) increase of financial debts	53,279	-169,852
Distribution of profits	-64,980	-60,363
Dividends paid to minority interests	-64,717	-49,172
Cash flow from financial activities	-143,863	-353,586
II. Net increase (decrease) in cash and cash equivalents	47,859	-248,158
Change in consolidation scope or method	1,814	27,857
Capital increases (minorities)	275	1,799
Impact of exchange rate changes on cash and cash equivalents	-620	1,263
III. Cash and cash equivalents - ending balance	754,315	704,987

A detailed cash flow statement per segment is presented on page 139 of this report.

Statement of changes in consolidated equity

(€ 1,000)	Revaluation reserves						Treasury shares	Equity - group share	Minority interests	Total equity
	Issued capital & share premium	Consolidated reserves	Financial assets available for sale	Hedging reserves	Actuarial gains (losses) defined benefit pension plans	Translation differences				
Opening balance, 1 January 2015	113,907	2,276,983	25,322	-16,646	-5,290	-173	-22,029	2,372,075	1,097,172	3,469,247
Profit		284,079						284,079	153,175	437,254
Unrealised results			6,831	-1,175	1,378	11,569		18,604	10,102	28,706
Total of realised and unrealised results	0	284,079	6,831	-1,175	1,378	11,569	0	302,683	163,277	465,960
Distribution of dividends of the previous financial year		-60,363						-60,363	-49,172	-109,535
Operations with treasury shares							-2,363	-2,363		-2,363
Other (a.o. changes in consol. scope / beneficial interest %)		-4,693						-4,693	-3,004	-7,697
Ending balance, 31 December 2015	113,907	2,496,006	32,153	-17,821	-3,912	11,397	-24,392	2,607,339	1,208,273	3,815,612

(€ 1,000)	Revaluation reserves						Treasury shares	Equity - group share	Minority interests	Total equity
	Issued capital & share premium	Consolidated reserves	Financial assets available for sale	Hedging reserves	Actuarial gains (losses) defined benefit pension plans	Translation differences				
Opening balance, 1 January 2016	113,907	2,496,006	32,153	-17,821	-3,912	11,397	-24,392	2,607,339	1,208,273	3,815,612
Profit		224,237						224,237	141,816	366,053
Unrealised results			-1,007	-814	-7,658	-423		-9,902	-14,402	-24,305
Total of realised and unrealised results	0	224,237	-1,007	-814	-7,658	-423	0	214,335	127,414	341,748
Distribution of dividends of the previous financial year		-64,980						-64,980	-64,717	-129,696
Operations with treasury shares							-438	-438		-438
Other (a.o. changes in consol. scope / beneficial interest %)		26,827						26,827	-137,705	-110,878
Ending balance, 31 December 2016	113,907	2,682,090	31,145	-18,635	-11,569	10,974	-24,830	2,783,083	1,133,265	3,916,348

The note to the revaluation reserves, which in accordance with IFRS rules are recognized directly in the equity, can be found on page 113 of this report.

On the 1st of June 2016, AvH paid a dividend of 1.96 euros per share.

In 2016 AvH sold 20,000 and purchased 15,000 treasury shares as part of the stock option plan for its personnel. As at December 31, 2016, there were a total of 331,000 stock options outstanding. To hedge those obligations and the options that were offered at the beginning of 2017, AvH (together with subsidiary Brinvest) had a total of 352,000 shares in portfolio.

In addition, 341,058 AvH shares were purchased and 340,912 AvH shares sold in 2016 as part of the agreement that AvH has concluded with Kepler Cheuvreux to support the liquidity of the AvH share. Kepler Cheuvreux acts entirely autonomously in those transactions, but as they are carried out on behalf of AvH, the net purchase of 146 AvH shares in this context has a (limited) impact on AvH's equity.

The item 'Other' in the statement of changes in consolidated equity consists for the most part of the negative consolidation difference of 27.3 million euros that was recognized on the acquisition at September 30, 2016, of NPM Capital's 26% minority interest in Sofinim. Since AvH already controlled Sofinim at the time of the transaction, this amount is recognized directly in the equity.

General data regarding the capital

Issued capital

The issued capital amounts to 2,295,277.90 euros. The capital is fully paid-up and is represented by 33,496,904 shares without nominal value. Please refer to page 180 for more details regarding AvH's authorised capital.

Capital management

At year-end 2016, AvH (including subholdings) had a net cash position of 68.3 million euros, compared with 76.3 million euros at year-end 2015. Besides cash and short-term deposits, this cash position consisted of 68.0 million euros in short-term investments (including treasury shares) and 30.4 million euros in short-term debt in the form of commercial paper. The group's net cash position decreased only slightly in relation to 2015, despite the investments made during the year in a.o. Sofinim and Green Offshore/Rentel. We refer to page 140 for more information on the net cash position of AvH (including Sofinim and subholdings).

In addition to the commercial paper programs that allow AvH to issue commercial paper in an aggregate amount of 250 million euros, AvH has, as of 31/12/2016, confirmed credit lines of 280 million euros spread over different banks. As a rule, AvH does not make commitments or grant securities with respect to liabilities of the group companies. The same rule applies vice versa. Exceptions to this rule are made in special cases only.

Note 1: IFRS valuation rules

Statement of compliance

The consolidated annual accounts are prepared in accordance with the International Financial Reporting Standards and IFRIC interpretations effective on 31 December 2016, as approved by the European Commission.

The financial reporting principles applied are consistent with those of the previous financial year, except for the following new and amended IFRS standards and IFRIC interpretations that apply with effect from January 1, 2016:

- Amendments to IFRS 10, IFRS 12 and IAS 28 – Investment Entities: Applying the Consolidation Exception, effective as from January 1, 2016
- Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations, effective as from January 1, 2016
- Amendments to IAS 1 Presentation of Financial Statements - Disclosure Initiative, effective as from January 1, 2016
- Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortisation, effective as from January 1, 2016
- Amendments to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture - Bearer Plants, effective as from January 1, 2016
- Amendments to IAS 19 Employee Benefits - Defined Benefit Plans: Employee Contributions, effective as from February 1, 2015
- Amendments to IAS 27 Separate Financial Statements - Equity Method in Separate Financial Statements, effective as from January 1, 2016
- Annual Improvements to IFRSs - 2010-2012 Cycle (published December 2013), effective as from February 1, 2015
- Annual Improvements to IFRSs - 2012-2014 Cycle (published September 2014), effective as from January 1, 2016

Except for the amendment to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture - Bearer Plants, the application of these amendments to the other existing standards had no impact on the present or previous period, and is not likely to have an impact on future periods.

Application of the amendments to IAS 16 Property, Plant and Equipment and IAS 41 Biological Assets - Bearer Plants

In November 2015, the amendments to IAS 16 (Property, Plant and Equipment) and IAS 41 (Biological Assets – Bearer Plants) were approved for implementation within the European Union as from January 1, 2016, at the latest. Consequently, 'bearer plants' must again be measured at historical cost instead of at fair value.

Sipef has opted for the early application of this standard to the financial statements of the 2015 financial year and to restate its financial statements of the previous period. At first it was considered that the portion of the biological assets that conceptually remains within the scope of IAS 41 Biological Assets - generally designated as the 'growing agricultural produce' - could not be objectively distinguished from the bearer plants and therefore could not be reliably measured at fair value. In the course of 2016, a benchmark approach was developed in the palm oil industry to define the growing agricultural produce as the oil contained in the palm fruit, so that the fair value of this distinct asset can be estimated reliably. The limited impact of this restatement amounts to -0.6 million USD on the net result (2015) of Sipef and +1.6 million USD on its equity, share of the group. This change has no material impact on the consolidated financial statements of AvH (Sipef 27.6% in 2015); consequently, the 2015 income statement of AvH was not restated and the impact was recognized through equity.

New and amended standards and interpretations

Certain new standards and amendments to existing standards were published by the IASB, but were not yet compulsory for the financial year beginning on January 1, 2016, and were not applied early. AvH intends to apply those standards and interpretations once they become effective.

- IFRS 9 Financial Instruments, effective as from January 1, 2018
- IFRS 15 Revenue from Contracts with Customers, including amendments to IFRS 15: Effective date of IFRS 15, effective as from January 1, 2018
- IFRS 16 Leases, effective as from January 1, 2019*
- Amendments to IAS 7 Statement of Cash Flows - Disclosure Initiative, effective as from January 1, 2017*

- Amendments to IAS 12 Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses, effective as from January 1, 2017*

IFRS 9 Financial Instruments

The final version of IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for financial years beginning on or after January 1, 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

(I) Classification and measurement:

The classification of financial assets will be determined in two steps:

- The 'business model' test will determine how a portfolio is managed as a whole.
- The 'Solely Payment of Principal and Interest (SPPI)' test will determine the characteristics of the contractual cash flows.

The consequences of reclassification are currently examined throughout AvH and its participations, although it is expected that the classification and measurement of financial assets will largely concur with IAS 39. No changes are expected for financial liabilities.

(II) Impairment

The introduction of IFRS 9 involves a changeover from an 'incurred loss' model to an 'expected loss' model as regards impairments. Under IFRS 9, a provision must be constituted for expected losses at the start of a contract. In general, all financial assets will carry a provision for credit losses (save for a few exceptions). Given the quality of the loan portfolio of Bank J. Van Breda & C°, the impact on equity will be very limited. The other participations will continue their impact assessment. In 2017, Bank J. Van Breda & C° will further implement the IFRS 9 concepts in its models, systems, processes and governance. There will also be a parallel run.

(III) The amended hedge accounting rules are not expected to have a significant impact.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 introduces a five-step model to recognize revenue from contracts with customers. Under IFRS 15, revenue from the transfer of goods or services is recognized in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The new standard replaces all existing IFRS requirements for revenue recognition. For financial years beginning on or after January 1, 2018, full retrospective application or modified retrospective application is required.

AvH will introduce the new standard on the required effective date and will probably opt for the full retrospective method. The main participations are currently engaged on this exercise. According to a first assessment, the impact will be fairly limited. Although the consequences of the introduction of IFRS 15 are not quantified at this stage, AvH expects that the principle of revenue recognition in contract activities will remain the same; only the spread of the revenue recognition over time may differ for certain specific contracts.

IFRS 16 Leases*: This new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases (1/1/2019) and replaces IAS 17. As a result, all operating lease and rental obligations (such as real estate leases) must appear on the balance sheet. The impact of this has yet to be determined.

Principles of consolidation

The consolidated annual accounts contain the financial details of the parent AvH NV, its subsidiaries and jointly controlled companies, as well as the share of the group in the results of the associated companies.

1. Subsidiaries

Subsidiaries are entities which are controlled by the group. Control exists when AvH (a) has power over the subsidiary; (b) is exposed, or has rights, to variable returns from its involvement with the subsidiary; and (c) has the ability to affect those returns through its power over the subsidiary. The participating interests in subsidiaries are consolidated in full as from the date of acquisition until the end of the control.

The financial statements of the subsidiaries have been prepared for the same reporting period as AvH and uniform IFRS valuation rules have been used. All intra-group

*Not yet endorsed by the European Commission as at 31 of March 2017

transactions and unrealised intragroup profits and losses on transactions between group companies have been eliminated. Unrealised losses have been eliminated unless they concern an impairment.

2. Jointly controlled subsidiaries and associated participating interests

Jointly controlled subsidiaries

Companies which are controlled jointly (defined as those entities in which the group has joint control, among others via the shareholders' percentage or via contractual agreement with one or more of the other shareholders and that are considered to be joint ventures) are included on the basis of the equity method as from the date of acquisition until the end of the joint control.

Associated participating interests

Associated participating interests in which the group has a significant influence, more specifically companies in which AvH has the power to participate (without control) in the financial and operational management decisions, are included in accordance with the equity method, as from the date of acquisition until the end of the significant influence.

The equity method

According to the equity method, the participating interests are initially recorded at cost and the carrying amount is subsequently modified to include the share of the group in the profit or loss of the participating interest, as from the date of purchase. The financial statements of these companies are prepared for the same reporting period as AvH and uniform IFRS valuation rules are applied. Unrealised intragroup profits and losses on transactions are eliminated to the extent of the interest in the company.

Intangible fixed assets

Intangible fixed assets with a finite useful life are stated at cost, less accumulated amortisation and any accumulated impairment losses.

Intangible fixed assets are amortised on a straight-line basis over the useful economic life. The useful economic life is stated per annum and this is also the case for any residual value. The residual value is assumed to be zero.

Intangible fixed assets with indefinite useful life, stated at cost, are not amortised but are subject to an impairment test on an annual basis and whenever indications of a possible impairment occur.

Costs for starting up new activities are included in the profit or loss at the time they occur.

Research expenses are taken into profit or loss in the period in which they arise. Development expenses that meet the severe recognition criteria of IAS 38 are capitalised and amortised over the useful life.

The valuation rules applied when accounting for acquisitions of residential care centres are as follows:

- Authorizations and operating licenses that have been acquired are initially recognised in the consolidation at their value in use or fair value at the time of acquisition.
- Executable building permits that have been acquired are initially recognised in the consolidation at their value in use or fair value at the time of acquisition. This only takes into account the potential net capacity expansion.
- These authorization and advanced licences and permits are recognised under intangible assets and amortised over a period of 33 years. If a long lease is concluded, the amortisation period is the same as the term of the long lease. Amortisation starts when the building is provisionally completed and operated. Operating licences are not amortised since in principle they are of unlimited duration.
- In accordance with IAS 36, intangible fixed assets with an indefinite useful life are subject to an annual impairment test by comparing their carrying amount with their recoverable amount. The recoverable amount is the higher of the fair value less cost to sell and the value in use.

Goodwill

Goodwill is the positive difference between the cost of the business combination and the share of the group in the fair value of the acquired assets, the acquired liabilities and contingent liabilities of the subsidiary, jointly controlled subsidiary or associated participating interests at the time of the acquisition.

Goodwill is not amortised but is subject to an annual impairment test and whenever indications of a possible impairment have occurred.

Tangible fixed assets

Tangible fixed assets are carried at cost or production cost less accumulated amortisations and any impairments.

Tangible fixed assets are amortised on a straight-line basis over the useful economic life. The useful life is reviewed on a yearly basis and this is also the case for any residual value.

Repair and maintenance expenses for tangible assets are recognized as an expense in the period in which they occur, unless they result in an increase of the future economic benefit of the respective tangible fixed assets, which justifies their capitalisation. Assets under construction are amortised as from the time they are taken into use. Government grants are recorded as deferred income and taken into profit as income over the useful life of the asset following a systematic and rational basis.

Impairment of fixed assets

On each closing date, the group verifies whether there are indications that an asset is subject to an impairment. In the event that such indications are present, an estimation is made of the recoverable amount. When the carrying amount of an asset is higher than the recoverable amount, an impairment is recorded in order to bring the carrying amount of the asset back to the recoverable amount.

The recoverable amount of an asset is defined as the higher of the fair value minus costs to sell (assuming a voluntary sale) and the value in use (based upon the net present value of the estimated future cash flows). Any resulting impairments are charged to the profit and loss account.

Previously recorded impairments, except on goodwill and available for sale financial assets, are reversed through the profit and loss account when they are no longer valid.

Leasing and related rights - investment property

1. The group's company is lessee

Finance lease

(group's company carries all substantial risks and rewards of ownership)

At the start of the lease period, the assets and liabilities are recognized at fair value of the leased asset or if lower, the net present value of the minimum lease payments, as determined at the time of the beginning of the lease. The discount rate used for the calculation of the net present value of the minimum lease payments is the interest rate implied in the lease agreement, insofar as this rate can be determined. In the other case, the marginal interest rate of the lessee is to be used.

Operating lease

(substantial risks and rewards remain with the lessor)

The lease payments are recognized at cost on a straight-line basis over the lease period, unless a different systematic basis better represents the time pattern of the rewards for the user.

2. The group's company is acting as lessor

Finance lease

The finance lease contracts are recorded in the balance sheet under the long and short-term receivables at the present value of the future lease payments and the residual value, irrespective of whether the residual value is guaranteed. The accrued interests are recognized in the income statement, calculated at the interest rate implied in the lease.

Acquisition costs related to lease contracts and allocatable to the contract are recorded in the income statement across the term of the contract. Acquisition costs which cannot be allocated to a contract (super commission, certain campaigns) are immediately recorded in the income statement.

Operating lease

The operating leases concern leases which do not qualify as a finance lease. A distinction is made between operating leases which, in accordance with IAS 17, are measured at cost, and operating leases which are considered as investment property and which, in accordance with IAS 40.33 are measured at fair value by which means the changes in fair value are recorded in the profit and loss account.

The difference between both types depends on the calculation method of the option. If the call option takes into account the market value, the contract will be qualified as a property investment. In all other cases, these contracts are considered as operating leases in accordance with IAS 17.

3. Investment property - leased buildings and project developments

These investments cover buildings which are ready to be leased (operative real estate investments) as well as buildings under construction or being developed for future use as operative real estate investments (project development).

Investment property is measured at fair value through profit or loss. On a yearly basis, the fair value of the leased buildings is determined upon valuation reports.

Financial instruments

1. Available-for-sale financial assets

Available-for-sale shares and securities are measured at fair value. Changes in fair value are reported in other comprehensive income until the sale or impairment of the investments, in which case the cumulative revaluation is recorded in the income statement. When the fair value of a financial asset cannot be defined reliably, it is valued at cost.

When a decline in the fair value of an available-for-sale financial asset had been recognized directly in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative losses that had been recognized directly in other comprehensive income are recorded in the profit and loss account.

2. Financial assets designated at fair value through profit and loss

Changes in fair value of 'financial assets designated at fair value through profit or loss' are recorded in the profit and loss account.

3. Derivative financial instruments

The operational subsidiaries belonging to the AvH-group are each responsible for their risk management, such as exchange risk, interest risk, credit risk, commodity risk, etc. The risks vary according to the particular business where the subsidiaries are active and therefore they are not managed centrally at group level. The respective executive committees report to their board of directors or audit committee regarding their hedging policy.

At the level of AvH and subholdings, the (mainly interest) risks are however managed centrally by the AvH Coordination Centre. Derivative instruments are initially valued at cost. Subsequently, these instruments are recorded in the balance sheet at their fair value; the changes in fair value are reported in the income statement unless these instruments are part of hedging transactions.

Cash flow hedges

The value fluctuations of a derivative financial instrument that complies with the strict conditions for recognition as a cash flow hedge are recorded in other comprehensive income for the effective part. The ineffective part is recorded directly in the profit and loss account. The hedging results are recorded out of other comprehensive income into the profit and loss account at the moment the hedged transaction influences the result.

Fair value hedges

Changes in fair value of a derivative instrument that is formally allocated to hedge the changes of fair value of recorded assets and liabilities, are recognized in the profit and loss account together with the profits and losses caused by the fair value revaluation of the hedged component. The value fluctuations of derivative financial instruments, which do not meet the criteria for fair value hedge or cash flow hedge are recorded directly in the profit and loss account.

4. Interest-bearing debts and receivables

Financial debts and receivables are valued at amortised cost using the effective interest method.

5. Trade receivables and other receivables

Trade receivables and other receivables are valued at nominal value, less any impairments for irrecoverable receivables.

6. Cash and cash equivalents

Cash and cash equivalents consist of cash and short-term investments and are recorded on the balance sheet at nominal value.

Inventories / construction contracts

Inventories are valued at cost (purchase or production cost) or at net realisable value when this is lower. The production cost comprises all direct and indirect costs incurred in bringing the inventories to their completion at balance sheet date and this corresponds with the estimated sales prices in normal circumstances, minus the handling, marketing and distribution costs (net realizable value). Construction contracts are valued according to the Percentage of Completion method whereby the result is recognized in accordance with progress of the works. Expected losses are immediately recognized as an expense.

Capital and reserves

Costs which are related to a capital transaction are deducted from the capital. The purchase of treasury shares is deducted from equity at purchase price. Subsequent sale or cancellation at a later date does not affect the result; profits and losses with regard to treasury shares are recorded directly in equity.

Translation differences

Statutory accounts

Transactions in foreign currency are recorded at the exchange rate on the date of the transaction. Positive and negative unrealised translation differences, resulting from the calculation of monetary assets and liabilities at closing rate on balance sheet date, are recorded as income or cost respectively in the profit and loss account.

Consolidated accounts

Based upon the closing rate method, assets and liabilities of the consolidated subsidiary are converted at closing rate, while the income statement is converted at the average rate of the period, which results in translation differences included in the consolidated other comprehensive income.

Provisions

A provision is recognized if a company belonging to the group has a (legal or indirect) obligation as a result of a past event, and it is probable that the settlement of this obligation will require an outflow and the amount of this obligation can be determined in a reliable manner. In the event that the difference between the nominal and discounted value is significant, a provision is recorded for the amount of the discounted value of the estimated expenses. The resulting increase of the provision in proportion to the time is recorded as an interest charge.

Restructuring

Provisions for restructuring costs are only recognized when the group already has a detailed and approved restructuring plan and the planned restructuring has already started or been announced to the relevant staff members. No provisions are made for costs relating to the normal activities of the group.

Guarantees

A provision is made for warranty obligations relating to delivered products, services and contracts, based upon statistical data from the past.

Contingent assets and liabilities

Contingent assets and liabilities are mentioned in the note "Rights and commitments not reflected in the balance sheet" if their impact is important.

Taxes

Taxes concern both current taxes on the result as deferred taxes. Both types of taxes are recorded in the profit and loss accounts except when they relate to components being part of the equity and therefore allocated to the equity. Deferred taxes are based upon the balance sheet method applied on temporary differences between the carrying amount of the assets and liabilities of the balance sheet and their tax base. The main temporary differences consist of different amortisation percentages of tangible fixed assets, provisions for pensions and carry-forward tax losses. Deferred tax liabilities are recognized for all taxable temporary differences:

- except when the deferred tax liability arises from the original recognition of goodwill or the initial recording of assets and liabilities in a transaction that is not a business combination and that at the time of the transaction has no impact on the taxable profit;
- except with regard to investments in subsidiaries, joint and associated companies, where the group is able to control the date when the temporary difference will be reversed, and it is not likely that the temporary difference will be reversed in the foreseeable future.

Deferred tax assets are recorded for all deductible temporary differences and on carry-forward tax credits and tax losses that can be recovered, to the extent that it is probable that there will be taxable profits in the near future in order to be able to enjoy the tax benefit. The carrying amount of the deferred tax assets is verified on every balance sheet date and impaired to the extent that it is no longer probable that sufficient taxable profit will be available to credit all or part of the deferred taxes. Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Employee benefits

Employee benefits consist of short-term employee benefits, postemployment benefits, other long-term employee benefits, redundancy pay and rewards in equity instruments. The post-employment benefits include the pension plans, life insurance policies and insurance policies for medical assistance. Pension plans with fixed contribution or defined benefit plans are provided through separate funds or insurance plans. In addition, employee benefits consisting of equity instruments also exist.

Pension plans

Defined Contribution Plans

Several subsidiaries within the group have taken out group insurance policies for the benefit of their employees. Since those subsidiaries are obliged to make additional payments if the average return on the employers' contributions and on the employees' contributions is not attained, those plans should be treated as "defined benefit" plans in accordance with IAS19. The liability is measured according to the projected unit credit method.

Defined Benefit Plans

The group has a number of defined benefit pension plans for which contributions are paid into a separately managed fund. The costs of the defined benefit pension plans are actuarially determined using the 'projected unit credit' method.

Remeasurements, composed of actuarial gains and losses, the effect of changes to the asset ceiling and the return on plan assets, are directly recognized in the balance sheet; a corresponding amount is credited or charged to retained earnings through other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the effective date of the change or restriction of the pension plan or the date on which the group accounts for reorganization costs, whichever occurs first.

Net interest is calculated by applying the discount rate to the net defined benefit asset or liability and is recognized in consolidated profit or loss.

Employee benefits in equity instruments

On different levels stock option plans exist within the Ackermans & van Haaren group, giving employees the right to buy AvH shares or the shares of some subsidiary at a predefined price. This price is determined at the time when the options are granted and it is based on the market price or the intrinsic value.

The performance of the beneficiary is measured (at the moment of granting) on the basis of the fair value of the granted options and warrants and recognized in the profit and loss account at the time when the services are rendered during the vesting period.

Recognition of revenue

The revenue is recognized in accordance with IFRS standards taking into account the specific activities of each sector.

Discontinued operations

The assets, liabilities and net results of the discontinued operations are reported separately in a single item on the consolidated balance sheet and profit and loss account. The same reporting applies for assets and liabilities held for sale (measured at the lower of its carrying amount and fair value less costs to sell).

Events after balance sheet date

Events may occur after the balance sheet date which provide additional information with regard to the financial situation of the company at balance sheet date (adjusting events). This information allows the adjustment of estimations and a better reflection of the actual situation on the balance sheet date. These events require an adjustment of the balance sheet and the profit and loss account. Other events after balance sheet date are mentioned in the notes if they have a significant impact.

Earnings per share

The group calculates both the basic earnings per share as the diluted earnings per share in accordance with IAS 33. The basic earnings per share are calculated on the basis of the weighted average number of outstanding shares during the period. Diluted earnings per share are calculated according to the average number of shares outstanding during the period plus the diluted effect of the warrants and stock options outstanding during the period.

Segment reporting

AvH is a diversified group which is active in the following core sectors:

1. **Marine Engineering & Contracting** with DEME, one of the largest dredging companies in the world, CFE and Algemene Aannemingen Van Laere, two construction groups with headquarters in Belgium, Rent-A-Port and Green Offshore.
2. **Private Banking** with Delen Private Bank, one of the largest independent private asset managers in Belgium and asset manager JM Finn & Co in the UK, Bank J.Van Breda & C°, a niche-bank for entrepreneurs and liberal professions in Belgium and the insurance group ASCO-BDM.

3. **Real Estate & Senior Care** with Leasinvest Real Estate, a listed real estate investment trust, Extensa Group, an important land and real estate developer and Anima Care and HPA (Residalya and Patrimoine & Santé), both active in the health & care sector.
4. **Energy & Resources**, Sipef, an agro-industrial group in tropical agriculture, Sagar Cements, Oriental Quarries & Mines and Nationale Maatschappij der Pijpleidingen.
5. **AvH & Growth Capital** with Sofinim and GIB and their respective Growth Capital participations.

The segment information in the financial statements of AvH is published in line with IFRS 8.

Note 2: subsidiaries and jointly controlled subsidiaries

1. Fully consolidated subsidiaries

Name of subsidiary	Registration nr	Registered office	Beneficial interest % 2016	Beneficial interest % 2015	Minority interest % 2016	Minority interest % 2015
Marine Engineering & Contracting						
CFE ⁽¹⁾	0400.464.795	Belgium	60.40%	60.40%	39.60%	39.60%
DEME ⁽¹⁾	0400.473.705	Belgium	60.40%	60.40%	39.60%	39.60%
Rent-A-Port	0885.565.854	Belgium	72.18%	72.18%	27.82%	27.82%
International Port Engineering and Management (IPEM)	0441.086.318	Belgium	72.18%	72.18%	27.82%	27.82%
Infra Asia Consultancy and Project Management	0891.321.320	Belgium	72.18%	72.18%	27.82%	27.82%
Rent-A-Port Green Energy ⁽²⁾	0832.273.757	Belgium	72.18%		27.82%	
IPEM Holdings		Cyprus	72.18%	72.18%	27.82%	27.82%
Port Management Development		Cyprus	72.18%	72.18%	27.82%	27.82%
Infra Asia Consultancy Ltd.		Hong Kong	72.18%	72.18%	27.82%	27.82%
Rent-A-Port Reclamation		Hong Kong	72.18%	72.18%	27.82%	27.82%
OK SPM FTZ Enterprise		Nigeria	72.18%	72.18%	27.82%	27.82%
Société d'Investissement Portuaire de Guinée ⁽³⁾		Guinea	50.53%		49.47%	
Green Offshore (ex-Rent-A-Port Energy) ⁽⁴⁾	0832.273.757	Belgium	80.20%	73.15%	19.80%	26.85%
Algemene Aannemingen Van Laere	0405.073.285	Belgium	100.00%	100.00%		
Anmeco	0458.438.826	Belgium	100.00%	100.00%		
Groupe Thiran	0425.342.624	Belgium	100.00%	100.00%		
TPH Van Laere	43.434.858.544	France	100.00%	100.00%		
Vandendorpe	0417.029.625	Belgium	100.00%	100.00%		
Wefima	0424.903.055	Belgium	100.00%	100.00%		
Alfa Park	0834.392.218	Belgium	100.00%	100.00%		
Galilée ⁽⁵⁾	0550.717.104	Belgium	49.00%	49.00%	51.00%	51.00%
Private Banking						
Bank J. Van Breda & C°	0404.055.577	Belgium	78.75%	78.75%	21.25%	21.25%
ABK bank	0404.456.841	Belgium	78.74%	78.74%	21.26%	21.26%
Beherman Vehicle Supply	0473.162.535	Belgium	63.00%	63.00%	37.00%	37.00%
Finaxis	0462.955.363	Belgium	78.75%	78.75%	21.25%	21.25%
Real Estate & Senior Care						
Extensa Group	0425.459.618	Belgium	100.00%	100.00%		
Extensa	0466.333.240	Belgium	100.00%	100.00%		
Extensa Development	0446.953.135	Belgium	100.00%	100.00%		
Extensa Istanbul	566454 / 514036	Turkey	100.00%	100.00%		
Extensa Luxembourg	1999.2229.988	Luxembourg	100.00%	100.00%		
Extensa Participations I	2004.2421.120	Luxembourg	100.00%	100.00%		
Extensa Participations II	2004.2421.090	Luxembourg	100.00%	100.00%		
Extensa Participations III	2012.2447.996	Luxembourg	100.00%	100.00%		
Extensa Romania	J40.24053.2007	Romania	100.00%	100.00%		
Extensa Slovakia	36.281.441	Slovakia	100.00%	100.00%		
Grossfeld Developments ⁽⁶⁾	2012.2448.267	Luxembourg	100.00%	100.00%		
Grossfeld Immobilière	2001.2234.458	Luxembourg	100.00%	100.00%		
Grossfeld Participations	2012.2447.856	Luxembourg	100.00%	100.00%		
Implant	0434.171.208	Belgium	100.00%	100.00%		
Leasinvest Finance (merged with Extensa Group)	0461.340.215	Belgium		100.00%		
Leasinvest Real Estate Management	0466.164.776	Belgium	100.00%	100.00%		
RFD	0405.767.232	Belgium	100.00%	100.00%		
RFD CEE Venture Capital	801.966.607	The Netherlands	100.00%	100.00%		
Project T&T	0476.392.437	Belgium	100.00%	100.00%		
T&T Public Warehouse	0863.093.924	Belgium	100.00%	100.00%		
T&T Parking	0863.091.251	Belgium	100.00%	100.00%		
T&T Tréfonds	0807.286.854	Belgium	100.00%	100.00%		
T&T Services	0628.634.927	Belgium	100.00%	100.00%		
T&T Douanehotel ⁽⁷⁾	0406.211.155	Belgium	100.00%			
Beekbaarimmo	19.992.223.718	Luxembourg	100.00%	100.00%		
UPO Invest	0473.705.438	Belgium	100.00%	100.00%		
VAC De Meander ⁽⁸⁾	0628.888.216	Belgium	100.00%	51.00%		49.00%
Vilvolease	0456.964.525	Belgium	100.00%	100.00%		
Leasinvest Real Estate ⁽⁹⁾	0436.323.915	Belgium	30.01%	30.01%	69.99%	69.99%

Note 2: subsidiaries and jointly controlled subsidiaries (continued)

1. Fully consolidated subsidiaries (continued)

Name of subsidiary	Registration nr		Registered office	Beneficial interest % 2016		Beneficial interest % 2015		Minority interest % 2016		Minority interest % 2015	
Real Estate & Senior Care (continued)											
Anima Care ⁽¹⁰⁾	0469.969.453		Belgium	92.50%		92.50%		7.50%		7.50%	
Gilman	0870.238.171		Belgium	92.50%		92.50%		7.50%		7.50%	
Anima Vera	0452.357.718		Belgium	92.50%		92.50%		7.50%		7.50%	
Engagement	0462.433.147		Belgium	92.50%		92.50%		7.50%		7.50%	
Le Gui	0455.218.624		Belgium	92.50%		92.50%		7.50%		7.50%	
Au Privilège	0428.283.308		Belgium	92.50%		92.50%		7.50%		7.50%	
Huize Philemon & Baucis	0462.432.652		Belgium	92.50%		92.50%		7.50%		7.50%	
Anima Cura	0480.262.143		Belgium	92.50%		92.50%		7.50%		7.50%	
Glamar	0430.378.904		Belgium	92.50%		92.50%		7.50%		7.50%	
Zorgcentrum Lucia	0818.244.092		Belgium	61.67%		61.67%		38.33%		38.33%	
Résidence Parc des Princes	0431.555.572		Belgium	92.50%		92.50%		7.50%		7.50%	
Résidence St. James	0428.096.434		Belgium	92.50%		92.50%		7.50%		7.50%	
Château d'Awans	0427.620.342		Belgium	92.50%		92.50%		7.50%		7.50%	
Home Scheut	0458.643.516		Belgium	92.50%		92.50%		7.50%		7.50%	
Le Birmingham	0428.227.284		Belgium	92.50%				7.50%			
Duneroze	0536.809.777		Belgium	92.50%				7.50%			
Zandsteen	0664.573.823		Belgium	92.50%				7.50%			
HPA (ex-Ligno Power) ⁽¹¹⁾	0818.090.674		Belgium	70.86%				29.14%			
Operations / Real estate residences ⁽¹¹⁾											
Residalya / Patrimoine & Santé	480.081.397	484.065.586	France	70.86%	52.22%	87.42%		29.14%	47.78%	12.58%	
Residalya Real Estate / P&S Real Estate	480.081.819	487.599.102	France	70.86%	52.22%	87.42%		29.14%	47.78%	12.58%	
Inova	450.720.883		France	35.57%		43.89%		64.43%		56.11%	
La Chenaie / Saint Ciers Invest	343.356.028	491.430.781	France	70.86%	52.22%	87.42%		29.14%	47.78%	12.58%	
Le Jardin Des Loges / Bonnet Invest	394.806.541	485.191.951	France	70.86%	52.22%	87.42%		29.14%	47.78%	12.58%	
Le Mont Des Landes / Saint Savest	401.600.481	491.485.371	France	70.86%	52.22%	87.42%		29.14%	47.78%	12.58%	
Les Alysés / Troyes Invest	527.799.811	503.163.123	France	70.86%	52.22%	87.42%		29.14%	47.78%	12.58%	
Les Portes De Champagne	338.568.389		France	70.86%		87.42%		29.14%		12.58%	
Les Portes De Nimes / Poulx Invest	423.582.055	491.006.300	France	70.86%	52.22%	87.42%		29.14%	47.78%	12.58%	
Les Portes Du Jardin / Tonny Invest	481.193.027	479.843.146	France	70.86%	52.22%	87.42%		29.14%	47.78%	12.58%	
Residalya Bésançon / Chazal Invest	509.668.950	505.407.221	France	70.86%	52.22%	87.42%		29.14%	47.78%	12.58%	
Residalya BL	534.425.574		France	70.86%		87.42%		29.14%		12.58%	
Residalya Courchelettes / Courchelettes Invest	531.354.801	510.895.162	France	70.86%	52.22%	87.42%		29.14%	47.78%	12.58%	
Residalya Dijon / Dijon Invest	522.014.059	510.800.824	France	70.86%	52.22%	87.42%		29.14%	47.78%	12.58%	
Residalya Garons / Garons Invest	534.425.608	808.415.368	France	70.86%	52.22%	87.42%		29.14%	47.78%	12.58%	
Residalya Haute Goulaine / Goulaine Invest	492.700.885	495.191.918	France	70.86%	52.22%	87.42%		29.14%	47.78%	12.58%	
Residalya Le Lavandou / Grand Batailler Invest	534.860.036	510.895.337	France	70.86%	52.22%	87.42%		29.14%	47.78%	12.58%	
Residalya Le Rove / Marseille Le Rove Invest	490.173.614	499.376.457	France	70.86%	52.22%	87.42%		29.14%	47.78%	12.58%	
Residalya Les Rives D'Allier / Pont Du Château Invest	491.818.779	492.578.505	France	70.86%	52.22%	87.42%		29.14%	47.78%	12.58%	
Residalya Orléans / Orléans Invest	534.476.536	519.062.228	France	70.86%	52.22%	87.42%		29.14%	47.78%	12.58%	
Residalya Résidence Automne / Champs Invest	501.535.371	534.103.262	France	70.86%	52.22%	87.42%		29.14%	47.78%	12.58%	
Residalya Séolanes / Seolanes Invest	501.479.638	387.965.502	France	70.86%	52.22%	87.42%		29.14%	47.78%	12.58%	
Residalya St. Marcel / Saint Marcel Invest	531.418.564	522.169.861	France	70.86%	52.22%	87.42%		29.14%	47.78%	12.58%	
Residalya Villers Semeuse / Villers Semeuse invest	527.736.441	510.800.808	France	70.86%	52.22%	87.42%		29.14%	47.78%	12.58%	
Residalya Projet 7	815.347.711		France	70.86%		87.42%		29.14%		12.58%	
Résidence Du Littoral / Saint Augustinvest	482 162 542	491.430.575	France	70.86%	52.22%	87.42%		29.14%	47.78%	12.58%	
Résidence Marguerite	950.537.233		France	70.86%		87.42%		29.14%		12.58%	
Sogécom	343.296.760		France	70.86%		87.42%		29.14%		12.58%	
SRG / Saint Genis Invest	398.710.921	394.584.742	France	70.86%	52.22%	87.42%		29.14%	47.78%	12.58%	
Villa Charlotte	390.719.193		France	70.86%		87.42%		29.14%		12.58%	
La Demeure Du Bois Ardent / Turquoise	399.793.173	394.597.488	France	70.86%	52.22%			29.14%	47.78%		
Séralto	344.503.545		France	42.52%		52.45%		57.48%		47.55%	
Ambroise Paré / Paradin	395.190.226	395.190.374	France	40.39%	42.52%			59.61%	57.48%		
Cigma Holding / Cidevim	789.479.185	478 101 025	France	70.86%	52.22%			29.14%	47.78%		
Cigma De Laval / Cigma du Tertre	527.946.131	511 972 721	France	70.86%	52.22%			29.14%	47.78%		
Crèche du Tertre / Cigma du Tertre	528.379.001	511 972 721	France	70.86%	52.22%			29.14%	47.78%		

Note 2: subsidiaries and jointly controlled subsidiaries (continued)

1. Fully consolidated subsidiaries (continued)

Name of subsidiary	Registration nr	Registered office	Beneficial interest % 2016	Beneficial interest % 2015	Minority interest % 2016	Minority interest % 2015
Energy & Resources						
Nationale Maatschappij der Pijpleidingen	0418.190.556	Belgium	75.00%	75.00%	25.00%	25.00%
Quinten Matsys	0424.256.125	Belgium	75.00%	75.00%	25.00%	25.00%
Canal-Re	2008.2214.764	Luxembourg	75.00%	75.00%	25.00%	25.00%
Ligno Power (now HPA) ⁽¹¹⁾	0818.090.674	Belgium		70.00%		30.00%
AvH Resources India	U74300DL2001 PTC111685	India	100.00%	100.00%		
AvH & Growth Capital						
Sofinim ⁽¹²⁾	0434.330.168	Belgium	100.00%	74.00%		26.00%
Sofinim Luxembourg	2003.2218.661	Luxembourg	100.00%	74.00%		26.00%
Agidens International	0468.070.629	Belgium	86.25%	63.82%	13.75%	36.18%
Agidens Life Sciences	0411.592.279	Belgium	86.25%	63.82%	13.75%	36.18%
Agidens Infra Automation	0630.982.030	Belgium	86.25%	63.82%	13.75%	36.18%
Agidens Proce Automation	0465.624.744	Belgium	86.25%	63.82%	13.75%	36.18%
Agidens Proce Automation BV	005469272B01	The Netherlands	86.25%	63.82%	13.75%	36.18%
Agidens Life Sciences BV	850983411B01	The Netherlands	86.25%	63.82%	13.75%	36.18%
Agidens Infra Automation BV	856220024B01	The Netherlands	86.25%		13.75%	
Agidens Inc		USA	86.25%	63.82%	13.75%	36.18%
Agidens SAS	10.813.818.424	France	86.25%	63.82%	13.75%	36.18%
Agidens GmbH	76301	Germany	86.25%	63.82%	13.75%	36.18%
Agidens AG	539301	Switzerland	86.25%	63.82%	13.75%	36.18%
Baarbeek Immo	651.662.133	Belgium	86.25%		13.75%	
Subholdings AvH						
Anfima	0426.265.213	Belgium	100.00%	100.00%		
AvH Coordination Center	0429.810.463	Belgium	99.99%	99.99%	0.01%	0.01%
Brinvest	0431.697.411	Belgium	99.99%	99.99%	0.01%	0.01%
Profimolux	1992.2213.650	Luxembourg	100.00%	100.00%		

⁽¹⁾ The annual report of CFE, a listed company, contains the list of subsidiaries. DEME is a wholly-owned subsidiary of CFE.

⁽²⁾ Rent-A-Port Green Energy was set up at the beginning of 2016 to carry on the on-shore energy activities of Rent-A-Port, while the offshore wind participations (Rentel, Otary, Seastar and Mermaid) are held by Green Offshore (Rent-A-Port Energy changed its name to Green Offshore in 2016).

⁽³⁾ Société d'Investissement Portuaire de Guinée was set up on July 16, 2016 to develop a port in Guinea for the export of bauxite.

⁽⁴⁾ AvH, as well as CFE, increased its stake in Rent-A-Port Energy to 50% by acquiring the participation held by the management of Rent-A-Port. At the same time, the company's name was changed to Green Offshore. Green Offshore holds stakes in Rentel (12.5% directly and indirectly), Otary (12.5%), and the still-to-be-developed offshore wind projects Seastar and Mermaid.

⁽⁵⁾ The full consolidation of Galliliège NV (as part of a PPP project in Liège) is the result of the shareholder agreement, which gives Van Laere considerable decision-making power.

⁽⁶⁾ Under the shareholder agreement, Extensa has a beneficial interest of only 50% in the results of this company.

⁽⁷⁾ Extensa (through its subsidiary Extensa Land II) acquired the former customs office building (6,511 m² above ground) on the Tour & Taxis site with a view to its redevelopment in line with the other historic buildings on the site. The company Extensa Land II was subsequently renamed T&T Douanehotel.

⁽⁸⁾ The minority interest in the company developing the Herman Teirlinck building (VAC De Meander) was acquired at year-end 2016.

⁽⁹⁾ The management of Leasinvest Real Estate Comm.VA is taken care of by Leasinvest Real Estate Management NV, its statutory manager and a wholly owned subsidiary of Extensa Group NV, which in turn is a wholly owned subsidiary of Ackermans & van Haaren. The board of directors of Leasinvest Real Estate cannot, in line with article 12 of the bylaws, take a decision regarding the strategy of the public regulated real estate company Leasinvest Real Estate without the approval of the majority of the directors appointed on the nomination of Ackermans & van Haaren or its affiliated companies. See the annual report of LRE for an overview of the participations held by the listed company Leasinvest Real Estate.

⁽¹⁰⁾ In the last quarter of 2016, Anima Care finalized the acquisitions of 'Le Birmingham' (60 beds, Sint-Jans-Molenbeek) and 'Duneroze' (160 retirement home beds, 40 convalescent home beds, Wenduine).

⁽¹¹⁾ In January 2016, AvH swapped an additional stake (16%) in Holding Groupe Duval for 25% in Patrimoine & Santé. Patrimoine & Santé is a French company that invests in the real estate operated by the retirement home group Residalya. AvH and members of the management of Residalya then grouped their respective interests in Residalya and in Patrimoine & Santé together under a new holding company, HPA. At year-end 2016, HPA owned 100% of the capital of Residalya and 73.7% of Patrimoine & Santé. HPA fully consolidates those two companies. AvH in turn owns 70.86% of the capital of HPA and fully consolidates this interest.

⁽¹²⁾ On September 30, 2016, AvH bought out minority shareholder (26%) NPM Capital in Sofinim and now owns 100% of Sofinim. Since the supervision and direction of Sofinim and its participations is fully integrated in AvH, this is now reported as one segment under the heading "AvH & Growth Capital". AvH already accounted for Sofinim earlier using the full consolidation method, with a minority interest of 26%. The acquisition of this minority interest leads (mechanically) to an increased shareholding percentage in the participations that are held through Sofinim. The resulting higher shareholding percentages were applied in the income statement as of 4Q 2016.

Note 2: subsidiaries and jointly controlled subsidiaries (continued)

2. Jointly controlled subsidiaries accounted for using the equity method - 2016

(€ 1.000) Name of subsidiary	Registration nr	Registered office	Beneficial interest % 2016	Minority interest % 2016	Total assets	Total liabilities	Turnover	Net result
Marine Engineering & Contracting								
Rent-A-Port								
Consortium Antwerp Port	0817.114.340	Belgium	43.31%	16.69%	4,010	1,168	1,538	11
Rent-A-Port Utilities	0846.410.221	Belgium	36.09%	13.91%	2,194	2,476	0	-291
C.A.P. Industrial Port Land	0556.724.768	Belgium	36.09%	13.91%	1,351	3	0	-9
Infra Asia Investment Fund ⁽¹⁾	648.714.620	Belgium	36.09%	13.91%	32,278	32,208	890	9
S Channel Management Limited		Cyprus	36.09%	13.91%	0	74	0	-7
Infra Asia Investment (Dinh Vu) (USD 1.000) ⁽²⁾		Vietnam	40.46%	15.60%	158,475	80,986	40,870	9,023
Algemene Aannemingen Van Laere								
Parkeren Roeselare	0821.582.377	Belgium	50.00%		8,850	8,385	1,810	71
Parkeren Asse	0836.630.641	Belgium	50.00%		159	77	434	76
Private Banking								
Asco	0404.454.168	Belgium	50.00%		66,390	54,609	27,794	1,145
BDM	0404.458.128	Belgium	50.00%		20,214	14,947	52,685	47
Delen Investments cva ⁽³⁾	0423.804.777	Belgium	78.75%	21.25%	2,181,343	1,560,139	313,071	87,877
Real Estate & Senior Care								
Extensa Group								
CBS Development	0831.191.317	Belgium	50.00%		29,134	26,298	355	-540
CBS-Invest	0879.569.868	Belgium	50.00%		20,004	12,644	635	114
Delo 1 ⁽⁴⁾	2016.2450.523	Luxembourg	50.00%		79,452	69,152	0	10,288
Alto 1 ⁽⁴⁾	2016.2450.590	Luxembourg	50.00%		22,494	20,204	0	2,278
DPI	0890.090.410	Belgium	50.00%		1,639	817	50	33
Exparom I	343.081.70	The Netherlands	50.00%		13,076	14,695	0	-465
CR Arcade	J02.2231.18236250	Romania	50.00%		11,366	6,417	0	-68
Exparom II	343.081.66	The Netherlands	50.00%		5,127	5,694	0	-250
SC Axor Europe	J40.9671.21765278	Romania	50.00%		8,171	9,778	0	-23
Grossfeld PAP	2005.2205.809	Luxembourg	50.00%		48,288	49,596	1,619	876
Les Jardins d'Oisquercq	0899.580.572	Belgium	50.00%		2,696	3,314	16	-237
Immobilière Du Cerf	0822.485.467	Belgium	33.33%		577	-87	0	-55
Top Development	35 899 140	Slovakia	50.00%		12,292	2,613	1,529	-168
TMT Energy (subs. Top Developm.)	47 474 238	Slovakia	50.00%		1,840	1,972	2,487	244
TMT RWP (subs. Top Developm.)	47 144 513	Slovakia	50.00%		12,292	2,613	1,529	-168
Energy & Resources								
Sipef ⁽⁵⁾ (USD 1,000)	0404.491.285	Belgium	27.83%		615,332	167,269	266,962	39,874
Nationale Maatschappij der Pijpleidingen								
Napro	0437.272.139	Belgium	37.50%	12.50%	590	181	211	134
Nitraco	0450.334.376	Belgium	37.50%	12.50%	31,051	29,200	2,112	229
Oriental Quarries & Mines (INR million)	U10100DL2008PFC181650	India	50.00%		693	136	676	-3
AvH & Growth Capital ⁽⁶⁾								
Amstedijk Beheer	33.080.456	The Netherlands	50.00%		3,658	1,473	741	746
Distriplus	0890.091.202	Belgium	50.00%		174,653	123,791	203,841	-2,394
Manuchar	0407.045.751	Belgium	30.00%		538,827	454,813	1,105,746	11,697
Turbo's Hoet Groep	0881.774.936	Belgium	50.00%		277,040	179,475	393,046	9,279
Telemond Consortium ⁽⁷⁾		Belgium	50.00%		71,882	24,477	69,006	2,176
Subholdings AvH								
GIB nv	0404.869.783	Belgium	50.00%		16,800	55,098	0	-62,419

Note 2: subsidiaries and jointly controlled subsidiaries (continued)

3. Jointly controlled subsidiaries accounted for using the equity method - 2015

(€ 1,000) Name of subsidiary	Registration nr	Registered office	Beneficial interest % 2015	Minority interest % 2015	Total assets	Total liabilities	Turnover	Net result
Marine Engineering & Contracting								
Rent-A-Port								
Consortium Antwerp Port	0817.114.340	Belgium	43.31%	16.69%	3,924	1,088	2,155	100
Rent-A-Port Utilities	0846.410.221	Belgium	36.09%	13.91%	2,693	2,877	0	-205
C.A.P. Industrial Port Land	0556.724.768	Belgium	36.09%	13.91%	1,372	15	0	-18
S Channel Management Limited		Cyprus	36.09%	13.91%	0	66	0	-8
Infra Asia Investment (Dinh Vu) (USD 1,000)		Vietnam	38.36%	14.79%	111,679	48,548	25,570	7,509
Algemene Aannemingen Van Laere								
Parkeren Roeselare	0821.582.377	Belgium	50.00%		9,219	8,863	1,856	77
Parkeren Asse	0836.630.641	Belgium	50.00%		162	156	341	-13
Private Banking								
Asco	0404.454.168	Belgium	50.00%		64,260	53,646	32,175	248
BDM	0404.458.128	Belgium	50.00%		14,746	9,569	53,631	72
Delen Investments cva	0423.804.777	Belgium	78.75%	21.25%	2,090,164	1,507,610	314,094	92,417
Real Estate & Senior Care								
Extensa Group								
CBS Development	0831.191.317	Belgium	50.00%		27,803	24,427	606	1,868
CBS-Invest	0879.569.868	Belgium	50.00%		21,626	14,379	480	-1,613
DPI	0890.090.410	Belgium	50.00%		1,012	223	50	-5
Exparom I	343.081.70	The Netherlands	50.00%		13,066	14,220	0	-455
CR Arcade	J02.2231.18236250	Romania	50.00%		11,372	6,339	0	-124
Exparom II	343.081.66	The Netherlands	50.00%		5,128	5,446	0	-244
SC Axor Europe	J40.9671.21765278	Romania	50.00%		8,251	9,841	0	-115
Grossfeld PAP	2005.2205.809	Luxembourg	50.00%		55,419	57,603	383	1,296
Les Jardins d'Oisquercq	0899.580.572	Belgium	50.00%		2,446	2,828	23	-176
Immobilière Du Cerf	0822.485.467	Belgium	33.33%		779	60	0	-65
Top Development	35 899 140	Slovakia	50.00%		12,667	2,819	675	-73
TMT Energy (subs. Top Developm.)	47 474 238	Slovakia	50.00%		1,054	1,430	359	155
TMT RWP (subs. Top Developm.)	47 144 513	Slovakia	50.00%		8,907	6,318	940	87
Holding Groupe Duval⁽⁸⁾	522734144	France	37.80%		71,880	6,636	0	97
Financière Duval	401922497	France	31.10%		602,431	486,400	454,653	8,142
Energy & Resources								
Sipef (USD 1,000)	0404.491.285	Belgium	27.65%		579,032	163,603	225,935	18,708
Nationale Maatschappij der Pijpleidingen								
Napros	0437.272.139	Belgium	37.50%	12.50%	653	244	208	134
Nitraco	0450.334.376	Belgium	37.50%	12.50%	12,204	10,353	1,608	232
Oriental Quarries & Mines (INR miljoen)	U10100DL2008PTC181650	India	50.00%		682	122	445	-2
AvH & Growth Capital								
Amstedijk Beheer	33.080.456	The Netherlands	37.00%	13.00%	3,399	1,961	550	190
Distriplus	0890.091.202	Belgium	37.00%	13.00%	173,285	120,029	203,226	-13,127
Hermes Finance BV ⁽⁹⁾	63.135.906	The Netherlands	35.15%	12.35%	30,184	5,297	0	-113
CKT Offshore ⁽⁹⁾	63.140.101	The Netherlands	35.15%	12.35%	29,499	26,033	76,262	-19,799
Manuchar	0407.045.751	Belgium	22.20%	7.80%	538,782	461,909	1,196,725	8,245
Turbo's Hoet Groep	0881.774.936	Belgium	37.00%	13.00%	247,639	160,754	350,573	8,425
Telemond Consortium		Belgium	50.00%		74,397	27,171	69,869	-2,623
Financière Flo ⁽⁹⁾	39.349.570.937	France	33.00%		80,341	111,615	0	-61,861
Groupe Flo ⁽⁹⁾	09.349.763.375	France	23.56%		313,854	237,863	294,555	-51,494
Subholdings AvH								
GIB nv	0404.869.783	Belgium	50.00%		75,925	51,804	0	-17,671

Note 2: subsidiaries and jointly controlled subsidiaries (continued)

3. Jointly controlled subsidiaries accounted for using the equity method (continued)

- ⁽¹⁾ Infra Asia Investment Fund was set up with a view to the issue of a retail bond to finance the developments in Vietnam.
- ⁽²⁾ The interest in Infra Asia Investment (Dinh Vu) has increased slightly.
- ⁽³⁾ AvH holds 78.75% of the Delen Investments Comm. VA. In line with the provisions of the shareholders agreement between AvH and the Delen family each partner can appoint one statutory manager. Decisions are taken unanimously by the statutory managers of Delen Investments Comm. VA.
- ⁽⁴⁾ These companies were set up in the context of the construction of the buildings that have been pre-let on a long-term lease to Deloitte Luxembourg (Delo 1) and Alter Domus (Alto 1).
- ⁽⁵⁾ The shareholders' agreement between the Baron Bracht family and AvH results in joint control of Sipef. End of 2016, AvH slightly increased its interest in Sipef from 27.65% to 27.83%. As explained in Note 1 IFRS Valuation rules, Sipef restated its comparative figures for the 2015 financial year.
- ⁽⁶⁾ On September 30, 2016, AvH bought out minority shareholder (26%) NPM Capital in Sofinim. The acquisition of this minority interest leads (mechanically) to an increased shareholding percentage in the participations that are held through Sofinim. The resulting higher shareholding percentages were applied in the income statement as of 4Q 2016.
- ⁽⁷⁾ The consortium consists of the three jointly controlled subsidiaries Telemond Holding, Telehold & Henschel Engineering.
- ⁽⁸⁾ In January 2016, AvH increased its stake in Patrimoine & Santé from 22.5% (year-end 2015) to 47.5%. At the same time, and in pursuance of the agreements with Mr Eric Duval, AvH further reduced its interest in Holding Groupe Duval (assets held for sale) from 37.8% to 21.8%.
- ⁽⁹⁾ In the financial statements at 31/12/2016, the participations held in Financière Flo/Groupe Flo and in Hermes Finance/CKT Offshore were transferred to 'Assets held for sale'. The participations were thereby written down to market value.

4. Main subsidiaries and jointly controlled subsidiaries not included in the consolidation scope

(€ 1,000) Name of subsidiary	Registration nr	Registered office	Beneficial interest % 2016	Reason for exclusion	Total assets	Total liabilities	Turnover	Net result
Subholdings AvH								
BOS	0422.609.402	België	100.00%	⁽¹⁾	249	1	0	-5

⁽¹⁾ Investment of negligible significance (valued at cost).

Note 3: associated participating interests

1. Associated participating interests accounted for using the equity method - 2016

(€ 1,000) Name of associated participating interest	Registration nr	Registered office	Beneficial interest % 2016	Minority interest % 2016	Total assets	Total liabilities	Turnover	Net result
Marine Engineering & Contracting								
Rent-A-Port								
Ontwikkelingsmaatschappij Zuiderzeehaven		The Netherlands	12.03%	4.64%	11,554	4,310	1,463	1,408
Zuiderzeehaven		The Netherlands	12.03%	4.64%	18	0	84	0
Port of Duqm (OMR 1,000)		Oman	21.65%	8.35%	34,429	30,070	9,143	-176
Duqm Industrial Land Company (OMR 1,000)		Oman	25.23%	9.72%	7,910	2,186	177	24
Algemene Aannemingen Van Laere								
Lighthouse Parkings	0875.441.034	Belgium	33.33%		871	5	554	-117
Private Banking								
Bank J.Van Breda & C°								
Finauto	0464.646.232	Belgium	39.38%	10.63%	1,711	1,450	1,304	1
Antwerpse Financiële Handelsmaatschappij	0418.759.886	Belgium	39.38%	10.63%	863	252	899	360
Financieringsmaatschappij Definco	0415.155.644	Belgium	39.38%	10.63%	310	3	98	57
Informatica J.Van Breda & C°	0427.908.174	Belgium	31.50%	8.50%	7,604	6,402	9,985	5
Real Estate & Senior Care								
Patrimoine & Santé⁽¹⁾	492902101	France						
HPA⁽¹⁾⁽²⁾								
Cigma Holding	789 479 185	France						
Cigma De Laval	527 946 131	France						
Crèche du Tertre	528 379 001	France						
Energy & Resources								
Sagar Cements (INR million)⁽³⁾	L26942AP-1981PLC002887	India	19.91%		13,719	7,743	7,690	216
AvH & Growth Capital⁽⁴⁾								
Atenor	0403.209.303	Belgium	10.53%		686,090	549,436	156,830	20,375
Axe Investments	0419.822.730	Belgium	48.34%		13,335	191	718	14,898
Corelio⁽⁵⁾	0415.969.454	Belgium	26.13%		424,492	349,890	513,078	13,904
Financière EMG	801.720.343	France	22.24%		289,864	273,948	318,638	-4,431
MediaCore	0428.604.297	Belgium	49.99%		35,557	7,966	0	3,135
Transpalux⁽⁶⁾	582.011.409	France	45.02%		23,464	14,874	29,695	1,368
Agidens International								
Keersluis Limmel Maintenance BV (MTC)	62058630	The Netherlands	43.12%		168	167	140	0
SAS van Vreeswijk (MTC van Beatrix)	65067096	The Netherlands	17.25%		479	479	463	0

⁽¹⁾ In January 2016, AvH swapped an additional stake (16%) in Holding Groupe Duval for 25% in Patrimoine & Santé. Patrimoine & Santé is a French company that invests in the real estate operated by the retirement home group Residalya. AvH and members of the management of Residalya then grouped their respective interests in Residalya and in Patrimoine & Santé together under a new holding company, HPA. At year-end 2016, HPA owned 100% of the capital of Residalya and 73.7% of Patrimoine & Santé. HPA fully consolidates those two companies. AvH in turn owns 70.86% of the capital of HPA and fully consolidates this interest.

⁽²⁾ In 2016, HPA acquired control over CIGMA, which is based in Laval (Mayenne), resulting in full consolidation. CIGMA operates and owns the real estate of a residential care centre with 60 beds and a crèche with 50 cots.

⁽³⁾ AvH's right to one representative on the Board of Directors of Sagar Cements and a right of veto on changes to aspects including articles of association and purchasing and sales of activities, explain why it is included in the consolidation scope of AvH. In the course of 2016, AvH slightly increased its interest in Sagar Cements to 19.91%.

⁽⁴⁾ On September 30, 2016, AvH bought out minority shareholder (26%) NPM Capital in Sofinim. The acquisition of this minority interest leads (mechanically) to an increased shareholding percentage in the participations that are held through Sofinim. The resulting higher shareholding percentages were applied in the income statement as of 4Q 2016.

⁽⁵⁾ In 2016, AvH increased its interest in Corelio to 26.13%.

⁽⁶⁾ Sofinim owns 45% of the Transpalux shares, half of which were acquired at a variable acquisition cost.

Note 3: associated participating interests (continued)

2. Associated participating interests not accounted for using the equity method - 2016

(€ 1,000) Name of associated participating interest	Registration nr	Registered office	Beneficial interest % 2016	Reason for exclusion	Total assets	Total liabilities	Turnover	Net result
AvH & Growth Capital								
Nivelinvest	0430.636.943	Belgium	25.00%	(1)	62,305	54,591	626	-690

(1) Investment of negligible significance (valued at cost).

3. Associated participating interests accounted for using the equity method - 2015

(€ 1,000) Name of associated participating interest	Registration nr	Registered office	Beneficial interest % 2015	Minority interest % 2015	Total assets	Total liabilities	Turnover	Net result
Marine Engineering & Contracting								
Rent-A-Port								
Ontwikkelingsmaatschappij Zuiderzeehaven		The Netherlands	12.03%	4.64%	10,492	4,656	25	19
Zuiderzeehaven		The Netherlands	12.03%	4.64%	18	0	75	0
Port of Duqm (OMR 1,000)		Oman	21.65%	8.35%	29,720	25,336	4,162	-175
Duqm Industrial Land Company (OMR 1,000)		Oman	25.23%	9.72%	1,671	1,244	70	-1
Algemene Aannemingen Van Laere								
Lighthouse Parkings	0875.441.034	Belgium	33.33%		998	13	0	56
Private Banking								
Bank J, Van Breda & C°								
Finauto	0464.646.232	Belgium	39.38%	10.63%	1,355	1,095	1,131	-8
Antwerpse Financiële Handelsmaatschappij	0418.759.886	Belgium	39.38%	10.63%	748	226	631	269
Financieringsmaatschappij Definco	0415.155.644	Belgium	39.38%	10.63%	299	6	88	43
Informatica J, Van Breda & C°	0427.908.174	Belgium	31.50%	8.50%	7,325	6,128	9,502	5
Real Estate & Senior Care								
Residalya - HPA								
Cigma Holding	789 479 185	France	29.72%	4.28%	2,168	1,616	0	-13
Cigma De Laval	527 946 131	France	29.72%	4.28%	2,185	3,220	2,556	-274
Crèche du Tertre	528 379 001	France	29.72%	4.28%	1,159	1,271	700	257
Patrimoine & Santé	492902101	France	22.50%					
Energy & Resources								
Sagar Cements (INR million)	L26942AP-1981PLC002887	India	18.55%		12,733	7,282	7,524	458
AvH & Growth Capital								
Atenor	0403.209.303	Belgium	7.79%	2.74%	552,208	425,409	116,748	19,958
Axe Investments	0419.822.730	Belgium	35.77%	12.57%	19,076	3,494	614	402
Corelio	0415.969.454	Belgium	18.69%	6.57%	452,376	386,332	521,898	11,379
Financière EMG	801.720.343	France	16.45%	5.78%	294,614	270,699	294,000	-18,803
MediaCore	0428.604.297	Belgium	36.99%	13.00%	30,221	5,764	0	3,055
Transpalux	582.011.409	France	33.31%	11.71%	22,307	15,203	24,570	-100

Note 3: associated participating interests (continued)

4, Associated participating interests not accounted for using the equity method - 2015

(€ 1,000) Name of associated participating interest	Registration nr	Registered office	Beneficial interest % 2015	Reason for exclusion	Total assets	Total liabilities	Turnover	Net result
Marine Engineering & Contracting								
Algemene Aannemingen Van Laere								
Proffund (liquidated in 2016)	0475.296.317	Belgium	33.33%	(1)	411	1,038	0	188
AvH & Growth Capital								
Nivelinvest	0430.636.943	Belgium	25.00%	(1)	46,405	38,002	698	0

(1) Investment of negligible significance.

Note 4: business combinations and disposals

1. Acquisition 26% Sofinim

(€ 1,000)	Sofinim	Agidens	Total
Financial assets	204,856	170	205,026
Cash and cash equivalents and investments	287,242	8,545	295,787
Other assets	3,518	40,657	44,175
Total assets	495,616	49,372	544,989
Equity - group share	490,137	19,028	509,165
Minority interests	0	3,034	3,034
Other liabilities	5,479	27,310	32,790
Total equity and liabilities	495,616	49,372	544,989
Total assets	495,616	49,372	544,989
Total liabilities	-5,479	-27,310	-32,790
Minority interests	0	-3,034	-3,034
Exclusion of revaluation reserves	3,687	-226	3,461
Net assets	493,824	18,801	512,626
Shareholding percentage			26.00%
Net assets - share of the group			133,294
Negative goodwill			-27,294
Purchase price			106,000

On September 30, 2016, AvH bought out minority shareholder (26%) NPM Capital in Sofinim and now owns 100% of Sofinim. Since the supervision and direction of Sofinim and its participations is fully integrated in AvH, this is now reported as one segment under the heading "AvH & Growth Capital". AvH had already accounted for Sofinim earlier using the full consolidation method, with a minority interest of

26%. The difference of 27.3 million euros between the price that was negotiated for the acquisition of this minority interest and its carrying value is directly recognized in the equity in the consolidated financial statements of AvH, since AvH was already the controlling shareholder of Sofinim prior to that transaction.

2. Other business combinations

(€ 1,000)	HPA	Anima Care	2016
Non current assets	35,538	4,373	39,912
Current assets	6,643	1,950	8,594
Total assets	42,182	6,323	48,505
Equity - group share	19,122	599	19,721
Minorities	1,449	0	1,449
Non current liabilities	16,029	953	16,982
Current liabilities	5,582	4,772	10,354
Total equity and liabilities	42,182	6,323	48,505
Total assets	42,182	6,323	48,505
Total liabilities	-21,611	-5,724	-27,336
Net assets (100%)	20,571	599	21,170
Non-acquired minorities	-3,300	0	-3,300
Net assets - group share	17,270	599	17,869
Goodwill (post allocation)	6,420	0	6,420
Purchase price	23,690	599	24,289

The other business combinations are entirely attributable to the Senior Care activity. HPA continued to develop its activities in 2016. In January 2016, 'La Demeure du Bois Ardent' in Saint-Lô (76 beds) and 'La Résidence Ambroise Paré' (HPA 60%) in Lyon (88 beds) were added to the network. In July 2016, HPA fully integrated SCI Cigma du Tertre, the owner of the building complex in which a residential care centre with 60 beds ('Le Cigma de Laval') and a company crèche with 50 cots ('Crèche du Tertre') are operated. In the meantime, these two centres have also been integrated in the network of HPA

In November 2016, Anima Care acquired 'Le Birmingham' in Sint-Jans-Molenbeek and 'Duneroze' in Wenduine. 'Le Birmingham' has 60 retirement home beds, while 'Duneroze' has 160 retirement home beds and 40 convalescent home beds in operation.

After allocation of the acquisition price to intangible and tangible assets, the goodwill amounts to 6.4 million euros.

3. Business disposals - Handling Automation Egemin

(€ 1,000)	2015
Non current assets	3,740
Current assets	32,690
Total assets	36,430
Equity - group share	12,688
Minorities	0
Non current liabilities	1,403
Current liabilities	22,339
Total equity and liabilities	36,430
Total assets	36,430
Total liabilities	-23,742
Minorities	0
Net assets	12,688
Beneficial interest	100%
Net assets - group share	12,688
Capital gain	59,794
Sales price	72,482

There were no business disposals in 2016.

In 2015 Egemin sold its Handling Automation division to the German Kion group for an enterprise value of 72 million euros and realized a capital gain of 59.8 million euros (AvH share 31.7 million euros). The other activities of the Egemin group

(Process Automation, Life Sciences, Infra Automation, and Consulting & Services) are continued under the new name Agidens. The results of the Handling Automation division were regrouped in the income statement of 2015 under the heading 'Profit (loss) after tax from discontinued operations'.

Note 5: Segment reporting

Changes in Segment reporting

On September 30, 2016, AvH bought out minority shareholder (26%) NPM Capital in Sofinim and now owns 100% of Sofinim, its Development Capital subsidiary. Since the supervision and direction of Sofinim and its participations is fully integrated in AvH, this is now reported as one segment under the heading "AvH & Growth Capital". AvH already accounted for Sofinim earlier using the full consolidation method, with a minority interest of 26%. The acquisition of this minority interest leads (mechanically) to an increased shareholding percentage in the participations that are held through Sofinim. The resulting higher shareholding percentages were applied in the income statement as of 4Q 2016.

Following this change in the segmentation, a few other minor adjustments have been made: the stake in Nationale Maatschappij der Pijpleidingen is now reported in the "Energy & Resources" segment, while the interest in Telemond now comes under "AvH & Growth Capital". These changes have only a (limited) impact on the presentation of the segment reporting. There is no impact whatsoever on the overall results or on the balance sheet or cash flow. The segment reporting for 2015 was restated accordingly.

Other changes in 2016

AvH and CFE increased their respective stakes in Rent-A-Port Energy to 50% each by acquiring the interest that was held by the management of Rent-A-Port. The company's name was subsequently changed to Green Offshore. At year-end 2016, AvH's shareholding percentage in Green Offshore stood at 80.2%.

In January 2016, AvH swapped an additional stake (16%) in Holding Groupe Duval for 25% in Patrimoine & Santé. Patrimoine & Santé is a French company that invests in the real estate operated by the retirement home group Residalya. AvH and members of the management of Residalya then grouped their respective interests in Residalya and in Patrimoine & Santé together under a new holding company, HPA. At year-end 2016, HPA owned 100% of the capital of Residalya and 73.7% of Patrimoine & Santé. HPA fully consolidates those two companies. AvH in turn owns 70.86% of the capital of HPA and fully consolidates this interest.

In the course of 2016, AvH slightly increased its shareholding percentage in Sipef to 27.83%, in Sagar Cements to 19.91%, and in Corelio to 26.13%, without this bringing about any change in the consolidation method of those participations.

In the financial statements at 31/12/2016, the participations held in Financière Flo/Groupe Flo and in CKT Offshore were transferred to 'Assets held for sale'. The participations were thereby written down to market value.

Segment 1

Marine Engineering & Contracting:

DEME (global integration 60.40%), CFE (global integration 60.40%), Rent-A-Port (global integration 72.18%), Green Offshore (global integration 80.2%), and Van Laere (global integration 100%)

Segment 2

Private Banking:

Delen Investments CVA (equity method 78.75%), Bank J.Van Breda & C° (global integration 78.75%), Finaxis (global integration 78.75%) and ASCO-BDM (equity method 50%)

Segment 3

Real Estate & Senior Care:

Extensa (global integration 100%), Leasinvest Real Estate (global integration 30%), Anima Care (global integration 92.5%) and HPA (global integration 70.86%). HPA is the new structure that owns 100% of Residalya (operation of retirement homes) and 73.70% of Patrimoine & Santé (which owns real estate operated by Residalya). Both Residalya and Patrimoine & Santé are fully consolidated (global integration) by HPA.

Segment 4

Energy & Resources:

Sipef (equity method 27.8%), NMP (global integration 75%), AvH India Resources (global integration 100%), Sagar Cements (equity method 19.9%) and Oriental Quarries and Mines (equity method 50%).

Segment 5

AvH & Growth Capital:

- AvH, Sofinim & subholdings (global integration 100%)
- Participations accounted for using global integration : Agidens (former Egemin International) (86.2%)
- Participations accounted for using the equity method: Atenor (10.5%), Axe Investments (48.3%), Amsteldijk Beheer (50%), Corelio (26.1%), Distriplus (50%), Financière EMG (22.2%), Manuchar (30.0%), MediaCore (49.9%), Transpalux (45.0%), Turbo's Hoet Groep (50%), Consortium Telemond (50%) and GIB (50%)
- Non-consolidated participations: OncoDNA (15%)
- Assets held for sale at fair value: Groupe Flo (23.6%) and CKT Offshore (47.5%)/Hermes Finance (47.5%),

Note 5: Segment information - income statement 2016

(€ 1,000)	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5		Total 2016
	Marine Engineering & Contracting	Private Banking	Real Estate & Senior Care	Energy & Resources	AvH & Growth Capital	Eliminations between segments	
Revenue	3,051,586	164,381	341,397	13,600	80,826	-2,673	3,649,117
Rendering of services	4,290		162,016	13,539	2,585	-2,533	179,897
Lease revenue		6,956	1,590				8,546
Real estate revenue	12,186		167,128				179,314
Interest income - banking activities		106,615					106,615
Fees and commissions - banking activities		48,011					48,011
Revenue from construction contracts	2,945,215				75,026		3,020,241
Other operating revenue	89,895	2,799	10,663	62	3,215	-140	106,493
Other operating income	3,452	1,940	3,505	3	1,265	-383	9,782
Interest on financial fixed assets - receivables	117		61		243	-104	317
Dividends	3,213	1,940	3,445	3	691		9,292
Government grants	121						121
Other operating income					332	-280	52
Operating expenses (-)	-2,824,699	-113,145	-282,660	-13,784	-116,448	2,953	-3,347,785
Raw materials and consumables used (-)	-1,630,999		-102,500		-36,343		-1,769,842
Changes in inventories of finished goods, raw materials & consumables (-)	25,515		91		175		25,780
Interest expenses Bank J.Van Breda & C ^o (-)		-32,544					-32,544
Employee expenses (-)	-552,777	-39,275	-91,692	-689	-33,137		-717,569
Depreciation (-)	-235,293	-5,586	-17,456	-1,911	-2,664		-262,910
Impairment losses (-)	242	-795	-4,527	-3,090	-22,059		-30,230
Other operating expenses (-)	-430,449	-32,289	-66,359	-8,095	-18,463	2,953	-552,702
Provisions	-937	-2,656	-216		-3,957		-7,766
Profit (loss) on assets/liabilities designated at fair value through profit and loss	22	0	40,565	0	0	0	40,587
Financial assets held for trading							0
Investment property	22		40,565				40,587
Profit (loss) on disposal of assets	12,842	835	3,877	102	-21	0	17,635
Realised gain (loss) on intangible and tangible assets	3,420		-32	102	24		3,514
Realised gain (loss) on investment property			3,584				3,584
Realised gain (loss) on financial fixed assets	9,422		325		-398		9,350
Realised gain (loss) on other assets		835			353		1,188
Profit (loss) from operating activities	243,202	54,011	106,685	-79	-34,378	-104	369,337
Finance income	26,948	14	3,874	20	765	-187	31,433
Interest income	8,280	14	2,801	20	496	-187	11,423
Other finance income	18,668		1,073		269		20,010
Finance costs (-)	-63,687	0	-24,995	-124	-1,976	291	-90,491
Interest expenses (-)	-33,130		-16,092	-111	-503	291	-49,546
Other finance costs (-)	-30,557		-8,904	-13	-1,472		-40,946
Derivative financial instruments designated at fair value through profit and loss	0	-649	771	0	0		122
Share of profit (loss) from equity accounted investments	1,636	88,679	5,664	10,793	1,889		108,660
Other non-operating income	0	1,429	356	0	0		1,785
Other non-operating expenses (-)	0	0	0	0	0		0
Profit (loss) before tax	208,100	143,483	92,354	10,609	-33,700	0	420,847
Income taxes	-30,250	-18,479	-4,631	-645	-789	0	-54,794
Deferred taxes	15,862	-3,932	1,080	78	58		13,146
Current taxes	-46,112	-14,547	-5,710	-723	-847		-67,940
Profit (loss) after tax from continuing operations	177,850	125,005	87,723	9,964	-34,489	0	366,053
Profit (loss) after tax from discontinued operations	0	0	0	0	0		0
Profit (loss) of the period	177,850	125,005	87,723	9,964	-34,489	0	366,053
Minority interests	72,658	26,498	41,547	731	382		141,816
Share of the group	105,192	98,506	46,176	9,234	-34,872		224,237

Comments on the segment information - income statement 2016

The revenue decreased by 362.1 million euros in 2016 compared to last year. This movement is explained primarily by decreasing revenue (-464.9 million euros) in the "Marine Engineering & Contracting" segment and an increase in the "Real Estate & Senior Care" segment. The decrease in "Marine Engineering & Contracting" is explained by the lower turnover level at DEME, which as expected and announced, 2016 was unable to match the record year 2015 (with the large-scale works on the Suez Canal in Egypt). CFE also reported decreasing revenue as a result of a more selective intake of new contracts, the transfer of the civil engineering activity, and the reduction of its presence on a number of markets in Africa and Eastern Europe. The expansion of the activities of Anima Care and Residalya in the senior care sector, along with the sale by Extensa of real estate being developed on the Tour & Taxis site (Brussels) and on Cloche d'Or in Luxembourg, accounts for the increase in turnover in "Real Estate & Senior Care". In the "AvH & Growth Capital" segment, the revenue primarily comprises the turnover generated by Agidens, since the other participations are accounted for using the equity method. In the "Private Banking" segment, the evolution of the interest income should of course be seen in conjunction with that of the interest expenses. In 2016, the pressure on the net interest margin of Bank J. Van Breda & C° was amply offset by the increase in fee income.

The profit (loss) on assets/liabilities designated at fair value through profit and loss in 2015 included a positive impact of 60.8 million euros (or 42.1 million euros after accounting for tax effects) by the remeasurement of the historical interest in Tour & Taxis which had to be recognized following the acquisition of control (100%) of the site by buying out the minority shareholders at the beginning of that year. The rest (22.1 million euros) of the profit on assets/liabilities designated at fair value through profit and loss in 2015 related to other changes in the value of the real estate portfolios of Extensa and Leasinvest Real Estate. In 2016, the fair values of those real estate assets at both Extensa and Leasinvest Real Estate went on to increase by 40.6 million euros, the bulk of which is represented by the Herman Teirlinck project (Extensa) on the Tour & Taxis site, in pursuance of the sales agreement that Extensa concluded with Baloise.

In view of the negative trend observed at Groupe Flo during 2016 and in light of negotiations that are being conducted to attract new investors and/or to dispose of certain divisions of Groupe Flo, AvH reduced its exposure to Financière Flo / Groupe Flo by 22.1 million euros in line with the market value of Groupe Flo per 31.12.2016 (0.67 euros per share).

AvH recognized goodwill impairment losses in 2016 on its stake in Oriental Quarries & Mines (3.1 million euros), as did HPA on the first consolidation of Patrimoine & Santé (4.1 million euros).

In comparison to 2015, when Agidens was able to realize a capital gain of 59.8 million euros (share of the group 31.7 million euros) on the sale of Egemin Handling Automation, and Sofinim sold its participation in Hertel, the gain on disposal of assets was substantially lower in 2016: CFE realized capital gains on its PPP stakes in Locorail (Liefkenshoek rail tunnel) and Coentunnel (Amsterdam). Leasinvest Real Estate finalized the previously announced sale of the new office building Royal20 in the Grand Duchy of Luxembourg and realized a capital gain on that transaction, on top of the profit that was already recognized in previous periods through fair value adjustments in profit and loss.

The evolution of the profit from operating activities is a combination of the many factors in the contributing segments. The greatest difference in the comparison with 2015 lies in the "AvH & Growth Capital" segment, where there is no recurrence of the capital gains on the sale of (especially) Egemin Handling Automation and Hertel in 2015, and 2016 is characterized by impairment losses at Groupe Flo and CKT Offshore.

Despite the inclusion of Patrimoine & Santé in the consolidation scope in 2016, there was only a slight decrease in the net financial result in relation to last year.

The profit contribution from equity accounted companies in 2016 (108.7 million euros), although composed differently, roughly equalled that of 2015 (110.5 million euros).

There was a decrease in income taxes due to a lower result before tax, a lower tax rate at DEME as a result of a different geographical location of the turnover realized

and the investments made and a decrease in the real estate segment (in 2015 there was a substantial deferred tax on the T&T remeasurement). It should be pointed out that the contribution from equity accounted companies only represents the share of the group in the net result of those companies, and that the taxes due on those results are not shown in the consolidated financial statements of AvH.

Over the full year, the profit for the year (share of the group) turns out 59.8 million euros lower than in 2015. The bulk of this negative variation is attributable to the "AvH & Growth Capital" segment where, as was already explained above, there were no capital gains on sales of participations, and negative contributions and impairment losses on Groupe Flo and CKT Offshore were reported instead.

Note 5: segment information - assets 2016

(€ 1,000)	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5		
	Marine Engineering & Contracting	Private Banking	Real Estate & Senior Care	Energy & Resources	AvH & Growth Capital	Eliminations between segments	Total 2016
I. Non-current assets	2,456,874	4,050,951	1,598,499	174,483	248,792	-6,336	8,523,262
Intangible assets	95,516	5,179	66,136		1		166,832
Goodwill	177,060	134,247	31,232				342,539
Tangible assets	1,697,794	40,054	359,876	9,231	27,683		2,134,639
Investment property			1,010,754				1,010,754
Participations accounted for using the equity method	159,540	633,263	15,933	165,113	179,450		1,153,300
Financial fixed assets	172,125	625	88,952		33,780	-6,336	289,146
Available for sale financial fixed assets	16,578	3	88,237		8,225		113,043
Receivables and warranties	155,547	622	715		25,554	-6,336	176,103
Non-current hedging instruments	510	1,481	1,584				3,576
Amounts receivable after one year	26,143	105,906	23,623		4,997		160,669
Trade receivables	1,884				2,346		4,230
Finance lease receivables		105,906	23,366				129,272
Other receivables	24,259		256		2,651		27,167
Deferred tax assets	128,184	2,624	409	138	2,881		134,236
Banks - receivables from credit institutions and clients after one year		3,127,572					3,127,572
II. Current assets	2,013,435	1,708,521	375,617	32,522	155,094	-38,029	4,247,159
Inventories	96,613		17,516		407		114,536
Amounts due from customers under construction contracts	56,019		189,742		2,042		247,803
Investments	3	582,069	317		39,019		621,408
Available for sale financial assets		582,069	317		39,019		621,405
Financial assets held for trading	3						3
Current hedging instruments	2,324	1,227					3,551
Amounts receivable within one year	1,174,961	71,569	98,247	26,416	71,848	-37,781	1,405,260
Trade debtors	1,105,991		34,373	4,781	22,583	-1,563	1,166,164
Finance lease receivables		47,303	547				47,850
Other receivables	68,970	24,266	63,327	21,635	49,265	-36,218	191,245
Current tax receivables	18,954		4,515	26	933		24,429
Banks - receivables from credit institutions and clients within one year		1,041,064					1,041,064
Banks - loans and advances to banks		74,156					74,156
Banks - loans and receivables (excl. finance leases)		931,915					931,915
Banks - cash balances with central banks		34,993					34,993
Cash and cash equivalents	639,458	5,857	63,191	6,046	39,762		754,315
Time deposits for less than three months	124,658	1	4,853		27,261		156,773
Cash	514,801	5,856	58,338	6,046	12,501		597,542
Deferred charges and accrued income	25,101	6,734	2,089	34	1,083	-248	34,793
III. Assets held for sale	21,416		75,191		8,031		104,637
Total assets	4,491,724	5,759,472	2,049,307	207,005	411,917	-44,366	12,875,059

(€ 1,000)	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5		
Segment information - pro forma turnover	Marine Engineering & Contracting	Private Banking	Real Estate & Senior Care	Energy & Resources	AvH & Growth Capital	Eliminations between segments	Total 2016
Turnover EU member states	2,050,245	476,627	328,144	55,329	664,451	-2,533	3,572,263
Other European countries	75,206	137	2,590	10,875	40,061		128,870
Rest of the world	836,184	0	0	39,820	323,785		1,199,789
Total	2,961,635	476,764	330,735	106,025	1,028,297	-2,533	4,900,923

The pro forma turnover comprises the turnover of all participations held by the AvH group, and therefore deviates from the turnover as reported in the legal IFRS consolidation drawn up on the basis of the consolidation scope reported on page 123 to 131. In this pro forma presentation, all (exclusive) control interests are incorporated in full and the other interests proportionally.

Note 5: segment information - equity and liabilities 2016

(€ 1,000)	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5		Total 2016
	Marine Engineering & Contracting	Private Banking	Real Estate & Senior Care	Energy & Resources	AvH & Growth Capital	Eliminations between segments	
I. Total equity	1,550,265	1,277,714	633,966	194,112	260,290		3,916,348
Shareholders' equity - group share	947,977	1,036,961	354,349	186,609	257,186		2,783,083
Issued capital					113,907		113,907
Share capital					2,295		2,295
Share premium					111,612		111,612
Consolidated reserves	968,111	1,032,278	354,278	167,855	159,568		2,682,090
Revaluation reserves	-20,133	4,683	71	18,754	8,541		11,915
Financial assets available for sale		4,053	11,446	-9	15,656		31,145
Hedging reserves	-4,939	-337	-13,282		-77		-18,635
Actuarial gains (losses) defined benefit pension plans	-11,878	-49	-19	-664	1,041		-11,569
Translation differences	-3,317	1,016	1,926	19,427	-8,079		10,974
Treasury shares (-)					-24,830		-24,830
Minority interests	602,287	240,753	279,617	7,503	3,104		1,133,265
II. Non-current liabilities	1,003,847	732,951	897,578	8,354	38,981	-6,336	2,675,375
Provisions	91,968	3,588	6,297		4,135		105,989
Pension liabilities	51,544	3,404	606	407	60		56,021
Deferred tax liabilities	153,792	283	97,957	2,940	1,713		256,685
Financial debts	681,798		727,785	5,008	5,049	-6,336	1,413,303
Bank loans	315,577		572,227	5,008			892,811
Bonds	303,537		130,512				434,049
Subordinated loans	1,294		2,050				3,344
Finance leases	51,808		22,589		5,049		79,446
Other financial debts	9,583		407			-6,336	3,654
Non-current hedging instruments	18,988	14,148	51,215				84,352
Other amounts payable after one year	5,756	6,848	13,717		28,024		54,346
Banks - debts to credit institutions, clients & securities		704,680					704,680
Banks - deposits from credit institutions							0
Banks - deposits from clients		647,175					647,175
Banks - debt certificates including bonds							0
Banks - subordinated liabilities		57,505					57,505
III. Current liabilities	1,931,608	3,748,807	517,763	4,538	112,645	-38,029	6,277,332
Provisions	37,758	34	74				37,865
Pension liabilities		206	8				214
Financial debts	170,021		370,673	1,440	54,715	-36,218	560,632
Bank loans	107,246		190,924	1,440			299,610
Bonds							0
Finance leases	48,122		2,583		1,498		52,202
Other financial debts	14,653		177,166		53,218	-36,218	208,819
Current hedging instruments	23,515	1,632					25,147
Amounts due to customers under construction contracts	218,377				4,439		222,816
Other amounts payable within one year	1,393,472	13,511	112,534	2,839	52,578	-1,563	1,573,372
Trade payables	1,200,026	4	57,964	1,568	12,311	-1,563	1,270,310
Advances received			2,638	1,176			3,814
Amounts payable regarding remuneration and social security	149,279	7,947	17,378	95	9,165		183,864
Other amounts payable	44,168	5,560	34,554		31,102		115,384
Current tax payables	32,885	1,070	17,509	156	369		51,989
Banks - debts to credit institutions, clients & securities		3,727,271					3,727,271
Banks - deposits from credit institutions		24,422					24,422
Banks - deposits from clients		3,532,914					3,532,914
Banks - debt certificates including bonds		161,693					161,693
Banks - subordinated liabilities		8,242					8,242
Accrued charges and deferred income	55,579	5,083	16,966	103	544	-248	78,027
IV. Liabilities held for sale	6,004						6,004
Total equity and liabilities	4,491,724	5,759,472	2,049,307	207,005	411,917	-44,366	12,875,059

Comments on the segment information - balance sheet 2016

The balance sheet total of AvH continued to grow in 2016 to 12,875.1 million euros at 31/12/2016. This is an increase by 622.0 million euros on year-end 2015. The increase is to be found primarily in the "Private Banking" segment, where it reflects the increased commercial volumes at Bank J.Van Breda & C° as well as the growth in the equity of Delen Investments, and in the "Real Estate & Senior Care" segment where Extensa's projects are in full development and where, as a result of the formation of HPA in 2016, both Residalya and Patrimoine & Santé are now fully consolidated, which in 2015 was not yet the case as far as the latter is concerned.

As was already observed in previous years, the full consolidation of the interest in Bank J.Van Breda & C° and the large balance sheet total of that group company (4,992.2 million euros) in relation to the other group companies has a highly significant impact on the presentation of AvH's consolidated balance sheet. A number of items from the balance sheet of Bank J.Van Breda & C° are summarized under separate items for distinction purposes.

The increase in tangible assets from 1,945.8 million euros (2015) to 2,134.6 million euros at year-end 2016 is explained primarily by the full consolidation (through HPA) of Patrimoine & Santé, which owns 220.9 million euros in retirement homes and furnishing.

The increase in investment property is the result of Extensa's dynamic on the Tour & Taxis site with the acquisition of the Hôtel des Douanes and the development of the Herman Teirlinck building. The real estate portfolio of Leasinvest Real Estate represents 859.9 million euros and decreased slightly in 2016 following the sale of the Royal20 and Zeutestraat buildings and the acquisition of a shopping centre in Austria.

The increase in the item 'Participations accounted for using the equity method' means that these companies realized more profit than they paid out dividends. Three segments report a decrease due to effects connected with changes in the consolidation scope: in 2015, the interest in Patrimoine & Santé was still accounted for using the equity method, as opposed to the full consolidation in 2016, while in the "AvH & Growth Capital" segment the participations in Financière Flo/Groupe Flo and in CKT Offshore were transferred to 'Assets held for sale'. A similar transfer of a real estate development company by CFE accounts for the decrease in the "Marine Engineering & Contracting" segment.

The Retail Estates shares held by Leasinvest Real Estate are reported under 'Available for sale financial fixed assets', as are a limited number of non-consolidated participations of AvH and of Green Offshore.

As in previous years, it should be pointed out that the balance sheet of Delen Investments, an equity accounted group company, contains a substantial item 'Clients' of 235.5 million euros at year-end 2016 (2015: 239.8 million euros).

The 'Investments' consist primarily of the investment portfolio of Bank J.Van Breda & C° and to a lesser extent of AvH investments.

The cash and cash equivalents increased further in 2016 to 754.3 million euros at year-end 2016, compared with 705.0 million euros last year. A large part of that cash is to be found in the "Marine Engineering & Contracting" segment. This is explained by the strong cash generation by DEME in combination with some delay at the shipyards where DEME has ordered new vessels, which meant that certain payments connected with those orders were not yet due at year-end 2016.

The assets held for sale consist primarily of buildings or land held for sale by CFE, Algemene Aannemingen Van Laere and Leasinvest Real Estate. This item also includes at year-end 2016 the final portion (21.8%) of the stake in Holding Groupe Duval, which in accordance with the relevant agreements has been swapped at the beginning of 2017 for shares of Patrimoine & Santé, as well as the interest which AvH holds in Financière Flo/Groupe Flo and in CKT Offshore.

For details of the changes in equity, we refer to note on page 117 of this report.

In the "Marine Engineering & Contracting" segment, the item 'Provisions' contains at year-end 2016 an amount of 46.3 million euros (2015: 49.3 million euros) for 'contingent liabilities' that were identified by AvH when it acquired control over CFE at the end of 2013.

The increase in long-term financial debts by 76.4 million euros is explained primarily by the inclusion in the consolidation scope of Patrimoine & Santé, which predominantly finances its real estate assets in the long term. Compared with year-end 2015, the impact of Residalya/Patrimoine & Santé is 145.3 million euros. Apart from this effect of a change in consolidation scope, the long-term financial debts of the group have decreased.

Several entities of the group have issued retail bonds, such as CFE (100 million euros), DEME (200 million euros), Leasinvest Real Estate (95 million euros) and HPA (34 million euros).

When acquiring the 26% interest that NPM Capital held in Sofinim, AvH negotiated a deferred payment of 56 million euros, half of which is payable end of September 2017 and the rest end of September 2018; that final instalment is reported under other amounts payable after one year.

Client deposits at Bank J.Van Breda & C° increased in relation to last year. Compared with last year, the bank's clients held a larger portion of those deposits in the form of short term deposits.

Note 5: segment information - cash flow statement 2016

(€ 1,000)	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5		Total 2016
	Marine Engineering & Contracting	Private Banking	Real Estate & Senior Care	Energy & Resources	AvH & Growth Capital	Eliminations between segments	
I. Cash and cash equivalents - opening balance	519,386	7,292	58,691	4,984	114,633		704,987
Profit (loss) from operating activities	243,202	54,011	106,685	-79	-34,378	-104	369,337
Reclassification 'Profit (loss) on disposal of assets' to cash flow from divestments	-20,309	-835	-3,877	-102	21		-25,102
Dividends from participations accounted for using the equity method	15,205	45,477		409	4,518		65,608
Other non-operating income (expenses)		1,429	356				1,785
Income taxes	-40,629	-18,479	-4,631	-645	-789		-65,173
Non-cash adjustments							
Depreciation	235,293	5,586	17,456	1,911	2,664		262,910
Impairment losses	-244	902	4,364	3,090	22,059		30,171
Share based payment	-20	-2,567	186		784		-1,618
Profit (loss) on assets/liabilities designated at fair value through profit and loss	-22		-40,565				-40,587
(Decrease) increase of provisions	-5,838	2,955	269		3,957		1,342
(Decrease) increase of deferred taxes	-15,862	3,932	-1,080	-78	-58		-13,146
Other non-cash expenses (income)	-1,518	3,631	-139	16	-598		1,391
Cash flow	409,256	96,041	79,025	4,521	-1,821	-104	586,920
Decrease (increase) of working capital	29,221	-34,342	39,265	3,346	39,332	-5,531	71,291
Decrease (increase) of inventories and construction contracts	79,790		31,103		5,101		115,994
Decrease (increase) of amounts receivable	11,503	-21,115	-18,105	3,447	-21,111	8,154	-37,227
Decrease (increase) of receivables from credit institutions and clients (banks)		-265,930					-265,930
Increase (decrease) of liabilities (other than financial debts)	-57,528	-996	23,446	-61	55,862	-13,685	7,038
Increase (decrease) of debts to credit institutions, clients & securities (banks)		261,979					261,979
Decrease (increase) other	-4,544	-8,280	2,822	-40	-521		-10,563
Cash flow from operating activities	438,477	61,699	118,290	7,867	37,511	-5,634	658,211
Investments	-299,596	-537,371	-206,388	-4,858	-119,875		-1,168,089
Acquisition of intangible and tangible assets	-192,042	-5,313	-16,992	-268	-2,522		-217,138
Acquisition of investment property			-114,766				-114,766
Acquisition of financial fixed assets	-31,196		-72,618	-4,590	-114,158		-222,562
New amounts receivable	-76,358	-262	-2,012		-3,062		-81,695
Acquisition of investments		-531,796			-133		-531,929
Divestments	74,707	536,288	82,040	102	8,465		701,601
Disposal of intangible and tangible assets	8,604		509	102	59		9,275
Disposal of investment property	1,291		64,855				66,146
Disposal of financial fixed assets	33,551		14,875		3,137		51,563
Reimbursements of amounts receivable	31,260		767		3,500		35,527
Disposal of investments		536,288	1,033		1,769		539,090
Cash flow from investing activities	-224,890	-1,083	-124,349	-4,756	-111,410		-466,488
Financial operations							
Interest received	7,999	14	2,801	20	496	-187	11,142
Interest paid	-40,610		-16,487	-111	-503	291	-57,421
Other financial income (costs)	-12,101		-7,049	-13	-1,203		-20,366
Decrease (increase) of treasury shares					-801		-801
(Decrease) increase of financial debts	12,626		43,418	-1,444	-6,852	5,531	53,279
Distribution of profits					-64,980		-64,980
Dividends paid to minority interests	-61,355	-62,065	-16,468	-1,406	76,577		-64,717
Cash flow from financial activities	-93,441	-62,051	6,215	-2,954	2,734	5,634	-143,863
II. Net increase (decrease) in cash and cash equivalents	120,146	-1,435	156	157	-71,165		47,859
Transfer between segments	456		2,335	922	-3,713		0
Change in consolidation scope or method			1,814				1,814
Capital increases (minorities)	88		188				275
Impact of exchange rate changes on cash and cash equivalents	-618		8	-18	7		-620
III. Cash and cash equivalents - ending balance	639,458	5,857	63,191	6,046	39,762		754,315

Comments on the segment information - cash flow statement 2016

Despite the fact that in 2016 the profit from operating activities turned out 127.2 million euros lower than in the 2015 financial year, AvH still realized a higher consolidated cash flow, increasing from 577.9 million euros to 586.9 million euros. We refer to the consolidated income statement and the notes to that statement for the factors that explain the evolution of the profit from operating activities. The increase in cash flow in 2016 is explained by (i) a smaller profit from the sale of assets (reclassified to cash flow from divestments) and from valuations at fair value through the income statement, (ii) higher dividends received from equity-accounted companies, and (iii) higher impairment losses charged to the 2016 income statement.

The profit reclassified to 'cash flow from divestments' amounted to 97.3 million euros in 2015 and derived primarily from the sale by Agidens of the Handling Automation division of Egemin (on which a profit of 59.8 million euros was realized) and of Sofinim's participation in Hertel. In 2016, those capital gains represented 25.1 million euros. This figure includes the capital gains realized in the "Marine Engineering & Contracting" segment on the divestment of the interests in Locorail (CFE), Coentunne (CFE and DEME) and part of the interest in C-Power (DEME).

In line with the strong results which AvH's group companies realized in 2015, the equity-accounted companies paid out 23.1 million euros more in dividends to AvH and its subsidiaries. The main contributors (and gainers) in this item were the non-fully consolidated subsidiaries of CFE/DEME and Delen Investments.

The impairment losses were explained in the comments on the income statement, as was the profit on assets designated at fair value.

The working capital of the consolidated group decreased in 2016 for all segments, except in "Private Banking" where lending increased faster than client deposits and interbank financing. The lower turnover at DEME and the sale of real estate developments by Extensa accounted for most of this decrease.

In 2016, the fully consolidated companies of the AvH group invested a total of 1,168.1 million euros, which is 256.1 million euros more than in 2015. Besides investments in DEME's fleet and the other investments throughout the group in intangible and tangible assets remained high (217.1 million euros in total) in 2016, the acquisi-

tion of major additional investment properties were done at Extensa (in the buildings on the Tour & Taxis site, such as the Herman Teirlinck building and the 'Hôtel des douanes') and at Leasinvest Real Estate (acquisition of shopping centre in Austria and additional investments in buildings in portfolio). More cash was also spent in 2016 on the acquisition of financial fixed assets, i.e. the acquisition of the 26% share that NPM Capital held in Sofinim (of which 50 million euros has already been paid and instalments of 28 million euros being payable in 2017 and 2018), the increased stake in the company developing the Herman Teirlinck building, the acquisition of an additional 25% stake in Patrimoine & Santé at the beginning of 2016, and finally on the acquisition of additional senior care residences by Anima Care and HPA.

The fully consolidated companies of the AvH group disposed of more investment property (66.1 million euros) than in 2015 (23.9 million euros). Those sales occurred primarily in the portfolio of Leasinvest Real Estate (Royal20 building in Luxembourg, Zeutestraat in Mechelen).

The disposal of financial fixed assets amounted to 51.6 million euros, which is far below the 207.0 million euros in 2015 (then a.o. Hertel, Agidens). The divestments of 2016 consist primarily of the aforementioned divestments that are transferred from the operating cash flow of "Marine Engineering & Contracting" and of the swap of an additional stake (16%) in Holding Groupe Duval (which at the beginning of 2016 was swapped for Patrimoine & Santé shares).

The new loans that were granted (and do not relate to the banking activity) are primarily in the "Marine Engineering & Contracting" segment, and are connected with the financing of the Merkur and Rentel wind projects.

The acquisition by Bank J. Van Breda & C° of 531.8 million euros worth of short-term investments is part of the bank's normal investment portfolio management and almost entirely matches the disposal of short-term investments (536.3 million euros).

The sharp reduction of financial debts in 2015 was followed in 2016 by a slight increase, mainly as a result of developments in the "Real Estate & Senior Care" segment.

The item 'dividends paid to minority interests' consists of the dividends paid in 2016 outside the consolidation scope, more particularly to the minority shareholders of CFE, Finaxis, Leasinvest Real Estate, Sofinim and Agidens.

Evolution of the cash position of the AvH group 2012-2016⁽¹⁾

€ millions	2016	2015	2014	2013	2012
Treasury shares ⁽²⁾	29.0	28.4	24.5	21.2	18.4
Other investments					
- Portfolio shares	39.0	41.1	27.2	23.6	20.0
- Term deposits	26.2	33.2	55.9	73.3	82.3
Cash	5.3	5.6	6.5	6.4	6.5
Financial debts	-31.2	-32.0	-92.7	-127.6	-39.3
Net cash position	68.3	76.3	21.3	-3.1	87.9

⁽¹⁾ Includes the cash and financial debts to credit institutions and to financial markets of the consolidated subholdings recorded in the segment 'AvH & Growth Capital' and the cash of GIB (50%) and Finaxis.

⁽²⁾ To the extent that the treasury shares are held in portfolio to cover outstanding option obligations. the value of the treasury shares is matched to those obligations.

At year-end 2016, AvH (including subholdings) had a net cash position of 68.3 million euros, compared with 76.3 million euros at year-end 2015. Besides cash and short-term deposits, this cash position consisted of 68.0 million euros in short-term investments (in-

cluding treasury shares) and 30.4 million euros in short-term debt in the form of commercial paper. The group's net cash position decreased only slightly in relation to 2015, despite the investments made during the year in a.o. Sofinim and Green Offshore/Rentel.

Note 5: Segment information - income statement 2015

(€ 1,000)	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5		
	Marine Engineering & Contracting	Private Banking	Real Estate & Senior Care	Energy & Resources	AvH & Growth Capital	Eliminations between segments	Total 2015
Revenue	3,516,487	171,412	244,739	14,030	67,297	-2,733	4,011,231
Rendering of services	4,422		138,558	13,970	2,579	-2,595	156,934
Lease revenue		7,016	1,591				8,607
Real estate revenue	27,331		91,722				119,053
Interest income - banking activities		116,083					116,083
Fees and commissions - banking activities		44,663					44,663
Revenue from construction contracts	3,391,250				61,930		3,453,179
Other operating revenue	93,483	3,650	12,869	59	2,788	-138	112,712
Other operating income	3,952	592	1,798	0	2,317	-791	7,869
Interest on financial fixed assets - receivables	250		21		1,150	-553	869
Dividends	3,703	592	1,777		810		6,881
Government grants							0
Other operating income					356	-238	118
Operating expenses (-)	-3,310,402	-114,329	-188,126	-11,161	-81,228	2,971	-3,702,275
Raw materials and consumables used (-)	-1,929,773		-32,735		-27,325		-1,989,833
Changes in inventories of finished goods, raw materials & consumables (-)	-14,340		873		187		-13,281
Interest expenses Bank J.Van Breda & C ^o (-)		-38,986					-38,986
Employee expenses (-)	-574,337	-41,503	-79,717	-876	-29,108		-725,540
Depreciation (-)	-255,525	-5,592	-8,771	-2,217	-2,907		-275,012
Impairment losses (-)	-16,285	-760	-1,566		-2,664		-21,275
Other operating expenses (-)	-512,618	-26,894	-66,019	-8,068	-19,400	2,971	-630,028
Provisions	-7,524	-594	-191		-11		-8,319
Profit (loss) on assets/liabilities designated at fair value through profit and loss	-397	0	82,860	0	0	0	82,463
Financial assets held for trading							0
Investment property	-397		82,860				82,463
Profit (loss) on disposal of assets	27,419	409	498	11	68,944	0	97,281
Realised gain (loss) on intangible and tangible assets	18,802		210	11	14		19,037
Realised gain (loss) on investment property	2,746		485				3,231
Realised gain (loss) on financial fixed assets	5,871		-187		68,162		73,846
Realised gain (loss) on other assets		409	-10		768		1,167
Profit (loss) from operating activities	237,059	58,084	141,770	2,880	57,330	-553	496,569
Finance income	46,112	43	2,055	61	2,516	-78	50,709
Interest income	8,328	43	1,227	48	924	-78	10,492
Other finance income	37,783		828	13	1,592		40,216
Finance costs (-)	-84,195	0	-21,298	-184	-3,556	631	-108,603
Interest expenses (-)	-29,261		-13,123	-179	-1,036	631	-42,970
Other finance costs (-)	-54,934		-8,175	-5	-2,519		-65,633
Derivative financial instruments designated at fair value through profit and loss	0	445	-4,793	0	0		-4,348
Share of profit (loss) from equity accounted investments	40,148	92,603	-4,646	6,150	-23,705		110,549
Other non-operating income	0	1,566	0	0	0		1,566
Other non-operating expenses (-)	0	0	0	0	0		0
Profit (loss) before tax	239,124	152,740	113,087	8,906	32,585	0	546,442
Income taxes	-60,263	-20,646	-26,018	-800	-318	0	-108,046
Deferred taxes	-24,042	-5,360	-21,311	-243	509		-50,447
Current taxes	-36,221	-15,286	-4,707	-558	-827		-57,599
Profit (loss) after tax from continuing operations	178,860	132,094	87,069	8,106	32,267	0	438,395
Profit (loss) after tax from discontinued operations	0	0	0	0	-1,141		-1,141
Profit (loss) of the period	178,860	132,094	87,069	8,106	31,126	0	437,254
Minority interests	69,629	28,114	27,900	689	26,844		153,175
Share of the group	109,231	103,980	59,169	7,417	4,282		284,079

Note 5: segment information - assets 2015

(€ 1,000)	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5		
	Marine Engineering & Contracting	Private Banking	Real Estate & Senior Care	Energy & Resources	AvH & Growth Capital	Eliminations between segments	Total 2015
I. Non-current assets	2,451,187	3,777,568	1,291,208	161,440	273,942	-3,283	7,952,062
Intangible assets	97,928	7,081	51,968		35		157,012
Goodwill	177,113	134,247	22,522				333,882
Tangible assets	1,742,431	38,423	126,218	10,874	27,826		1,945,772
Investment property	2,419		952,671				955,090
Participations accounted for using the equity method	166,715	593,935	22,109	150,444	204,045		1,137,249
Financial fixed assets	138,874	364	89,692		35,739	-3,283	261,386
Available for sale financial fixed assets	7,729	3	86,372		7,387		101,491
Receivables and warranties	131,145	361	3,319		28,352	-3,283	159,894
Non-current hedging instruments	1,381	1,251	1,597				4,228
Amounts receivable after one year	20,475	90,042	24,125		3,803		138,445
Trade receivables	945				900		1,845
Finance lease receivables		90,042	23,914				113,956
Other receivables	19,530		211		2,904		22,644
Deferred tax assets	103,851	6,499	307	122	2,493		113,272
Banks - receivables from credit institutions and clients after one year		2,905,726					2,905,726
II. Current assets	1,990,617	1,668,997	382,832	35,124	213,583	-29,756	4,261,397
Inventories	80,079		18,707		194		98,981
Amounts due from customers under construction contracts	144,836		221,034		4,226		370,095
Investments	10	594,926			41,146		636,083
Available for sale financial assets		594,926			41,146		636,073
Financial assets held for trading	10						10
Current hedging instruments	8,765	690					9,455
Amounts receivable within one year	1,171,301	66,318	76,104	30,101	51,696	-29,528	1,365,992
Trade debtors	1,109,469		22,523	3,537	15,474	-1,464	1,149,540
Finance lease receivables		43,226	524				43,750
Other receivables	61,832	23,092	53,057	26,564	36,221	-28,064	172,703
Current tax receivables	8,505		2,743	28	472		11,748
Banks - receivables from credit institutions and clients within one year		994,336					994,336
Banks - loans and advances to banks		85,220					85,220
Banks - loans and receivables (excl. finance leases)		879,746					879,746
Banks - cash balances with central banks		29,370					29,370
Cash and cash equivalents	519,386	7,292	58,691	4,984	114,633		704,987
Time deposits for less than three months	96,250		4,610	1,774	101,700		204,333
Cash	423,137	7,292	54,081	3,210	12,933		500,654
Deferred charges and accrued income	57,735	5,434	5,553	11	1,216	-228	69,720
III. Assets held for sale			39,462		125		39,587
Total assets	4,441,805	5,446,565	1,713,502	196,564	487,650	-33,039	12,253,045

(€ 1,000)	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5		
Segment information - pro forma turnover	Marine Engineering & Contracting	Private Banking	Real Estate & Senior Care	Energy & Resources	AvH & Growth Capital	Eliminations between segments	Total 2015
Turnover EU member states	1,819,829	496,092	297,467	44,119	608,695	-4,577	3,261,626
Other European countries	244,114	157	4,960	12,563	21,776		283,570
Rest of the world	1,425,227	0	0	36,541	262,260		1,724,028
Total	3,489,171	496,249	302,427	93,222	892,731	-4,577	5,269,224

The pro forma turnover comprises the turnover of all participations held by the AvH group, and therefore deviates from the turnover as reported in the legal IFRS consolidation drawn up on the basis of the consolidation scope reported on page 123 to 131. In this pro forma presentation, all (exclusive) control interests are incorporated in full and the other interests proportionally.

Note 5: segment information - equity and liabilities 2015

(€ 1,000)	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5		
	Marine Engineering & Contracting	Private Banking	Real Estate & Senior Care	Energy & Resources	AvH & Growth Capital	Eliminations between segments	Total 2015
I. Total equity	1,443,134	1,218,433	583,586	182,121	388,336		3,815,612
Shareholders' equity - group share	885,400	990,154	315,751	173,786	242,248		2,607,339
Issued capital					113,907		113,907
Share capital					2,295		2,295
Share premium					111,612		111,612
Consolidated reserves	899,817	981,544	312,604	159,139	142,902		2,496,006
Revaluation reserves	-14,417	8,610	3,147	14,646	9,831		21,817
Financial assets available for sale		4,404	12,400	47	15,302		32,153
Hedging reserves	-6,661	-605	-10,258		-296		-17,821
Actuarial gains (losses) defined benefit pension plans	-4,651	232		-589	1,097		-3,912
Translation differences	-3,104	4,579	1,006	15,188	-6,272		11,397
Treasury shares (-)					-24,392		-24,392
Minority interests	557,735	228,279	267,835	8,336	146,088		1,208,273
II. Non-current liabilities	1,054,953	807,912	736,304	9,825	11,490	-3,283	2,617,200
Provisions	96,741	932	5,340		179		103,191
Pension liabilities	41,540	3,250	429	359	22		45,600
Deferred tax liabilities	152,319	488	60,631	3,015	1,533		217,986
Financial debts	713,270		614,084	6,451	6,384	-3,283	1,336,904
Bank loans	308,111		497,987	6,448			812,546
Bonds	305,216		111,824				417,040
Subordinated loans			2,200				2,200
Finance leases	95,984		1,712	3	6,384		104,083
Other financial debts	3,958		360			-3,283	1,035
Non-current hedging instruments	33,807	10,484	40,853				85,145
Other amounts payable after one year	17,276	10,614	14,967		3,373		46,230
Banks - debts to credit institutions, clients & securities		782,144					782,144
Banks - deposits from credit institutions							0
Banks - deposits from clients		719,359					719,359
Banks - debt certificates including bonds		3					3
Banks - subordinated liabilities		62,782					62,782
III. Current liabilities	1,943,717	3,420,219	393,612	4,618	87,824	-29,756	5,820,233
Provisions	34,339		54				34,392
Pension liabilities		246					246
Financial debts	113,252		292,031	1,441	60,232	-28,064	438,892
Bank loans	97,975		175,583	1,440			274,998
Bonds							0
Finance leases	15,218		1,104	1	1,454		17,776
Other financial debts	58		115,345		58,778	-28,064	146,118
Current hedging instruments	35,146	995	47				36,188
Amounts due to customers under construction contracts	210,870				1,309		212,179
Other amounts payable within one year	1,470,234	15,336	70,353	3,039	24,568	-1,464	1,582,065
Trade payables	1,240,004	7	28,983	1,502	12,014	-1,464	1,281,046
Advances received			2,741	1,396			4,138
Amounts payable regarding remuneration and social security	156,928	8,338	13,414	141	9,821		188,642
Other amounts payable	73,301	6,991	25,214		2,732		108,239
Current tax payables	28,881	1,671	18,519	15	517		49,603
Banks - debts to credit institutions, clients & securities		3,395,076					3,395,076
Banks - deposits from credit institutions		42,007					42,007
Banks - deposits from clients		3,183,127					3,183,127
Banks - debt certificates including bonds		166,179					166,179
Banks - subordinated liabilities		3,763					3,763
Accrued charges and deferred income	50,996	6,896	12,608	124	1,197	-228	71,593
IV. Liabilities held for sale							0
Total equity and liabilities	4,441,805	5,446,565	1,713,502	196,564	487,650	-33,039	12,253,045

Note 5: segment information - cash flow statement 2015

(€ 1,000)	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5		
	Marine Engineering & Contracting	Private Banking	Real Estate & Senior Care	Energy & Resources	AvH & Growth Capital	Eliminations between segments	Total 2015
I. Cash and cash equivalents -opening balance	722,647	97,450	23,668	4,388	74,073		922,226
Profit (loss) from operating activities	237,059	58,084	141,770	2,880	57,330	-553	496,569
Reclassification 'Profit (loss) on disposal of assets' to cash flow from divestments	-27,419	-409	-498	-11	-68,944		-97,281
Dividends from participations accounted for using the equity method	1,174	32,136		287	8,951		42,548
Other non-operating income (expenses)		1,566					1,566
Income taxes	-84,203	-20,646	-26,018	-794	-324		-131,986
Non-cash adjustments							
Depreciation	255,525	5,592	8,771	2,217	2,907		275,012
Impairment losses	16,285	668	1,566		2,664		21,183
Share based payment	62	127	1,315		689		2,194
Profit (loss) on assets/liabilities designated at fair value through profit and loss	397		-82,860				-82,463
(Decrease) increase of provisions	6,796	768	271		-779		7,056
(Decrease) increase of deferred taxes	24,042	5,360	21,311	243	-509		50,447
Other non-cash expenses (income)	-11,182	4,418	-312	-3	89		-6,989
Cash flow	418,537	87,663	65,316	4,819	2,074	-553	577,855
Decrease (increase) of working capital	-26,016	-128,999	-8,091	-1,175	1,295	-867	-163,854
Decrease (increase) of inventories and construction contracts	-1,431		11,170		-6,656		3,082
Decrease (increase) of amounts receivable	-101,791	-6,925	-16,427	-1,079	15,552	-867	-111,537
Decrease (increase) of receivables from credit institutions and clients (banks)		-332,534					-332,534
Increase (decrease) of liabilities (other than financial debts)	79,444	-1,501	1,679	-58	-8,305		71,259
Increase (decrease) of debts to credit institutions, clients & securities (banks)		213,169					213,169
Decrease (increase) other	-2,238	-1,208	-4,514	-38	705		-7,294
Cash flow from operating activities	392,520	-41,337	57,225	3,644	3,369	-1,420	414,001
Investments	-355,047	-323,520	-182,427	-3,392	-56,773	9,132	-912,027
Acquisition of intangible and tangible assets	-278,943	-4,242	-23,252	-34	-1,694		-308,165
Acquisition of investment property			-36,223				-36,223
Acquisition of financial fixed assets	-59,628		-122,642	-3,358	-23,880		-209,509
New amounts receivable	-16,476	-220	-309		-11,571	9,132	-19,444
Acquisition of investments		-319,058			-19,627		-338,685
Divestments	60,899	319,739	24,800	11	212,139	-14,132	603,454
Disposal of intangible and tangible assets	31,880		603	11	75		32,568
Disposal of investment property			23,974				23,974
Disposal of financial fixed assets	24,655				182,320		206,975
Reimbursements of amounts receivable	4,364		215		18,146	-14,132	8,593
Disposal of investments		319,739	8		11,597		331,344
Cash flow from investing activities	-294,149	-3,781	-157,627	-3,381	155,366	-5,000	-308,573
Financial operations							
Interest received	8,008	43	1,227	48	924	-420	9,830
Interest paid	-40,281		-14,430	-179	-1,036	972	-54,954
Other financial income (costs)	-17,416		-6,176	-18	-1,354		-24,964
Decrease (increase) of treasury shares					-4,110		-4,110
(Decrease) increase of financial debts	-238,359		125,631	-1,440	-61,551	5,867	-169,852
Distribution of profits					-60,363		-60,363
Dividends paid to minority interests	-50,629	-45,082	-16,032	-1,470	64,041		-49,172
Cash flow from financial activities	-338,678	-45,040	90,220	-3,059	-63,450	6,420	-353,586
II. Net increase (decrease) in cash and cash equivalents	-240,307	-90,157	-10,182	-2,797	95,285		-248,158
Transfer between segments	2,738		35,819	3,358	-41,915		0
Change in consolidation scope or method	33,450		7,289		-12,882		27,857
Capital increases (minorities)	574		1,225				1,799
Impact of exchange rate changes on cash and cash equivalents	284		873	35	71		1,263
III. Cash and cash equivalents - ending balance	519,386	7,292	58,691	4,984	114,633	0	704,987

Note 6: intangible assets

(€ 1,000)	Develop- ment costs	Concessions, patents & licences	Goodwill	Software	Other intangible assets	Advance payments	Total
Movements in intangible assets - financial year 2015							
Intangible assets, opening balance	2,698	4,872	9,708	12,879	88,934	0	119,091
Gross amount	3,230	17,132	12,159	25,815	94,414	0	152,751
Accumulated depreciation (-)	-533	-12,261	-2,451	-12,936	-5,480	0	-33,661
Investments	2	2,557	604	1,489	40	382	5,074
Additions through business combinations		44,186	1,290	759	5	601	46,841
Disposals (-)	17	-103		-76			-161
Disposals through business disposals (-)	-897						-897
Depreciations (-)	-1,789	-2,487		-6,298	-2,344		-12,918
Foreign currency exchange increase (decrease)	-26	-2			-1		-28
Transfer from (to) other items				10			10
Intangible assets, ending balance	5	49,023	11,602	8,764	86,635	982	157,012
Gross amount	2,060	67,692	14,053	28,401	94,354	982	207,542
Accumulated depreciation (-)	-2,054	-18,669	-2,451	-19,637	-7,719	0	-50,530
Movements in intangible assets - financial year 2016							
Intangible assets, opening balance	5	49,023	11,602	8,764	86,635	982	157,012
Gross amount	2,060	67,692	14,053	28,401	94,354	982	207,542
Accumulated depreciation (-)	-2,054	-18,669	-2,451	-19,637	-7,719	0	-50,530
Investments	1,268	1,623	1,099	800	500	179	5,469
Additions through business combinations		10,390	2,650	3			13,043
Disposals (-)				-26	-5		-32
Disposals through business disposals (-)							0
Depreciations (-)	-1,286	-3,339		-3,322	-890		-8,836
Foreign currency exchange increase (decrease)	17	-33		-1	-1		-18
Transfer from (to) other items				14	179		193
Intangible assets, ending balance	5	57,664	15,351	6,233	86,418	1,161	166,832
Gross amount	3,347	73,607	17,802	29,056	93,443	1,161	218,416
Accumulated depreciation (-)	-3,342	-15,943	-2,451	-22,822	-7,025	0	-51,584

The growth of the group's senior care activities accounts for most of the increase in intangible assets in 2016 with, among other things, the acquisitions of 'Le Birmingham' (60 beds, Sint-Jans-Molenbeek) and 'Duneroze' (160 retirement home beds,

40 convalescent home beds, Wenduine) by Anima Care, and of the residences 'Ambroise Paré' (88 beds) in Lyon, 'Demeure du Bois Ardent' (76 beds) in Saint-Lô and the residential care centre with 60 beds and a crèche in Laval (Mayenne) by HPA.

Note 7: goodwill

(€ 1,000)	2016	2015
Movements in goodwill		
Goodwill, opening balance	333,882	319,358
Gross amount - fully consolidated participations	349,075	331,436
Accumulated impairment losses - fully consolidated participations (-)	-15,193	-12,078
Additions through business combinations ¹⁾	12,850	17,639
Impairments through profit and loss (-)	-4,137	-3,116
Other increase (decrease)	-55	
Goodwill, ending balance	342,539	333,882
Gross amount - fully consolidated participations	361,870	349,075
Accumulated impairment losses - fully consolidated participations (-)	-19,331	-15,193

¹⁾ See Note 4 on Business Combinations for more details.

The business combinations by HPA (residences in Lyon, Saint-Lô and Laval) and the grouping of the interests of AvH and the management of Residalya in both Residalya and Patrimoine & Santé together under a new holding company, HPA, explain the increase in goodwill. HPA decided at year-end 2016 to write off the part of the goodwill of Patrimoine & Santé (4.1 million euros) that could not be allocated to the buildings in portfolio.

On balance, the goodwill is mainly attributable to Finaxis, DEME (following the acquisition of control at year-end 2013) and to the subsidiaries held by DEME, CFE, Van Laere, Anima Care and HPA. It should be pointed out that this does not include the goodwill (clients) of 235.5 million euros in the consolidated balance sheet of Delen Investments, as Delen Investments is recognized according to the equity method. This goodwill mainly results from the acquisition of Capital & Finance in 2007, JM Finn & Co in 2011, and to a limited extent Oyens & Van Eeghen (end of 2015).

AvH subjects the goodwill on its balance sheet to an impairment test in case of impairment indications and at least annually. This means the goodwill that is reported as such in the consolidated balance sheet under the item 'Goodwill', as well as the goodwill that is contained in the item 'Participations accounted for using the equity method' on the assets side. Each group company of AvH is treated as a distinct cash generating unit (CGU). As part of the impairment test, a fair value is determined for each CGU on the basis of publicly available market valuations (broker reports / market price of listed companies). If after this first step on the basis of a fair value approach it turns out that additional justification is required, a value in use will also be determined from the perspective of AvH based on a discounted cash flow (DCF) model or market multiples. If, after this second step, still no adequate justification can be given for the goodwill in the balance sheet, an 'impairment' will be recognized.

Note 8: tangible assets

The main investments were in the expansion and renewal of DEME's fleet, the acquisition of the land and building of Duneroze (Wenduine) by Anima Care, and the usual investments in machinery and equipment in the Contracting division. The additions through business combinations are explained by the full consolidation (through HPA) of Patrimoine & Santé, which at year-end 2016 owned 220.9 million euros in retirement homes and furnishing.

The tangible assets of the companies in the Marine Engineering & Contracting segment together represent approximately 80% of the total tangible assets. The care residences of Anima Care and of Patrimoine & Santé (together 17%), the branch office network of Bank J.Van Breda & C^o and various other office buildings of the group make up the balance.

Note 8: tangible assets

(€ 1,000)	Land and buildings	Plant, machinery and equipment	Furniture and vehicles	Other tangible assets	Assets under construction & advance payments	Operating lease as lessor (IAS 17)	Total 2015
I. Movements in tangible assets - financial year 2015							
Tangible assets, opening balance	218,698	1,436,646	19,453	4,484	16,031	349	1,695,661
Gross amount	310,404	2,972,424	87,799	21,112	16,031	1,381	3,409,152
Accumulated depreciation (-)	-91,683	-1,535,778	-68,347	-16,628		-1,032	-1,713,468
Accumulated impairments (-)	-24						-24
Investments	20,395	180,454	12,999	553	88,794		303,195
Additions through business combinations	3,735	208,298	13,344	182	773		226,332
Disposals (-)	-3,975	-7,883	-1,076	-1	-148		-13,084
		-107	-1,376	-185	-593		-2,261
Depreciations (-)	-17,079	-232,138	-11,109	-1,726		-43	-262,095
Impairments (-)	-2,463		-817				-3,280
Foreign currency exchange increase (decrease)	-278	136	-28	877	-130		577
Transfer from (to) other items	12,080	2,129	639	-111	-14,746		-9
Other increase (decrease)		425	90	26	194		736
Tangible assets, ending balance	231,112	1,587,959	32,120	4,100	90,174	306	1,945,772
Gross amount	334,779	3,247,848	112,683	22,798	90,174	1,381	3,809,663
Accumulated depreciation (-)	-101,180	-1,659,889	-79,745	-18,699		-1,075	-1,860,588
Accumulated impairments (-)	-2,487		-817				-3,304
II. Other information							
Finance leases							
Net carrying amount of tangible assets under finance lease	24,646	113,550	5,143				143,339
Tangible assets acquired under finance lease		59,790	789				60,579

(€ 1,000)	Land and buildings	Plant, machinery and equipment	Furniture and vehicles	Other tangible assets	Assets under construction & advance payments	Operating lease as lessor (IAS 17)	Total 2016
I. Movements in tangible assets - financial year 2016							
Tangible assets, opening balance	231,112	1,587,959	32,120	4,100	90,174	306	1,945,772
Gross amount	334,779	3,247,848	112,683	22,798	90,174	1,381	3,809,663
Accumulated depreciation (-)	-101,180	-1,659,889	-79,745	-18,699		-1,075	-1,860,588
Accumulated impairments (-)	-2,487		-817				-3,304
Disposals through business disposals (-)							
Investments	19,659	110,715	9,388	837	72,895		213,494
Additions through business combinations	233,548	599	846	1	90		235,083
Disposals (-)	-2,567	-2,864	-330	1	-11		-5,770
Disposals through business disposals (-)		-1					-1
Depreciations (-)	-19,680	-222,762	-10,693	-896		-43	-254,074
Impairments (-)			-2				-2
Foreign currency exchange increase (decrease)	56	-764	-190		102		-797
Transfer from (to) other items	13,270	15,985	271	321	-28,949		898
Other increase (decrease)	37						37
Tangible assets, ending balance	475,433	1,488,867	31,411	4,364	134,301	263	2,134,639
Gross amount	599,583	3,213,697	120,799	12,782	134,301	1,381	4,082,542
Accumulated depreciation (-)	-121,663	-1,724,829	-88,652	-8,418		-1,118	-1,944,681
Accumulated impairments (-)	-2,487		-736				-3,223
II. Other information							
Finance leases							
Net carrying amount of tangible assets under finance lease	75,747	110,573	5,486				191,806
Tangible assets acquired under finance lease		6,462	2,021				8,483

Note 9: investment property at fair value

(€ 1,000)	Leased buildings	Operating lease as lessor - IAS 40	Development projects	Assets held for sale	Total
I. Movement in investment property at fair value - financial year 2015					
Investment property, opening balance	696,301	0	33,860	18,137	748,298
Gross amount	696,301	0	33,860	18,137	748,298
Investments	10,105		26,119		36,223
Additions through business combinations	142,044		10,929		152,974
Disposals (-)				-24,158	-24,158
Gains (losses) from fair value adjustments	8,309		13,354		21,663
Gains (losses) from fair value adjustments - remeasurement Tour&Taxis	14,161		10,929		25,090
Transfer from (to) other items	-16,833		21,509	10,378	15,054
Other increase (decrease)	-15,697				-15,697
Investment property, ending balance	838,390	0	116,700	4,392	959,482
Gross amount	838,390	0	116,700	4,392	959,482
I. Movement in investment property at fair value - financial year 2016					
Investment property, opening balance	838,390	0	116,700	4,392	959,482
Gross amount	838,390	0	116,700	4,392	959,482
Investments	42,846		84,936	455	128,237
Additions through business combinations	0				0
Disposals (-)	-1,291		-57,369	-4,392	-63,053
Gains (losses) from fair value adjustments	-5,332		45,575	344	40,587
Transfer from (to) other items	-68,722		13,999	55,542	818
Other increase (decrease)	542		481	125	1,148
Investment property, ending balance	806,432	0	204,322	56,466	1,067,220
Gross amount	806,432	0	204,322	56,466	1,067,220

(€ 1,000)	Leased buildings	Operating lease as lessor - IAS 40	Development projects		Total
II. Other information					
Rental income and operating expenses 2015					
Rental income of investment property	59,714				59,714
Direct operating expenses (incl. repair & maintenance) of leased buildings	-2,503				-2,503
Direct operating expenses (incl. repair & maintenance) of non leased buildings	-808				-808
Rental income and operating expenses 2016					
Rental income of investment property	61,335				61,335
Direct operating expenses (incl. repair & maintenance) of leased buildings	-3,186				-3,186
Direct operating expenses (incl. repair & maintenance) of non leased buildings	-1,080				-1,080
Acquisition obligations					
Contractual obligations for the acquisition of investment property 2015					0
Contractual obligations for the acquisition of investment property 2016					0

(€ 1,000)	Total 2016	Total 2015
Breakdown of real estate revenue in the income statement		
Sale of land parcels	1,920	356
Rental income	61,335	59,714
Other real estate services (a.o. real estate promotion revenues)	116,059	58,983
	179,314	119,053
Key figures - buildings in portfolio (excluding development projects)		
Contractual rents	56,540	55,240
Rental yield (%)	6.78%	6.88%
Occupancy rate (%)	96.77%	95.80%
Average duration of the leases till first break (# years)	4.37	4.84

The increase in investment property is the result of Extensa's dynamic on the Tour & Taxis site with the acquisition of the Hôtel des Douanes and the development of the Herman Teirlinck building. The real estate portfolio of Leasinvest Real Estate represents 859.9 million euros and decreased slightly in 2016 following the sale of the Royal20 and Zeutestraat buildings, the acquisition of the Frun Retail Park shopping centre in Asten (Austria), and limited fair value adjustments to the other buildings in the portfolio.

The increasing value of the Herman Teirlinck building, which has been pre-let on a long-term lease, is recognized according to percentage of completion, and makes the biggest contribution to the 'Gains from fair value adjustments'.

The transfers from (to) other items concern the redevelopment of the Montoyer 63 office building in Brussels (transferred to development projects), as well as three logistic properties from the portfolio of Leasinvest Real Estate that were transferred to assets held for sale.

Valuation of investment properties

The investment properties are valued at fair value, whereby changes in value are recorded in the income statement.

Leased buildings

The fair value of leased buildings is determined at least annually, based on valuation reports. See the annual report of Leasinvest Real Estate for more information on this subject. Also the key figures cited above for leased buildings are the key figures of Leasinvest Real Estate, since 94% of the leased buildings are owned by LRE.

Operating leaseings as lessor - IAS 40

Operating leaseings whose purchase option takes into account the market value are qualified as investment properties. In other cases, these contracts are considered to be operating leases in accordance with IAS 17.

Note 10: participations accounted for using the equity method

(€ 1,000)	2016	2015
Participations accounted for using the equity method		
Marine Engineering & Contracting	159,540	166,715
Private Banking	633,263	593,935
Real Estate & Senior Care	15,933	22,109
Energy & Resources	165,113	150,444
AvH & Growth Capital	179,450	204,045
Total	1,153,300	1,137,249

(€ 1,000)	Equity value	Goodwill allocated	Total 2016	Total 2015
Movements in participations accounted for using the equity method				
Participations accounted for using the equity method: opening balance	1,049,447	87,802	1,137,248	1,169,019
Additions	33,114	1,539	34,653	45,468
Additions through business combinations			0	696
Disposals (-)	-13,826		-13,826	-30,617
Share of profit (loss) from equity accounted investments	108,660		108,660	110,549
Impairments through profit and loss (-)	-22,066	-3,090	-25,156	-8,831
Foreign currency exchange increase (decrease)	-4,871		-4,871	5,888
Impact of dividends distributed by the participations (-)	-65,609		-65,609	-42,548
Transfers (to) from other items	-40,434	195	-40,240	-122,338
Other increase (decrease)	22,439		22,439	9,963
Participations accounted for using the equity method: ending balance	1,066,854	86,445	1,153,300	1,137,249

General evolution

DEME's participation in the capital increases in the Rentel and Merkur wind projects, AvH's increased stakes in Sagar Cements and Sipef, and financing the losses of CKT Offshore through capital increases represent the main investments. On September 30, 2016, AvH bought out minority shareholder (26%) NPM Capital in Sofinim and now owns 100% of Sofinim. AvH already accounted for Sofinim earlier using the full consolidation method, with a minority interest of 26%. The acquisition of this minority interest leads (mechanically) to an increased shareholding percentage in the participations that are held through Sofinim. The resulting higher shareholding percentages were applied in the income statement as of 4Q 2016.

The disposals are primarily explained by the sale by DEME of half of its stake in C-Power. The sale by CFE in 2016 of its 25% stake in Locorail (Liefkenshoek rail tunnel in Antwerp) and its share in the Coentunnel Company has no impact on this, since their carrying value in CFE's accounts had already been reduced to zero.

The impairments relate to AvH's interests in Groupe Flo and Oriental Quarries & Mines. In view of the negative trend observed at Groupe Flo during 2016 and in light of negotiations that are being conducted to attract new investors and/or to dispose of certain divisions of Groupe Flo, AvH reduced its exposure to Financière Flo / Groupe Flo by 22.1 million euros to bring it into line with the market value of Groupe Flo as at 31/12/2016. In 2016, AvH also recognized a goodwill impairment (3.1 million euros) on its interest in Oriental Quarries & Mines.

The profit contribution from equity accounted companies in 2016 (108.7 million euros), although composed differently, roughly equalled that of 2015 (110.5 million euros). Delen Investments (87.9 million euros) and Sipef (10.1 million euros) remain primary contributors to the group's results, and also in 2016 the profit contributions from the participations exceeded the dividends they pay out.

The item 'Transfers from (to) other items' comprises changes in the consolidation scope: in 2015, the interest in Patrimoine & Santé was still accounted for using the

equity method, as opposed to the full consolidation in 2016, while in the "AvH & Growth Capital" segment the participations in Financière Flo/Groupe Flo and in CKT Offshore were transferred to 'Assets held for sale'. A similar transfer of a real estate development company by CFE accounts a.o. for the decrease in the "Marine Engineering & Contracting" segment.

Directly held participations accounted for using the equity method

AvH applies the equity method to the jointly controlled subsidiaries Delen Investments (78.75%), ASCO-BDM (50%), Sipef (27.8%), Oriental Quarries & Mines (50%), Amsteldijk Beheer (50%), Distriplus (50%), Manuchar (30.0%), Turbo's Hoet Groep (50%), Consortium Telemond (50%) and GIB (50%). This balance sheet item also comprises the associated interests in Sagar Cements (19.9%), Atenor (10.5%), Axe Investments (48.3%), Corelio (26.1%), Financière EMG (22.2%), MediaCore (49.9%) and Transpalux (45.0%). For a more detailed description of the changes in the scope, see p. 133 'Segment reporting'.

Several of the group companies mentioned above are listed on the stock market. If the interests in Sipef, Sagar Cements and Atenor were to be valued at the market price at year-end 2016, those companies would represent stock market values of 150.7 million euros, 31.6 million euros and 27.0 million euros respectively.

Indirectly held participations accounted for using the equity method

The full consolidation of CFE, DEME and Rent-A-Port gives rise to the recognition of their jointly controlled subsidiaries and associated companies for a total amount of 159.1 million euros. DEME's main interests are in C-Power (6.5%), Rentel (18.9%) and Medco (44.1%) as well as the real estate and PPP projects set up by CFE together with partners and the development of the industrial zone of Dinh Vu (Vietnam) by Rent-A-Port.

Note 11: financial assets

1. Financial assets and liabilities per category

(€ 1,000)	Fair value		Book value	
	2016	2015	2016	2015
Financial assets				
Financial assets held for trading				
Financial assets of the trading portfolio	3	10	3	10
Available for sale financial assets				
Non-current financial assets available for sale	113,043	101,491	113,043	101,491
Investments available for sale	621,405	636,073	621,405	636,073
Receivables and cash				
Receivables and warranties	176,103	159,894	176,103	159,894
Finance lease receivables	188,203	167,764	177,122	157,706
Other receivables	218,412	195,347	218,412	195,347
Trade debtors	1,170,394	1,151,385	1,170,394	1,151,385
Time deposits for less than three months	156,773	204,333	156,773	204,333
Cash	597,542	500,654	597,542	500,654
Banks - receivables from credit institutions & clients	4,498,663	4,236,263	4,168,636	3,900,062
Hedging instruments	7,127	13,683	7,127	13,683

(€ 1,000)	Fair value		Book value	
	2016	2015	2016	2015
Financial liabilities				
Financial liabilities valued at amortised cost				
Financial debts				
Bank loans	1,212,127	1,112,527	1,192,421	1,087,544
Bonds	447,815	430,377	434,049	417,040
Subordinated loans	3,500	2,295	3,344	2,200
Finance leases	136,284	132,280	131,648	121,859
Other financial debts	212,472	147,153	212,473	147,153
Other debts				
Trade payables	1,270,310	1,281,046	1,270,310	1,281,046
Advances received	3,814	4,138	3,814	4,138
Amounts payable regarding remuneration and social security	183,864	188,642	183,864	188,642
Other amounts payable	169,730	154,469	169,730	154,469
Banks - debts to credit institutions, clients & securities	4,474,065	4,232,152	4,431,951	4,177,220
Hedging instruments	109,499	121,333	109,499	121,333

(€ 1,000)	2016			2015		
	Level 1	Level 2	Interest accrual	Level 1	Level 2	Interest accrual
Financial assets						
Financial assets held for trading						
Financial assets of the trading portfolio		3			10	
Available for sale financial assets						
Non-current financial assets available for sale	70,763	42,280		70,425	31,066	
Investments available for sale	615,900	730	4,775	627,767	1,661	6,644
Receivables and cash						
Finance lease receivables		188,203			167,764	
Banks - receivables from credit institutions & clients		4,498,663			4,236,263	
Hedging instruments		7,126	1		13,683	
Financial liabilities						
Financial debts						
Bank loans		1,212,127			1,112,527	
Bonds	393,399	54,416		394,573	35,804	
Subordinated loans		3,500			2,295	
Finance leases		136,284			132,280	
Banks - debts to credit institutions, clients & securities		4,474,065			4,232,152	
Hedging instruments		109,040	459		121,020	313

The fair value of the securities in the investment portfolio is determined by means of the public market price (level 1). This also applies to the retail bonds issued by DEME, CFE and Leasinvest Real Estate. In determining the receivables (and debts) to credit institutions & clients at Bank J.Van Breda & C^o the following assumptions are made:

the commercial margins on re-pricing and a percentage of early repayments are taken into account, but a percentage of loan losses is not taken into account. For hedging instruments, this is the current value of future cash flows while taking into account of the applicable swap rate and volatility (level 2).

(€ 1,000)	Realised gains (losses)	Interest income (expense)	Realised gains (losses)	Interest income (expense)
		2016		2015
Financial assets held for trading				
Available for sale financial assets	10,538	4,149	75,013	6,869
Receivables and cash		20,286		19,968
Hedging instruments		175		305
Banks - receivables from credit institutions & clients		102,291		108,909
Financial liabilities valued at amortised cost				
Hedging instruments		-5,040		-3,923
Banks - debts to credit institutions, clients & securities		-27,504		-35,063

2. Credit risk

Both **CFE** and **DEME** have set up procedures to limit the risk of their trade receivables. A large part of the consolidated turnover is realized through public or semi-public sector customers. The level of counterparty risk is limited by the large number of customers. To limit the credit risk, both participations constantly monitor their outstanding trade receivables and adjust their positions if necessary. For the purposes of major foreign contracts, for instance, DEME regularly uses the services of the Credendo Group (former national delcredere office) insofar as the country concerned qualifies for this service and the risk can be covered by credit insurance. For large-scale contracts, DEME is dependent on the ability of customers to obtain financing and can, if necessary, help to organize its own project financing. Although the credit risk cannot be ruled out altogether, it is still limited. Moreover, as a worldwide player, DEME is exposed to political risks and negative developments that may manifest themselves at the macroeconomic level. CFE continued to reduce its activities and order book in Africa in 2016. At year-end 2016, CFE still had a net claim of around 60 million euros against the Chadian government. Progress has been made in the negotiations with the Chadian government to find a solution for these outstanding receivables, but so far no tangible result has emerged. The recovery of those receivables will also be a major challenge in 2017.

Rent-A-Port has a limited number of customers and counterparties due to the very nature of the activities in which the group operates. As a result, it is exposed to a higher credit (concentration) risk. The group is able to adequately curtail this risk by providing sufficient contractual safeguards and by building and maintaining strong relations with its customers. Since Rent-A-Port has operations in countries such as Oman, Qatar, Vietnam and Nigeria, it is also exposed to political risks. Here, too, local relations and a strong local network are the main risk management factors.

The turnover of **Van Laere** and its subsidiaries consists of 30% public contracts and 70% private contracts (B2B). The public contracts do not involve a credit risk. In the case of private contracts, a financial analysis is performed of the prospective customer during the tendering stage (where appropriate with inspection of the loan agreement, request for parent company guarantee, three-party agreement with

lender and building owner, etc.). The income of the car park firm Alfa Park is largely cash income.

For the credit risk regarding the lease portfolio of **Bank J. Van Breda & C°** we refer to the credit risk policy as described in note 12.

Leasinvest Real Estate aims at a good spread both in terms of the number of tenants and the sectors in which these tenants are active in order to limit the number of bad debts and bankruptcies by tenants. Furthermore, the solvency of the tenants is screened on a regular basis by an external rating agency, and long-term lease agreements are sought to ensure a recurrent rental income flow and increase the duration of the lease agreements.

Extensa Group is mainly active in the development of real estate projects. Prior to the signing of a new project, an extensive analysis of the related technical, legal and financial risks is made.

Anima Care and **HPA** have a limited credit risk. Most residents pay by direct debit. Rents are billed in advance and debtors are closely monitored. Government grants are an important source of income.

The credit risk of **NMP** is hedged by the conclusion of long term contracts whereby the pipeline network is made available to third parties for transport of their products. As all clients of NMP are large national and international corporations, the risk for discontinuing income is estimated to be rather low.

Agidens manages its debtor risk in accordance with the relevant policy, procedures and checks that have been set out by the group. Outstanding receivables are periodically monitored, and large-scale projects are generally covered by bank or other similar guarantees.

In the **AvH & Growth Capital** segment the group invests for the long term in a limited number of companies with international growth potential. The diversified character of these investments contributes to a balanced spread of the economic and financial risks. Furthermore, AvH usually finances these investments with shareholders' equity.

(€ 1,000)		Not expired	Expired < 30 d	Expired < 60 d	Expired < 120 d	Expired > 120 d
	Total					
Aging balance 2015						
Financial assets held for trading	10	10				
Available for sale financial assets	737,564	737,564				
Receivables	1,664,332	1,144,829	82,102	45,299	170,304	221,799
Aging balance 2016						
Financial assets held for trading	3	3				
Available for sale financial assets	734,448	734,448				
Receivables	1,742,031	1,349,339	74,460	44,904	20,575	252,753

The expired receivables mainly relate to the contracting business of CFE, DEME and Van Laere and the lease portfolio of Bank J. Van Breda & C°. Overdue receivables in contracting for the most part relate to settlements and additional charges, but have yet to be included in the budgets or are to be covered by an overall agreement. Van Laere has a lawsuit pending in connection with the Président project in Luxembourg.

No provisions were made for this. CFE and DEME have several negotiations and/or lawsuits pending too.

Expected losses on construction contracts are adequately provided for through impairments on construction contracts, recorded in the balance sheet item 'Construction contracts' (Note 13).

(€ 1,000)	Financial assets held for trading	Financial assets available for sale	Receivables
Financial year 2015			
Accumulated impairments - opening balance	0	-71,590	-44,284
Changes in consolidation scope			-319
Impairments recorded during the financial year		-807	-13,438
Impairments reversed during the financial year		252	6,050
Impairments cancelled during the financial year		167	33
Foreign exchange impact			-144
Transfers from(to) other items		542	-1,747
Accumulated impairments - ending balance	0	-71,436	-53,849
Financial year 2016			
Accumulated impairments - opening balance	0	-71,436	-53,849
Changes in consolidation scope		-9	-267
Impairments recorded during the financial year		-207	-5,789
Impairments reversed during the financial year			7,623
Impairments cancelled during the financial year		4,475	2,533
Foreign exchange impact			-832
Transfers from(to) other items			5,613
Accumulated impairments - ending balance		-67,177	-44,968

The 'Available for sale financial assets' include a.o. accumulated impairments to a total amount of 67.2 million euros. Those are attributable to the AvH & Growth Capital segment, primarily the impairment recognized in 2008 on Ageas (former Fortis) shares (44.3 million euros), and a number of old investments that were written down in the past. The impairments on receivables are largely due to the full consolidation of DEME, CFE and Rent-A-Port. The recovery by the latter of an outstanding receivable gave rise to the recognition of a reversal of impairment. The derecognition of impairments is partly attributable to the winding up of one of Extensa's Romanian operations, allowing it to partly reduce the historically recognized impairments on its Romanian operations. This item also includes impairments on the lease portfolio of Bank J.Van Breda & C°.

3. Exchange rate risk

Given the international character of its business operations and the execution of contracts in foreign currency, **DEME** is exposed to currency risks and value fluctuations in those currencies. DEME usually hedges those risks by using financial hedges and futures contracts. In the case of **CFE**, most operations take place within the eurozone; nevertheless, exposure to foreign currency fluctuations is limited as much as possible.

Rent-A-Port is primarily active in countries outside the eurozone and is mainly exposed to the USD as most business contracts are concluded in USD. This is also the case in Vietnam, where sales are realized in USD.

Extensa Group is present in Turkey and Romania, the local activities being subject to exchange rate fluctuations. In Turkey, Extensa has an exposure to the Turkish lira on project margins from the off-plan sale of apartments. In the analysis of projects that are subject to exchange rate fluctuations, allowance is made for a discount that reflects the volatility risk.

Leasinvest Real Estate's activities and investments in Switzerland expose it to an exchange rate risk, more particularly the volatility of the Swiss franc against the euro. This can lead to an adjustment of the asset value of the assets, as well as variability of the net cash flows. In order to mitigate this risk, a cross-currency swap is concluded whereby the variability of the fair value of the asset is neutralized by fluctuations in the fair value of the swap. The variability of the net cash flows is mitigated by natural hedging, where the expenses in Swiss francs are balanced as much as possible with the income in Swiss francs.

The exchange rate risk of **Bank J.Van Breda & C°** is limited, as the bank only operates in Belgium and the nature of its clients is such that it does not hold any significant own currency position.

Agidens, with its worldwide operations, has a (limited) exchange rate exposure to the US dollar and Swiss franc, and hedges its currency risk by using the same currency as much as possible for the income and expenses of the group company in question (natural hedging). If necessary, a currency swap is concluded with approved and reputable counterparties.

The strategy of **AvH** to look towards emerging markets resulted in 2 investments in Indian rupees (19.9% participation in Sagar Cements, 50% in Oriental Quarries & Mines). This risk is not hedged as it concerns long term investments.

The remaining fully consolidated participations are not subject to significant exchange rate risks since they mainly operate in the eurozone.

Various non-fully consolidated participations such as Delen Investments and Sipef, as well as Manuchar, Telemond Group, Turbo's Hoet Groep and others, operate to a significant extent outside the eurozone. The exchange rate risk in each of these cases is followed up and controlled at the level of the participation itself.

The exchange rate risk at **Delen Investments** is limited to the foreign currency subsidiaries (JM Finn & Co and to a lesser extent Delen Suisse). The net exposure to the British Pound is currently limited as the impact of any exchange rate fluctuation on the JM Finn & Co equity is neutralized by an opposite impact on the liquidity obligation on the remaining 20% in JM Finn & Co. At **Sipef** the majority of the costs are incurred abroad (in Indonesia and Papua New Guinea), whereas sales are realised in USD. This is a structural risk that is not hedged by the company and is therefore considered as a general business risk. Transactional risks are generally limited by short payment terms, and translation differences are limited by making the functional currency and reporting currency the same as much as possible.

Manuchar is exposed to exchange rate risk between the USD and local currencies of the countries in which the distribution activities take place. To hedge these risks, the positions are monitored and, if necessary, macro hedges are set up. At **Telemond Group**, production takes place in Poland while the sales are realised in the eurozone. The exchange rate risk that is run by this is not hedged and is considered as a general business risk. **Turbo's Hoet Groep**, finally has developed a significant level of activity in Eastern Europe, more specifically in Bulgaria, Romania, Russia and Belarus. Turbo's Hoet Groep realizes its turnover in those markets on the basis of local currency. Although Turbo's Hoet Groep tries to pass on any depreciations in those local currencies to the final customer, market conditions do not always allow it.

Some of the main exchange rates that have been used to convert the balance sheets and results of the foreign entities into euro:

1 euro = x foreign currency	Closing rate	Average rate
Australian Dollar	1.46	1.49
British Pound	0.85	0.82
Bulgarian Lev	1.96	1.96
CFA Franc	655.96	655.96
Hungarian Forint	309.83	311.42
Indian Rupee	71.55	74.22
Moroccan Dirham	10.69	10.85
Nigerian Naira	321.75	286.59
Polish Zloty	4.41	4.36

	Closing rate	Average rate
Qatari Rial	3.84	4.03
Romanian Leu	4.54	4.49
Russian Ruble	64.35	73.15
Singapore Dollar	1.52	1.53
Tunesian Dinar	2.43	2.38
Turkish Lira	3.71	3.34
US Dollar	1.05	1.11
Vietnamese Dong	23,989.80	24,686.19

4. Available for sale financial assets

(€ 1,000)	Financial fixed assets	Investments
Available for sale financial assets - financial year 2015		
Available for sale financial assets: opening balance at fair value	148,847	634,713
Available for sale financial assets - carrying amount	128,735	606,088
Available for sale financial assets - adjustment to fair value	20,112	20,273
Available for sale financial assets - accrued interest		8,352
Additions	11,439	338,685
Additions through business combinations		
Actuarial return		-7,915
Disposals (-)	-68,818	-331,372
Increase (decrease) through changes in fair value	14,939	1,847
Impairment losses recognized in the income statement (-)	-391	-416
Foreign currency exchange increase (decrease)		1,822
Transfer from (to) other items	-4,348	416
Other increase (decrease)	-177	-1,708
Available for sale financial assets: ending balance at fair value	101,491	636,073
Available for sale financial assets - carrying amount	66,440	608,041
Available for sale financial assets - adjustment to fair value	35,051	21,388
Available for sale financial assets - accrued interest		6,644

(€ 1,000)	Financial fixed assets	Investments
Available for sale financial assets - financial year 2016		
Available for sale financial assets: opening balance at fair value	101,491	636,073
Available for sale financial assets - carrying amount	66,440	608,041
Available for sale financial assets - adjustment to fair value	35,051	21,388
Available for sale financial assets - accrued interest		6,644
Additions	16,854	531,929
Additions through business combinations		1,355
Actuarial return		-6,234
Disposals (-)	-2,113	-539,090
Increase (decrease) through changes in fair value	-3,179	-1,808
Impairment losses recognized in the income statement (-)		-207
Foreign currency exchange increase (decrease)		1,055
Transfer from (to) other items	-15	207
Other increase (decrease)	4	-1,874
Available for sale financial assets: ending balance at fair value	113,043	621,405
Available for sale financial assets - carrying amount	81,170	598,033
Available for sale financial assets - adjustment to fair value	31,873	18,598
Available for sale financial assets - accrued interest		4,775

The item 'Available for sale financial fixed assets' consists of approximately 70.8 million euros representing the 10% stake that Leasinvest Real Estate holds in the public regulated real estate company Retail Estates.

In 2016, Green Offshore participated in the capital increases and financing rounds of Rentel and Otary, while AvH subscribed to the capital increase of Ogeda (the former Euroscreen) and acquired a 15% interest in OncoDNA.

The disposals were limited, mainly with a further decrease in AvH's interest in Koffie F. Rombouts (to 8%).

The lower market price of Retail Estates explains the decrease in the unrealized capital gain by 3.2 million euros (to 31.9 million euros).

The investments consist of (€ 1,000):	Number of shares	Fair value
Investments portfolio Bank J.Van Breda & C°		582,039
Funds managed by Delen Private Bank		26,504
Ageas	278,284	10,466
KBC	20,000	1,177
Other		1,220
		621,405

The additions and disposals are largely attributable to Bank J.Van Breda & C°, and relate to transactions realized as part of its Asset & Liability management (ALM).

The breakdown per segment of the fair value of the investments is as follows (€ 1,000):	Fair value
Private Banking (mainly Bank J.Van Breda & C°)	582,069
AvH & Growth Capital	39,019
Real Estate & Senior Care	317
Marine Engineering & Contracting	0
Energy & Resources	0
	621,405

Credit risk of the investment portfolio Bank J.Van Breda & C°

The risk profile of the investment portfolio has for years now deliberately been kept very low. The consolidated investment portfolio at year-end 2016 contains 80% government bonds (including government-guaranteed bonds) with a minimum Aa3 rating (Moody's rating), 19% corporate bonds (including commercial paper

and less than 1% financial bonds and shares. The investment portfolio contains no government bonds of Portugal, Italy, Ireland, Greece or Spain.

The investment framework that is submitted annually for the approval of the board of directors of Bank J.Van Breda & C° determines which investments can be made and the limits that apply. The following table shows the composition of the consolidated investment portfolio by rating and maturity.

Composition of the investment portfolio 31/12/2016	Rating	Remaining duration	
Government bonds Aaa	24.2%	2017	29.8%
Government bonds Aa1	25.5%	2018	25.0%
Government bonds Aa2	10.0%	2019	19.2%
Government bonds Aa3	20.8%	2020	12.8%
Corporate bonds and commercial paper	18.7%	2021	3.8%
Financial bonds and perpetuals	0.7%	>2022	9.0%
Stocks and other	0.1%	indefinite	0.3%

Note 12: banks - receivables from credit institutions and clients

(€ 1,000)	Fair value		Book value	
	2016	2015	2016	2015
I. Claims on credit institutions				
Domestic credit institutions	36,207	48,253	36,177	48,249
Foreign credit institutions	37,853	36,900	37,853	36,900
Accrued interests	126	71	126	71
Total credit institutions	74,186	85,224	74,156	85,220
II. Loans and advances to clients				
Bills and own acceptances				
Investment credits and financing	2,295,302	2,263,952	2,092,793	2,057,908
Fair value adjustment of hedged loans (FV hedge)	11,469	8,096	11,469	8,096
Mortgage loans	1,661,081	1,454,294	1,535,556	1,325,626
Operating appropriations	407,839	384,281	405,880	382,798
Other	7,752	4,883	7,748	4,881
Accrued interests	6,041	6,163	6,041	6,163
Total clients	4,389,484	4,121,669	4,059,487	3,785,472
III. Cash balances with central banks				
Cash balances with central banks	34,993	29,370	34,993	29,370
Accrued interests				
Total cash balances with central banks	34,993	29,370	34,993	29,370
Total receivables from credit institutions and clients	4,498,663	4,236,263	4,168,636	3,900,062

The full consolidation of Bank J.Van Breda & C° results in the inclusion of the specific banking receivables and debts in the balance sheet of AvH. These items have been grouped in order to keep the balance sheet as transparent as possible.

The loans and advances to clients comprise the following:

- loans granted to family entrepreneurs and the liberal professions at Bank J.Van Breda & C° and to individual or self-employed clients at ABK bank. The many entrepreneurs and practitioners of liberal professions who have become clients in previous years entrust an ever increasing share of their banking business to the bank;
- car financing provided by Van Breda Car Finance (ABK bank), a full subsidiary of the bank.

The strong performance of the bank explains the significant increase of loans and advances to clients.

Credit risk

The credit portfolio of Bank J.Van Breda & C° is very widely spread throughout the local economic fabric of family businesses and liberal professions. ABK bank focuses on individuals and still has a historical relationship with self-employed customers. The bank applies concentration limits per sector and maximum credit amounts per client. The credit portfolio of the Van Breda Car Finance (ABK bank) division consists of car loans and car finance leases, and is very widely spread. Constant fine-tuning of the acceptance criteria and proactive debtor monitoring also give this portfolio a low risk profile.

The credit portfolio is divided into risk categories, each of which is monitored in its own specific way. The board of directors of Bank J.Van Breda & C° periodically receives a report on credit facilities in the highest risk category.

Debts which become doubtful are transferred to the Litigation department. There are specific criteria for mandatory transfer when specific events arise with clients, borrowers or guarantors. Impairments are entered in the accounts for credit facilities in the highest risk category and debts that become doubtful.

(€ 1,000)	Total	Not Expired	Expired < 30 d	30 d < expired < 60 d	60 d < expired < 120 d	120 d < expired	Doubtful
Aging balance 2015							
Domestic credit institutions	48,249	48,249					
Foreign credit institutions	36,900	36,900					
Accrued interests	71	71					
Total credit institutions	85,220	85,220	0	0	0	0	0
Bills and own acceptances	0	0					
Investment credits and financing	2,066,004	2,009,362	34,884	6,846	2,621	2,985	9,306
Mortgage loans	1,325,626	1,305,361	12,175	4,045	3,294	32	719
Operating appropriations	382,798	372,195	8,641	227	434	30	1,271
Other	4,881	4,881					
Accrued interests	6,163	6,163					
Total clients	3,785,472	3,697,962	55,700	11,118	6,349	3,047	11,296
Total cash balances with central banks	29,370	29,370	0	0	0	0	0

(€ 1,000)		Not expired	Expired < 30 d	30 d < expired < 60 d	60 d < expired < 120 d	120 d < expired	Doubtful
	Total						
Aging balance 2016							
Domestic credit institutions	36,177	36,177					
Foreign credit institutions	37,853	37,853					
Accrued interests	126	126					
Total credit institutions	74,156	74,156	0	0	0	0	0
Bills and own acceptances	0	0					
Investment credits and financing	2,104,262	2,048,033	35,209	6,166	2,996	612	11,246
Mortgage loans	1,535,556	1,517,057	11,609	3,338	1,485	266	1,801
Operating appropriations	405,880	399,463	3,723	163	60	0	2,471
Other	7,748	7,748					
Accrued interests	6,041	6,041					
Total clients	4,059,487	3,978,342	50,541	9,667	4,541	878	15,518
Total cash balances with central banks	34,993	34,993	0	0	0	0	0

Note 13: inventories and construction contracts

(€ 1,000)	2016	2015
I. Inventories, net amount	114,536	98,981
Gross carrying amount	117,507	100,884
Raw materials and consumables	59,482	35,655
Unfinished products	0	0
Finished products	0	0
Goods purchased for sale	439	232
Immovable property acquired or constructed for resale	57,586	64,997
Depreciation and impairments (-)	-2,972	-1,903
Impairment on inventory through income statement during the financial year	-2,217	-749
Impairment on inventory reversed in the income statement during the financial year	252	644
II. Construction contracts		
Amounts due from (to) customers under construction contracts, net	453,377	418,079
Amounts due from customers (including trade receivables)	547,580	489,121
Amounts due to customers (including trade debts) (-)	-94,203	-71,042
Prepayments received	-127,874	-70,046
Construction contracts on closing date		
Amount of contract costs incurred and recognized profits less losses	6,057,646	6,423,580
Amount of contract revenue	-5,604,269	-6,005,501
Amounts withheld	6,100	5,255

The real estate development projects of CFE are mainly contained in the item 'Immovable property acquired or constructed for resale'.

The construction & project contracts of CFE, DEME, Algemene Aannemingen Van Laere and Agidens are valued according to the 'Percentage of Completion'-method, whereby results are recognized in accordance with the progress of the work. Expected losses are immediately recognized as an expense though in the income state-

ment. Extensa's real estate development projects (primarily Tour&Taxis, Cloche d'Or Luxembourg and Turkey) are also contained in this balance sheet item, as the results of the pre-sold entities that are still under construction are also recognized according to the 'Percentage of Completion' method.

The progress of the work is defined based on the expenditures versus the estimated cost price of the entire project.

Note 14: Minorities

(€ 1,000)	Minority %		Minority share in the AvH balance sheet		Minority share in the profit for the period	
	2016	2015	2016	2015	2016	2015
I. Marine Engineering & Contracting						
CFE - DEME	39.60%	39.60%	596,755	554,519	70,079	69,988
II. Private Banking						
Finaxis	21.25%	21.25%	54,945	53,664	-272	-191
Bank J. Van Breda & C ^o	21.25%	21.25%	77,232	74,252	8,097	8,668
Delen Investments ⁽¹⁾	21.25%	21.25%	108,577	100,364	20,496	22,133
III. Real Estate & Senior Care						
Leasinvest Real Estate	69.99%	69.99%	249,376	253,579	21,470	21,540
HPA ⁽²⁾	29.14%		21,070		2,412	
IV. AvH & Growth Capital⁽³⁾						
Sofinim and consolidated participating interests		26.00%	3,104	146,084	438	26,844
Other			22,207	25,812	19,095	4,195
Total			1,133,265	1,208,273	141,816	153,175

⁽¹⁾ The joint control over Delen Investments led to it being accounted for using the equity method. Although the minority interests relating to JM Finn & Co are not visible in AvH's consolidated balance sheet due to being accounted for using the equity method, they are reported in this overview for the purpose of consistency with the consolidated financial statements of Delen Investments.

⁽²⁾ In January 2016, AvH swapped an additional stake (16%) in Holding Groupe Duval for 25% in Patrimoine & Santé. Patrimoine & Santé is a French company that invests in the real estate operated by the retirement home group Residalya. AvH and members of the management of Residalya then grouped their respective interests in Residalya and in Patrimoine & Santé together under a new holding company, HPA. At year-end 2016, HPA owned 100% of the capital of Residalya and 73.7% of Patrimoine & Santé. HPA fully consolidates those two companies. AvH in turn owns 70.86% of the capital of HPA and fully consolidates this interest.

⁽³⁾ On September 30, 2016, AvH bought out minority shareholder (26%) NPM Capital in Sofinim and now owns 100% of Sofinim. AvH already accounted for Sofinim earlier using the full consolidation method, with a minority interest of 26%. The acquisition of this minority interest leads (mechanically) to an increased shareholding percentage in the participations that are held through Sofinim. The resulting higher shareholding percentages were applied in the income statement as of 4Q 2016.

Summarized income statement - 2016

	CFE	Bank J. Van Breda & C ^o	Delen Investments	Leasinvest Real Estate	HPA	Agidens
Revenue	2,797,085	133,964	313,071	56,647	105,578	75,026
Profit (loss) from operating activities	227,570	53,593	118,902	43,895	3,734	2,636
Finance result	-23,954			-10,188	-5,877	-408
Profit (loss) before tax	202,832	55,232	118,902	33,707	-2,143	2,228
Profit (loss) of the period	172,252	37,815	89,695	31,118	4,493	1,588
At the level of the individual company	172,252	37,815	89,695	31,118	4,493	1,588
- Minority interests	3,841	79	1,818		1,557	
- Share of the group	168,411	37,736	87,877	31,118	2,936	1,588
At the level of AvH⁽¹⁾	171,102	37,815	89,695	31,540	4,493	1,588
- Minority interests	70,079	8,097	20,496	21,470	2,412	438
- Share of the group	101,023	29,718	69,199	10,070	2,080	1,150

⁽¹⁾ Including a limited number of consolidation adjustments

Summarized income statement - 2015

	CFE	Bank J. Van Breda & C ^o	Delen Investments	Leasinvest Real Estate		Growth Capital
Revenue	3,239,406	133,872	314,094	50,455		64,373
Profit (loss) from operating activities	228,905	58,725	128,660	48,158		57,578
Finance result	-32,589			-17,069		244
Profit (loss) before tax	233,075	60,446	128,660	31,089		35,320
Profit (loss) of the period	174,024	40,544	94,907	30,618		33,869
At the level of the individual company	174,024	40,544	94,907	30,618		
- Minority interests	-937	65	2,490	0		
- Share of the group	174,961	40,479	92,417	30,618		
At the level of AvH⁽¹⁾	178,158	40,544	94,907	31,462		33,869
- Minority interests	69,988	8,668	22,133	21,540		26,844
- Share of the group	108,171	31,876	72,774	9,922		7,025

⁽¹⁾ Including a limited number of consolidation adjustments

Summarized statement of comprehensive income - 2016

	CFE	Bank J. Van Breda & C ^o	Delen Investments	Leasinvest Real Estate	HPA	Agidens
At the level of the individual company	162,894	36,830	85,653	17,192	4,596	1,450
Profit (loss) of the period	172,252	37,815	89,695	31,118	4,493	1,588
- Minority interests	3,841	79	1,818	0	1,557	0
- Share of the group	168,411	37,736	87,877	31,118	2,936	1,588
Other comprehensive income	-9,358	-985	-4,042	-13,926	103	-138
- Minority interests	-125	0	0	0	34	0
- Share of the group	-9,233	-985	-4,042	-13,926	70	-138
At the level of AvH	161,744	36,830	85,653	18,066	4,596	1,450
Profit (loss) of the period	171,102	37,815	89,695	31,540	4,493	1,588
- Minority interests	70,079	8,097	20,496	21,470	2,412	438
- Share of the group	101,023	29,718	69,199	10,070	2,080	1,150
Other comprehensive income	-9,358	-985	-4,042	-13,474	103	-138
- Minority interests	-3,758	-209	-859	-9,431	54	-119
- Share of the group	-5,600	-776	-3,183	-4,043	49	-19

Summarized statement of comprehensive income - 2015

	CFE	Bank J. Van Breda & C ^o	Delen Investments	Leasinvest Real Estate		Growth Capital
At the level of the individual company	166,255	38,942	95,861	48,901		
Profit (loss) of the period	174,024	40,544	94,907	30,618		
- Minority interests	-937	65	2,490	0		
- Share of the group	174,961	40,479	92,417	30,618		
Other comprehensive income	-7,769	-1,602	954	18,283		
- Minority interests	703	0	0	0		
- Share of the group	-8,472	-1,602	954	18,283		
At the level of AvH	170,389	38,942	95,861	49,404		
Profit (loss) of the period	178,158	40,544	94,907	31,462		33,869
- Minority interests	69,988	8,668	22,133	21,540		26,844
- Share of the group	108,171	31,876	72,774	9,922		7,025
Other comprehensive income	-7,769	-1,602	954	17,942		1,548
- Minority interests	-2,667	-340	203	12,558		543
- Share of the group	-5,102	-1,262	751	5,384		1,006

Summarized balance sheet - 2016

	CFE	Bank J. Van Breda & C ^o	Delen Investments	Leasinvest Real Estate	HPA	Agidens
Non-current assets	2,400,217	3,284,508	327,465	896,179	313,148	18,790
Current assets	1,928,002	1,707,732	1,853,878	92,262	24,076	34,032
Non-current liabilities	941,074	726,103	98,870	444,362	210,500	6,019
Current liabilities	1,850,668	3,747,742	1,460,752	187,672	49,594	24,240
Equity	1,536,477	518,395	621,721	356,407	77,130	22,564
- Group share	1,521,559	518,257	621,204	356,407	61,062	22,564
- Minority interests	14,918	138	517	0	16,068	
Dividend distributed to minority interests	-24,060	-4,361	-9,633	-16,236	-56	-9,212

Summarized balance sheet - 2015

	CFE	Bank J. Van Breda & C ^o	Delen Investments	Leasinvest Real Estate		Growth Capital
Non-current assets	2,405,671	3,050,400	326,855	954,243		213,637
Current assets	1,896,488	1,667,433	1,763,309	22,059		343,390
Non-current liabilities	990,578	797,298	116,287	395,948		7,130
Current liabilities	1,877,181	3,418,777	1,390,876	217,944		27,306
Equity	1,434,400	501,758	583,001	362,410		522,591
- Group share	1,423,277	501,633	582,554	362,405		376,507
- Minority interests	11,123	125	447	5		146,084
Dividend distributed to minority interests	-20,050	-3,108	-6,800	-15,728		-1,560

Note 15: lease

(€ 1,000)	< 1 year	1 year < < 5 years	> 5 years	Total 2016	< 1 year	1 year < < 5 years	> 5 years	Total 2015
	Remaining term				Remaining term			
I. Lessor - finance lease								
Total gross investment	52,032	121,648	37,348	211,027	48,346	105,805	39,544	193,695
Present value of minimum lease payments receivables	45,822	108,858	20,414	175,095	42,208	92,727	21,229	156,164
Unearned finance income				35,933				37,531
Accumulated allowance for uncollectible minimum lease payments				3,760				4,525
Lease debtors	2,028			2,028	1,542			1,542

Bank J.Van Breda & C° is active in the sector of car finance and finance leasing of cars via its subsidiary Van Breda Car Finance (ABK bank). Extensa also has a limited number of real-estate leases in its portfolio and the long-term lease of Leasinvest

Real Estate of the State Archives building in Bruges to the Public Buildings Agency is contained in this balance sheet item.

(€ 1,000)	< 1 year	1 year < < 5 years	> 5 years	Total 2016	< 1 year	1 year < < 5 years	> 5 years	Total 2015
	Remaining term				Remaining term			
II. Lessee - finance lease								
Minimum lease payments payable - gross	55,247	64,547	24,058	143,851	22,253	82,543	29,316	134,112
Minimum lease payments payable - interest (-)	-3,044	-7,397	-1,762	-12,203	-4,476	-5,686	-2,090	-12,253
Present value of minimum lease payments payable	52,202	57,150	22,296	131,648	17,776	76,856	27,226	121,859
Lease-payments payable for each class of tangible assets: Land and buildings				38,922				17,306
Plant, machinery and equipment				88,516				100,603
Furniture and vehicles				4,211				3,950

(€ 1,000)	< 1 year	1 year < < 5 years	> 5 years	Total 2016	< 1 year	1 year < < 5 years	> 5 years	Total 2015
	Remaining term				Remaining term			
III. Lessee- operating lease								
Future minimum lease payments under non-cancellable operating leases	14,094	17,524	10,603	42,221	14,074	18,403	11,182	43,660
Contingent rents recognized in the income statement				13,781				10,883

As a result of the full consolidation of Patrimoine & Santé, the finance leases increased by approximately 25 million euros, since around a quarter of the buildings involve

finance leases. The other finance lease debts are mainly attributable to vessels of DEME (Charlemagne, Victor Horta and Thor) and buildings at CFE, Van Laere and Agidens.

Note 16: provisions

(€ 1,000)	Warranty provisions	Legal proceeding provisions	Environmental provisions	Provisions for restructuring	Provisions for contractual obligations	Other provisions	Total
Provisions - financial year 2015							
Provisions, opening balance	15,180	5,258	99	2,721	0	108,586	131,844
Additional provisions	4,131	5,047		13,509		13,220	35,907
Increase of existing provisions	150	1				6	157
Increase through business combinations (-)		91				146	237
Amounts of provisions used (-)	-1,758	-248		-11,415		-14,302	-27,721
Reversal of unused amounts of provisions (-)						-16	-16
Decrease through business disposals (-)	-2,068	-50		-313		-1,202	-3,633
Foreign currency exchange increase (decrease)	3			3		-10	-4
Transfer from (to) other items	-1,337	-23		-3,236		5,667	1,071
Other increase (decrease)	10			313		-582	-258
Provisions, ending balance	14,311	10,076	99	1,582	0	111,515	137,583

(€ 1,000)	Warranty provisions	Legal proceeding provisions	Environmental provisions	Provisions for restructuring	Provisions for contractual obligations	Other provisions	Total
Provisions - financial year 2016							
Provisions, opening balance	14,311	10,076	99	1,582	0	111,515	137,583
Additional provisions	4,038	102			245	3,389	7,773
Increase of existing provisions	3,108	1,042		8,482		7,246	19,878
Increase through business combinations (-)		65		560		48	672
Amounts of provisions used (-)	-1,612	-583		-9,499		-4,322	-16,017
Reversal of unused amounts of provisions (-)		-710				-3,156	-3,865
Decrease through business disposals (-)							0
Foreign currency exchange increase (decrease)	-62					-87	-149
Transfer from (to) other items	20	4,191	-99	2,827		-9,049	-2,111
Other increase (decrease)						89	89
Provisions, ending balance	19,801	14,182	0	3,952	245	105,674	143,854

The acquisition of control over CFE at year-end 2013 gave rise to the recognition of a contingent liability for risks of 60.3 million euros in connection with CFE's construction and real estate development activities. In the course of 2014-2015, 11.0 million euros (group share 6.6 million euros) was reversed because the risks in question at CFE were either no longer present or were reported in CFE's own financial statements. This amount was further reduced in 2016 by 3.0 million euros (group share

1.8 million euros). In 2016, AvH constituted provisions for warranties and representations given on the sale of participations and for anticipated costs on the settlement of disputes and risks.

The 'Other provisions' consist of provisions for negative equity consolidation values to the amount of 28.4 million euros.

Note 17: financial debts

(€ 1,000)	< 1 year	1 year < < 5 year	> 5 year	Total 2016	< 1 year	1 year < < 5 year	> 5 year	Total 2015
	Remaining term				Remaining term			
I. Financial debts								
Bank loans	299,610	710,537	182,274	1,192,421	274,998	658,280	154,266	1,087,544
Bonds		396,625	37,424	434,049		396,562	20,478	417,040
Subordinated loans		3,344		3,344		1,250	950	2,200
Finance leases	52,202	44,869	34,577	131,648	17,776	76,866	27,217	121,859
Other financial debts	208,819	3,246	407	212,473	146,118	675	360	147,153
Total	560,632	1,158,621	254,682	1,973,935	438,892	1,133,633	203,271	1,775,796

Liquidity risk

The financial debts, after intercompany elimination, relate to the following segments:

	ST	LT
Marine Engineering & Contracting	170,021	681,798
Real Estate & Senior Care	370,673	727,785
Energy & Resources	1,440	5,008
AvH & Growth Capital	54,715	5,049
Intercompany	-36,218	-6,336
	560,632	1,413,303

DEME's liquidity risk is limited by spreading the financing over several banks and by structuring this financing to a significant extent over the long term. DEME has major credit and guarantee lines with a whole string of international banks. Certain ratios (covenants) were agreed in the loan agreements with the relevant banks which DEME must observe. In addition, it has a commercial paper programme to cover short-term financial needs. DEME predominantly invests in equipment with a long life which is written off over several years. For that reason, DEME seeks to schedule a substantial part of its debts over a long term. In order to diversify the funding over several sources, DEME issued a retail bond of 200 million euros in January 2013. This was placed with a diversified group of (mainly private) investors. According to the terms of issue, DEME will not make any interim redemptions of the principal, but will instead repay the entire loan on the maturity date in 2019. On 21 June 2012, CFE also issued a retail bond for an amount of 100 million euros. In 2014 CFE was able to negotiate new bilateral credit lines on favourable terms, allowing it to limit the liquidity risk.

The **Rent-A-Port** group is financed primarily by equity and shareholder loans. Infra Asia

Investment Fund, a 56%-participation accounted for using the equity method, issued in 2016 a (non-recourse) bond worth 29.2 million euros + 1.8 million USD in 2016 to finance the activities in Vietnam. The bond has a seven-year maturity.

Van Laere ended 2016 with a solid net financial position of 15.4 million euros, which nonetheless is 2.4 million euros down on 2015. The financial debts relate primarily to the 'Centrumparking Langestraat' car park under the State Archives in Bruges and a leased building.

Leasinvest Real Estate and **Extensa Group** have the necessary long term credit facilities and backup lines for their commercial paper with their banks to cover the existing and future investment needs. The financing risk is covered by these credit facilities and backup lines. The liquidity risk is limited by spreading the financing over several financial counterparties and by tapping various sources of funding, as well as by diversifying the maturity dates of the credit facilities. This tapping of various sources of funding was put into practice already in 2013 with the successful launch by Leasinvest

Real Estate of a public bond offering for 75 million euros with six-year maturity and a private bond offering for 20 million euros with seven-year maturity. Following several refinancing operations, the average duration of financing at Leasinvest Real Estate was 3.9 years at year-end 2016 (compared to 3.0 years at year-end 2015).

The expansion of **Anima Care** by the acquisition of existing residences and the construction of new retirement homes is financed by a capital increase and by external funding. The cash drain in the start-up phase is taken into account in the financing of the projects. In 2016, **Residalya** concluded four bilateral credit lines which enabled it to refinance part of its operating liabilities, but also present it with an investment financing tool that can be used in the short term on predefined conditions. The real estate operations of **Patrimoine & Santé** are financed with long-term loans over 15 to 25 years..

The debts incurred by **NMP** to finance the construction of the pipelines (6.4 million euros) are repaid as the pipelines are made available to third parties; the entire capital and interest charges are passed on to the pipeline user.

The financial debts reported by the **AvH & Growth Capital** segment are attributable to the lease debt of **Agidens** for the main building and the short term financial debts of **AvH & subholdings**, mainly corresponding to the commercial paper issued by AvH. AvH and AvH-CC dispose of confirmed credit lines, spread over different banks, which largely exceed the existing commercial paper liabilities. Over and above the financial debts in the form of commercial paper, the segment still has 22.5 million euros in debts vis-à-vis other group companies (concerning participations that place a part of their cash surpluses on deposit with AvH Coordination Centre). These amounts are of course eliminated in consolidation.

(€ 1,000)	2016	2015
II. Amounts payable (or the portion thereof), which are guaranteed by real guarantees given or irrevocably promised on the assets of the enterprises included in the consolidation		
Bank loans	620,068	646,189
Finance leases	0	265
Other financial debts	28,878	26,591
Total	648,946	673,046

Note 18: banks - debts to credit institutions, clients and securities

(€ 1,000)	Fair value		Book value	
	2016	2015	2016	2015
I. Debts to credit institutions				
Current accounts / overnight deposits	9,115	9,728	9,115	9,728
Deposits with agreed maturity	15,313	32,283	15,291	32,254
Repurchase agreements		0		0
Other deposits		0		0
Accrued interests	16	25	16	25
Total	24,444	42,036	24,422	42,007
II. Debts to clients				
Current accounts / overnight deposits	2,020,471	1,631,474	2,020,471	1,631,474
Deposits with agreed maturity	1,359,837	1,521,663	1,326,074	1,476,878
Special deposits	48,145	43,750	48,145	43,750
Regulated deposits	758,971	723,742	758,971	723,742
Other deposits	12,613	5,612	12,611	5,610
Deposit guarantee system	0	0	0	0
Accrued interests	13,817	21,032	13,817	21,032
Total	4,213,854	3,947,273	4,180,089	3,902,486
III. Securities including bonds				
Certificates of deposits	161,817	166,286	161,690	166,174
Customer saving certificates	3	8	3	8
Non-convertible securities		0		0
Accrued interests		0		0
Total	161,820	166,294	161,693	166,182
IV. Subordinated liabilities				
Subordinated liabilities	72,700	75,278	64,500	65,274
Accrued interests	1,247	1,271	1,247	1,271
Total	73,947	76,549	65,747	66,545
Total debts to credit institutions, clients and securities	4,474,065	4,232,152	4,431,951	4,177,220

The full consolidation of Bank J.Van Breda & C° results in the recording of specific bank receivables and debts in the balance sheet of AvH. These items were grouped for maximum transparency of the balance sheet.

Liquidity risk Bank J.Van Breda & C°

Liquidity risk is the risk that the bank has insufficient funds available, or is unable to release funds quickly enough and at a reasonable cost to meet its short-term commitments. The commercial banking activities are the main source of liquidity risk. A bank's sources of funding traditionally have a shorter maturity than the financed assets, resulting in a maturity mismatch. The liquidity management of Bank J.Van Breda & C° constantly monitors this mismatch and works out a financing strategy to confine it within the guidelines that are set out in a liquidity control framework. In this area, too, the bank pursues a deliberately low risk profile. Bank J.Van Breda & C° maintains a solid and high-quality liquidity buffer to absorb fluctuations in the treasury position. This buffer stands at 641 million euros and consists primarily of a highly liquid portfolio of bonds.

The bank's financing mix is very stable, with the deposits of the core clients as the main source of funding. The core clients use the bank for their investments and everyday banking transactions. The bank also closely watches the loan-to-deposit ratio

and applies strict limits to this ratio between client credit portfolio and client deposits, which at year-end 2016 stood at 99,97%. Dependence on external institutional financing is kept to a minimum and in 2016 accounted for only 3.7% of total assets.

Two new liquidity ratios were introduced in the Basel III regulations and the CRR/CRD IV directive:

- The LCR (Liquidity Coverage Ratio) is a criterion for the liquidity position under an acute stress scenario over 30 days. It requires financial institutions to hold sufficient high-quality liquid assets. The regulator imposes a limit of at least 100%.
- The NSFR (Net Stable Funding Ratio) contrasts the available amount of stable funding with the required amount of stable funding over a one-year period. The regulator imposes a limit of at least 100% as from 2018.

At year-end 2016, those ratios stood at 150% and 123% respectively. Both ratios are well above the lower limit of 100% that is imposed, or that will be imposed in the case of the NSFR, by the regulatory authority.

The bank's liquidity risk is monitored constantly by means of proactive treasury management, within the lines defined by the Asset & Liability Management and the investment framework. For its liquidity management, the bank uses, among other things, liquidity gap reports, ratio analysis and short- and long-term volume prognoses.

In the below table the assets and liabilities are grouped by maturity period.

(€ 1,000)	≤ 1 month	1-3 months	3-12 months	1-5 years	5-10 years	> 10 years	Indefinite
31/12/2016							
Assets	531,000	236,000	677,000	2,092,000	1,017,000	392,000	39,000
Liabilities	-219,000	-275,000	-1,687,000	-2,245,000	-66,000	0	-55,000
Derivatives	0	-1,000	-4,000	-12,000	3,000	1,000	0
Liquidity Gap	312,000	-40,000	-1,014,000	-165,000	954,000	393,000	-16,000
31/12/2015							
Assets	450,000	265,000	625,000	1,919,000	941,000	451,000	74,000
Liabilities	-234,000	-188,000	-1,638,000	-1,972,000	-102,000	0	-142,000
Derivatives	0	-1,000	-3,000	-8,000	3,000	0	0
Liquidity Gap	216,000	76,000	-1,016,000	-61,000	842,000	451,000	-68,000

The table above takes into account internal assumptions for deposits without maturity date.

Note 19: financial instruments

Interest rate risk Bank J. Van Breda & C°

Interest rate risk can be defined as the extent to which the results or value of a financial transaction are affected by a change in market interest rates. Applied to a financial institution, interest rate risk is the extent to which the (interest) earnings and/or fair value of this institution is liable to be adversely affected by a change in market interest rates.

The bank opts to keep the interest rate risk at a relatively low level:

- The bank uses hedging instruments to correct the mismatch. This is done with a combination of interest rate swaps (which convert variable interest rate commitments into fixed rate commitments) and options (which provide protection against a rise in interest rates above given levels).

(€ 1,000)	Earnings sensitivity	Equity value sensitivity
Rate non-sensitive current accounts	60 months	
Rate sensitive current accounts	1 day	
Rate semi-sensitive current accounts	6 months	2 years
Regulated savings accounts	6 months	2 years

For the interest gap analysis both balance sheet and off balance sheet products are grouped together per period of maturity. In this way the mismatch structure of the

(€ 1,000)	≤ 1 month	1-3 months	3-12 months	1-5 years	5-10 years	> 10 years	Indefinite
31/12/2016							
Assets	665,000	501,000	1,040,000	1,945,000	561,000	227,000	42,000
Liabilities	-207,000	-272,000	-2,847,000	-1,091,000	-65,000	0	-40,000
Derivatives	188,000	269,000	-18,000	-123,000	-275,000	-40,000	0
Interest Gap	646,000	498,000	-1,825,000	731,000	221,000	187,000	2,000
31/12/2015							
Assets	575,000	515,000	810,000	2,052,000	453,000	240,000	77,000
Liabilities	-228,000	-185,000	-2,608,000	-1,089,000	-99,000	0	-30,000
Derivatives	206,000	133,000	-13,000	-111,000	-215,000	0	0
Interest Gap	553,000	463,000	-1,811,000	852,000	139,000	240,000	47,000

Interest rate risk other fully consolidated participations

The interest rate risk within the **CFE** group is managed according to the type of activity. As far as the concessions are concerned, the interest rate risk is managed on the basis of two policy approaches: a long-term approach aimed at ensuring and optimizing the economic stability of the concession, and a short-term approach aimed at optimizing the average debt charges. Interest rate swaps are used to hedge the interest rate risk. **DEME** faces substantial financing levels for the acquisition of dredging vessels. **DEME** uses interest rate swaps to achieve the best possible balance between financing costs and the volatility of the financial results.

Since the **Rent-A-Port** group is financed primarily by equity and shareholder loans, the interest rate risk has, by definition, no material impact on the consolidated financial statements of Ackermans & van Haaren. **Infra Asia Investment Fund**, a 56%-participation accounted for using the equity method, issued in 2016 a (non-recourse) bond worth 29.2 million euros + 1.8 million USD to finance the activities in Vietnam. The bond has a seven-year maturity and a variable interest rate. A cross-currency swap was concluded that qualifies as a cash flow hedging instrument to cover both interest flows and exchange risk (USD).

The financial debts at **Van Laere** are hedged against rising interest rates by financial instruments (interest rate swap, collar, cap) or loans were taken out at fixed interest rates.

- Equity value sensitivity is the exposure of the company's economic value to unfavourable interest rate fluctuations. Earnings sensitivity is the exposure of the bank's (interest) earnings to those same unfavourable interest rate fluctuations. Its intensity can be seen in the duration gap. By this is meant the difference in duration of all assets and duration of all liabilities (mismatch), the duration being the weighted average of the maturities of a set of fixed-interest securities.

Equity value sensitivity and earnings sensitivity are monitored by means of scenario analyses that take account of changing market conditions, enabling the impact of stress scenarios to be analysed. This equity value and earnings sensitivity is measured using the Basis Point Value (BPV) methodology which shows the value change of the portfolio being analyzed when confronted with an increase in interest rates over the entire curve. For the interest rate sensitivity of products without maturity, the assumptions described by the National Bank of Belgium (NBB) are used. Those assumptions are periodically reviewed. The assumptions have not changed in comparison with 2015.

All interest rate risk limits were more than adequately observed during 2016.

Impact of an immediate increase of the yield curve with 100 base points (1%) on:	2016	2015
The interest result (earnings sensitivity)	-964	809
The fair value of the equity (equity value sensitivity) (= BPV)	-19,446	-27,728

group becomes visible.

The hedging policy of **Leasinvest Real Estate** is to ringfence the interest rate risks for approximately 75% of the financial debt for a period of 4-5 years and approximately 50% for the following 5 years. As **Leasinvest Real Estate's** debt financing is based on a variable interest rate, there is a risk of an increase in financial costs if interest rates escalate. This interest rate risk is covered by financial instruments such as interest rate swaps. The expiration dates of the interest rate coverage fall between 2017 and 2025. The duration amounted to 6.30 years at the end of 2016 (2015: 6.58 years).

Discounting the financial debts that will be repaid in the short term (during the first six months of 2017), 47% of the long-term debts of **Extensa** were hedged at year-end 2016. A hedging rate of around 50% is anticipated for the coming years as well.

Anima Care covers its interest rate risk by borrowing against a fixed interest rate to the maximum extent. At the end of 2016, the outstanding balance in loans with a variable interest rate represented 18.6% of the total financial debt. Of **Residalya's** financial debts, 83% are at fixed interest rates or hedged. Of **Patrimoine & Santé's** financial debts, 39% are at fixed interest rates or hedged, and 61% at interest rates based on Livret A (set by the State), and are therefore very stable.

NMP is only to a limited extent subject to any interest rate risk as the interest charges are passed on in full to the users when the pipelines are made available to third parties.

The financial debts of the **AvH & Growth Capital** segment consist of the commercial paper issued by AvH (30.4 million euros) and the lease debt of **Agidens**. Agidens's interest rate risk is limited to the five-yearly review of the lease debt maturing in 2018.

Sensitivity analysis for the interest rate risk

If Euribor rises by 50 BP this will mean an interest charge increase of 4.1 million euros (CFE-DEME), 1.3 million euros (Extensa), 0.7 million euros (Leasinvest Real Estate), 0.01 million euros (Anima Care), 0.5 million euros (HPA) and 0.2 million euros (AvH & subholdings). At Van Laere the impact is virtually zero due to hedging or fixed interest rates. However, this does not take into account the impact we would observe on the assets.

(€ 1,000)	Notional amount 2016	Book value 2016	Notional amount 2015	Book value 2015
I. Interest rate hedges				
Assets				
Fair value hedges - Bank J.Van Breda & C°	60,000	1,420	65,000	1,179
Cash flow hedges				
Hedging instruments that do not meet the requirements of cash flow hedging	125,000	1,656	185,750	1,783
Accrued interest		1		
Total		3,077		2,962
Liabilities				
Fair value hedges - Bank J.Van Breda & C°	396,636	-14,029	290,221	-10,487
Cash flow hedges	1,216,489	-64,668	917,733	-56,794
Hedging instruments that do not meet the requirements of cash flow hedging	41,200	-694	42,150	-766
Accrued interest		-459		-313
Total		-79,850		-68,360
II. Currency hedges				
Assets	84,707	3,331	201,418	10,722
Liabilities	335,022	-12,163	816,779	-5,736
		-8,831		4,985
III. Commodity risks				
Assets		719		0
Liabilities		-17,486		-47,237
		-16,768		-47,237
Reconciliation with consolidated balance sheet				
		Asset side		Asset side
Non-current hedging instruments		3,576		4,228
Current hedging instruments		3,551		9,455
		7,127		13,683
		Liability side		Liability side
Non-current hedging instruments		-84,352		-85,145
Current hedging instruments		-25,147		-36,188
		-109,499		-121,333

The **interest rate risk** of Bank J.Van Breda & C° and the other fully consolidated participations is discussed on page 164.

See page 153 for a description of the **currency risk**. The financial instruments to hedge this risk are used primarily by the fully consolidated participations DEME and Bank J.Van Breda & C°. The currency positions which Bank J.Van Breda & C° holds

through forward exchange transactions arise from the activities of its clients. The bank hedges outstanding positions on an interbank basis so that no material exchange rate risk can arise.

The table below gives an overview of the relevant financial instruments used at DEME and CFE:

(€ 1,000)	Notional value						Fair value					
	USD	SGD Singapore Dollar	GBP Pound	BRL Brazilian Real	Other	Total	USD	SGD Singapore Dollar	GBP Pound	BRL Brazilian Real	Other	Total
Term purchases	41,213	9,476	6,713	0	6,175	63,577	1,111	0	3	0	34	1,148
Term sales	125,394	143,404	7,188	20,544	19,511	316,041	-4,619	-921	594	-4,980	-152	-10,078

Commodity risks are also linked to DEME, which hedges against oil price fluctuations by entering into forward contracts.

Note 20: taxes

1. Recognized deferred tax assets and liabilities

(€ 1,000)	Assets 2016	Liabilities 2016	Net 2016	Assets 2015	Liabilities 2015	Net 2015
Intangible assets	0	44,499	-44,499	0	43,051	-43,051
Tangible assets	12,254	136,936	-124,682	11,282	105,245	-93,963
Investment property	0	20,363	-20,363	0	12,983	-12,983
Investments	-354	1,672	-2,026	-475	1,464	-1,939
Employee benefits	16,143	712	15,430	11,721	867	10,854
Provisions	223	37,785	-37,562	692	35,479	-34,787
Financial derivative instruments	6,227	-598	6,825	4,690	-513	5,202
Working capital items	58,467	68,528	-10,061	45,962	72,403	-26,441
Tax losses and tax credits / deduction for investment	93,489	-1,002	94,490	91,026	-1,367	92,393
Set-off	-52,212	-52,212	0	-51,626	-51,626	0
Total	134,236	256,685	-122,448	113,272	217,986	-104,714

The item 'Set-off' reflects the set-off between deferred tax assets and liabilities per entity at DEME.

2. Unrecognized deferred tax assets

(€ 1,000)	2016	2015
Unrecognized receivables following tax losses	108,899	99,091
Other unrecognized deferred tax assets ⁽¹⁾	25,006	20,162
Total	133,905	119,253

⁽¹⁾ The other unrecognized deferred tax assets principally concern amounts whose recuperation is restricted in time and dependent upon the extent to which taxable results can be achieved within this period. Claims which stem from the reclamation of unapplied taxable fixed income surplus are not mentioned in this overview.

3. Current and deferred tax expenses (income)

(€ 1,000)	2016	2015
Current income tax expense, net		
Current period tax expense	-70,158	-61,718
Adjustments to current tax of prior periods	2,218	4,119
Total	-67,940	-57,599
Deferred taxes, net		
Origination and reversal of temporary differences	12,779	-49,911
Changes in tax rates or new taxes	293	0
Additions (use) of tax losses	-91	-453
Other deferred taxes	164	-83
Total	13,146	-50,447
Total current and deferred tax (expenses) income	-54,794	-108,046

4. Reconciliation of statutory tax to effective tax

Profit (loss) before taxes	420,847	546,442
Profit (loss) of participations accounted for using the equity method (-)	-108,660	-110,549
Profit (loss) before taxes, excluding result from participations accounted for using the equity method	312,186	435,892
Statutory tax rate (%)	33.99%	33.99%
Tax expense using the statutory tax rate	-106,112	-148,160
Tax effect of rates in other jurisdictions	28,573	8,853
Tax effect of tax-exempt revenues	24,260	47,916
Tax effect of non-deductible expenses	-19,509	-19,872
Tax effect of tax losses	-6,577	-11,076
Impact of changes in tax rates	7,231	98
Tax effect from (under) or over provisions in prior periods	4,883	2,093
Other increase (decrease)	12,457	12,100
Tax expense using the effective tax rate	-54,794	-108,046
Profit (loss) before taxes	420,847	546,442
Profit (loss) of participations accounted for using the equity method (-)	-108,660	-110,549
Profit (loss) before taxes, excluding result from participations accounted for using the equity method	312,186	435,892
Effective tax rate (%)	17.55%	24.79%

There was a decrease in income taxes due to a lower result before tax, a lower tax rate at DEME as a result of a different geographical location of the turnover realized and the investments made and a decrease in the real estate segment (in 2015 there was a substantial deferred tax on the T&T remeasurement). It should be pointed out

that the contribution from equity accounted companies only represents the share of the group in the net result of those companies, and that the taxes due on those results are not shown in the consolidated financial statements of AvH. The tax-exempt revenues mainly relate to (exempt) capital gains and dividends.

Note 21: share based payment

1. Equity settled stock option plan AvH as of 31 December 2016

Grant date	Number options granted	Number options exercised	Number options expired	Balance	Exercise price (€)	Exercise period
2007	45,000	-26,000		19,000	62.12	01/01/2011 - 08/01/2015 + 5y
2008	46,500	-10,000	-2,000	34,500	66.05	01/01/2012 - 02/01/2016 + 5y
2009	49,500	-47,500	-2,000	0	37.02	01/01/2013 - 05/01/2017
2010	49,000	-30,000	-2,000	17,000	52.05	01/01/2014 - 04/01/2018
2011	49,000	-17,000	-2,500	29,500	60.81	01/01/2015 - 04/01/2019
2012	47,000	-6,000		41,000	56.11	01/01/2016 - 03/01/2020
2013	49,500			49,500	61.71	01/01/2017 - 03/01/2021
2014	49,500			49,500	82.32	01/01/2018 - 02/01/2022
2015	50,500			50,500	100.23	01/01/2019 - 05/01/2023
2016	40,500			40,500	130.95	01/01/2020 - 03/01/2024
	476,000	-136,500	-8,500	331,000		

AvH's stock option plan, which was approved in March 1999, is intended to provide long-term motivation for executive directors, members of the executive committee and management whose activities are essential to the success of the group. The options give them the right to acquire a corresponding number of shares in Ackermans & van Haaren.

The remuneration committee is responsible for monitoring this plan and selecting the beneficiaries. The options are provided free of charge and their exercise period

is 8 years. Within the limits of the Economic Recovery law of 27 March 2009, the company took advantage of the possibility to extend by at most 5 years and at no additional cost the exercise period of the options it had offered between 2 November 2002 and 31 August 2008.

The total value of the outstanding options of 2007-2015 (measured at the fair value when granted) amounts to 5.4 million euros and is calculated by an external party according to an adjusted Black & Scholes model of which the main components are:

Year of grant	Share price (€)	Dividend yield	Volatility	Interest rate	Estimated expected lifetime	Black & Scholes Value (€)
2007	66.90	1.35%	22.05%	4.04%	5.75	21.74
2008	65.85	1.75%	20.24%	4.34%	5.90	17.78
2009	37.02	2.66%	42.84%	3.39%	6.50	15.47
2010	52.23	2.66%	34.34%	3.28%	7.29	16.53
2011	63.80	2.26%	23.42%	2.82%	7.22	15.77
2012	58.99	3.26%	31.65%	2.14%	7.40	15.13
2013	63.62	3.26%	25.00%	1.27%	7.84	11.26
2014	83.69	2.27%	21.00%	1.78%	7.79	15.35
2015	101.35	2.19%	19.00%	0.47%	7.79	13.76
2016	131.95	1.28%	23.00%	0.59%	7.79	27.72

In 2016, 40,500 new stock options were granted with an exercise price of 130.95 euros per share. The fair value when granted was fixed at 1.1 million euros and is recorded in the profit and loss account over the vesting period of 4 years. To hedge those obligations and the options that were offered at the beginning of 2017, AvH (together with subsidiary Brinvest) had a total of 352,000 shares in portfolio at the end of 2016.

2. Cash settled stock option plans at consolidated subsidiaries of AvH

The beneficiaries of the option plans of Van Laere, Delen Private Bank, Bank J. Van Breda & C°, BDM-ASCO, Anima Care, Agidens and Distriplus have a put option on the respective parent companies Anfima, Delen Investments, Finaxis, AvH and Sofinim (these companies have call options and a pre-emption right to prevent the shares from being transferred to third parties).

These option plans concern shares which are not listed on a stock exchange and whose value is determined in the option plan. The valuation of the option price is (depending on the option plan) based on the growth of the equity, a multiple on the growth of the consolidated profit or a market valuation of the company.

In conformity with IFRS 2, the impact of these option plans are included in the debts based on the best possible assessment. These debts are reviewed as a result of an exercise, a regranting or modification of the parameters. These in- or decreases of the debt result respectively in a loss or profit in the income statement.

The total debt of the option plans of the fully consolidated subsidiaries as of 31 December 2016 amounts to 8.9 million euros, included in the other long-term debts.

3. Treasury shares

In 2016 AvH sold 20,000 and purchased 15,000 treasury shares as part of the stock option plan for its personnel. As at December 31, 2016, there were a total of 331,000 stock options outstanding. To hedge those obligations and the options that were offered at the beginning of 2017, AvH (together with subsidiary Brinvest) had a total of 352,000 shares in portfolio.

In addition, 341,058 AvH shares were purchased and 340,912 AvH shares sold in 2016 as part of the agreement that AvH has concluded with Kepler Cheuvreux to support the liquidity of the AvH share. Kepler Cheuvreux acts entirely autonomously in those transactions, but as they are carried out on behalf of AvH, the net purchase of 146 AvH shares in this context has a (limited) impact on AvH's equity.

Treasury shares as part of the stock option plan	2016	2015
Opening balance	357,000	380,000
Acquisition of treasury shares	15,000	62,500
Disposal of treasury shares	-20,000	-85,500
Ending balance	352,000	357,000

Treasury shares as part of the liquidity agreement	2016	2015
Opening balance	2,132	2,544
Acquisition of treasury shares	341,058	557,080
Disposal of treasury shares	-340,912	-557,492
Ending balance	2,278	2,132

Note 22: rights and commitments not reflected in the balance sheet

1. Rights and commitments not reflected in the balance sheet, excluding CFE-DEME

(€ 1,000)	2016	2015
Amount of personal guarantees, given or irrevocably promised by the enterprises included in the consolidation, as security for debts or commitments	275,210	299,268
Amount of real guarantees, given or irrevocably promised by the enterprises included in the consolidation on their own assets, as security for debts and commitments of enterprises included in the consolidation	563,506	498,762
Goods and values, not disclosed in the balance sheet, held by third parties in their own name but at risk to and for the benefit of the enterprise	18,615	16,301
Commitments to acquire fixed assets	121,857	91,466
Commitments to dispose of fixed assets	204,015	247,965
Rights and commitments not reflected in the balance sheet of banks (Bank J.Van Breda & C ^o)		
- Loan commitments	337,934	323,399
- Financial guarantees	91,900	73,819
- Repo transactions + collateral	58,657	89,680

The personal guarantees in 2016 are represented by 24.8 million euros in guarantees for Extensa real estate projects, 79.1 million euros in guarantees for construction and parking sites of Algemene Aannemingen Van Laere, 7.8 million euros in guarantees for Agidens projects and 8.8 million euros in the scope of Rent-A-Port development projects. The balance of 161.9 million euros mainly concerns guarantees entered into by AvH & subholdings relating to the sale of participations.

The real guarantees concern 243.9 million euros in guarantees put up by Extensa in relation to its activities in land and real estate development. In addition, there are 198.7 million euros in guarantees from Anima Care and 106.1 million euros from HPA (Patrimoine & Santé) for real estate financing and 6.4 million euros from NMP in pledge for transport agreements. The balance is for guarantees from Algemene Aannemingen Van Laere (8.3 million euros).

The subcontractors of Algemene Aannemingen Van Laere have provided guarantees totalling 18.6 million euros.

The commitments to acquire fixed assets concern options as part of stock option plans or options as part of shareholders' agreements (88.1 million euros in total). Rent-A-Port (0.7 million euros), HPA (20.3 million euros) and AvH's commitment to acquire shares of Patrimoine & Santé (12.8 million euros) that expired at the end of January 2017 following the swap make up the balance.

The commitments to dispose of fixed assets are for call options (including conditional options) on the assets of AvH & subholdings for the amount of 168.3 million euros. The agreed purchase options on investment property of Leasinvest Real Estate explain the remaining 35.7 million euros.

2. Rights and commitments not reflected in the balance sheet CFE-DEME

(€ 1,000)	2016	2015
Commitments		
Performance guarantees and performance bonds ⁽¹⁾	856,445	905,798
Bid bonds ⁽²⁾	36,175	11,292
Repayment of advance payments ⁽³⁾	16,812	21,241
Retentions ⁽⁴⁾	16,782	41,985
Deferred payments to subcontractors and suppliers ⁽⁵⁾	82,451	77,405
Other commitments given - including 61,823 of corporate guarantees at DEME	110,869	210,666
Amount of real guarantees, given or irrevocably promised by the enterprises included in the consolidation on their own assets, as security for debts and commitments of enterprises included in the consolidation ⁽⁶⁾	152,112	313,247
Total	1,271,646	1,581,634
Rights		
Performance guarantees and performance bonds	145,112	102,720
Other commitments received	2,825	2,110
Total	147,937	104,830

⁽¹⁾ Guarantees given in relation to the performance of works contracts. If the construction entity fails to perform, the bank (or insurance company) undertakes to compensate the customer to the extent of the guarantee.

⁽²⁾ Guarantees provided as part of tenders.

⁽³⁾ Guarantees provided by a bank to a customer guaranteeing the repayment of advance payments in relation to contracts (mainly at DEME).

⁽⁴⁾ Security provided by a bank to a client to replace the use of retention money.

⁽⁵⁾ Guarantee covering the settlement of a liability to a supplier or subcontractor.

⁽⁶⁾ Collateral security worth 152 million euros at DEME as part of the financing for the fleet.

Note 23: employment

1. Average number of persons employed

	2016	2015
Employees	6,970	6,626
Workers	4,535	4,745

2. Personnel charges

(€ 1,000)	2016	2015
Remuneration and social charges	-708,009	-707,752
Pension expenses (defined contribution and defined benefit plans)	-8,501	-13,711
Share based payment	-1,060	-4,077
Total	-717,569	-725,540

Headcount movements are primarily attributable to CFE (decrease) and Anima Care (increase). At the headquarters of Ackermans & van Haaren 30 persons are employed. A pro forma headcount of 21,165 is cited in the separate annex "2016 Key Figures". This pro forma figure comprises the staff of all participations held by the AvH group, and therefore deviates from the average headcount reported above based on the IFRS

consolidation, which was drawn up on the basis of the consolidation scope reported on pages 123 to 131. In this pro forma presentation, all (exclusive) control interests are incorporated in full and the other interests proportionally.

Note 24: pension liabilities

(€ 1,000)	2016	2015
Defined benefit pension plans	-51,075	-41,361
Other pension obligations (early retirement)	-5,159	-4,485
Total pension obligations	-56,234	-45,846
Total pension assets	2,651	2,904

1, Defined benefit pension plans

(€ 1,000)	2016	2015
1, Amounts as recorded in the balance sheet		
Net funded defined benefit plan (obligation) asset	-48,424	-38,458
Present value of wholly or partially funded obligations (-)	-262,347	-171,368
Fair value of plan assets	213,924	132,909
Defined benefit plan (obligation) asset, total	-48,424	-38,458
Liabilities (-)	-51,075	-41,361
Assets	2,651	2,904

Movements in plan assets (obligations) as recorded in the balance sheet		
Net defined benefit plan asset (obligation) recorded in the balance sheet, opening balance	-38,458	-39,030
Increase from business combinations	0	0
Net defined benefit cost recorded in the income statement	-5,156	-7,058
Net defined benefit cost recorded in 'Other Comprehensive Income'	-18,778	-395
Contributions from employer / employee	13,678	7,212
Other increase (decrease)	290	812
Net defined benefit plan asset (obligation) recorded in the balance sheet, ending balance	-48,424	-38,458

2a, Net cost recorded in the income statement	-5,156	-7,058
Current service cost	-13,244	-6,411
Interest cost	-4,241	-3,691
Interest income on plan assets (-)	3,551	2,933
Past service cost	8,779	112

2b, Net cost recorded in 'Other Comprehensive Income'	-18,778	-395
Actuarial gains/(losses) recognised in 'Other Comprehensive Income'	-43,813	-4,019
Return on plan assets, excluding interest income (-)	24,965	4,236
Exchange differences	0	0
Other	69	-612

(€ 1,000)	2016	2015
3a. Movements in defined benefit plan obligations		
Defined benefit plan obligations recorded in the balance sheet, opening balance	-171,368	-167,125
Decrease through business disposals	0	1,805
Current service cost	-13,244	-6,411
Interest cost	-4,241	-3,691
Contributions from employee	-1,281	-1,055
Benefit payments (-)	13,495	7,943
Remeasurement (gains)/losses (net)	-43,813	-4,019
<i>of which: actuarial (gains)/losses on DBO arising from changes in demographic assumptions</i>	-14,161	0
<i>of which: actuarial (gains)/losses on DBO arising from changes in financial assumptions</i>	-28,194	-4,410
<i>of which: actuarial (gains)/losses on DBO arising from experience</i>	-1,458	391
Past service cost	11,156	-24
Other increase (decrease)	-53,051	1,210
Defined benefit plan obligations recorded in the balance sheet, ending balance	-262,347	-171,368
3b. Movements in plan assets		
Fair value of the plan assets, opening balance	132,909	128,095
Decrease through business disposals	0	-1,220
Return on plan assets excluding interest income	24,965	4,236
Interest income on plan assets	3,551	2,933
Contributions from employer / employee	14,806	7,500
Benefit payments (-)	-13,343	-7,617
Other increase (decrease)	51,036	-1,018
Fair value of the plan assets, ending balance	213,924	132,909
4. Principal actuarial assumptions		
Discount rate used	1.3%	2.1%
Expected rate of salary increase	3.0%	2.8% < 60y - 1.8% > 60y
Inflation	1.8%	1.8%
Mortality tables	MR/FR	MR/FR
5. Other information		
Term (in years)	15.24	13.54
Average actual return on plan assets	14.85%	5.8%
Expected contribution in next financial year	12,958	7,458
6. Sensitivity analysis		
Discount rate		
25 base point increase	-3.7%	-3.7%
25 base point decrease	+3.9%	+3.4%
Expected rate of salary increase		
25 base point increase	+2.2%	+2.0%
25 base point decrease	-1.9%	-2.2%

AvH took out 'defined benefit' as well as 'defined contribution' pension plans. These plans are underwritten by insurers in class 21 (life insurance policies with guaranteed interest rate).

Belgian law requires that employers guarantee a minimum yield of 3.25% on their own contributions to defined contribution plans; this applies to all payments made up to 31/12/2015 and until retirement age. On January 1, 2016, the Act of December 18, 2015 came into effect which stipulates that the WAP (Law on Supplementary Pensions) yield guaranteed by the employer shall be a 'variable' interest rate, linked to the yield on the bond market which will be defined each year as of January 1 on the basis of a formula specified in the Law on Supplementary Pensions. For 2016 and 2017, the guaranteed yield is 1.75%.

The guarantee which the employer offers under the Law on Supplementary Pensions is a secondary guarantee: the employer only has to make up the difference if the yield guaranteed by the insurer on plan assets is lower than the legally guaranteed yield.

For that reason, AvH has commissioned, in accordance with IAS 19R, an actuarial calculation for the material defined contribution plans, as it does each year for the defined benefit plans. In the table above, the first recognition of these plans (1/1/2016) leads to an increase of the gross pension liabilities and of the plan assets, and is

presented under the item 'Other increase (+) / decrease (-)'. The first recognition of the (net) liabilities was reported in the statement of comprehensive income.

In accordance with IAS 19R, an actuarial calculation is carried out according to the Projected Unit Credit method for the defined benefit plans. As of 2016, the plan assets are measured at the discounted value of the reserves, taking into account the interest rates guaranteed by the insurers. Actuarial gains and losses are reported as other comprehensive income in the equity (see the item 'Actuarial gains and losses on defined benefit pension plans' in the statement of changes in consolidated equity).

Several pension plans (defined benefit plans) of CFE/DEME, Belgian and mainly Dutch plans, were ended in 2016, which explains the movement in the item 'Past service cost'.

The average return on plan assets increased in 2016 mainly due to the impact of the lower discount rate.

The movement in 'Net defined benefit cost recorded in 'Other Comprehensive Income' is influenced by changes in financial assumptions (discount rate, salary increase) as well as by adjustments to the plans for demographic factors (increased life expectancy, increased retirement age, and lower staff turnover).

Note 25: related parties

1. Related parties, excluding CFE - DEME

(€ 1,000)	Financial year 2016				Financial year 2015			
	Subsidiaries	Associated participations	Other related parties	TOTAL 2016	Subsidiaries	Associated participations	Other related parties	TOTAL 2015

I. Assets with related parties - balance sheet

Financial fixed assets	21,650	17,095	0	38,745	27,554	0	0	27,554
Receivables and warranties: gross amount	21,650	17,095		38,745	27,554			27,554
Receivables and warranties: impairments				0				0
Amounts receivable	80,472	15,675	700	96,847	66,609	9,453	873	76,935
Trade debtors	2,398	228		2,626	5,404	264		5,668
Other receivables: gross amount	83,075	15,447	700	99,221	66,205	9,189	873	76,267
Other receivables: impairments	-5,000			-5,000	-5,000			-5,000
Banks - receivables from credit institutions & clients	373	2,026	0	2,399	342	2,404	0	2,746
Deferred charges & accrued income	3,109	73	0	3,182	2,648	216	0	2,864
Total	105,605	34,869	0	141,174	97,153	12,073	0	110,099

II. Liabilities with related parties - balance sheet

Financial debts	235	0	0	235	235	0	0	235
Subordinated loans				0				0
Other financial debts	235			235	235			235
Other debts	0	567	0	567	391	946	0	1,337
Trade payables				0		9		9
Other amounts payable		567		567	391	937		1,328
Banks - debts to credit institutions, clients & securities	36,123	1,823	0	37,946	48,461	2,046	0	50,507
Accrued charges and deferred income	0	6	0	6	3	71	0	74
Total	36,358	2,396	0	38,754	49,090	3,063	0	52,153

III. Transactions with related parties - income statement

Revenue	68,361	774	3	69,139	41,809	693	3	42,505
Rendering of services	1,260	598	3	1,862	1,432	685	3	2,120
Real estate revenue	199			199	271			271
Interest income of banking activities		39		39	8	46		54
Commissions receivable of banking activities	24,600	-43		24,557	23,555	-38		23,517
Revenue from construction contracts	42,302	180		42,482	16,543			16,543
Other operating revenue				0				0
Other operating income	144	223	0	367	1,425	69	0	1,494
Interest on financial fixed assets - receivables	123	192		315	1,356			1,356
Dividends				0				0
Other operating income	21	31		52	69	69		138
Operating expenses (-)	-250	-3,704	0	-3,954	4,674	-3,510	0	1,164
Interest expenses Bank J.Van Breda & C° (-)	-34	-185		-219	-94	-21		-115
Impairment losses (-)				0	5,000			5,000
Other operating expenses (-)	-216	-3,519		-3,735	-232	-3,489		-3,721
Finance income	1,894	84	0	1,978	455	109	0	563
Interest income	1,894	84		1,978	455	109		563
Other finance income				0				0
Finance costs (-)	0	-13	0	-13	0	-18	-6	-24
Interest expenses	0	-13		-13		-18	-6	-24

The loans that AvH and subholdings have granted to participations that are not fully consolidated are included in the above table. The interest rate charged for these intra-group loans is at arm's length. The same applies for financing loans that Extensa (and to a lesser amount) Van Laere, Rent-A-Port and Green Offshore grant to its equity-method subsidiaries.

Through the full consolidation of Bank J.Van Breda & C° and the inclusion of Delen Investments using the equity method, the commercial paper of Bank J.Van Breda &

C° held by Delen Private Bank (32.2 million euros) and the time deposits (3.1 million euros) are reported as a debt of Bank J.Van Breda & C° to a related party. The loan that Bank J.Van Breda & C° granted to Anima Care (0.7 million euros at year-end 2014) in connection with its activities in residential care centres was repaid in 2015.

The construction work carried out by Van Laere for Tour & Taxis is contained in the item "Revenue from construction contracts".

2. Transactions with related parties - CFE - DEME

- Ackermans & van Haaren (AvH) owns 15,289,521 shares of CFE and as a result is the primary shareholder of CFE with 60.40% of the total number of shares.
- Under the service contracts which DEME and CFE concluded with AvH (in 2001 and 2015 respectively), amounts were paid of 1.1 million euros and 0.15 million euros respectively.
- Transactions with related parties concerned mainly transactions with companies in which CFE and DEME have a joint control or a significative influence. These transactions are concluded at arm's length.

(€ 1,000)	2016	2015
Assets with related parties CFE-DEME	429,373	333,963
Non current financial assets	152,629	129,966
Trade and other receivables	249,703	195,383
Other current assets	27,041	8,614
Liabilities with related parties CFE-DEME	83,187	121,433
Other non current liabilities	4,905	11,461
Trade and other liabilities	78,282	109,972

(€ 1,000)	2016	2015
Revenues and expenses with related parties CFE-DEME	219,391	96,383
Revenue and revenue from auxiliary activities	229,925	129,240
Purchases and other operating expenses	-15,569	-35,672
Net financial income/(expense)	5,035	2,815

3. Remuneration

(€ 1,000)	2016	2015
Remuneration of the directors		
Tantièmes at the expense of AvH	540	494
Remuneration of the members of the executive committee		
Fixed remuneration	2,702	2,759
Variable remuneration	2,427	2,561
Share based payment	440	458
Group and hospitalisation insurance	538	900
Benefits in kind (company car)	43	46

4. The auditor Ernst & Young received following fees related to:

(€ 1,000)	AvH	Subsidiaries ⁽¹⁾	Total 2016	AvH	Subsidiaries ⁽¹⁾	Total 2015
The statutory mandate	55	1,120	1,175	48	879	928
Special missions						
- other control missions		96	96		74	74
- tax advice	6	156	162	3	114	117
- other missions than statutory	1	206	207	107	103	210
Total	62	1,577	1,640	159	1,171	1,330

⁽¹⁾ Including jointly controlled subsidiaries accounted for using the equity method.

Note 26: earnings per share

1. Continued and discontinued operations

(€ 1,000)	2016	2015
Net consolidated profit, share of the group (€ 1,000)	224,237	284,079
Weighted average number of shares ⁽¹⁾	33,140,199	33,126,066
Basic earnings per share (€)	6.77	8.58
Net consolidated profit, share of the group (€ 1,000)	224,237	284,079
Weighted average number of shares ⁽¹⁾	33,140,199	33,126,066
Impact stock options	110,619	135,411
Adjusted weighted average number of shares	33,250,818	33,261,477
Diluted earnings per share (€)	6.74	8.54

2. Continued activities

(€ 1,000)	2016	2015
Net consolidated profit from continued activities, share of the group (€ 1,000)	224,237	284,683
Weighted average number of shares ⁽¹⁾	33,140,199	33,126,066
Basic earnings per share (€)	6.77	8.59
Net consolidated profit from continued activities, share of the group (€ 1,000)	224,237	284,683
Weighted average number of shares ⁽¹⁾	33,140,199	33,126,066
Impact stock options	110,619	135,411
Adjusted weighted average number of shares	33,250,818	33,261,477
Diluted earnings per share (€)	6.74	8.56

⁽¹⁾ Based on number of shares issued, adjusted for treasury shares in portfolio.

Note 28: proposed and distributed dividends

1. Determined and paid out during the year

(€ 1,000)	2016	2015
Dividend on ordinary shares:		
- Final dividend 2015: 1.96 euros per share (2014: 1.82 euros per share) ⁽¹⁾	-64,980	-60,363

2. Proposed for approval by the general meeting of May 22, 2017

(€ 1,000)	
Dividend on ordinary shares:	
- Final dividend 2016: 2.04 euros per share ⁽¹⁾	-67,611

3. Dividend per share (€)

(€ 1,000)	2016	2015
Gross	2.0400	1.9600
Net (withholding tax 27% in 2016, 30% as of 2017)	1.4280	1.4308

⁽¹⁾ Excluding dividend payment to treasury shares held by AvH & subholdings.

STATUTORY AUDITOR'S REPORT

Statutory auditor's report to the general meeting of shareholders of Ackermans & van Haaren NV on the consolidated financial statements for the financial year ended 31 december 2016

In accordance with the legal requirements, we report to you in the context of our statutory auditor's mandate. This report includes our opinion on the consolidated statement of the financial position as at 31 December 2016, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 31 December 2016 and the notes (all elements together the "Consolidated Financial Statements"), and includes as well our report on other legal and regulatory requirements.

Report on the Consolidated Financial Statements - Unqualified opinion

We have audited the Consolidated Financial Statements of Ackermans & van Haaren NV ("the Company") and its subsidiaries (together "the Group") as of and for the year ended 31 December 2016, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, which show a consolidated balance sheet total of 12,875,059,000 euros and of which the consolidated income statement shows a profit for the year (attributable to the owners of the Company) of 224,237,000 euros.

Responsibility of the Board of Directors for the preparation of the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with the International Financial Reporting Standards as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of Consolidated Financial Statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the given circumstances.

Responsibility of the statutory auditor

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing ("ISAs") as they were adopted in Belgium. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the statutory auditor considers internal control relevant to the Group's preparation and presentation of the Consolidated Financial Statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing

an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used, the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We have obtained from the Board of Directors and the Company's officials the explanations and information necessary for performing our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unqualified opinion

In our opinion, the Consolidated Financial Statements of the Group as at 31 December 2016 give a true and fair view of the consolidated net equity and financial position, as well as its consolidated results and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union.

Report on other legal and regulatory requirements

The Board of Directors is responsible for the preparation and the content of the Board of Director's report on the Consolidated Financial Statements, in accordance with article 119 of the Belgian Company Code.

In the context of our mandate and in accordance with the additional standard to the ISA's applicable in Belgium, it is our responsibility to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we make the following additional statement, which does not modify the scope of our opinion on the Consolidated Financial Statements:

- The Board of Director's report to the Consolidated Financial Statements includes, both in form and in substance, the information required by law, is consistent with the Consolidated Financial Statements and does not contain any material inconsistencies with the information that we became aware of during the performance of our mandate.

Antwerp, March 30, 2017

Ernst & Young Bedrijfsrevisoren BCVBA
Statutory auditor
Represented by

Patrick Rottiers - Partner*

Wim Van Gasse - Partner*

* Acting on behalf of a BVBA/SPRL

STATUTORY ANNUAL ACCOUNTS

In accordance with article 105 of the Company Law, the statutory annual accounts of Ackermans & van Haaren, are presented in short form. In accordance with article 98 and 100 of the Company Law, the full annual accounts, the annual report of the board of directors and the report of the statutory auditor are filed with the National Bank of Belgium.

The statutory auditor has given an unqualified opinion regarding the statutory accounts.

The annual accounts, the annual report of the board of directors and the report of the statutory auditor are available at the registered office of the company upon simple request.

The statutory annual accounts are prepared in accordance with the Belgian General Accounting Principles.

Address: Begijnenvest 113 - 2000 Antwerp, Belgium
Phone: +32 3 231 87 70 - E-mail: info@avh.be

Balance sheet

(€ 1,000)	Note	2016	2015	2014
Assets				
Fixed assets		2,467,325	2,346,969	2,319,157
I. Formation expenses				
II. Intangible assets		1	35	74
III. Tangible assets	(1)	10,598	10,828	11,324
A. Land and buildings		7,037	7,372	7,707
C. Furniture and vehicles		1,310	1,105	1,167
D. Leasing and other similar rights		0	0	0
E. Other tangible assets		2,252	2,351	2,450
F. Assets under construction and advanced payments				
IV. Financial assets		2,456,726	2,336,106	2,307,759
A. Affiliated enterprises	(2)	2,275,420	2,152,174	2,127,037
1. Participating interests		2,269,084	2,145,391	2,123,818
2. Amounts receivable		6,336	6,783	3,219
B. Other enterprises linked by participating interests	(3)	174,016	176,194	172,861
1. Participating interests		174,016	176,194	172,861
2. Amounts receivable		0	0	0
C. Other financial assets		7,289	7,738	7,861
1. Shares		7,282	7,731	7,854
2. Amounts receivable and cash guarantees		8	8	8
Current assets		69,720	105,534	77,158
V. Amounts receivable after more than one year		2,346	900	
A. Trade receivables				
B. Other amounts receivable		2,346	900	
VI. Stocks and contracts in progress				
A. Stocks				
1. Raw materials and consumables				
2. Work in progress				
3. Finished goods				
4. Goods purchased for sale				
5. Immovable property acquired or constructed for resale				
6. Advance payments				
B. Contracts in progress				
VII. Amounts receivable within one year		10,533	28,781	27,416
A. Trade receivables		1,672	3,514	3,682
B. Other amounts receivable	(4)	8,861	25,267	23,734
VIII. Investments	(5)	52,137	71,147	44,724
A. Treasury shares		24,400	23,963	21,600
B. Other investments and deposits		27,737	47,185	23,124
IX. Cash at bank and in hand		4,206	4,131	4,670
X. Deferred charges and accrued income		498	575	348
Total assets		2,537,045	2,452,503	2,396,315

Balance sheet

(€ 1,000)	Note	2016	2015	2014
Liabilities				
Equity	(6)	1,679,714	1,426,185	1,424,610
I. Capital		2,295	2,295	2,295
A. Issued capital		2,295	2,295	2,295
B. Uncalled capital (-)				
II. Share premium account		111,612	111,612	111,612
III. Revaluation surplus				
IV. Reserves		81,703	79,716	71,514
A. Legal reserve		248	248	248
B. Reserves not available for distribution		24,435	23,997	21,634
1. Own shares		24,400	23,963	21,600
2. Other		35	35	35
C. Untaxed reserves				
D. Reserves available for distribution		57,020	55,470	49,631
V. Profit carried forward		1,484,103	1,232,562	1,239,188
Loss carried forward (-)				
VI. Investment grants				
Provisions and deferred taxation		0	0	4
VII. A. Provisions for liabilities and charges		0	0	4
1. Pensions and similar obligations		0	0	4
2. Taxation				
3. Major repairs and maintenance				
4. Other liabilities and charges				
B. Deferred taxation				
Creditors		857,331	1,026,318	971,701
VIII. Amounts payable after more than one year	(7)	28,000	0	60,000
A. Financial debts		0	0	60,000
B. Trade debts				
C. Advances received on contracts in progress				
D. Other amounts payable		28,000		
IX. Amounts payable within one year		829,088	1,025,182	909,739
A. Current portion of amounts payable after more than one year		0	0	0
B. Financial debts	(7)	728,209	954,885	844,687
1. Credit institutions				
2. Other loans		728,209	954,885	844,687
C. Trade debts		442	430	429
1. Suppliers		442	430	429
E. Taxes, remuneration and social security		2,914	3,150	2,632
1. Taxes		158	191	156
2. Remuneration and social security		2,756	2,959	2,476
F. Other amounts payable	(8)	97,523	66,718	61,991
X. Accrued charges and deferred income		243	1,136	1,962
Total liabilities		2,537,045	2,452,503	2,396,315

Income statement

(€ 1,000)	Note	2016	2015	2014
Charges				
A. Interests and other debt charges		3,905	4,802	7,237
B. Other financial charges		879	924	1,246
C. Services and other goods		8,006	8,842	8,686
D. Remuneration, social security costs and pensions		1,876	2,114	2,373
E. Other operating charges		927	766	260
F. Depreciation of and other amounts written off on formation expenses, intangible and tangible assets		695	680	657
G. Amounts written off	(9)	36,118	6,373	5,419
1. Financial assets		15,170	6,373	5,011
2. Current assets		20,948	0	408
H. Provisions for liabilities and charges		0	0	0
I. Loss on disposal of		3,195	3,100	515
1. Intangible and tangible assets		0	0	0
2. Financial assets	(10)	2,292	927	20
3. Current assets		903	2,173	495
J. Extraordinary charges		0	0	0
K. Income taxes		126	18	4
L. Profit for the period		322,518	67,769	60,278
M. Transfer to the untaxed reserves				
N. Profit for the period available for appropriation		322,518	67,769	60,278
Appropriation account				
A. Profit to be appropriated		1,555,079	1,306,957	1,306,107
1. Profit for the period available for appropriation		322,518	67,769	60,278
2. Profit brought forward		1,232,562	1,239,188	1,245,829
Total		1,555,079	1,306,957	1,306,107

Income statement

(€ 1,000)	Note	2016	2015	2014
Income				
A. Income from financial assets		343,761	75,476	78,199
1. Dividends	(11)	342,293	73,604	76,535
2. Interests		120	547	310
3. Tantièmes		1,348	1,326	1,354
B. Income from current assets		1,221	1,339	1,289
C. Other financial income		9	4	4
D. Income from services rendered		2,596	4,611	4,599
E. Other operating income		370	337	361
F. Write back to depreciation of and to other amounts written off intangible and tangible assets				
G. Write back to amounts written off		261	9,691	219
1. Financial assets		62	5,214	116
2. Current assets		200	4,477	103
H. Write back to provisions for liabilities and charges		0	4	113
I. Gain on disposal of	(12)	30,028	3,926	1,890
1. Tangible and intangible assets		23	8	7
2. Financial assets		29,636	3,560	836
3. Current assets		369	357	1,047
J. Extraordinary income		0	0	0
K. Regularisation of income taxes and write back to tax provisions				
L. Loss for the period		0	0	0
M. Transfer from untaxed reserves				
N. Loss for the period available for appropriation		0	0	0
Appropriation account				
C. Transfers to capital and reserves		1,988	8,202	5,460
3. To other reserves		1,988	8,202	5,460
D. Result to be carried forward		1,484,103	1,232,562	1,239,188
1. Profit to be carried forward		1,484,103	1,232,562	1,239,188
F. Distribution of profit		68,989	66,194	61,458
1. Dividends		68,334	65,654	60,964
2. Tantièmes		655	540	494
Total		1,555,079	1,306,957	1,306,107

Balance sheet

Assets

1. Tangible assets: the composition of this item has remained largely unchanged in relation to previous years, and mainly comprises the buildings and furnishing of the real estate located in Antwerp at Begijnenvest 113 and at Schermersstraat 44, where Ackermans & van Haaren has its registered office. The building at Schermersstraat 42, which is leased to the subsidiary Leasinvest Real Estate, is reported under 'Other tangible assets'.
2. Financial assets - Affiliated enterprises: on September 30, 2016, AvH increased its interest in Sofinim from 74% to 100% by the acquisition, for an amount of 106.0 million euros, of the minority interest that was held by NPM Capital. During the year, capital was paid up in Anima Care and AvH Resources India (the Indian entity through which AvH is an indirect shareholder of Sagar Cements). AvH's stake in Holding Groupe Duval (HGD) was further reduced by swapping 16% in HGD for 25% of the shares of the French real estate company Patrimoine & Santé. AvH and the management members of Residalya subsequently contributed all their respective interests in Residalya and Patrimoine & Santé into a new Belgian holding company, HPA, in which AvH holds 70.86%.
3. Financial assets - Other enterprises linked by participating interests: in 2016, AvH slightly increased its stake in Sipef to 27.83%.
4. The 'Other amounts receivable within one year' consist of recoverable taxes, an advance that was granted to the subsidiary Green Offshore, and the net carrying value of the advances that were granted to GIB as part of its financing for Financière Flo. In the course of 2016, AvH granted an additional 2.2 million euros advances to GIB.
5. The decrease in 'Investments' is the result of a reduction in investments of cash surpluses in time deposits. The item 'Treasury shares' increased to 24.4 million euros. Nevertheless, in 2016 AvH sold on balance 4,854 treasury shares as a result of transactions under the liquidity agreement and as part of the stock option plan and the hedging thereof (for a more detailed explanation of the movements in the treasury shares, see the notes on pages 167-168 of this report).

Liabilities

6. AvH's equity increased by 253.5 million euros compared to year-end 2015 (both figures include the dividend proposed to the general meeting of shareholders). This increase is explained by the result for the 2016 financial year, which amounts to 322.5 million euros (2015: 67.8 million euros) and is considerably higher than the dividend of 65.7 million euros that was paid out during 2016.
7. The acquisition by AvH of the 26% minority interest in Sofinim that belonged to NPM Capital represented a total investment of 106 million euros, of which 56 million euros remains to be paid in equal instalments spread over 2017 and 2018. At the same time, this transaction allowed Sofinim to make a substantial dividend payment of 250 million euros which was decided by an extraordinary general meeting of Sofinim in the fourth quarter of 2016. This dividend payment enabled AvH to decrease its short-term financial debts to AvH Coordination Center by an equal amount. Apart from the debt to subsidiary AvH-CC, the only financial debts within one year which AvH still had at year-end 2016 consist of 30.4 million euros worth of commercial paper.
8. The 'Other amounts payable' of 97.5 million euros at year-end 2016 include the dividend payment proposed to the general meeting of shareholders. This dividend has increased by 4% in relation to year-end 2015. The increase in these other amounts payable includes 28 million euros due in 2017 in settlement of the acquisition of the Sofinim shares.

Income statement

Charges

9. The impairments in 2016 primarily relate to the participating interests in and, where appropriate, financing of Financière Flo/Groupe Flo and Oriental Quarries & Mines in line with the fair value adjustments that AvH recognized in its consolidated financial statements at year-end 2016.
10. A one-off statutory capital loss of 2.3 million euros was recognized on the contribution of the stake in Patrimoine & Santé into HPA.

Income

11. AvH received significantly more dividends from its direct participations in 2016 than in previous years. It should be noted that 250 million euros represents the dividend that Sofinim paid out in the fourth quarter of 2016 following the acquisition of full ownership by AvH. The dividends received from Profimolux, Finaxis and CFE increased as well.
12. In 2016, AvH realized 29.5 million euros worth of statutory capital gains on the swap transaction of an additional stake (16%) in Holding Groupe Duval for 25% in Patrimoine & Santé and on the contribution into HPA of its interest in Residalya.

GENERAL INFORMATION REGARDING THE COMPANY AND THE CAPITAL

General information regarding the company

Registered office

Begijnvest 113, 2000 Antwerp, Belgium
VAT BE 0404.616.494
RPR Antwerp

Incorporation date, last amended bylaws

The company was incorporated on 30 December 1924 by notarial deed, published in full in the Annexes to the Belgian Official Gazette of 15 January 1925 under number 566. The by-laws have been modified several times and for the last time by notarial deed of 26 November 2014, published by excerpt in the Annexes to the Belgian Official Gazette of 16 December 2014, under number 14223121.

Duration of the company

Indefinite

Legal form, applicable law

Limited liability company under Belgian law, making or having made a public offering of securities within the meaning of article 438 of the Company Code.

Statutory purpose

The statutory purpose of the company includes the following:

- (a) the project study, supervision and management of all kinds of public and private works, mainly in the field of construction in general, as well as the organization and administration of all companies or businesses and assistance to them in all forms;
- (b) the contracting of all sea- and land based public or private works in the area of construction and, in particular, all kinds of sea- and river-based works, major irrigation activities and the canalization of waterways, major dewatering and pumping works, dredging, drilling, sounding, wellsinking, drainage, the building of permanent structures, digging, and the general contracting of construction works, as well as the re-floating of boats and ships;

(c) sea- and land-based prospecting for industrial extraction, mainly of crude oil or natural gas, as well as mineral products in general;

(d) the operation, production, processing, distribution, purchase, sale and transport of all products derived from industrial extraction;

(e) the acquisition, operation, development and transfer of land, real estate and any property entitlement;

(f) the acquisition, the operation and the realization, in any form whatever, of intellectual property rights, licenses and concessions;

(g) the acquisition of a participation, by way of subscription, contribution, merger, cooperation, financial intervention or in any other way, in any company, enterprise, operation or association in Belgium or abroad, already existing or still to be incorporated;

(h) the management, development and realization of these participations;

(i) involvement, directly or indirectly, in the management, control or dissolution of any company, enterprise, business or association in which it has a participation;

(j) providing assistance to the board of directors or to management or support in all possible management matters of companies, businesses or associations in which it has a participation, and in general, performing all acts constituting entirely or partially, directly or indirectly, holding activities.

The company may carry out all civil, commercial, industrial and financial activities as well as activities relating to real and movable property that are linked, directly or indirectly, to its statutory purpose or that may enhance the realization thereof. The company may provide securities or guarantee in favor of companies, enterprises, businesses or associations in which it has a participation, act as representative or agent, provide advances, credit facilities and mortgages or other securities. The company's activities may be carried out both abroad and in Belgium.

Consultation of documents regarding the company

The statutory and consolidated annual accounts of the company are deposited with the National Bank of Belgium. A coordinated version of the company bylaws can be consulted with the clerk of the Commercial Court of Antwerp. The annual financial report is sent to the registered shareholders and to anyone who so requests. The coordinated version of the company bylaws and the annual financial report are also available on the company's website (www.avh.be).

General information regarding the company's capital

Subscribed capital

The subscribed capital is 2,295,277.90 euros. The capital is fully paid-up and is represented by 33,496,904 shares without nominal value.

Capital increases

The most recent capital increase was decided upon on 11 October 1999, as part of the merger through acquisition of Belcofi NV by Ackermans & van Haaren NV.

Authorized capital

In the events set out in the special report approved by the extraordinary general meeting of 26 November 2014, the board of directors is authorized to increase the company's capital during a period of five years as of 16 December 2014, once or several times, in a maximum amount of 500,000 euros.

The board of directors can also make use of the authorized capital, in case of a public take-over bid on securities issued by the company, in accordance with the provisions and within the limits of article 607 of the Company Code. The board of directors is allowed to use this authorization in case the notification of a public takeover bid by the Financial Services and Markets Authority (FSMA) to the company is given not later than three years as from 26 November 2014.

The capital increases decided by virtue of these authorizations may be carried out in accordance with the terms and conditions set by the board of directors, with or without the issue of new shares, by the issue of subordinated or unsubordinated convertible bonds or of warrants or other securities, whether or not attached to other securities of the company.

The authorization empowers the board of directors to proceed to:

- (i) capital increases or issues of convertible bonds or warrants where the preferential right of the shareholders is limited or excluded;
- (ii) capital increases or issues of convertible bonds where the preferential right of the shareholders is limited or excluded in favour of one or several specific persons, other than staff members of the company or its subsidiaries; and
- (iii) capital increases involving capitalization of reserves.

The authorizations may be renewed in accordance with the law.

Nature of the shares

The fully paid shares as well as other securities of the company may exist as registered, bearer or dematerialized securities. Each holder may, at any time and at his own expenses, request the conversion of its paid in securities into another form, within the limits of the law and without prejudice to the provisions of the third paragraph of article 9 of the by-laws.

The securities are indivisible vis-à-vis the company which can suspend the rights of any share regarding which disputes would arise as to the ownership, usufruct or naked ownership. In case of usufruct, the naked owner of the share shall be represented vis-à-vis the company by the holder of the right of usufruct, unless the parties decide otherwise.

Bearer shares

As from 1 January 2008, the company may no longer issue bearer shares and registered shares can no longer be converted into bearer shares.

Bearer shares that had not been converted into registered shares or dematerialized shares by December 31, 2013 were automatically converted into dematerialized shares on January 1, 2014.

Those shares have been entered in a securities account in the name of Ackermans & van Haaren. The rights attached to those shares (voting right, dividend right, etc) have been suspended. As of January 1, 2015, Ackermans & van Haaren is entitled to publicly sell shares of which the owner has not made himself known, after a notice to that effect has been published. In accordance with the legal procedure, Ackermans & van Haaren has publicly sold 10,872 shares in the course of 2015 and deposited the proceeds of the sale with the Deposito- en Consignatiekas.

Contact

Questions can be asked by phone on +32 3 231 87 70 or by e-mail dirsec@avh.be to the attention of Jan Suykens or Tom Bamelis.

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Photos

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The digital version of this annual report can be consulted at www.avh2016.be.
Ce rapport annuel est également disponible en français.
Dit jaarverslag is ook verkrijgbaar in het Nederlands.
The Dutch version of this document should be considered as the official version.

Concept and design

FBD nv (www.fbd.be)



FINANCIAL CALENDAR

May 19, 2017	Interim statement Q1 2017
May 22, 2017	Ordinary general meeting
August 31, 2017	Half-year results 2017
November 22, 2017	Interim statement Q3 2017



Ackermans & van Haaren NV

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