

2017



COMPAGNIE DU
BOIS SAUVAGE

SUMMARY OF THE ANNUAL REPORT OF COMPAGNIE DU BOIS SAUVAGE
ANNUAL MEETING OF SHAREHOLDERS ON 25 APRIL 2018
Financial Year 2017

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**Compagnie du Bois Sauvage is an investment holding company,
quoted on Euronext Brussels, with a stable 'family' principal
shareholder.**

The Company aims to focus on a limited number of holdings, whether listed on the stock exchange or not, mainly in the industrial sector. Its goal is to reserve the necessary means for the development of the companies of the Group.

It aims to maintain close relations with the companies in which it invests and to be involved in the recruitment of executives and in strategic development.

In the interests of its own shareholders, the Company requires a regular income from its investments in order to provide a steadily growing dividend, if possible.

1. LETTER TO THE SHAREHOLDERS

The global economic activity continued to strengthen in 2017, with a global growth estimated at 3.7%. The vigorous trend observed in 2017 is expected to continue in 2018⁽¹⁾.

As regards the holdings of Compagnie du Bois Sauvage, the results are very satisfying even though they have been diversely impacted by the economy.

Operating profit before disposals and fair value adjustments of Compagnie du Bois Sauvage stands at EUR 51.1 million (versus EUR 39.2 million in 2016). This 31% increase is due principally to the following elements:

- an almost 4% increase in the turnover of UBCM (Chocolatier Group: Neuhaus, Jeff de Bruges, Corné Port-Royal and Artista Chocolates) and consolidation of solid operating profitability.
- the results of equity accounted associates at EUR 18.2 million in 2017 (versus EUR 3.2 million in 2016). The strong increase can be attributed largely to the capital gain realized by Noël Group on the sale of its insulation division, to Recticel's profits and to the valuation of the real estate held by Fidentia,
- the profits of Berenberg Bank which, alongside its operating profit, recorded an earn-out on the sale in 2016 of its holding in the company Universal Investment GmbH.

The net profit attributable to the Group of EUR 45.3 million takes into account a profit on disposals of EUR 15.9 million, of which EUR 9.2 million resulted from the disposal of the holding in Ogeda, impairments of EUR -4.3 million and tax expenses of EUR 13.4 million.

Net comprehensive income attributable to the Group was EUR 89.5 million, as compared to EUR 45 million in 2016. This amount corresponds to the net profit or loss attributable to the Group, adjusted for fair value adjustments of the investments in Umicore (EUR +49.3 million), Berenberg Bank (EUR 7.2 million) and Serendip (EUR -1.5 million), transfers to profit following disposals of EUR -4 million (Gotham City I, Matignon Technologies II and Bone Therapeutics), as well as for exchange rate differences on operations in currencies outside the euro area (EUR -6.3 million).

The Company bolstered up its equity by EUR 0.7 million following the exercise of 2,300 subscription rights at a price of EUR 290.92 per share in April 2017. The Group recorded a net cash surplus of EUR 11.2 million as at 31 December 2017.

After the 2016 dividend payment (EUR 12.6 million) and after deduction of the Group's own shares acquired in 2017 (EUR 0.1 million), the Group's equity amounted to EUR 482.2 million (versus EUR 405.2 million in 2016).

Given the strong operating profit and the solidity of its assets, the Company is proposing to continue its dividend growth policy and to take the dividend to EUR 7.60 gross per share, thereby indicating its confidence in the future.

During 2017, the Compagnie du Bois Sauvage Group mainly:

- invested, directly and via its subsidiary Parfina, an amount of EUR 7 million (EUR 1.1 million and EUR 5.9 million respectively) in the real estate project '**Oxygen**' in Auderghem at a 50/50 proportion with Besix Real Estate Development (Besix RED),

(1) Source: IMF – World Economic Outlook (January 2018)

- paid up EUR 4.8 million in the **'First Retail International 2'** (FR12) and **'Valiance Life Sciences'** funds,
- bought 1,083 bonds convertible into shares in Compagnie du Bois Sauvage, issued by Entreprises et Chemins de Fer en Chine for an amount of EUR 1.4 million. In the event that in June 2019 all these bonds are converted, Compagnie du Bois Sauvage will receive 4,332 of its own shares,
- invested, via its American subsidiary Surongo America, the amount of USD 1.4 million in **'Vinventions'** via **'Global Vine II LLC'**,
- sold its holding in **'Ogeda'**, formerly known as Euro-screen, to the pharmaceutical listed company Astellas Pharma Inc. governed by Japanese law. After that operation, the Company recorded as at 31 December 2017 a non-recurring gain of EUR 5.5 per share in Cie du Bois Sauvage, for a total of EUR 9.2 million. With a view to the objectives to be achieved, an earn-out may be recorded in the coming years for a maximum amount of EUR 6 million,
- profited from the sale of the insulation activity of the **'Noël Group'** (USA), which represented nearly 55% of the company's turnover. This sale generated a net profit (Group's share) of EUR 13.4 million. In order to bring the carrying amount back to its fair value, an impairment of EUR 3.8 million was also recorded as at 31 December 2017,
- received repayments of EUR 2,2 million from the **'Matignon Technologies II'** and **'Théodorus II'** funds and of USD 12,5 million (including capital gain) from the American **'DSF III'** and **'Gotham City I'** funds.

In the context of the renewal of the authorization given by the Extraordinary General Meeting of 27 April 2016 for the buyback of own shares, Compagnie du Bois Sauvage proceeded in 2017 to buy back 359 own shares for a total amount of EUR 0.1 million. The 2,854 own shares acquired up until 20 January 2017 were cancelled by notarized deed of 26 April 2017.

Measures to improve shareholder information were continued: the Corporate Governance Charter has been updated and is available on the website, contacts with analysts and investors have been continued, the intrinsic value is published semi-annually.

The average daily number of shares processed in 2017 was 467.

Taking into account the two non-recurring elements mentioned above, the intrinsic value (in-the-money) stood at EUR 435 per share as at 31 December 2017 (EUR 369 as at 31 December 2016).

Compagnie du Bois Sauvage wishes to thank its shareholders for their confidence and support during the financial year. Our thanks are also due to all the Group's employees and partners for their professionalism and sincere commitment.

02 March 2018

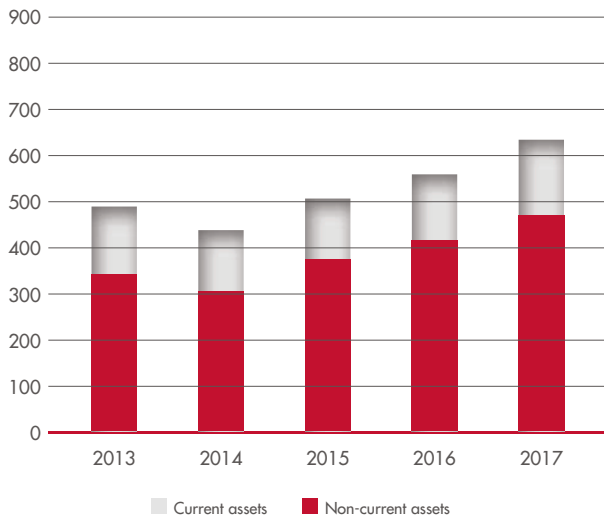
President
Pierre-Yves de Laminne de Bex

General Manager
Benoit Deckers

2. KEY FIGURES AS AT 31 DECEMBER

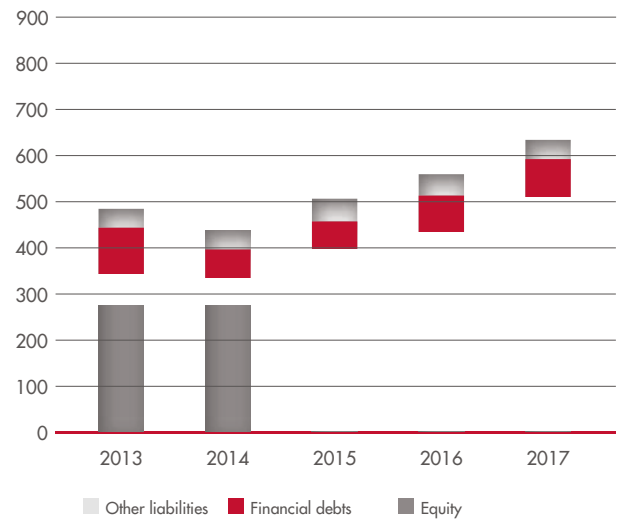
ASSETS – HISTORICAL TREND

Consolidated accounts (in millions of euros)



LIABILITIES – HISTORICAL TREND

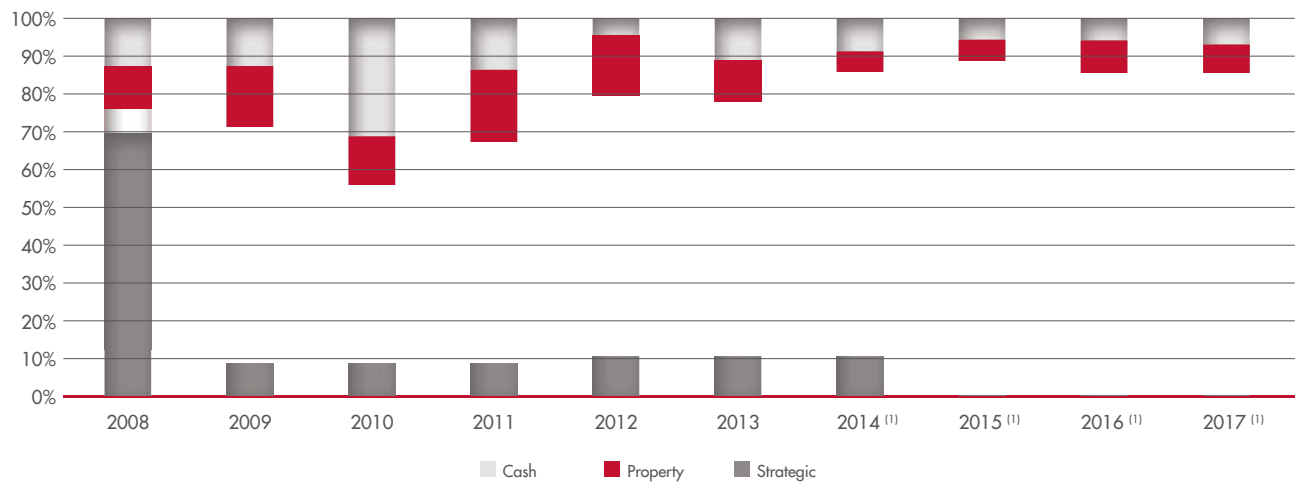
Consolidated accounts (in millions of euros)



EVOLUTION OF THE CONSOLIDATED PORTFOLIO

Intrinsic value as at 31 December ⁽¹⁾

Total in euros 757.680.115 758.571.487 813.968.415 571.074.038 542.063.934 558.737.076 496.405.908 600.582.302 670.565.412 788.999.416



(1) Excl. cash items of UBCM.

in thousands of euros	2017	2016	2015	2014
Group equity	482,156	405,194	372,723	312,832
Intrinsic value 'in-the-money' ⁽¹⁾⁽³⁾	733,927	622,094	564,464	459,018
Consolidated net profit (loss) (attributable to the Group)	45,251	31,437	32,884	-1,073
Market capitalisation at year-end	601,989	515,667	415,198	333,287

	2017	2016	2015	2014
Consolidated net profit (loss) per share (attributable to the Group) (EUR)				
Basic ⁽²⁾	26.89	18.68	19.89	-0.67
Diluted ⁽²⁾	26.89	18.68	19.89	-0.67
Number of shares				
Outstanding	1,682,708	1,683,262 ⁽⁴⁾	1,680,962	1,625,000
In-the-money	1,685,408	1,685,767 ⁽⁵⁾	1,683,312	1,628,400
Fully diluted	1,685,408	1,685,767 ⁽⁵⁾	1,688,312	1,721,746
Intrinsic value per share at year-end (EUR)				
In-the-money ⁽³⁾	435.46	369.03	335.22	281.88
Fully diluted ⁽³⁾	435.46	369.03	335.20	279.71
Gross dividend per share	7.60	7.52	7.44	7.36

	2017	2016	2015	2014
Average daily volume processed	467	475	819	731
Average daily capital (EUR) ⁽³⁾	158,172	131,115	189,324	162,421
Price (EUR)				
Year-end	357,75	306,35	247,00	205,10
Highest	364,45	319,75	252,00	235,85
Lowest	305,00	232,00	205,50	190,00

(1) The valuation method for the calculation of the intrinsic value is described in the french version of the 2017 annual report.

(2) See calculation and definitions in Note 25 on the french version of the 2017 annual report.

(3) See definitions of 'in-the-money' and 'fully diluted' on the french version of the 2017 annual report.

(4) Including 2,495 treasury shares held by Compagnie du Bois Sauvage at 31 December 2016.

(5) Excluding treasury shares

Consolidated and Separate Financial Statements as at 31 December 2017

Presented to the General Meeting of 25 April 2018

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

<i>in thousands of euros</i>	2017	2016
Non-current assets	467,477	413,719
Property, plant and equipment	41,558	39,932
Investment property	10,385	10,395
Goodwill	11,003	11,003
Intangible assets	21,418	21,445
Equity-accounted investments	118,130	113,240
Investments available for sale	240,156	194,283
Other assets	23,936	20,147
Deferred tax assets	891	3,274
Current assets	165,826	144,321
Inventories	22,234	18,789
Trade and other receivables	44,264	43,761
Current tax assets	6,891	4,594
Financial assets at fair value through profit or loss	13,877	13,611
Other assets	2,208	3,437
Cash and cash equivalents	76,352	60,129
Non-current assets held for sale	0	0
Total assets	633,303	558,040

in thousands of euros

	2017	2016
Equity	507,231	431,138
Group equity	482,156	405,194
Share capital	153,517	152,848
Retained earnings	186,778	155,438
Reserves	141,861	96,908
Non-controlling interests	25,075	25,944
Liabilities	126,072	126,902
Non-current liabilities	31,194	76,529
Borrowings	27,093	65,956
Provisions	608	1,951
Deferred tax liabilities	3,356	8,448
Other non-current liabilities	137	174
Current liabilities	94,878	50,373
Borrowings	56,357	14,575
Provisions	1,624	1,430
Trade and other payables	29,125	26,009
Current tax liabilities	5,972	6,237
Other liabilities	1,800	2,122
Total equity and liabilities	633,303	558,040

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AS AT 31 DECEMBER

in thousands of euros	2017	2016
Operating income	221,542	216,404
Turnover	207,687	198,798
Interest and dividends	12,946	15,612
Rental income	733	1,120
Other income	176	874
Operating expenses	-188,652	-180,425
Raw materials and consumables used	-121,524	-114,540
Employee expenses	-54,059	-53,177
Depreciation, impairment losses and provisions	-7,420	-8,237
Finance costs	-4,392	-3,050
Other expenses	-1,257	-1,421
Share of profit (loss) of equity accounted investments	18,233	3,205
Operating profit (loss) before disposals, fair value adjustments and impairments	51,123	39,184
Profit (loss) on disposals	15,903	6,675
Fair value adjustments and impairments	-4,144	-1,003
Profit (loss) before tax	62,882	44,856
Income tax expense	-13,399	-9,805
PROFIT (LOSS) OF THE PERIOD	49,483	35,051
Other comprehensive income	44,199	13,543
Items not to be reclassified subsequently to profit or loss	-1,357	-1,403
Share of other comprehensive income of equity accounted investments	-1,357	-1,403
Items to be reclassified subsequently to profit or loss	45,556	14,946
Investments available for sale		
Fair value adjustments	55,313	17,469
Transfer to profit (loss) on impairment	0	0
Transfer to profit (loss) on disposal	-3,971	-2,976
Exchange differences on foreign operations	-6,272	-180
Share of other comprehensive income of equity accounted investments	486	633
COMPREHENSIVE INCOME OF THE PERIOD	93,682	48,594
Profit (loss) of the period	49,483	35,051
Attributable to Group	45,251	31,437
Non-controlling interests	4,232	3,614
Comprehensive income of the period	93,682	48,594
Attributable to Group	89,450	44,980
Non-controlling interests	4,232	3,614

EARNINGS (LOSSES) PER SHARE AS AT 31 DECEMBER

in euros	2017	2016
Basic	26.89	18.68
Diluted	26.89	18.68

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in thousands of euros	Share capital		Reserves				Retained earnings	Group equity	Non-controlling interests	Equity
	Share capital	Share premium account	Reserves ⁽¹⁾	Treasury shares	Foreign currency translation reserve					
Balance as at 31 December 2015	84,048	68,265	81,450	0	2,669	136,291	372,723	21,533	394,256	
Change in accounting standard IAS 19							0		0	
Investments available for sale										
Fair value adjustments			17,469				17,469		17,469	
Transfer to profit (loss) on impairment							0		0	
Transfer to profit (loss) on disposal			-2,976				-2,976		-2,976	
Share of hedging and actuarial reserves of equity accounted investments			-770				-770		-770	
Changes in scope of consolidation							0		0	
Foreign exchange translation differences						-180	-180		-180	
Other							0		0	
Other comprehensive income	0	0	13,723	0	-180	0	13,543	0	13,543	
Net profit (loss) of the period						31,437	31,437	3,614	35,051	
Comprehensive income of the period	0	0	13,723	0	-180	31,437	44,980	3,614	48,594	
Dividends paid						-12,506	-12,506		-12,506	
Share capital and share premium account	115	420					535		535	
Changes in scope of consolidation						274	274	797	1,071	
Operations with treasury shares (purchase/cancellation)				-754			-754		-754	
Other						-58	-58		-58	
Balance as at 31 December 2016	84,163	68,685	95,173	-754	2,489	155,438	405,194	25,944	431,138	
Investments available for sale										
Fair value adjustments			55,313				55,313		55,313	
Transfer to profit (loss) on impairment							0		0	
Transfer to profit (loss) on disposal			-3,971				-3,971		-3,971	
Share of hedging and actuarial reserves of equity accounted investments			-871				-871		-871	
Changes in scope of consolidation							0		0	
Foreign exchange translation differences						-6,272	-6,272		-6,272	
Other							0		0	
Other comprehensive income	0	0	50,471	0	-6,272	0	44,199	0	44,199	
Net profit (loss) of the period						45,251	45,251	4,232	49,483	
Comprehensive income of the period	0	0	50,471	0	-6,272	45,251	89,450	4,232	93,682	
Dividends paid						-12,637	-12,637	-5,101	-17,738	
Share capital and share premium account	115	554					669		669	
Changes in scope of consolidation							0		0	
Operations with treasury shares (purchase/cancellation)				754		-864	-110		-110	
Other						-410	-410		-410	
Balance as at 31 December 2017	84,278	69,239	145,644	0	-3,783	186,778	482,156	25,075	507,231	

(1) Revaluation/hedging/actuarial reserves of available-for-sale and accounted for using the equity method investments.

CONSOLIDATED CASH-FLOW STATEMENT

in thousands of euros	2017	2016
Profit (loss) before tax	62,882	44,856
Adjustments		
Profit (loss) on disposals	-15,903	-6,675
Fair value adjustments and impairments	4,144	1,003
Share of profit (loss) of equity accounted investments	-18,233	-3,205
Finance costs	4,392	3,050
Interest and dividend income	-12,946	-15,612
Depreciation, impairment losses and provisions	7,420	8,237
Other	374	150
Increase (decrease) in working capital		
Current assets ⁽¹⁾	-3,748	-6,436
Current liabilities ⁽²⁾	2,794	-1,412
Interest paid	-4,392	-3,092
Interest received (incl. IRS)	1,109	514
Dividends received		
Equity-accounted investments	6,444	2,942
Other investments	11,866	15,097
Taxes paid	-18,670	-11,210
Cash flows relating to operating activities	27,533	28,207
(Acquisition)/disposal of equity-accounted investments	-1,333	-11,730
(Acquisition)/disposal of investments available for sale	18,821	7,604
(Acquisition)/disposal of other financial instruments	-2,676	-17,646
(Acquisition)/disposal of investment property	-17	-110
(Acquisition)/disposal of tangible assets	-9,367	-7,590
(Acquisition)/disposal of intangible assets	-857	-1,563
(Acquisition)/disposal of other non-current assets	-502	-11
Cash flows relating to investment activities	4,069	-31,046
New loans	5,946	21,300
Repayment of loans	-3,027	-3,927
Capital increase/(decrease)	669	535
Dividends paid to the Group's shareholders	-12,637	-12,506
Dividends paid to minority shareholders	-5,101	0
Sale (purchase) of treasury shares held	-110	-754
Other	-1,119	-215
Cash flows relating to financing activities	-15,379	4,433
Net cash flows of the period	16,223	1,594
Cash and cash equivalents, beginning balance	60,129	58,535
Effect of exchange rate changes on cash and cash equivalents	0	0
Cash and cash equivalents, ending balance	76,352	60,129

(1) Increases and decreases in working capital relating to inventories, accounts receivable, other assets and non-current assets held for sale.

(2) Increases and decreases in working capital relating to trade and other payables.



ANNUAL REPORT 2017
(SUMMARY)

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