Annual report 2017

ACKERMANS & VAN HAAREN

Partners for sustainable growth

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Ackermans & van Haaren

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Pursuant to the Royal Decree of November 14, 2007 on the obligations of issuers of financial instruments admitted to trading on a Belgian regulated market, Ackermans & van Haaren is required to publish its annual financial report. This report contains:

- the combined statutory and consolidated annual report of the board of directors prepared in accordance with Article 119, last paragraph of the Companies Code,
- a condensed version of the statutory annual accounts prepared in accordance with Article 105 of the Companies Code, and
- the full version of the consolidated annual accounts.

The full version of the statutory annual accounts has been deposited with the National Bank of Belgium, pursuant to Articles 98 and 100 of the Companies Code, together with the annual report of the board of directors and the audit report. The auditor has approved the statutory and consolidated annual accounts without qualification.

In accordance with Article 12, §2, 3° of the Royal Decree of November 14, 2007, the members of the executive committee (i.e. Jan Suykens, Tom Bamelis, John-Eric Bertrand, Piet Bevernage, André-Xavier Cooreman, Piet Dejonghe and Koen Janssen) declare that, to their knowledge:

a) the annual accounts contained in this report, which have been prepared in accordance with the applicable standards for annual accounts, give a true view of the assets, financial situation and the results of Ackermans & van Haaren and the companies included in the consolidation;
b) the annual accounts give a true overview of the development and the results of the company and of the position of Ackermans & van Haaren and the companies included in the consolidation, as well as a description of the main risks and uncertainties with which they are confronted.

The annual report, the full versions of the statutory and consolidated annual accounts, as well as the audit reports regarding said annual accounts are available on the website (www.avh.be) and may be obtained upon simple request, without charge, at the following address:

Begijnenvest 113 - 2000 Antwerp - Belgium
Tel. +32 3 231 87 70 - info@avh.be

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Mission

Ackermans & van Haaren
Partners for sustainable growth


Ackermans & van Haaren - Antwerp

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.

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.

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.

Partners for sustainable growth

Partners

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

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.

2017 at a glance

- Good results reported by AvH's participations, coupled with capital gains, boost **AvH**'s profit to 302.5 million euros (+35%).

- DEME equalled its good performance of 2016, while CFE confirmed with a solid increase in profit. The disappointing results of A.A. Van Laere and a less successful year for Rent-A-Port explain the decrease in contribution from '**Marine Engineering & Contracting**' compared with last year.

- '**Private Banking**' reported a record year. Both in terms of assets under management and net profit, Delen Private Bank reached new all-time highs. Bank J.Van Breda & C° managed to slightly increase its profit in a challenging market environment.

- All the group companies in '**Real Estate & Senior Care**' equalled or increased their results in 2017. With a total contribution of 54.3 million euros to the group profit, they surpassed their strong performance of 2016.

- '**Energy & Resources**' nearly doubled its contribution to the group profit, driven mostly by SIPEF, which in 2017 reported far better production volumes which - in combination with higher market prices for palm oil - lay the foundations for an increasing operating result. The successful expansion of its plantations also led to the recognition of a (non-recurring) remeasurement gain, in which AvH's share amounts to 19.8 million euros.

- '**AvH & Growth Capital**' made a limited contribution to the group result. AvH continues to actively look out for new investment opportunities in 2018.

- In 2017, AvH **sold** its holdings in Nationale Maatschappij der Pijpleidingen (AvH 75%), in Ogeda (AvH 3%) and in Groupe Flo (AvH 23%). On balance, net capital gains/losses in 2017 resulted in a profit of 17.6 million euros, compared with a substantial loss of 26.8 million euros in 2016.

Net result	Net equity (part of the group - before allocation of profit)	Gross dividend	Market capitalization
303 (million euros)	2,972 (million euros)	74 (million euros)	4,862 (million euros)
9.13 (euros per share)	89.70 (euros per share)	2.20 (euros per share)	145.15 (euros per share)

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

(€ mio)	2017	2016
Marine Engineering & Contracting	90.6	105.2
Private Banking	113.9	98.5
Real Estate & Senior Care	54.3	46.2
Energy & Resources	18.2	9.2
Contribution from core segments	**277.0**	259.1
Growth Capital	-1.3	2.7
AvH & subholdings	-10.6	-10.8
Net capital gains(losses) / impairments	17.6	-26.8
Result before remeasurement	**282.7**	224.2
Remeasurement	19.8	-
Consolidated net result	**302.5**	224.2

Key figures - consolidated balance sheet

(€ mio)	31.12.2017	31.12.2016
Net equity (part of the group - before allocation of profit)	2,972.2	2,783.1
Net cash position of AvH & subholdings	80.2	68.3

- Marine Engineering & Contracting
- Private Banking
- Real Estate & Senior Care
- Energy & Resources
- AvH & Growth Capital
- Belgium
- Europe
- Rest of the world

(1) Based on consolidated figures 2017, pro forma: all (exclusive) control interests incorporated in full, the other interests proportionally

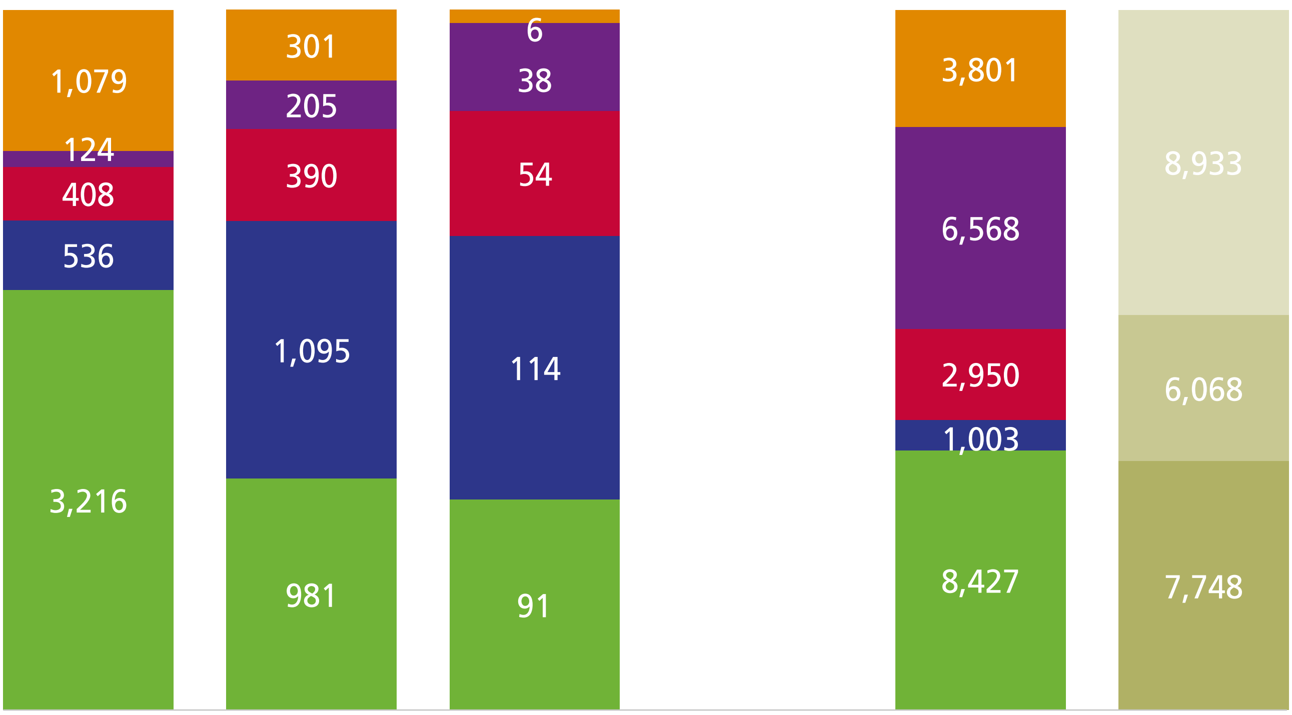
Pro forma turnover[1] € 5,363 mio

Net equity (part of the group) € 2,972 mio

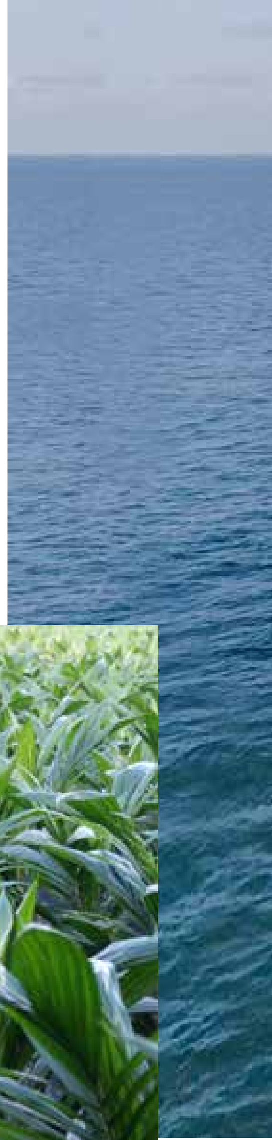
Contribution to AvH result € 303 mio

Pro forma personnel per segment[1] 22,749

Pro forma personnel per region[1] 22,749



Key events 2017



More focus on a smaller number of participations at AvH

- Sale of Ogeda (AvH 3%), NMP (AvH 75%) and Groupe Flo (AvH 23%).
- Sale of A.A. Van Laere to CFE Contracting.
- Held for sale: BDM-Asco (AvH 50%), OQM (AvH 50%) and Transpalux (AvH 45%).

Special zoning plan for Tour & Taxis approved

- Opening of Herman Teirlinck office building as Flemish Administrative Centre.
- Development of residential projects Gloria and Riva.
- Renovation of Gare Maritime for retail and offices.

Record order backlog for DEME

- Order backlog at year-end 2017: 3,520 million euros.
- Contracts won but not yet included in order backlog: 1,744 million euros.
- Many years of focus on the development of offshore wind energy (GeoSea) boosted DEME's turnover to 2,365.7 million euros.
- Despite the change in its mix of activities, DEME realized an EBITDA of 456.2 million euros (19.3%), in spite of a temporary downturn in traditional dredging activity.

SIPEF - Young palms

Significant expansion at SIPEF following acquisitions of Agro Muko and Dendymarker

- Expansion of total planted areas by 30% to 71,865 planted hectares.
- Remeasurement gain following the acquisition by SIPEF of a controlling interest in PT Agro Muko. AvH's share amounts to 19.8 million euros.

Ambitious investment program DEME: expansion of fleet with 2 dual fuel vessels in 2017

- The hopper dredgers Minerva and Scheldt River were brought into use in 2017. LNG propulsion reduces the emission of sulphur, NOx and atmospheric particles.
- Total investment in renewal and expansion of fleet of 614.2 million euros in 2017 (including acquisition of A2SEA).

DEME - Scheldt River

Further expansion of senior care

- Both Anima Care (+389 beds) and Residalya (+158 beds) continue to expand their network.

Successful year for Extensa

- Sale of Herman Teirlinck building (Tour & Taxis) and successful commercialization of Cloche d'Or (Luxembourg) constituted the basis for a solid net profit (29.9 million euros).

Extensa - Gare Maritime

More than 40 billion euros of assets under management consolidated at Delen Private Bank

- Biggest-ever gross inflow of assets at Delen Private Bank in Belgium.
- Positive impact of increasing value of assets at Delen Private Bank and at JM Finn.

Focus on two asset classes and three countries by Leasinvest Real Estate

- Disposal of Swiss retail portfolio and Belgian logistics portfolio.
- Focus on retail and offices and on Luxembourg, Belgium and Austria.

More balanced spread of contribution from core segments

- 'Real Estate & Senior Care' and 'Energy & Resources' together represent more than 26% of the contribution from the core segments (2016: 21%, 2015: 17%).

CFE (contracting and real estate) turnaround confirmed

- Strong increase in contribution to group result.
- High level of order book.

Annual report 2017

Ackermans & van Haaren

Partners for sustainable growth

Message from the chairmen

Ladies and gentlemen,

The world economy in 2017 was characterized by a wide diversity of events and emotions. In the US, the election of Trump generated some euphoria on the stock markets, but also a worldwide fear of protectionist implications of the 'America First' policy. In Europe, there is uncertainty about the timing and consequences of the Brexit vote, but at the same time the hope of far-reaching economic reforms following the election of Macron as French president. As the IMF revises its growth forecasts positively (USA: 2.7%, Europe: 2.2%), we are seeing an increasing number of geopolitical conflicts and tensions.

Against this 'volatile' background, the key participations of the AvH group recorded solid results in 2017. The consolidated net result (AvH share) amounted to 302.5 million euros, which is a 35% increase compared with 2016 (224.2 million euros). This is just short of a record result, since in 2006 a net consolidated result of 307.6 million euros had been reported, albeit thanks to an extraordinary capital gain of 150 million euros on the sale of Quick Restaurants.

In 2017, the recurring contribution of the four core segments accounted for 91.5% (277 million euros) of this group result. In itself this represents a 7% growth versus 2016 (259 million euros). This solid growth is the result of a strong contribution from all those core segments, with the strongest growth (+15.6%) and the strongest contribution (41%, or 113.9 million euros) coming from our 'Private Banking' segment with Delen Private Bank and Bank J.Van Breda & C°.

Where in 2015 the 'Marine Engineering' and 'Private Banking' segments still represented 83% of this 'recurring' group result, this figure decreased to 74% over 2017, in spite of their own good results. This is primarily explained by the increased contribution of the profits from 'Real Estate & Senior Care' over 2017, amounting to 54.3 million euros, and the increased contribution - partly thanks to our higher shareholding percentage - of SIPEF (15.9 million euros).

The results for 2017 are therefore not only very good in absolute terms, they are qualitatively perhaps the best ever, thanks to the recurring nature of the profit and a balanced spread within all the core segments.

The consolidated net result was also influenced by two extraordinary elements. There were 17.6 million euros worth of net capital gains and impairments, consisting of capital gains on the disposal of our participations in Groupe Ogeda (13.9 million euros) and NMP (21.2 million euros). These were partly offset (to the amount of 18 million euros) by impairments. The stake of AvH in the remeasurement which SIPEF had to recognize on the acquisition of exclusive control over PT Agro Muko resulted in a remeasurement of 19.8 million euros.

The exceptional results reflect the strategic priorities which AvH has set itself. AvH wants to focus even more on a limited number of strategic participations with long-term recurring growth potential. The strategic and financial support which AvH has given to SIPEF in connection with the acquisitions of Agro Muko and Dendymarker, and of which 97.1 million USD was financed by a capital increase, should be seen in this context. AvH invested approximately 40 million euros additionally in SIPEF and increased its shareholding percentage to 30.25%.

The sale of A.A. Van Laere to CFE and the sale of NMP to the Antwerp Port Authority also fit into this logic. In December, an agreement was also reached on the sale of BDM-Asco to the US insurer The Navigators Group. This transaction will only contribute to the group result in 2018. Also in 2017, our shareholding (3%) in Ogeda and that of all the other shareholders was sold to the Japanese Astellas group, an agreement in principle was reached on the sale of Transpalux, while OQM is now 'held for sale'. The elimination of those lines simplifies AvH's group structure to a significant degree.

At December 31, 2017, AvH had a net cash position of 80.2 million euros.

The board of directors proposes to the general meeting to increase the dividend, in line with the increase in the recurring result, by 8% to 2.20 euros per share, or a total amount of 73,693,188 euros.

DEME reported in 2017 a 20% turnover growth to 2,365.7 million euros (2016: 1,978.2 million euros), with a stable EBITDA of 456.2 million euros (2016: 450.1 million euros) and a stable net result of 155.1 million euros (2016: 155.3 million euros). Despite an investment programme for eight new vessels (capex of 614 million euros in 2017), the net debt position remained on a very decent level at 296.2 million euros.

This favourable development is the result of a strategic decision that was made 15 years ago to believe and invest in the potential of offshore wind energy for the marine engineering business. GeoSea realized a turnover of more than one billion euros in 2017. DEME wants to consolidate its leadership position in this market by continuing to invest in new vessels (the jack-up vessel Apollo, the cable-laying ship Living Stone, the next-gen-

Luc Bertrand and Jan Suykens

eration installation vessel Orion with a lifting capacity of 5,000 tonnes) and by the acquisition of A2SEA, the leading specialist in the installation of offshore wind turbines.

DEME strongly believes in the potential of marine engineering, and in that light it acquired a 72.5% stake in G-tec, which specializes in offshore geotechnical and geological investigation.

Including the orders not yet finally confirmed, the order backlog reached an all-time high of 5,264 million euros, with a wide diversity of contracts for dredging works, offshore maritime works, and hydraulic civil engineering.

CFE reported a turnover of 710.5 million euros and a net profit of 23.9 million euros in 2017. This net profit was favourably impacted by the delivery of the Kons project in Luxembourg and the sale to our partner of the 50% stake in the Oosteroever project in Ostend.

All divisions of CFE made a positive contribution to this result and were able to report an increase in their order books. In this way, CFE confirms the successful turnaround of its organization and its activities.

This encouraged CFE to consider the acquisition of A.A. Van Laere. Although 2017 was a disappointing year for Van Laere with substantial losses on four projects, a new management team and a solid order book will give A.A. Van Laere a fresh start under the wings of CFE.

Rent-A-Port had little land stock available, resulting in a weaker 2017. The planned investments in new dikes should allow it to offer a new zone to new customers.

Delen Private Bank and Bank J.Van Breda & C° reported a record year in terms of inflow of new assets and in terms of result. The assets under management totalled 47,796 million euros, of which 43,230 million euros off-balance sheet investments and 4,566 million euros client deposits.

Delen Private Bank had 29,410 million euros worth of assets under management at year-end 2017. This growth is fairly evenly spread between the branches in Antwerp and Brussels and the regional branches of Rumbeke, Ghent, Hasselt and Liège. The success of this regional presence urged Delen Private Bank to open branches in Leuven, Namur, Knokke and Geel-Westerlo. The focus on discretionary asset management is reflected in a share of 81% in terms of assets under management and 92% in terms of number of accounts.

In the UK, JM Finn has 9,294 million pounds worth of private assets under management, of which already 74% under discretionary management. Oyens & Van Eeghen focuses entirely on its private clients, who have entrusted 660 million euros.

Delen Private Bank realized a consolidated net profit in 2017 of 105.8 million euros. With 678.8 million euros equity and a Core Tier1 capital ratio of 29.3%, the bank is very solidly capitalized.

Bank J.Van Breda & C° also reported a strong commercial year. The total invested by clients increased by 10% to 13,743 million euros (2016: 12,449 million euros), of which client deposits +8% and off-balance sheet products +12%. Of this amount, 5.5 billion euros is entrusted to Delen Private Bank in asset management.

Bank J.Van Breda & C° continues to support its target clients with appropriate loans (+7%). Although the low interest rates have a negative impact on interest income, Bank J.Van Breda & C° was able to increase its total revenues to 141.4 million euros (134 million euros in 2016) and the net profit to 39.1 million euros (2016: 37.7 million euros).

With 538.7 million euros equity and a Core Tier1 capital ratio of 14.2%, Bank J.Van Breda & C° is also a solidly capitalized bank. Moreover, Bank J.Van Breda & C° uses its balance sheet solely for the benefit of its clients, while its lending activity is entirely local and entirely financed with local deposits. With a leverage ratio of 8.9%, Bank J.Van Breda & C° also has a very healthy balance sheet.

The 'Real Estate & Senior Care' segment made another increasing contribution to AvH's group result (54.3 million euros compared with 46.2 million euros in 2016).

Leasinvest Real Estate will now focus on two asset classes (retail and offices) and three countries (Luxembourg, Belgium, Austria) with a strategy of active management and targeted acquisitions. Thanks to some capital gains and the integration of a new investment in Luxembourg (Lux Airport), the contribution increased to 14.9 million euros.

Extensa equalled its result of 2016 with a contribution of 29.9 million euros thanks to the delivery of the Herman Teirlinck building to the Flemish Administration on the Tour & Taxis site, and the good progress of construction work on the Cloche d'Or site. Extensa now hopes to obtain planning permission soon for the further development of the 'Gare Maritime' and the residential zone on the Tour & Taxis site. The commercialization of the 'Gare Maritime' looks very promising.

In the senior care segment, **Anima Care** now has 2,010 retirement home beds spread over 20 residences in operation, while **Residalya** has 2,597 beds in operation spread over 34 residences across France. Thanks to the daily commitment of 1,365 staff members in Belgium and 1,605 staff members in France, both groups already report a total operating cash flow of (before rental charges, EBITDAR) of 41.5 million euros and a net result of 11.9 million euros (AvH share: 9.5 million euros). Since the start of this activity in 2009, AvH has already invested approximately 100 million euros in this segment and taken up 278.5 million euros worth of bank debts to finance the real estate and furnishing.

Both Anima Care and Residalya have a strategy of preferring to own the real estate of the residences which they operate. Naturally this also holds a substantial unrealized added value.

Perhaps the most significant event of 2017 took place at **SIPEF**, which invested nearly 200 million USD in the increase of its stake in Agro Muko and in the acquisition of the Dendymarker estate. These transactions were financed in part by a capital increase of 97.1 million USD and additional debts for the remaining balance. AvH's shareholding in SIPEF now stands at 30.25%.

As a result of these acquisitions, the planted areas increased from 55,125 ha to 71,865 ha, and once the new plantations have reached full maturity, a total area of 84,326 ha will be in operation.

Thanks to solid production figures (+11.2%) and fairly stable palm oil prices, SIPEF reported a turnover of 321.6 million USD and a strong free cash flow, which made it possible to limit the net debt position to around 83.7 million USD (compared with 45.1 million USD in 2016).

NMP can look back on a year in line with expectations. We are pleased that with the Antwerp Port Authority we were able to offer NMP a strategic partner that can give a new dynamic to the company.

In the '**AvH & Growth Capital**' segment, the contributions from the participations overall resulted in a slight loss (-1.3 million euros).

The positive developments at Mediahuis, Telemond and Turbo's Hoet Groep were offset by the difficult situation at Distriplus, which led to the recognition of impairments, and the start-up problems encountered by Manuchar at the Somin mine in Mexico. We should point out in particular the transformation at Corelio/Mediahuis, which by acquiring the Telegraaf Media Groep created a second home market in the Netherlands, alongside its continuing leadership position on the Belgian market.

The streamlining of the 'Growth Capital' portfolio creates room for AvH to take an interest in new investment opportunities, where it wants to position itself as 'Partners for sustainable growth' of family-led groups.

We believe that the key participations are well positioned for 2018.

We wish to thank all the staff of the group, both at the Begijnenvest offices and in the group companies, for their commitment and their contribution to the successful development of AvH.

March 19, 2018

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, 2017. 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 2017, 46,000 options were granted in the framework of the stock option plan. As at December 31, 2017, the options granted and not yet exercised entitled their holders to acquire an aggregate of 311,000 Ackermans & van Haaren shares (0.93%). 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 2017 financial year, we refer to the Message from the chairmen (p. 15) and to the Key events (p. 10).

3. Comments on the statutory annual accounts

3.1 Financial situation as at December 31, 2017

The statutory annual accounts have been prepared in accordance with Belgian accounting principles. The balance sheet total at year-end 2017 amounted to 2,735 million euros, which is an increase compared with the previous year (2016: 2,537 million euros). Besides the 10 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 49 million euros in investments and 2,618 million euros in financial fixed assets. On the liabilities side of the balance sheet, the recording of the dividend of 74 million euros and the profit for the financial year of 263 million euros resulted in a shareholders' equity of 1,869 million euros (2016: 1,680 million euros). This amount does not include unrealized capital gains present in the portfolio of Ackermans & van Haaren and group companies. In 2017, 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 2017 financial year that is being proposed to the ordinary general meeting. In the course of 2017, Ackermans & van Haaren purchased 191,338 treasury shares and sold 183,359. These transactions related 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 result

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

Profit carried forward from the previous financial year	1,484,102,972
Profit for the financial year	263,484,342
Total for appropriation	1,747,587,313
Allocation to the legal reserve	0
Allocation to the non-distributable reserves	18,456,244
Allocation to the distributable reserves	0
Dividends capital	73,693,189
Directors' fees	590,000
Profit to be carried forward	**1,654,847,881**

The board of directors proposes that a gross dividend of 2.20 euros per share be distributed. After deduction of withholding tax (30%), the net dividend will amount to 1.54 euros per share. If the annual general meeting approves this proposal, the dividend will be payable from June 1, 2018. Following this distribution, shareholders' equity will stand at 1,868,914,660 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	36,996,517
Tax-exempt reserves	0
Distributable reserves	62,914,863
Profit carried forward	1,654,847,881
Total	**1,868,914,660**

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 2017 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 2017, neither Ackermans & van Haaren nor any other fully consolidated group company within the 'AvH & Growth Capital' segment had any such instruments outstanding.

7. Notices

7.1 Application of Article 523 of the Companies Code

The regulations of Article 523 of the Companies Code on conflicts of interest did not have to be applied in 2017.

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 5,100 euros (excluding VAT) was paid to Ernst & Young Tax Consultants for tax advice.

7.3 Acquisition or disposal of treasury shares

On November 13, 2017, 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 2017 financial year, Ackermans & van Haaren acquired 191,338 treasury shares to hedge its obligations under the stock option plan (71,000 shares) and its liquidity agreement with Kepler Cheuvreux. More details can be found in the financial statements (p. 181-182).

Taking into account the sale of 183,359 shares, the situation as at December 31, 2017 was as follows:

Number of treasury shares	362,257 (1.08%)
Par value per share	0.07
Average price per share	102.03
Total investment value	36,961,764

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 take-over bids. From this notice, it appears that Scaldis Invest owns 33% 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 13, 2017, the extraordinary general meeting renewed the authorization of the board of directors to proceed, in case of a take-over 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 take-over 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 13, 2020).

The board of directors is also authorized for a period of three years from the date of publication in the Annexes to the Belgian Official Gazette (i.e. until December 13, 2020) 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 Private Bank, for example, control is shared with the Jacques Delen family. Strategic decisions require the prior consent of both partners. In certain group companies, Ackermans & van Haaren has a minority stake. The diminished control which can result from that situation could lead to relatively greater risks; however, this is offset as much as possible 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, take-over 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 and audit committees at DEME, CFE and A.A. 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. Credit insurance, 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. As a rule, 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 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 strongly diminished. At year-end 2017, 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 2018. 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. The group is able to adequately curtail this risk by providing sufficient contractual safeguards and by building and maintaining strong relations with its customers. The companies from the 'Marine Engineering & Contracting' segment usually bill as the works progress.

The liquidity risk is limited by spreading the credit and guarantee lines over several banks and preferably 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, based on bilateral unsecured long-term financing with several banks. 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 Private Bank and Bank J.Van Breda & C° 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 Private Bank and Bank J.Van Breda & C°. 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 is very limited. The credit portfolio of Bank J.Van Breda & C° is very widely spread among a client base of local entrepreneurs and professionals at Bank J.Van Breda & C°. The bank applies concentration limits per sector and maximum credit amounts per client.

Bank J.Van Breda & C° 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 Private Bank is limited, due to the fact that it primarily focuses on asset management.

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

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 Private Bank are amply covered by the regular income, while in the case of Bank J.Van Breda & C° 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 Private Bank's and Bank J.Van Breda & C°'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 focuses mainly on Belgium and Luxembourg, with limited residual exposure to 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 limited operations in Turkey (risk linked to the Turkish lira) and in Romania (risk linked to the RON).

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 has since been fully repaid with the proceeds of the sale of the Royal Warehouse in 2015 and of the Herman Teirlinck building in 2017. In 2017, Extensa issued a bond of 75 million euros maturing in 2020 and 2022, thereby further reducing the dependence on bank financing. At Leasinvest Real Estate, the tapping of various sources of funding was put into practice in 2013 with the successful launch 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 the projects. 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 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 (SIPEF: mainly palm oil, palm kernel oil and rubber; Sagar Cements: coal, electricity).

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 typical 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, 2017 amounted to 13,469 million euros, which is an increase of 4.6% compared with 2016 (12,875 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° has a major impact on the consolidated balance sheet.

Shareholders' equity (group share) at the end of 2017 was 2,972 million euros, which represents an increase of 189 million euros compared with 2016 (2,783 million euros). In June 2017, Ackermans & van Haaren paid out a gross dividend of 2.04 euros per share, resulting in a decrease in equity by 68.3 million euros.

In 2017, Ackermans & van Haaren focused on the development of its key participations: their contribution to the group profit in 2017 amounted to 277.0 million euros (2016: 259.1 million euros).

The sale of the participations in NMP (75%) and in Ogeda (3%) yielded a capital gain of 21.2 million euros and 13.9 million euros respectively. This is offset by a capital loss of 6.7 million euros that was recognized on the exit from the capital of Financière Flo/Groupe Flo, as well as by certain impairments following the transfer of the shareholdings in Oriental Quarries & Mines and Transpalux to 'held for sale', and goodwill impairments on one group company and a loan impairment of another. On balance, this resulted in a positive contribution of capital gains/losses and impairments in 2017 of 17.6 million euros.

In 2016, AvH had been obliged to recognize substantial impairments and provisions on its stakes in Groupe Flo and CKT Offshore, so that on balance the net capital gains/losses and impairments amounted to -26.8 million euros.

Following the acquisition of control over the PT Agro Muko plantation in Sumatra, SIPEF was obliged to remeasure its historical participation. Ackermans & van Haaren's share in this remeasurement gain, which accounts for 75.2 million USD in the consolidated results of SIPEF, is 19.8 million euros.

The consolidation scope underwent some changes in 2017. The stake in NMP was sold to the Antwerp Port Authority (capital gain 21.2 million euros), while that in A.A. Van Laere was sold to CFE Contracting (without capital gain/loss in consolidation). The holdings in BDM-Asco and Transpalux were transferred to 'held for sale', since for both these participations an agreement on their sale had been reached with buyers in 2017, although the closing of the transaction is still subject to certain conditions. The 50% stake in Oriental Quarries & Mines was also transferred to that category at year-end 2017, since it no longer belongs to the group's strategic participations. AvH invested an additional 40.4 million euros in the reinforcement of its stake in SIPEF, which at year-end 2017 amounted to 30.25%. Further investments were also made in HPA by the contribution (into HPA) of the extra Patrimoine & Santé shares that resulted from the swap of the final tranche of Holding Groupe Duval shares. The members of Residalya's management also contributed their interests in Patrimoine & Santé, causing an increase of the group's shareholding percentage in HPA (from 70.86% to 71.72%).

At year-end 2017, AvH (including subholdings) had a net cash position of 80.2 million euros, compared with 68.3 million euros at year-end 2016. Besides cash and short-term deposits, this cash position consisted of 75.5 million euros in short-term investments (including treasury shares), and short-term debt.

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

DEME - Innovation - Merkur

Marine Engineering & Contracting

DEME (AvH 60,4%) realized a solid increase in (economic) turnover to 2,365.7 million euros in 2017, compared with 1,978.2 million euros in 2016. For the first time, GeoSea (DEME 100%) accounted for more than one billion euros of that figure. This favourable development is the result of DEME's strategic decision many years ago to focus fully on the development of offshore wind energy. This choice and the many years of sustained investment in human resources and equipment underpin the strong market position which GeoSea has acquired. DEME was able to offset the temporary downturn in its traditional dredging activity by its diversification into offshore wind energy, environmental activities, the extraction of sand and gravel at sea as building materials, marine civil engineering and concessions.

Despite the change in its mix of activities, DEME realized an EBITDA of 456.2 million euros. This EBITDA margin of 19.3% is entirely in line with the historical average of 16-20%. The net result of 155.1 million euros equals that of 2016.

Besides maintenance dredging work in Belgium, Germany and Africa, the main dredging projects were in Singapore (extension of Jurong island/JIWE and construction of the first phase of the Tuas container terminal) and in the port of Port Louis (Mauritius). DEME continued work on the Panama Canal to widen and deepen the access channel on the Atlantic side. GeoSea reported buoyant activity in 2017 with a.o. the installation of 42 monopile foundations for the Rentel wind farm, as well as on the offshore wind farms Horns Rev (Denmark), Merkur and Hohe See (both in Germany), and Galloper in the United Kingdom.

Many major contracts were acquired in 2017 as well:

- the New Terneuzen Lock (in joint venture, of which approximately 300 million euros turnover for DEME),
- construction of the submarine power cable installation for Elia's Modular Offshore Grid, the 'Plug at Sea' (130 million euros),
- construction of the Rijnlandroute in the Netherlands (123 million euros),
- redevelopment of the old port of Doha in Qatar (in joint venture, total value 100 million euros),
- land reclamation works for 10 islands on the Maldives for the development of tourism infrastructure and dredging works in India (total value 100 million euros),
- maintenance dredging contracts for the river Elbe in Germany, a gas terminal in Angola, the Freeport in Liberia, and the port of Abidjan in Ivory Coast,
- phase 2 of the Ayer Merbau land reclamation project in Singapore,
- installation of the offshore foundations for the EnBW offshore wind farm Albatros in Germany by GeoSea.

DEME's order backlog at year-end 2017 amounted to 3,520 million euros, compared with 3,800 million euros at year-end 2016. Several contracts (worth a total of 1,744 million euros) have not yet been included in this order backlog, pending their financial close or grant of final permits:

- the Fehmarnbelt project, which involves the construction of the world's longest immersed road and rail tunnel between Denmark and Germany. DEME is part of the consortium for the immersed tunnel and for its connection to the existing road infrastructure,
- the contract for the design, construction, management and maintenance for 20 years of the Blankenburgverbinding, the A24 link between the A20 and A15 motorways in the Netherlands,
- the EPCI contract for the development of the offshore wind farm Moray East in the United Kingdom. DEME will design, develop, transport and install 100 foundations and transport and install 3 electrical substation platforms, and
- the contract related to the transport and installation of 90 turbines at the Triton Knoll offshore wind farm in the United Kingdom.

In January 2018, the contract was signed for the deepening and maintenance dredging of the Martín García Canal in Uruguay and Argentina (in joint venture, total value 100 million euros).

DEME invested a total of 614.2 million euros in 2017, of which 447 million euros in the expansion and renewal of its fleet. The hopper dredger Minerva (capacity 3,500 m³) and the dredger Scheldt River (hopper capacity 8,400 m³) were ceremonially launched and brought into use in 2017. Both are dual fuel vessels that can also run on LNG to reduce the emission of sulphur, NOx and atmospheric particles. Six more vessels are under construction and will become operational in 2018-2020. The latest two new vessels which DEME commissioned at the beginning of 2017 are worth a total of 500 million euros: the Spartacus, the most powerful and most advanced cutter suction dredger (44,180 kW) in the world, and the Orion, an offshore crane vessel (44,180 kW) with dynamic positioning and a lifting capacity of 5,000 tonnes.

CFE - AZ Sint-Maarten - Mechelen

At the end of August, GeoSea successfully closed the acquisition of A2SEA, a leading player in the installation of offshore wind turbines. With A2SEA, a team of 160 highly qualified staff have come to join the ranks of DEME, and two high-tech installation vessels, the Sea Installer and the Sea Challenger (built in 2012 and 2014) have been added to the fleet. As of June 30, 2017, A2SEA had an order backlog of 141 million euros. The transaction represents an investment of 167 million euros.

At the beginning of November, GeoSea also acquired 72.5% of G-tec, a Belgian firm specializing in offshore geotechnical and geological investigation, and in deepsea engineering services. At the end of December, GeoSea signed a partnership agreement with CSBC Corporation for the development of offshore wind energy in Taiwan.

Even with the high level of investment in 2017 in the renewal and expansion of the fleet and in the acquisition of A2SEA, the net debt position was limited to 296.2 million euros (2016: 154.6 million euros).

2017 was a good year for **CFE** (AvH 60.4%): both CFE Contracting and the Real Estate Development division reported a strong increase in their contribution to the group result. The high level of the order book also shows that CFE is on the right track. The new organization, which combines autonomy and synergy, proved its relevance more than ever in 2017. CFE (excl. DEME) realized a net profit of 23.9 million euros, compared with 13.0 million euros in 2016.

CFE Contracting reported a decrease in turnover to 717.6 million euros in 2017 (2016: 770.5 million euros). This decrease, which was expected, is primarily due to the delayed start-up of several major projects in Belgium and the difficult socio-economic conditions in Tunisia. Internationally, the activities in Poland in particular saw a vigorous growth. The order book of CFE Contracting at year-end 2017 increased significantly to 1,229.7 million euros (+44.6%, or +15.1% on a like-for-like basis). This is the result of new contracts in the Construction segment in Brussels and Poland and in the Rail & Utility Networks segment. At the same time, the acquisition of A.A. Van Laere resulted in an increase in the order book by 241.8 million euros. CFE Contracting realized a net result of 15.4 million euros, compared with 10.4 million euros in 2016.

By this acquisition of A.A. Van Laere, the two construction groups, which will continue to operate under their existing names, will be able to work together optimally in Belgium and the market position of CFE Contracting will be strengthened. The consolidated results of A.A. Van Laere will be incorporated in the figures of CFE as from January 1, 2018. In December, CFE also acquired José Coghe-Werbrouck, a company specializing in railway works. Despite those acquisitions of A.A. Van Laere (17.1 million euros) and Coghe (7.7 million euros), the net financial position of CFE remained almost stable (-64.2 million euros).

In the Real Estate Development division, BPI worked a.o. on the Solvay (Elsene), Erasmus Gardens (Anderlecht), Les Hauts Prés (Ukkel), Voltaire (Schaarbeek) and Renaissance (Liège) projects in Belgium, Fussban (Differdange) and Kiem in Luxembourg, and Vilda Park (Poznan) in Poland. At the end of December 2017, the real estate projects amounted to 133 million euros (2016: 130 million euros). The net result of this division increased from 1.4 million euros at year-end 2016 to 22.3 million euros at year-end 2017 thanks to the capital gains on the sale of the stakes in the Oosteroever project in Ostend and the Kons project in Luxembourg.

In the Holding and Non-transferred Activities segment, the Brussels-South wastewater treatment plant project is progressing according to plan. This is one of the last projects as these activities are being phased out. In 2016, CFE realized substantial capital gains in this segment on the sale of 2 concession companies.

The operational management and maintenance of the Grand Hotel in N'Djamena were transferred in June 2017 to the hotel operator appointed by the Chadian government. The receivables on Chad remained unchanged compared with the end of December 2016.

Algemene Aannemingen Van Laere closed a difficult year in 2017 with a net loss of 16.8 million euros. A.A. Van Laere was faced with delays and disappointing operating results on four major projects. Van Laere's car park activities (Alfa Park and Parkeren Roeselare) were successfully sold.

At the end of December 2017, AvH sold its 100% stake in A.A. Van Laere to CFE Contracting. The price (after a dividend of 7.8 million euros) was 17.1 million euros, which corresponds to the adjusted net asset value. On August 1, 2017, the management of A.A. Van Laere was taken over by Manu Coppens, who is also a member of the executive committee of CFE Contracting.

As in previous years, the activities of **Rent-A-Port** (AvH 72.2%) in Vietnam were profitable. However, since less land was available for sale, sales decreased. The results of Rent-A-Port (-6.0 million euros) were also impacted negatively by exchange losses and by costs from the development of new projects in renewable energy.

The infrastructure in the industrial zone of Dinh Vu (Vietnam) is largely developed. Already more than 60 industrial customers are making use of the facilities on a recurrent basis. Rent-A-Port has also acquired important positions for the development of additional neighbouring industrial zones.

At **Green Offshore** (AvH 80.2%), the offshore work on Rentel (12.5% directly and indirectly, 309 MW) went according to plan in 2017. The first power is expected to be injected into the Belgian grid around mid-2018. In October 2017, the Belgian federal government adopted an amended legislative framework that will apply to the offshore wind farms Seastar and Mermaid. This is expected to allow the further development of those wind farms (together generating approximately 500 MW) in the short term.

Private Banking

The assets under management of **Delen Private Bank** (AvH 78.75%) attained consolidated a record high of 40,545 million euros at year-end 2017 (37,770 million euros at year-end 2016).

This strong growth (+7.4%) is the result of the positive impact of the increasing value of the assets under management and of the biggest-ever gross inflow, from both existing and new private clients. All branches made a substantial contribution. The strategy of systematically opening new branches in areas where a certain critical presence has been attained is paying off. The UK asset manager JM Finn also reported an increase in assets under management from 8,331 million £ to 9,294 million £ thanks to a positive impact of the increasing value of the assets (expressed in GBP) and a net inflow of assets. This favourable development was diluted by the exchange rate development of pound sterling against the euro (-3.5%). The share of assets under discretionary management increased to 81% at Delen Private Bank (or 92% of the client accounts) and to 74% at JM Finn.

The gross revenues of Delen Private Bank consolidated increased in 2017 by 17% to 366.9 million euros. This increase is primarily attributable to the higher level of assets under management. The cost-income ratio decreased to a highly competitive 53.7% (only 42.5% for Delen Private Bank, 83.7% for JM Finn). This ratio improved significantly in relation to 2016 (57.8%) as the increased income gave rise less than proportionally to an increase in costs. This expenditure on the constant developments in IT, recruitment of staff, rising labour costs in the UK and marketing are a direct result of the growing activity.

The net profit increased in 2017 to 105.8 million euros (compared with 87.9 million euros in 2016), which includes the contribution of JM Finn of 7.1 million euros.

The consolidated equity of Delen Private Bank stood at 678.8 million euros as at December 31, 2017 (compared with 621.2 million euros at year-end 2016). The Core Tier1 capital ratio of 29.3% is well above the industry average.

In 2017, **Bank J.Van Breda & C°** (AvH 78.75%) again reported a solid commercial performance. The total invested by clients increased by 1.3 billion euros (+10%), to more than 13.7 billion euros, of which 4.6 billion euros client deposits (+8%) and 9.2 billion euros (+12%) off-balance sheet products. Of this amount, 5.4 billion euros is entrusted to Delen Private Bank in asset management. The total loan portfolio increased by 7% to more than 4.5 billion euros. The provisions for loan losses remained limited to 0.04% of the average loan portfolio, or 1.7 million euros. The net fee income today represents nearly 40% of the total revenues in an environment where interest income has been under pressure from a flat yield curve for a number of years.

The costs increased by 5% to 83.6 million euros, primarily as a result of forward-looking investments in commercial strength. Thanks to a high level of efficiency, the cost-income ratio decreased further from 59.4% in 2016 to 59.1% in 2017.

The consolidated net profit amounted to 39.1 million euros (+4% compared with 2016), which is a good performance given the bank's conservative investment policy and the persistently low interest rates.

The equity (group share) increased from 518.3 million euros at year-end 2016 to 538.7 million euros, allowing the bank to sustain commercial growth without losing a healthy leverage, which is the best protection for the depositors. The solvency expressed as equity to assets (leverage ratio) stood at 8.9%, well above the 3% proposed under Basel III. The Core Tier1 capital ratio stood at 14.2%.

At the end of December 2017, AvH and SIPEF, each 50% shareholder of **BDM-Asco**, reached an agreement with the Nasdaq-listed US insurance company The Navigators Group, Inc. on the sale of BDM-Asco. The acquisition price for 100% of the shares of BDM-Asco was set at 35 million euros. AvH will realize a capital gain for her share of around 6 million euros on the transaction, that is expected to be closed in H1 2018. The reorganization of BDM-Asco's portfolio in recent years paid off in 2017. The group reported an excellent result, underpinned by a good technical result in all branches.

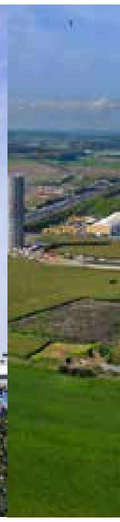
Real Estate & Senior Care

Leasinvest Real Estate (LRE, AvH 30,0%) closed 2017 markedly better than last year with a net result (group share) of 47.5 million euros (2016: 29.4 million euros), primarily thanks to substantial capital gains on the buildings portfolio. LRE has decided to focus on two asset classes (retail and offices) and three countries (Belgium, Luxembourg and Austria).

At the beginning of May, LRE acquired for 35 million euros full ownership of the company Mercator Sàrl, which owns an office building in Luxembourg city. At the beginning of October, the Swiss retail portfolio (three shops) was entirely sold for 41.8 million euros. In mid-October, two major retail parks in Vienna (Austria) were acquired for 56.2 million euros. Finally, in H2 2017, four logistics properties were sold for 72 million euros.

At year-end 2017, the fair value of the consolidated real estate portfolio, including project developments, amounted to 903.0 million euros (compared with 859.9 million euros at year-end 2016).

The total occupancy rate remained high at 94.80%. The slight decrease compared with year-end 2016 (96.77%) is mainly explained by the redevelopment of the Montoyer 63 office building and the sale during 2017 of the fully let logistics buildings and the properties in Switzerland. Following additional investments in Lux Airport real estate certificates, LRE increased its stake in Lux Airport to more than two-thirds of the outstanding certificates, so that the income from this could also be recognized as rental income (1.3 million euros), besides a non-recurring capital gain of 8.1 million euros that was recognised in the financial statements of 2017.



Anima Care - Vorst (artist impression)

Extensa - Tour & Taxis - Brussel Environment and Herman Teirlinck

The rental yield decreased from 6.78% at year-end 2016 to 6.44% at year-end 2017. The rental income increased slightly to 56.9 million euros compared with last year (56.6 million euros). The loss of rental income resulting from the sale of several properties in 2017 was more than compensated by the acquisition of two new properties in Austria, the increased occupancy rate of several buildings in portfolio (primarily Mercator and Riverside), and the recognition of the coupon of the Lux Airport certificates as rental income.

At year-end 2017, the equity (group share) stood at 382 million euros (2016: 356 million euros). The debt ratio decreased to 57.1% (2016: 58.0%).

Extensa Group (AvH 100%) equalled the good result of 2016 (30.4 million euros) with a net profit in 2017 of 29.9 million euros.

The special zoning plan for the whole Tour & Taxis site in Brussels was approved in June 2017, creating a clear legal framework for the further development of 270,000 m² residential units, retail and offices. The Herman Teirlinck office building was officially opened in September as the new Flemish Administrative Centre. In November, Extensa finalized the sale of the project company owning the building to Baloise Group. Extensa used the proceeds of this sale to repay the outstanding balance of the bridge loan of 75 million euros which it had taken out at the beginning of 2015 to increase its stake in Tour & Taxis by 50%. By year-end 2017, virtually all 115 residential units in the Gloria residence, the first apartment building on the Tour & Taxis site, were sold. Refurbishment works on the existing structure of the 'Gare Maritime' have started and will be completed in the second quarter of 2018. The commercialization of the office premises is going very well. On the site at the Willebroekkaai, Extensa successfully started the Riva project with 139 apartments overlooking the canal and the Royal Warehouse.

In Luxembourg, sales of apartments in the Cloche d'Or project are exceeding all expectations. 803 housing units were sold by the end of 2017. Construction work continued on the headquarters of Alter Domus (10,500 m²) and Deloitte Luxembourg (30,000 m²). Completion is scheduled for the third quarter of 2018. In December 2017, exclusive negotiations began with Ethias and Integrale on the sale of the Deloitte project.

Anima Care (AvH 92.5%) reported a strong growth in its activities in 2017 with a turnover increase to 75.2 million euros (56.4 million euros in 2016). This is primarily attributable to the recent acquisitions of six residential care centres: 'La Roseraie' (72 beds) and 'Edelweiss' (67 beds) in Anderlecht, 'Arcade' (57 beds), 'Eden' (38 beds) and 'Neerveld' (100 beds) in Sint-Lambrechts-Woluwe, and 'Atrium' (47 beds) in Kraainem. The impact of those acquisitions was reinforced by the full year's contribution of 'Le Birmingham' and 'Duneroze', two residences which have been reported since the fourth quarter of 2016. In addition, the 22 service flats in the newly built extension in Blegny were brought into use.

The EBITDAR increased to 16.1 million euros (2016: 14.0 million euros). The profit for 2017 amounted to 4.8 million euros (2016: 3.9 million euros).

At year-end 2017, Anima Care had 2,010 beds in operation: 1,728 retirement home beds, 77 convalescent home beds, and 205 service flats, spread over 20 care centres (8 in Flanders, 8 in Brussels, 4 in Wallonia).

At the beginning of 2018, Anima Care acquired the operation of the residential care centre 'Ark van Noé' in Bilzen. 'Ark van Noé' has 57 beds in operation, which by mid-2019 will be transferred to a newly built residence.

Early 2017, AvH's final tranche of 21.8% in Holding Groupe Duval was swapped against shares in Patrimoine & Santé. These shares were contributed into **HPA** in 2017, whose stake in Patrimoine & Santé increased to 100%.

HPA (AvH 71.7%) realized a turnover of 114.1 million euros in 2017, an 8% increase compared with 2016, thanks to the integration of the two residences that were acquired in 2017 ('Résidence de Pyla sur Mer' (Gironde) with 60 beds, and 'Villa Thalia' (Chalon-sur-Saône) with 95 beds) and the crèche and retirement home in Laval for the full year. The EBITDAR increased to 25.4 million euros and the net result to 7.1 million euros (2016: 2.9 million euros). The net profit of 2017 has been impacted for 4.2 million euros by a positive tax effect. The occupancy rate decreased slightly in 2017 to 96.6% as a result of the seasonal flu in early 2017.

At year-end 2017, HPA's network numbered 2,597 beds, spread over 34 residences.

Energy & Resources

SIPEF (AvH 30,3%) reported a very strong performance in 2017. Annual palm oil production increased by as much as 11.2% to 330,958 tonnes, compared with a fairly weak production year in 2016 (297,705 tonnes). After three strong quarters, the last quarter of 2017 was once more the time of year with the highest production volumes. In the mature plantations in North Sumatra and Bengkulu, the generally upward trend persisted until the year-end, but in Q4 2017, growth was less marked in the Indonesian plantations, with even a slight decrease in Papua New Guinea.

Extensa - Cloche d'Or

Market prices for palm oil increased in the first six months, subsequently remaining relatively constant in the second half of the year. The palm oil market was sold off in December on the back of growing stocks, causing the price of palm oil to close the year at 660 USD per tonne.

Higher sales prices for palm oil, lower unit cost prices and the effect of the full consolidation of PT Agro Muko resulted in a significant increase (+61.7%) in the net result. This amounted to 64.5 million USD, before the remeasurement gain on PT Agro Muko. The acquisition of a controlling interest in PT Agro Muko resulted in a one-off IFRS remeasurement gain of 75.2 million USD, bringing the net IFRS result for 2017 to 139.7 million USD (2016: 39.9 million USD).

In 2017, SIPEF acquired exclusive control (95%) over PT Agro Muko for 144.1 million USD, and over PT Dendymarker Indah Lestari in South Sumatra for 52.8 million USD. These transactions were financed by a combination of a capital increase of 97.1 million USD with preferential subscription rights for the current shareholders, a long-term loan of 50.0 million USD and the free cash flow. AvH subscribed for 629,268 new ordinary shares, thereby increasing its stake to 30.25%.

The recent acquisitions in Agro Muko and Dendymarker and the expansion in Musi Rawas increased the planted areas (share of the group) in 2017 by 16,740 hectares (30.4%) to a total of 71,865 planted hectares.

Sagar Cements (AvH 17.6%) increased its turnover in 2017 by 27%, from 7,690 million INR in 2016 to 9,773 million INR in 2017. This increase was partly attributable to the expansion of the capacity of the Mattampally plant (from 2.75 million tonnes to 3.0 million tonnes) and of the grinding unit in Vizag (from 0.18 million tonnes to 0.3 million tonnes), thereby increasing Sagar's total capacity to 4.3 million tonnes. The turnover growth was also boosted by a higher average capacity utilization (from 54% in 2016 to 57% in 2017) and a modest increase in market prices. The EBITDA margin in 2017 was slightly below that of 2016 (14.8% versus 15.8%), primarily as a result of the sharp rise in coal prices (+25%). The net result amounted to 2.5 million euros (2016: 2.9 million euros).

2017 was a challenging year for **Oriental Quarries & Mines** (AvH 50.0%), mainly on account of a number of changes in the regulations in India. While the challenging market and the changing regulations led to a temporary closure of the sites in Mau and Bilaua, the quarry in Bidadi remained operational throughout the year, albeit with lower output volumes and prices. Consequently, OQM reported a turnover of 318 million INR (4.2 million euros) in 2017, a 53% decrease compared with 2016, and a negative net result of 35 million INR (0.5 million euros).

AvH no longer considers this group company as a key participation, and accordingly reclassified it after impairment to 'held for sale' at year-end 2017.

At the end of December 2017, AvH sold its participation (75%) in **Nationale Maatschappij der Pijpleidingen** (NMP) to the Antwerp Port Authority. This contributes to the consolidation of the presence of this (petro)chemical industry in the port, which is of great economic importance to Belgium and Flanders. The sale earned AvH 45.4 million euros (including dividend) and a capital gain of approximately 21 million euros. This represents a cumulative return (IRR) of 11.4% since the participation was acquired in 1994.

NMP's result for the 2017 financial year is in line with expectations. It was higher than in previous years after the sale of a subsidiary in early January 2017, and amounted to 3.7 million euros (2016: 2.5 million euros).

AvH & Growth Capital

The results on the participations are described in detail from page 106 onwards.

In the first half of the year, Ackermans & van Haaren sold its participation in Ogeda with a capital gain of 13.9 million euros and withdrew completely from the capital of Financière Flo/Groupe Flo, with a capital loss of 6.7 million euros. At year-end 2017, Ackermans & van Haaren sold its 75% participation in NMP to the Antwerp Port Authority, with a capital gain of 21.2 million euros.

The remainder of this item results mainly from the transfer of the holdings in Oriental Quarries & Mines and Transpalux to 'held for sale' and from other impairments.

SIPEF - Harvesting of palm fruit bunches

Agidens - Automation of loading arms at Oiltanking Stolthaven Antwerpen

3. Major events after the closing of the financial year

Early March 2018, Sofinim (AvH 100%) has reached an agreement on the sale of its 10.53% participation in Atenor to the other reference shareholders, Stéphan Sonneville (CEO), 3D, Luxempart and Alva. The transaction will be closed at 45 euros per share. This represents total proceeds of 26.7 million euros for AvH and a capital gain of 8.7 million euros.

4. Research and development

In the area of research and development at the fully consolidated subsidiaries of AvH, the R&D and the Central Competence Centre teams of DEME develop groundbreaking, innovative technologies, while the engineering departments of CFE and A.A. 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 Biosciences.

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 companies operate outside the euro zone (including DEME, Delen Private Bank, 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 2018

The board of directors believes that the key participations of Ackermans & van Haaren are well positioned for 2018:

- DEME's solid order backlog constitutes the basis for a further growth in turnover;
- Delen Private Bank and Bank J.Van Breda & C° have started 2018 with a record level of assets under management;
- All the companies in the 'Real Estate & Senior Care' segment are well positioned to repeat their success in 2018 in their respective lines of business;
- SIPEF's investments in the expansion of its plantations should lead to a further growth in total palm oil production.

III Corporate governance statement

1. General provisions

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 dated 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 organisation of the profession and the public supervision of company auditors.

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

This chapter ('Corporate Governance Statement') contains the information referred to in Articles 96, §2 and 119, second paragraph, 7° of the Companies Code (both as amended by the Law of 3 September 2017). 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 row: Julien Pestiaux, Marion Debruyne, Thierry van Baren, Luc Bertrand, Pierre Macharis
bottom: Frederic van Haaren, Valérie Jurgens, Jacques Delen, Alexia Bertrand, Pierre Willaert

2. Board of directors

2.1 Composition

audit committee · remuneration committee · nomination committee

Luc Bertrand *(°1951, Belgian)*
Chairman of the board of directors
Non-executive director (since 1985) — *Mandate ends 2021*

- Commercial engineer (KU Leuven - 1974).
- He began his career as Vice-President and Regional Sales Manager, Northern Europe (Bankers Trust).
- 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.
- 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, the Institute of Tropical Medicine, Museum Mayer van den Bergh and Europalia.

Jacques Delen *(°1949, Belgian)*
Non-executive director (since 1992) — *Mandate ends 2020*

- Diploma 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 ends 2021*

- Master's degree in law (Université Catholique de Louvain - 2002); LL.M. (Harvard Law School - 2005).
- She has worked 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 gives 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 a 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 ends 2020*

- University degree in civil 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.
- Director at Kinepolis and Guberna.

Valérie Jurgens *(°1973, Dutch)*
Independent, non-executive director (since 2016) — *Mandate ends 2020*

- Ph.D. and research associate at the School of Oriental and African Studies of the University of London (2010).
- Valérie Jurgens is also on the 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 ends 2020*

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

Julien Pestiaux *(°1979, Belgian)*

Independent, non-executive director (since 2011) *Mandate ends 2019*

- Electromechanical civil engineer, specialisation energy (Université Catholique de Louvain - 2003); Master's degree in engineering management at Cornell University (USA).
- Partner at Climact, an office providing consultation on energy and climate topics. 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 ends 2018*

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

Frederic van Haaren *(°1960, Belgian)*

Non-executive director (since 1993) *Mandate ends 2021*

- Independent entrepreneur.
- Alderman of the municipality of Kapellen.
- Director at various companies and associations: director at water-link, chairman of the non-profit organisation '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 ends 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. He later became responsible for the institutional management department.
- Director at Tein Technology, an ICT company in Brussels specialising 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 mandate of Thierry van Baren expires at the ordinary general meeting of May 28, 2018. The board of directors will propose to the ordinary general meeting that his mandate should be renewed 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 (up to the annual meeting of 2018) 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 92.25% in Scaldis Invest. Scaldis Invest and Belfimas are holding companies that exclusively invest (directly and indirectly) in Ackermans & van Haaren shares.

2.4 Activity report

8	93.75%
Meetings	Presence

In 2017, 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 2017, such as the participation in the capital increase of SIPEF, the acquisition of Telegraaf Media Groep by Mediahuis, the financing of the Vietnamese activities of Rent-A-Port and the sale of the participations in BDM-Asco, NMP, Ogeda, the parking activities of A.A. Van Laere and A.A. Van Laere itself.

The board of directors devoted two meetings to the monitoring of the strategic policy of the group.

In 2017, the board of directors also invited the management of Bank J.Van Breda & C°, DEME, CFE Contracting, Anima Care, Residalya, Distriplus en Manuchar to give a presentation on the general state of affairs of their respective companies and/or on particular investments.

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 29, 2017. 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 chairman of the executive committee in this respect.

The four-yearly assessment of the board of directors took place on August 28, 2017, with the assistance of Guberna. The board of directors aims to focus even more than in the past on the definition of strategic policy lines, and the monitoring of their implementation. In addition, the board also wishes to continue to focus on topics such as digital innovation, internationalisation, new investments, succession planning and ongoing training.

Valérie Jurgens was unable to attend the board meetings of January 16, and June 13, 2017. Marion Debruyne and Pierre Macharis were prevented from attending the meeting of February 24, 2017. Pierre Willaert was prevented from attending the meeting of June 13, 2017.

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 2017, no decisions were made to which this policy applied.

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 align it with Regulation (EU) no. 596/2014 of the European Parliament and with 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

Chairman	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. He later became responsible for the institutional management department. Pierre Willaert was managing partner and member of the audit committee of Bank Puilaetco until 2004. He was appointed as a 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 (specialisation 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 consultant 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 a teaching qualification in philosophy, and obtained an MBA from Solvay Business School. As part of this degree course, he specialized in, among others, 'Finance', 'Financial Accounting' and 'Managerial Accounting'. Thierry van Baren is now an independent consultant, and is familiar with different accounting aspects in this capacity . Thierry van Baren was appointed as a director at Ackermans & van Haaren in 2006.

In view of the fact that the independent nature of the director's mandate of Thierry van Baren expires at the annual meeting of May 28, 2018, the board of directors will assess and adjust the composition of the audit committee after the annual meeting.

3.2 Activity report

4	100%
Meetings	Presence

On February 22 and August 24, 2017, in the presence of the financial management and the auditor, the audit committee mainly focused on the reporting process and the analysis of the annual and half-yearly financial statements, respectively. The members of the audit committee received the available reports of the audit committees of the operational subsidiaries of Ackermans & van Haaren in advance.

The audit committee meeting of March 15, 2017 focused on the financial reporting, as published in the annual report of 2016, 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 27, 2017 the audit committee deliberated on the internal audit and control of HR and ICT, off-balance-sheet commitments, IFRS 9 and 15, 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

Chairman	Pierre Macharis Non-executive director
	Thierry van Baren Independent, non-executive director
	Julien Pestiaux Independent, non-executive director

In view of the fact that Thierry van Baren will no longer qualify as independent director, the board of directors will assess and adjust the composition of the remuneration committee after the annual meeting of May 28, 2018.

4.2 Activity report

2	100%
Meetings	Presence

At its meeting of March 29, 2017, 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 the variable remuneration to the members of the executive committee against the recommendations it made on this subject at its meeting of November 18, 2016.

At the meeting of November 20, 2017 the committee discussed the following subjects and made recommendations in this respect to the board of directors: the fixed and variable remuneration of the members of the executive committee for 2018, the remuneration of the directors, and the number of stock options to be granted to the members of the executive committee. 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 2017 financial year.

5. Nomination committee

On March 29, 2017, as the nomination committee, the board of directors deliberated on the future composition of the board of directors, and, in accordance with the procedure of Article 2.2.2 of the Charter, decided to propose to the ordinary general meeting of May 22, 2017 that the mandates of Alexia Bertrand, Luc Bertrand en Frederic van Haaren should be renewed for a period of 4 years.

6. Executive committee

6.1 Composition

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

Jan Suykens *(°1960, Belgian)*
Chairman of the executive committee

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

At Ackermans & van Haaren since 1990

Tom Bamelis *(°1966, Belgian)*
CFO and member of the executive committee

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

At Ackermans & van Haaren since 1999

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.

At Ackermans & van Haaren since 2008

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 Loeff Claeys Verbeke.

At Ackermans & van Haaren since 1995

André-Xavier Cooreman *(°1964, Belgian)*
Member of the executive committee

- Degree in law (KU Leuven - 1987); International Relations (Johns Hopkins University, Bologna Campus - 1988); 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).

At Ackermans & van Haaren since 1997

Piet Dejonghe *(°1966, Belgian)*

Member of the executive committee

- 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.

At Ackermans & van Haaren since 1995

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.

At Ackermans & van Haaren since 2001

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

6.2 Activity report

22	94.16%
Meetings	Presence

The executive committee is responsible, among other things, for 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. Diversity policy

Ackermans & van Haaren is convinced of the positive influence of a diversity-based personnel policy on the performance and innovative strength of its participations, and is itself actively striving for a complementary composition of its board of directors and executive committee (in terms of professional background and skills, as well as gender). At group level, the attraction, education and guidance of talented employees with complementary knowledge and experience is a priority.

At the level of the board of directors, this policy is reflected in the selection procedure for new candidate directors (as outlined in paragraph 2.2.2 of the Charter): the first selection criterion ensures the complementarity in terms of professional skills, knowledge and experience, and the fourth criterion provides for the obligation to consider candidates of different gender as long as and whenever the board of directors is not composed of at least one third of directors of the other gender.

The current board of directors has 3 female directors (30%) and 7 male directors (70%) with a diversity of vocational education and professional experience. On December 31, 2017, 5 directors were aged 50 or younger (50%) and 5 directors were older than 50 (50%).

With regard to the composition of the executive committee (see Charter, paragraph 4.2), the board of directors must also ensure that the members have diverse professional backgrounds with complementary skills. It is the aim of the board of directors that the long-term vision of Ackermans & van Haaren is supported and carried by the executives who actively promote the values of the company and, in this sense, contribute to value creation. This translates, among other aspects, into a preference for providing young and talented employees with career development options within the group. Up to today, all members of the executive committee were appointed from the internal Ackermans & van Haaren team on the basis of their personal merits.

A sound diversity policy starts with the recruitment. In 2017, in order to strengthen the multidisciplinary team, Ackermans & van Haaren recruited two new employees, one man and one woman, both younger than 35, with a financial and a legal background, respectively. For further information regarding the diversity policy, reference is made to the statement on non-financial information.

Finally, investments in the training, career counselling and retention of employees are also made on a permanent basis. This is done through a combination of broadening and deepening knowledge through training programmes, seminars and workshops, career perspectives both within Ackermans & van Haaren itself and in the group, and through a market-compliant remuneration policy.

8. Internal and external audit

8.1 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 the 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 or a three-year term, which expires at the ordinary general meeting of May 27, 2019.

For auditing the statutory and consolidated Ackermans & van Haaren annual accounts, an annual fee of 56,100 euros (excluding VAT) was paid to the auditor in 2017. An additional fee of 5,100 euros (excluding VAT) was also paid to Ernst & Young Tax Consultants for tax consultation. The total fees for audit activities paid in the past financial year by Ackermans & van Haaren and its consolidated subsidiaries to Ernst & Young amounted to 1,559,178 euros (including the above-mentioned 56,100 euros).

8.2 Internal audit

The internal audit is conducted by the group controllers, who report to the executive committee. The group controllers report directly to the audit committee at least once a year.

8.3 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 to ensure that the group's objectives are attained at group level and, at the subsidiary level, to monitor the implementation of appropriate systems that take the nature of each company (size, type of activities, etc.) and its relationship with Ackermans & van Haaren (controlling interest, shareholders' agreement, etc.) into account. Given the diversified portfolio and the small number of staff working at the holding company, the group opted for a customised internal control model that nevertheless has all the essential features of a conventional system. The internal control and risk management system is characterised by a transparent and collegiate structure. The executive committee deliberates and decides by consensus. Risks are identified on an ongoing basis and are 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.

8.3.1 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, 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 of the various positions within the organisation. The necessary training is also 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 applies equally 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. Organisational structure, responsibilities and powers

As already pointed out, Ackermans & van Haaren can pride itself on a transparent organisational structure, where decisions are adopted collectively by the executive committee. The organisational structure and powers are clearly set out in the Internal Company Guidelines.

8.3.2 Risk management process

The risks in terms of financial reporting can be summarised as follows.

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 standardised reporting formats and accounting principles, and an external audit of the half-yearly and annual figures that also takes internal control and risk management features into account at the level of each individual company.

Risks in terms of the 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.

8.3.3 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.

8.3.4 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.

8.3.5 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.

9. Shareholder structure

9.1 Shareholder structure

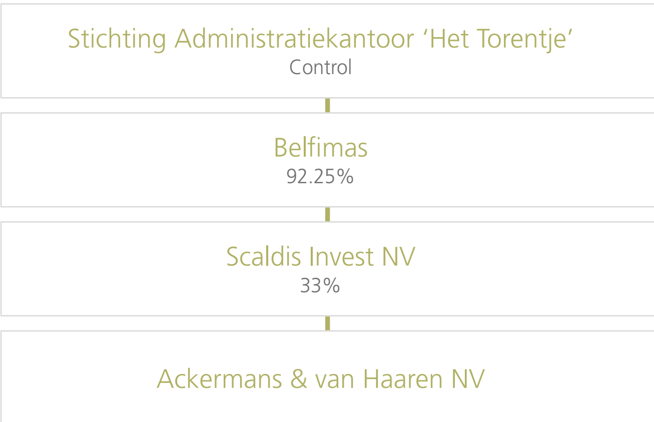
Scaldis Invest holds 11,054,000 shares in the capital of Ackermans & van Haaren, i.e. a stake of 33%. Scaldis Invest is in turn controlled by Belfimas, which holds 92.25% of the capital of Scaldis Invest. The ultimate control of Scaldis Invest is held by Stichting Administratiekantoor 'Het Torentje'.

9.2 Cross shareholdings

Ackermans & van Haaren holds 362,257 treasury shares as at December 31, 2017. These shares were mainly acquired with a view to covering the stock option plan.

9.3 Graphic representation

The shareholder structure, as known on December 31, 2017, is represented as shown below:



9.4 Reference shareholder

Belfimas is the (indirect) reference shareholder of Ackermans & van Haaren. Belfimas' sole purpose is to invest, directly or indirectly, in the shares of Ackermans & van Haaren. Any transfer of securities issued by Belfimas is subject to a statutory right of approval of the board of directors of Belfimas. 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.

10. Comply or explain

The Charter of Ackermans & van Haaren complies with the provisions of the Code in 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 2017 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 29, 2017, 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 the variable remuneration to the members of the executive committee against the recommendations it had made on this subject at its meeting of November 18, 2016. 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 2017 at the same level as in 2016.

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. This review is carried out based on public information (for example, the remuneration data disclosed in the annual reports of other comparable listed companies) and/or salary studies. The adjustments proposed by the remuneration committee are then submitted to the board of directors for approval.

The remuneration of non-executive directors consists exclusively of a fixed remuneration. This fixed remuneration consists of a basic amount, an additional amount for the director's membership of a specific committee and an attendance fee for each 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 2017

2.1 Principles

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

The company strives to strike a motivating 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 value of this remuneration element is dependent on how the share price evolves.

2.2 Relative weighting of each component of the remuneration

In 2017, the relative share of each component in the overall remuneration paid to members of the executive committee was as follows:

Fixed remuneration	41.91%
Bonus	41.25%
Stock options	8.44%
Group and hospitalisation insurance	7.83%
Company car and smartphone	0.57%

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: mid-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.
- Exercise period: the options may be exercised from the expiration of the third calendar year following the year in which the offer took place, up to 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 2017 compared with 2016.

2.5 Remuneration policy for the next two financial years (2018-2019)

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

The gross amount paid directly or indirectly by Ackermans & van Haaren or its subsidiaries in the form of individual remuneration and other benefits to the CEO in 2017 can be broken down as follows:

Status	self-employed
Fixed remuneration	€ 526,320
Variable remuneration	€ 731,410
Stock options (taxable basis)	€ 107,772
Group insurance (‘fixed contribution’ type) and hospitalisation insurance (contributions paid by the company)	€ 103,968
Benefits in kind (company car and smartphone)	€ 5,111

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 to the other members of the executive committee in the form of individual remuneration and other benefits in 2017 can be broken down as follows:

Status	self-employed
Fixed remuneration	€ 1,981,152
Variable remuneration	€ 1,737,099
Stock options (taxable basis)	€ 397,409
Group insurance (‘fixed contribution’ type) and hospitalisation insurance (contributions paid by the company)	€ 364,581
Benefits in kind (company car and smartphone)	€ 29,269

2.8 Options exercised by and granted to the members of the executive committee in 2017

(i) Exercised in 2017

Five members of the executive committee exercised a total of 36,000 options in 2017.

Name	Quantity	Exercise price	Year granted
Tom Bamelis	4,000	56.11	2012
Tom Bamelis	4,000	61.71	2013
John-Eric Bertrand	2,000	56.11	2012
John-Eric Bertrand	1,000	61.71	2013
Koen Janssen	2,500	56.11	2012
Jan Suykens	5,500	62.12	2007
Jan Suykens	5,500	60.81	2011
Jan Suykens	5,500	56.11	2012
André-Xavier Cooreman	2,000	61.71	2013
André-Xavier Cooreman	2,000	60.81	2011
André-Xavier Cooreman	2,000	62.12	2007

(ii) Granted in 2017

Expiry date	13 January 2025
Exercise price	€ 128.30
Jan Suykens	8,000
Piet Dejonghe	5,500
Tom Bamelis	5,000
Piet Bevernage	5,000
André-Xavier Cooreman	5,000
Koen Janssen	5,000
John-Eric Bertrand	4,000
Total	**37,500**

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 indefinite 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 regard 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 a notice period of 6 months. The company is entitled to unilaterally terminate this contract subject to a notice period of 24 months.

The other members of the executive committee are entitled to unilaterally terminate their contract subject to a notice period of 6 months. The company is entitled to unilaterally terminate the contract of these members subject to a notice period of 18 months. 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 the 50th birthday,
- 20 months in case of termination between the 50th and 52nd birthday,
- 22 months in case of termination between the 52nd and 54th birthday,
- 24 months in case of termination after the 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:

Fixed remuneration for the chairman of the board of directors	€ 60,000
Fixed remuneration for the directors	€ 30,000
Additional fee for the members of the remuneration committee	€ 2,500
Additional fee for the chairman of the audit committee	€ 10,000
Additional fee for the 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 (for the latter, until the annual meeting 2018), the remuneration committee proposed to grant him a fixed remuneration of 350,000 euros per year as well as the disposal of a company car, 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 2017 (for financial year 2016).

The amounts paid by Ackermans & van Haaren in the form of individual remuneration and other benefits to the directors in 2017 can be summarized as follows:

	Directors' fees	Attendance fees
Alexia Bertrand	€ 30,000	€ 20,000
Luc Bertrand	€ 60,000	€ 20,000
Marion Debruyne bvba	€ 30,000	€ 17,500
Jacques Delen	€ 30,000	€ 20,000
Valérie Jurgens	€ 30,000	€ 15,000
Pierre Macharis	€ 32,500	€ 22,500
Julien Pestiaux	€ 37,500	€ 35,000
Thierry van Baren	€ 37,500	€ 35,000
Frederic van Haaren	€ 30,000	€ 20,000
Pierre Willaert	€ 40,000	€ 27,500
Total	**€ 357,500**	**€ 232,500**

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 addition, Luc Bertrand received director's fees from SIPEF amounting to 60,000 euros in 2017, of which half is transferred to Ackermans & van Haaren. Jacques Delen also received direct and indirect remuneration in 2017 in his capacity as chairman of the board of directors of Delen Private Bank and as manager of Delen Investments, to the amount of 356,000 euros (including pension insurance) and has a company car at his disposal. He also received director's fees from SIPEF to the amount of 29,000 euros in 2017. 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 2017.

V Statement concerning non-financial information

In accordance with Art. 119, §2 of the Companies Code, as adopted by the Law of September 3, 2017, the annual report must include a statement on non-financial information. This statement is included in the next chapter of this annual report, of which it is an integral part.

On behalf of the board of directors, March 19, 2018

Luc Bertrand
Chairman of the board of directors

Statement of non-financial information

This statement of non-financial information ('Statement') has been prepared in accordance with Article 119, §2 of the Companies Act, as recently introduced by the Act of September 3, 2017 on the disclosure of non-financial and diversity information by certain large companies and groups.

Presented graphically, the Statement aims to give a detailed explanation of the following elements:

	Policies pursued	Outcomes of policies pursued	Principal risks and their management	Non-financial performance indicators
Environment	✔	✔	✔	✔
Social and human resources affairs	✔	✔	✔	✔
Observance of human rights	✔	✔	✔	✔
Anti-corruption and bribery	✔	✔	✔	✔

1. Scope

Ackermans & van Haaren is legally required to prepare this Statement at the consolidated level.

Contracting company CFE (including DEME) and SIPEF are both also of public interest entities which each, as at December 31, 2017 on a consolidated basis, had an average number of more than 500 employees. Consequently, they are also subject to the same legal obligation and, as required by Article 119, §2, 3° of the Companies Act, have prepared a separate statement of non-financial information which can be consulted at the following web links:

- CFE: www.cfe.be (available from March 30, 2018)
- SIPEF: www.sipef.com (available from April 27, 2018)

Consequently, this Statement contains the available non-financial information of Ackermans & van Haaren and the following fully consolidated subsidiaries:

- Agidens International NV
- Anima Care NV
- Bank J.Van Breda & C° NV
- Extensa Group NV
- Leasinvest Real Estate Comm.VA
- Rent-A-Port NV

Any missing elements of the non-financial reporting (including the information related to HPA) will be collected in the course of 2018 and will be included in the Statement on the financial year 2018.

Within the Ackermans & van Haaren group, Delen Private Bank also meets the legal criteria. Its statement of non-financial information will be part of the annual report that will be available from June 2018 at www.delen.be.

2. Internationally recognized reference model

This Statement is inspired by certain parts of the **GRI Sustainability Reporting Standards 2016**, as issued by the Global Sustainability Standards Board (www.globalreporting.org/standards), but was not drawn up in accordance with the guidelines of that model. There was not enough time left after the publication of the Act of September 3, 2017 to prepare this Statement entirely in accordance with the aforementioned model (or any other internationally recognized reference model). It is obviously the intention to make significant progress year by year in that respect.

Certain companies also use industry-specific reference models to which reference is made in the separate overviews.

3. Ackermans & van Haaren

1. Activity

Ackermans & van Haaren invests in companies with a sustainable and international growth potential. Focus is on businesses that offer solutions to social challenges in the long term, such as population growth, ageing, asset building and protection, global warming and energy transition.

The connection between the activities of the group companies and the social challenges can be illustrated as follows:

- DEME keeps ports and rivers navigable, thereby facilitating an increase in world trade fuelled by population growth.
- With the construction and maintenance of offshore wind farms, DEME contributes to the transition from fossil to renewable energy.
- With the production of 331,000 tonnes of fully RSPO certified palm oil, SIPEF helps to feed the growing Southeast Asian population.
- Bank J.Van Breda & C° and Delen Private Bank assist their clients in the building and protection of their private wealth. This enables the clients to do business and to create a financial buffer to cover the ever longer period of professional inactivity after retirement.
- Anima Care and HPA, in Belgium and France respectively, accommodate and care for a total of 4,600 dependent elderly people, thereby meeting the needs of an ageing population.
- CFE, Extensa and Leasinvest Real Estate help to combat global warming by developing and constructing low-energy buildings.

In the context of new investments, Ackermans & van Haaren traditionally carries out a due diligence to investigate whether the target company has complied with the laws and regulations on environmental and human resources affairs, and on anti-corruption and bribery.

As an 'active owner', Ackermans & van Haaren is represented on the boards of directors and the advisory committees of its participations, and sees to it that the participations pursue a sustainable growth policy that takes account of the legal requirements and social trends in environmental, social and employee matters, human rights and anti-corruption and bribery.

2. Policy documents

The themes of human rights and anti-corruption and bribery are featured in the new Integrity Code which the board of directors approved on March 19, 2018 (http://en.avh.be/ackermans-van-haaren.aspx). This Integrity Code is founded on the values that underlie the corporate family history of Ackermans & van Haaren, and is also inspired by the ten key principles of the 'UN Global Compact'.

The employment relations within Ackermans & van Haaren are governed by the following policy documents: Labour Regulation (for white-collar workers) of January 1, 2014; Internal Company Guidelines of January 1, 2015, and the Corporate Governance Charter of February 24, 2017.

3. Policy objectives

Ackermans & van Haaren wishes to achieve the following objectives by the end of 2020, both at AvH level and at the level of the above-mentioned fully consolidated participations over which it has exclusive control:

(i) Corporate governance

- Advisory committees: constitution of at least an audit and remuneration committee in each participation.

(ii) Ecological footprint

- Performance of a survey to measure the ecological footprint of each participation.
- Elaboration of measures to structurally diminish that footprint.

(iii) Human rights

- Performance of a risk analysis relating to the observance of human rights by each participation.
- Elaboration of measures to promote the observance of human rights.

4. Environment

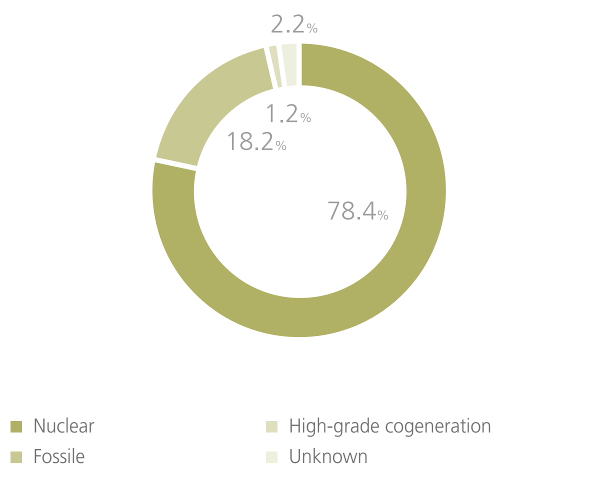
Ackermans & van Haaren has 29 employees who almost exclusively provide intellectual services. The environmental impact of their activities is primarily connected with (i) commuting, (ii) other professional travel, and (iii) office-related costs (energy).

In this connection, Ackermans & van Haaren paid the following costs (all amounts including VAT) in 2017:

Electricity (197,030 kWh)	€ 26,890
Gas (495.926 kWh)	€ 14,176
Water (811 m^3)	€ 3,775
Foreign travel (air & rail)	€ 103,331
Petrol (23,756 litres)	€ 31,212
Diesel (33,951 litres)	€ 39,716

Electricity consumption has decreased by 17% since 2014. The source of electricity consumption is as follows:

AvH: electricity consumption



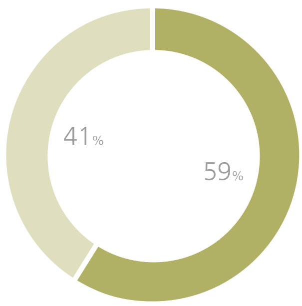
Without yet having formally charted its ecological footprint, Ackermans & van Haaren endeavours to diminish its impact on the environment in several ways: (i) it was decided in 2017 to only buy diesel-powered company cars which correspond to the most stringent Euro norms, (ii) meetings requiring travel are replaced as much as possible by conference calls or Skype meetings, (iii) printed documents are increasingly being replaced by documents in digital format. Since December 6, 2017, the fortnightly meetings of the executive committee have become 'paperless'.

5. Human resources

Ackermans & van Haaren attaches great importance to a diversified workforce and well-being at work.

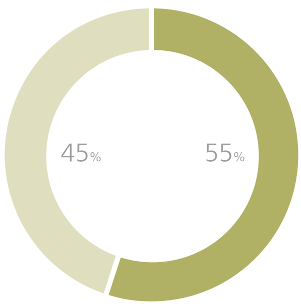
Ackermans & van Haaren has 29 employees:

AvH: men and women



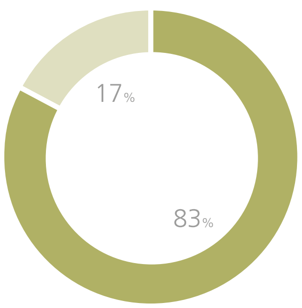
■ Men
■ Women

AvH: white-collar employees and self-employed personnel



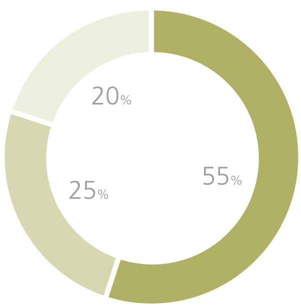
■ White-collar employees
■ Self-employed personnel

AvH: full-time and part-time



■ Full-time
■ Part-time

AvH: age



■ > 45 years
■ 35-45 years
■ 25-35 years

In 2017, Ackermans & van Haaren hired two new employees, one man and one woman. One female employee left and joined one of the participations.

In 2017, the staff attended several (internal and external) seminars and training sessions on various subjects such as interviewing techniques, new tax, company and financial laws and sector specific topics.

The staff uses individual offices in which they can concentrate on their work. A gym with shower facilities is available. Fresh fruit is delivered twice a week, and a healthy lunch is offered twice a month. None of the staff of Ackermans & van Haaren was on long sick leave in 2017. On February 2, 2018, a routine inspection was carried out by the social law inspectorate, which found no violations worth noting.

One of the main challenges facing Ackermans & van Haaren is not so much attracting talented staff, but rather the mobility problem. It is becoming increasingly difficult to get to Antwerp easily at any time of the day. In that context, flexitime and/or homeworking arrangements are being considered.

6. Social affairs

For this section of the Statement, see the chapter on 'Corporate Social Responsibility' on page 54 of the annual report.

In 2017, Ackermans & van Haaren spent around 250,000 euros on all sorts of scientific and socio-cultural projects as part of its patronage policy. Through this policy, AvH tries to contribute to a more humane society.

7. Human rights

Ackermans & van Haaren subscribes to the Universal Declaration of Human Rights and demands the same commitment from its staff and from its participations.

It is AvH's ambition to verify whether its suppliers also observe those rights.

8. Anti-corruption and bribery

Ethical entrepreneurship is one of the fundamental values of Ackermans & van Haaren. The basic rules in that respect are set out in the Integrity Code (http://en.avh.be/ackermans-van-haaren.aspx). To prevent corruption and bribery at the level of Ackermans & van Haaren, care is always taken, as far as outgoing payments are concerned, that the person making the payment is different from the person who has decided on the payment. The application of this rule is verified as part of the annual internal audit by the group controller. No breaches were reported in this respect in 2017.

4. Agidens

1. Activity

The Agidens group provides consultancy, automation and maintenance services for five focus markets - Life Sciences, Tank Terminals, Food & Beverage, Infrastructure and Chemicals - and operates from Belgium, the Netherlands, France and Switzerland.

The Agidens group comprises four companies. Agidens International NV is the holding company and also the entity where the central services (Finance, IT, Secretariat, Legal, HR, Procurement, Quality) are based that work for the whole Agidens group. The operating activities of the Agidens group are carried out by three operating companies - Agidens Life Sciences NV, Agidens Process Automation NV and Agidens Infra Automation NV. It is of prime importance that those activities are carried out in accordance with the highest ethical standards.

The Business Code of Conduct of Agidens sets out clear guidelines on how those standards should be applied. This enables Agidens not only to guarantee its integrity and to do business in a responsible way, but also to prioritize business ethics in its relations with customers and suppliers, to treat all employees with respect, and to take its responsibilities in the area of health, safety and the environment seriously.

2. Policy documents

The topics of environment, human rights and anti-corruption and bribery are specifically featured in the Business Code of Conduct of February 25, 2016, the Supplier Code of Conduct, and the Management Statement on Safety, Environment and Well-being.

The employment relations in the Agidens group are regulated by the following policy documents: Labour Regulation (for white-collar employees) of July 1, 2016, the Agidens Company Book, Section Well-being, of November 2016, the Management Statement on Safety, Environment and Well-being.

3. Policy objectives

Each year, the management of Agidens sets RPQHS² targets to increase the efficiency of the Quality Management System and to guarantee the connection with the strategic initiatives and the current business context, where R stands for 'Result', PQH for 'Process, Quality and Human Resources', and S² for 'Safety & Sustainability'.

For 2018, targets have been set to reduce the 'natural attrition' to below 8%, and in the area of 'Safety & Sustainability' to attain at least level 5 on the CO_2 Performance Ladder and a frequency level of maximum 9, and also to organize at least one event per quarter to promote and support sustainability.

Agidens also has a SMETA (SEDEX Members Ethical Trade Audit) certification. SMETA is a standard to guarantee ethical action. After a detailed audit, Agidens received the certificate, which is valid for three years, on June 16, 2014. In December 2017, another SMETA audit was carried out with regard to labour standards, health and safety, environment and business ethics. It is expected that the certification will be extended.

Agidens will heed the recommendations in the audit report and intends to achieve the relevant targets at the latest by the next audit in 2021.

(i) Environment/Energy - Ecological footprint
- Attainment of certification on the CO_2 Performance Ladder based on a carbon footprint.
- Elaboration of emission reduction targets and measures to structurally diminish that footprint.

(i) Human rights
- Identifying the stakeholders and stressing important issues regarding human rights.
- Judging and measuring the direct, indirect and potential impact on the stakeholders.

(iii) Anti-corruption and bribery
- Introduction of a transparent 'whistleblower system' to report improper behaviour, with emphasis on cases of fraud (corruption and bribery).
- Training of staff members whose duties involve a higher risk of fraud (corruption and bribery) such as sales, procurement, logistics services.

4. Environment

Agidens promotes corporate social responsibility in all its activities in the area of environmental policy.

Agidens lays emphasis on the following:
- Using the environmental aspect as a criterion in investment and procurement decisions.
- Limiting the environmental impact of employee travels.
- Minimizing and sorting waste.
- Limiting energy consumption in the company buildings.
- Limiting the environmental impact of activities carried out at the customer.
- Proactively giving environmental advice to the customer about its activities.

Current environmental law is taken as the starting point. So far, no breaches of current environmental law have been reported.

In 2016, Agidens recorded the following consumption rates:
- electricity: 1,507,630 kWh
- gas: 101,325 kWh
- water: 2,081 m³

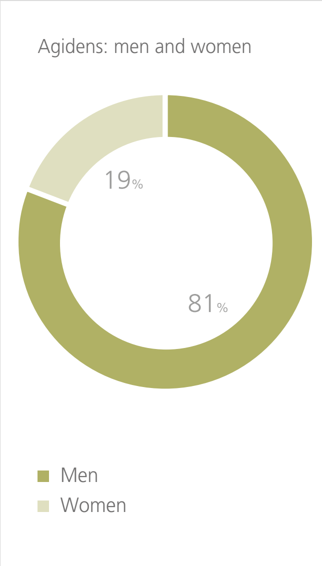
The figures for 2017 will be part of the certification on the CO_2 Performance Ladder.

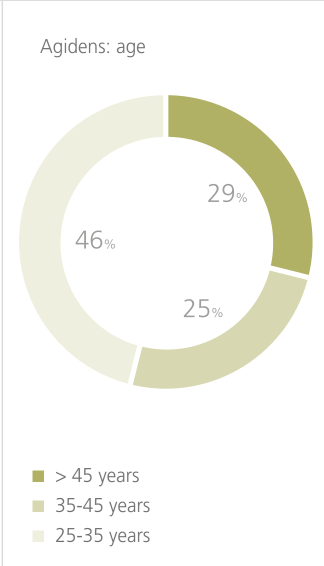
Agidens also stimulates sustainable mobility such as bike-to-work, public transport, a greener vehicle fleet, and carpooling.

5. Human resources

Agidens attaches great importance to a diversified workforce and well-being at work. The safety and health of every staff member is vital to the success of Agidens's policy.

As at September 30, 2017, the Agidens group had a total workforce of 475 people:





Agidens has:
- an internal Health & Safety service (IDPB), which oversees all aspects of safety, health, hygiene, ergonomics and psychosocial well-being of all employees, and efforts to improve this;
- an external Health & Safety service, which carries out the periodical medical checkups, the annual flu vaccination, and gives advice to the internal Health & Safety service on various medical questions;
- a Health & Safety Committee (CBP) which is tasked with identifying and suggesting all tools and resources, and actively contributing to everything that is undertaken to promote the well-being of employees in their job;
- stress hotlines which employees can call if they are experiencing temporary or prolonged negative stress in their job, and discuss these issues with a confidential counsellor;
- confidential counsellor for harassment in the workplace.

One of the big challenges is the mobility problem with the start of works on the Oosterweel link. It is becoming increasingly difficult to get to Zwijndrecht easily. That is why it was decided to open a satellite office in Brasschaat (March 2018) to make it easier for staff members who live in the north of Antwerp to get to work. Flexitime and homeworking are also stimulated.

In April 2018, a tool will be implemented at Agidens to discuss certain questions in the organization in an interactive manner (using the Intuo app).

The purpose of this app is to set up a barometer at team level to detect the needs within a team in a timely manner. The ultimate aim is to identify problems in the organization more proactively.

6. Social affairs

Agidens seeks an open and constructive dialogue with local authorities, social partners and all other stakeholders involved in the activities. Where possible Agidens supports local social, cultural and economic initiatives.

Last year, the following initiatives were supported:
- Bednet VZW
- Welzijnsschakel Tochtgenoten VZW
- Het Ventiel VZW
- Heartsaver VZW
- Ava & Trix VZW

7. Human rights

Agidens subscribes to the Universal Declaration of Human Rights and demands the same commitment from its staff.

It is its ambition to verify whether its suppliers also observe those rights.

8. Anti-corruption and bribery

Ethical entrepreneurship is one of the fundamental values of Agidens. The basic rules in that respect are set out in the Business Code of Conduct and in the Supplier Code of Conduct.

No breaches were reported in this respect in 2017.

5. Anima Care

1. Activity

Anima Care specializes in the care and health sector in Belgium, focusing more particularly on accommodation and care for the elderly. At December 31, 2017, Anima Care had 1,728 retirement home beds, 77 convalescent home beds, and 205 service flats, spread over 20 care centres (8 in Flanders, 8 in Brussels, 4 in Wallonia) in operation.

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

2. Policy documents

The fundamental values of Anima Care are reflected in the accommodation agreement that is concluded with each resident, and in the internal rules that apply in every care centre. These core values are also set out in a living project.

Every staff member is informed of the company rules that govern the employment relations.

3. Policy objectives

As a group company of AvH, Anima Care subscribes to the intention to achieve the aforementioned objectives of corporate governance, ecological footprint and human rights by the end of 2020.

4. Environment

The impact of Anima Care's activities on the environment is primarily the result of (i) the operation of its care centres and (ii) commuting and other professional travels of its staff. Efforts are made to minimize this impact on the environment as much as possible.

In its new construction projects and renovations of existing care centres, Anima Care prioritizes energy efficiency and ecology. The new and renovated buildings have high insulation standards, and several have installations that use alternative energy sources (solar panels, cogeneration, etc.). The new buildings are also equipped with a building management system for optimal control of various functions such as heating, air-conditioning and solar shading. Compared with the existing buildings of a similar size in Anima Care's real estate portfolio, the new buildings consume half as much energy. Rainwater is used as much as possible for the sanitary facilities. The technical installations of the care centres consistently use the best and most economical technologies. At all care centres, the waste is carefully sorted and collected by a specialized firm.

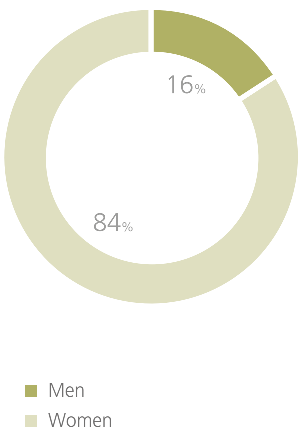
Anima Care endeavours to limit its impact on the environment in several other ways too: (i) meetings requiring travel are often replaced by conference calls, (ii) in principle, documents are only retained in digital format, except where an original hard copy has to be kept, and (iii) the environmental impact is taken into account in the purchase of new vehicles (for instance by opting for low carbon vehicles).

5. Human resources

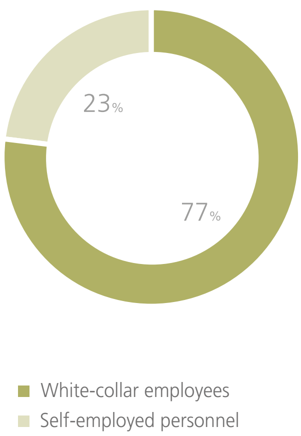
Anima Care attaches great importance to a diversified workforce and well-being at work.

At December 31, 2017, Anima Care had 1,315 people on its payroll:

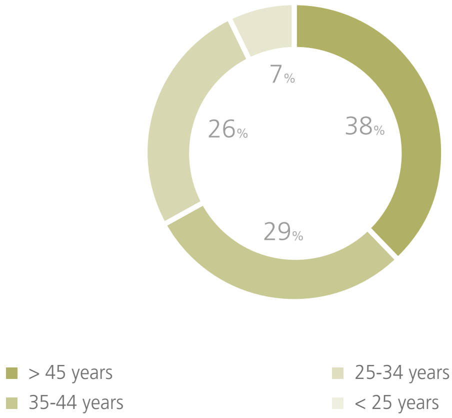
Anima Care: men and women



Anima Care: white-collar employees and self-employed personnel



Anima Care: age



The care staff is continuously coached and regularly gets in-service training. They also have high-quality work equipment at their disposal to minimize physical strain on the job.

The employee well-being indicators are closely monitored by the operational management of Anima Care.

6. Social affairs

Anima Care makes it a point of honour that its care centres are a pleasant and comfortable home for the residents and at the same time a place where they can meet up with family and friends. The care centres all have a large cafeteria where residents can easily maintain their social contacts. Visitors are also welcome. Each care centre nurtures a true open-house culture.

At several sites, Anima Care also offers home nursing services to enable people to live independently for longer. At its care centre in Aalst, Anima Care also operates a local service centre where local residents can meet and make use of certain services (such as hot meals, hairdressing, pedicure).

7. Human rights

Anima Care subscribes to the Universal Declaration of Human Rights and demands the same commitment from its staff.

Anima Care wants to uphold corporate social responsibility in the care industry where respect for other people is the core value.

8. Anti-corruption and bribery

Ethical entrepreneurship is one of the fundamental values of Anima Care. The four-eyes principle is consistently applied in all decisions. There have been no cases of corruption or bribery in Anima Care's history.

6. Bank J.Van Breda & C°

1. Activity and general policy

Facilitator of the economic and social fabric
Entrepreneurs are the engine of our economy. The free professions guarantee health care, legal certainty and financial transparency. Together, they make a crucial contribution to our prosperity and well-being.

Bank J.Van Breda & C° positions itself as the preferred reference bank for family entrepreneurs and the liberal professions, both private and professional, throughout their lives. The bank assists clients in the systematic build-up, management and protection of their assets on the basis of a comprehensive approach that starts with the professional activity as a motor for the private capital, with a view to building a financial buffer for the ever-increasing period of professional inactivity after retirement.

Sustainable credit facilities
Bank J.Van Breda & C° pursues a conservative credit policy and focuses on sound credit facilities in the client's interest on the basis of a critical assessment of every credit application, followed by an analysis of safe forms of credit that are viable for the client. The client's repayment capacity, his professional ability and the ability to build up something himself are hereby the main considerations.

Because of the specific focus in terms of target group clients and the Belgian legislation in this area, credit provision is excluded in the following 'risk' situations:
- violations of human and/or labour rights,
- the production of fossil fuels, such as coal, oil and gas, or of unconventional oil and gas extraction, such as tar sands and shale gas,
- causing damage to public health and the environment, such as groundwater poisoning, industrial activities in protected nature reserves.

The bank does not provide loans to companies that are active in the production of weapons or nuclear energy. SMEs operating in the financing of slot machines in Belgium are also explicitly excluded.

Equity funds and asset management with responsible investments
Bank J.Van Breda & C° does not manage its own investment funds. Sister company Delen Private Bank specialises in asset management, and also manages the composition of the investment funds that are marketed by Bank J.Van Breda & C°. In this connection, the bank works together with fund manager Capfi Delen Asset Management (Cadelam), a subsidiary of Delen Private Bank. Responsible investing is paramount here, taking into account the 'Principles of Responsible Investment' supported by the United Nations and the exclusion lists published by relevant organizations related to socially responsible investment such as the Nordic State Fund.

2. Policy documents

The personnel relations of Bank J.Van Breda & C° and its divisions are regulated by the labour regulations. Specific codes of conduct were drawn up for the Credit Investigation, Payment Transactions and ALM (Assets & Liability Management) departments.

3. Environment

In addition to the above-mentioned policy points regarding the environment for credit provision and investment funds, there is also broad support for limiting the ecological footprint in the relationships with the clients and at corporate level. The 'Eco' work group thereby acts as a pioneer. Recent initiatives include the following:
- The bank is playing the digital card, and is a pioneer as a 'bank without paper'. The remaining paper is collected separately.
- Clients can sign documents online, which saves a lot of unnecessary travel.
- The bank encourages using a bicycle for commuting by providing a bike allowance, showers and changing rooms, covered bicycle sheds and company bikes.
- The bank aims to make its vehicle fleet greener by encouraging the use of electrical and hybrid vehicles. The dominant position of diesel cars is being phased out in favour of petrol vehicles for those who travel less than 25,000 km per year.

- In new constructions and the renovation of offices, it is investigated how the energy consumption and CO_2 emissions can be limited.

4. Human resources

Value-driven corporate culture
Bank J.Van Breda & C° believes that the deontology and ethical values of its staff are decisive for the way in which the bank interacts with its clients and suppliers. The following 3 core values emerged from culture and value research: honesty, sense of responsibility and enthusiasm. The success of Bank J.Van Breda & C° is based on this corporate culture, and the bank therefore wants to nurture it.

The bank rejects any form of discrimination on the basis of faith, gender, sexual preference or origin and is open to all people with talent and a positive attitude to life.

A great place to work
Happy people radiate a positive force, including in their job, and certainly in their interaction with the client. That is why, as an employer, the bank encourages people to work within their talent zone, and offers a framework that ensures growth and development.

To verify this, the bank participates every 2 years in the international internal survey that is organised by 'Great place to work', together with Vlerick Management School. This provides a mirror that helps to tackle weaknesses in the personnel policy, and to enhance the assets.

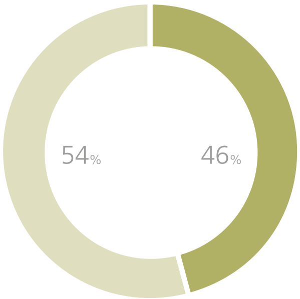
Bank J.Van Breda & C° was nominated as 'Best employer' in 2006, 2010 and 2012. The bank was certified as a 'Great place to work' in 2018. In 2017, 94% of the employees responded in a positive manner to the statement 'In general, I can say that this is an excellent organisation to work for'.

Gender diversity
A diverse board of directors pays attention to differences in background, gender and professional skills that are relevant to Bank J.Van Breda & C°.

The remuneration and nomination committee assesses candidates for their merits, and on the basis of objective criteria. On the basis of the current number of directors, an additional representation of 2 persons of the under-represented gender is aimed for within the board of directors (9 men and 2 women on 1/1/2018), and 1 person within the executive committee (3 men and 1 woman on 1/1/2018).

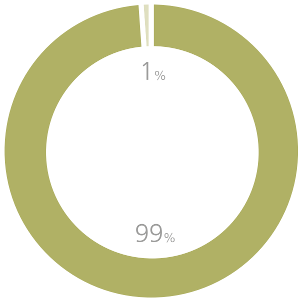
If the number of directors of the under-represented gender should be less than this targeted number, the board of directors will aim to achieve this objective again within a period of 3 years.

Bank J.Van Breda & C°: men and women



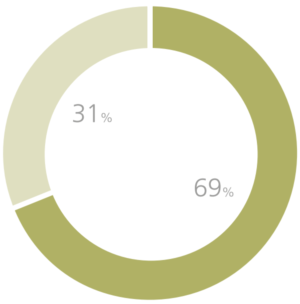
- Men
- Women

Bank J.Van Breda & C°: white-collar employees and self-employed personnel



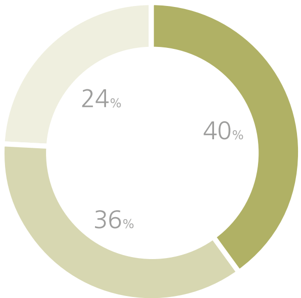
- White-collar employees
- Self-employed personnel

Bank J.Van Breda & C°: full-time and part-time



- Full-time
- Part-time

Bank J.Van Breda & C°: age



- > 45 years
- 36-45 years
- < 35 years

An eye for health
People are not made to spend the entire day in an office. The bank therefore promotes movement and a healthy lifestyle.

- Everyone at the headquarters is welcome to use the in-house gym free-of-charge. For those employed at the branches, financial support is provided for exercising at a local club.
- Free fruit is available in all offices. Fresh soup is provided at lunchtime at the head office (and what is left over is donated to 'Mothers for mothers'). Soft drinks were barred; water and sparkling water come filtered from the tap.
- An internal work group ('Happy team') takes various initiatives in co-creation and, to name but a few, organises walks, jogging sessions, cycling trips, yoga initiations, and presentations on the importance of sufficient rest and sleep.
- The bank makes efforts to avoid stress and burn-out with an eye for a good balance between work and private life. Various forms of working from home and telework are possible. Flexible working hours and formulas for part-time work, unpaid holidays up to sabbatical leave, are an option.

5. Social affairs

Good neighbourliness, classified monument

In 2006, the headquarters of Bank J.Van Breda & C° moved to the former Antwerp-South cargo station at the Ledeganckkaai on the Scheldt. This site was once the hub of the port of Antwerp, but was given up by the Belgian railways in 1998. The building, with its monumental ticket counter hall, was classified as a monument in 1996, but nevertheless fell into disrepair.

By giving it a new purpose, this historical maritime heritage was saved for future generations. With the support of the Flemish Region and the city and the province of Antwerp, all the historical parts were restored to their original state. Since then, the bank has welcomed thousands of clients and interested parties there. City guides have free access to the former ticket counter hall and the garden. The bank also regularly takes part in the Open Monuments or the Open Architecture Day. This offers it the opportunity of giving something back to the community that has helped with the realisation of this project.

Financial literacy

In order to make the right financial choices, clients should have a good understanding of their options. Not every client has sufficient basic financial knowledge, even if he or she has benefited from a university education. Lectures to familiarise, for example, doctors and pharmacists in training, with the financial world are therefore regulary organised.

Structural support as a sponsor for 2 charities

Bank J.Van Breda & C° is interacting with successful entrepreneurs and people from the liberal professions on a daily basis, but is well aware that success should not be taken for granted. That is why the bank supports 2 initiatives with which the clients feel a close connection. These organisations are not so well known to the general public, and don't have an easy time obtaining resources:

- 'Entrepreneurs Without Borders' is an organisation that counteracts the advance of the desert through reforestation, and improves prosperity in the Sahel belt. The bank has been a structural sponsor since 2015.
- 'Doctors without Holidays' every year facilitates around 400 doctors and nurses who treat patients in African hospitals and provide training and additional training to local health care providers for two or three weeks during their holidays. The bank has been sponsoring Doctors without Holidays since 2009.

In addition to this structural sponsoring, the bank also supports spontaneous initiatives to which staff members commit together (e.g. 'Warm Noord', 'Kom op tegen Kanker').

6. Human rights

Bank J.Van Breda & C° subscribes to the Universal Declaration of Human Rights and demands the same commitment from its employees and from its divisions.

7. Anti-corruption and bribery

Ethical entrepreneurship is one of the basic values of Bank J.Van Breda & C°. The importance the bank attaches to avoiding conflicts of interest is described in the deontological codes for the staff, the members of the executive committee and the members of the board of directors.

In addition to the provisions of the employment regulations, specific codes of conduct also apply in order to avoid conflicts of interest for the Credit Investigation, Payment Transactions and ALM (Assets & Liability Management) departments. The integrity policy primarily focuses on the following areas: the prevention of money laundering, prevention policy against tax manipulation, transactions in financial instruments, insider trading, price manipulation, privacy legislation, duty of discretion, deontological codes, and the like.

In order to assure the quality of services and to prevent corruption and bribery, internal control measures are included in the standards. An example of this is the functional separation of powers between payment orders and payments. The 'four-eyes principle' has also been integrated into the automatic processes as far as possible.

A statement from people with purchasing responsibility is drawn up every year. The application of this rule is the subject of the annual internal audit. There are no violations to report in this context in 2017.

The operation of the control measures is supported by a control structure that is based on cooperation between 3 lines of defense (3LoD).

1. The first-line responsibility for risk management (including corruption and bribery) is clearly assigned to the operational departments.
2. The second line (risk management and compliance) provides advice and monitors whether this responsibility is being taken up.
3. An independent third line (internal audit) assesses in an objective manner whether there are further opportunities for process improvement.

7. Extensa Group

1. Activity

Extensa is a real estate developer, mainly active in Belgium and the Grand Duchy of Luxembourg, with a focus on the expansion of cities, for example, Tour & Taxis in Brussels and Cloche d'Or in Luxembourg. Its projects are therefore often 'mixed', presenting, in particular, a balanced mix of living, working and relaxing. Extensa focuses on sustainable growth and aspires to become a trendsetter in matters relating to the environment, society and human resources.

2. Environment

Being conscious of the major impact that Extensa's projects can have on their environment, Extensa is convinced of the need to deal responsibly with natural resources, and to always find a balance between human needs and the resilience of nature.

Among other activities, this aim translates into the development of energy-efficient projects using the most modern technologies available, to a preference for locally-made materials and the supply and removal of them, preferably via waterways, and in investment in the local generation of renewable energy (geothermal energy, wind energy, solar energy).

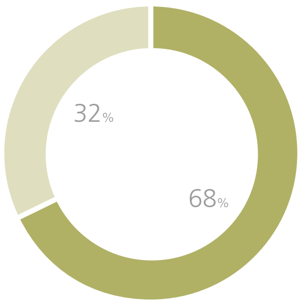
Extensa has laid out a new evolutionary park of 9 ha on the former Tour & Taxis railway site in Brussels, part of which serves as a storm basin. The company also supports the initiatives of third parties. The Parckfarm collective organises activities for local residents, such as the keeping of chickens, baking bread and the cultivation of fruit and vegetables. The beehives of BeeOdiversity and the wild-flower meadows laid out by Extensa contribute to the restoration of inner-city biodiversity. In the cellars of the Royal Warehouse, Permafungi is cultivating oyster mushrooms on coffee grounds that are collected daily from surrounding coffee bars using a freight bicycle, as well as chicory on hydroponics.

As the administrator of the Tour & Taxis site, Extensa is actively involved in the mobility policy of more than fifty companies, and is taking numerous initiatives to introduce a greater variation of modes of transport (shuttle to the public transport, facilities for cyclists, parking policy, shared-cars, working from home).

3. Human resources

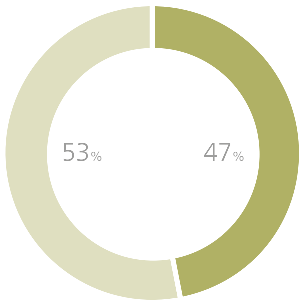
Thinking up and working out projects requires creativity and originality. Extensa thereby believes that the diversity of its employees (age, gender, language, culture, background) benefits its ambitions. The company currently has 34 employees.

Extensa: men and women



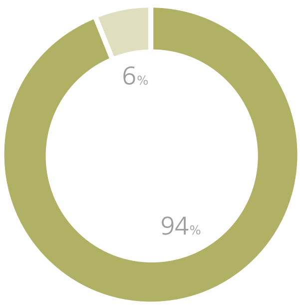
- Men
- Women

Extensa: white-collar employees and self-employed personnel



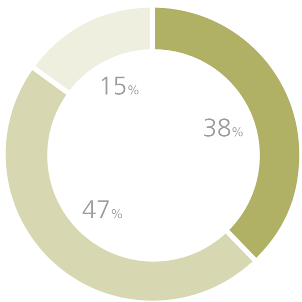
- White-collar employees
- Self-employed personnel

Extensa: full-time and part-time



- Full-time
- Part-time

Extensa: age



- > 45 years
- 35-45 years
- 25-35 years

10 new employees were recruited by Extensa in 2017, 7 women and 3 men.

Extensa also wants to take care of its employees. Fresh fruit is delivered several times a week, and staff can also participate in cultural events at the Tour & Taxis site free of charge. None of the employees has had a long-term illness due to an overload at work in 2017. One of Extensa's challenges is to make the office accessible for employees by means of ecological alternatives such as public transport and bicycles.

The personnel relations are governed by the Labour Regulation (for employees) and the internal company guidelines. Both documents are currently being reviewed.

4. Social affairs

Based on its many years of experience in the development of neighbourhoods and districts, Extensa knows that a major real estate project can only succeed if the project is integrated into the broader urban fabric in a social way.

Extensa supports various organisations with localised or permanent social objectives, usually by making premises available. These include, among others, L'Ecole du Cirque de Bruxelles, Human Rights Watch, Special Olympics Belgium, vzw Joséphine and Talented Youth Network vzw. Extensa organizes blood collections with the Red Cross and has deliberately opted for the cleaning company Manus vzw, which guides employees in their transition from a job in the social economy to a job outside the social economy.

Extensa is a driving force behind Bright Future, which allows business leaders to coach students from disadvantaged environments. Kris Verhellen founded Bright Future in 2006, which is managed by the Be.Face platform. A number of large Belgian companies, including AvH, support it.

5. Human rights

Extensa subscribes to the Universal Declaration of Human Rights and demands the same commitment from its staff. Its ambition is to check whether its suppliers are also in line with this, and this has been included in its policy goals for the following years. When choosing a supplier or a service provider, for both small needs and for projects, it intends to carry out the necessary due diligence that will, among other things, determine whether it directly or indirectly respects the human rights.

6. Anti-corruption and bribery

Ethical entrepreneurship is one of the basic values of Extensa. It has aligned itself with the Integrity Code of AvH[(1)]. In order to avoid corruption and bribery, Extensa always ensures that the person who is carrying out outgoing payments is not the same person who decided to make the payment. A payment also always requires the cooperation of the main accountant and of a manager to whom a financial mandate has been granted for carrying out the payment.

(1) Insofar as this relates to the activity and purpose of Extensa.

8. Leasinvest Real Estate

1. Activity

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

2. Environment

Leasinvest Real Estate is aware that it can reduce its ecological footprint by opting for more sustainable living and a more efficient use of energy, water, electricity and waste.

It constantly endeavours to make the buildings in its portfolio more energy-efficient, and gives priority to the sustainability aspect in thorough renovation works. This also meets the demand from (prospective) tenants for sustainable buildings.

In the world of real estate, the BREEAM certification is the most commonly used criterion for determining the environmental efficiency of a building.

Belgium

- The Crescent office building in Anderlecht: the BREEAM In-Use rating improved from 'Very Good' to 'Excellent' (2015). Solar panels will be fitted on the roof in 2018.
- Motstraat office building in Mechelen: performance of BREEAM In-Use (2013), rating 'Good'.
- A plan was initiated to install charging points for electric vehicles in the car parks of Motstraat in Mechelen and The Crescent in Anderlecht in 2018.
- Redevelopment of Treesquare office building: the objective is BREEAM 'Excellent' (2018).
- Redevelopment of Montoyer 63 office building: the objective is BREEAM 'Excellent' (2018). A BREEAM interim 'design stage' with rating 'Excellent' has already been received (2017).
- A solar panel installation is in operation on the Royal Warehouse building on the Tour & Taxis site.

Luxembourg

- Monnet office building: BREEAM 'Refurbishment Excellent' is expected on the basis of the file submitted in February 2016.

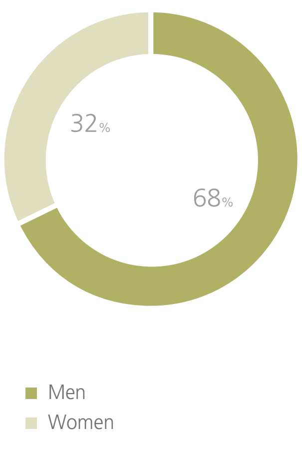
Austria

- The roof of the Frun® retail park in Asten, which was acquired in 2016, was fitted with solar panels to maximize the sustainability of the retail park. More than 0.500 GWh green power is now generated on the site each year, resulting in a 400-tonne reduction in carbon emissions. Charging points for electric vehicles will also be installed in the car park during the course of 2018.
- Just before the Hornbach Stadlau building was acquired in October 2017, the whole roof structure was renewed, which will drastically reduce the energy footprint of this building.

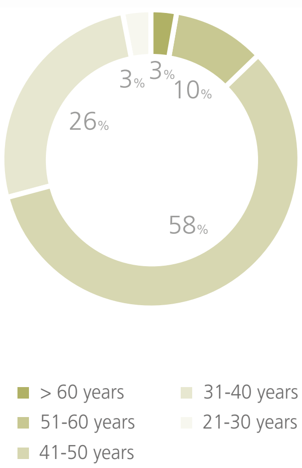
3. Human resources

Leasinvest Real Estate attaches great importance to a diversified workforce and well-being at work. The total payroll of the LRE group (including that of LREM, the statutory manager which actually falls outside the consolidation scope of LRE) at December 31, 2017 was 31 people.

LRE: men and women



LRE: age



The average age of the employees is 46 years.

During 2017, five people left the LRE group: three men and two women. On the other hand, five new people were hired, who all happened to be men. On March 1, 2018, another woman was hired.

Since a lot of importance is attached to training and lifelong learning, the staff members regularly take part in all kinds of training programs and courses, which are often connected with real estate, but also with tax, accounting or HR-related topics.

Meetings are held on a quarterly basis with all the staff, including the people who work abroad for LRE. Often those meetings take place at a location outside the office, so that the people also get to know each other better outside their work environment.

4. Social affairs

Besides corporate social responsibility, Leasinvest Real Estate also takes several initiatives. LRE has entered into a long-term sponsoring partnership with the Royal Conservatoire Foundation Antwerp, the open-air sculpture museum Middelheim/Middelheim Promotors vzw, and the Royal Museum of Fine Arts Antwerp. Every year, new opportunities are assessed and new initiatives are started up, like Les Echos du Quartier in 2017.

5. Human rights

Leasinvest Real Estate subscribes to the Universal Declaration of Human Rights and demands the same commitment from its staff in Belgium and abroad.

6. Anti-corruption and bribery

Leasinvest Real Estate takes the necessary measures to prevent staff members of the group becoming involved in corruption or bribery. Despite the fact that LRE is a small organization, the four-eyes principle is consistently applied, even if this sometimes means less efficiency. LRE is also required by law to appoint a compliance officer, one of whose responsibilities is to make sure that the applicable laws and regulations are actually observed by the individuals and organizations concerned.

A second audit is carried out by the internal auditor, whom LRE is legally required to appoint as a regulated real estate company. Given the small size of LRE's organization, an 'external' internal auditor was appointed, i.e. BDO Company Auditors. In consultation with the audit committee of LRE and the CFO, a three-year plan is drawn up and followed, so that all critical business processes are submitted on a rotating basis and at the appropriate time to an 'external' internal audit. The 'external' internal auditor reports his findings directly to the audit committee in order to guarantee qualitative and independent reporting. No breaches were reported in 2017 by the different bodies.

9. Rent-A-Port

1. Activity

This section includes the non-financial information of the following companies: Rent-A-Port NV, International Port Engineering & Management (IPEM) NV, Infra Asia Consultancy & Project Management NV, Consortium Antwerp Port NV, Consortium Antwerp Port Industrial Port Land NV and Rent-A-Port Green Energy NV.

Together with partners, Rent-A-Port develops greenfield projects for the construction of ports and associated industrial zones. In this context, Rent-A-Port also manages the associated utilities.

Rent-A-Port invests in companies with sustainable and international growth potential.

- Rent-A-Port Green Energy NV focuses on the development of (green) energy

production and storage and contributes to the transition from fossil to renewable energy.
- The other companies (belonging to the Rent-A-Port group) invest in ports and industrial business parks, thus facilitating the increase of world trade driven by population growth.

Within the framework of new investments and projects, Rent-A-Port traditionally performs a due diligence or audit in order to verify whether the target company has complied with legislation and regulations relating to, for example, the environment, personnel matters and the prohibition of bribery and corruption.

2. Policy documents

The themes of the environment, human rights and combating corruption and bribery are dealt with in 'awareness programs' and in the individual employment contracts of the employees of the (foreign) participations.

The employee relations within Rent-A-Port are governed by the policy document Labour Regulation (for white-collar employees). The intention is to also develop a Corporate Governance Charter during the course of 2018.

3. Policy objectives

As a group company of AvH, Rent-A-Port subscribes to the intention to achieve the aforementioned objectives of corporate governance, ecological footprint and human rights by the end of 2020.

4. Environment

As at December 31, 2017, Rent-A-Port had 14 employees who almost exclusively provide intellectual services. The impact of their activities on the environment is mainly due to (i) commuting, (ii) other professional travel and (iii) office-related costs (energy).

In 2017, Rent-A-Port incurred the following costs in this respect (all amounts including VAT):

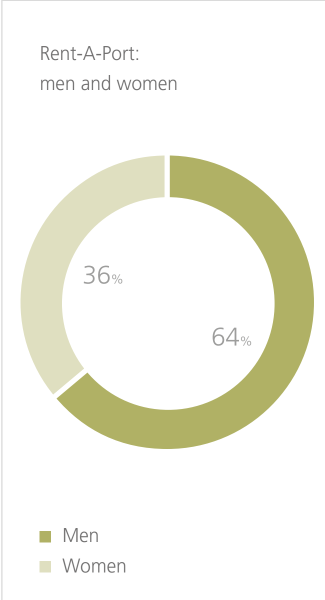
Electricity (from April 1, 2017 approx. 8,950 kWh)	€ 2,804
Foreign travel (aircraft and train)	€ 342,363
Petrol & diesel	€ 1,690

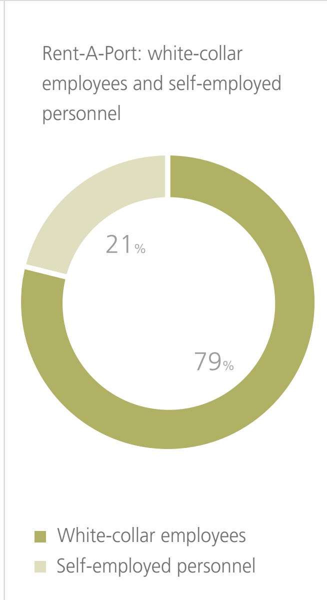
Without having already formally determined its ecological footprint, Rent-A-Port is striving to reduce its impact on the environment in a number of ways: (i) meetings requiring travel are replaced as much as possible by conference calls or Skype meetings; (ii) printed documents are increasingly replaced by digital documents.

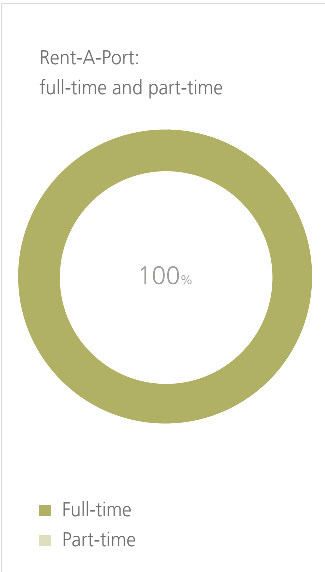
5. Human resources

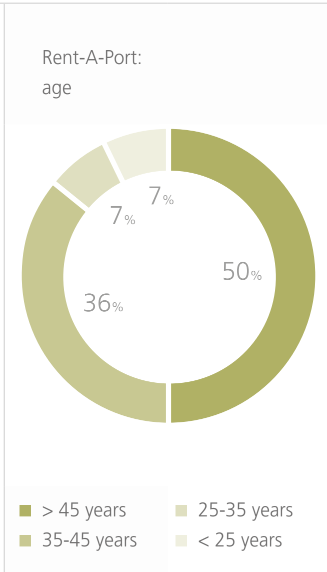
Rent-A-Port attaches great importance to a diverse workforce and well-being at work.

As at December 31, 2017, Rent-A-Port had 14 employees:









In 2017, employees participated in various seminars and training sessions on a variety of topics, such as new tax, company and financial legislation.

Employees make use of individual office spaces enabling them to concentrate on their work. Fresh fruit is provided once a week. None of the Rent-A-Port employees were sick for a prolonged period in 2017.

In 2017, a routine audit was performed by the social inspectorate, which did not reveal any significant violations.

One of Rent-A-Port's main challenges is not so much attracting talented staff, but rather the mobility problem. It is becoming increasingly difficult to easily get to Antwerp at any time of the day. In this context, flexitime and/or home-working arrangements are being considered.

6. Social affairs

In 2017, as part of its patronage policy, Rent-A-Port spent approx. 12,000 euros on all kinds of scientific and socio-cultural projects (e.g. Antwerp Symphony Orchestra, Les Plus Beaux Villages de Wallonie, Belgian-Vietnamese Alliance). By means of its patronage policy, Rent-A-Port aims to contribute to a more humane society.

The Rent-A-Port participations also support various initiatives:

Vietnam:
- Support for orphanages
- Support for schools
- Support for disadvantaged communities

Oman:
- Partnership with ESO - Environment Society of Oman - in order to protect whales
- Mazirah Bay Prevention
- Oil spill response capacity

7. Human rights

Rent-A-Port subscribes to the Universal Declaration of Human Rights and demans the same commitment from its employees as well as its participations.

It also has the ambition to determine whether its suppliers are also in compliance with the above-mentioned rights. The same also applies to foreign participations.

8. Anti-corruption and bribery

Ethical entrepreneurship is one of the core values of Rent-A-Port. In order to avoid corruption and bribery at the level of Rent-A-Port, where outgoing payments are concerned it is always ensured that the person making the payment is not the same person as the one who decided on the payment.

The employment regulations and recent employment contracts of the participations contain specific anti-corruption and anti-bribery clauses. Furthermore, awaraness programs have been created at the level of the participations.

Corporate social responsibility

With its baseline 'Partners for sustainable growth', Ackermans & van Haaren confirms its ambition to develop and expand the activities within the group in a sustainable manner, with respect for people and society.

This chapter describes how Ackermans & van Haaren and its key participations relate to sustainability, and how this is integrated into the activities. The examples merely reflect a number of important measures. An extensive overview and more details can be found in the annual reports of the respective companies. In addition, detailed reporting on (i) the environment, (ii) social and personnel matters, (iii) human rights and (iv) combating corruption and bribery is provided in the chapter 'Statement of non-financial information'.

Partners for sustainable growth

In 2016, AvH introduced its '**Partners for sustainable growth**' baseline. This baseline pursues development and the growth of activities in a sustainable way, with respect for people and society. This sustainable state of mind is not only imposed by AvH on its participations, but is also strongly promoted by the participations themselves. This interaction ensures permanent attention and increasing awareness about this issue.

As an investment company, AvH takes into account the challenges the society is facing. **Investments** are considered from a sustainability perspective: do they mean an improvement for people or the environment, and are they ethically sound? AvH also takes global trends, such as global warming and population ageing, into account in its investment policy.

As soon as AvH invests in a company, it expects the company to focus continuously on **innovation** and on the development of activities with respect for people and society. The strong belief in a long-term relationship gives the participations the time to also develop and implement a long-term strategy in this context, as it is clear that sustainability and a short-term strategy do not mix. Innovation, in terms of both technology and the services and products offered, needs time, and cannot be implemented from one day to the next. The future might show what the actual social contribution of AvH is.

A good example is **renewable energy**, which has become an increasingly important element in the strategy of the group in recent years. 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. An example of this is the 1.25 MW photovoltaic installation and the 6 MW heat recovery system that Sagar Cements put into operation in the Mattampally site. In addition, Sagar also started the construction of its own 18 MW thermal power plant, which is expected to become operational in early 2019.

DEME - The 'nodule collector' Patania

DEME - Construction of a breakwater to protect against rising sea levels in Benin

DEME - The Minerva is the first dredger in the world that can operate on LNG

DEME

DEME focuses on providing sustainable solutions for the global challenges that we all face. These include rising sea levels, soil and water pollution, increasing population growth, scarcity of mineral resources and increasing CO_2 emissions.

Many of DEME's values and sustainability objectives are in line with the 17 Sustainable Development Objectives of the United Nations. Inspired by these objectives, DEME committed itself in October 2016 to the Sustainable Development Objectives of the Belgian Charter.

DEME provides **sustainable, specialised solutions in the global dredging, marine engineering and environmental sectors**. DEME plays a leading role in creating affordable and reliable renewable energy for everyone, through many initiatives in the green and blue energy sector.

The group tackles the scarcity of minerals by exploring the potential of **sustainable deepsea harvesting of minerals**. Global Sea Mineral Resources carried out the first expedition at sea in 2017 with the high-tech test robot 'Patania'. The 'Tracked Soil Testing Device' was tested at a water depth of 4,500 m in the Pacific Ocean, where basic measurements and samples were collected from the deep sea. This expedition lasted 45 days. This is fully in line with the sustainability objective of the United Nations to conserve the oceans and to monitor the use of marine sources in the long term. DEME is working together with the International Seabed Authority on this topic in an innovative partnership.

The specialised environmental companies carry out complex **soil remediation projects**, thereby cleaning historic contaminated sites so that they can be completely renewed for homes, companies and recreational use. In other projects, they build innovative coastal infrastructure in order to cope with the increase in extreme weather conditions and, in this way, to protect the growing coastal communities in the world.

These sustainable objectives are not only broadly supported by DEME, but are also embedded in the culture. They inspire the innovations within the company itself and in projects across the entire world. For example, DEME has launched an ambitious investment program for the fleet, whereby all new vessels are equipped with the most advanced equipment, not only technically, but also from an environmental point of view. They are equipped with solar panels, heat recovery and **'dual fuel' engines** that can run on natural gas and diesel oil. This reduces the emissions of sulphur, NOx and atmospheric particles. The newly-built hopper-dredger Minerva (capacity 3,500 m³) and the dredger Scheldt River (hopper capacity 8,400 m³) were ceremonially launched and put into operation in 2017. These dredgers are the first in the world that can operate purely on LNG.

DEME also uses innovative techniques at the **project locations** to ensure that the developments are sustainable. This became clear recently in Qatar, when DEME's subsidiary, the Middle East Dredging Company (MEDCO), carried out dredging and land reclamation work for Hamad Port. In the context of an environmental project, seagrasses, mangrove trees and corals were carefully moved to protect them from the consequences of the port development project.

DEME is also participating in a test project to establish whether **environmentally friendly reefs** could be used to protect coastal areas from erosion and heavy storms. The first buffers were installed near De Panne in 2017. One of these buffers consists of seaweed planted in large textile mats, which are attached to the seabed. A second one contains a mussel reef and a third method uses tubeworms.

With **DEME4Life**, the company actively contributes to the achievement of the Sustainable Development Goals, stimulating strong partnerships with charities and non-government organisations aimed at improving the living conditions in the communities where DEME works and lives.

CFE - The headquarters of AXA obtained BREEAM Excellent and the sustainability certificate Passive 2015

Extensa - The park on the Tour & Taxis site

CFE

The CFE group has been pursuing a sustainable development policy for many years. Its requirements in this area are becoming increasingly stringent, both in terms of construction and the related activities. The acquired skills in the field of **sustainable building** not only enable CFE to meet the current energy and environmental expectations, but also to anticipate future expectations and regulations.

The key elements for a sustainable future are the **use of natural materials and energy-efficient buildings**. Many projects demonstrate this know-how again this year. A few examples are the new AXA headquarters in Brussels (sustainability certificate Passive 2015, almost energy-neutral, BREEAM Excellent certificate), the Ernest 11 project in Liège (the first energy-efficient project in the Liège region) and the Erasmus Gardens in Brussels (awarded with the 'Best Sustainable Real Estate Project' in Belgium). In addition, BPI is also starting a sustainable student accommodation project, the Woodskot, whose structure is made of wood.

Sustainability is also given a lot of attention in the area of **special technology**, for example with regard to the air conditioning and heating systems that are installed in the buildings under construction, or that are being renovated. be.maintenance is also becoming increasingly active in passive buildings. They limit the energy consumption by optimising the parameters of control systems. In addition, customers are made aware of the best practices and of the benefits of technological progress with regard to reducing energy consumption.

Some activities of the group are also **inherently environmentally-friendly**. This is the case, for example, for the maintenance and improvement work within Rail Infra & Utility Networks, which contribute to a policy of less polluting mobility, or activities in the field of water purification and electricity production in wind farms.

Attention to the protection of the environment is also reflected in the daily life **at the office and at the building sites**. This is done in many ways, including waste sorting and treatment, reduction of energy consumption, increasing digitisation in order to reduce the use of paper, and the streamlining of travel. With regard to travelling, the possibilities for working from a hub and from home are being explored. Some subsidiaries have already put this into practice.

Other initiatives include the development of less energy-intensive containers for the building sites, and a guide to best environmental practices with the implementation of performance indicators. BENELMAT, for its part, has installed a highly efficient insulation, heating and ventilation system with heat and light recovery in its buildings in Gembloux, which yielded admiration and praise from the Walloon Regional Energy Advisory Service.

Extensa Group

The **sustainable development of a 'sustainable community' at the Tour & Taxis site** in Brussels is one of the flagships of Extensa. The aim is not only the redevelopment of the historic buildings, in combination with a lower environmental impact of each building on the site, there is also ample attention to the creation of a green lung, and the development of public areas that will be made available to the community.

Whether in the field of new constructions or the refurbishment of historic buildings, Extensa aims to be a pioneer when it comes to energy. The large roofs are therefore covered with panels that produce electrical energy. The 2 passive office buildings (Herman Teirlinck and Brussels Environment) are also good examples of this.

The **Herman Teirlinck building** houses the Flemish Administrative Centre since July 2017. The building meets both the highest sustainability score of the Flemish Government and the passive standard of the Brussels Region. This is mainly due to the large and compact shape, which makes it into a deep building with a lot of natural light. Moreover, the indoor gardens act as green lungs, and form a climate buffer between the variable outdoor climate and the constant indoor climate. This has a positive impact on operating expenses, energy costs and a high climate comfort. In addition, architectural measures were chosen that generate a positive impact on the environment, such as high insulation and air-tightness, limitation of the glass surfaces, brick façades and recycled materials. Finally, the most sustainable and advanced technical installations were deployed for energy and climate control, such as heat generation via geothermal energy, concrete core cooling, rainwater collection and electricity generation with solar panels.

The ecological and particularly energy-efficient office building of the environmental and energy administration (**Brussels Environment**) of the Brussels Capital Region was already put into operation at the end of 2014. With a surface area of 16,750 m², this is one of the largest office buildings in Europe that meets the passive standard. Thanks to the extensive insulation and excellent air-tightness, for example, up to 96% less gas is required compared to the old building, the 700 m² photovoltaic panels produce almost 88,000 kWh green electricity per year, and the treated waste water and recovered rainwater is reused for non-potable needs. In addition, various engineering measures were implemented, such as automatic sun protection, geothermal energy, a heat pump, a ventilation system with double air flow linked to a heat exchanger. Finally, materials of local origin with an environmental label were chosen, as well as recycled furniture. This building also houses an information and exhibition centre on all possible environmental topics, and is a meeting point for anyone interested in environmental issues.

Leasinvest Real Estate - Solar panels on the roof of the Frun® retail park - Asten - Austria

Extensa has also established a 9 ha **evolutionary park**, with 232 sustainable trees and 2,479 fast-growing trees on the Tour & Taxis site. This provides residents with space for relaxation, leisure and encounters. A nice example is Parckfarm, a community project managed by local volunteers. They organise workshops and veggie brunches during the weekend, and manage a small animal farm and an urban vegetable garden. Thanks to initiatives of this kind, it has become a central meeting place for the neighbourhood, and the project is great from both an ecological and a social perspective.

This park is part of the **global development of the canal zone**. In time, a network of parks will connect Boulevard Belgica with the Bockstael square, up to the canal and the Sainctelette square via the Tour & Taxis site. This will be the largest city park established in the centre of Brussels since the time of Leopold II.

Leasinvest Real Estate

Corporate social responsibility is an integral part of the daily management of Leasinvest Real Estate, and is a component of its ongoing commitment to quality. LRE is aware that its ecological footprint can be reduced if the company opts for **a more sustainable life and a more conscious handling of energy, water, electricity and waste**.

In 2010, a global **sustainability audit** was carried out, commissioned by LRE, to define in which areas the company could operate in a more sustainable manner. Within this integrated approach, it was clear that LRE could have the greatest impact on the environment by making specific changes to its buildings portfolio.

LRE has now opted for an **inclusive and solution-driven approach**, as reflected in a clear **roadmap**.

- Analysis of the buildings portfolio with detection of the potential for improvement.
- Development of a building-specific plan of action.
- Determination of the correct measurement method or the appropriate technology for defining a 0 point that could serve as the basis for measuring improvements. LRE has opted for the BREEAM in-use certification system.
- Concrete implementation of the action plan for improvement.
- Measurement of the results and providing information (company, tenants, stakeholders).

The unique aspect of such an approach is that it is based on a far-reaching cooperation with customers (tenants) and suppliers, and therefore reaches beyond mere initiatives that are taken by the company itself. The aim is to detect for each building the specific interventions that have the greatest impact, as opposed to implementing general (solution-driven) measures. These procedures have been operational since 2012.

Several concrete actions are outlined below.

The roof of the Frun® retail park in Asten, which was acquired in 2016, has been fitted with **solar panels** to optimise the sustainability of the retail park. More than 0.500 GWh green energy is now generated each year, resulting in a 400-ton reduction in carbon emissions. A solar panel installation is also in operation on the roof of the Royal Warehouse (Tour & Taxis). Solar panels will also be installed on the roof of The Crescent Anderlecht in 2018. In addition, a plan was launched to install **charging stations for electric vehicles** at the car parks of Motstraat Mechelen and The Crescent Anderlecht in 2018.

Intelligent electricity meters have been installed in the buildings of the Belgian real estate portfolio at Riverside Business Park and The Crescent, both in Anderlecht. The advantage of this type of meters is that they can be read remotely, with processing of the results, and that they serve as the basis for the distribution of the electricity among the tenants. In this way, both the owner and the tenants have a real-time overview of the electricity consumption, and can draw the necessary conclusions from this. Consumption peaks can be detected and will serve as a basis for corrective measures, with energy savings as a result.

SIPEF - EFB fiber is mixed with waste water in an aerated composting bunker (Bukit Maradja)

Several office buildings have also obtained a **BREEAM certification** in the meantime:

- The Crescent Anderlecht: BREEAM In-Use score 'Excellent' (2015).
- Motstraat Mechelen: construction BREEAM In-Use (2013), score 'Good'.
- Redevelopment Treesquare: the target is BREEAM 'Excellent' (2018).
- Redevelopment Montoyer 63: the target is BREEAM 'Excellent' (2018) BREEAM interim 'design stage' was in the meantime already obtained with rating 'Excellent' (2017).
- Monnet (Luxembourg): BREEAM 'Refurbishment Excellent' is expected on the basis of the file submitted in February 2016.

SIPEF

SIPEF operates its **plantations on a long-term and sustainable basis**, working together with all stakeholders involved. SIPEF is of the opinion that the company must be managed on a sustainable basis, and this at an ecological, social and economic level. This should take place in close consultation with customers, social and environmental non-governmental organisations (NGOs), producers, researchers and other interested stakeholders. The purpose is to promote the application of responsible and sustainable standards in the industry.

In the palm oil sector, the '**Roundtable on Sustainable Palm Oil**' (RSPO) is the most relevant example of stakeholders jointly determining a worldwide standard. SIPEF is therefore 100% committed to the RSPO principles and criteria, and strives to even exceed them. SIPEF's tea and bananas are certified on the basis of the **Rainforest Alliance** scheme. As there is no certification system available for rubber, SIPEF has itself asked Rainforest Alliance to review its activities on the basis of their criteria, fully in accordance with the standards of the **Sustainable Agriculture Network**.

In order to exceed the certification standards, the '**SIPEF Responsible Plantation Policy'** was introduced. This applies to all the different plantation activities, and is adjusted on an annual basis. It is regarded as the backbone of its current corporate policy.

In 2017, SIPEF sold 99% of its palm oil, palm kernel oil and palm kernels in **certified physical supply chains of RSPO and ISCC** (International Sustainability and Carbon Certification) for use in the food sector or the production of green energy. SIPEF will continue to aim for the full inclusion in certified physical supply chains for all its products.

A good example of a successful sustainable innovation in the field of production processes is the **generation of electricity from the methane gas from palm waste**. In 2017, the processing of 1,424,531 tons of fresh fruit bunches in the 9 palm oil factories in Indonesia and Papua New Guinea provided an estimated 1,160,235 m³ 'Palm Oil Mill Effluent' (POME) and 313,398 tons of empty fruit bunches (EFB). Traditionally, these are considered as waste products, with very little to no value. In order to reduce greenhouse gas emissions, SIPEF has invested heavily in methane collection facilities (Clean Development Mechanism) in five of these palm oil factories. These facilities have the possibility to burn the methane in a biogas generator, a steam boiler or via an open torch. The Muko Muko palm oil factory, for example, now produces electricity on the basis of biogas, with methane (CH_4) as a significant gas fraction from the POME. 2017 was the first year that SIPEF sold electricity gained in this manner to Perusahan Listrik Negara (PLN) in the province of Bengkulu, the supplier of government electricity in Indonesia. On 31 December 2017, the Muko Muko biogas facility had exported 1,307,220 kWh of electricity to PLN.

In addition, investments were also made in the **composting plant** in the palm oil factory of Bukit Maradja. This was put into operation at the end of 2016, with the first batch of compost being delivered to the factory in January 2017. Compost is used in the plantations as a soil improver, in order to reduce the use of inorganic fertilisers. The bunker composting plant has been designed to use 100% of the EFB and POME for the production of an organic fertiliser that is rich in nutrients. It is expected that the compost will replace up to 60% of the inorganic fertiliser used at the plantation of Bukit Maradja.

SIPEF - Detail of an anaerobic reactor and gas cleaner at Agro Muko

The Ecce Homo exhibition also took place in the offices of AvH

Patronage

Art, research and entrepreneurship have gone hand in hand in Antwerp since the time of Rubens, Stevin and Plantin. That is not so surprising, because they have a lot in common. Companies and entrepreneurs, like galleries, museums, artists and scientists, bring significant added value to society.

This is why, for many decades now, Ackermans & van Haaren has been supporting projects of a scientific and socio-cultural nature, which ideally have a link with the Antwerp region. If it is meaningful and possible, AvH thereby aims to build a long-term relationship with the partners. After all, sustainability and cooperation are strongly intertwined in the DNA of the group!

The partnership with Galerie Geukens & De Vil, the City of Antwerp and Bank J.Van Breda & C° in the context of the art project **ECCE HOMO** stood out in particular in 2017. 'Ecce Homo. Behold the Man' was an ambitious and successful exhibition uniting 63 Belgian artists - or artists working in Belgium - around the universal theme of mankind. Their works were exhibited at nine different locations in the Antwerp city centre. Portraits by Marie-Jo Lafontaine (Babylon babies) were displayed at Ackermans & van Haaren.

In 2017, Ackermans & van Haaren spent a total amount of approx. 250,000 euros supporting, among others, the following institutions, organisations and projects:

Cultural

- Art project Ecce Homo (www.eccehomoantwerpen.com)
- Royal Museum of Fine Arts (www.kmska.be)
- Open-air museum Middelheim (www.middelheimmuseum.be)
- Europalia Arts Festival Indonesia (www.europalia.eu)
- Le Concert Olympique (www.leconcertolympique.eu)
- Boghossian Foundation (www.villaempain.com)

Social

- Human Rights Watch (www.hrw.org)
- Lucia (www.luciaweb.be)
- Stop colon cancer (www.stopdarmkanker.be)
- Sant'Egidio (www.santegidio.be)
- SOS Children's Villages (www.sos-kinderdorpen.be)
- Teach for Belgium (via the King Baudouin Foundation) (www.teachforbelgium.org)

Wetenschappelijk

- De Duve Institute (www.deduveinstitute.be)
- Institute of Tropical Medicine (www.itg.be)
- Itinera (www.itinerainstitute.org)

Daily management and supervision

Executive committee

Chairman	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
Gilles Huyghebaert	Group controller (since December 1, 2017)
Marc De Groote	Accountant
Bart Bressinck	Accountant
Jean-Claude Janssens	Treasurer
Katia Waegemans	Communication & information manager

Group services

Legal and administrative affairs

Piet Bevernage	Secretary-general
Nele Govaert	Legal counsel (since December 1, 2017)
Sofie Beernaert	Legal counsel (until October 30, 2017)

Administration

Patricia Bielen	Management assistant
Chantal Dille	Management assistant
Sarah Franssens	Management assistant
Michaëla Goelen	Office manager
Sonja Goossens	Personnel administration
Lydie Makiadi	Management assistant
Robin Muller	Reception
Filip Portael	IT
Brigitte Stockman	Management assistant
Garry Suy	Caretaker
Petra Van de Velde	Management assistant

Auditor

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

ACKERMANS & VAN HAAREN
Partners for sustainable growth

With our special thanks to the Red Star Line in Antwerp for the fascinating exhibition.

Activity report 2017

Ackermans & van Haaren
Partners for sustainable growth

Ackermans & van Haaren

Marine Engineering & Contracting	Private Banking	Real Estate & Senior Care	Energy & Resources
DEME 60%	Delen Private Bank 79%	Extensa 100%	SIPEF 30%
CFE 60%	Bank J.Van Breda & C° 79%	Leasinvest Real Estate 30%	Sagar Cements 18%
Rent-A-Port 72%		Anima Care 93%	
Green Offshore 80%		HPA 72%	

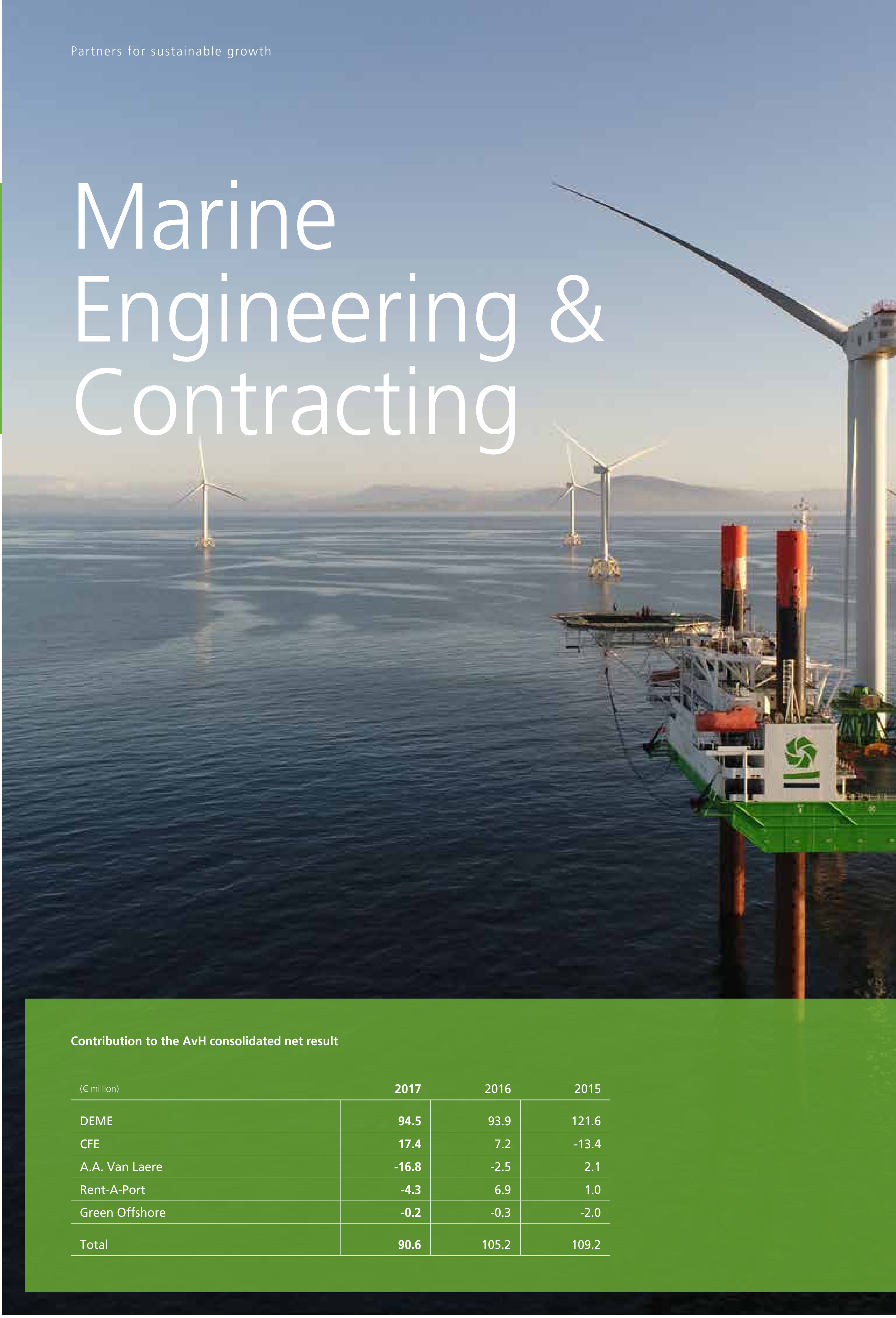
AvH & Growth Capital

Agidens[(1)] 86%	Distriplus 50%	Mediahuis 13%	Turbo's Hoet Groep 50%
Atenor 11%	Euro Media Group 22%	OncoDNA[(2)] 15%	
Axe Investments 48%	Manuchar 30%	Telemond 50%	

(1) Including participation via Axe Investments
(2) Non-consolidated

Situation on 31/12/2017

Marine Engineering & Contracting



Contribution to the AvH consolidated net result

(€ million)	2017	2016	2015
DEME	**94.5**	93.9	121.6
CFE	**17.4**	7.2	-13.4
A.A. Van Laere	**-16.8**	-2.5	2.1
Rent-A-Port	**-4.3**	6.9	1.0
Green Offshore	**-0.2**	-0.3	-2.0
Total	**90.6**	105.2	109.2

DEME - Thor

DEME equalled its good performance of 2016, while CFE confirmed with a solid increase in profit. The disappointing results of A.A. Van Laere and a less successful year for Rent-A-Port explain the decrease in contribution from 'Marine Engineering & Contracting' compared with last year.

DEME

60%	The Belgian dredging and environmental group DEME is one of the largest and most diversified dredging and marine construction companies in the world.

CFE

60%	CFE is a listed Belgian industrial construction group with activities in Belgium, Luxembourg and Poland.

A.A. Van Laere

100% contribution to result 60% balance sheet 31.12.2017	A.A. Van Laere is a general contractor for large construction projects in Belgium.

Rent-A-Port

72%	Rent-A-Port develops port projects on the basis of its port-related and logistical know-how and experience.

Green Offshore

80%	Green Offshore holds minority interests in offshore wind farms.

DEME

Shareholding percentage AvH: 60%

DEME is one of the largest marine construction companies in the world. From its core activities, dredging and civil works on water, the group has developed complementary 'offshore' activities in the field of renewable energy, oil and gas, and in the field of soil and sludge remediation, and the extraction of aggregates and minerals.

Financial overview 2017

DEME realized a solid increase in (economic) turnover to 2,365.7 million euros in 2017, compared with 1,978.2 million euros in 2016. For the first time, renewable offshore wind accounted for more than one billion euros of that figure. This favourable development is the result of DEME's strategic decision many years ago to focus fully on the development of offshore wind energy. This choice and the many years of sustained investment in human resources and equipment underpin the strong market position which GeoSea (DEME 100%) has acquired. DEME was able to offset the temporary downturn in its traditional dredging activity by the diversification of its turnover into offshore wind energy, environmental activities, the extraction of sand and gravel at sea as building materials, marine civil engineering and concessions.

Despite the change in its mix of activities, DEME realized an EBITDA of 456.2 million euros. This EBITDA margin of 19.3% is entirely in line with the historical average of 16-20%. The 155.1 million euro net result was virtually the same as that of 2016.

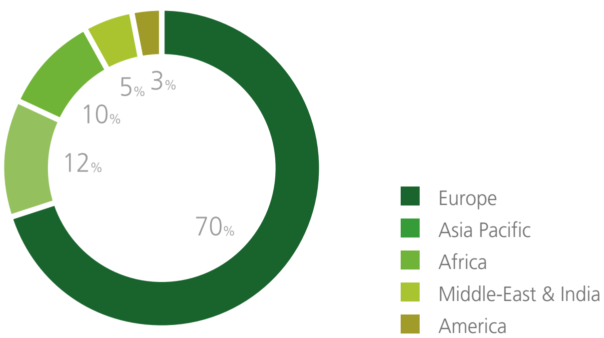
Fleet investment program

The fleet investment program of DEME is primarily aimed at further increasing efficiency, in terms of both productivity and environmental performance. In the past year, the fleet was expanded with the 'Minerva' and the 'Scheldt River'. These two trailing-suction hopper dredgers represented a world first, because they are the first in their category to be equipped with dual-fuel engines, and can also be powered by LNG. This reduces the emissions of sulphur, NOx and micro-particles.

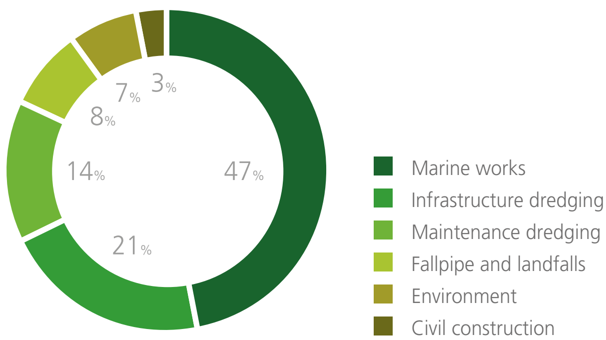
In addition, 6 new vessels are under construction, and will be put into operation in 2018-2020. With the 'Bonny River' (15,016 m³), DEME is investing in a new generation of trailing-suction hopper dredgers. The fleet is also being extended in 2018 by the multipurpose dredger 'Living Stone', which, among other things, is specialised in the laying of submarine cables, and the self-propelled lifting vessel 'Apollo'. The self-propelled crane vessel 'Gulliver' (4,000 tons) will also be taken into use at Scaldis in 2018.

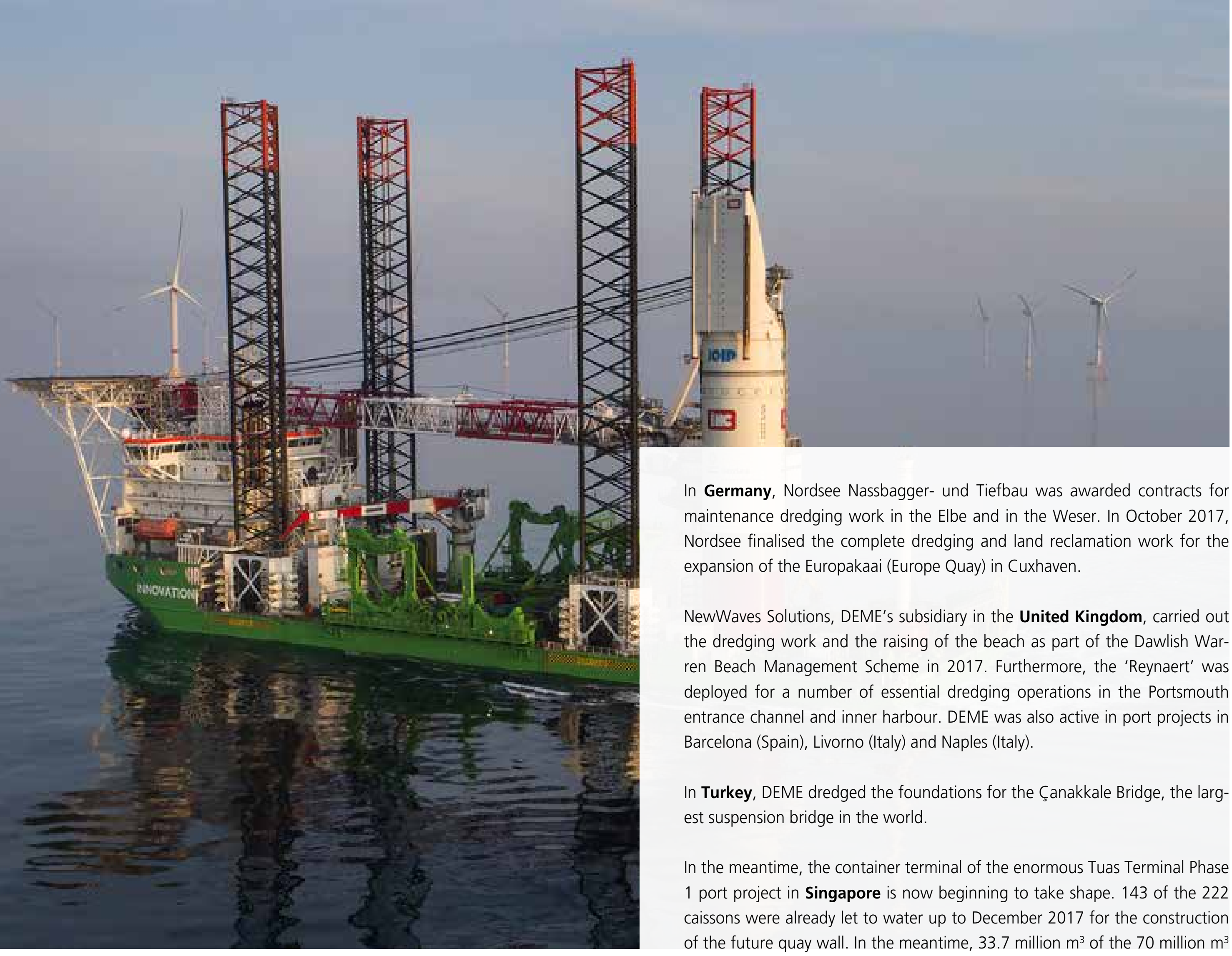
The first steel plate for the 'Spartacus' (44,180 kW) was cut in September 2017, which marked the official starting shot for the construction of this mega cutter-suction dredger. The 'Orion', another mastodon in which DEME is currently investing, will be primarily used for the offshore wind market. The 216.5 m offshore installation vessel is equipped with a crane with an exceptional lifting capacity of 5,000 tons.

Split of economic turnover by region



Split of economic turnover by activity





Innovation - Merkur

Operational overview 2017

Dredging and land reclamation

In **Belgium**, DEME has continued with the implementation of several long-term contracts for maintenance dredging work in the major national waterways and in the North Sea. At the beginning of 2017, the company won a four-year contract for maintenance dredging and the treatment of contaminated sediments in the Ghent-Terneuzen Canal. Later in the year, DEME was responsible for the supplementation of sand in Bredene and the raising of the beach at Nieuwpoort. DEME also took care of dredging, trenching and backfilling work for the cables of the Rentel offshore wind farm (309 MW) in the Belgian North Sea.

> "For the first time, renewable offshore wind accounted for more than 1 billion euros of turnover."

In the **Netherlands**, de Vries & van de Wiel, working together with DEME Infra Marine Contractors (DIMCO), renovated the flood defences in the Lower Rhine (Nederrijn) and the Lek. A maintenance dredging programme for rivers in the west of the Netherlands was supplemented by the deepening and widening of the Meuse and the development of Kooyhaven in the port of Den Helder.

In **France**, Société de Dragage International (SDI) won a contract for maintenance dredging work in the ports of Boulogne-sur-Mer and Calais, the Gironde and the access channel for the port of Gravelines. SDI also took care of the deepening of the Seine at Courval-Duclair, and was involved in the construction of a heavy-load terminal in the port of Brest.

In **Germany**, Nordsee Nassbagger- und Tiefbau was awarded contracts for maintenance dredging work in the Elbe and in the Weser. In October 2017, Nordsee finalised the complete dredging and land reclamation work for the expansion of the Europakaai (Europe Quay) in Cuxhaven.

NewWaves Solutions, DEME's subsidiary in the **United Kingdom**, carried out the dredging work and the raising of the beach as part of the Dawlish Warren Beach Management Scheme in 2017. Furthermore, the 'Reynaert' was deployed for a number of essential dredging operations in the Portsmouth entrance channel and inner harbour. DEME was also active in port projects in Barcelona (Spain), Livorno (Italy) and Naples (Italy).

In **Turkey**, DEME dredged the foundations for the Çanakkale Bridge, the largest suspension bridge in the world.

In the meantime, the container terminal of the enormous Tuas Terminal Phase 1 port project in **Singapore** is now beginning to take shape. 143 of the 222 caissons were already let to water up to December 2017 for the construction of the future quay wall. In the meantime, 33.7 million m^3 of the 70 million m^3 large platform has also been filled. In August 2017, DIAP won an important Design & Build contract for a land reclamation project to expand the island of Jurong by 35 hectares. The works for the Jurong Island Westward Extension project are on schedule, and are expected to be completed in 2018. 2017 was also marked by the twentieth anniversary of the Lower Ok Tedi project in **Papua New Guinea**. The project includes the removal of potentially contaminated sediments in the river.

In **Qatar**, the port of Hamad was officially inaugurated in September 2017. DEME's subsidiary, the Middle East Dredging Company (MEDCO), has been responsible for the dredging and land reclamation work for almost three years. MEDCO also obtained the contract for the redevelopment of the old port in Doha in August 2017.

In **Nigeria**, DEME continued the maintenance dredging in the channel for the LNG terminal in Bonny and in the ports of Onne and Harcourt. The third phase of the land reclamation work for Eko Atlantic has been successfully completed in the meantime, and DEME is ready for the fourth phase. The main dredging work in the Lagos Deep Offshore Base was also completed in April 2017. The dredging and land reclamation works for the island of Elegushi in the Lagos lagoon has been started, and will be completed in 2018. Maintenance dredging work was also carried out in the port of Conakry and in the container section of Kamsar on behalf of the Guinea Alumina Corporation. The dredging work for the extension of the minerals quay of the Compagnie des Bauxites de Guinea in the port of Kamsar was completed early 2017.

In 2017, DEME was also active in Dubai (La Mer Jumeirah Open Beach), Panama (access channel on the Atlantic side), Brazil (Port of Santos, Sepetiba Bay), Sierra Leone (port terminal in Freetown), Ghana (extension of the Tema port, power plant in Kpone), Congo (Congo River), Benin (Cotonou coastline), Liberia (free port of Monrovia), India (seaport of Kakinada, commercial port of Kamarajar, civil port of Karwar, port of Dhamra), La Réunion (Nouvelle Route du Littoral), the Maldives (lagoon of Emboodhoo, Rah Falhu Huraa and Hulhumalé) and Mauritius (Port Louis). Finally, new contracts were also granted for the ports of Able Seaton, Harwich and Felixstowe (United Kingdom), Soyo (Angola) and Yuzhny (Ukraine).

Marine and offshore solutions

In August 2017, **GeoSea** completed the acquisition of A2SEA, the market leader in the transportation and installation of offshore wind turbines. The strong order backlog and experience in the installation and maintenance of turbines is a good addition to the activities of GeoSea, which is mainly specialised in foundations and EPCI contracts. GeoSea also became the main shareholder (72.5%) of G-tec, a Belgian contractor specialising in offshore geotechnical and geological site research and deepsea engineering, and which owns the unique offshore geotechnical research vessel 'Omalius'.

The installation of the foundations for the offshore wind farms Race Bank and Galloper in the United Kingdom were successfully completed by GeoSea in 2017. A number of major projects were launched for offshore wind farms in 2017: Hornsea Project One (UK, 174 foundations), Merkur (Germany, 396 MW), Rentel (Belgian North Sea, 309 MW) and Horns Rev 3 (Denmark, 406.7 MW). In addition, GeoSea has won several contracts, including Triton Knoll (860 MW, 90 wind turbine generators), Moray East (about 100 wind turbine foundations, 3 offshore platforms and foundations for substations), Hohe See (497 MW, 71 turbine foundations) and Albatros (112 MW). Pending their financial close, Triton Knoll and Moray East have not yet been included in the order backlog. Hohe See and Albatros already started in 2017.

Tideway - Flintstone - Cable laying for Rentel

DEME and COSCO Shipping joined forces in a joint venture to develop offshore wind energy in China. The first turbine for the Binhai H2 offshore wind farm for CDNE was installed in December 2017. The project includes the installation of 60 turbines with a total capacity of 400 MW. GeoSea also concluded a cooperation agreement for the Taiwanese offshore wind market with CSBC Corporation, the largest shipyard in Taiwan. In the next step, GeoSea and CSBC will set up a joint venture for the transport and installation of the foundations and wind turbines for these wind farms. Subject to the approval of the regulatory authorities, the joint venture will be set up in Taipei mid 2018.

Eversea won a contract for the dismantling of 7 satellite platforms in the North Sea.

As member of a joint venture, **Tideway** acquired all the pre-trenching and backfilling work for the offshore gas facilities of Aramco Hasbah in Saudi Arabia. Contracts were concluded for the Moheshkali project in Bangladesh (floating LNG terminal), for the Leviathan project in Israel and for Elia's Modular Offshore Grid in the North Sea (including delivery, installation and maintenance of the submarine power cables). Tideway also won all the inter-array cable work for the offshore Merkur wind farm, in addition to the cable installation, the pre-trenching, the backfilling and the placement of rubble for Hornsea One, the world's largest offshore wind farm. In 2017, Tideway installed all the inter-array cables and the export cable for the Rentel offshore wind farm, and completed work on the Burullus power plant in Egypt. The placement of rubble to protect the cables of the Caithness-Moray interconnection in Scotland was also started.

DEME Blue Energy (DBE) is the market leader in the development of blue energy, and focuses on energy projects that use waves and tides. DEME Concessions has acquired a minority stake in Tidal Power Scotland Limited (TPSL), a Scottish developer who, with the MeyGen project, has the world's first tidal power station with connection to the grid under its wing. The four gravity foundations for Phase 1A (1.5 MW per foundation) were installed at the end of 2016 and have become fully operational in the meantime. As the British gov-

DEME NV

(€ 1,000)	2017		2016		2015	
	(1)	(2)	(1)	(2)	(1)	(2)
Turnover	**2,356,014**	**2,365,678**	1,978,250	1,978,194	2,286,124	2,351,020
EBITDA	**455,522**	**456,209**	447,389	450,145	489,215	558,389
EBIT	**230,506**	**222,623**	226,956	217,584	269,211	318,364
Net result (group share)	**155,055**	**155,055**	155,334	155,334	199,196	199,196
Shareholders' equity (group share)	**1,321,842**	**1,321,842**	1,220,638	1,220,638	1,132,860	1,132,860
Net financial position	**-285,657**	**-296,203**	-151,215	-154,639	-269,465	-266,747
Balance sheet total	**3,521,237**	**3,572,399**	3,288,676	3,312,389	3,149,769	3,233,452
Order backlog (€ mio)		**3,520**		3,800		3,185
Capex (€ mio)		**614**		195		373
Personnel		**4,488**		4,284		4,186

(1) As a result of the introduction of the amended accounting standards IFRS10/IFRS11, participations over which DEME exercises joint control are included in accordance with the equity method as of 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.

ernment did not give a green light to a separate support mechanism for energy projects based on waves and tides, Phase 1B of MeyGen was postponed. In addition to the minority interest in TPSL, DBE is also collaborating in the West Islay Tidal Energy Park (30 MW) in Scotland and Fair Head Tidal Energy Park in Northern Ireland (100 MW).

Combined Marine Terminal Operations Worldwide (CTOW) won a contract extension for the LNG terminal of Bonny Island to operate two new ASD tugs (60 tons) for Nigeria LNG (NLNG). After the award of a second contract by NLNG, the fleet was expanded in November 2017 with the CTOW Eli, a pilot model of the Stan Tender 1905. In Onne (Nigeria), CTOW continued its towing activities to the container terminal in the port. Two additional, brand new tugs will strengthen the fleet in Bonny in 2018.

In the oil and gas market, **Scaldis** installed the L13-FI unmanned gas platform for NAM and took care of the decommissioning of the Horne & Wren platform and three Perenco gas platforms. In the offshore renewable energy segment, Scaldis won a contract for the transport and installation of the Rampion substation for EON. Finally, WPD turned to Scaldis for the installation of the first substation with bolt fastening for the offshore Nordergründe wind farm.

Maritime infrastructure solutions

DIMCO won a contract for the Rijnlandroute. COMOL5, the joint venture of which DIMCO is a part, is carrying out the reconstruction of the traffic junction in Leiden-West, as well as the construction of the 4-km-long N434, including a bored 2.2 km tunnel.

The Flemish-Dutch Scheldt commission has granted the contract for the design, construction and maintenance of the Nieuwe Sluis (new lock) in Terneuzen to Sassevaart, another joint venture of which DIMCO is a part.

The Rijkswaterstaat has awarded the A24 'Blankenburgverbinding' project, with a value of 1 billion euros, to BAAK Blankenburg-Verbinding, a joint venture of which DEME is a part. This project includes the design, construction, financing and maintenance of existing and new infrastructure (including an immersed tunnel) for a period of twenty years.

DIMCO also successfully completed the work at the Offshore Terminal in Rotterdam, and continued to upgrade the lock and flood defences in the Lek river.

Fluvial and marine resources

It was a busy year for **DEME Building Materials** (DBM). The aggregates installation reopened its doors in Amsterdam, and DBM added a third vessel to its fleet. The 'Mellina', originally a trailing-suction hopper dredger, was converted into a gravel dredger with a capacity of 5,000 tons. A large contract has now been awarded for the supply of gravel for the new IJmuiden lock in Amsterdam.

Global Sea Mineral Resources is well on the way to developing the world's first nodule collector with a tracking system. The 'Patania' soil testing device was successfully tested on land in a first phase to ensure that the system was ready for the first offshore expedition in May. The expedition lasted 45 days, and took place in the middle of the South Pacific. A successor to the nodule collector, the 'Patania 2', is already being developed in the meantime.

Environmental solutions

DEME Environmental Contractors (DEC) worked on several major projects in Belgium in 2017. Together with a joint venture partner, DEC has cleared nine former Eandis sites in Flanders. DEC also provided the reallocation and redevelopment of the Blue Gate Antwerp area, transforming a 63 hectare site into a prime location for ecological innovation. In Ghent, DEC completed the redevelopment of the sites of a former gas plant, where a chemical cluster is soon to be established under the name 'Dockland'. In addition, the first redevelopment phase of the prestigious 'Nieuwe Dokken (New Docks)' project was successfully completed in Ghent. Internationally, DEC carried out the redevelopment of a former refinery in Valløy near Tønsberg (Norway), and of a 100-ha-large coke site near Chesterfield (United Kingdom). The Dutch de Vries & van de Wiel company carried out redevelopment projects in Amsterdam, Haarlem, Den Helder and the surrounding area.

The **Ecoterres** recycling centres for soil and sediments did well in the past year. The Belgian facilities processed more than 250,000 tons of contaminated soil and sediments, in addition to 150,000 tons in France.

Purazur built a new water purification plant for Indaver. The project included both the design and the construction and commissioning of the new facility. Purazur is currently building a new water purification plant for chemical giant Borealis.

Concession activities

DEME Concessions has a 12.5% stake in Merkur, an offshore wind farm with a capacity of 396 MW in Germany. A consortium of five partners, including DEME Concessions, brought together a total capital of some 500 million euros. The Rentel project will be the fifth offshore wind project in the Belgian North Sea, with a total investment amounting to 1.1 billion euros. Together with the other shareholders of Otary, DEME also has an interest in the concessions for the Belgian wind farms Seastar (246 MW) and Mermaid (266 MW). The French energy regulator also included DEME Concessions, together with other companies, in the pre-selection for the development of an offshore wind farm with a capacity of 750 MW near Dunkirk. The tender is expected to be drawn up in the first half of 2018.

As an investor, DEME Concessions is also involved in the 'Blankenburgverbinding' project (see above).

Outlook 2018

Based on the full order backlog, DEME expects to achieve a turnover of more than 2.5 billion euros in 2018, with an EBITDA margin within the historic range of 16%-20%.

First row from left to right: Steven Poppe, Eric Tancré, Philip Hermans, Els Verbraecken, Tom Lenaerts, Alain Bernard, Christel Goetschalckx, Pierre Potvliege, Martin Ockier(†), Theo Van De Kerckhove
Second row from left to right: Bernard Paquot, Pierre Catteau, Wim Biesemans, Hans Casier, Dirk Poppe, Hugo Bouvy, Lucas Bols, Bart Verboomen, Luc Vandenbulcke

www.deme-group.com

CFE

Shareholding percentage AvH: 60%

CFE is a Belgian industrial group listed on Euronext Brussels, with three distinct specialist areas: 'Dredging, Environment, Offshore and Infrastructure activities', 'Contracting', which includes construction, multitechnics and rail activities, and finally 'Real Estate Development'.

Financial overview 2017

2017 was a good year for CFE: both CFE Contracting and the Real Estate Development division reported a strong increase in their contribution to the group result. The high level of the order book (incl. 241.8 million euros from the acquired A.A. Van Laere) also shows that CFE is on the right track. CFE (excl. DEME) realized a net profit of 23.9 million euros, compared with 13.0 million euros in 2016.

Operational overview 2017

The new organization, which combines autonomy and synergy, has proved its relevance more than ever in 2017. The activity report of the 'Dredging, Environment, Offshore and Infrastructure activities' division can be found on pages 66 to 69 of this annual report.

> "The new organization, which combines autonomy and synergy, proved its relevance more than ever in 2017."

Contracting

Turnover at CFE Contracting declined to 717.6 million euros in 2017. This decrease, which was expected, is primarily due to the delayed start-up of several major projects in Belgium and the difficult socio-economic conditions in Tunisia. Internationally, the activities in Poland in particular saw a vigorous growth. The order book of CFE Contracting at year-end 2017 increased significantly to 1,229.7 million euros (+44.6%, or +15.1% on a like-for-like basis). This is the result of new contracts in the Construction segment in Brussels and Poland and in the Rail & Utility Networks segment.

In addition, the division was further strengthened by the acquisition of A.A. Van Laere at the end of 2017. By this acquisition, the two construction groups, which will continue to operate under their existing names, will be able to work together optimally in Belgium. The activity report of **A.A. Van Laere** for 2017 can be found on

CFE NV (including DEME)

(€ 1,000)	2017	2016	2015
Turnover	**3,066,525**	2,797,085	3,239,406
EBITDA	**500,734**	465,863	504,925
EBIT	**267,157**	227,570	228,905
Net result (group share)	**180,442**	168,411	174,961
Shareholders' equity (group share)	**1,641,904**	1,521,559	1,423,277
Net financial position	**-351,909**	-213,051	-322,719
Balance sheet total	**4,646,893**	4,328,219	4,302,159
Order book (€ mio)	**4,851**	4,757	4,160
Personnel	**8,689**	7,752	8,160

Amart - Twice - Brussels

Pall Life Sciences - Hoegaarden

page 73 of this annual report. The results of A.A. Van Laere will be incorporated in the figures of CFE from 2018 onwards.

The convergence between MBG and Atro Bouw was completed in May 2017. Their activities will be continued under the name **MBG**. All the schools in the 'Scholen van Morgen' (Schools of Tomorrow) programme were delivered. The AZ Sint-Maarten (Mechelen) site is well advanced, as is that of the Antwerp Management School (Antwerp). 2018 looks promising, thanks to several new projects in Gierle, Brussels and Bruges. **BPC**, the entity created by the merger of CFE Brabant and BPC Brabant, has, among other items, delivered the CHIREC hospital to Delta and completed the headquarters of AXA Belgium. BPC is continuing to work on ongoing projects, and has started a dozen new sites, thereby confirming itself to be the leader in the construction of buildings in Brussels. In 2017, the Leloup Entreprise Générale and Amart entities merged under the brand **Amart**, which has delivered several building sites. The order backlog should increase the activity by 50% in 2018. **BPC Wallonie**'s activity decreased temporarily, however, due to the postponement of projects to 2018.

In the Grand Duchy of Luxembourg, **CLE** has maintained its high activity level of 2016 with the completion of several major construction projects, such as the Galerie Kons and the Aloyse Kayser school. It also started two new civil engineering projects. In Poland, **CFE Polska**'s turnover and margins are rising again, and there is a pleasing growth in assignments for international customers. In Tunisia, **CTE** signed two contracts with Siemens and the Ministère de l'équipement. The outlook remains cautious, however, given the country's economic situation.

Groep Terryn experienced a pleasing increase in the sector of solutions with laminated wood. The company looks forward positively to 2018, thanks to a significant increase in its order book for all its activities.

An '**Electro VMA**' cluster was formed in 2017, together with VMA, VMA West, Vanderhoydoncks, Nizet and various international entities. The cluster realized a large part of its turnover with installations in the field of health and of offices in Belgium and the Grand Duchy of Luxembourg. The '**Automotive**' department has carried out major automation projects for Audi in Vorst and for

CFE (excluding DEME): Breakdown by division

(€ million)	Turnover		Net result[1]		Order backlog	
	2017	2016	2017	2016	2017	2016
Construction	499.8	548.5			978.8[2]	648.7
Multitechnics	155.3	159.2			152.6	143.4
Rail Infra	62.5	62.8			98.3	58.4
Contracting	717.6	770.5	15.4	10.4	1.229.7	850.5
Real estate development	10.9	12.1	22.3	1.4	133[3]	130[2]
Holding, non-transferred activities and eliminations	-18.1	36.3	-13.7	1.2		
Total	710.5	818.9	23.9	13.0		

(1) Including contribution Rent-A-Port (45%) and Green Offshore (50%) to CFE.
(2) Including order book A.A. Van Laere (€ 241.8 mio).
(3) Real estate projects is the sum of the equity and net financial debt of the real estate division.

AXA - Brussels

Remacom - Haacht

CFE - Oosteroever - Ostend

Volvo in Ghent and Charleston (America). All in all, 2017 was a good year. The prospects for 2018 are also favourable. In the HVAC activity, the first semester of 2017 was difficult for **Druart**. The marvellous Rive Gauche project in Charleroi was delivered at the start of 2018. 2018 should be more fruitful, given the large number of orders. In the market of technical maintenance and services, **be.Maintenance** further strengthened its position in Belgium by extending its 'maintenance' portfolio for the 'Scholen van Morgen' programme.

In the 'signalling' activity, **ENGEMA** and **Louis Stevens & Co** carried out several projects, and the preparatory work for the ETCS level 2 project on the Belgian rail network was started. The 'catenary' activity had a good year, with various projects for Infrabel and Tuc Rail. The 'track' activity was considerably strengthened by the acquisition of **Coghe** at the end of the year. By combining the material park of **Remacom** with that of Coghe, CFE is now able to offer integrated solutions to its customers. In 2017, **ETEC** and **ENGEMA Lignes** joined forces in a single company to centralise the 'utilities' activities. This activity had a well-filled year, including, among others, the high-voltage line connecting the Belgian wind farms to the Dudzele network and the installation of the definitive illumination of the UNESCO-listed Belfort (belfry) of Mons.

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

Real Estate Development

BPI consolidates the real estate activities of the group in Belgium, the Grand Duchy of Luxembourg and Poland. Given the strong development of its assignments in recent years, it has revamped its organisation and its visual identity in order to meet the challenges of a highly competitive market even better.

In Belgium, BPI has continued or completed the commercialisation of the Solvay projects in Elsene, the Erasmus Garden in Anderlecht and Les Hauts Prés in Uccle, among others. The sale of the participation in the Oosteroever project in Ostend has strengthened the group's real estate results.

In the Grand Duchy, **BPI Luxembourg** has delivered the Kons project, commercialised the last units of the Bettembourg project, completed the commercialisation of the Kiem project on the plateau of the Kirchberg, and ensured the management and commercialisation of the Glesener project in Luxembourg City.

In Poland, **BPI Polska** has completed the final phase of the Four Oceans project in Gdansk with great commercial success, and is continuing to work on the construction of the Bulwary Ksiazece project in Wroclaw and the Wola Libre project in Warsaw. BPI Polska also holds a 90% stake in two new projects in Poznan and Warsaw.

Non-transferred activities

The operational management and maintenance of the Grand Hôtel in N'Djamena were transferred in June 2017 to the hotel operator appointed by the Chadian government. The receivables on Chad remained unchanged compared with the end of December 2016.

Outlook 2018

The CFE group will see its turnover increase considerably in 2018, given the well-filled order books at both DEME and Contracting.

A.A. Van Laere

Shareholding percentage AvH:
100% (contribution to result)
60% (balance sheet per 31.12.2017)

As a contractor, A.A. Van Laere is active in larger, sustainable and innovative projects in civil engineering, industrial construction, offices, healthcare, school construction and residential projects.

A.A. Van Laere experienced a difficult year in 2017, with a 30% lower consolidated turnover of 137 million euros. Some sites turned out to be heavily loss-making, partly due to the learning curve associated with new forms of contracts. The increase in turnover over the last few years has also put the organization under great pressure. A lower level of activity was therefore chosen in 2017, together with the continuing focus on operational excellence led by the CEO who was appointed in mid-2017. The integration process with the CFE group also required a lot of attention. As the parking activities were successfully sold, more time became available for the core business.

The Herman Teirlinck building in Brussels was the most important site in the field of office building for **Algemene Aannemingen Van Laere**. 2,600 Flemish civil servants were able to move into this 66,500 m² passive office building in 2017. Furthermore, the Imalso Design & Build project for the Flemish government and the Passport project for Codic were delivered. Work on the Square de Meeus and Montoyer office projects was continued for Leasinvest Real Estate. The care sector included the residential care centres for Cofinimmo and Anima Care.

Major apartment projects were delivered for Extensa and Bouygues Immobilier. The parking segment remained important, with the construction of an underground car park in Mechelen and beneath the Gedempte Zuiderdokken in Antwerp. In the distribution sector, a distribution centre was delivered in Marche, and another was started for Aldi in Turnhout.

A consortium consisting of A.A. Van Laere, DEME and the BAM group was awarded the contract for the locks complex in Terneuzen. Another tender for the first phase of the 'Oosterweelverbinding (Oosterweel Link) Antwerp' proved unsuccessful, although the tender costs were quite substantial. In the last quarter, four residential projects were awarded to A.A. Van Laere by both new and return customers.

In a competitive market, **Groupe Thiran** realized a turnover that was 4% lower compared to 2016. The weak result at Thiran was also caused by a loss-making site. Thiran remains an established value in the hospital sector, and is valued for its qualitative execution.

As a contracting company for restoration work, **Arthur Vandendorpe** is heavily dependent on public works in a competitive market. The anticipated rise in sales was not realized and the loss was higher than expected. The company will be able to reap the first benefits of the strengthening of the workforce in 2018.

At the end of December 2017, AvH sold its 100% stake in A.A. Van Laere to CFE Contracting. The price (after a dividend of 7.8 million euros) was 17.1 million euros, which corresponds to the adjusted net asset value. The acquisition of A.A. Van Laere also led to an increase of 241.8 million euros in the order book of CFE Contracting. Integration into the CFE building group will provide a lot of collaboration opportunities, both commercially and in the field of building techniques and processes.

A.A. Van Laere NV

(€ 1,000)	2017	2016	2015
Turnover	136,637	194,986	170,491
EBITDA	-21,193	-920	5,893
EBIT	-23,575	-3,399	3,258
Net result (group share)	-16,756	-2,466	2,084
Shareholders' equity (group share)	8,895	36,199	39,277
Net financial position	6,910	15,378	17,851
Balance sheet total	75,254	114,790	104,775
Personnel	440	462	465

From left to right: Natalie Verheyden, Rudi De Winter, Johan Vanhaleweyk, Manu Coppens

www.vanlaere.be

Rent-A-Port

Shareholding percentage AvH: 72%

Together with partners, Rent-A-Port develops greenfield projects for the construction of ports and associated industrial zones. In this context, Rent-A-Port also manages the associated utilities (electricity, water, waste collection and waste water treatment).

As in previous years, the activities of Rent-A-Port in Vietnam were profitable. However, since less land was available for sale, sales decreased. The result of Rent-A-Port (-6.0 million euros) was also impacted by exchange losses and by costs from the development of new projects in renewable energy.

The infrastructure in the industrial zone of Dinh Vu (**Vietnam**) is largely developed. Already more than 60 industrial customers are making use of the facilities on a recurrent basis. Rent-A-Port has also acquired important positions for the development of additional neighbouring industrial zones. Rent-A-Port is well positioned to be entrusted with the management of more than 4,000 hectares of industrial land. These are all located near the new port of Lach Huyen, the only deep-sea port (-14 m) in North Vietnam. The completion of a dike in Nam Dinh Vu ('Deep C-II Concession') has led to an accelerated delivery of new industrial sites. Rent-A-Port acquired the entire share of the Belgian International Investment Company (BMI) in December 2017.

The infrastructure in Oman and Qatar has not yet been developed sufficiently to serve a critical mass of customers. The infrastructure work at the port of Duqm (north and south) in **Oman** is progressing well, however. The completion of the port is expected by 2020. The port should also become profitable from that point onwards, and there should be sufficient industrial customers to further expand the utility facilities.

In **Qatar**, the contract with regard to the cement-unloading installation in Messaieed continues until mid-2018. Due to the boycott of Qatar by its neighbouring countries, the award of the 5-year contract for the operation of the Gabbro Terminal in Messaieed to Rent-A-Port was unfortunately withdrawn.

From left to right: Frank Wouters, Valentijn Maussen, Lieven Durt, Reggy Vermeulen

www.rentaport.be

Dinh Vu - Vietnam

The port project in the **Netherlands** will be finished in 2018. The 3 private partners (including Rent-A-Port) will sell their share in this project in April 2018.

In the meantime, **Rent-A-Port Green Energy** has started a number of concrete initiatives in Oman, Belgium and Vietnam. The associated development costs have already been included in the figures.

Rent-A-Port expects to expand further in the coming years, thanks to the mature and profitable projects in Vietnam and to the further expansion of projects in Oman, Belgium and Qatar that are not profitable at the moment.

Rent-A-Port NV

(€ 1,000)	2017	2016	2015
Turnover	4,459	4,309	4,386
EBITDA	-4,234	-2,334	-2,040
EBIT	-4,659	-2,373	-2,073
Net result (group share)	-5,991	4,423	2,599
Shareholders' equity (group share)	36,508	45,788	41,551
Net financial position	-12,334	-7,620	-9,372
Balance sheet total	55,023	61,664	60,045

Green Offshore

Shareholding percentage AvH: 80%

Green Offshore is active in the development and exploitation of offshore wind farms.

Rentel

Green Offshore has shareholdings in offshore wind farms in Belgium: Rentel (12.5% direct and indirect), Otary (12.5%) and the offshore wind projects Seastar and Mermaid that are still to be developed.

Green Offshore NV

(€ 1,000)	2017	2016	2015
Turnover	0	0	37
EBITDA	-13	-182	-321
EBIT	-13	-184	-354
Net result (group share)	127	-342	-375
Shareholders' equity (group share)	16,627	5,001	4,342
Net financial position	-18,430	-27,103	0
Balance sheet total	35,607	32,694	7,197

Rentel is an offshore wind concession in the Belgian North Sea. The wind farm lies approximately 40 km from Ostend, and will consist of 42 wind turbines of 7.35 MW. With a total installed capacity of 309 MW, it will deliver renewable energy to around 285,000 households. With their peak height of 183 m, the wind turbines are the highest to be installed in the Belgian North Sea so far. They will be delivered and maintained by Siemens and will work with direct drive, i.e. the rotor is connected directly to the generator (without a gearbox).

Rentel reached the financial close in the fourth quarter of 2016. The offshore operations have run according to plan in the past year, 2017. The first current is expected to be injected into the Belgian grid medio 2018, and the wind farm should be fully operational by the end of 2018. The Rentel project will then contribute to the leadership role of Belgium in offshore wind energy, and to the realisation of the Belgian climate targets for 2020.

In September 2017, both AvH and CFE subscribed to their 50% share in a capital increase in Green Offshore to the amount of 11.5 million euros.

In October 2017, the Belgian federal government adopted an amended legislative framework that will apply to the offshore wind farms **Seastar** and **Mermaid**. This is expected to allow the further development of those wind farms (together generating approximately 500 MW) in the short term.

Private Banking

Contribution to the AvH consolidated net result

(€ million)	2017	2016	2015
Finaxis	**-0.9**	-1.0	-0.8
Delen Private Bank	**83.3**	69.2	72.8
Bank J.Van Breda & C°	**30.8**	29.7	31.9
BDM-Asco	**0.7**	0.6	0.1
Total	**113.9**	98.5	104.0

Bank J.Van Breda & C° - Antwerp

'Private Banking' reported a record year. Both in terms of assets under management and net profit, Delen Private Bank reached new all-time highs. Bank J.Van Breda & C° managed to slightly increase its profit in a challenging market environment.

Delen Private Bank

79%	Delen Private Bank specializes in asset management and general financial advice for a wide range of private clients.

Bank J.Van Breda & C°

79%	Bank J.Van Breda & C° is a specialized advisory bank focusing exclusively on entrepreneurs and liberal professionals.

BDM-Asco **Held for sale**

50%	The insurance group BDM-Asco focuses on marine and industrial insurance via brokers.

Delen Private Bank

DELEN PRIVATE BANK

Shareholding percentage AvH: 79%

Delen Private Bank specializes in asset management and general financial advice for a wide range of private clients. The 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), had a total of 40,545 million euros under management at year-end 2017.

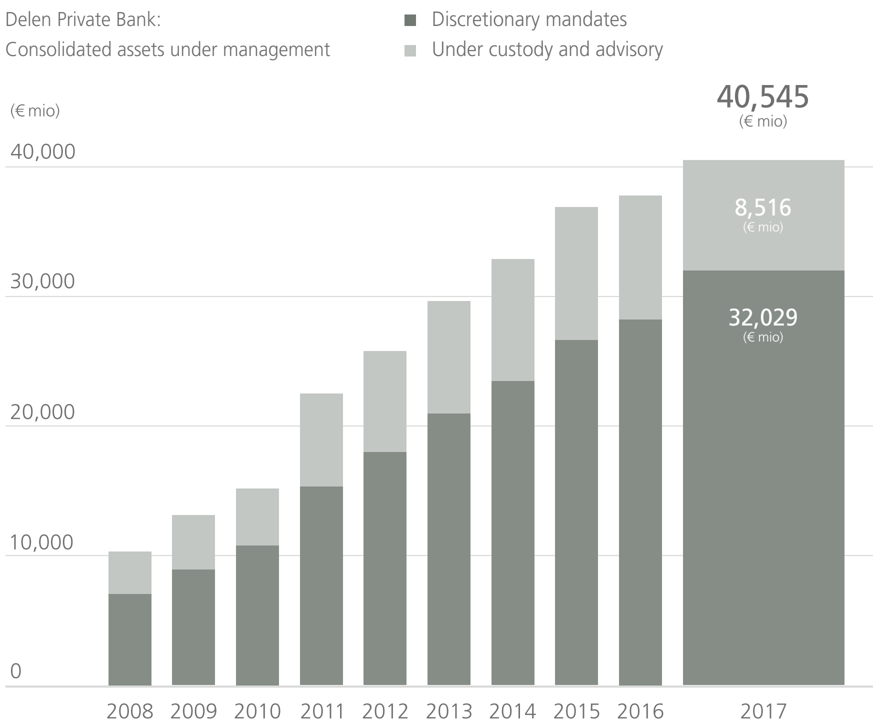
Financial overview 2017

The assets under management of Delen Private Bank attained on a consolidated level a record high of 40,545 million euros at year-end 2017 (37,770 million euros at year-end 2016).

The strong growth at Delen Private Bank, where the assets under management increased from 27,383 million euros (2016) to 29,410 million euros (2017), is the result of a positive impact of the increasing value of the assets and of a record high organic net growth, from both existing and new private clients. All Belgian branches contributed to this constant net inflow of assets. This testifies to the confidence that clients have in Delen Private Bank, and confirms its prominent position in discretionary asset management in Belgium. There was a strong inflow of assets throughout 2017, and almost exclusively in discretionary asset management. As a result, the share of assets under discretionary mandates at Delen Private Bank increased from 76% (year-end 2016) to 81% (year-end 2017). The prudent investment strategy continues to prove its added value. In 2017, Delen Private Bank realized better returns for its clients than the industry average (with similar risk profile).

The UK asset manager JM Finn (Delen Private Bank 81.0%) reported an increase in assets under management from 9,730 million euros (8,331 million £) at year-end 2016 to 10,475 million euros (9,294 million £) at year-end 2017. This increase is explained by a positive impact of the increasing value of the assets (expressed in GBP) and a net inflow of assets. This favourable development was diluted by the exchange rate development of pound sterling against the euro (-3.5%).

Delen Private Bank - Liège



Delen Private Bank - Brussels

At December 31, 2017, the assets under management for private clients and foundations at Oyens & Van Eeghen amounted to 660 million euros (657 million euros at year-end 2016).

The gross revenues of the Delen Private Bank group increased by 17.2% in 2017 to 366.9 million euros, in which the share of JM Finn and Oyens & Van Eeghen amounted to 82.7 million euros. This increase is primarily attributable to the higher level of assets under management. The operating costs increased by 7.7% (11.4% excluding JM Finn and Oyens & Van Eeghen). The increased costs at Delen Private Bank connected with the constant developments in IT and the recruitment of commercial staff are a direct result of the growing activity. At JM Finn, the increase in costs in local currency terms is the result of higher labour costs and increased expenditure on marketing and IT. The cost-income ratio decreased to a highly competitive 53.7% (only 42.5% for Delen Private Bank, 83.7% for JM Finn). This ratio improved significantly in relation to 2016 (57.8%) as the increased income gave rise less than proportionally to an increase in costs. At year-end 2017, the group had 676 employees (FTE), of whom 360 at Delen Private Bank, 298 at JM Finn, and 18 at Oyens & Van Eeghen.

> "In 2017, Delen Private Bank realized better returns for its clients than the industry average (with similar risk profile)."

The net profit increased in 2017 to 105.8 million euros (compared with 87.9 million euros in 2016). The contribution of JM Finn to the net result of the group was 7.1 million euros (after depreciation of the client base and 19% minority interests of 2.7 million euros; 2016: 5.6 million euros). The contribution of Oyens & Van Eeghen to the net result of the group was slightly negative due to restructuring costs and the scaling down of services to institutional investors.

The consolidated equity of Delen Private Bank stood at 678.8 million euros as at December 31, 2017 (compared with 621.2 million euros at year-end 2016). This amount already takes into account the option of the JM Finn management to sell the remaining shares (valued at 27.5 million euros) to the Delen Private Bank group in the future. The group's Core Tier1 capital (taking into account the intangible assets of 238.3 million euros, of which 49.8 million euros from clients of JM Finn and 7.1 million euros from clients of Oyens & Van Eeghen) amounted to 368.4 million euros at year-end (compared with 377.3 million euros at year-end 2016). The Delen Private Bank group is more than adequately capitalized and amply satisfies the Basel III criteria with respect to equity. The Core Tier1 capital ratio of 29.3% is well above the industry average and takes into account the long-term commitment to buy out minority shareholders in JM Finn. Delen Private Bank has a sound and easily understood balance sheet. Cash equivalents continue to be invested conservatively with the National Bank of Belgium, in high-quality government bonds (no PIIGS exposure), in high-quality short-term commercial paper from blue-chip companies, or in short-term deposits with highly respected banks. The impact of the Basel III requirements is limited for Delen Private Bank, 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 16.3%.

Operational overview 2017

Delen Private Bank (B, Lux, CH)

In 2017, 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 a good economic situation and good performance of the stock markets worldwide, low inflation in developed countries and a strong European currency, Delen Private Bank recorded very satisfactory results and always kept the risks limited.

In 2017, 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 2017, 81% (23,704 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 92%. This now represents more than 24,600 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 diversification outside the eurozone resulted in a negative contribution. 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 2017, with all asset classes contributing to the result.

Delen Private Bank continues 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. This encourages Delen Private Bank to carry on investing in staff and infrastructure. In 2017, branches were opened in Namur, Leuven and in the Kempen area, while the branches in West Flanders were extended. The Antwerp staff moved to a temporary location in order that extension and renovation works at the head office can begin. More investments are planned in Leuven. Delen Private Bank will open a new branch in Knokke, and 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, 2017, Delen Private Bank was managing 5,474 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° (1,023 million euros). Bank J.Van Breda & C° thus represents approximately 22% of the total assets managed by Delen Private Bank.

JM Finn (UK)

At JM Finn, 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 in 2016, the London stock market resolutely opted for an upward trend, which continued in 2017. The weakening of 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 was able to achieve good results for its clients in 2017.

Delen Private Bank - Hasselt

Delen Private Bank - Brussels

Delen Private Bank - Antwerp

Delen Private Bank - Ghent

Delen Private Bank[1]

(€ 1,000)	2017	2016	2015
Gross revenues	366,912	313,071	314,094
Net result (group share)	105,836	87,877	92,417
Shareholders' equity (group share)	678,792	621,204	582,554
Assets under management	40,544,926	37,769,779	36,884,917
Cost-income ratio	53.7%	57.8%	54.9%
Return on equity	16.3%	14.6%	16.8%
Core Tier1 capital ratio[2]	29.3%	30.9%	26.0%
Personnel (FTE)	676	657	641

(1) In 2017, all operating activities that were still directly under the control of Delen Investments Comm. VA were transferred to Delen Private Bank, as a consequence of which the scope of activities of Delen Investments Comm. VA and Delen Private Bank, its only participation, are the same. The financial data used are consolidated data for Delen Investments Comm. VA that correspond with this scope in both 2017 and prior to this.
(2) Core Tier1 = solvency ratio

The acquisition of 73.49% of the London-based asset manager JM Finn in 2011 was an important step for the Delen Private Bank group. In 2016 and 2017, Delen Private Bank bought 7.5% from the minority shareholders in order to increase its direct shareholding to 81.0%. At year-end 2017, JM Finn had 10,475 million euros (9,294 million £) assets under management, of which 74% under discretionary management. The increase in assets under management and in the share of discretionary management confirms JM Finn as a healthy firm with growth potential. JM Finn's position in the UK onshore asset management market, combined with the passion and experience of Delen Private Bank, should enable JM Finn to continue expanding and to become a prominent player in the English asset management market.

2017 was another busy year for JM Finn in operational terms. This was driven by a strong interaction with its clients at its branches or at events, important initiatives to meet the tightened MiFID II compliance environment, efficiency improvement of the organization, and further development of the partnership with Delen Private Bank. Emphasis is also on increasing commercial activity by rolling out the new asset planning activity and the implementation of new CRM software. The executive committee of JM Finn 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 (NL)

In 2015, Delen Private Bank acquired all the shares of Oyens & Van Eeghen, one of the Netherlands' oldest independent financial institutions, established in 1797. In this way, Delen Private Bank strengthened its position in the Benelux area. At year-end 2017, Oyens & Van Eeghen had 660 million euros worth of assets under management for private clients, of which 87% under discretionary management. 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 foundations. 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 also benefited from the recovery of economic growth and the stimulating effect of monetary policy on the stock markets. 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 short maturities like at Delen Private Bank. Coupled with an effective selection of credit risk, the short maturities made a satisfactory contribution to the bond portfolios. Thanks to consultation with the management team of Delen Private Bank and the transfer of consolidated responsibility for bond investments to staff of Oyens & Van Eeghen, the investment strategies in the Netherlands and Belgium continue to converge.

In operational terms, 2017 was a year with important developments for Oyens & Van Eeghen. The new management took over in 2017, and by the end of the year the services to large institutional clients were scaled down. The team in charge of this activity left in order to carry it on elsewhere. The expertise, particularly in the field of BEVEKs, and the IT systems which Delen Private Bank developed in Belgium contribute very substantially towards an improvement in terms of service and efficiency in the Netherlands. Oyens & Van Eeghen is thus able to serve a larger private clientele from its branch offices in Amsterdam and Den Bosch. Oyens & Van Eeghen also continues to search for talented commercial staff to support and accelerate growth.

Outlook 2018

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 (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 2018 with a healthy dose of cautious optimism in view of the favourable economic outlook. Nevertheless, the high stock valuation levels give grounds for caution, as the markets are vulnerable to rising interest rates and geopolitical tensions. 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.

Delen Private Bank - from left to right: Paul De Winter, Alexandre Delen, Eric Lechien, Arnaud van Doosselaere, René Havaux

www.delen.be

JM Finn - 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: Frederik Kalff, Vanessa Geudens, Frederik Baert

Bank J.Van Breda & C°

Shareholding percentage AvH: 79%

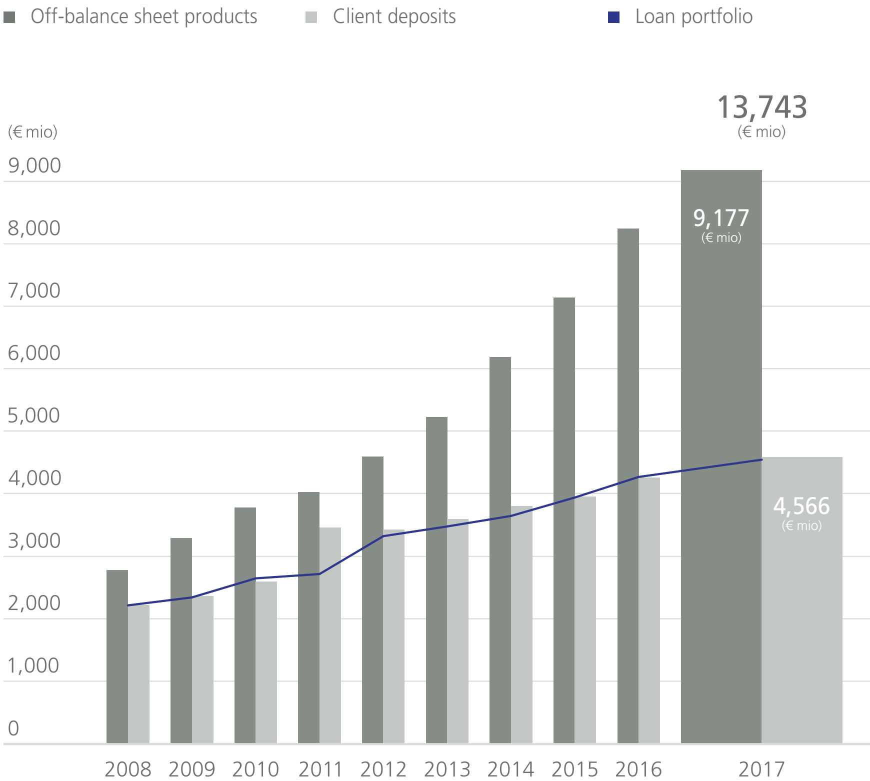
Bank J.Van Breda & C° is a specialized advisory bank focusing exclusively on entrepreneurs and liberal professionals. ABK bank positions itself as an asset manager for private clients. Van Breda Car Finance offers car finance and leasing services through car dealers.

Financial overview 2017

In 2017, Bank J.Van Breda & C° again reported a solid commercial performance. The commercial volumes (total invested by client + lending to clients) increased by 10%, from 16.7 billion euros at year-end 2016 to 18.3 billion euros at year-end 2017.

The bank's equity increased to 539 million euros, with a 7.4% return on equity (ROE). The consolidated net profit amounted to 39.1 million euros (+4% compared with 2016), which is a good performance given the bank's conservative investment policy and the persistently low interest rates.

Bank J.Van Breda & C°: Invested by clients[1]



[1] Including ABK bank (since 2011) and Van Breda Car Finance

Growth in off-balance sheet investments and bank product

The consolidated bank product increased by 6% to 141 million euros. Realized capital gains, dividends and results of hedging instruments represent less than 3% of the total bank product, which is hence almost entirely commercially driven.

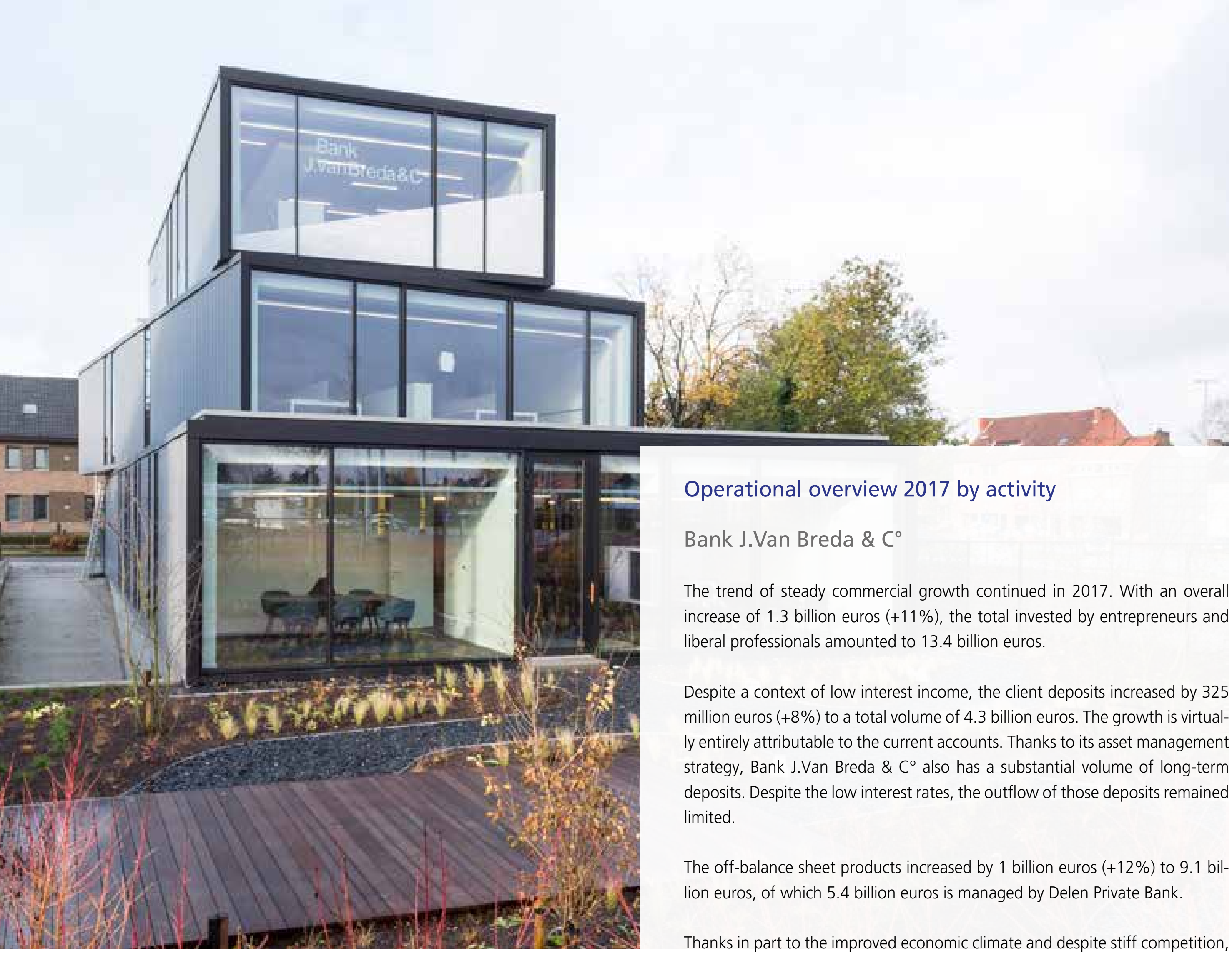
The interest result decreased by 2%, despite the increase in deposits (+8%) and loans (+7%). This is a consequence of a flat yield curve, the pressure on the interest margin, and the bank's strategy of prioritizing security over performance in its investment portfolio. The net fee income increased by 16%, driven by a 12% growth in off-balance sheet products of clients.

The investment trajectory of previous years continued unabated. The bank's own fully integrated IT platform puts Bank J.Van Breda & C° in an excellent position to take full advantage of the opportunities presented by the digitization. The bank also continues to invest in new branch offices and in commercial strength.

The costs increased by 5% to 83.6 million euros, primarily as a result of those forward-looking investments in commercial strength. Thanks to a high level of efficiency, the cost-income ratio decreased further from 59.4% in 2016 to 59.1% in 2017.

Increase in invested funds and lending

The total invested by clients increased by 1.3 billion euros, or 10%, to more than 13.7 billion euros. This testifies to the clients' confidence in their bank. The total loan portfolio increased by 7% to more than 4.5 billion euros.



Bank J.Van Breda & C° - Hasselt

Operational overview 2017 by activity

Bank J.Van Breda & C°

The trend of steady commercial growth continued in 2017. With an overall increase of 1.3 billion euros (+11%), the total invested by entrepreneurs and liberal professionals amounted to 13.4 billion euros.

Despite a context of low interest income, the client deposits increased by 325 million euros (+8%) to a total volume of 4.3 billion euros. The growth is virtually entirely attributable to the current accounts. Thanks to its asset management strategy, Bank J.Van Breda & C° also has a substantial volume of long-term deposits. Despite the low interest rates, the outflow of those deposits remained limited.

The off-balance sheet products increased by 1 billion euros (+12%) to 9.1 billion euros, of which 5.4 billion euros is managed by Delen Private Bank.

Thanks in part to the improved economic climate and despite stiff competition, the volume of lending to entrepreneurs and liberal professionals increased by 274 million euros (+7%) to 4.1 billion euros.

The provisions for loan losses remained limited to 0.04% of the average loan portfolio, or 1.7 million euros. Nevertheless, this cautious policy didn't limit lending, causing the consolidated loan portfolio to grow by 7%.

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 143% and 121% respectively, which is well above the requisite lower limit of 100%. The Core Tier1 capital ratio amounted to 14.2%. The loan portfolio is financed entirely from client deposits, making the bank independent from external funding on the international markets.

> "The trend of steady commercial growth at Bank J.Van Breda & C° continued in 2017."

The equity (group share) increased from 518 million euros to 539 million euros. This allows the bank to sustain commercial growth without losing a healthy leverage, which is the best protection for the depositors. The solvency expressed as equity to assets (leverage ratio) stood at 8.9%, well above the 3% which the regulator wants to introduce at the earliest by 2018 under Basel III.

ABK bank

As a result of a merger with Bank J.Van Breda & C° on 17/11/2017, ABK bank is now a division of Bank J.Van Breda & C°. Since the acquisition in 2011, ABK bank has repositioned itself as a premium bank for individuals. ABK assists clients in building up, managing and protecting their assets with a view to the long-term. In so doing, ABK bank continues to honour the tradition of simple and transparent products.

ABK bank reported a strong commercial performance by attracting new clients with investments. The bank's external profile was reinforced by its sponsoring of the Belgian Bullets, the successful Belgian women's bobsleigh team. The contract runs until the 2018 Winter Olympics.

At year-end 2017, clients had entrusted 358 million euros worth of assets (+4%). Within the category of client deposits, there was an outflow of non-core clients, which was more than compensated by the increase in off-balance sheet products of the 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 16.6 million euros to 108 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.


Women's bobsleigh team Belgian Bullets, sponsored by ABK bank

Bank J.Van Breda & C° - Antwerp

Bank J.Van Breda & C° NV

(€ 1,000)	2017	2016	2015
Bank product	141,380	133,964	133,872
Net result (group share)	39,081	37,736	40,479
Shareholders' equity (group share)	538,718	518,257	501,633
Balance sheet total	5,424,639	4,992,240	4,717,833
Invested by clients	13,742,754	12,448,468	11,134,393
Loan portfolio	4,528,679	4,223,318	3,932,237
Net loan loss provision	0.04%	0.01%	0.01%
Cost-income ratio	59.1%	59.4%	55.6%
Return on equity	7.4%	7.4%	8.3%
Core Tier1 capital ratio	14.2%	14.8%	14.5%
Solvency ratio (RAR)	14.9%	15.8%	15.9%
Personnel	471	471	465

Despite all the investments and the development of greater commercial strength, the costs decreased by 6%.

Van Breda Car Finance

In a slightly growing car market (+1.3% in new passenger car registrations), Van Breda Car Finance recorded a strong commercial performance. The new production volume increased by 20% in 2017, while the portfolio increased by 15% to 367 million euros. Thanks to the further increase of the share of financial leasing in the total production volume, the interest margin increased.

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

www.bankvanbreda.be

Provisions for loan losses increased, but still remained low at just 0.14% of the average loan portfolio. This means that Van Breda Car Finance reported a good result in 2017 as well.

Outlook 2018

The strong financial results of 2017 were supported by the good stock market climate and a renewed optimism among European consumers and businesses. The European economy is currently being driven by a widespread positive momentum, inspiring the European Central Bank (ECB) to start tightening its policy after the example of the Federal Reserve (US central bank). This turnaround, however, may be accompanied by some degree of nervousness. It should also be remembered that the present recovery cycle is now the second longest in the modern economic era.

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

The goodwill, reputation, positioning, constant investments and sound financial structure of the bank constitute a solid basis for a long-term financial growth.

BDM-Asco

Held for sale

Shareholding percentage AvH: 50%

The insurance group BDM-Asco 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 sustained remediation campaigns of recent years (mainly in Marine and Automotive) have led to very good technical results in all insurance branches of the BDM-Asco portfolio. In 2017, the portfolio started to grow again.

The premium income in Cargo and Hull increased by 4% compared with 2016, despite a still highly competitive market. The 'Property & Casualty' portfolio increased by 2% in 2017. The solid growth in niche segments such as Engineering and BOAR Commerce & Private was moderated somewhat by a deliberate reduction of the share in more volatile business. The overall premium volume increased from 53 million euros at year-end 2016 to 54 million euros at year-end 2017.

Asco's gross premiums increased by 1% in 'Property & Casualty', but reduced by 22% in Marine due to the limitation in the proportion of the premiums that was subscribed by Asco itself. This approach paid off in terms of technical results, as Asco was able to report an even better technical result at year-end 2017 than at year-end 2016.

Along with overheads that are well under control, and despite somewhat lower investment results (in line with the performance of the financial markets), this led to a consolidated result after tax of 3.6 million euros at year-end 2017, compared with 1.1 million euros at year-end 2016.

BDM NV - Continentale Verzekeringen NV (Asco NV)

(€ 1,000)	2017	2016	2015
ASCO			
Gross premiums	**26,714**	27,794	32,175
Net result (group share)	**3,634**	1,145	248
Shareholders' equity (group share)	**15,350**	11,782	10,614
BDM			
Premiums earned	**53,949**	52,685	53,631
Operating results	**5,930**	5,989	6,155
Net result (group share)	**-538**	47	72
Shareholders' equity (group share)	**4,728**	5,266	5,177
Personnel (BDM-Asco)	**61**	50	55

Asco acquired 100% of the Luxembourg reinsurer Canal Re (formerly a subsidiary of the Nationale Maatschappij der Pijpleidingen) in 2017. Canal Re was incorporated into the reinsurance structure of Asco as of 2017.

On December 18, 2017, AvH and SIPEF, both 50% shareholders of BDM-Asco insurance group, announced the sale of 100% of the BDM-Asco shares to The Navigators Group, Inc. This transaction is still subject to the approval of the relevant regulatory authorities. The Navigators Group is an international insurance holding company, specializing in niche insurance products, and operates in the USA, the UK, the European continent, and Asia. After the acquisition of BDM-Asco, it will play a central role in the development of the growth of The Navigators Group in Europe.

BDM-Asco

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

www.bdmantwerp.be - www.ascocontinentale.be

Real Estate & Senior Care

Contribution to the AvH consolidated net result

(€ million)	2017	2016	2015
Extensa Group	**29.9**	30.4	31.0
Leasinvest Real Estate	**14.9**	10.1	9.9
Anima Care	**4.4**	3.6	1.1
HPA	**5.1**	2.1	1.6
Holding Groupe Duval	**-**	-	-8.0
Total	**54.3**	46.2	35.6


Extensa - Cloche d'Or - Luxembourg (August 2017)

All the group companies in 'Real Estate & Senior Care' equalled or increased their results in 2017. With a total contribution of 54.3 million euros to the group profit, they surpassed their strong performance of 2016.

Extensa Group

100%	Extensa is a real estate developer focused on residential and mixed projects in Belgium and the Grand Duchy of Luxembourg.

Leasinvest Real Estate

30%	LRE is a listed real estate company active in retail and offices in the Grand Duchy of Luxembourg, Belgium and Austria.

Anima Care

93%	Anima Care specializes in the care and health sector in Belgium, focusing on the up-market segment of accommodation and care for the elderly.

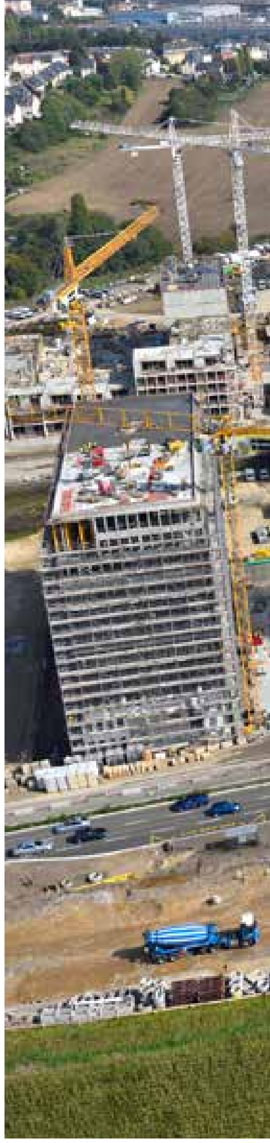
HPA

72%	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).

Extensa Group

Shareholding percentage AvH: 100%

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



Financial overview 2017

Extensa Group equalled the good result of 2016 (30.4 million euros) with a net profit in 2017 of 29.9 million euros.

Tour & Taxis made a gross contribution of 16.8 million euros, generated by the rental and management of properties (such as the Sheds, Hôtel de la Poste, car parks, events), the sale of apartments in the Gloria residence, and the last contribution of the VAC De Meander project (Herman Teirlinck building), which was delivered to the tenant (Flemish Government) on a long-term lease and sold to Baloise Group.

In Luxembourg, Cloche d'Or made a gross contribution of 27.2 million euros from two office projects under construction and the sale of apartments.

The balance sheet total decreased from 653 million euros at year-end 2016 to 412 million euros at year-end 2017, primarily due to the disposal of the shares in VAC De Meander. The equity decreased from 242 million euros at year-end 2016 to 164 million euros. Extensa sold its 29.3% interest in Leasinvest Real Estate to AvH in 2017 and subsequently paid a dividend of 156.8 million euro, which explains the significant reduction in Extensa's equity.

Tour & Taxis - Brussels Environment and Herman Teirlinck - Brussels

Operational overview 2017

Urban development projects

The special zoning plan for the entire **Tour & Taxis** site in Brussels was approved in June 2017, creating a clear legal framework for the further development of the site.

The Herman Teirlinck office building (48,096 m² gross) was delivered to the Flemish Government in August 2017. This energy-efficient building is fully operational as the new Flemish Administrative Centre in Brussels. In November 2017, Extensa finalized the sale of the project company to Baloise Group. The gross contribution is recognized according to percentage of completion of the building (2015-2017), and amounted to 10.9 million euros in 2017. Extensa used the proceeds of this sale to repay the outstanding balance of the bridge loan of 75 million euros which it had taken out at the beginning of 2015 to increase its stake in Tour & Taxis by 50%.

The 115 apartments of the Gloria residence, the first apartment building on the Tour & Taxis site, was completed in the first quarter of 2017. By the end of 2017, all but one (a show apartment) residential units were sold.

Planning permission for the rest of the residential quarter and for the 'Gare Maritime' is still pending and is expected in 2018.

The renovation of the existing structure of the 'Gare Maritime' has started and will be completed in the second quarter of 2018. 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 a food court. Some of the surrounding buildings (the Quai, 'Dangerous Products') were also refurbished and will mainly be used for events. By the end of 2017, prospective tenants had signed letters of intent for approximately 40% of the office space of the 'Gare Maritime'.

On the site at the Willebroekkaai, Extensa started work on the Riva project with 139 apartments overlooking the canal and the Royal Warehouse. Sufficient reservations had been signed by the end of 2017 to start construction work. Construction of the new Picard Bridge by Beliris will begin in the second quarter of 2018.

Cloche d'Or - Luxembourg

Cloche d'Or - Deloitte office buildings - Luxembourg (artist impression)

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 construction of the two new boulevards by the city of Luxembourg and the Luxembourg state is on schedule. Parts of the new roads are already open to the public.

Off-plan sales of the apartments began in October 2014. By the end of 2017, 803 housing units were sold, which is above expectations. Construction work continues, and the margins are recognized according to percentage of completion. Construction work on the headquarters of Alter Domus (10,500 m²) and Deloitte Luxembourg (30,000 m²) is also on schedule. Completion is still scheduled for the third quarter of 2018. In December 2017, exclusive negotiations began with Ethias and Integrale on the sale of the Deloitte project.

Extensa Group equalled the good result of 2016 with a net profit in 2017 of 29.9 million euros

Developments and residential projects in Belgium

Several new construction projects are going through the administrative procedures for enforceable building permits. In Flanders, the portfolio comprises projects in Edegem, Schilde, Wuustwezel, Kapellen, Brasschaat, Zoutleeuw, Roeselare and Leuven.

The Groeningen project in Kontich (650 houses and apartments) was approved by the local authority, but is now under appeal by third parties. In Wallonia, planning procedures for the projects in Wavre, La Hulpe and Tubize continue.

All apartments of the inner-city project 'De Munt' in Roeselare (Extensa 50%) have been completed, but have not all been sold yet.

Slovakia, Romania, Turkey

In Trnava, Slovakia, Top Development (Extensa 50%) continues to manage its retail park (7,730 m²) and is considering the sale of its energy network in 2018. Further sales or developments of the available sites are under investigation.

In December 2017, after years of litigation, Extensa became full owner of the land positions in Romania (which were previously held in a 50% joint venture), so that development can progress.

As regards the land position in the Topkapi neighbourhood (Zeytinburnu) in Istanbul, the development project (around 250 apartments) is being negotiated with the government. Planning permission is expected in 2018.

Real estate investments

At year-end 2017, apart from the heritage buildings on the Tour & Taxis site, four other buildings with a total carrying value of 11 million euros remained in the real estate portfolio. One of those other buildings will be sold in the first quarter of 2018. The others remain fully let.

Outlook 2018

The current projects on Tour & Taxis and Cloche d'Or will continue to support the results in 2018 and subsequent years.

Tour & Taxis - Riva & Picard Bridge - Brussels (artist impression)

Tour & Taxis - Gare Maritime - Picard - Brussels (artist impression)

Extensa Group NV: Balance sheet

(€ million)	2017	2016	2015
Participation in Leasinvest Real Estate (LRE)	0.0	104.3(1)	106.1(1)
Tour & Taxis	215.4	359.8	240.0
Cloche d'Or	77.4	80.3	91.1
Other positions	48.5	58.3	58.2
Cash & equivalent	28.4	32.9	38.3
Other assets	42.3	18.2	25.4
Total assets	**412.0**	**653.8**	**559.1**
Shareholders' equity (group share)	163.6	242.4	205.2
Minority interests	20.1	5.7	8.4
Financial debt(2)	129.8	293.0	266.1
Other liabilities	98.5	112.7	79.4
Total liabilities	**412.0**	**653.8**	**559.1**

(1) Number of shares 1,444,754 (29.3%); shares through AvH: 37,211
(2) Net financial debt: € 100.3 mio (2017), € 260.1 mio (2016), € 227.9 mio (2015)

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

www.extensa.eu

Leasinvest Real Estate

Shareholding percentage AvH: 30%

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

Mercator - Luxembourg

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

54%	35%	11%
Luxembourg 17 sites	Belgium 8 sites	Austria 3 sites

48%	45%	7%
Retail	Offices	Logistics

The economic situation continued to improve in the Grand Duchy of Luxembourg, Belgium and Austria in 2017. By diversifying into Luxembourg (since 2006) 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, LRE is one of the prime foreign property investors. About as many office rentals were realized in that market in 2017 as in 2016, namely 213,000 m². The vacancy rate remained low at 4.4%. Retail rentals were on a comparable level with 2016. In Belgium, the office market recorded an 8% increase in rental volumes to 785,000 m² compared with 2016. Prime rents increased, while the vacancy rate decreased further to 8.2%. The rental volume in the retail market showed a negative trend, however, with a 9.5% decrease to 345,000 m². In Austria, the retail market is going through a transformation phase marked by a successful modernization of larger retail parks/clusters. With a growing population in and around Vienna, retail rentals are seeing a steady increase.

The strategy of Leasinvest Real Estate changed very significantly in 2017. In view of the lack of attractive additional investments in Switzerland, it was decided to reallocate the proceeds from the disposal of the Swiss portfolio to Austria. It was also decided to confine LRE's presence to two asset classes and to dispose of the major part of the logistics portfolio. This realignment of focus will lead to a more efficient organization, an improved cost structure and quality of the existing portfolio.

"Leasinvest Real Estate has decided to focus on two asset classes (retail and offices) and three countries (Luxembourg, Belgium and Austria)."

Financial overview 2017

At year-end 2017, the fair value of the consolidated real estate portfolio, including project developments, amounted to 903.0 million euros (compared with 859.9 million euros as at year-end 2016).

The total occupancy rate remained high at 94.80%. The slight decrease compared with year-end 2016 (96.77%) is mainly explained by the redevelopment of the Montoyer 63 office building and the sale during 2017 of the fully let logistics buildings and the properties in Switzerland. Following additional investments in Lux Airport real estate certificates, LRE increased its stake in Lux Airport to more than two-thirds of the outstanding certificates, so that the income from this could also be recognized as rental income (1.3 million euros), besides a non-recurring capital gain of 8.1 million euros that was recognised in the financial statements of 2017.

The rental yield decreased from 6.78% at year-end 2016 to 6.44% at year-end 2017. The rental income increased slightly to 56.9 million euros compared with last year (56.6 million euros). The loss of rental income resulting from the sale of several properties in 2017 was more than compensated by the acquisition of


Montoyer 63 - Brussels
(artist impression)


Hornbach - Austria

Stadlau - Austria

two new properties in Austria, the increased occupancy rate of several buildings in portfolio (primarily Mercator and Riverside), and the recognition of the coupon of the Lux Airport certificates as rental income.

At year-end 2017, the equity (group share) stood at 382 million euros (2016: 356 million euros). The revalued net assets stood at 77.4 euros per share based on the fair value of the real estate (72.2 euros at year-end 2016), and 81.1 euros (75.6 euros at year-end 2016) based on the investment value. The financial debt remained stable at 540 million euros. The debt ratio (calculated according to the Belgian Royal Decree of 13/07/2014) decreased to 57.1% (58.0% at year-end 2016). The balance sheet total amounted to 999 million euros at the end of the financial year (2016: 988 million euros).

LRE ended its 2017 financial year markedly better than last year with a higher net result (group share) of 47.5 million euros (29.4 million euros at year-end 2016), or 9.63 euros per share (5.96 euros at year-end 2016), primarily thanks to substantial capital gains on the buildings portfolio.

Leasinvest Real Estate Comm. VA

(€ 1,000)	2017	2016	2015
Net result (group share)	47,545	29,436	30,618
Shareholders' equity (group share)	382,206	356,407	362,405
Real estate portfolio (fair value)	902,994	859,931	869,361
Rental yield (%)	6.44	6.78	6.88
Occupancy rate (%)	94.80	96.77	95.80
Per share (in €):			
Net asset value	77.40	72.20	73.40
Closing price	96.00	105.50	93.09
Gross dividend	5.00	4.90	4.70

Lux Airport - Luxembourg

The price of the LRE share fluctuated in 2017 between 93.99 euros and 107.95 euros. The closing price at the end of the year was 96.00 euros. The gross dividend per share for the 2017 financial year will amount to 5.00 euros, or a gross dividend yield (based on the closing price) of 5.2% (2016 financial year: 4.6%).

Operational overview 2017

At the beginning of January, demolition and construction work began on the Montoyer 63 office building, situated on Montoyerstraat in Brussels. Provisional acceptance is expected by the end of 2018.

At the beginning of May, Leasinvest Real Estate acquired the Mercator office building on Route d'Arlon in Luxembourg city. Only 42% of the building was occupied at the time of acquisition, but it was fully let by the end of 2017.

At the end of June, the semi-industrial property Vierwinden in Nossegem was sold for 2 million euros.

At the end of September, the renovation works for the first phase of Boomerang Retail Park in Strassen (Luxembourg) were successfully completed. The sitting tenants had extended their leases. Planning permission for the second phase was obtained at the end of 2017. The works will start in 2018.

Also at the end of September and the beginning of October, the logistics properties of the SKF site in Tongeren, Canal Logistics phase 1 in Brussels, and a third property situated in Wommelgem were sold on a long lease of 99 years to a foreign institutional investor for 60 million euros.

At the beginning of October, the two retail parks in Stadlau (Vienna) were acquired for a total price of 56.2 million euros.

Also at the beginning of October, the three retail properties in Switzerland were sold for 48 million Swiss francs.

At the end of December, the threshold of 66.66% in the listed real estate certificate Lux Airport was exceeded. This participation now amounts to 66.72%. In accordance with IAS 40, the financial assets were reclassified to investment property.

Also at the end of December, 25% of the Treesquare office building under construction in Brussels was pre-let (which will be provisionally accepted at the end of Q1 2018), while the rest of the Mercator building was fully let.

During 2017, several leases were concluded in Luxembourg, Belgium and Austria.

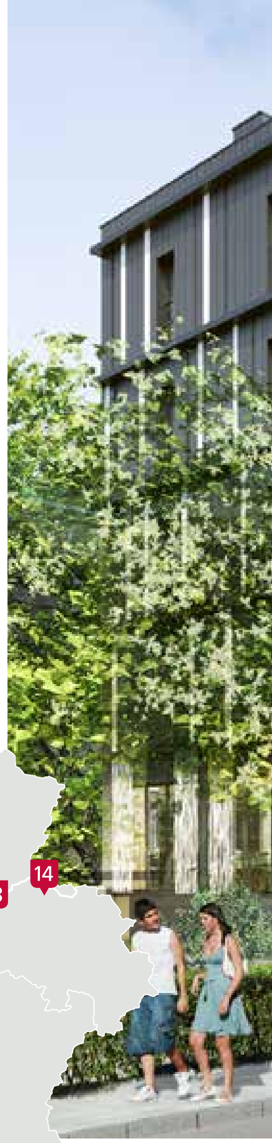
Outlook 2018

Jean-Louis Appelmans will retire at the end of May 2018, after nearly 19 years as CEO of Leasinvest Real Estate. He will be succeeded by Michel Van Geyte, current CIO and co-CEO.

For 2018, Leasinvest Real Estate expects rental income in line with 2017. The financing costs will decrease, partly by a restructuring of the derivatives portfolio. Consequently, barring exceptional and unforeseen circumstances, the dividend should be able to be maintained at least on the same level.

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

www.leasinvest.be



Anima Care

Shareholding percentage AvH: 93%

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

At year-end 2017, Anima Care had 2,010 beds in operation: 1,728 retirement home beds, 77 convalescent home beds, and 205 service flats, spread over 20 care centres (8 in Flanders, 8 in Brussels, 4 in Wallonia).

Financial overview 2017

Anima Care realized a turnover of 75.2 million euros in 2017. The turnover increase by 18.8 million euros compared with 2016 is primarily attributable to the recent acquisitions. The impact of the six acquisitions that were realized in 2017 was reinforced by the full year's contribution of 'Le Birmingham' and 'Duneroze'. These two residences - together representing 260 beds - have been reported since the fourth quarter of 2016.

The EBITDAR increased to 16.1 million euros (2016: 14.0 million euros). The net profit for 2017 amounted to 4.8 million euros (2016: 3.9 million euros).

The group's equity increased from 46.6 million euros at year-end 2016 to 54.3 million euros at year-end 2017. In 2017, the capital was paid-up further to the amount of 2.0 million euros. At year-end 2017, another 4.7 million euros in capital remains to be paid-up.

The net financial debt increased from 72.7 million euros at year-end 2016 to 85.2 million euros at year-end 2017. The increased net debt position is largely

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. Zonnesteen - Zemst
8. Parc des Princes - Oudergem
9. Résidence St. James - La Hulpe
10. Aquamarijn - Kasterlee
11. Zevenbronnen - Walshoutem
12. Philemon & Baucis - Zoutleeuw
13. Château d'Awans - Awans
14. Les Comtes de Méan - Blegny
15. Eden - Sint-Lambrechts-Woluwe
16. Arcade - Sint-Lambrechts-Woluwe
17. La Roseraie - Anderlecht
18. Neerveld - Sint-Lambrechts-Woluwe
19. Edelweiss - Anderlecht
20. Atrium - Kraainem

Anima Care NV

(€ 1,000)	2017	2016	2015
Turnover	75,182	56,438	46,981
EBITDA	14,281	13,094	8,890
EBIT	6,232	8,392	4,539
Net result (group share)	4,799	3,939	1,075
Shareholders' equity (group share)	54,295	46,645	40,039
Net financial position	-85,247	-72,705	-69,242
Balance sheet total	172,929	151,902	140,180
Personnel	1,365	1,119	824

Eden - Vorst (artist impression)

attributable to the financing of the acquisition of six residential care centres in 2017 and the various building projects that were started up in 2017. The recent acquisitions and the investments in the new construction projects led to an increase in the balance sheet total from 151.9 million euros at year-end 2016 to 172.9 million euros at year-end 2017.

Operational overview 2017

Anima Care reported a vigorous growth in its activities in 2017. As a result of acquisitions, the number of care centres increased from 14 to 20, and the number of retirement home beds in operation from 1,347 at year-end 2016 to 1,728 at year-end 2017.

- At the end of March, three Brussels retirement homes, which together have 167 retirement homes in operation, were acquired from Valmont Santé Belgium. 'La Roseraie' in Anderlecht has 72 beds, while the 'Arcade' and 'Eden' retirement homes in Sint-Lambrechts-Woluwe have 57 and 38 beds in operation respectively. 'Eden' will relocate to a new building in Vorst with a capacity of 120 retirement home beds in the course of 2019.
- In June, 'Atrium' in Kraainem, which has 47 beds in operation, was acquired.
- The acquisitions of 'Edelweiss' in Anderlecht, which has 67 beds in operation, and of 'Neerveld' in Sint-Lambrechts-Woluwe, with 100 beds, were finalized in December.

The 22 service flats in the newly built extension in Blegny were brought into use in July.

Several construction projects were started up in 2017 as well.

- The new building on the 'Erasmus Gardens' site in Anderlecht will have a capacity of 159 retirement home beds and 34 service flats. The building will be brought into use in the spring of 2019.
- In Zoutleeuw, Anima Care is building a care centre with 43 retirement home beds, 30 convalescent home beds and 20 service flats. This new building will be completed in the spring of 2019.
- The new retirement home in Vorst will have 120 retirement home beds. This new building is being realized together with Care Property Invest. It will also open in the spring of 2019.
- The new extension with 30 convalescent home beds in Aalst will be ready by the summer of 2018.
- Extensive refurbishment works have begun in the residential care centre 'Kruyenberg' in Berlare. These works will be carried out in several phases and will be completed by the end of 2018.

Outlook 2018

In January 2018, Anima Care acquired the residential care centre 'Ark van Noé', with 57 retirement home beds in operation, in Grote-Spouwen (Bilzen). Anima Care will also acquire the new construction project with a capacity of 99 residential units in the centre of Grote-Spouwen. The relocation of 'Ark van Noé' to the new building is scheduled for mid-2019.

In 2018, Anima Care will focus primarily on the integration and operational improvement of the recent acquisitions and on the supervision of the various construction projects.

Several projects are in preparation, such as renovation works in Awans and a new building on the Tour & Taxis site.

Anima Care has the ambition to continue growing through acquisitions, new construction projects and the expansion of its range of services. Expansion is the main foundation for the further improvement of profitability in the future. Anima Care resolutely invests in quality. By developing and integrating efficient systems and processes, Anima Care is constantly working on operational improvement. As a 100% Belgian-based firm, combining top-quality service with investment in high-quality real estate, Anima Care is a unique care provider on the Belgian market.

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

www.animacare.be

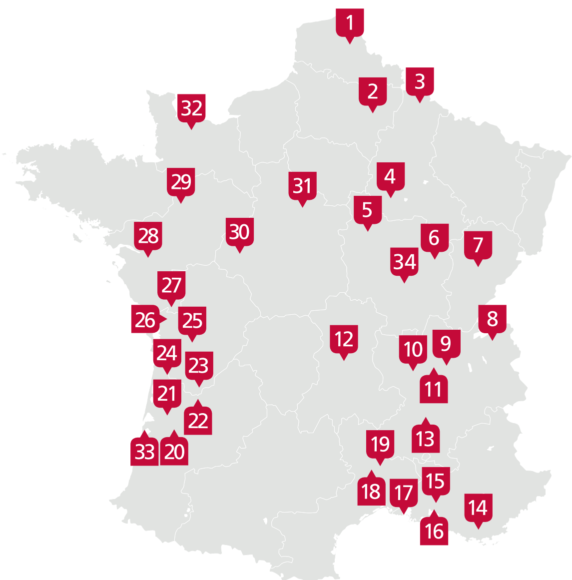
HPA

Shareholding percentage AvH: 72%

Through its subsidiaries Residalya (operation) and Patrimoine & Santé (real estate), HPA runs a network of 34 retirement homes in France, with a capacity of 2,597 beds and a day-care centre with 50 places.

For more than 10 years now, Residalya has developed a high-quality service based on a good relationship between staff, residents and the authorities that define residential senior care policy. Patrimoine & Santé owns a substantial part of the real estate operated by Residalya.

2017 saw the completion of the restructuring operation of HPA's ownership. In early 2017, and in accordance with the agreements with Eric Duval, the tranche of 21.8% which AvH still held in Holding Groupe Duval was swapped against shares in Patrimoine & Santé. Those shares were then contributed into HPA. Consequently, at year-end 2017 HPA holds 100% of the shares in Residalya and Patrimoine & Santé.



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

HPA NV

(€ 1,000)	2017[1]	2016[1]	2015[2]
Turnover	114,114	105,578	91,576
EBITDA	21,471	20,169	6,369
EBIT	9,047	3,703	2,868
Net result (group share)	7,051	2,936	1,875
Shareholders' equity (group share)	80,076	61,062	25,604
Net financial position	-193,314	-182,297	-22,238
Balance sheet total	352,658	337,224	96,267
Personnel	1,608	1,547	1,445

[1] Including Patrimoine & Santé [2] Excluding Patrimoine & Santé

Résidence Valois

Financial overview 2017

The occupancy rate decreased slightly in 2017 to 96.6% compared with 2016. The main cause was the seasonal flu early 2017, which badly affected HPA's residents and the elderly population as a whole. This led to a slower influx of new residents.

Residalya realized a turnover of 114.1 million euros in 2017, an 8.1% increase compared with 2016, thanks to the inclusion of two new residences in the network and the further integration of the crèche and retirement home in Laval for the full year following the increase in the stake in mid-2016. The increased turnover is also the result of the constant commercial efforts that are made, despite a less favourable market context and a highly competitive environment.

The EBITDAR amounted to 25.4 million euros, a 9.0% increase compared with 2016. The EBITDA ended at 21.5 million euros. HPA owns nearly 80% of its real estate assets. The net profit of 2017 has been impacted for 4.2 million euros by a positive tax effect.

The net financial debt, which consists primarily of real estate debts, increased by 11.0 million euros as a result of acquisitions and extension works during the financial year.

Operational overview 2017

The network was extended in 2017 with the acquisition of two new residences (buildings and operation). 'Résidence Pyla sur Mer' (Gironde) has a capacity of 60 beds, which in the next two years will be increased to 83 beds. This will make it possible to modernize the present building and to make good use of the large piece of land that was acquired together with the residence. 'Villa Thalia' (Chalon-sur-Saône) has a capacity of 95 beds and strengthens HPA's presence in Bourgogne-Franche-Comté. Renovation and extension works are also planned for this residence which should be finished by 2020. They should enable HPA to offer a differentiating and efficient range of accommodation and care services in an area with an elderly population.

At the same time, the extension and construction works on the existing real estate are on schedule. In Besançon, the current capacity is being expanded with 14 retirement home beds and 25 apartments for independent living. Completion is expected in the spring of 2018. The next step will be a partial refurbishment of the existing building.

Residalya and Patrimoine & Santé also have several new construction projects in the pipeline with a view to relocating existing operations to properties that are more in line with the high quality standard. In Taillan Médoc, two existing residences ('Clos Caychac' and 'Aloha') will be brought together in one location, which will have a capacity of 80 retirement home beds and 24 apartments for independent living. They will be ready by the spring of 2019. Work is also in progress to relocate 'Villa Charlotte - Ain' to Oyonnax and to move the residences 'Le Rivage' and 'Ambroise Paré' to a different location in Lyon.

Outlook 2018

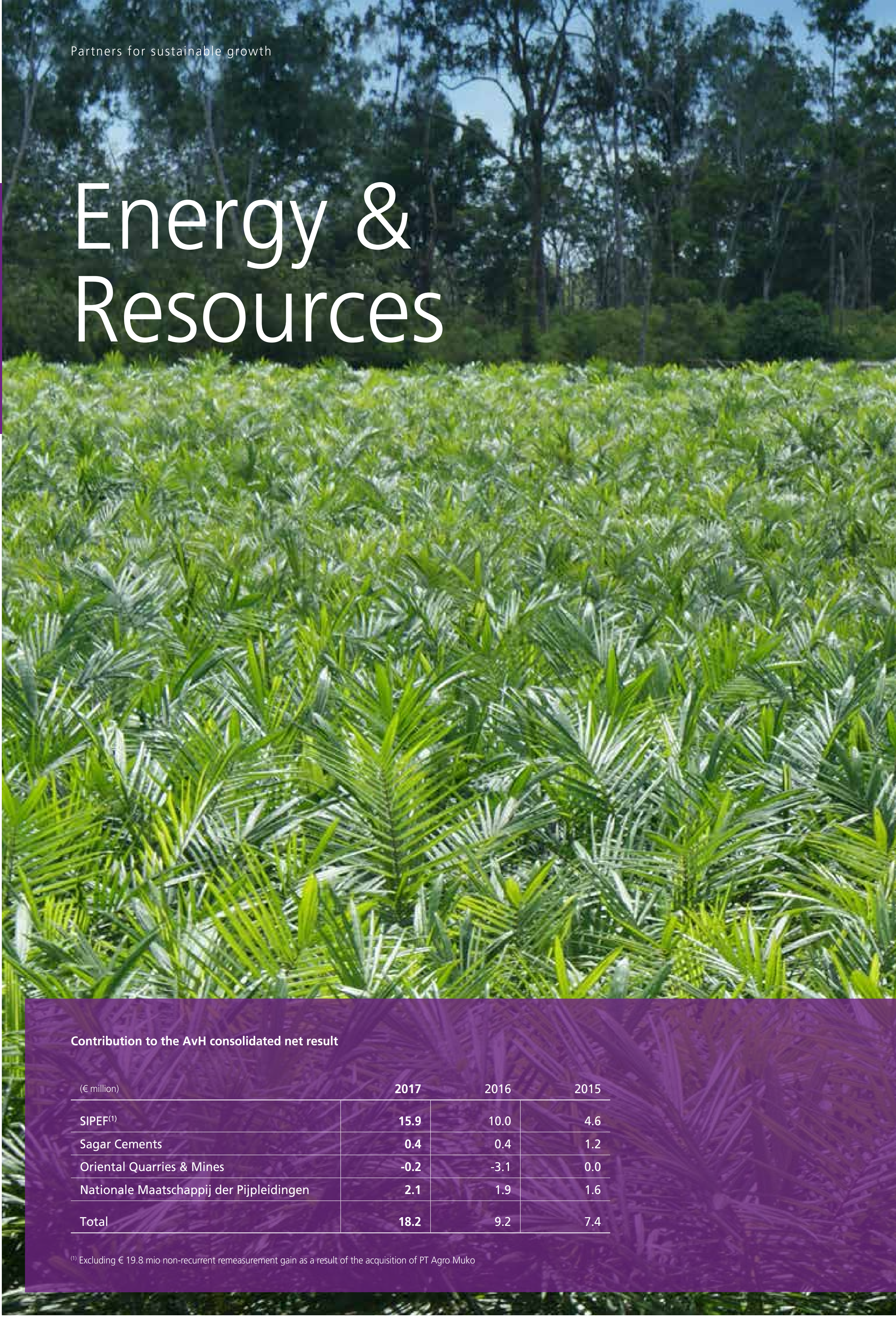
From an operational point of view, the 2018 financial year will be focused on optimizing the occupancy rate and the average day price, while at the same time remaining competitive.

The opening of a 'Résidence Autonomie' (apartments for independent living) in Besançon will confirm the positioning of this new type of residential facility in the immediate vicinity of the retirement homes operated by Residalya. 2018 will also see continuing renovation works on 'Demeure du Bois Ardent' (Manche) and the residences 'Les Cinq Sens' (Gard) and 'La Lande Saint-Martin' (Loire Atlantique). Work on the new buildings in Taillan (Gironde), Oyonnax (Ain) and Tour-de-Salvagny (Rhône) will be speeded up.

Residalya continues to examine new opportunities to expand its network, such as the integration of non-profit social residences through management mandates, and the acquisition/construction of operational real estate. The aim is to strengthen its image as a social operator and to develop further synergies.

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

www.residalya.fr



Energy & Resources

Contribution to the AvH consolidated net result

(€ million)	2017	2016	2015
SIPEF(1)	**15.9**	10.0	4.6
Sagar Cements	**0.4**	0.4	1.2
Oriental Quarries & Mines	**-0.2**	-3.1	0.0
Nationale Maatschappij der Pijpleidingen	**2.1**	1.9	1.6
Total	**18.2**	9.2	7.4

(1) Excluding € 19.8 mio non-recurrent remeasurement gain as a result of the acquisition of PT Agro Muko

SIPEF - Nursery with young oil palms ready to be planted, in Indonesia

'Energy & Resources' nearly doubled its contribution to the group profit, driven mostly by SIPEF, which in 2017 reported far better production volumes which - in combination with higher market prices for palm oil - lay the foundations for an increasing operating result. The successful expansion of its plantations also led to the recognition of a (non-recurring) remeasurement gain, in which AvH's share amounts to 19.8 million euros.

SIPEF

30%	SIPEF is an agro-industrial group, specialized in tropical agriculture, with a focus on palm oil and rubber in the Far East.

Sagar Cements

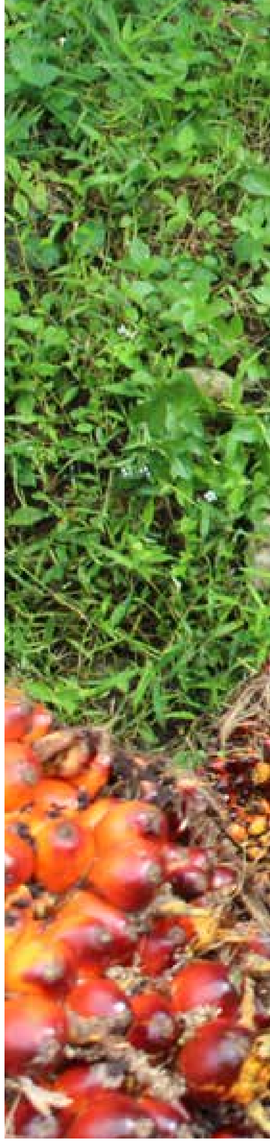
18%	The listed Indian company Sagar Cements produces a wide range of cement.

OQM

Held for sale

50%	Oriental Quarries & Mines is active in the exploitation and production of aggregates in India, intended for road construction and for the production of concrete.

SIPEF



Shareholding percentage AvH: 30%

SIPEF, a listed agro-industrial group, invests directly in tropical agriculture, primarily the production of sustainable crude palm oil in Southeast Asia.

The group's core activities are historically situated on the island of Sumatra in Indonesia, where a total of 55,686 hectares spread across different locations have been planted with oil palms and 6,425 hectares with rubber trees, supported by six 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 1,752 planted hectares and a factory for the production of black tea. The Indonesian operations are the most important for the group, representing 61.8% of the gross operating profit.

A second, albeit smaller, oil palm plantation activity has been developed in Papua New Guinea since the nineteen seventies. The oil palm plantations were steadily expanded to 13,621 hectares of oil palms and three extraction mills. Including the harvests from roughly the same area of oil palms belonging to neighbouring farmers, these palm oil activities generate 34.3% 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. Thanks to a total area of 732 planted hectares, this represented 3.2% of the gross operating profit in 2017.

Production[1] and planted areas

	Production (tonnes)[1]	Area (ha)
	330,958	69,307
	8,179	6,425
	2,402	1,752
	29,772	690

[1] Own + outgrowers

Financial overview 2017

SIPEF had a very good year in operational terms. After a relatively weak production year in 2016, which was hit by the delayed effects of the El Niño drought of 2015, palm oil production in the SIPEF group increased by 11.2%. With the exception of the fourth quarter, SIPEF reported record harvests in most of the palm oil operations in Sumatra and Papua New Guinea. Thanks to higher sales prices for palm oil and rubber in the first quarter of the year and slightly lower cost prices, the group's annual turnover increased by 20.5% and the gross operating profit by 63.3%. Consequently, the operating result amounted to 90.3 million USD compared with 47.5 million USD last year.

As the long-term investments in the agricultural sector are financed primarily from the company's equity, the intrest charges are very limited. After an effective tax rate of 26.7%, SIPEF realized a net result (group share) of 64.5 million USD, a 61.7% increase compared with last year's result of 39.9 million USD. The acquisition of a controlling interest in PT Agro Muko led to the recognition according to IFRS 3 of a one-off capital gain of 79.3 million USD following the remeasurement of the original interest in this company, bringing the final net result (group share) to 139.7 million USD.

Operational overview 2017

The first three quarters of the year were exceptionally productive, so that by the end of September palm oil production had increased by 16.5% compared with the lower production volumes of 2016 that had been affected by El Niño. In the fourth quarter 2017, growth was less marked in the Indonesian plantations, with even a slight decrease in Papua New Guinea. As a result, total annual production increased by 11.2%. The generally upward trend was mainly observed in the mature plantations of North Sumatra (+13.8%) and to a lesser degree in the relatively young plantations in UMW/TUM (+6.5%). The Agro Muko plantations near Bengkulu that are being replanted remained on the same level as 2016 (+0.5%). The relatively young plantations in the expansion zones of Hargy Oil Palms in Papua New Guinea reached greater maturity. The favourable weather conditions resulted in an increase of the annual production of the group-owned plantations by 18.6% and of the older plantations of neighbouring farmers by 14.2%.

The freshly harvested palm bunches are loaded onto the truck

The annual increases in workers' wages imposed by the local authorities were entirely offset by lower fertilizer and fuel prices. Thanks to the higher production volumes and the stable local currencies against the USD, the unit production costs in USD terms remained well under control.

At the beginning of the year, lower stocks created tension on the palm oil markets, so that prices in the first quarter, especially for the short-term positions, exceeded 800 USD/tonne. As a result of the record soybean harvests announced in South and North America in the second half of the year, the market decreased again in the next three quarters to prices between 650 and 700 USD/tonne. The average market price for 2017 was 685 USD/tonne. SIPEF took advantage of the strong demand in the first quarter to put larger volumes on the market. Consequently, the gross operating profit for palm oil increased by 63.9%.

> "Thanks to the expansion in Musi Rawas and the acquisitions of PT Agro Muko and Dendymarker, SIPEF increased the planted area by 30.4%, to 71,865 hectares."

The rubber markets witnessed the same price trend. Here, too, the gross operating profits for the year were to a large extent established in the first quarter, as market prices in the second half of the year did not allow any positive margins.

The black tea which SIPEF grows in Indonesia is similar in quality to Kenyan tea where, as a result of a sharp decrease in local production, the foundations were laid for better prices for Cibuni tea throughout the year. Despite quality issues, the contribution of the banana activities in Ivory Coast remained in line with previous years thanks to the gradual expansion of production.

SIPEF's expansion plans continue to be 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 1,928 hectares at year-end 2017 meant a total of 13,283 hectares of farmland now being available for development, of which 9,225 hectares are planted or prepared for planting. This is an increase by 3,125 hectares compared with year-end 2016. SIPEF wants to expand the total project to at least 18,000 hectares, of which 3,000 hectares will be reserved for neighbouring farmers.

In the same area, the acquisition was finalized of 95% of the shares of PT Dendymarker for 53.1 million USD at the beginning of August. Dendymarker 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. This acquisition gives SIPEF the necessary scale to develop in the short term an entire business unit in South Sumatra, where palm oil plantations are still in full development.

In the first quarter, SIPEF also finalized the acquisition of an additional 47.71% stake in PT Agro Muko in Bengkulu, Indonesia, with the payment of 144.1 million USD. As a result, SIPEF acquired exclusive control with a stake of 95%. Hence, 9,366 hectares were added to the total area (share of the group).

These transactions were financed in the first half of the year by a combination of a successful capital increase of 97.1 million USD with preferential subscription rights for the current shareholders and a long-term bank loan. Thanks to the expansion in Musi Rawas and these two acquisitions, SIPEF increased the planted area (share of the group) by 30.4% in just one year, from 55,125 hectares to 71,865 hectares. The further completion of the potential expansion on the acquired concessions will bring SIPEF to approximately 85,000 planted hectares (share of the group). Further opportunities for development are being investigated to exceed 100,000 planted hectares in the next five years. In each expansion of operations, the sustainability aspects under the Roundtable on Sustainable Palm Oil (RSPO) certification remain paramount.

Outlook 2018

The new production year for Indonesian palm oil has started in favourable conditions, with increasing volumes for most plantations, while the activities in Papua New Guinea undergo the usual effects of the rainy season. Nevertheless, the general expectations for this year remain positive. For the time being, everything suggests that a 9% increase in total annual palm oil production for the SIPEF group is feasible.

View of the Cibuni tea garden, located in Java in Indonesia

Harvester who transports freshly cut palm fruit bunches

The recently strong but volatile petroleum market is a supporting factor for palm oil consumption, and price projections for the first six months are stable. The company took advantage of these recent market trends to put some volumes on the market with a view to ensuring good prices for the first half of the year 2018. The record soybean harvests announced in South and North America for the rest of the year are, for the time being, weighing on price projections for the second half of the year.

Due to persistently low prices, the projected contribution of rubber to the operating profit is limited, whereas a stable contribution may be expected from tea and bananas. SIPEF's ultimate recurring result will to a large degree be determined by the achievement of the expected production growth, the level of market prices over the rest of the year, the preservation of the current export levies in Indonesia, and the evolution of costs. Despite compulsory increases in workers' wages, costs are still favourably influenced by the persistently weak exchange rates of the local currencies of Indonesia and Papua New Guinea against the reporting currency USD.

SIPEF NV

(USD 1,000)	2017	2016	2015
Turnover	321,641	266,962	225,935
EBITDA	125,909(1)	76,587	49,586
EBIT	90,261(1)	47,479	21,447
Net result (group share)	139,663(2)	39,874	18,708
Shareholders' equity (group share)	634,636	448,063	415,429
Net financial position	-83,697	-45,061	-50,521
Balance sheet total	907,008	615,332	579,032

(1) Excluding USD 75.2 mio remeasurement gain on acquisition of PT Agro Muko
(2) Including USD 75.2 mio remeasurement gain on acquisition of PT Agro Muko

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

Sagar Cements

Deelnemingspercentage AvH: 18%

Sagar Cements is a listed manufacturer of cement and is based in Hyderabad (India). The plants in the states Telangana and Andhra Pradesh, in the south of India, have a total cement capacity of 4.3 million tonnes per year.

With a GDP growth of nearly 7% in 2017, India continued to be one of the fastest growing economies in the world. In recent years, growth in the construction industry (2-3% per year) lagged behind GDP growth as a result of delays in large infrastructure projects and the challenges presented by the demonetization of the Indian banknotes. In the past few months, however, growth in the construction industry has accelerated, and this trend is expected to continue. There are two main drivers: (i) India's growing and increasingly urban population, with 100 million people more in urban areas by 2025, and (ii) major public spending on infrastructure, with a budget allocation of 50 billion euros for infrastructure development in 2018 and 10 billion euros allocated for the 'smart cities' and 'housing for all' government programs in the next five years.

Sagar's home area in the south of India has for many years now been confronted with an overcapacity in cement production. This was no different in 2017, and yet the capacity utilization in the area increased from 47% to 49%. As the increase in demand is set to exceed the increase in capacity during the next few years, capacity utilization is expected to improve further to 61% by 2021.

Sagar Cements increased its turnover in 2017 by 27%, from 7,690 million INR (103.6 million euros) in 2016 to 9,773 million INR (132.1 million euros) in 2017. This increase was partly attributable to the expansion of the capacity of the Mattampally plant (from 2.75 million tonnes to 3.0 million tonnes) and of the grinding unit in Vizag (from 0.18 million tonnes to 0.30 million tonnes), thereby increasing Sagar's total capacity to 4.3 million tonnes. The turnover growth was also boosted by a higher average capacity utilization (from 54% in 2016 to 57% in 2017) and a modest increase in market prices. The EBITDA margin in 2017 was slightly below that of 2016 (14.8% versus 15.8%), primarily as a result of the sharp rise in coal prices (+25%).

Sagar Cements continues to invest in energy-efficient measures to further reduce its dependence on coal and electricity from the national grid. In 2017, Sagar commissioned a 1.25 MW photovoltaic installation and a 6 MW heat recovery system at the Mattampally plant. It also started construction work on its own 18 MW thermal power plant which is expected to become operational in early 2019.

Sagar Cements

Sagar Cements LTD

(€ 1,000)	2017	2016	2015
Turnover	**132,132**	103,613	105,341
EBITDA	**19,581**	16,377	19,689
EBIT	**12,512**	10,057	15,849
Net result (group share)	**2,482**	2,913	6,415
Shareholders' equity (group share)	**105,346**	80,510	75,581
Net financial position	**-59,412**	-64,206	-60,229
Balance sheet total	**218,002**	191,740	176,554
Exchange rate INR/€			
P&L	**73.96**	74.22	71.43
Balance sheet	**73.53**	71.55	72.12

www.sagarcements.in

Oriental Quarries & Mines

Held for sale

Shareholding percentage AvH: 50%

Oriental Quarries & Mines (OQM), a joint venture in India 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.

OQM was operating three quarries at the end of 2017: 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. The products of OQM are marketed under the brand name 'Oriental Aggregates'.

2017 was a challenging year for OQM, mainly on account of a number of changes in the regulations in India. The government's decision to impose a national tax on goods and services in 2017 led to a significant and immediate slowdown in the infrastructure sector. The situation improved in the last quarter, and the long-term impact is expected to be positive. The demonetization introduced in November 2016 and changes in the real estate regulations led to the postponement of many real estate investments in the private sector.

This had a major impact on the demand for aggregates throughout the country. While the challenging market and the changing regulations led to a temporary closure of OQM's sites in Mau and Bilaua, the quarry in Bidadi remained operational throughout the year, albeit with lower output volumes and prices. Consequently, OQM reported a turnover of 318 million INR (4.3 million euros) in 2017, a 53% decrease compared with 2016, and a negative net result of 35 million INR (-0.5 million euros).

OQM

AvH no longer considers this group company as a key participation, and accordingly reclassified it after impairment to 'held for sale' at year-end 2017.

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

www.orientalaggregates.com

Oriental Quarries & Mines Pvt LTD

(€ 1,000)	2017	2016	2015
Turnover	4,305	9,496	6,230
EBITDA	-101	374	500
EBIT	-513	-64	-84
Net result (group share)	-472	-44	-34
Shareholders' equity (group share)	7,103	7,824	7,770
Net financial position	1,238	2,072	1,705
Balance sheet total	8,368	9,335	9,455
Exchange rate INR/€			
P&L	73.96	74.22	71.43
Balance sheet	73.53	71.55	72.12

NMP

Sold in 2017

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.

NMP

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. The necessary actions were taken to bring the safety management system into compliance with the reviewed safety regulations relating to pipeline transportation of gases and other products, which came into effect in July 2017.

In 2017, Nitraco (joint venture between NMP and Praxair) brought into use the additional extensions of the existing nitrogen network in the Antwerp port area and an extension of the existing oxygen network in the Antwerp port area to TRA (Total Refinery Antwerp).

The construction of the new propylene pipeline between the site of Oiltanking Antwerp Gas Terminal and the site of Nippon Shokubai Europe in Zwijndrecht was completed in 2017. It is scheduled to be brought into use in mid-2018.

The result for the 2017 financial year is in line with expectations. It was higher than in previous years after the sale of a subsidiary in early January 2017.

At the end of December 2017, AvH sold its participation (75%) in NMP to the Antwerp Port Authority. This contributes to the consolidation of the presence of this (petro)chemical industry in the port, which is of great economic importance to Belgium and Flanders. The sale earned AvH 45.4 million euros (including the pre-sale dividend) and a capital gain of approximately 21 million euros. This represents a cumulative return (IRR) of 11.4% since the participation was acquired in 1994.

Nationale Maatschappij der Pijpleidingen NV

(€ 1,000)	2017	2016	2015
Turnover	13,156	13,539	13,739
EBITDA	5,490	4,905	5,088
EBIT	3,569	2,994	2,872
Net result (group share)	3,732	2,545	2,129
Shareholders' equity (group share)	15,504	30,012	28,899
Net financial position	2,637	20,909	19,577
Balance sheet total	23,971	42,898	43,328
Personnel	4	4	5

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

Growth Capital

Contribution to the AvH consolidated net result

(€ million)	**2017**	2016	2015
Contribution of participations	**-1.3**	2.7	8.9
AvH & subholdings	**-10.6**	-10.8	-9.8
Capital gains/losses and impairments	**17.6**	-26.8	5.2
Total	**5.7**	-34.9	4.3

'AvH & Growth Capital' made a limited contribution to the group result. AvH continues to actively look out for new investment opportunities in 2018.

Agidens[(1)]		86%
Atenor		11%
Axe Investments		48%
Distriplus		50%
Euro Media Group		22%
Manuchar		30%
Mediahuis		13%
OncoDNA[(2)]		15%
Telemond		50%
Turbo's Hoet Groep		50%
Transpalux	Held for sale	45%

(1) Including participation via Axe Investments
(2) Not consolidated

Telemond

AvH & Growth Capital

With a few exceptions, all participations were able to maintain or improve their 2017 results compared to 2016. Distriplus was the largest exception, mainly as a result of significant goodwill impairment in a difficult economic context. To a lesser extent, Agidens and Manuchar, who was still struggling with start-up losses in an investment project, also produced weaker figures. In the context of the sale of Groupe Flo, the remaining stake was further written off.

In terms of volumes and deal flow in 2017, the European M&A market maintained its position at the high levels of 2016, but slowed down towards the end of the year. On the one hand, this was influenced by the potential changes in the interest rate policy of the various central banks, with the question as to whether the valuations have not already become too high in the background. On the other hand, there was the changing interest of industrial groups for acquisitions after the M&A heyday of 2015 and 2016. The same picture emerged in the European private equity markets. The proportion of 'secondaries' and 'tertiaries' increased in successful companies, coupled with a high demand for debt financing at increasingly attractive credit terms. In addition, the increase of funds attracted by start-ups with innovative ideas and business models continues, and is supported by the low interest rates. This is particularly true for companies that operate in IT, such as Big data, Artificial Intelligence (AI) and the Internet of Things (IoT). Institutional investors continued to allocate more resources to private equity. As a result, the funds raised by private equity are now approaching the level of 2007. Investors are attracted by the returns in this asset class and the lack of fully-fledged alternatives. A lot of money therefore remains available for acquisitions, enabling the valuation parameters to remain at the high levels of 2016. This requires AvH to adopt a cautious investment policy.

From a macroeconomic perspective, we notice growing confidence and willingness to invest, for example in new business models that respond to the digital evolution, provided that no major political or financial disruptions occur. The consequences of the financial crisis and the savings by the government, particularly in Belgium, continue to weigh on consumer sentiment.

AvH continues to focus on a selective investment policy, where the long-term growth perspectives and valuations justify this. This is combined with continuous operational improvements in the participations, the increase of their market share or the finding of new markets. It ensures that the balance structure is monitored without excessive use of the debt lever. The group focuses on a limited number of participations, where in-depth knowledge of their markets is developed in close consultation with the management. Workshops and improvement programs are organised to discuss relevant management themes in more detail. In this way, AvH can apply its know-how to shape the strategy to be adopted and the associated organisation. The investment horizon applied in this context is longer than usual.

Telemond - Liebherr

Euro Media Group

Agidens

OncoDNA

AvH & Growth Capital

In the first half of 2017, AvH sold its participation in Ogeda with a capital gain of 13.9 million euros and withdrew completely from the capital of Financière Flo/ Groupe Flo, with a capital loss of 6.7 million euros.

At year-end 2017, AvH sold its 75% participation in NMP to the Antwerp Port Authority, with a capital gain of 21.2 million euros.

The remainder of the item 'net capital gains/losses and impairments' results mainly from the transfer of the holdings in Oriental Quarries & Mines and Transpalux to 'held for sale' and from other impairments

Normalizing for the effect of the goodwill impairment at Distriplus, the improved performance of the other participations in 2017 is better reflected. In the context of the acquisition of the minority stake in Sofinim in 2016, AvH paid a second instalment of 28 million euros in 2017. As a result, only the last instalment of 28 million euros is still due in 2018.

> "AvH continues to focus on a selective investment policy, where the long-term growth perspectives and valuations justify this."

Contribution of the participations

Atenor - thanks to important real estate sales in Central Europe -, Axe Investments - which booked a significant capital gain on a participation -, Corelio and Turbo's Hoet Groep - both thanks to recurring results -, all achieved better results compared to 2016. The growth of Mediahuis, in which Corelio is the controlling shareholder, should certainly also be mentioned, thanks to the acquisition of TMG in the Netherlands. Telemond and Transpalux were able to maintain their results. The results of Distriplus suffered from a difficult retail environment, while the group continues to invest in both e-commerce and in the renewal of its store concepts. Euro Media Group was able to limit the loss in a year without major sporting events. The poor results of Manuchar, on the other hand, are mainly due to the start-up losses of a new production facility.

Most of the participations continued to invest in the further development and renewal of their distribution channels and facilities, or, as in the case of Mediahuis, in acquisitions or online initiatives. The turnaround in terms of market positioning at Telemond appears to be confirmed, while Agidens is also making progress on this subject. This is even more the case for OncoDNA, which continues to further shape its business model through various new applications and service models.

The investments in Growth Capital participations were limited to 0.8 million euros in 2017 (2016: 6.7 million euros).

Agidens

Shareholding percentage AvH: 86%

Agidens provides advice, automation and maintenance services for five focus markets: Life Sciences, Tank Terminals, Food & Beverage, Infrastructure and Chemistry. The group currently has about 550 employees, spread across Belgium, the Netherlands, France and Switzerland.

From a financial perspective, 2017 has been a challenging year for Agidens. Due to the shift in the timing of a number of projects and additional investments in the completion of several innovative products, it was not possible to achieve the anticipated profitability for 2017. The order book remains healthy and amounted to approximately 50 million euros at the end of 2017.

The implementation of the '20/20 Vision' strategic five-year plan has been developed further, however, and has led to a number of new opportunities, such as the intention to operate globally as a preferred automation partner for several key players within the Oil & Gas sector, and the opening up of the Dutch and Walloon market for wet infrastructure.

In 2017, Agidens finalised the development of its Aline and Axcel products within the **Tank Terminals** (Oil & Gas) segment. A modular Terminal Management System was developed by means of an open innovation process involving several partners. This optimises the daily operation of a tank terminal and enables the customers to use the same view and follow-up worldwide. The tank terminal business unit strengthened its prominent market position in the ZARAG region (the area incorporating Zeebrugge, Amsterdam, Rotterdam, Antwerp and Ghent) in 2017. Initial steps towards several other important hubs, such as Houston and Singapore, were also made.

Thanks to a sharp strategic focus on certain niches and a good operational project implementation, the **Food** segment was able to record increased profitability under difficult market conditions. Agidens succeeded in significantly expanding its customer portfolio in both Belgium and the Netherlands.

The activities in the **(fine) chemical industry** also produced a significant profitable growth.

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

www.agidens.com

Automation of loading arms at Oiltanking Stolthaven Antwerpen

The **Life Sciences** division continued its expansion in Western Europe, building on the solid foundation of its key account management and in-depth knowledge of the industry. It is regarded as the preferred supplier by a large number of pharmaceutical multinationals. The new branch in France was successfully expanded. In addition, the division succeeded in specialising further in the niche of thermal validation, and in increasing its market share. As a result, an increasing number of hospitals in Flanders are relying on Agidens.

The market penetration of the **Infra Automation** division expanded from Flanders into Wallonia and the Netherlands. In addition to the successful start-up of the Beatrix lock project, the organisation in the Netherlands was strengthened in order to serve the market for medium and large-scale wet infrastructure works even better.

Agidens is expecting to continue its profitable growth in 2018, thanks to a clear strategic plan, focus, and an increasing demand for automation.

Agidens NV

(€ 1,000, IFRS)	2017	2016	2015
Turnover	71,255	75,026	61,930
EBITDA	1,938	4,557	62,898
Net result (group share)	-413	1,588	58,504
Shareholders' equity (group share)	21,480	22,564	88,074
Net financial position	3,969	2,613	71,100[1]

[1] Including the impact of the sale of Handling Automation

Atenor

Shareholding percentage AvH: 11%

Atenor is a listed company active in real estate promotion. The group invests in large-scale real estate projects which meet stringent criteria in terms of location, economic efficiency and respect for the environment.

Bords de Seine (artist impression)

Business Campus - Bucharest

Atenor closed the financial year 2017 with a net profit of 22.2 million euros. For the fifth consecutive year, the result follows an ascending line.

The result for 2017 was mainly driven by the sale of 3 buildings in the Vaci Greens project in Budapest. In addition, Atenor has also been able to benefit from the rental income from these buildings prior to their sale. The rental income from the office buildings in the HBC project in Bucharest, which are currently fully let, has also contributed to the results. Almost 75% of the results of the past financial year are therefore derived from the projects in Central Europe.

As in the past financial year, Atenor has again continued the construction and marketing of a number of residential projects in 2017. The margins generated on the sold entities were included in the financial results according to the pace of their construction.

From a strategic perspective, Atenor is increasingly placing its focus abroad. Several new projects were acquired in the Grand Duchy of Luxembourg, in Budapest and in Bucharest. An initial investment was realised in the Paris region. The group also remains an important player in the Brussels' market, in the European district among others.

Taking the uncertainties inherent to the development of real estate into account, Atenor starts the year 2018 with caution. The group is, however, convinced that further international diversification will be beneficial.

Atenor NV

(€ 1,000, IFRS)	**2017**	2016	2015
Turnover	**220,430**	156,830	116,748
EBITDA	**35,648**	35,853	34,612
Net result (group share)	**22,179**	20,375	19,958
Shareholders' equity (group share)	**146,717**	136,654	126,799
Net financial position	**-328,999**	-305,077	-339,342

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

www.atenor.be

Axe Investments

Shareholding percentage AvH: 48%

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

Ahlers building

As an investment company, Axe Investments has stakes in the IT company Xylos and in Agidens. In addition, Axe Investments also owns part of the Ahlers building on the Noorderlaan in Antwerp. The participation in the energy company REstore was sold in the course of 2017.

Xylos is a leading company in the Belgian IT landscape, focussing on the digital transformation of its customers. The company offers solutions for change management, the digital workplace, the Intelligent Cloud, mobile apps and cooperation platforms. The brands INIA (Unified Communications), Neo (digital learning) and IntoApps (Mobile Apps) belong to the Xylos group. Xylos also acquired shares in the Internet of Things company BAGAAR in 2017. The Xylos group employs 250 people and has offices in Brussels, Antwerp and Herentals.

Axe Investments has been holding a participating interest in REstore, a European energy technology company specialising in demand-driven automation for electricity, since 2012. REstore was acquired by the British energy company Centrica in November 2017. As part of this transaction, Axe Investments sold its participation, and achieved a capital gain of 1.4 million euros.

The occupation level of the Axe Investments real estate was good.

The capital gain on the REstore participation, together with the results of the participations and the rental income of the Ahlers building, determined the annual result of Axe Investments.

From left to right: Christian Leysen, Veerle Peeters, Saskia Lapere

www.axe-investments.com

Axe Investments NV[1]

(€ 1,000, IFRS)	2017	2016	2015
Turnover	**697**	718	614
EBITDA	**183**	159	184
Net result (group share)	**1,887**	14,898[2]	402
Shareholders' equity (group share)	**15,031**	13,144	15,582
Net financial position	**3,733**	2,237	4,920

[1] The figures of Agidens 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.

Distriplus

Shareholding percentage AvH: 50%

With the brand names Planet Parfum and Di, Distriplus is active as a retailer in the 'beauty & care' sector with 200 points of sale in Belgium and Luxembourg.

Di

Planet Parfum

2017 turned out to be a difficult year for the retail sector. The impact of online shopping translated into a decline in the number of customers in the physical store chains. It is becoming increasingly important for retailers to provide extra added value in their points of sale which the customer does not find online, but which is in line with the online presence.

2017 was also a difficult year for Planet Parfum and Di, with a decline in the number of customers at constant perimeter. As a result, the total turnover decreased by 4.8% in 2017. The number of points of sale for Planet Parfum dropped from 82 to 81, and for Di from 121 to 119, despite the fact that Planet Parfum opened points of sale in Rive Gauche (Charleroi) and Brussels North Station, and Di in Rive Gauche (Charleroi), Sprimont and Saint-Georges-sur-Meuse.

In order to respond to the demand for improved customer experience, 2017 was a year of significant investments. **Planet Parfum** invested particularly heavily in the renovation of its retail park, with more than half of its retail park being completely renovated over a period of 15 months. The focus was thereby on improved customer service. In addition, there was an even stronger focus on the training of the teams using e-learning systems. 42 beauty salons were renovated, and a wider product range was relaunched under the private label Close Brussels.

Di has increasingly evolved into a true beauty store over the years, thereby differentiating itself from the traditional drugstore. The product range is becoming more specialised in order to respond to the latest beauty trends. Di launched its new logo and new slogan 'All About Beauty' in 2017. This was accompanied by a thorough refurbishment of all points of sale, paying attention to differentiation, service and customer experience. The range of products was also revised, with an even stronger focus on differentiation and a clear selection of the most relevant beauty products. All the shops will reflect the new look by mid-2018. Finally, through the launch of its e-shop on www.di.be, Di now also has an e-commerce sales channel. Its ambition is to become the beauty hub in Belgium.

The net result of Distriplus was heavily distorted by an extraordinary impairment on the goodwill, amounting to 19.5 million euros. The significant investments in 2017 in response to an improved customer experience confirm the chain's belief in the renewed market positioning.

Distriplus NV

(€ 1,000, IFRS)	2017	2016	2015
Turnover	193,878	203,841	203,226
EBITDA	5,725	7,523	8,399
Net result (group share)	-24,523	-2,394	-13,127
Shareholders' equity (group share)	26,340	50,862	53,256
Net financial position	-41,799	-44,491	-50,556


Van links naar rechts: Catherine Brewaeys, Helen Willems, Barbara Sindic, Matthias De Raeymaeker, Veerle Hoebrechs, Tanguy De Ripainsel

www.planetparfum.com
www.di.be

Euro Media Group

Shareholding percentage AvH: 22%

Euro Media Group (EMG) is a leading player in the market for audiovisual technical facilities in Europe, and is represented in eight countries: France, Belgium, the Netherlands, the United Kingdom, Germany, Italy, Luxembourg and Switzerland. EMG acts as a full-service provider in its markets.

EMG has a large number of mobile production facilities and studios, but also offers various specialised services, such as solutions for external production, radio frequency solutions, slow motion and other specialised camera services. In addition, EMG provides various digital solutions, including second screen applications, graphic solutions and OTT services.

2017 was an important and structuring year for EMG. The EBITDA of 55.0 million euros was in line with 2016 (55.1 million euros), a year in which the group benefited from its very strong presence at Euro 2016 and the Summer Olympic Games in Brazil. On the other hand, it was 44% higher than in 2015 (38.1 million euros), the previous year without major international sporting events.

This evolution can be explained by various factors. In 2017, EMG sold its studio activities in France in connection with the continued focus on the reorganisation and profitability of the French activities. In France, EMG continued its strong focus on sports and live events, while the group continued to offer all its services in other countries. EMG also continued its external growth strategy in 2017 through 4 acquisitions. These were realised in different countries and market segments, with DB Video in Belgium and Luxembourg (aimed at institutional, business and live events), EBD in Italy and TV Data in Belgium (both aimed at graphics services) and OnRewind in France (aimed at OTT solutions). The acquisition of companies with graphic and OTT services has further enhanced and supplemented EMG's range of digital services.

The Netherlands, Germany, Italy and the United Kingdom recorded growth figures in competitive local markets in 2017. Belgium continued to achieve strong financial results. In 2017, EMG established a new structure in Belgium, from which a part of the equipment rental activities to the group companies and investments are centralized. EMG aims to further expand this central activity in order to increase the utilization rate of its equipment, in particular by focusing more heavily on sports events outside the group's national borders, and, at the same time, by optimising the overall need for capital expenditure.

The net loss of 4.4 million euros in 2017 comprises 7.1 million euros in interest expenses on convertible bonds. Excluding these interest expenses on convertible bonds, the group achieved a positive net result of 2.8 million euros. This is the first positive net result since 2009 in a year without major international sporting events, and underscores the positive trend of EMG in 2017.

EMG continues to focus on sports and live events, on the further development of integrated service packages and on maximising the added value of non-sports and non-live activities. In 2017, EMG also focused on the more centralised management of its specialised services (RF and specialised cameras) and digital services.

In February 2018, EMG announced its new management structure with two CEOs: Patrick van den Berg, who was interim-CEO and CFO in 2017, will become joint CEO with François-Charles Bideaux, who worked at Canal+, HBS and TF1 in the past, and has moved to EMG at the beginning of 2018.

EMG is anticipating strong results for 2018, amongst other things thanks to a significant presence at several international sports events, including the Winter Olympic Games, the football World Cup and the Asian Games. EMG will also benefit from the fact that the acquisitions made in 2017 will contribute for a full year to the 2018 result. In addition, EMG will continue to implement its strategy with a focus on both autonomous and external growth opportunities.

From left to right: Patrick van den Berg, François-Charles Bideaux

www.euromediagroup.com

Financière EMG

(€ 1,000, IFRS)	2017	2016	2015
Turnover	**303,501**	318,638	294,000
EBITDA	**55,006**	55,098	38,094
Net result (group share)	**-4,363**	-4,431	-18,803
Shareholders' equity (group share)[1]	**96,663**	94,643	96,143
Net financial position (without convertible bonds)	**-70,957**	-61,494	-66,262

[1] € 85.8 mio 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 (2016: € 78.7 mio, 2015: € 72.2 mio).

Manuchar

Shareholding percentage AvH: 30%

Manuchar is active in the purchase and sale of a wide range of raw materials, with a particular focus on chemicals and steel. In addition, Manuchar provides added value in the logistics (both maritime and inland), distribution and financing of these products. Manuchar focuses on growth markets, and has more than 2,000 employees in more than 40 countries, mainly in Latin America, Africa and Asia.

Manuchar

In the chemicals segment, Manuchar combines its trading activities in emerging markets with the distribution and the provision of logistics services. The company mainly focuses on chemicals for powder detergents, Home & Personal Care, Mining, Oil & Gas, and also fertilisers. The result was negatively affected to a significant extent by start-up losses in its sodium sulphate production facility in Mexico.

The historical core activities such as steel trading, and the trading and distribution of chemicals, performed relatively well, despite a difficult start in 2017. Both activities showed an improvement towards the end of the year, which meant that the profitability of these two activities in the second half of the year was in line with the average profitability achieved in 2016. Manuchar pinpointed its strategy in 2017, and intends to focus even more strongly on the development of the trading, logistics and distribution of dry bulk chemicals (sodium sulphate, sodium carbonate).

Manuchar continues its strategy of maintaining control and managing costs throughout the value chain by means of own warehouses. In 2017, investments were made in additional storage capacity in Vietnam and Brazil, and a new branch was opened in Pakistan. This supports the geographic growth and the associated increasing demand for these products.

The production facility for sodium sulphate in Mexico, which became operational at the end of 2016, achieved an increased production in 2017. Manuchar is responsible for a significant part of the Chinese export. Manuchar wants to meet the growing demand of the global market, in particular for South American sources. At the same time, the company is also aiming to monitor the quality, from the exploitation up to the delivery to the customer. The production process still had to be perfected in 2017, which affected the result.

Manuchar is well positioned to supply its customers from the different continents.

Manuchar NV

(USD 1,000, BGAAP)	2017	2016	2015
Turnover	1,399,848	1,224,059	1,327,884
EBITDA	55,480	61,318	62,347
Net result (group share)	176	10,697	9,156
Shareholders' equity (group share)	82,510	88,399	83,675
Net financial position	-375,430	-308,254	-341,374

www.manuchar.com

Mediahuis

Shareholding percentage AvH: 13%

Mediahuis is one of the leading multimedia groups in Belgium and the Netherlands, with prominent news brands, including De Standaard, Het Nieuwsblad, NRC Handelsblad and De Telegraaf.

2017 was a special year for **Mediahuis**, during which the group expanded into a leading multimedia company in both Belgium and the Netherlands. With news brands such as De Standaard, Het Nieuwsblad/De Gentenaar, Gazet van Antwerpen and Het Belang van Limburg, Mediahuis achieves a daily sales figure of about 516,000 newspapers in Belgium. In the Netherlands, news brands such as NRC Handelsblad, nrc.next, De Telegraaf, Noordhollands Dagblad and De Limburger ensure the daily sale of 1,215,000 newspapers.

The remaining stakes of Corelio and Concentra in Media Groep Limburg, the printing companies of Printing Partners, the door-to-door magazine group Rondom, the regional TV channels (ATV, TV Limburg, TV Oost, ROB TV), Vlaanderen Eén (Nostalgie north), and the participating interests in Metro, De Vijver Media, Nostalgie SA (Nostalgie south) and Flanders Classics, were finally incorporated into Mediahuis.

With the acquisition of **Telegraaf Media Groep** (TMG) and the contribution of VP Exploitatie as third shareholder, Mediahuis took a big step forward within the growth strategy it embarked on. The explicit choice to focus on the core activities of TMG resulted in the sale of the shares in the Keesing Media Group, while retaining an indirect minority stake of 30%. The plan for the future that TMG announced in the autumn with the aim of attaining a healthy EBITDA level in the short term should result in a revenue increase from digital propositions and a revenue development in line with the market within both the consumer and the advertising markets. Just before the end of the year, an agreement was reached for the sale of TMG's 23% stake in Talpa Radio Holding B.V. to Talpa, and at the same time the sale of the 29.16% stake of Talpa in TMG to Mediahuis. As a result, Mediahuis held 95.04% of the shares in TMG in 2017, and the stock exchange delisting was in sight.

In addition to a far-reaching focus on the continued digital transformation, Mediahuis also focused on broadening its range, including within the employment market where the group entered into a strategic partnership with Jellow, an online matching platform for freelancers. In addition, Mediahuis provided a capital injection in Wayne Parker Kent (WPK), one of the fastest growing digital content companies in the Netherlands, with the USP of reaching very specific target groups. For the Belgian market, this strategic collaboration with WPK resulted in a joint venture. Mid-2017, the Flemish Government granted SBS a license for a new city radio network. The generalist music radio station will be expanded in 2018, together with Nostalgie (north).

Despite the continued decline in paid newspaper copies and a national advertising market under pressure due to the increasing international digital competition, Mediahuis achieved a consolidated turnover of 631.4 million euros, an EBITDA of 56.2 million euros and a net result of 14.8 million euros in 2017 (2016: 18.2 million euros). This included 17.1 million euros of non-recurring costs.

As a result of the successive acquisitions (TMG) and contributions (by Corelio and Concentra respectively), AvH currently has a 49.9% stake in Mediacore, the controlling shareholder (52.3%) in Corelio. Corelio has a controlling share of 50.57% in Mediahuis. The participation percentage of AvH in Mediahuis is therefore 13.2%.

A focus on strong brands, a concentration of forces and digital transformation continue to be the thread in the strategy of Mediahuis in 2018.

From left to right:
Bruno de Cartier,
Paul Verwilt, Kristiaan De Beukelaer, Geert Steurbaut,
Gert Ysebaert

www.mediahuis.be

Mediahuis NV

(€ 1,000, IFRS)	2017	2016
Turnover	631,439	430,310
EBITDA	56,159	57,366
Net result (group share)	14,826	18,242
Shareholders' equity (group share)	281,512	53,024
Net financial position	-163,972	-121,789

OncoDNA

Shareholding percentage AvH: 15%

OncoDNA supports the decision-making with regard to the treatment of patients suffering from advanced (metastatic) cancer. Personalised treatment is important, as each cancer is different for each patient. OncoDNA helps the oncologist to choose the best medical treatment and to better monitor the evolution of the cancer, and in particular whether or not the disease responds to the treatment.

OncoDNA

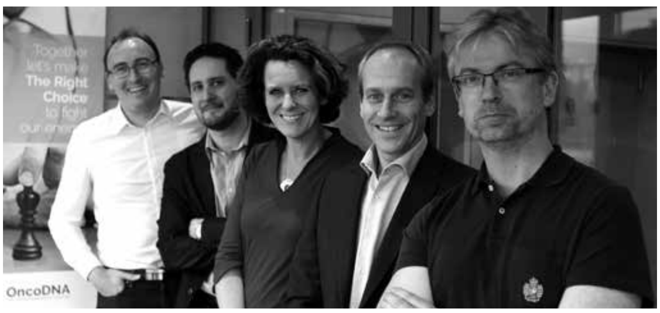
Since AvH became a shareholder in 2016, the OncoDNA team has expanded from about 20 to around 65 employees. OncoDNA works together with more than 3,000 oncologists and about one hundred institutions in more than 50 countries.

In 2017, OncoDNA officially launched its IT solution OncoKDM, a SaaS (Software as a Service) solution. Laboratories around the world can use KDM (Knowledge Driven Medicine) to send their data to the platform of OncoKDM, with a view to obtain a remote interpretation, and for the creation of a detailed report for their oncologists. This report is shared on OncoSHARE, the innovative platform for communication, sharing and networking with more than 14,000 users (oncologists, patients and relatives of the patients). With the support of the Walloon Region, OncoDNA has launched the ambitious Moncodaneum project. Worldwide, 20 large centres for cancer treatment will be connected to OncoKDM, so that they can access the databases and expertise of OncoDNA. Several important partnerships have already become a fact or will soon be established.

In 2017, OncoDNA also launched two new analyses in the market, OncoSTRAT&GO and OncoSELECT. The first enables the analysis of tumours on the basis of a biopsy of the primary tumour or of a metastasis, and also on the basis of the blood. The second is an exclusively blood-based analysis solution for lung cancer, breast cancer and colon cancer, which indicates whether the patient is eligible for certain treatments.

2017 was characterised in particular by the initial explorations of various insurers at a global level, who are beginning to enable the repayment of the OncoDNA analyses. This early stage of repayment is the result of ongoing clinical demonstration studies (the ARCHE project, with the support of the Walloon Region), but is also thanks to publications, and in particular to the feedback from oncologists who are aware of the usefulness of this approach. The first partnerships with major pharmaceutical actors were also launched in 2017.

In 2018, the focus will be on the accreditation of OncoDNA analyses for their reimbursement by insurances, health insurance funds or the social security. Another key development priority is the roll-out of OncoKDM in the major cancer centres.



From left to right: Jean-Pol Detiffe, Gregori Ghitti, Michelle Meijer, Pierre Flamant, Jean-Francois Laes

www.oncodna.com

Telemond Group

Shareholding percentage AvH: 50%

Telemond Group is a producer of high-quality steel constructions and modules for the hoisting, automotive and maritime-civil sector. The 4 production sites of the group are based in Poland.

Manufacturers and operators of cranes and OEMs in the automotive sector are important customers of Telemond. In the maritime segment, Telemond is involved in the dredging, oil and gas and renewable energy sectors.

In 2017, the **hoisting sector** experienced an upsurge after two very difficult years. The global investment expenditures are increasing. The European Union in particular showed a strong increase from the second quarter onwards. Telemond was able to significantly increase its market share with regard to its traditional customer base in 2016 and 2017. The group is expecting a record turnover in this segment in 2018, and is noticing strong indicators that this trend will continue in 2019.

Henschel Engineering Automotive, which produces loading bins with folding sideboards and three-way tipping boxes for light commercial vehicles such as the Crafter, the T6 and the Sprinter, experienced a difficult start-up phase for a new product line for VW. The turnover increased by 30% and is expected to increase again by 20% in 2018. Although the result of the entity suffered because of a challenging product implementation phase, the outlook for future development is excellent. The basis for this was laid in 2017.

The turnover in the **maritime** segment, which Telemond started to develop in 2014, increased by more than 20% despite a difficult market situation. The areas of activity and the customer base were expanded. Thanks to higher infrastructure investments and the recovery of the oil and gas sector, significantly more orders were received as of the third quarter. A significant growth in the renewable energy sector is expected for 2018 and 2019.

From left to right: Tobias Müller, Martin Kirschbaum, Christopher Maas, Dieter Schneider, Alicja Ozimek

www.telemond.be

Telemond, Telehold, Henschel(1)

(€ 1,000, IFRS)	2017	2016	2015
Turnover	75,814	69,006	69,869
EBITDA	6,846	6,592	1,724
Net result (group share)	2,474	2,176	-2,623
Shareholders' equity (group share)	52,246	47,405	47,225
Net financial position	-13,752	-13,623	-17,781

(1) Consortium consolidation

Turbo's Hoet Groep

Shareholding percentage AvH: 50%

Turbo's Hoet Groep (TH), with headquarters in Hooglede (Roeselare), is active in the sales, maintenance and leasing of trucks. In addition, TH distributes spare parts and turbos for trucks, trailers and passenger cars. The group is present with own branches in Belgium, France, the Netherlands, Russia, Belarus, Bulgaria, Romania, Poland and Ukraine.

TH Trucks (dealerships, sales and maintenance of trucks, light commercial vehicles and trailers) has 37 branches in 5 countries, Belgium (12), Russia (11), France (9), Bulgaria (4) and Belarus (1) and is one of the major DAF dealers worldwide. In addition, TH Trucks is also a dealer for, among others, Iveco, Nissan, Fiat Professional, Kögel and various other trailer brands. Every day, 400 mechanics are available for customers.

TH Lease (long-term and short-term rental of trucks, light commercial vehicles and trailers) is the largest independent leasing company for commercial vehicles in Belgium. This service is also offered to customers in other countries. The TH-Lease park consists of more than 4,100 units.

TH Parts (Belgium, France, the Netherlands, Russia, Bulgaria, Poland, Belarus, Ukraine) is an important European player for spare parts for trucks, light commercial vehicles and trailers. More than 200 specialists guide customers to the right choice of spare parts. The extensive stocks guarantee that the parts are readily available. In addition, customers can also have repairs done.

TH Turbos is worldwide one of the largest distributors of turbos for the 'aftermarket'. The company's own branches in 8 countries (Belgium, France, the Netherlands, Russia, Bulgaria, Romania, Poland, Ukraine) have an extensive stock of turbos for passenger cars, trucks and industrial applications. Technical assistance, repairs and excellent warranty conditions add to the provision of an impeccable customer service.

New garage in Sofia - Bulgaria

Heavy truck registrations increased by 0.5% in the EU in 2017. In 2017, TH Groep achieved a 19% increase in turnover compared to 2016. The EBITDA increased by 7% to 27.8 million euros and the net result amounted to 9.7 million euros (+4%). In 2017, a newly-build garage was put into use in Sofia (Bulgaria) and new distribution points were opened in France (Dunkirk and St-Quentin) and Russia (Chelyabinsk and St Petersburg).

The opening of newly-build service dealerships in Aalst (Belgium) and Le Havre (France) are scheduled for 2018.

Turbo's Hoet Groep NV

(€ 1,000, BGAAP)	2017	2016	2015
Turnover	**467,665**	393,046	350,573
EBITDA	**27,837**	25,863	21,366
Net result (group share)	**9,677**	9,279	8,425
Shareholders' equity (group share)	**102,599**	97,565	86,885
Net financial position	**-106,440**	-94,413	-85,291

From left to right:
Serge Van Hulle,
Peter Tytgadt, Filip Matthijs,
Bart Dobbels,
Kristof Derudder,
Piet Wauters

www.th-group.eu

Transpalux

Held for sale

Shareholding percentage AvH: 45%

Transpalux, with headquarters in Gennevilliers (near Paris), is the leading provider of audiovisual facilities for film and fiction productions in France. Transpalux has been operating the renowned studio complex of Bry-sur-Marne since 2015.

Transpalux, which since its spin-off from Euro Media Group in 2014 has successfully repositioned itself as a the leading provider of audiovisual facilities and technical services for film and fiction productions in France, had a successful year in 2017. After nine months, the turnover reached 22.7 million euros, on which a net profit of 0.7 million euros was realized.

In December 2017, AvH reached an agreement on the sale of its stake in Transpalux to the French controlling shareholder. The closing of this transaction is still subject to certain conditions precedent, which are expected to be fulfilled in 1H2018.

AvH reclassified this participation to 'Assets held for sale' in its consolidated financial statements at year-end 2017 and measured it at its expected realization value.

From left to right: Didier Diaz, Thierry Masurel

www.transpalux.com

Transpalux

(€ 1,000, French GAAP)	2017[1]	2016	2015
Turnover	22,650	29,695	24,570
EBITDA	2,485	3,517	2,966
Net result (group share)	726	1,368	-100
Shareholders' equity (group share)	9,315	8,590	7,104
Net financial position	-4,828	-3,011	-3,554

[1] 9 months

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.
- **Economic turnover DEME**: 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 January 1, 2015. 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.
- **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 2017

Ackermans & van Haaren
Partners for sustainable growth

Contents

The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards and IFRIC interpretations effective on December 31, 2017, as approved by the European Commission.

Income statement

(€ 1,000)	Note	2017	2016
Revenue		**3,950,575**	**3,649,117**
Rendering of services		206,973	179,897
Lease revenue		8,974	8,546
Real estate revenue		227,897	179,314
Interest income - banking activities		97,563	106,615
Fees and commissions - banking activities		55,637	48,011
Revenue from construction contracts		3,262,584	3,020,241
Other operating revenue		90,948	106,493
Other operating income		**14,484**	**9,782**
Interest on financial fixed assets - receivables		7,301	317
Dividends		6,864	9,292
Government grants		0	121
Other operating income		318	52
Operating expenses (-)		**-3,654,866**	**-3,347,785**
Raw materials and consumables used (-)		-2,005,126	-1,769,842
Changes in inventories of finished goods, raw materials & consumables (-)		22,932	25,780
Interest expenses Bank J,Van Breda & C° (-)		-25,869	-32,544
Employee expenses (-)	23	-765,902	-717,569
Depreciation (-)		-269,315	-262,910
Impairment losses (-)		-12,724	-30,230
Other operating expenses (-)		-587,750	-552,702
Provisions		-11,113	-7,766
Profit (loss) on assets/liabilities designated at fair value through profit and loss		**31,960**	**40,587**
Financial assets held for trading	19	0	0
Investment property	9	31,960	40,587
Profit (loss) on disposal of assets		**83,841**	**17,635**
Realised gain (loss) on intangible and tangible assets		10,868	3,514
Realised gain (loss) on investment property		-2,798	3,584
Realised gain (loss) on financial fixed assets		73,181	9,350
Realised gain (loss) on other assets		2,591	1,188
Profit (loss) from operating activities		**425,993**	**369,337**
Finance income		**55,645**	**31,433**
Interest income		10,830	11,423
Other finance income		44,815	20,010
Finance costs (-)		**-112,836**	**-90,491**
Interest expenses (-)		-42,237	-49,546
Other finance costs (-)		-70,599	-40,946
Derivative financial instruments designated at fair value through profit and loss	19	**633**	**122**
Share of profit (loss) from equity accounted investments	10	**140,859**	**108,660**
Other non-operating income		**2,385**	**1,785**
Other non-operating expenses (-)		**0**	**0**
Profit (loss) before tax		**512,680**	**420,847**
Income taxes	20	**-57,022**	**-54,794**
Deferred taxes		16,082	13,146
Current taxes		-73,104	-67,940
Profit (loss) after tax from continuing operations		**455,657**	**366,053**
Profit (loss) after tax from discontinued operations		**0**	**0**
Profit (loss) of the period		**455,657**	**366,053**
Minority interests		153,128	141,816
Share of the group		302,530	224,237

Earnings per share (€)			
1. Basic earnings per share			
1.1. from continued and discontinued operations		9.13	6.77
1.2. from continued operations		9.13	6.77
2. Diluted earnings per share			
2.1. from continued and discontinued operations		9.09	6.74
2.2. from continued operations		9.09	6.74

(1) We refer to the segment information on pages 147 to 158 for more comments on the consolidated results.

Statement of comprehensive income

(€ 1,000)	2017	2016
Profit (loss) of the period	**455,657**	**366,053**
Minority interests	153,128	141,816
Share of the group	**302,530**	**224,237**
Other comprehensive income	**-30,691**	**-24,305**
Items that may be reclassified to profit or loss in subsequent periods		
Changes in revaluation reserve: financial assets available for sale	-15,984	-3,711
Taxes	1,662	267
	-14,321	-3,444
Changes in revaluation reserve: hedging reserves	21,561	-5,325
Taxes	-1,962	-1,378
	19,599	-6,702
Changes in revaluation reserve: translation differences	-30,190	-1,622
Items that cannot be reclassified to profit or loss in subsequent periods		
Changes in revaluation reserve: actuarial gains (losses) defined benefit pension plans	-2,835	-19,333
Taxes	-2,944	6,796
	-5,778	-12,536
Total comprehensive income	**424,966**	**341,748**
Minority interests	151,834	127,414
Share of the group	**273,132**	**214,335**

The revaluation reserve resulting from the accounting revaluation at fair value on closing date of financial assets still in portfolio but available for sale decreased by 14.3 million euros compared with last year.

This trend is explained by several elements. Leasinvest Real Estate, following the increase in its stake in Lux Airport, henceforth included this participation in its consolidation scope. Consequently, these Lux Airport securities are no longer part of the financial assets available for sale, nor does the 7.1 million euros revaluation reserve relating thereto at year-end 2016. Mediahuis also reclassified certain assets in its consolidated balance sheet following the acquisition of Telegraaf Media Group. This reserve also changed as a result of the sale of financial assets where the unrealized capital gains/losses are effectively realized, and as a result of changes in the value of financial assets in portfolio on the closing date.

Hedging reserves arise from fluctuations in the fair value of hedging instruments used by several group companies to hedge against risks. Several group companies have hedged against a possible rise in interest rates. Generally, the value of those hedging instruments has increased during 2017, allowing part of the negative value adjustments that were previously recognized under this item to be reversed (such as at Leasinvest Real Estate and DEME).

Translation differences arise from fluctuations in the exchange rates of group companies that report in foreign currencies. In 2017, the euro increased in value against most currencies (USD, GBP, INR,…), which is reflected in negative translation differences a.o. regarding Sipef, DEME, Rent-A-Port and Manuchar.

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.

Assets

(€ 1,000)	Note	2017	2016
I. Non-current assets		**9,255,476**	**8,523,262**
Intangible assets	6	**179,567**	**166,832**
Goodwill	7	**349,523**	**342,539**
Tangible assets	8	**2,572,877**	**2,134,639**
Land and buildings		479,686	475,433
Plant. machinery and equipment		1,615,815	1,488,867
Furniture and vehicles		28,822	31,411
Other tangible assets		4,713	4,364
Assets under construction and advance payments		443,558	134,301
Operating lease - as lessor (IAS 17)		283	263
Investment property	9	**945,488**	**1,010,754**
Participations accounted for using the equity method	10	**1,240,746**	**1,153,300**
Financial fixed assets	11	**267,186**	**289,146**
Available for sale financial fixed assets		102,335	113,043
Receivables and warranties		164,851	176,103
Non-current hedging instruments	19	**5,649**	**3,576**
Amounts receivable after one year	11	**177,109**	**160,669**
Trade receivables		6,958	4,230
Finance lease receivables	15	160,765	129,272
Other receivables		9,386	27,167
Deferred tax assets	20	**109,219**	**134,236**
Banks - receivables from credit institutions and clients after one year	12	**3,408,112**	**3,127,572**
II. Current assets		**4,192,378**	**4,247,159**
Inventories	13	**329,400**	**250,265**
Amounts due from customers under construction contracts	13	**74,292**	**112,074**
Investments		**467,882**	**621,408**
Available for sale financial assets	11	467,879	621,405
Financial assets held for trading		3	3
Current hedging instruments	19	**4,553**	**3,551**
Amounts receivable within one year	11	**1,321,413**	**1,405,260**
Trade debtors		1,066,152	1,166,164
Finance lease receivables	15	55,139	47,850
Other receivables		200,122	191,245
Current tax receivables	20	**19,030**	**24,429**
Banks - receivables from credit institutions and clients within one year	12	**1,304,957**	**1,041,064**
Banks - loans and advances to banks		88,863	74,156
Banks - loans and receivables (excluding leases)		908,056	931,915
Banks - cash balances with central banks		308,038	34,993
Cash and cash equivalents		**637,027**	**754,315**
Time deposits for less than three months		35,152	156,773
Cash		601,875	597,542
Deferred charges and accrued income		**33,824**	**34,793**
III. Assets held for sale	9-10	**21,159**	**104,637**
Total assets		**13,469,013**	**12,875,059**

The breakdown of the consolidated balance sheet by segment is shown on page 150-151 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 5,425 million euros to the balance sheet total of 13,469 million euros, and although this bank is solidly capitalized with a Core Tier 1 ratio of 14.2%, 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	2017	2016
I. Total equity		**4,195,272**	**3,916,348**
Equity - group share		**2,972,208**	**2,783,083**
Issued capital		**113,907**	**113,907**
Share capital		2,295	2,295
Share premium		111,612	111,612
Consolidated reserves		**2,905,611**	**2,682,090**
Revaluation reserves		**-17,482**	**11,915**
Financial assets available for sale		23,579	31,145
Hedging reserves		-10,204	-18,635
Actuarial gains (losses) defined benefit pension plans		-15,083	-11,569
Translation differences		-15,774	10,974
Treasury shares (-)	21	**-29,828**	**-24,830**
Minority interests	14	**1,223,064**	**1,133,265**
II. Non-current liabilities		**2,477,286**	**2,675,375**
Provisions	16	**86,381**	**105,989**
Pension liabilities	24	**58,134**	**56,021**
Deferred tax liabilities	20	**212,268**	**256,685**
Financial debts	17	**1,388,177**	**1,413,303**
Bank loans		877,470	892,811
Bonds		435,327	434,049
Subordinated loans		5,354	3,344
Finance leases		66,147	79,446
Other financial debts		3,880	3,654
Non-current hedging instruments	19	**50,397**	**84,352**
Other amounts payable after one year		**26,761**	**54,346**
Banks - non-current debts to credit institutions. clients & securities	18	**655,168**	**704,680**
Banks - deposits from credit institutions		0	0
Banks - deposits from clients		607,368	647,175
Banks - debt certificates including bonds		0	0
Banks - subordinated liabilities		47,800	57,505
III. Current liabilities		**6,796,455**	**6,277,332**
Provisions	16	**59,166**	**37,865**
Pension liabilities	24	**289**	**214**
Financial debts	17	**499,467**	**560,632**
Bank loans		163,833	299,610
Bonds		99,959	0
Finance leases		15,230	52,202
Other financial debts		220,445	208,819
Current hedging instruments	19	**8,405**	**25,147**
Amounts due to customers under construction contracts	13	**235,704**	**222,816**
Other amounts payable within one year		**1,641,461**	**1,573,372**
Trade payables		1,352,745	1,270,310
Advances received on construction contracts		2,505	3,814
Amounts payable regarding remuneration and social security		186,022	183,864
Other amounts payable		100,189	115,384
Current tax payables	20	**64,691**	**51,989**
Banks - current debts to credit institutions. clients & securities	18	**4,191,182**	**3,727,271**
Banks - deposits from credit institutions		27,458	24,422
Banks - deposits from clients		3,898,145	3,532,914
Banks - debt certificates including bonds		253,114	161,693
Banks - subordinated liabilities		12,465	8,242
Accrued charges and deferred income		**96,089**	**78,027**
IV. Liabilities held for sale		**0**	**6,004**
Total equity and liabilities		**13,469,013**	**12,875,059**

Cash flow statement (indirect method)

(€ 1,000)	2017	2016
I. Cash and cash equivalents - opening balance	**754,315**	**704,987**
Profit (loss) from operating activities	425,993	369,337
Reclassification 'Profit (loss) on disposal of assets' to cash flow from divestments	-83,841	-25,102
Dividends from participations accounted for using the equity method	62,392	65,608
Other non-operating income (expenses)	2,385	1,785
Income taxes	-47,135	-65,173
Non-cash adjustments		
Depreciation	269,315	262,910
Impairment losses	12,881	30,171
Share based payment	1,915	-1,618
Profit (loss) on assets/liabilities designated at fair value through profit and loss	-31,960	-40,587
(Decrease) increase of provisions	11,226	1,342
(Decrease) increase of deferred taxes	-16,082	-13,146
Other non-cash expenses (income)	4,186	1,391
Cash flow	**611,275**	**586,920**
Decrease (increase) of working capital	**-62,693**	**71,291**
Decrease (increase) of inventories and construction contracts	-31,726	115,994
Decrease (increase) of amounts receivable	93,961	-37,227
Decrease (increase) of receivables from credit institutions and clients (banks)	-553,537	-265,930
Increase (decrease) of liabilities (other than financial debts)	9,621	7,038
Increase (decrease) of debts to credit institutions. clients & securities (banks)	419,257	261,979
Decrease (increase) other	-268	-10,563
Cash flow from operating activities	**548,583**	**658,211**
Investments	**-1,165,097**	**-1,168,089**
Acquisition of intangible and tangible assets	-491,841	-217,138
Acquisition of investment property	-126,121	-114,766
Acquisition of financial fixed assets	-304,012	-222,562
New amounts receivable	-27,820	-81,695
Acquisition of investments	-215,302	-531,929
Divestments	**724,102**	**701,601**
Disposal of intangible and tangible assets	20,459	9,275
Disposal of investment property	113,502	66,146
Disposal of financial fixed assets	214,987	51,563
Reimbursements of amounts receivable	13,344	35,527
Disposal of investments	361,809	539,090
Cash flow from investing activities	**-440,994**	**-466,488**
Financial operations		
Interest received	10,820	11,142
Interest paid	-47,945	-57,421
Other financial income (costs)	-24,519	-20,366
Decrease (increase) of treasury shares	-6,993	-801
(Decrease) increase of financial debts	-9,743	53,279
Distribution of profits	-67,638	-64,980
Dividends paid to minority interests	-56,548	-64,717
Cash flow from financial activities	**-202,566**	**-143,863**
II. Net increase (decrease) in cash and cash equivalents	**-94,978**	**47,859**
Change in consolidation scope or method	-21,890	1,814
Capital increases (minorities)	150	275
Impact of exchange rate changes on cash and cash equivalents	-570	-620
III. Cash and cash equivalents - ending balance	**637,027**	**754,315**

A detailed cash flow statement per segment is presented on page 153 of this report.

Statement of changes in consolidated equity

(€ 1,000)			Revaluation reserves							
	Issued capital & share premium	Consolidated reserves	Financial assets available for sale	Hedging reserves	Actuarial gains (losses) defined benefit pension plans	Translation differences	Treasury shares	Equity - group share	Minority interests	Total equity
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**

(€ 1,000)			Revaluation reserves							
	Issued capital & share premium	Consolidated reserves	Financial assets available for sale	Hedging reserves	Actuarial gains (losses) defined benefit pension plans	Translation differences	Treasury shares	Equity - group share	Minority interests	Total equity
Opening balance, 1 January 2017	**113,907**	**2,682,090**	**31,145**	**-18,635**	**-11,569**	**10,974**	**-24,830**	**2,783,083**	**1,133,265**	**3,916,348**
Profit		302,530						302,530	153,128	455,657
Unrealised results			-7,566	8,431	-3,514	-26,748		-29,397	-1,294	-30,691
Total of realised and unrealised results	**0**	**302,530**	**-7,566**	**8,431**	**-3,514**	**-26,748**	**0**	**273,132**	**151,834**	**424,966**
Distribution of dividends of the previous financial year		-67,638						-67,638	-56,548	-124,186
Operations with treasury shares							-4,998	-4,998		-4,998
Other (a.o. changes in consol. scope / beneficial interest %)		-11,371						-11,371	-5,487	-16,858
Ending balance, 31 December 2017	**113,907**	**2,905,611**	**23,579**	**-10,204**	**-15,083**	**-15,774**	**-29,828**	**2,972,208**	**1,223,064**	**4,195,272**

The note to the revaluation reserves, which in accordance with IFRS rules are recognized directly in the equity, can be found on page 127 of this report.

On May 31, 2017, AvH paid a dividend of 2.04 euros per share.

In 2017, AvH bought 71,000 treasury shares to hedge the stock option obligations to its staff. During that same period, beneficiaries of the stock option plan exercised options on 66,000 AvH shares. As at December 31 2017, AvH had granted options on a total of 311,000 AvH shares. To hedge these and future option obligations, AvH had a total 357,000 treasury shares in portfolio on that same date.

In addition, 120,338 shares were purchased and 117,359 shares sold in 2017 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 2,979 AvH shares in this context has an impact on AvH's equity. This net purchase of 2,979 shares in 2017 puts the total number of shares held by AvH as part of this liquidity agreement at 5,257.

The item "Other" in the statement of changes in equity includes a.o. the eliminations of results on sales of treasury shares, the impact of the acquisition of minority interests and the impact of the measurement of the purchase obligation resting on certain shares.

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 198 for more details regarding AvH's authorised capital.

Capital management

At year-end 2017, AvH (including subholdings) had a net cash position of 80.2 million euros, compared with 68.3 million euros at year-end 2016. Besides cash and short-term deposits, this cash position consisted of 75.5 million euros in short-term investments (including treasury shares), and 45.0 million euros in short-term debt in the form of commercial paper. We refer to page 154 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 31/12/2017, 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 2017, 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, 2017:

- 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
- Annual Improvements Cycle - 2014-2016, effective as from 1 January 2017

Except for the amendments to IAS 7 Statement of Cash Flows, 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.

The amendment to IAS 7 requires additional clarification concerning any changes in obligations resulting from financing activities, including changes resulting from both cash flows and non cash changes (such as exchange rate profits or losses, changes in the consolidation circle) (see page 152).

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, 2017, and were not applied early. AvH intends to apply those standards and interpretations once they become effective.

- Amendments to IFRS 2 Share-based Payment - Classification and Measurement of Share-based Payment Transactions, effective as from 1 January 2018
- 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 40 Investment Property – Transfers of Investment Property, effective 1 January 2018
- IFRIC 22 Foreign Currency Transactions and Advance Consideration1, effective 1 January 2018
- IFRIC 23 Uncertainty over Income Tax Treatments, effective 1 January 2019
- Annual Improvements Cycle - 2014-2016, effective 1 January 2018

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.

AvH will make use of the possibility not to restate the comparative figures. As a result, for both the classification and measurement of financial instruments and the determination of expected credit losses the impact at the start will be applied in the opening balance at 1/1/2018, without adjustment of the previous periods.

(I) Classification and measurement:
IFRS 9 identifies three categories for the classification of financial assets according to how the assets are measured: amortized cost, fair value through other comprehensive income, and fair value through profit & loss. The IAS 39 categories of held-to-maturity investments, loans and receivables, and available-for-sale financial assets cease to exist.

The new classification of financial assets and liabilities at amortized cost is determined in two steps:
- The ‘business model’ test determines how a portfolio is managed as a whole.
- The ‘Solely Payment of Principal and Interest (SPPI)’ test determines the characteristics of the contractual cash flows.

AvH has reviewed the above criteria and concludes that, as far as classification and measurement of financial liabilities and financial assets is concerned, there is no impact on the opening balance at 1/1/2018. The organization, processes and governance are adjusted in order that the formal assessments and the review can be carried out in a going concern.

Except at Bank J.Van Breda & C°, the changes in fair value in the portfolio ‘Available-for-sale financial assets’ will be recognized through profit and loss as from January 1, 2018. Consequently, the unrealized capital gains will be reclassified (within the equity) to the consolidated reserves in the opening balance to the amount of 22.0 million euro (share of the group). After that, the classification (changes in fair value through profit and loss or through other comprehensive income) of each new acquisition will be determined per instrument.

(II) Expected credit losses (expected loss model)
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.

Bank J.Van Breda & C° has developed a model to determine 'expected credit loss'. The credit portfolio is subdivided into three stages:
- Stage 1: performing credits, for which an initial ‘one-year expected credit loss’ is recognized: for all financial assets, an initial provision for expected credit losses is constituted based on the probability that events will occur within 12 months that give rise to default.
- Stage 2: underperforming credits for which a 'lifetime expected credit loss' is recognized: if a significant increase in credit risk is observed, a provision for credit losses is constituted over the expected life of the financial asset.
- Stage 3: for non-performing credits, the impairments continue to be recognized individually.

The credit losses for stages 1 and 2 are determined on the basis of a model developed internally in accordance with the rules of IFRS 9. Given the quality of the loan portfolio of Bank J.Van Breda & C°, the impact on the opening equity will be limited to -3.3 million euros (pre-minorities). Delen Private Bank reports a minimal impact of -0.1 million euros (pre-minorities).

No material impact is anticipated for the AvH group’s other participations following the initial application of IFRS 9 – expected credit losses.

(III) Hedge accounting
The new hedge accounting principles will have no 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.

AvH implemented the new standard on 1/1/2018 and has opted for the modified retrospective method, which means that the opening balance of the equity at January 1, 2018 is adjusted without adjustment of the comparative figures of the previous year. In this approach, IFRS 15 is applied to contracts which were not yet completed on the date of initial application; these contracts are restated as if IFRS 15 was always applicable.

The analysis performed at DEME shows that certain contracts (EPCI) contain separately identifiable performance obligations, namely obligations relating to purchase and installation activities. Until now, these standard contracts were always treated as one single contract under IAS 11, but according to IFRS 15 the different performance obligations will each separately give rise to revenue recognition. The impact of this restatement will cause the opening equity to decrease by 15.6 million euros (pre-minorities) at January 1, 2018. The other participations reported no material impact.

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 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.

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 in the UK and Bank J.Van Breda & C°, a niche-bank for entrepreneurs and liberal professions in Belgium.

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 and Sagar Cements.

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 % 2017	Beneficial interest % 2016	Minority interest % 2017	Minority interest % 2016
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%**
Algemene Aannemingen Van Laere (2)	**0405.073.285**	**Belgium**	**60.40%**	**100.00%**	**39.60%**	
Anmeco	0458.438.826	Belgium	60.40%	100.00%	39.60%	
Groupe Thiran	0425.342.624	Belgium	60.40%	100.00%	39.60%	
TPH Van Laere	43.434.858.544	France	60.40%	100.00%	39.60%	
Vandendorpe	0417.029.625	Belgium	60.40%	100.00%	39.60%	
Wefima	0424.903.055	Belgium	60.40%	100.00%	39.60%	
Alfa Park (3)	0834.392.218	Belgium		100.00%		
Galiliège (3)	0550.717.104	Belgium		49.00%		51.00%
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	0832.273.757	Belgium	72.18%	72.18%	27.82%	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		Guinea	50.53%	50.53%	49.47%	49.47%
Green Offshore	**0832.273.757**	**Belgium**	**80.20%**	**80.20%**	**19.80%**	**19.80%**
Private Banking						
Bank J.Van Breda & C°	**0404.055.577**	**Belgium**	**78.75%**	**78.75%**	**21.25%**	**21.25%**
ABK bank (merged with Bank J.Van Breda & C°)	0404.456.841	Belgium		78.74%		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 (4)	**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 (merged with Extensa Group) (4)	1999.2229.988	Luxembourg		100.00%		
Extensa Participations I (merged with Extensa Group) (4)	2004.2421.120	Luxembourg		100.00%		
Extensa Participations II (merged with Extensa Group) (4)	2004.2421.090	Luxembourg		100.00%		
Extensa Participations III (merged with Extensa Group) (4)	2012.2447.996	Luxembourg		100.00%		
Extensa Romania	J40.24053.2007	Romania	100.00%	100.00%		
Extensa Slovakia (5)	36.281.441	Slovakia		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 (merged with Extensa Group) (4)	2012.2447.856	Luxembourg		100.00%		
Implant	0434.171.208	Belgium	100.00%	100.00%		
Leasinvest Real Estate Management (7)	0466.164.776	Belgium		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	0406.211.155	Belgium	100.00%	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 (9)	0628.888.216	Belgium		100.00%		
Vilvolease	0456.964.525	Belgium	100.00%	100.00%		
Leasinvest Real Estate (7) (8)	**0436.323.915**	**Belgium**	**30.01%**	**30.01%**	**69.99%**	**69.99%**
Leasinvest Real Estate Management (7) (8)	**0466.164.776**	**Belgium**	**100.00%**			

Note 2: subsidiaries and jointly controlled subsidiaries (continued)

1. Fully consolidated subsidiaries (continued)

Name of subsidiary	Registration nr		Regis-tered office	Beneficial interest % 2017		Beneficial interest % 2016		Minority interest % 2017		Minority interest % 2016	
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%	
Anima Care Wallonie (ex-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	92.50%		61.67%		7.50%		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%		92.50%		7.50%		7.50%	
Duneroze	0536.809.777		Belgium	92.50%		92.50%		7.50%		7.50%	
Zandsteen	0664.573.823		Belgium	92.50%		92.50%		7.50%		7.50%	
Les Résidences de l'Eden	0455.832.197		Belgium	92.50%				7.50%			
Résidence Arcade	0835.637.281		Belgium	92.50%				7.50%			
La Roseraie	0466.582.668		Belgium	92.50%				7.50%			
Patrium	0675.568.178		Belgium	92.50%				7.50%			
Elenchus Invest	0478.953.930		Belgium	92.50%				7.50%			
Résidence Edelweiss	0439.605.582		Belgium	92.50%				7.50%			
Résidence Neerveld	0427.883.628		Belgium	92.50%				7.50%			
HPA [11]	**0818.090.674**		**Belgium**	**71.72%**		**70.86%**		**28.28%**		**29.14%**	
Operations / Real estate residences [11]											
Residalya / Patrimoine & Santé	480.081.397	484.065.586	France	71.72%	71.72%	70.86%	52.22%	28.28%	28.28%	29.14%	47.78%
Residalya Real Estate / P&S Real Estate	480.081.819	487.599.102	France	71.72%	71.72%	70.86%	52.22%	28.28%	28.28%	29.14%	47.78%
Inova	450.720.883		France	36.01%		35.57%		63.99%		64.43%	
La Chenaie / Saint Ciers Invest	343.356.028	491.430.781	France	71.72%	71.72%	70.86%	52.22%	28.28%	28.28%	29.14%	47.78%
Le Jardin Des Loges / Bonnet Invest	394.806.541	485.191.951	France	71.72%	71.72%	70.86%	52.22%	28.28%	28.28%	29.14%	47.78%
Le Mont Des Landes / Saint Savest	401.600.481	491.485.371	France	71.72%	71.72%	70.86%	52.22%	28.28%	28.28%	29.14%	47.78%
Les Alysés / Troyes Invest	527.799.811	503.163.123	France	71.72%	69.04%	70.86%	52.22%	28.28%	30.96%	29.14%	47.78%
Les Portes De Champagne	338.568.389		France	71.72%		70.86%		28.28%		29.14%	
Les Portes De Nimes / Poulx Invest	423.582.055	491.006.300	France	71.72%	71.72%	70.86%	52.22%	28.28%	28.28%	29.14%	47.78%
Les Portes Du Jardin / Tonnay Invest	481.193.027	479.843.146	France	71.72%	71.72%	70.86%	52.22%	28.28%	28.28%	29.14%	47.78%
Residalya Bésançon / Chazal Invest	509.668.950	505.407.221	France	71.72%	71.72%	70.86%	52.22%	28.28%	28.28%	29.14%	47.78%
Residalya BL	534.425.574		France	71.72%		70.86%		28.28%		29.14%	
Residalya Courchelettes / Courchelettes Invest	531.354.801	510.895.162	France	71.72%	71.72%	70.86%	52.22%	28.28%	28.28%	29.14%	47.78%
Residalya Dijon / Dijon Invest	522.014.059	510.800.824	France	71.72%	71.72%	70.86%	52.22%	28.28%	28.28%	29.14%	47.78%
Residalya Garons / Garons Invest	534.425.608	808.415.368	France	71.72%	71.72%	70.86%	52.22%	28.28%	28.28%	29.14%	47.78%
Residalya Haute Goulaine / Goulaine Invest	492.700.885	495.191.918	France	71.72%	71.72%	70.86%	52.22%	28.28%	28.28%	29.14%	47.78%
Residalya Le Lavandou / Grand Batailler Invest	534.860.036	510.895.337	France	71.72%	71.72%	70.86%	52.22%	28.28%	28.28%	29.14%	47.78%
Residalya Le Rove / Marseille Le Rove Invest	490.173.614	499.376.457	France	71.72%	71.72%	70.86%	52.22%	28.28%	28.28%	29.14%	47.78%
Residalya Les Rives D'Allier / Pont Du Château Invest	491.818.779	492.578.505	France	71.72%	71.72%	70.86%	52.22%	28.28%	28.28%	29.14%	47.78%
Residalya Orléans / Orléans Invest	534.476.536	519.062.228	France	71.72%	71.72%	70.86%	52.22%	28.28%	28.28%	29.14%	47.78%
Residalya Résidence Automne / Champs Invest	501.535.371	534.103.262	France	71.72%	71.72%	70.86%	52.22%	28.28%	28.28%	29.14%	47.78%
Residalya Séolanes / Seolanes Invest	501.479.638	387.965.502	France	71.72%	71.72%	70.86%	52.22%	28.28%	28.28%	29.14%	47.78%
Residalya St. Marcel / Saint Marcel Invest	531.418.564	522.169.861	France	71.72%	71.72%	70.86%	52.22%	28.28%	28.28%	29.14%	47.78%
Residalya Villers Semeuse / Villers Semeuse invest	527.736.441	510.800.808	France	71.72%	71.72%	70.86%	52.22%	28.28%	28.28%	29.14%	47.78%
Residalya Projet 7	815.347.711		France	71.72%		70.86%		28.28%		29.14%	
Résidence Du Littoral / Saint Augustinvest	482 162 542	491.430.575	France	71.72%	71.72%	70.86%	52.22%	28.28%	28.28%	29.14%	47.78%
Résidence Marguerite	950.537.233		France	71.72%		70.86%		28.28%		29.14%	
Sogécom	343.296.760		France	71.72%		70.86%		28.28%		29.14%	
SRG / Saint Genis Invest	398.710.921	394.584.742	France	71.72%	71.72%	70.86%	52.22%	28.28%	28.28%	29.14%	47.78%
Villa Charlotte	390.719.193		France	71.72%		70.86%		28.28%		29.14%	

Note 2: subsidiaries and jointly controlled subsidiaries (continued)

1. Fully consolidated subsidiaries (continued)

Name of subsidiary	Registration nr		Registered office	Beneficial interest % 2017		Beneficial interest % 2016		Minority interest % 2017		Minority interest % 2016	
Real Estate & Senior Care (continued)											
La Demeure Du Bois Ardent / Turquoise	399.793.173	394.597.488	France	71.72%	71.72%	70.86%	52.22%	28.28%	28.28%	29.14%	47.78%
Sérénalto	344.503.545		France	43.03%		42.52%		56.97%		57.48%	
Ambroise Paré / Paradin	395.190.226	395.190.374	France	40.88%	43.03%	40.39%	42.52%	59.12%	56.97%	59.61%	57.48%
Cigma Holding / Cidevim	789.479.185	478 101 025	France	71.72%	71.72%	70.86%	52.22%	28.28%	28.28%	29.14%	47.78%
Cigma De Laval / Cigma du Tertre	527.946.131	511 972 721	France	71.72%	71.72%	70.86%	52.22%	28.28%	28.28%	29.14%	47.78%
Crèche du Tertre / Cigma du Tertre	528.379.001	511 972 721	France	71.72%	71.72%	70.86%	52.22%	28.28%	28.28%	29.14%	47.78%
Villa Thalia / CMSR	348.210.196	322.409.442	France	71.72%	71.72%			28.28%	28.28%		
Résidence Le Pyla / Saphir	424.416.212	433.702.467	France	71.72%	71.72%			28.28%	28.28%		
Saint Lo Développement		815.376.124	France		71.72%				28.28%		
Taillan Invest		820.126.902	France		71.72%				28.28%		
Salvagny Invest		824.058.184	France		71.72%				28.28%		
Energy & Resources											
Nationale Maatschappij der Pijpleidingen [12]		**0418.190.556**	**Belgium**				**75.00%**				**25.00%**
Quinten Matsys		0424.256.125	Belgium				75.00%				25.00%
Canal-Re		2008 2214 764	Luxembourg				75.00%				25.00%
AvH Resources India		**U74300DL2001 PTC111685**	**India**		**100.00%**		**100.00%**				
AvH & Growth Capital											
Sofinim		**0434.330.168**	**Belgium**		**100.00%**		**100.00%**				
Sofinim Luxembourg		2003.2218.661	Luxembourg		100.00%		100.00%				
Agidens International		**0468.070.629**	**Belgium**		**86.25%**		**86.25%**		**13.75%**		**13.75%**
Agidens Life Sciences		0411.592.279	Belgium		86.25%		86.25%		13.75%		13.75%
Agidens Infra Automation		0630.982.030	Belgium		86.25%		86.25%		13.75%		13.75%
Agidens Proces Automation		0465.624.744	Belgium		86.25%		86.25%		13.75%		13.75%
Agidens Proces Automation BV		005469272B01	The Netherlands		86.25%		86.25%		13.75%		13.75%
Agidens Life Sciences BV		850983411B01	The Netherlands		86.25%		86.25%		13.75%		13.75%
Agidens Infra Automation BV		856220024B01	The Netherlands		86.25%		86.25%		13.75%		13.75%
Agidens Inc			USA		86.25%		86.25%		13.75%		13.75%
Agidens SAS		10.813.818.424	France		86.25%		86.25%		13.75%		13.75%
Agidens GmbH		76301	Germany		86.25%		86.25%		13.75%		13.75%
Agidens AG		539301	Switserland		86.25%		86.25%		13.75%		13.75%
Baarbeek Immo		651.662.133	Belgium		86.25%		86.25%		13.75%		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) At the end of 2017, the activities of the A.A. Van Laere group were sold to CFE Contracting.

(3) As part of a strategic repositioning, A.A. Van Laere sold its car park operator Alfa Park to the French company Effia.

(4) Extensa's Belgian and Luxembourg group structure has been simplified by means of a cross-border merger with the Luxembourg activities being held now by Extensa Group.

(5) The Slovak holding company Extensa Slovakia was sold in June 2017.

(6) Under the shareholder agreement, Extensa has a beneficial interest of only 50% in the results of this company.

(7) On 31 March 2017, AvH acquired from Extensa both the 29.3% interest in Leasinvest Real Estate and the 100% interest in its statutory manager Leasinvest Real Estate Management. Since AvH is the full owner of Extensa, AvH's consolidated shareholding percentage in Leasinvest Real Estate remains unchanged at 30.01%.

(8) 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 Ackermans & van Haaren. The board of directors of Leasinvest Real Estate Management 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.

(9) The company developing the Herman Teirlinck building (VAC De Meander) was sold to Baloise Group in November.

(10) Anima Care realised the acquisition of six residential care centres throughout 2017: 'La Roseraie' (72 beds) and 'Edelweiss' (67 beds) in Anderlecht, 'Arcade' (57 beds), 'Eden' (38 beds) and 'Neerveld' (100 beds) in Sint-Lambrechts-Woluwe, and 'Atrium' (47 beds) in Kraainem.

(11) In accordance with the agreements, AvH's 21.80% stake in Holding Groupe Duval, which was reported under 'held for sale' at year end 2016, was swapped in January 2017 against 23.5% in the capital of Patrimoine & Santé. In the course of 2017, those Patrimoine & Santé shares, along with those held by members of the management of Residalya, were subsequently contributed into HPA; consequently, as of December 31, 2017, HPA owns 100% of the capital of Patrimoine & Santé as well as of Residalya. As a result of these contributions, AvH's shareholding percentage in HPA has increased further to 71.7%.

(12) At the end of December 2017, AvH sold its 75% stake in Nationale Maatschappij der Pijpleidingen to the Antwerp Port Authority.

Note 2: subsidiaries and jointly controlled subsidiaries (continued)

2. Jointly controlled subsidiaries accounted for using the equity method - 2017

(€ 1,000) Name of subsidiary	Registration nr	Registered office	Beneficial interest % 2017	Minority interest % 2017	Total assets	Total liabilities	Turnover	Net result
Marine Engineering & Contracting								
Algemene Aannemingen Van Laere								
Parkeren Roeselare (1)	0821.582.377	Belgium						
Parkeren Asse (1)	0836.630.641	Belgium						
Rent-A-Port								
Consortium Antwerp Port	0817.114.340	Belgium	43.31%	16.69%	4,217	1,522	1,498	-46
Rent-A-Port Utilities	0846.410.221	Belgium	36.09%	13.91%	2,487	2,594	1,079	175
C.A.P. Industrial Port Land	0556.724.768	Belgium	36.09%	13.91%	1,341	3	0	-10
Infra Asia Investment Fund	648.714.620	Belgium	36.09%	13.91%	32,076	31,991	-2	14
S Channel Management Limited		Cyprus	36.09%	13.91%	0	82	0	-9
Infra Asia Investment subconsolidation (Dinh Vu) (USD 1.000) (2)		Vietnam	43.32%	16.70%	138,319	51,397	22,306	447
Rent-A-Port Gulf for Operation and Maintenance WLL (2)		Qatar	35.37%	13.63%	484	442	249	20
Private Banking								
Asco (3)	**0404.454.168**	**Belgium**						
BDM (3)	**0404.458.128**	**Belgium**						
Delen Investments cva (4)	**0423.804.777**	**Belgium**	**78.75%**	**21.25%**	**2,601,077**	**1,922,285**	**366,912**	**105,836**
Real Estate & Senior Care								
Extensa Group								
CBS Development	0831.191.317	Belgium	50.00%		21,098	19,311	0	-1,048
CBS-Invest	0879.569.868	Belgium	50.00%		18,701	11,624	1,417	-283
Delo 1 (5)	2016.2450.523	Luxembourg	50.00%		134,247	100,553	0	23,393
Alto 1 (5)	2016.2450.590	Luxembourg	50.00%		40,504	32,874	0	5,339
DPI	0890.090.410	Belgium	50.00%		1,782	951	15	8
Exparom I (6)	343.081.70	The Netherlands						
CR Arcade (6)	J02.2231.18236250	Romania						
Exparom II (6)	343.081.66	The Netherlands						
SC Axor Europe (6)	J40.9671.21765278	Romania						
Grossfeld PAP	2005.2205.809	Luxembourg	50.00%		58,445	60,186	5,342	-433
Les Jardins d'Oisquercq	0899.580.572	Belgium	50.00%		2,866	3,758	14	-273
Immobilière Du Cerf	0822.485.467	Belgium	33.33%		508	-88	0	-67
Top Development	35 899 140	Slovakia	50.00%		6,493	1,961	1,843	-2,277
TMT Energy (subs. Top Developm.)	47 474 238	Slovakia	50.00%		1,838	1,817	2,658	152
TMT RWP (subs. Top Developm.)	47 144 513	Slovakia	50.00%		6,563	5,388	905	-697
Energy & Resources								
Sipef (7) (USD 1,000)	**0404.491.285**	**Belgium**	**30.25%**		**907,008**	**272,372**	**321,641**	**139,663**
Nationale Maatschappij der Pijpleidingen (8)								
Napro	0437.272.139	Belgium						
Nitraco	0450.334.376	Belgium						
Oriental Quarries & Mines (9)	**U10100DL2008PTC181650**	**India**						
AvH & Growth Capital								
Amsteldijk Beheer	**33.080.456**	**The Netherlands**	**50.00%**		**3,319**	**1,385**	**708**	**200**
Distriplus	**0890.091.202**	**Belgium**	**50.00%**		**155,546**	**129,206**	**193,878**	**-24,523**
Manuchar (USD 1,000)	**0407.045.751**	**Belgium**	**30.00%**		**617,610**	**535,101**	**1,399,848**	**176**
Turbo's Hoet Groep	**0881.774.936**	**Belgium**	**50.00%**		**302,195**	**199,595**	**467,665**	**9,677**
Telemond Consortium (10)		**Belgium**	**50.00%**		**74,944**	**22,698**	**75,814**	**2,474**
Subholdings AvH								
GIB nv	**0404.869.783**	**Belgium**	**50.00%**		**3,717**	**55,691**	**0**	**-13,676**

Note 2: subsidiaries and jointly controlled subsidiaries (continued)

3. 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								
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
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	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 subsonsolidation (Dinh Vu) (USD 1,000)		Vietnam	40.46%	15.60%	158,475	80,986	40,870	9,023
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	**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	2016.2450.523	Luxembourg	50.00%		79,452	69,152	0	10,288
Alto 1	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 (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 miljoen)	**U10100DL2008PTC181650**	**India**	**50.00%**		**693**	**136**	**676**	**-3**
AvH & Growth Capital								
Amsteldijk 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 (USD 1,000)	**0407.045.751**	**Belgium**	**30.00%**		**565,900**	**477,501**	**1,224,059**	**10,697**
Turbo's Hoet Groep	**0881.774.936**	**Belgium**	**50.00%**		**277,040**	**179,475**	**393,046**	**9,279**
Telemond Consortium		**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 (continued)

(1) A.A. Van Laere's parking activities (Alfa Park and Parking Roeselare) were sold in 2017.

(2) The 'Rent-A-Port Gulf for Operation and Maintenance WLL' joint venture was established with the aim of developing activities in Qatar. Rent-A-Port's interest in Infra Asia Investment increased by 3.96%.

(3) In December 2017, AvH and Sipef announced that they concluded an agreement with the US insurance company The Navigators Group Inc. on the sale of 100% of the capital of BDM-Asco. The closing of this transaction is still subject to certain conditions precedent, such as the approval by the National Bank of Belgium. Pending this approval, the stake in BDM-Asco was reclassified in the accounts at 31/12/2017 to 'Assets held for sale', on the basis of the carrying value of the stake at year-end 2017.

(4) 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.

(5) 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).

(6) The deconsolidation of these Romanian companies is part of the further winding down of activities in Romania.

(7) The shareholders' agreement between the Baron Bracht family and AvH results in joint control of Sipef. In 1H2017, AvH increased its shareholding percentage in Sipef from 27.83% at year-end 2016 to 30.25%. This increase was realized by the purchase of 80,000 shares on the stock exchange in 1Q2017 (increase in the stake to 28.72%) and by the subscription for new Sipef shares that were publicly issued with maintenance of preferential subscription rights (increase to 30.25%).

(8) At the end of December 2017, AvH sold its 75% stake in Nationale Maatschappij der Pijpleidingen to the Antwerp Port Authority.

(9) As of year-end 2017, OQM (50%) is no longer part of the consolidation scope following AvH's decision to prepare for an exit from this group company. Consequently, after impairment the participation has been reclassified to 'Assets held for sale'.

(10) The consortium consists of the three jointly controlled subsidiaries Telemond Holding, Telehold & Henschel Engineering.

4. Main subsidiaries and jointly controlled subsidiaries not included in the consolidation scope

(€ 1,000) Name of subsidiary	Registration nr	Registered office	Beneficial interest % 2017	Reason for exclusion	Total assets	Total liabilities	Turnover	Net result
Subholdings AvH								
BOS	0422.609.402	Belgium	100.00%	(1)	249	1	0	-5
Pribinvest	2005.2209.421	Luxembourg	78.75%	(1)	4,543	960	0	2,951

(1) Investment of negligible significance (valued at cost).

Note 3: associated participating interests

1. Associated participating interests accounted for using the equity method - 2017

(€ 1,000) Name of associated participating interest	Registration nr	Registered office	Beneficial interest % 2017	Minority interest % 2017	Total assets	Total liabilities	Turnover	Net result
Marine Engineering & Contracting								
Algemene Aannemingen Van Laere [1]								
Lighthouse Parkings	0875.441.034	Belgium						
Rent-A-Port								
Ontwikkelingsmaatschappij Zuiderzeehaven		The Netherlands	12.03%	4.64%	18	0	0	0
Zuiderzeehaven		The Netherlands	12.03%	4.64%	11,656	4,411	0	0
Port of Duqm (OMR 1,000)		Oman	21.65%	8.35%	27,259	23,584	18,702	-173
Duqm Industrial Land Company (OMR 1,000)		Oman	25.23%	9.72%	6,037	584	902	438
Private Banking								
Bank J.Van Breda & C°								
Finauto	0464.646.232	Belgium	39.38%	10.63%	1,637	1,375	1,280	1
Antwerpse Financiële Handelsmaatschappij	0418.759.886	Belgium	39.38%	10.63%	1,348	411	1,437	687
Financieringsmaatschappij Defínco	0415.155.644	Belgium	39.38%	10.63%	274	0	45	24
Informatica J.Van Breda & C°	0427.908.174	Belgium	31.50%	8.50%	5,871	4,664	11,064	5
Energy & Resources								
Sagar Cements (INR million) [2]	**L26942AP-1981PLC002887**	**India**	**17.57%**		**16,030**	**8,284**	**9,773**	**184**
AvH & Growth Capital								
Atenor	**0403.209.303**	**Belgium**	**10.53%**		**593,180**	**446,464**	**220,430**	**22,179**
Axe Investments	**0419.822.730**	**Belgium**	**48.34%**		**15,124**	**93**	**697**	**1,887**
Financière EMG	**801.720.343**	**France**	**22.24%**		**311,014**	**300,164**	**303,501**	**-4,363**
Mediahuis [3]	**439.849.666**	**Belgium**	**13.24%**		**927,448**	**645,936**	**631,439**	**14,826**
Transpalux [4]	**582.011.409**	**France**						
Agidens International								
Keersluis Limmel Maintenance BV (MTC)	62058630	The Netherlands	43.12%		94	94	279	0
SAS van Vreeswijk (MTC van Beatrix)	65067096	The Netherlands	17.25%		604	604	1,011	0

(1) At the end of 2017, the activities of the A.A. Van Laere group were sold to CFE Contracting.

(2) 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. AvH's stake in Sagar Cements has decreased from 19.91% to 17.57% as a result of a capital increase subscribed to by institutional investors, after the shareholding percentage had first increased at year-end 2016 by subscribing to another part of the capital increase.

(3) As a result of the successive acquisitions (TMG) and contributions (by Corelio and Concentra respectively), AvH currently has a 49.9% stake in Mediacore, the controlling shareholder (52.3%) in Corelio. Corelio has a controlling share of 50.57% in Mediahuis. The participation percentage of AvH in Mediahuis is therefore 13.2%.

(4) In December 2017, AvH reached an agreement on the sale of its stake in Transpalux to the French controlling shareholder. The closing of this transaction is still subject to certain conditions precedent, which are expected to be fulfilled in 1H2018. AvH reclassifed this participation to 'Assets held for sale' in its consolidated financial statements at year-end 2017 and measured it at its expected realization value.

Note 3: associated participating interests (continued)

2. Associated participating interests not accounted for using the equity method - 2017

(€ 1,000) Name of associated participating interest	Registration nr	Registered office	Beneficial interest % 2017	Reason for exclusion	Total assets	Total liabilities	Turnover	Net result
AvH & Growth Capital								
Nivelinvest	0430.636.943	Belgium	25.00%	(1)	63,443	55,732	555	-2
OncoDNA (31-12-2016)	0501.631.837	Belgium	15.00%	(1)	5,206	2,951	(2)	-1,996

(1) Investment of negligible significance (valued at cost).
(2) Not applicable.

3. 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								
Algemene Aannemingen Van Laere								
Lighthouse Parkings	0875.441.034	Belgium	33.33%		871	5	554	-117
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
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
Energy & Resources								
Sagar Cements (INR million)	**L26942AP-1981PLC002887**	**India**	**19.91%**		**13,719**	**7,743**	**7,690**	**216**
AvH & Growth Capital								
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	**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	**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

Note 3: associated participating interests (continued)

4. 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
OncoDNA (31-12-2015)	0501.631.837	Belgium	15.00%	(1)	2,532	1,959	(2)	-420

(1) Investment of negligible significance.

(2) Not applicable.

Note 4: business combinations and disposals

1. Acquisitions

(€ 1,000)	A2SEA	GTEC & Coghe	Senior Care	Total
Non current assets	166,073	25,202	33,522	224,797
Current assets	51,958	11,999	8,277	72,234
Total assets	**218,031**	**37,201**	**41,798**	**297,030**
Equity - group share	204,698	3,500	30,959	239,157
Minorities		-699	0	-699
Non current liabilities		15,660	2,465	18,125
Current liabilities	13,333	18,740	8,374	40,448
Total equity & liabilities	**218,031**	**37,201**	**41,798**	**297,030**
Total assets	218,031	37,201	41,798	297,030
Total liabilities	-13,333	-34,400	-10,839	-58,572
Net assets (100%)	**204,698**	**2,801**	**30,959**	**238,458**
Non-acquired minorities	0	699	0	699
Net assets (group share)	**204,698**	**3,500**	**30,959**	**239,157**
Goodwill post allocation		9,760	4,510	14,270
Purchase price	**204,698**	**13,260**	**35,469**	**253,427**
Cash from the acquired companies	-37,891	-3,639	-2,678	-44,209
Cash flow statement	**166,807**	**9,621**	**32,791**	**209,218**

At the end of August, GeoSea (wholly-owned subsidiary of DEME) successfully closed the acquisition of A2SEA, a leading player in the installation of offshore wind turbines. With A2SEA, a team of 160 highly qualified staff have come to join the ranks of DEME, and two high-tech installation vessels, the Sea Installer and the Sea Challenger (built in 2012 and 2014) have been added to the fleet. The transaction represents a net investment of 167 million euros.

At the beginning of November, GeoSea also acquired 72.5% of G-tec, a Belgian firm specializing in offshore geotechnical and geological investigation, and in deep-sea engineering services. The transaction represents an investment of 5.6 million euros.

Since for both these acquisitions the fair value measurement of the assets/liabilities (such as the two vessels of A2Sea) is not yet final, the purchase price allocation is provisional.

In December, CFE acquired José Coghe-Werbrouck, a company specializing in railway works, for the sum of 7.7 million euros. After allocation of the acquisition price to tangible assets (specialized equipment), the goodwill amounts to 2.4 million euros.

The business combinations in the Senior Care segment totalling 32.8 million euros net are attributable to Anima Care and HPA.

Spread over 2017, Anima Care realized the acquisition of six residential care centres: ‘La Roseraie’ (72 beds) and ‘Edelweiss’ (67 beds) in Anderlecht, ‘Arcade’ (57 beds), ‘Eden’ (38 beds) and ‘Neerveld’ (100 beds) in Sint-Lambrechts-Woluwe, and ‘Atrium’ (47 beds) in Kraainem.

HPA finalized two acquisitions at the beginning of 2017: the residences ‘Pyla sur Mer’ (60 beds, to be extended to 83 beds) and ‘Villa Thalia’ (95 beds). In both cases, the operations as well as the real estate were acquired.

After allocation of the acquisition price to intangible and tangible assets, the goodwill amounts to 4.5 million euros.

Note 5: Segment reporting

Changes in H1 2017

In 1H2017, AvH increased its shareholding percentage in Sipef from 27.83% at year-end 2016 to 30.25%. This increase was realized by the purchase of 80,000 shares on the stock exchange in 1Q2017 (increase in the stake to 28.72%) and by the subscription for new Sipef shares that were publicly issued with maintenance of preferential subscription rights (increase to 30.25%). AvH acquired 629.268 new Sipef shares under this public capital increase (by exercising its own Sipef subscription rights and subscription rights purchased on the stock market). The new shareholding percentage of 30.25% was applied in the income statement as of July 1, 2017.

In accordance with the agreements, AvH's 21.80% stake in Holding Groupe Duval, which was reported under 'held for sale' at year end 2016, was swapped in January 2017 against 23.5% in the capital of Patrimoine & Santé. In the course of 2017, those Patrimoine & Santé shares, along with those held by members of the management of Residalya, were subsequently contributed into HPA; consequently, as of December 31, 2017, HPA owns 100% of the capital of Patrimoine & Santé as well as of Residalya. As a result of these contributions, AvH's shareholding percentage in HPA has increased further to 71.7%.

AvH's stake in Sagar Cements has decreased from 19.91% to 17.57% as a result of a capital increase subscribed to by institutional investors, after the shareholding percentage had first increased at year-end 2016 by subscribing to another part of the capital increase.

In 2Q2017, GIB (AvH 50%) transferred its entire participation in Financière Flo (controlling shareholder of the listed company Groupe Flo) to Groupe Bertrand, which became the new controlling shareholder of Groupe Flo. The participation in Financière Flo was already reported as 'held for sale' at year-end 2016.

On March 31, 2017, AvH acquired the interests in Leasinvest Real Estate and Leasinvest Real Estate Management from Extensa. Since Extensa is wholly owned by AvH, this transaction does not change the group's shareholding percentage in those companies.

Changes in H2 2017

In December 2017, AvH sold its 100% stake in A.A. Van Laere to CFE. Since this transaction is a sale to a fully consolidated group company, no result is recognized in the 2017 consolidated financial statements of AvH. The 2017 results of A.A. Van Laere are still fully recognized (at the 100% shareholding percentage) up to the end of December 2017. As of 1 January 2018, the financial statements of A.A. Van Laere (through CFE) will still be recognized in the consolidation of AvH, albeit at the new shareholding percentage (60.40%).

In December 2017, AvH and Sipef announced that they concluded an agreement with the US insurance company The Navigators Group Inc. on the sale of 100% of the capital of BDM-Asco. The closing of this transaction is still subject to certain conditions precedent, such as the approval by the National Bank of Belgium. Pending this approval, the stake in BDM-Asco was reclassified in the accounts at 31/12/2017 to 'Assets held for sale', on the basis of the carrying value of the stake at year-end 2017. In the income statement, the contributions of BDM-Asco to the group result are still recognized over a full year.

At the end of December 2017, AvH sold its 75% stake in Nationale Maatschappij der Pijpleidingen to the Antwerp Port Authority for 45.4 million euros, including dividend. Consequently, this participation is no longer part of the consolidation scope at year-end 2017.

As of year-end 2017, OQM (50%) is no longer part of the consolidation scope following AvH's decision to prepare for an exit from this group company. Consequently, after impairment the participation has been reclassified to 'Assets held for sale'.

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 A.A. Van Laere (global integration 100%, as of December 31, 2017, 60.40% through CFE)

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 BDM-Asco (reclassified to Assets held for sale at year-end 2017)

Segment 3

Real Estate & Senior Care:

Extensa (global integration 100%), Leasinvest Real Estate (global integration 30%), Leasinvest Real Estate Management (global integration 100%), Anima Care (global integration 92.5%) and HPA (global integration 71.7%). HPA is the structure that owns 100% of Residalya (operation of retirement homes) and 100% of Patrimoine & Santé (which owns real estate operated by Residalya). Both Residalya and Patrimoine & Santé are fully consolidated by HPA.

Segment 4

Energy & Resources:

Sipef (equity method 30.3%), NMP (full consolidation 75% until sale at the end of December 2017), AvH India Resources (global integration 100%), Sagar Cements (equity method 17.6%) and Oriental Quarries and Mines (reclassified to Assets held for sale at year-end 2017).

Segment 5

AvH & Growth Capital:

- AvH, Sofinim & subholdings (global integration 100%)
- Participations accounted for using global integration: Agidens (86.2%)
- Participations accounted for using the equity method: Atenor (10.5%), Axe Investments (48.3%), Amsteldijk Beheer (50%), Corelio (26.2%), Mediahuis (13.2%), MediaCore (49.9%), Distriplus (50%), Financière EMG (22.2%), Manuchar (30.0%), Transpalux (45.0% - reclassified to Assets held for sale), Turbo's Hoet Groep (50%), Consortium Telemond (50%) and GIB (50%)
- Non-consolidated participations: OncoDNA (15%)

Note 5: Segment information - income statement 2017

(€ 1,000)	Segment 1 Marine Engineering & Contracting	Segment 2 Private Banking	Segment 3 Real Estate & Senior Care	Segment 4 Energy & Resources	Segment 5 AvH & Growth Capital	Eliminations between segments	Total 2017
Revenue	**3,279,471**	**163,256**	**420,694**	**13,197**	**76,362**	**-2,405**	**3,950,575**
Rendering of services	4,459		189,296	13,156	2,324	-2,262	206,973
Lease revenue		7,407	1,567				8,974
Real estate revenue	10,900		216,997				227,897
Interest income - banking activities		97,563					97,563
Fees and commissions - banking activities		55,637					55,637
Revenue from construction contracts	3,191,328				71,255		3,262,584
Other operating revenue	72,783	2,649	12,834	41	2,783	-143	90,948
Other operating income	**7,093**	**2,637**	**3,405**	**-3**	**1,622**	**-271**	**14,484**
Interest on financial fixed assets - receivables	7,093		134		275	-201	7,301
Dividends	1	2,637	3,271	-3	959		6,864
Government grants							0
Other operating income					388	-70	318
Operating expenses (-)	**-3,083,651**	**-111,323**	**-344,696**	**-9,987**	**-107,684**	**2,475**	**-3,654,866**
Raw materials and consumables used (-)	-1,818,638		-148,606	-6,411	-31,471		-2,005,126
Changes in inventories of finished goods, raw materials & consumables (-)	13,306		9,466		161		22,932
Interest expenses Bank J.Van Breda & C° (-)		-25,869					-25,869
Employee expenses (-)	-574,152	-43,981	-111,674	-1,059	-35,035		-765,902
Depreciation (-)	-240,747	-5,248	-18,644	-1,920	-2,755		-269,315
Impairment losses (-)	9,734	-1,660	-2,398		-18,400		-12,724
Other operating expenses (-)	-462,909	-33,581	-73,013	-596	-20,125	2,475	-587,750
Provisions	-10,245	-984	173		-57		-11,113
Profit (loss) on assets/liabilities designated at fair value through profit and loss	**0**	**0**	**31,960**	**0**	**0**	**0**	**31,960**
Financial assets held for trading							0
Investment property			31,960				31,960
Profit (loss) on disposal of assets	**47,657**	**1,484**	**-2,758**	**355**	**37,103**	**0**	**83,841**
Realised gain (loss) on intangible and tangible assets	10,845			3	20		10,868
Realised gain (loss) on investment property			-2,798				-2,798
Realised gain (loss) on financial fixed assets	36,812	2	23	352	35,992		73,181
Realised gain (loss) on other assets		1,483	17		1,090		2,591
Profit (loss) from operating activities	**250,570**	**56,054**	**108,605**	**3,562**	**7,403**	**-201**	**425,993**
Finance income	**51,106**	**13**	**3,615**	**13**	**1,660**	**-762**	**55,645**
Interest income	7,906	13	2,664	9	1,000	-762	10,830
Other finance income	43,199		951	4	661	0	44,815
Finance costs (-)	**-83,653**	**0**	**-27,867**	**-88**	**-2,190**	**963**	**-112,836**
Interest expenses (-)	-25,198		-17,469	-88	-446	963	-42,237
Other finance costs (-)	-58,456		-10,399		-1,744	0	-70,599
Derivative financial instruments designated at fair value through profit and loss	**0**	**-85**	**718**	**0**	**0**		**633**
Share of profit (loss) from equity accounted investments	**-13,639**	**106,921**	**10,979**	**37,560**	**-962**		**140,859**
Other non-operating income	**1,231**	**1,154**	**0**	**0**	**0**		**2,385**
Other non-operating expenses (-)	**0**	**0**	**0**	**0**	**0**		**0**
Profit (loss) before tax	**205,614**	**164,057**	**96,050**	**41,047**	**5,911**	**0**	**512,680**
Income taxes	**-45,067**	**-19,526**	**8,689**	**-1,035**	**-83**	**0**	**-57,022**
Deferred taxes	5,112	-3,281	13,882	-10	379		16,082
Current taxes	-50,179	-16,245	-5,194	-1,024	-462		-73,104
Profit (loss) after tax from continuing operations	**160,547**	**144,531**	**104,739**	**40,013**	**5,828**	**0**	**455,657**
Profit (loss) after tax from discontinued operations	**0**	**0**	**0**	**0**	**0**		**0**
Profit (loss) of the period	**160,547**	**144,531**	**104,739**	**40,013**	**5,828**	**0**	**455,657**
Minority interests	69,959	30,608	50,392	2,087	82		153,128
Share of the group	90,588	113,923	54,347	37,925	5,746		302,530

Comments on the segment information - income statement 2017

The consolidated revenue increased by 301.5 million euros to 3,950.6 million euros in 2017, which is 8.3% up on the previous year. This increase is primarily attributable to DEME (+ 389.6 million euros), which grew as a result of GeoSea's buoyant activity in the construction of new offshore wind farms, as well as to Anima Care and Residalya, which increased their turnover by 27.3 million euros thanks to the addition of eight residential care centres to their network, and vigorous sales of real estate, primarily on the Cloche d'Or project in Luxembourg. The revenue of CFE (excluding DEME), however, decreased by 105.7 million euros as a result of a lower turnover in construction and the phasing out of non-strategic international activities.

For most items, the evolution of the operating expenses should be seen in relation to the evolution of the revenue.

Impairment losses of 12.7 million euros (2016: 30.2 million euros) were charged to the 2017 consolidated income statement. In the 'AvH & Growth Capital' segment 6.7 million euros of that amount relates to the exit from Financière Flo (Groupe Flo) in 1H2017; the remainder relates to the participations in Oriental Quarries & Mines and Transpalux, which were both reclassified to 'Assets held for sale' at year-end 2017, and to receivables and goodwill within the group. Anima Care recognized an impairment of 2.2 million euros on several small assets. CFE was able to reverse previously recognized impairment losses after receiving payments on receivables on which impairment losses had been recognized in previous periods, but also constituted new provisions. Bank J.Van Breda & C° recognized in 2017 impairment losses of 1.7 million euros on its credit portfolio (2016: 0.8 million euros), which is still very limited (4bps) considering the total volume of loans.

At 32.0 million euros, the profit on assets/liabilities designated at fair value through profit and loss was lower than in 2016 (40.6 million euros) and, like the previous year, relates solely to certain real estate assets of LRE and Extensa that are recognized at fair value. Of this profit, 8.0 million euros relates to the real estate of Lux Airport, which until 30/09/2017 was not included in the consolidation scope, but on which an unrealized capital gain had already been recognized through 'other comprehensive income in the consolidated equity (see page 127).

DEME was able to realize a capital gain of 8.2 million euros on the sale of a building lot in Ghent and the sale of a vessel. LRE, on the other hand, realized on balance a minor capital loss on the disposal of certain non-strategic assets.

The capital gains realized on financial assets in 'Marine Engineering & Contracting' are explained by the sale by CFE of companies that developed real estate projects in Ostend (Oosteroever) and Luxembourg (Kons). In 'AvH & Growth Capital', the capital gains on the sale of the 3.0% participation in Ogeda and on the sale of the 75% participation in Nationale Maatschappij der Pijpleidingen are reported.

The net interest cost remained limited in 2017 and was in fact lower than in 2016, thanks in part to a lower financing cost at DEME. The evolution of other finance income should be seen in conjunction with other finance costs. On balance, the cost increased by 4.8 million euros, primarily as a result of exchange differences.

The contribution of the equity accounted companies increased by 32.2 million euros to 140,9 million euros. This reflects, among other things, the good results of Delen Investments and Sipef (including a non-recurring remeasurement gain). 'Marine Engineering & Contracting' made a negative contribution to this item due to losses of certain participations over which DEME has no exclusive control (such as Medco in Qatar and certain concession companies). Extensa develops two projects on the Cloche d'Or site in a joint venture with a partner. The equity accounted participations in the 'AvH & Growth Capital' segment made, on balance, a limited negative contribution as a result of a negative contribution of 12.3 million euros by Distriplus (AvH 50%), which recognized a goodwill impairment of nearly 20 million euros.

The income taxes increased slightly in 2017 to 57.0 million euros. Since the contribution from the equity accounted companies of 140.9 million euros net (after tax) is shown under one item, this tax cost does not give a true picture of the total taxes paid by the group companies. If the income tax is calculated on the result excluding the profit of equity accounted companies and excluding capital gains realized on participations, the tax cost amounts to 19.1%.

Note 5: segment information - assets 2017

(€ 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 2017
I. Non-current assets	2,839,219	4,410,084	1,565,916	204,048	242,594	-6,385	9,255,476
Intangible assets	91,363	2,930	84,670		605		179,567
Goodwill	186,821	134,247	28,455				349,523
Tangible assets	2,126,568	41,578	378,527		26,204		2,572,877
Investment property			945,488				945,488
Participations accounted for using the equity method	154,177	679,973	28,204	204,048	174,344		1,240,746
Financial fixed assets	167,868	818	75,144		29,740	-6,385	267,186
Available for sale financial fixed assets	18,003		74,550		9,781		102,335
Receivables and warranties	149,865	818	594		19,959	-6,385	164,851
Non-current hedging instruments	921	3,662	1,066				5,649
Amounts receivable after one year	7,737	138,029	23,024		8,319		177,109
Trade receivables	2,418				4,540		6,958
Finance lease receivables		138,029	22,736				160,765
Other receivables	5,320		288		3,779		9,386
Deferred tax assets	103,763	735	1,338		3,382		109,219
Banks - receivables from credit institutions and clients after one year		3,408,112					3,408,112
II. Current assets	1,843,121	1,828,829	371,492	424	169,859	-21,347	4,192,378
Inventories	148,260		180,744		396		329,400
Amounts due from customers under construction contracts	46,077		20,359		7,856		74,292
Investments	3	427,712	153		40,013		467,882
Available for sale financial assets		427,712	153		40,013		467,879
Financial assets held for trading	3						3
Current hedging instruments	4,154	399					4,553
Amounts receivable within one year	1,082,719	84,743	114,901		59,907	-20,857	1,321,413
Trade debtors	1,007,332		46,560		14,750	-2,490	1,066,152
Finance lease receivables		54,568	571				55,139
Other receivables	75,387	30,175	67,770		45,156	-18,367	200,122
Current tax receivables	13,783		4,411	22	813		19,030
Banks - receivables from credit institutions and clients within one year		1,304,957					1,304,957
Banks - loans and advances to banks		88,863					88,863
Banks - loans and receivables (excl. finance leases)		908,056					908,056
Banks - cash balances with central banks		308,038					308,038
Cash and cash equivalents	524,994	3,762	48,930	402	58,939		637,027
Time deposits for less than three months	35,107	1	3		41		35,152
Cash	489,887	3,761	48,927	402	58,898		601,875
Deferred charges and accrued income	23,131	7,256	1,993		1,935	-491	33,824
III. Assets held for sale		11,686	3,613		5,860		21,159
Total assets	4,682,340	6,250,598	1,941,021	204,472	418,314	-27,732	13,469,013

(€ 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 2017
Turnover EU member states	2,449,186	535,490	404,068	59,422	661,099	-2,262	4,107,003
Other European countries	39,925	309	3,792	18,897	69,074		131,997
Rest of the world	727,242			45,911	351,175		1,124,328
Total	3,216,352	535,800	407,860	124,230	1,081,349	-2,262	5,363,329

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 137 to 145. 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 2017

(€ 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 2017
I. Total equity	1,626,817	1,351,777	707,868	204,466	304,344		4,195,272
Shareholders' equity - group share	981,360	1,095,291	389,692	204,466	301,400		2,972,208
Issued capital					113,907		113,907
Share capital					2,295		2,295
Share premium					111,612		111,612
Consolidated reserves	1,006,643	1,093,851	387,336	202,778	215,003		2,905,611
Revaluation reserves	-25,283	1,439	2,356	1,688	2,317		-17,482
Financial assets available for sale		1,860	8,804		12,916		23,579
Hedging reserves	-743	-183	-9,302	20	4		-10,204
Actuarial gains (losses) defined benefit pension plans	-15,262	33	-21	-644	810		-15,083
Translation differences	-9,278	-271	2,876	2,312	-11,412		-15,774
Treasury shares (-)					-29,828		-29,828
Minority interests	645,457	256,487	318,176		2,944		1,223,064
II. Non-current liabilities	928,196	684,166	867,427		3,882	-6,385	2,477,286
Provisions	76,843	4,572	3,545		1,421		86,381
Pension liabilities	53,149	3,995	790		200		58,134
Deferred tax liabilities	129,641	704	80,410		1,513		212,268
Financial debts	656,857		737,232		474	-6,385	1,388,177
Bank loans	366,402		511,068				877,470
Bonds	231,378		203,948				435,327
Subordinated loans	5,354						5,354
Finance leases	45,427		20,247		474		66,147
Other financial debts	8,296		1,969			-6,385	3,880
Non-current hedging instruments	7,209	8,572	34,616				50,397
Other amounts payable after one year	4,497	11,155	10,834		274		26,761
Banks - debts to credit institutions, clients & securities		655,168					655,168
Banks - deposits from credit institutions							0
Banks - deposits from clients		607,368					607,368
Banks - debt certificates including bonds							0
Banks - subordinated liabilities		47,800					47,800
III. Current liabilities	2,127,327	4,214,655	365,726	7	110,087	-21,347	6,796,455
Provisions	59,047	12	108				59,166
Pension liabilities		289					289
Financial debts	235,162		223,352		51,560	-10,607	499,467
Bank loans	116,042		47,791				163,833
Bonds	99,959						99,959
Finance leases	7,921		2,342		4,967		15,230
Other financial debts	11,241		173,218		46,593	-10,607	220,445
Current hedging instruments	7,445	800	160				8,405
Amounts due to customers under construction contracts	224,657				11,047		235,704
Other amounts payable within one year	1,491,839	13,252	100,206	3	46,411	-10,250	1,641,461
Trade payables	1,277,741	10	68,028	3	8,177	-1,213	1,352,745
Advances received			2,505				2,505
Amounts payable regarding remuneration and social security	152,612	8,177	17,565		7,669		186,022
Other amounts payable	61,487	5,065	12,108		30,565	-9,036	100,189
Current tax payables	42,538	3,437	18,429	4	283		64,691
Banks - debts to credit institutions, clients & securities		4,191,182					4,191,182
Banks - deposits from credit institutions		27,458					27,458
Banks - deposits from clients		3,898,145					3,898,145
Banks - debt certificates including bonds		253,114					253,114
Banks - subordinated liabilities		12,465					12,465
Accrued charges and deferred income	66,639	5,683	23,472		786	-491	96,089
IV. Liabilities held for sale							0
Total equity and liabilities	4,682,340	6,250,598	1,941,021	204,472	418,314	-27,732	13,469,013

Comments on the segment information - balance sheet 2017

The balance sheet total of Ackermans & van Haaren increased further in 2017, reaching 13,469.0 million euros at year-end 2017, an increase by 594 million euros compared with year-end 2016. This increase is primarily accounted for by the 'Private Banking' segment (491.1 million euros). The successful commercial development of Bank J.Van Breda & C° was reflected in the balance sheet in an increase in loans and receivables (on the assets side) and in deposits received (liabilities). In general terms, it should be pointed out that the fully consolidated financial statements of Bank J.Van Breda & C°, which due to its specific (banking) activity has a significantly greater balance sheet total than the other activities of the Group as well as a different balance sheet structure, represent a considerable weight in AvH's consolidated financial statements. Of the consolidated balance sheet total of 13,469.0 million euros, Bank J.Van Breda & C° accounts for 5,424.6 million euros. Certain items from that balance sheet are summarized under separate items for distinction purposes.

In the 'Real Estate & Senior Care' segment, both Anima Care in Belgium and Residalya in France increased their capacity: Anima Care acquired six new residential care centres in 2017, Residalya two. This expansion is reflected in an increase in intangible assets, more particularly in the number of beds in operation and additional licences.

The tangible assets increased by 438.2 million euros to 2,572.9 million euros. In 2017, DEME invested as much as 441.6 million euros in the expansion, renewal and maintenance of its fleet. DEME's subsidiary GeoSea strengthened its presence in the offshore wind energy industry by acquiring the Danish company A2Sea, adding two comparatively new vessels to its fleet. Investments in the residential care centres of Anima Care and Residalya also led to an increase (net, after depreciation) in tangible assets. Following the sale by AvH of its stake in Nationale Maatschappij der Pijpleidingen, virtually the entire contribution of the 'Energy & Resources' segment to the consolidated balance sheet now consists of equity-accounted companies.

Of the investment property at year-end 2017, 885.1 million euros represents the real estate portfolio (excluding leases) of Leasinvest Real Estate, while the remainder consists of real estate assets (primarily the various buildings in operation on the Tour & Taxis site) of Extensa. In 2017, Extensa sold the Herman Teirlinck office building, also situated on the Tour & Taxis site, to an institutional investor.

The total of the equity accounted companies increased by 87.4 million euros to 1,240.7 million euros, and reflects the equity growth of those companies, along with the effect of additional investments (such as the increase of the stake in Sipef) or divestments by AvH.

The non-consolidated participations consist primarily of the stakes held by Green Offshore in the offshore wind companies Rentel and Otary, the participation of Leasinvest Real Estate in Retail Estates, and a few minor non-consolidated participations of AvH, such as Koffie Rombouts (8%) and Onco DNA (15%).

At Extensa, the land at Tour&Taxis for which no concrete projects have yet been started in 2017 was included under inventories. For the sake of comparability, this reclassification was also done for the 2016 figures of AvH (reclassification from 'construction contracts' to 'inventories' for an amount of 135 million euros).

The solid commercial growth of Bank J.Van Breda & C° is reflected in increased lending, primarily long-term loans. The current low interest income from low-risk investments explains why, compared with the previous year, Bank J.Van Breda & C° held more cash with the National Bank of Belgium rather than investing it in government bonds.

Besides a limited amount of real estate of Extensa and Anima Care, the assets held for sale at year-end 2017 consisted primarily of the participations in BDM-Asco and Transpalux, for which sales agreements were signed in 2017.

For an explanation of the changes in the consolidated equity of AvH, see page 131 of this report.

Despite substantial investments throughout the group companies of AvH, the (total short-term and long-term) financial debts decreased by 86.3 million euros compared with the situation at year-end 2016. The decrease is reported in particular in the 'Real Estate & Senior Care' segment at Extensa, where the disposal of the Herman Teirlinck office building on the Tour & Taxis site and of other developments in Belgium and Luxembourg outstripped the new investments. Since the retail bond of 100 million euros issued by CFE in 2012 is due to mature in 2018, this debt was reclassified to short-term debts. In 2017, Extensa secured financing in the market by issuing a bond of 75 million euros with a maturity of more than one year, while BPI, CFE's real estate development branch, issued medium-term bonds worth 30 million euros.

Of the other amounts payable, AvH in September 2017 paid the penultimate instalment of 28 million euros on the deferred payment in connection with the acquisition in 2016 of the 26% minority interest in Sofinim.

The growth of Bank J.Van Breda & C° can also be seen on the liabilities side of the balance sheet: the deposits received from clients and other credit institutions increased by 463.9 million euros in the short term, and decreased by 49.5 million euros for more than one year, which on balance amounts to an increase of 414.4 million euros.

Evolution of the financial debts (cash & non-cash)

(€ 1,000)	2017
Financial debts at the end of 2016	**1,973,935**
Changes in Cashflow statement (p. 153)	-9,743
Non-cash changes :	
- Changes in consolidation scope - acquisitions	18,522
- Changes in consolidation scope - divestments	-91,420
- Impact of exchange rates	-125
- Fair value adjustments bonds	-2,299
- Others	-1,225
Financial debts at the end of 2017	**1,887,644**

Note 5: segment information - cash flow statement 2017

(€ 1,000)	Segment 1 Marine Engineering & Contracting	Segment 2 Private Banking	Segment 3 Real Estate & Senior Care	Segment 4 Energy & Resources	Segment 5 AvH & Growth Capital	Eliminations between segments	Total 2017
I. Cash and cash equivalents - opening balance	**639,458**	**5,857**	**63,191**	**6,046**	**39,762**		**754,315**
Profit (loss) from operating activities	250,570	56,054	108,605	3,562	7,403	-201	425,993
Reclassification 'Profit (loss) on disposal of assets' to cash flow from divestments	-47,657	-1,484	2,758	-355	-37,103		-83,841
Dividends from participations accounted for using the equity method	7,863	46,594		375	7,561		62,392
Other non-operating income (expenses)	1,231	1,154					2,385
Income taxes	-35,180	-19,526	8,689	-1,035	-83		-47,135
Non-cash adjustments							
Depreciation	240,747	5,248	18,644	1,920	2,755		269,315
Impairment losses	-9,734	1,751	2,463		18,400		12,881
Share based payment		1,057	57		801		1,915
Profit (loss) on assets/liabilities designated at fair value through profit and loss			-31,960				-31,960
(Decrease) increase of provisions	9,641	1,615	-87		57		11,226
(Decrease) increase of deferred taxes	-5,112	3,281	-13,882	10	-379		-16,082
Other non-cash expenses (income)	-938	5,220	3	2	-101		4,186
Cash flow	**411,431**	**100,964**	**95,291**	**4,480**	**-689**	**-201**	**611,275**
Decrease (increase) of working capital	**152,296**	**-179,168**	**-6,217**	**22,657**	**-31,097**	**-21,163**	**-62,693**
Decrease (increase) of inventories and construction contracts	-34,321		1,790		805		-31,726
Decrease (increase) of amounts receivable	158,341	-45,296	-17,233	22,645	1,114	-25,611	93,961
Decrease (increase) of receivables from credit institutions and clients (banks)		-553,818	281				-553,537
Increase (decrease) of liabilities (other than financial debts)	29,543	3,260	5,071	-294	-32,407	4,448	9,621
Increase (decrease) of debts to credit institutions, clients & securities (banks)		419,257					419,257
Decrease (increase) other	-1,267	-2,571	3,874	305	-610		-268
Cash flow from operating activities	**563,727**	**-78,203**	**89,074**	**27,137**	**-31,787**	**-21,364**	**548,583**
Investments	**-687,533**	**-219,797**	**-204,727**	**-44,261**	**-8,779**		**-1,165,097**
Acquisition of intangible and tangible assets	-459,968	-4,531	-21,596	-3,837	-1,909		-491,841
Acquisition of investment property			-126,121				-126,121
Acquisition of financial fixed assets	-205,814		-51,286	-40,425	-6,488		-304,012
New amounts receivable	-21,751	-195	-5,724		-150		-27,820
Acquisition of investments		-215,071			-231		-215,302
Divestments	**92,430**	**357,989**	**213,067**	**10,578**	**50,039**		**724,102**
Disposal of intangible and tangible assets	19,402	6	1,001	3	47		20,459
Disposal of investment property	1,500		112,002				113,502
Disposal of financial fixed assets	58,528	4	97,574	10,574	48,308		214,987
Reimbursements of amounts receivable	13,001		95		248		13,344
Disposal of investments		357,979	2,395		1,435		361,809
Cash flow from investing activities	**-595,103**	**138,192**	**8,340**	**-33,683**	**41,260**		**-440,994**
Financial operations							
Interest received	7,878	13	2,681	9	1,000	-762	10,820
Interest paid	-30,330		-18,044	-88	-446	963	-47,945
Other financial income (costs)	-13,354		-10,140	4	-1,029		-24,519
Decrease (increase) of treasury shares					-6,993		-6,993
(Decrease) increase of financial debts	32,413		-54,150	-1,440	-7,730	21,163	-9,743
Distribution of profits					-67,638		-67,638
Dividends paid intra group	-43,932	-48,825	-166,544	-13,678	272,979		0
Dividends paid to minority interests	-21,554	-13,253	-17,073	-4,559	-109		-56,548
Cash flow from financial activities	**-68,879**	**-62,066**	**-263,269**	**-19,752**	**190,035**	**21,364**	**-202,566**
II. Net increase (decrease) in cash and cash equivalents	**-100,255**	**-2,078**	**-165,855**	**-26,299**	**199,508**		**-94,978**
Transfer between segments	-11,334		151,218	40,425	-180,309		0
Change in consolidation scope or method	-234	-18	-1,894	-19,744			-21,890
Capital increases (minorities)			150				150
Impact of exchange rate changes on cash and cash equivalents	-2,642		2,120	-25	-22		-570
III. Cash and cash equivalents - ending balance	**524,994**	**3,762**	**48,930**	**402**	**58,939**		**637,027**

Comments on the segment information - cash flow statement 2017

The higher profit from operating activities (+ 56.7 million euros) which AvH realized on a consolidated basis compared with 2016 constitutes the basis for a higher cash flow (+ 24.4 million euros). We refer to page 149 for the factors that explain the evolution of the profit from operating activities.

The fact that, compared with last year, the increase in cash flow turned out lower than the increase in operating profit is partly explained by the fact that in 2017 a substantial part of the operating profit (37.1 million euros) in the "AvH & Growth Capital" segment was generated by the sale of its participations (Nationale Maatschappij der Pijpleidingen, Ogeda) and was therefore reclassified to cash flow from investing activities. In "Marine Engineering & Contracting", too, the increased operating profit, more so than in 2016, is explained by capital gains realized on the sale of participations, more particularly those in the companies that developed the real estate of the Kons project in Luxembourg and the Oosteroever project in Ostend.

The adjustment for depreciation amounted to 269.3 million euros, which is more than in 2016 (262.9 million euros, in line with the additional investments in tangible assets at DEME, Anima Care and HPA.

Impairment losses, which have an impact on the results but are neutral with regard to cash flow, remained on balance limited to 12.9 million euros in 2017 (2016: 30.2 million euros). In 2016, AvH recorded substantial losses on its participations in Groupe Flo and CKT Offshore, which were both transferred to 'Assets held for sale'. The exit in H1 2017 from Groupe Flo led to an additional impairment of 6,7 million euros. In H2 2017, impairments were recognized on the participations in Oriental Quarries & Mines and Transpalux (both transferred to 'Assets held for sale' in 2017), along with an impairment on goodwill and on a receivable for a total amount of 11,7 million euros. The collection of two old receivables by CFE, on which impairments had been recognized in previous years, led to an opposite adjustment.

As in 2016, the profit (32.0 million euros) on assets/liabilities designated at fair value is to be found entirely in the "Real Estate & Senior Care" segment (Leasinvest Real Estate and, to a lesser degree, Extensa).

The lower corporate income tax rates that were adopted in 2017 in Belgium and France contributed to a decrease in deferred taxes.

The (non-cash) evolution of provisions contains a reversal of 2 million euros worth of provisions for contingent liabilities which AvH had identified in 2013 on the acquisition of control over CFE.

Despite a 24.4 million euro increase in cash flow, the cash flow from operating activities over 2017 turned out lower than in the previous year. This is entirely due to an increase in working capital by 62.7 million euros in 2017, as opposed to a decrease by 71.3 million euros in 2016. The main reason for this is to be found in increased lending by Bank J.Van Breda & C°, which in 2017 exceeded the growth of deposits (and debt certificates).

The high level of investment in 2017 fell but slightly short of that in 2016. Nevertheless, a strong increase in investments is reported at "Marine Engineering & Contracting", where investments in the expansion and renewal of the fleet, as well as the acquisition of A2Sea, boosted the level of investments for the year to an all-time high.

Bank J.Van Breda & C° disposed of more portfolio investments in 2017 than it acquired. In the low interest environment of 2017, and in line with its conservative ALM policy, the bank opted to deposit more funds with the National Bank rather than investing them in low-interest securities.

AvH acquired additional Sipef shares in 2017 and subscribed to the public capital increase. At year-end 2017, Ackermans & van Haaren owned 30.25% of the shares of Sipef.

Divestments (724.1 million euros) increased with 22.5 million euros compared to 2016 (701.6 million euros). The breakdown of that figure although is very different: in 2017, only 358.0 million euros worth of investments was disposed of as part of the ALM policy of Bank J.Van Breda & C° (see above). The divestments in the other segments, however, were far higher than in 2016: the most noteworthy divestments were the sale of a number of assets by Leasinvest Real Estate (logistics properties, Switzerland), the sale by Extensa of the company owning the office building Herman Teirlinck on the Tour & Taxis site, and the sale by CFE of companies developing real estate projects. As was already mentioned earlier, the 48.3 million euros worth of divestments in 'AvH and Growth Capital' relate primarily to the sale of the interests in Nationale Maatschappij der Pijpleidingen and Ogeda.

The cash flow from financial activities amounted to 58.7 million euros less than in 2016. Nevertheless, the interest paid decreased by approximately 9.5 million euros. Despite the substantial investments, the financial debts decreased slightly. In 2016, 53.3 million euros additional financial debts were recognised.

The main transfers between segments in 2017 were the acquisition by AvH of the 30% stake in Leasinvest Real Etate (previously held by Extensa), the acquisition of a larger stake in Sipef (by AvH) and the sale of A.A. Van Laere to CFE. The impact of changes in consolidation scope relates to cash and cash equivalents of companies that were sold, in particular NMP and an affiliate of NMP.

Evolution of the cash position of the AvH group 2013-2017(1)

€ millions	2017	2016	2015	2014	2013
Treasury shares (2)	35.5	29.0	28.4	24.5	21.2
Other investments					
- Portfolio shares	40.0	39.0	41.1	27.2	23.6
- Term deposits	1.3	26.2	33.2	55.9	73.3
Cash	49.7	5.3	5.6	6.5	6.4
Financial debts	-46.2	-31.2	-32.0	-92.7	-127.6
Net cash position	**80.2**	**68.3**	**76.3**	**21.3**	**-3.1**

(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 2017, AvH (including subholdings) had a net cash position of 80.2 million euros, compared with 68.3 million euros at year-end 2016. Besides cash and short-term deposits, this cash position consisted of 75.5 million euros in short-term investments (including treasury shares), and 45.0 million euros in short-term debt in the form of commercial paper.

Note 5: Segment information - income statement 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**
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° (-)		-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

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**		**153,245**		**407**		**250,265**
Amounts due from customers under construction contracts	**56,019**		**54,012**		**2,042**		**112,074**
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 137 to 145. 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 Marine Engineering & Contracting	Segment 2 Private Banking	Segment 3 Real Estate & Senior Care	Segment 4 Energy & Resources	Segment 5 AvH & Growth Capital	Eliminations between segments	Total 2016
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

Note 5: segment information - cash flow statement 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. 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 intra group	-37,295	-48,825	-175	-1,055	87,350		0
Dividends paid to minority interests	-24,060	-13,240	-16,293	-352	-10,773		-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**

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 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
Movements in intangible assets - financial year 2017							
Intangible assets, opening 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
Investments	275	519	910	673	507	605	3,490
Additions through business combinations		10,573	6,465		727	6	17,772
Disposals (-)		-214		-8			-222
Disposals through business disposals (-)							0
Depreciations (-)	-70	-4,333		-3,107	-1,095		-8,604
Impairments (-)					-507		-507
Foreign currency exchange increase (decrease)		-12		5	1		-7
Transfer from (to) other items	651	9		783	154	-785	812
Other increase (decrease)				1		-1	0
Intangible assets, ending balance	**861**	**64,207**	**22,726**	**4,581**	**86,206**	**986**	**179,567**
Gross amount	4,207	85,814	22,726	30,200	94,992	986	238,925
Accumulated depreciation (-)	-3,346	-21,607	0	-25,618	-8,317	0	-58,889
Accumulated impairments (-)	0	0	0	0	-469	0	-469

The group's growth in elderly care once again explains the majority of the increase in intangible fixed assets in 2017, including the acquisitions of Anima Care (6 residences) and HPA (2 residences). We refer to Note 4 Business combinations.

Furthermore this item consists largely of intangible assets which were reported in the consolidated balance sheet at year-end 2013 following the acquisition of control over DEME, of intangible assets arising from the (historical) acquisitions of Anima Care, and of software developments at Bank J.Van Breda & C°.

Note 7: goodwill

(€ 1,000)	2017	2016
Movements in goodwill		
Goodwill, opening balance	**342,539**	**333,882**
Gross amount - fully consolidated participations	361,870	349,075
Accumulated impairment losses - fully consolidated participations (-)	-19,331	-15,193
Additions through business combinations [1]	14,270	12,850
Impairments through profit and loss (-)	-4,536	-4,137
Other increase (decrease)	-2,750	-55
Goodwill, ending balance	**349,523**	**342,539**
Gross amount - fully consolidated participations	370,213	361,870
Accumulated impairment losses - fully consolidated participations (-)	-20,690	-19,331

(1) See Note 4 on Business Combinations for more details.

The business combinations by DEME (G-Tec), CFE (José Coghe-Werbrouck), Anima Care (6 residences) and HPA (2 residences) explain the increase in goodwill amounting to 14.3 million euros.

Anima Care recorded impairments of 2.2 million euros on several small assets. AvH's goodwill on Patrimoine & Santé, which could not be allocated to the properties in portfolio, was also impaired (2.3 million euros). The other decrease results from the purchase price allocation of the residency and nursery Cigma de Laval acquired by HPA in 2016, where the goodwill was allocated to concessions (intangible fixed assets).

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, A.A. Van Laere, Anima Care and HPA. It should be pointed out that this does not include the goodwill (clients) of 232.4 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 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 tangible assets increased by 438.2 million euros to 2,572.9 million euros. In 2017, DEME invested as much as 441.6 million euros in the expansion, renewal and maintenance of its fleet. DEME's subsidiary GeoSea strengthened its presence in the offshore wind energy industry by acquiring the Danish company A2Sea, adding two comparatively new vessels to its fleet. Investments in the residential care centres of Anima Care and Residalya also led to an increase (net, after depreciation) in tangible assets.

The disposals through business disposals relate to the sale of the Nationale Maatschappij der Pijpleidingen and the parking activities by A.A. Van Laere.

The tangible assets of the companies in the Marine Engineering & Contracting segment together represent approximately 83% of the total tangible assets. The care residences of Anima Care and of Patrimoine & Santé (together 15%), the branch office network of Bank J.Van Breda & C° and various other office buildings of the group make up the balance.

Of the eight vessels commissioned by DEME in 2015 and 2016, worth a total of one billion euros, two have already been delivered: the trailing suction hopper dredgers Minerva and Scheldt River. The multipurpose vessel Living Stone, the self-propelled jack-up vessel Apollo, and the crane vessel Gulliver are due for delivery in 2018. The last three vessels - the dredger Bonny River, the Smart Mega Cutter Suction Dredger Spartacus, and the dynamic positioning crane vessel Orion - are expected to become operational during 2019-2020.

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 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
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

(€ 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 2017
I. Movements in tangible assets - financial year 2017							
Tangible assets, opening 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
Investments	13,273	108,266	8,763	1,050	390,732	76	522,161
Additions through business combinations	20,360	188,563	825	281			210,028
Disposals (-)	-4,123	-4,420	-229	-7	-683		-9,462
Disposals through business disposals (-)	-5,371	-7,462	-136		-4,071		-17,041
Depreciations (-)	-21,261	-227,936	-10,454	-1,005		-56	-260,711
Impairments (-)	-220						-220
Foreign currency exchange increase (decrease)	-97	-3,217	-364		-81		-3,758
Transfer from (to) other items	1,728	73,144	-985	-7	-75,306		-1,426
Other increase (decrease)	-36	10	-9	37	-1,334		-1,332
Tangible assets, ending balance	**479,686**	**1,615,815**	**28,822**	**4,713**	**443,558**	**283**	**2,572,877**
Gross amount	614,612	3,452,446	128,765	14,547	443,558	1,457	4,655,385
Accumulated depreciation (-)	-132,227	-1,836,631	-99,207	-9,834		-1,174	-2,079,073
Accumulated impairments (-)	-2,699		-736				-3,435
II. Other information							
Finance leases							
Net carrying amount of tangible assets under finance lease	72,701	55,548	3,275				131,525
Tangible assets acquired under finance lease		5,103	597				5,700

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 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
I. Movement in investment property at fair value - financial year 2017					
Investment property, opening balance	**806,432**	**0**	**204,322**	**56,466**	**1,067,220**
Gross amount	806,432	0	204,322	56,466	1,067,220
Investments	107,464		17,215	1,441	126,121
Additions through business combinations				113	113
Disposals (-)			-174,849	-117,141	-291,990
Gains (losses) from fair value adjustments	16,342		19,108	-1,658	33,792
Transfer from (to) other items	-52,849			64,392	11,543
Other increase (decrease)	2,303				2,303
Investment property, ending balance	**879,691**	**0**	**65,796**	**3,613**	**949,100**
Gross amount	879,691	0	65,796	3,613	949,100

(€ 1,000)	Leased buildings	Operating lease as lessor - IAS 40	Development projects		Total
II. Other information					
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
Rental income and operating expenses 2017					
Rental income of investment property	61,912				61,912
Direct operating expenses (incl. repair & maintenance) of leased buildings	-3,323				-3,323
Direct operating expenses (incl. repair & maintenance) of non leased buildings	-1,226				-1,226
Acquisition obligations					
Contractual obligations for the acquisition of investment property 2016					0
Contractual obligations for the acquisition of investment property 2017					0

(€ 1,000)	Total 2017	Total 2016
Breakdown of real estate revenue in the income statement		
Sale of land parcels	70	1,920
Rental income	61,912	61,335
Other real estate services (a.o. real estate promotion revenues)	165,915	116,059
	227,897	**179,314**
Key figures - buildings in portfolio (excluding development projects)		
Contractual rents	54,670	56,540
Rental yield (%)	6.44%	6.78%
Occupancy rate (%)	94.80%	96.77%
Average duration of the leases till first break (# years)	4.74	4.37

Of the investment property at year-end 2017, 885.1 million euros represents the real estate portfolio (excluding leases) of Leasinvest Real Estate, while the remainder consists of real estate assets (primarily the various buildings in operation on the Tour & Taxis site) of Extensa.

As a result of LRE's decision to focus on two asset classes (retail and offices) and three countries (Luxembourg, Belgium and Austria), various investments and divestments were realised in 2017. At the beginning of May, LRE acquired full ownership for 35 million euros of the company Mercator Sàrl, which owns an office building in Luxembourg City. In October, the entire Swiss retail portfolio (three stores) was sold for 41.8 million euros, and two major retail parks in Vienna (Austria) were also acquired for an amount of 56.2 million euros. Finally, in 2017, LRE reduced its logistics portfolio by 74 million euros. In 2017, Extensa sold the 'Herman Teirlinck' office building, located on Tour & Taxis, to an institutional investor.

The project developments concern the Treesquare and Montoyer 63 office buildings developed by LRE in Brussels; the assets held for sale concern a building in Drogenbos leased by Extensa.

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 leasings as lessor - IAS 40

Operating leasings 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)	2017	2016
Participations accounted for using the equity method		
Marine Engineering & Contracting	154,177	159,540
Private Banking	679,973	633,263
Real Estate & Senior Care	28,204	15,933
Energy & Resources	204,048	165,113
AvH & Growth Capital	174,344	179,450
Total	**1,240,746**	**1,153,300**

(€ 1,000)	Equity value	Goodwill allocated	Total 2017	Total 2016
Movements in participations accounted for using the equity method				
Participations accounted for using the equity method: opening balance	**1,066,854**	**86,445**	**1,153,300**	**1,137,248**
Additions	65,347	3,404	68,751	34,653
Additions through business combinations			0	0
Disposals (-)	5,345	-10,510	-5,164	-13,826
Disposals through business disposals (-)	-1,304		-1,304	0
Share of profit (loss) from equity accounted investments	140,859		140,859	108,660
Impairments through profit and loss (-)	-4,017		-4,017	-25,156
Foreign currency exchange increase (decrease)	-24,978		-24,978	-4,871
Impact of dividends distributed by the participations (-)	-62,392		-62,392	-65,608
Transfers (to) from other items	-9,000	-3,998	-12,998	-40,240
Other increase (decrease)	-4,567	-6,742	-11,309	22,439
Participations accounted for using the equity method: ending balance	**1,172,147**	**68,599**	**1,240,746**	**1,153,300**

General evolution

The total of the companies accounted for using the equity method increased by 87.4 million euros to 1,240.7 million euros and reflects the increase in shareholders' equity of these participations, in addition to the effect of additional investments (including the increase in the participation in Sipef) or divestments by AvH.

AvH increased its shareholding percentage in Sipef by purchasing 80,000 shares on the stock exchange and by subscribing to the public capital increase (representing an investment of 40.4 million euros). The other acquisitions relate to DEME's participation in the capital increases in the Otary and Seastar wind projects and the investment in EMW.

Disposals in 2017 were limited to the sale by CFE of companies in connection with real estate development projects in Ostend (Oosteroever) and Luxembourg (Kons) and the disappearance of the jointly controlled subsidiaries Napro and Nitraco as a result of the deconsolidation of NMP.

The profit contribution of the equity accounted companies increased by 32.2 million euros to 140,9 million euros. This reflects, among other things, the good results of Delen Investments and Sipef (including a non-recurring remeasurement gain). 'Marine Engineering & Contracting' made a negative contribution to this item due to losses of certain participations over which DEME has no exclusive control (such as Medco in Qatar and certain concession companies). Extensa develops two projects on the Cloche d'Or site in a joint venture with a partner. The equity accounted participations in the 'AvH & Growth Capital' segment made, on balance, a limited negative contribution as a result of a negative contribution of 12.3 million euros by Distriplus (AvH 50%), which recognized a goodwill impairment of nearly 20 million euros.

Also in 2017, the profit contributions of the participations easily exceeded the dividends distributed by them. The 'Transfers (to) from other items' item includes the transfer to 'held for sale' of the participations BDM-Asco, Transpalux and OQM (after impairment).

The value increase of the euro against most currencies (USD, GBP, INR) translates into a negative exchange rate impact of 25.0 million euros.

The 'Other increase (decrease)' item reflects movements in the equity of participating interests, including the eliminations of results on sales of treasury shares, the impact of the buy-out of minority interests, as well as the impact of the valuation of the purchase obligation resting on certain shares.

Directly held participations accounted for using the equity method

AvH applies the equity method to the jointly controlled subsidiaries Delen Investments (78.75%), Sipef (30.3%), 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 (17.6%), Atenor (10.5%), Axe Investments (48.3%), Financière EMG (22.2%) and Mediahuis (13.2%). For a more detailed description of the changes in the scope, see p. 147 '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 2017, those companies would represent stock market values of 201.0 million euros, 39.6 million euros and 27.9 million euros respectively. These market values exceed the book value of the participations in the consolidated balance sheet.

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 154.1 million euros. DEME's main interests are in C-Power (6.5%), Rentel (18.9%), Medco (44.1%) and GEM/EMW 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	
	2017	2016	2017	2016
Financial assets				
Financial assets held for trading				
Financial assets of the trading portfolio	3	3	3	3
Available for sale financial assets				
Non-current financial assets available for sale	102,335	113,043	102,335	113,043
Investments available for sale	467,879	621,405	467,879	621,405
Receivables and cash				
Receivables and warranties	164,851	176,103	164,851	176,103
Finance lease receivables	231,389	188,203	215,904	177,122
Other receivables	209,508	218,412	209,508	218,412
Trade debtors	1,073,110	1,170,394	1,073,110	1,170,394
Time deposits for less than three months	35,152	156,773	35,152	156,773
Cash	601,875	597,542	601,875	597,542
Banks - receivables from credit institutions & clients	5,030,849	4,498,663	4,713,069	4,168,636
Hedging instruments	10,202	7,127	10,202	7,127

(€ 1,000)	Fair value		Book value	
	2017	2016	2017	2016
Financial liabilities				
Financial liabilities valued at amortised cost				
Financial debts				
Bank loans	1,055,117	1,212,127	1,041,303	1,192,421
Bonds	544,537	447,815	535,285	434,049
Surbordinated loans	5,354	3,500	5,354	3,344
Finance leases	84,481	136,284	81,377	131,648
Other financial debts	224,325	212,472	224,325	212,473
Other debts				
Trade payables	1,352,745	1,270,310	1,352,745	1,270,310
Advances received	2,505	3,814	2,505	3,814
Amounts payable regarding remuneration and social security	186,022	183,864	186,022	183,864
Other amounts payable	126,950	169,730	126,950	169,730
Banks - debts to credit institutions, clients & securities	4,874,548	4,474,065	4,846,350	4,431,951
Hedging instruments	58,802	109,499	58,802	109,499

(€ 1,000)	2017			2016		
	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			3	
Available for sale financial assets						
Non-current financial assets available for sale	73,344	28,991		70,763	42,280	
Investments available for sale	464,920	498	2,460	615,900	730	4,775
Receivables and cash						
Finance lease receivables		231,389			188,203	
Banks - receivables from credit institutions & clients		5,030,849			4,498,663	
Hedging instruments		10,201	1		7,126	1
Financial liabilities						
Financial debts						
Bank loans		1,055,117			1,212,127	
Bonds	490,352	54,185		393,399	54,416	
Surbordinated loans		5,354			3,500	
Finance leases		84,481			136,284	
Banks - debts to credit institutions, clients & securities		4,874,548			4,474,065	
Hedging instruments		58,181	621		109,040	459

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, BPI, Leasinvest Real Estate and Extensa. In determining the receivables (and debts) to credit institutions & clients at Bank J.Van Breda & C° 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)
		2017		2016
Financial assets held for trading				
Available for sale financial assets	16,564	1,869	1,786	4,149
Other financial assets	59,207		8,752	
Receivables and cash		27,105		20,286
Hedging instruments		30		175
Banks - receivables from credit institutions & clients		95,664		102,291
Financial liabilities valued at amortised cost		-42,237		-49,546
Hedging instruments		-6,115		-5,040
Banks - debts to credit institutions, clients & securities		-19,754		-27,504

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's order book for Africa has strongly diminished. At year-end 2017, 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 2018. 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 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.

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.

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 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
Aging balance 2017						
Financial assets held for trading	3	3				
Available for sale financial assets	570,213	570,213				
Receivables	1,663,373	1,314,710	63,018	36,351	14,320	234,975

The expired receivables mainly relate to the contracting business of CFE, DEME and A.A. Van Laere and the lease portfolio of Bank J.Van Breda & C°. Overdue receivables in contracting mainly relate to settlements and additional charges, but which still have to be included in the budgets or are to be covered by an overall agreement. CFE, DEME and A.A. Van Laere have a number of negotiations and/or lawsuits pending.

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 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 derecognised during the financial year		4,475	2,533
Foreign exchange impact			-832
Transfers from(to) other items			5,613
Accumulated impairments - ending balance	**0**	**-67,177**	**-44,968**
Financial year 2017			
Accumulated impairments - opening balance	**0**	**-67,177**	**-44,968**
Changes in consolidation scope		0	-214
Impairments recorded during the financial year		-375	-12,251
Impairments reversed during the financial year		0	13,276
Impairments derecognised during the financial year		5,635	5,153
Foreign exchange impact		0	220
Transfers from(to) other items		-125	-1,051
Accumulated impairments - ending balance	**0**	**-62,042**	**-39,837**

The 'Available for sale financial assets' include a.o. accumulated impairments to a total amount of 62.0 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.

Approximately half of the accumulated impairments on receivables originate from the 'Marine Engineering & Contracting' segment. The recovery by CFE of an outstanding receivable gave rise to the recognition of a reversal of an impairment. In the 'AvH & Growth Capital' segment, impairments of 6.7 million euros relate to the exit from Financière Flo (Groupe Flo) and intra-group receivables. The derecognition of impairments is largely attributable to the winding up of Extensa's Romanian operations, allowing it to reduce the historically recognised 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.

The exchange rate risk at **Extensa Group** is very limited because most operations are situated in Belgium and Luxembourg, with the exception of Extensa's limited operations in Turkey (risk linked to the Turkish lira) and in Romania (risk linked to the RON).

At the beginning of October 2017, **Leasinvest Real Estate** sold its Swiss buildings. At the time of purchase in 2014, cross-currency swaps with a term of 10 years were entered into, so that they still had a remaining term of approximately 7 years at the time of the sale. As there was no longer any exposure to the Swiss franc following the sale of the Swiss buildings, the cross-currency swaps were repaid early. The remaining exchange rate risk on the Swiss franc is very limited and is expected to disappear completely in 2018 following settlement of the final debts and receivables.

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 investments in Indian rupees (17.6% participation in Sagar Cements and in the fund Healthquad). 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 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 equity is neutralized by an opposite impact on the liquidity obligation on the remaining 19% in JM Finn. 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	1.53	1.47
British Pound	0.89	0.87
Bulgarian Lev	1.96	1.96
CFA Franc	655.96	655.96
Hungarian Forint	310.33	309.19
Indian Rupee	76.72	73.96
Moroccan Dirham	11.22	10.95
Nigerian Naira	430.94	377.02
Polish Zloty	4.18	4.26

	Closing rate	Average rate
Qatari Rial	4.36	4.14
Romanian Leu	4.66	4.57
Russian Ruble	69.09	66.26
Singapore Dollar	1.60	1.56
Tunesian Dinar	2.94	2.73
Turkish Lira	4.55	4.12
US Dollar	1.20	1.13
Vietnamese Dong	27,273.51	25,889.61

4. Available for sale financial assets

(€ 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

(€ 1,000)	Financial fixed assets	Investments
Available for sale financial assets - financial year 2017		
Available for sale financial assets: opening 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
Additions	12,818	215,302
Additions through business combinations		2,222
Actuarial return		-3,294
Disposals (-)	-5,826	-361,767
Increase (decrease) through changes in fair value	1,612	-431
Impairment losses recognized in the income statement (-)	-375	
Impairment losses reversed in the income statement (-)		9
Foreign currency exchange increase (decrease)		-3,253
Transfer from (to) other items	-18,937	
Other increase (decrease)		-2,315
Available for sale financial assets: ending balance at fair value	**102,335**	**467,879**
Available for sale financial assets - carrying amount	79,268	449,702
Available for sale financial assets - adjustment to fair value	23,067	15,717
Available for sale financial assets - accrued interest		2,460

The item ‘Available for sale financial fixed assets’ consists of 73.3 million euros representing the 10% stake that Leasinvest Real Estate holds in the public regulated real estate company Retail Estates.

In 2017, Leasinvest Real Estate participated in the capital increase of Retail Estates, and thus retained its interest of just over 10%. In addition, Green Offshore again participated in the capital increases at Otary and Seastar, while AvH subscribed to the Indian fund Healthquad.

In the first half of the year, AvH sold its participation of 3.0% in Ogeda.

As a result of the additional investment by Leasinvest Real Estate in its participation in Lux Airport, this participation will from now on be included in its consolidation scope and thus contained on the ‘Transfer from (to) other items’ line.

The investments consist of (€ 1,000):	Number of shares	Fair value
Investments portfolio Bank J.Van Breda & C°		427,712
Funds managed by Delen Private Bank		27,761
Ageas	278,284	11,330
Other		1,075
		467,879

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°)	427,712
AvH & Growth Capital	40,013
Real Estate & Senior Care	153
Marine Engineering & Contracting	0
Energy & Resources	0
	467,879

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 2017 contains 92% government bonds (including government-guaranteed bonds) with a minimum Aa3 rating (Moody's rating), 7% 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 31/12/2017	Rating	Remaining duration	
Government bonds Aaa	38.6%	2018	26.3%
Government bonds Aa1	24.8%	2019	24.7%
Government bonds Aa2	16.0%	2020	15.6%
Government bonds Aa3	12.9%	2021	9.0%
Corporate bonds and commercial paper & other	7.7%	2022	11.8%
		>2023	12.5%
		indefinite	0.1%

Note 12: banks - receivables from credit institutions and clients

(€ 1,000)	Fair value		Book value	
	2017	2016	2017	2016
I. Claims on credit institutions				
Domestic credit institutions	44,281	36,207	44,264	36,177
Foreign credit institutions	44,521	37,853	44,521	37,853
Accrued interests	78	126	78	126
Total credit institutions	**88,880**	**74,186**	**88,863**	**74,156**
II. Loans and advances to clients				
Bills and own acceptances				
Investment credits and financing	2,364,776	2,295,302	2,173,109	2,092,793
Fair value adjustment of hedged loans (FV hedge)	3,952	11,469	3,952	11,469
Mortgage loans	1,862,440	1,661,081	1,737,616	1,535,556
Operating appropriations	384,168	407,839	382,902	405,880
Other	12,602	7,752	12,596	7,748
Accrued interests	5,993	6,041	5,993	6,041
Total clients	**4,633,931**	**4,389,484**	**4,316,168**	**4,059,487**
III. Cash balances with central banks				
Cash balances with central banks	308,038	34,993	308,038	34,993
Accrued interests				
Total cash balances with central banks	**308,038**	**34,993**	**308,038**	**34,993**
Total receivables from credit institutions and clients	**5,030,849**	**4,498,663**	**4,713,069**	**4,168,636**

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 the division 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, a division 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. The division ABK bank focuses on individuals. The bank applies concentration limits per sector and maximum credit amounts per client. The credit portfolio of the Van Breda Car Finance 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. For credit facilities in the highest risk category and for debts that become doubtful, it will be determined whether impairments are required.

(€ 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**

(€ 1,000)	Total	Not expired	Expired < 30 d	30 d < expired < 60 d	60 d < expired < 120 d	120 d < expired	Doubtful
Aging balance 2017							
Domestic credit institutions	44,264	44,264					
Foreign credit institutions	44,521	44,521					
Accrued interests	78	78					
Total credit institutions	**88,863**	**88,863**	**0**	**0**	**0**	**0**	**0**
Bills and own acceptances	0	0					
Investment credits and financing	2,177,061	2,138,370	19,514	5,899	1,505	544	11,229
Mortgage loans	1,737,616	1,717,403	8,336	7,665	828	82	3,302
Operating appropriations	382,902	370,669	5,909	2,384	183	1,237	2,520
Other	12,596	12,596					
Accrued interests	5,993	5,993					
Total clients	**4,316,168**	**4,245,031**	**33,759**	**15,948**	**2,516**	**1,863**	**17,051**
Total cash balances with central banks	**308,038**	**308,038**	**0**	**0**	**0**	**0**	**0**

Note 13: inventories and construction contracts

(€ 1,000)	2017	2016
I. Inventories, net amount	**329,400**	**250,265**
Gross carrying amount	**334,859**	**253,236**
Raw materials and consumables	41,423	59,482
Finished products	0	0
Goods purchased for sale	454	439
Immovable property acquired or constructed for resale	280,157	193,315
Prepayments	12,824	0
Depreciation and impairments (-)	**-5,458**	**-2,972**
Impairment on inventory through income statement during the financial year	-401	-2,217
Impairment on inventory reversed in the income statement during the financial year	731	252
II. Construction contracts		
Amounts due from (to) customers under construction contracts, net	**102,003**	**317,648**
Amounts due from customers (including trade receivables)	290,058	411,851
Amounts due to customers (including trade debts) (-)	-188,055	-94,203
Construction contracts on closing date		
Amount of contract costs incurred and recognized profits less losses	6,105,590	5,921,917
Amount of contract revenue	-6,003,586	-5,604,269
Prepayments received (CFE-DEME)	**-122,064**	**-122,170**
Amounts withheld (CFE-DEME)	**3,156**	**6,100**

The ‘Immovable property acquired or constructed for resale’ item mainly consists of Extensa’s land portfolio and CFE’s real estate projects. At Extensa, the land at Tour&Taxis for which no concrete projects have yet been started in 2017 was included under inventories. For the sake of comparability, this reclassification was also done for the 2016 figures of AvH (reclassification from ‘construction contracts’ to ‘inventories’ for an amount of 135 million euros).

The construction & project contracts of CFE, DEME, A.A. 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 statement.

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	
	2017	2016	2017	2016	2017	2016
I. Marine Engineering & Contracting						
CFE - DEME	39.60%	39.60%	642,595	596,755	71,686	70,079
II. Private Banking						
Finaxis	21.25%	21.25%	54,517	54,945	-252	-272
Bank J.Van Breda & C°	21.25%	21.25%	81,215	77,232	8,378	8,097
Delen Investments [1]	21.25%	21.25%	120,755	108,577	24,879	20,496
III. Real Estate & Senior Care						
Leasinvest Real Estate	69.99%	69.99%	267,518	249,376	33,278	21,470
HPA	28.28%	29.14%	26,506	21,070	2,347	2,412
IV. AvH & Growth Capital						
Agidens	13.75%	13.75%	2,942	3,104	-57	438
Other			27,016	22,207	12,868	19,095
Total			**1,223,064**	**1,133,265**	**153,128**	**141,816**

[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 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.

Summarized income statement - 2017

	CFE	Bank J. Van Breda & C°	Delen Investments	Leasinvest Real Estate	HPA	Agidens
Revenue	3,066,525	141,380	366,912	56,892	114,114	71,255
Profit (loss) from operating activities	267,157	56,128	152,478	60,115	9,047	-160
Finance result	-22,266			-11,963	-5,627	-360
Profit (loss) before tax	227,181	57,640	152,478	48,152	3,421	-520
Profit (loss) of the period	178,751	39,154	108,220	47,545	7.445	-414
At the level of the individual company	**178,751**	**39,154**	**108,220**	**47,545**	**7,445**	**-414**
- Minority interests	-1,691	73	2,384		395	
- Share of the group	180,442	39,081	105,836	47,545	7,051	-414
At the level of AvH [1]	**183,599**	**39,154**	**108,220**	**48,168**	**7,445**	**-414**
- Minority interests	71,686	8,378	24,879	33,278	2,347	-57
- Share of the group	111,913	30,776	83,341	14,889	5,098	-357

[1] Including a limited number of consolidation adjustments

Summarized income statement - 2016

	CFE	Bank J. Van Breda & C°	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 statement of comprehensive income - 2017

	CFE	Bank J. Van Breda & C°	Delen Investments	Leasinvest Real Estate	HPA	Agidens
At the level of the individual company	**173,268**	**36,671**	**106,570**	**51,344**	**7,717**	**-742**
Profit (loss) of the period	178,751	39,154	108,220	47,545	7,445	-414
- Minority interests	-1,691	73	2,384	0	395	0
- Share of the group	180,442	39,081	105,836	47,545	7,051	-414
Other comprehensive income	-5,483	-2,483	-1,650	3,799	272	-328
- Minority interests	188				0	
- Share of the group	-5,671	-2,483	-1,650	3,799	272	-328
At the level of AvH	**178,116**	**36,671**	**106,570**	**51,967**	**7,717**	**-742**
Profit (loss) of the period	183,599	39,154	108,220	48,168	7,445	-414
- Minority interests	71,686	8,378	24,879	33,278	2,347	-57
- Share of the group	111,913	30,776	83,341	14,889	5,098	-357
Other comprehensive income	-5,483	-2,483	-1,650	3,799	272	-328
- Minority interests	-2,053	-528	-351	2,662	76	-45
- Share of the group	-3,430	-1,955	-1,300	1,138	196	-283

Summarized statement of comprehensive income - 2016

	CFE	Bank J. Van Breda & C°	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 balance sheet - 2017

	CFE	Bank J. Van Breda & C°	Delen Investments	Leasinvest Real Estate	HPA	Agidens
Non-current assets	2,815,451	3,597,084	325,167	979,104	331,884	19,114
Current assets	1,831,442	1,827,555	2,275,910	20,189	20,775	32,779
Non-current liabilities	875,532	672,307	114,475	384,626	225,755	1,820
Current liabilities	2,115,036	4,213,494	1,806,919	232,461	42,964	28,594
Equity	1,656,325	538,838	679,683	382,206	83,940	21,480
- Group share	1,641,904	538,718	678,792	382,206	80,076	21,480
- Minority interests	14,421	120	891	0	3,864	
Dividend distributed to minority interests	-21,554	-3,729	-9,860	-16,938	-135	-109

Summarized balance sheet - 2016

	CFE	Bank J. Van Breda & C°	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

Note 15: lease

(€ 1,000)	< 1 year	1 year < < 5 years	> 5 years	Total 2017	< 1 year	1 year < < 5 years	> 5 years	Total 2016
				Remaining term				Remaining term
I. Lessor - finance lease								
Total gross investment	60,470	155,537	38,101	**254,107**	52,032	121,648	37,348	**211,027**
Present value of minimum lease payments receivables	53,411	141,275	19,490	**214,176**	45,822	108,858	20,414	**175,095**
Unearned finance income				**39,931**				**35,933**
Accumulated allowance for uncollectible minimum lease payments				**3,641**				**3,760**
Lease debtors	1,728			**1,728**	2,028			**2,028**

Bank J.Van Breda & C° is active in the sector of car finance and finance leasing of cars via its division Van Breda Car Finance. 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 2017	< 1 year	1 year < < 5 years	> 5 years	Total 2016
				Remaining term				Remaining term
II. Lessee - finance lease								
Minimum lease payments payable - gross	17,323	59,894	18,004	**95,221**	55,247	64,547	24,058	**143,851**
Minimum lease payments payable - interest (-)	-2,093	-10,738	-1,013	**-13,844**	-3,044	-7,397	-1,762	**-12,203**
Present value of minimum lease payments payable	**15,230**	**49,156**	**16,991**	**81,377**	**52,202**	**57,150**	**22,296**	**131,648**
Lease-payments payable for each class of tangible assets: Land and buildings				35,092				38,922
Plant, machinery and equipment				44,848				88,516
Furniture and vehicles				1,438				4,211

(€ 1,000)	< 1 year	1 year < < 5 years	> 5 years	Total 2017	< 1 year	1 year < < 5 years	> 5 years	Total 2016
				Remaining term				Remaining term
III. Lessee- operating lease								
Future minimum lease payments under non-cancellable operating leases	12,689	15,487	10,326	**38,502**	14,094	17,524	10,603	**42,221**
Contingent rents recognized in the income statement				**15,092**				**13,781**

The finance lease debts are mainly attributable to vessels of DEME (Charlemagne and Victor Horta) and buildings at CFE, Patrimoine & Santé and Agidens. The significant decrease in finance lease debts ensues from the repayment of the financial lease relating to the vessel Thor.

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 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**

(€ 1,000)	Warranty provisions	Legal proceeding provisions	Environmental provisions	Provisions for restructuring	Provisions for contractual obligations	Other provisions	Total
Provisions - financial year 2017							
Provisions, opening balance	**19,801**	**14,182**	**0**	**3,952**	**245**	**105,674**	**143,854**
Additional provisions	2,255	12,141		395		19,747	**34,538**
Increase of existing provisions	598	1			120	869	**1,588**
Increase through business combinations (-)		46				779	**825**
Amounts of provisions used (-)	-6,401	-7,318		-2,847		-12,207	**-28,772**
Reversal of unused amounts of provisions (-)	-41	10				-2,351	**-2,382**
Decrease through business disposals (-)							**0**
Foreign currency exchange increase (decrease)	-32	-89				132	**11**
Transfer from (to) other items	-126			-1,018		-3,339	**-4,483**
Other increase (decrease)	369						**369**
Provisions, ending balance	**16,423**	**18,975**	**0**	**481**	**365**	**109,304**	**145,547**

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 2014-2016, 14.0 million euros (group share 8.5 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 2017 by 2.0 million euros (group share 1.2 million euros).

In 2017 AvH used part of the provisions built up in 2016 for guarantees and declarations submitted with the sale of equity and for anticipated expenditure with respect to the handling of disputes and risks. The other developments are largely attributable to CFE.

The 'Other provisions' furthermore consist of provisions for negative equity method consolidation values to the amount of 20.5 million euros.

Note 17: financial debts

(€ 1,000)	< 1 year	1 year < < 5 year	> 5 year	Total 2017	< 1 year	1 year < < 5 year	> 5 year	Total 2016
	Remaining term				Remaining term			
I. Financial debts								
Bank loans	163,833	686,887	190,583	**1,041,303**	299,610	710,537	182,274	**1,192,421**
Bonds	99,959	399,655	35,672	**535,285**		396,625	37,424	**434,049**
Subordinated loans	0	5,354	0	**5,354**		3,344		**3,344**
Finance leases	15,230	38,297	27,850	**81,377**	52,202	44,869	34,577	**131,648**
Other financial debts	220,445	1,911	1,969	**224,325**	208,819	3,246	407	**212,473**
Total	**499,467**	**1,132,103**	**256,074**	**1,887,644**	**560,632**	**1,158,621**	**254,682**	**1,973,935**

Liquidity risk

The financial debts, after intercompany elimination, relate to the following segments:

	ST	LT
Marine Engineering & Contracting	235,162	656,857
Real Estate & Senior Care	223,352	737,232
Energy & Resources	0	0
AvH & Growth Capital	51,560	474
Intercompany	-10,607	-6,385
Total	**499,467**	**1,388,177**

DEME's liquidity risk is limited by spreading the financing over several banks and by preference 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. BPI, CFE's real estate development branch, issued in 2017 medium-term bonds worth 30 million euros.

The **Rent-A-Port** group is financed primarily by equity and shareholder loans. Infra Asia Investment Fund, a 50%-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.

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. The average duration of financing at Leasinvest Real Estate was 3.3 years at year-end 2017 (compared to 3.9 years at year-end 2016).

At the beginning of 2015, **Extensa Group** contracted a loan of 75 million euros with a view to acquiring the remaining 50% stake in the T&T group. This loan has since been fully repaid with the proceeds of the sale of the Royal Warehouse in 2015 and of the Herman Teirlinck building in 2017. In 2017, Extensa issued a bond of 75 million euros maturing in 2020 and 2022, thereby further reducing the dependence on bank financing.

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 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 1.4 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.

Several fully consolidated companies have agreed on certain ratios (covenants) in their credit agreements and these were respected in 2017.

(€ 1,000)	2017	2016
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	343,392	620,068
Finance leases	0	0
Other financial debts	0	28,878
Total	**343,392**	**648,946**

Note 18: banks - debts to credit institutions, clients and securities

(€ 1,000)	Fair value		Book value	
	2017	2016	2017	2016
I. Debts to credit institutions				
Current accounts / overnight deposits	9,866	9,115	9,866	9,115
Deposits with agreed maturity	17,336	15,313	17,309	15,291
Repurchase agreements				
Other deposits	243		243	
Accrued interests	40	16	40	16
Total	**27,485**	**24,444**	**27,458**	**24,422**
II. Debts to clients				
Current accounts / overnight deposits	2,345,161	2,020,471	2,345,161	2,020,471
Deposits with agreed maturity	1,334,314	1,359,837	1,311,918	1,326,074
Special deposits	44,915	48,145	44,915	48,145
Regulated deposits	778,623	758,971	778,623	758,971
Other deposits	15,869	12,613	15,864	12,611
Deposit guarantee system				
Accrued interests	9,032	13,817	9,032	13,817
Total	**4,527,914**	**4,213,854**	**4,505,513**	**4,180,089**
III. Securities including bonds				
Certificates of deposits	253,324	161,817	253,114	161,690
Customer saving certificates		3		3
Non-convertible securities				
Accrued interests				
Total	**253,324**	**161,820**	**253,114**	**161,693**
IV. Subordinated liabilities				
Subordinated liabilities	64,675	72,700	59,115	64,500
Accrued interests	1,150	1,247	1,150	1,247
Total	**65,825**	**73,947**	**60,265**	**65,747**
Total debts to credit institutions, clients and securities	**4,874,548**	**4,474,065**	**4,846,350**	**4,431,951**

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 784 million euros and consists primarily of cash, placed at the ECB, and 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 2017 stood at 99.5%. Dependence on external institutional financing is kept to a minimum and in 2017 accounted for only 5.2% 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 2017, those ratios stood at 143% and 121% 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
31/12/2017							
Assets	797,000	170,000	632,000	2,123,000	1,140,000	492,000	37,000
Liabilities	-218,000	-263,000	-1,913,000	-2,449,000	-23,000	0	-50,000
Derivatives	-1,000	-1,000	-5,000	-9,000	8,000	2,000	0
Liquidity Gap	**578,000**	**-94,000**	**-1,286,000**	**-335,000**	**1,125,000**	**494,000**	**-13,000**
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**

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).
- 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 2016.

All interest rate risk limits were more than adequately observed during 2017.

(€ 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

Impact of an immediate increase of the yield curve with 100 base points (1%) on:	2017	2016
The interest result (earnings sensitivity)	-680	-964
The fair value of the equity (equity value sensitivity) (= BPV)	-22,975	-19,446

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 group becomes visible.

(€ 1,000)	≤ 1 month	1-3 months	3-12 months	1-5 years	5-10 years	> 10 years	Indefinite
31/12/2017							
Assets	908,000	422,000	836,000	2,159,000	693,000	323,000	47,000
Liabilities	-203,000	-261,000	-3,201,000	-1,167,000	-23,000	0	-42,000
Derivatives	232,000	409,000	-10,000	-185,000	-325,000	-120,000	0
Interest Gap	**937,000**	**570,000**	**-2,375,000**	**807,000**	**345,000**	**203,000**	**5,000**
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**

Interest rate risk other fully consolidated participations

The interest rate risk within the **CFE** group is managed according to the type of activity. The Contracting activities are characterized by an excess of cash which partially compensates the property commitments. Cash management is mainly centralized through the cash pooling. **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 AvH. Infra Asia Investment Fund, a 50%-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 fixed interest rate. A cross-currency swap, which qualifies as a cash flow hedging instrument, was concluded to cover the exchange risk (USD) on both the capital and interest flows.

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 2018 and 2027. The duration amounted to 5.15 years at the end of 2017 (2016: 6.30 years).

The 50% hedging policy by **Extensa** was respected in 2017, partly by means of the 75 million euro bond that Extensa issued in 2017.

Anima Care covers its interest rate risk by borrowing against a fixed interest rate to the maximum extent. At the end of 2017, the outstanding balance in loans with a variable interest rate represented 16% 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.

The financial debts of the **AvH & Growth Capital** segment consist of the commercial paper issued by AvH (45.0 million euros) and the lease debt of **Agidens** (with maturity date 2018). No interest hedging contracts were outstanding at the 2017 year end.

Sensitivity analysis for the interest rate risk

If Euribor rises by 50 BP this will mean an interest charge increase of 4.3 million euros (CFE-DEME), 1.2 million euros (Extensa), 0.4 million euros (Leasinvest Real Estate), 0.1 million euros (Anima Care), 0.5 million euros (HPA) and 0.2 million euros (AvH & sub-holdings). However, this does not take into account the impact we would observe on the assets.

(€ 1,000)	Notional amount 2017	Book value 2017	Notional amount 2016	Book value 2016
I. Interest rate hedges				
Assets				
Fair value hedges - Bank J.Van Breda & C°	275,000	3,650	60,000	1,420
Cash flow hedges	0	0		
Hedging instruments that do not meet the requirements of cash flow hedging	95,000	1,078	125,000	1,656
Accrued interest	0	1		1
Total		**4,729**		**3,077**
Liabilities				
Fair value hedges - Bank J.Van Breda & C°	353,273	-8,625	396,636	-14,029
Cash flow hedges	1,063,998	-43,115	1,216,489	-64,668
Hedging instruments that do not meet the requirements of cash flow hedging	21,200	-363	41,200	-694
Accrued interest	0	-621		-459
Total		**-52,724**		**-79,850**
II. Currency hedges				
Assets	58,135	5,370	84,707	3,331
Liabilities	211,949	-657	335,022	-12,163
		4,713		**-8,831**
III. Commodity risks				
Assets		103		719
Liabilities		-5,421		-17,486
		-5,318		**-16,768**
Reconciliation with consolidated balance sheet		**Asset side**		**Asset side**
Non-current hedging instruments		5,649		3,576
Current hedging instruments		4,553		3,551
		10,202		**7,127**
		Liability side		**Liability side**
Non-current hedging instruments		-50,397		-84,352
Current hedging instruments		-8,405		-25,147
		-58,802		**-109,499**

The **interest rate risk** of Bank J.Van Breda & C° and the other fully consolidated participations is discussed on page 178.

See page 167 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:

(€ 1,000)	Notional value						Fair value					
	USD	SGD Singapore Dollar	BRL Brazilian Real	INR Indian Rupee	Other	Total	USD	SGD Singapore Dollar	BRL Brazilian Real	INR Indian Rupee	Other	Total
Term purchases	31,917	6,433	0	0	5,295	**43,645**	-83	0	0	0	-11	**-94**
Term sales	69,859	102,003	8,432	20,549	2,961	**203,804**	3,170	1,639	-285	47	-33	**4,538**

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 2017	Liabilities 2017	Net 2017	Assets 2016	Liabilities 2016	Net 2016
Intangible assets	38	39,028	-38,990	0	44,499	-44,499
Tangible assets	12,586	109,726	-97,140	12,254	136,936	-124,682
Investment property	22	6,882	-6,860	0	20,363	-20,363
Investments	-713	0	-713	-354	1,672	-2,026
Employee benefits	11,824	539	11,284	16,143	712	15,430
Provisions	-551	22,616	-23,167	223	37,785	-37,562
Financial derivative instruments	2,823	423	2,401	6,227	-598	6,825
Working capital items	43,592	73,926	-30,333	58,467	68,528	-10,061
Tax losses and tax credits / deduction for investment	79,333	-1,136	80,469	93,489	-1,002	94,490
Set-off	-39,736	-39,736	0	-52,212	-52,212	0
Total	**109,219**	**212,268**	**-103,050**	**134,236**	**256,685**	**-122,448**

Deferred taxes are mainly due to the revaluation of assets and liabilities as a result of business combinations. 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)	2017	2016
Unrecognized receivables following tax losses	95,281	108,899
Other unrecognized deferred tax assets [1]	11,707	25,006
Total	**106,988**	**133,905**

[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)	2017	2016
Current income tax expense, net		
Current period tax expense	-73,469	-70,158
Adjustments to current tax of prior periods	365	2,218
Total	**-73,104**	**-67,940**
Deferred taxes, net		
Origination and reversal of temporary differences	13,861	13,072
Additions (use) of tax losses	3,448	-91
Other deferred taxes	-1,227	164
Total	**16,082**	**13,146**
Total current and deferred tax (expenses) income	**-57,022**	**-54,794**

4. Reconciliation of statutory tax to effective tax

Profit (loss) before taxes	512,680	420,847
Profit (loss) of participations accounted for using the equity method (-)	-140,859	-108,660
Profit (loss) before taxes, excluding result from participations accounted for using the equity method	371,820	312,186
Statutory tax rate (%)	33.99%	33.99%
Tax expense using the statutory tax rate	**-126,382**	**-106,112**
Tax effect of rates in other jurisdictions	20,969	28,573
Tax effect of tax-exempt revenues	68,741	24,260
Tax effect of non-deductible expenses	-20,070	-19,509
Tax effect of tax losses	-16,082	-6,577
Tax effect from (under) or over provisions in prior periods	-5,311	4,883
Other increase (decrease)	21,113	19,689
Tax expense using the effective tax rate	**-57,022**	**-54,794**
Profit (loss) before taxes	512,680	420,847
Profit (loss) of participations accounted for using the equity method (-)	-140,859	-108,660
Profit (loss) before taxes, excluding result from participations accounted for using the equity method	371,820	312,186
Effective tax rate (%)	**15.34%**	**17.55%**

The income taxes increased slightly in 2017 to 57.0 million euros. Since the contribution from the equity accounted companies of 140.9 million euros net (after tax) is shown under one item, this tax cost does not give a true picture of the total taxes paid by the group companies.

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 2017

Grant date	Number options granted	Number options exercised	Number options expired	Balance	Exercise price (€)	Exercise period
2007	45,000	-33,500		11,500	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	-47,000	-2,000	0	52.05	01/01/2014 - 04/01/2018
2011	49,000	-24,500	-2,500	22,000	60.81	01/01/2015 - 04/01/2019
2012	47,000	-25,000		22,000	56.11	01/01/2016 - 03/01/2020
2013	49,500	-15,000		34,500	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
2017	46,000			46,000	128.30	01/01/2021 - 12/01/2025
	522,000	**-202,500**	**-8,500**	**311,000**		

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 2007-2017 (measured at the fair value when granted) amounts to 4.4 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
2017	129.40	1.40%	23.00%	0.34%	7.79	25.70

In 2017, 46,000 new stock options were granted with an exercise price of 128.30 euros per share. The fair value when granted was fixed at 1.2 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 2018, AvH had a total of 357,000 shares in portfolio at the end of 2017.

2. Cash settled stock option plans at consolidated subsidiaries of AvH

The beneficiaries of the option plans of Delen Private Bank, Bank J.Van Breda & C°, Anima Care, Agidens, Distriplus and Turbo's Hoet Groep have a put option on the respective parent companies 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 2017 amounts to 13.4 million euros, included in the other long-term debts.

3. Treasury shares

In 2017, AvH bought 71,000 treasury shares to hedge the stock option obligations to its staff. During that same period, beneficiaries of the stock option plan exercised options on 66,000 AvH shares. As at December 31 2017, AvH had granted options on a total of 311,000 AvH shares. To hedge these and future option obligations, AvH had a total 357,000 treasury shares in portfolio on that same date.

In addition, 120,338 shares were purchased and 117,359 shares sold in 2017 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 2,979 AvH shares in this context has an impact on AvH's equity. This net purchase of 2,979 shares in 2017 puts the total number of shares held by AvH as part of this liquidity agreement at 5,257.

Treasury shares as part of the stock option plan	2017	2016
Opening balance	**352,000**	**357,000**
Acquisition of treasury shares	71,000	15,000
Disposal of treasury shares	-66,000	-20,000
Ending balance	**357,000**	**352,000**

Treasury shares as part of the liquidity agreement	2017	2016
Opening balance	**2,278**	**2,132**
Acquisition of treasury shares	120,338	341,058
Disposal of treasury shares	-117,359	-340,912
Ending balance	**5,257**	**2,278**

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)	2017	2016
Amount of personal guarantees, given or irrevocably promised by the enterprises included in the consolidation, as security for debts or commitments	169,516	275,210
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	461,285	563,506
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	0	18,615
Commitments to acquire fixed assets	138,150	121,857
Commitments to dispose of fixed assets	131,537	204,015
Rights and commitments not reflected in the balance sheet of banks (Bank J.Van Breda & C°)		
- Loan commitments	420,947	337,934
- Financial guarantees	73,879	91,900
- Repo transactions + collateral	57,970	58,657

The personal guarantees in 2017 are represented by 22.4 million euros in guarantees for Extensa real estate projects, 5.7 million euros in guarantees for Agidens projects and 6.2 million euros in the scope of Rent-A-Port development projects. The balance of 135.2 million euros mainly concerns guarantees entered into by AvH & subholdings relating to the sale of participations.

The real guarantees concern 57.5 million euros in guarantees put up by Extensa in relation to its activities in land and real estate development. In addition, there are 284.9 million euros in guarantees from Anima Care and 118.9 million euros from HPA (Patrimoine & Santé) for real estate financing.

The commitments to acquire fixed assets concern options as part of stock option plans or options as part of shareholders' agreements (138.2 million euros in total).

The commiments to dispose of fixed assets are for call options (including conditional options) on the assets of AvH & Growth Capital for the amount of 131.5 million euros.

2. Rights and commitments not reflected in the balance sheet CFE-DEME

(€ 1,000)	2017	2016
Commitments		
Performance guarantees and performance bonds (1)	997,687	856,445
Bid bonds (2)	16,902	36,175
Repayment of advance payments (3)	2,683	16,812
Retentions (4)	12,300	16,782
Deferred payments to subcontractors and suppliers (5)	51,317	82,451
Other commitments given - including 60,431 of corporate guarantees at DEME	87,550	110,869
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)	88,112	152,112
Total	**1,256,551**	**1,271,646**
Rights		
Performance guarantees and performance bonds	393,592	145,112
Other commitments received	2,515	2,825
Total	**396,107**	**147,937**

(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 88.1 million euros at DEME as part of the financing for the fleet.

Note 23: employment

1. Average number of persons employed

	2017	2016
Employees	7,421	6,970
Workers	4,931	4,535

2. Personnel charges

(€ 1,000)	2017	2016
Remuneration and social charges	-746,546	-708,009
Pension expenses (defined contribution and defined benefit plans)	-16,871	-8,501
Share based payment	-2,484	-1,060
Total	**-765,902**	**-717,569**

The increase in headcount is primarily attributable to DEME, CFE, Anima Care & HPA. At the headquarters of Ackermans & van Haaren 29 persons are employed. A pro forma headcount of 22,749 is cited in the section '2017 at a glance' (page 9). 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 137 to 145. In this pro forma presentation, all (exclusive) control interests are incorporated in full and the other interests proportionally.

Note 24: pension liabilities

(€ 1,000)	2017	2016
Defined benefit pension plans	-52,309	-51,075
Other pension obligations (early retirement)	-6,114	-5,159
Total pension obligations	**-58,423**	**-56,234**
Total pension assets	**2,253**	**2,651**

1. Defined benefit pension plans

(€ 1,000)	2017	2016
1. Amounts as recorded in the balance sheet		
Net funded defined benefit plan (obligation) asset	-50,056	-48,424
Present value of wholly or partially funded obligations (-)	*-264,356*	*-262,347*
Fair value of plan assets	*214,300*	*213,924*
Defined benefit plan (obligation) asset, total	**-50,056**	**-48,424**
Liabilities (-)	-52,309	-51,075
Assets	2,253	2,651
Movements in plan assets (obligations) as recorded in the balance sheet		
Net defined benefit plan asset (obligation) recorded in the balance sheet, opening balance	-48,424	-38,458
Increase (decrease) from business combinations/disposals	388	0
Net defined benefit cost recorded in the income statement	-13,691	-5,156
Net defined benefit cost recorded in 'Other Comprehensive Income'	-2,812	-18,778
Contributions from employer / employee	14,455	13,678
Other increase (decrease)	30	290
Net defined benefit plan asset (obligation) recorded in the balance sheet, ending balance	-50,056	-48,424
2a. Net cost recorded in the income statement	**-13,691**	**-5,156**
Current service cost	-13,191	-13,244
Interest cost	-3,301	-4,241
Interest income on plan assets (-)	2,743	3,551
Past service cost	58	8,779
2b. Net cost recorded in 'Other Comprehensive Income'	**-2,812**	**-18,778**
Actuarial gains/(losses) recognised in 'Other Comprehensive Income'	6,263	-43,813
Return on plan assets, excluding interest income (-)	-8,591	24,965
Exchange differences	0	0
Other	-484	69

(€ 1,000)	2017	2016
3a. Movements in defined benefit plan obligations		
Defined benefit plan obligations recorded in the balance sheet, opening balance	-262,347	-171,368
Decrease through business disposals	1,493	0
Current service cost	-13,191	-13,244
Interest cost	-3,301	-4,241
Contributions from employee	-956	-1,281
Benefit payments (-)	7,058	13,495
Remeasurement (gains)/losses (net)	6,263	-43,813
of which: actuarial (gains)/losses on DBO arising from changes in demographic assumptions	*0*	*-14,161*
of which: actuarial (gains)/losses on DBO arising from changes in financial assumptions	*11,835*	*-28,194*
of which: actuarial (gains)/losses on DBO arising from experience	*-5,573*	*-1,458*
Past service cost	-71	11,156
Other increase (decrease)	697	-53,051
Defined benefit plan obligations recorded in the balance sheet, ending balance	-264,356	-262,347
3b. Movements in plan assets		
Fair value of the plan assets, opening balance	213,924	132,909
Decrease through business disposals	-1,106	0
Return on plan assets excluding interest income	-8,591	24,965
Interest income on plan assets	2,743	3,551
Contributions from employer / employee	14,888	14,806
Benefit payments (-)	-6,928	-13,343
Other increase (decrease)	-630	51,036
Fair value of the plan assets, ending balance	214,300	213,924
4. Principal actuarial assumptions		
Discount rate used	1.5%	1.3%
Expected rate of salary increase	2.7%	3.0%
Inflation	1.8%	1.8%
Mortality tables	MR/FR	MR/FR
5. Other information		
Term (in years)	14.99	15.24
Average actual return on plan assets	-2.50%	14.85%
Expected contribution in next financial year	12,806	12,958
6. Sensitivity analysis		
Discount rate		
25 base point increase	-3.3%	-3.7%
25 base point decrease	+3.7%	+3.9%
Expected rate of salary increase		
25 base point increase	+2.3%	+2.2%
25 base point decrease	-1.8%	-1.9%

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 was 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.

For the non-material defined contribution plans, it will be annually verified whether the accumulated (mathematical) reserves are in line with the legally guaranteed minimum reserves. The accumulated reserves were more than sufficient at the end of 2017.

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' in 2016.

The average return on plan assets decreased in comparison with 2016 mainly due to the impact of the higher 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 2017				Financial year 2016			
	Subsidiaries	Associated participations	Other related parties	TOTAL 2017	Subsidiaries	Associated participations	Other related parties	TOTAL 2016
I. Assets with related parties - balance sheet								
Financial fixed assets	**13,281**	**18,722**	**0**	**32,003**	**21,650**	**17,095**	**0**	**38,745**
Receivables and warranties: gross amount	18,281	18,722		37,003	21,650	17,095		38,745
Receivables and warranties: impairments	-5,000			-5,000				0
Amounts receivable	**68,401**	**10,894**	**0**	**79,295**	**80,472**	**15,675**	**700**	**96,847**
Trade debtors	603	541		1,144	2,398	228		2,626
Other receivables: gross amount	74,529	12,333		86,862	83,075	15,447	700	99,221
Other receivables: impairments	-6,730	-1,981		-8,711	-5,000			-5,000
Banks - receivables from credit institutions & clients	**2,633**	**1,734**	**0**	**4,367**	**373**	**2,026**	**0**	**2,399**
Deferred charges & accrued income	**3,578**	**67**	**0**	**3,645**	**3,109**	**73**	**0**	**3,182**
Total	**87,893**	**31,417**	**0**	**119,310**	**105,605**	**34,869**	**0**	**141,174**
II. Liabilities with related parties - balance sheet								
Financial debts	**230**	**0**	**0**	**230**	**235**	**0**	**0**	**235**
Subordinated loans				0				0
Other financial debts	230			230	235			235
Other debts	**296**	**506**	**0**	**802**	**0**	**567**	**0**	**567**
Trade payables	296			296				0
Other amounts payable		506		506		567		567
Banks - debts to credit institutions, clients & securities	**125,087**	**3,324**	**0**	**128,411**	**36,123**	**1,823**	**0**	**37,946**
Accrued charges and deferred income	**6**	**37**	**0**	**43**	**0**	**6**	**0**	**6**
Total	**125,619**	**3,867**	**0**	**129,486**	**36,358**	**2,396**	**0**	**38,754**
III. Transactions with related parties - income statement								
Revenue	**82,545**	**499**	**3**	**83,047**	**68,361**	**774**	**3**	**69,139**
Rendering of services	1,605	370	3	1,978	1,260	598	3	1,862
Real estate revenue	175			175	199			199
Interest income of banking activities	15	37		52		39		39
Commissions receivable of banking activities	31,430	-48		31,382	24,600	-43		24,557
Revenue from construction contracts	49,321	140		49,460	42,302	180		42,482
Other operating revenue				0				0
Other operating income	**111**	**1,874**	**0**	**1,985**	**144**	**223**	**0**	**367**
Interest on financial fixed assets - receivables	74	1,627		1,701	123	192		315
Dividends				0				0
Other operating income	38	247		284	21	31		52
Operating expenses (-)	**-5,129**	**-4,491**	**0**	**-9,620**	**-250**	**-3,704**	**0**	**-3,954**
Interest expenses Bank J.Van Breda & C° (-)		-314		-314	-34	-185		-219
Impairment losses (-)	-5,000			-5,000				0
Other operating expenses (-)	-129	-4,177		-4,306	-216	-3,519		-3,735
Finance income	**3,189**	**78**	**0**	**3,267**	**1,894**	**84**	**0**	**1,978**
Interest income	3,189	78		3,267	1,894	84		1,978
Other finance income				0				0
Finance costs (-)	**0**	**0**	**0**	**0**	**0**	**-13**	**0**	**-13**
Interest expenses				0		-13		-13

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), 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 (120.1 million euros) and the time deposits (3.8 million euros) are reported as a debt of Bank J.Van Breda & C° to a related party.

A.A. Van Laere's construction activities executed at the behest of Extensa (at Tour&Taxis), Leasinvest Real Estate (Square de Meeus/Montoyer 63 centre Brussels) and Anima Care (Erasmus Anderlecht) are included under the heading '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 1.2 million euros and 0.16 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.

- At the end of December 2017, AvH sold its 100% stake in A.A. Van Laere to CFE Contracting. The price (after a dividend of 7.8 million euros) was 17.1 million euros, which corresponds to the adjusted net asset value.

(€ 1,000)	2017	2016
Assets with related parties CFE-DEME	**445,634**	**429,373**
Non current financial assets	143,203	152,629
Trade and other receivables	281,761	249,703
Other current assets	20,670	27,041
Liabilities with related parties CFE-DEME	**106,555**	**83,187**
Other non current liabilities	3,542	4,905
Trade and other liabilities	103,013	78,282

(€ 1,000)	2017	2016
Revenues and expenses with related parties CFE-DEME	**629,089**	**219,391**
Revenue and revenue from auxiliary activities	642,173	229,925
Purchases and other operating expenses	-23,441	-15,569
Net financial income/(expense)	10,357	5,035

3. Remuneration

(€ 1,000)	2017	2016
Remuneration of the directors		
Tantièmes at the expense of AvH	655	540
Remuneration of the members of the executive committee		
Fixed remuneration	2,507	2,702
Variable remuneration	2,469	2,427
Share based payment	505	440
Group and hospitalisation insurance	469	538
Benefits in kind (company car)	34	43

4. The auditor Ernst & Young received following fees related to:

(€ 1,000)	AvH	Subsidiaries [1]	Total 2017	AvH	Subsidiaries [1]	Total 2016
The statutory mandate	56	1,261	1,317	55	1,120	1,175
Special missions						
- other control missions		242	242		96	96
- tax advice	5	301	306	6	156	162
- other missions than statutory		290	290	1	206	207
Total	**61**	**2,094**	**2,155**	**62**	**1,577**	**1,640**

[1] Including jointly controlled subsidiaries accounted for using the equity method.

Note 26: earnings per share

1. Continued and discontinued operations

(€ 1,000)	2017	2016
Net consolidated profit, share of the group (€ 1,000)	302,530	224,237
Weighted average number of shares [1]	33,138,637	33,140,199
Basic earnings per share (€)	**9.13**	**6.77**
Net consolidated profit, share of the group (€ 1,000)	302,530	224,237
Weighted average number of shares [1]	33,138,637	33,140,199
Impact stock options	125,089	110,619
Adjusted weighted average number of shares	33,263,725	33,250,818
Diluted earnings per share (€)	**9.09**	**6.74**

2. Continued activities

(€ 1,000)	2017	2016
Net consolidated profit from continued activities, share of the group (€ 1,000)	302,530	224,237
Weighted average number of shares [1]	33,138,637	33,140,199
Basic earnings per share (€)	**9.13**	**6.77**
Net consolidated profit from continued activities, share of the group (€ 1,000)	302,530	224,237
Weighted average number of shares [1]	33,138,637	33,140,199
Impact stock options	125,089	110,619
Adjusted weighted average number of shares	33,263,725	33,250,818
Diluted earnings per share (€)	**9.09**	**6.74**

[1] Based on number of shares issued, adjusted for treasury shares in portfolio.

Note 27: proposed and distributed dividends

1. Determined and paid out during the year

(€ 1,000)	2017	2016
Dividend on ordinary shares:		
- Final dividend 2016: 2.04 euros per share (2015: 1.96 euros per share) [1]	-67,638	-64,980

2. Proposed for approval by the general meeting of May 28, 2018

(€ 1,000)	
Dividend on ordinary shares:	
- Final dividend 2017: 2.20 euros per share [1]	-72,896

3. Dividend per share (€)

(€ 1,000)	2017	2016
Gross	2.2000	2.0400
Net (withholding tax 27%)	1.5400	1.4280

[1] Excluding dividend payment to treasury shares held by AvH & subholdings.

Statutory auditor's report

Independent auditor's report to the general meeting of Ackermans & van Haaren NV for the year ended 31 December 2017

As required by law and the Company's articles of association, we report to you as statutory auditor of Ackermans & van Haaren NV (the "Company") and its subsidiaries (together the "Group"). This report includes our opinion on the consolidated statement of the financial position as at 31 December 2017, the consolidated statement of the realized and un-realized results, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 31 December 2017 and the disclosures (all elements together the "Consolidated Financial Statements") and includes as well our report on other legal and regulatory requirements. These two reports are considered as one report and are inseparable.

We have been appointed as statutory auditor by the shareholders meeting of 23 May 2016, in accordance with the proposition by the Board of Directors, following recommendation of the Audit Committee. Our mandate expires at the shareholders meeting that will deliberate on the annual accounts for the year ending 31 December 2018. We performed the audit of the Consolidated Financial Statements of the Group during 17 consecutive years.

Report on the audit of the Consolidated Financial Statements 2017

Unqualified opinion

We have audited the Consolidated Financial Statements of Ackermans & van Haaren NV, which consists of the consolidated statement of the financial position as at 31 December 2017, the consolidated statement of the realized and un-realized results, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 31 December 2017 and the disclosures, which show a consolidated balance sheet total of € 13.469.013.(000) and of which the consolidated income statement shows a profit for the year (attributable to the owners of the Company) of € 302.530.(000)

In our opinion the Consolidated Financial Statements of the Group give a true and fair view of the consolidated net equity and financial position as at 31 December 2017, 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 ("IFRS") and with applicable legal and regulatory requirements in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the consolidated financial statements" section of our report.
We have complied with all ethical requirements that are relevant to our audit of the Consolidated Financial Statements in Belgium, including those with respect of independence.
We have obtained from the Board of Directors and the officials of the Company the explanations and information necessary for the performance of our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current reporting period.
These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon, and consequently we do not provide a separate opinion on these matters.

1. Revenue recognition and contract accounting (Marine Engineering & Contracting)

Companies concerned: CFE and DEME

Description of the key audit matter
For the majority of its contracts, the Group recognizes revenue and profit on the stage of completion based on the proportion of contract costs incurred for the work performed to the balance sheet date, relative to the estimated total costs of the contract at completion. The recognition of revenue and profit therefore relies on estimates in relation to the forecast total costs on each contract. Cost contingencies may also be included in these estimates to take account of specific uncertain risks, or disputed claims against the Group, arising within each contract. The revenue on contracts may also include variations and claims, which are recognized on a contract-by-contract basis when the additional contract revenue can be measured with a high degree of certainty.
This often involves a high degree of judgment due to the complexity of projects, uncertainty about costs to complete and uncertainty about the outcome of discussions with clients on variation orders and claims. Therefor there is a high degree of risk and associated management judgement in estimating the amount of revenue and associated profit (recognized based on percentage of completion) or loss (recognized in full) by the Group up to the balance sheet date and changes to these estimates could give rise to material variances.
Contract accounting for the Group also involves a significant accounting analysis when it comes to bundling or unbundling of contract. The (un)bundling of one or multiple contracts can significantly impact the revenues and results recognized in the accounting period.

Summary of audit procedures performed
- Project review: using a variety of quantitative and qualitative criteria, a sample of contracts has been selectedto challenge the most significant and complex contract estimates. An understanding of the current condition and history of the projects was obtained and the judgements inherent to these projects were challenged with senior executive and financial management. Additionally, differences with prior project estimates were analyzed and assessed consistent with the developments during the year.
- Determination of the proper calculation of the percentage of completion and the related revenue and margin recognized for a selection of projects, obtaining an understanding of the procedures relating to accounting for costs to complete the project and considering the design and implementation of the related controls and processes.
- Historical comparisons: evaluating the financial performance of contracts against budget and historical trends.

- Site visits: completing site visits for certain higher risk or larger value contracts, observation of the stage of completion of individual projects and identifying areas of complexity through discussion with site personnel.
- Benchmarking assumptions: challenging the Group's judgement in respect of forecasted contract out-turn, contingencies, settlements, and the recoverability of contract balances by means of agreement to third party certifications orconfirmations, agreement to historical outcomes and agreement with reference to our own assessments.
- Customer correspondence scrutiny: analyzing correspondence with customers around variations and claims and considering whether this information is consistent with the estimates made by the Group.
- Inspecting selected contracts for key clauses: identifying relevant contractual mechanisms impacting the (un)bundling of contracts, and others such as delay penalties, bonuses or success fees and assessing whether these key clauses have been appropriately reflected in the amounts recognized in the financial statements.

Reference to information or notes in the Consolidated Financial statements
The methodology applied in recognizing revenue and contract accounting is set out in note 1 (Valuation rules) and note 13 (Inventories and construction contracts) to the Consolidated Financial Statements.

2. Accounting for business combinations (Marine Engineering & Contracting)

Company concerned: DEME

Description of the key audit matter
During 2017,DEME acquired the offshore activities of A2SEA. The acquisition represents a business combination and should be accounted for in accordance with IFRS 3. As at 31 December 2017, the Group has not yet completed its analysis of the fair value of all assets and liabilities acquired and as such, the acquisition has been accounted for based on a provisional purchase price allocation.

Summary of audit procedures performed
- Gaining an understanding of the transaction and reading of the relevant agreements in relation to the acquisition of the shares of A2SEA.
- Confirming the appropriate accounting treatment of these agreements per 31 December 2017 in accordance with IFRS 3.
- Assessing the appropriateness of the disclosures relating to the provisional purchase price accounting in the Consolidated Financial Statements of the Group.
- Involving experts: involving IFRS experts to analyze the appropriate accounting treatment of these transactions, including the provisional purchase price allocation and to verify the appropriateness of the disclosures made in relation to this transaction.

Reference to information or notes in the Consolidated Financial statements
Refer to Note 1 (Valuation rules) and Note 4 (Business combinations and disposals)

3. Uncertain tax positions (Marine Engineering & Contracting)

Company concerned: DEME

Description of the key audit matter
DEME operates in a range of countries subject to different tax regimes. The taxation of the operations can be subject to judgements and might result in disputes with local tax authorities. If management considers it probable that such disputes will lead to an outflow of resources, accruals have been recorded accordingly. Therefore, there is a high degree of risk and associated management judgement related to estimating the amount of accruals for uncertain tax positions to be recognized by the Group up to the balance sheet date and changes to these estimates could give rise to material variances.

Summary of audit procedures performed
- In order to audit the adequacy of the recorded tax accrual, the audit procedures included an analysis of the estimated probability of the tax risk, of management's estimate of the potential outflows and a review of the supporting documentation.
- Involvement of experts: involving tax specialists to review the assumptions supporting the estimates and to challenge the appropriateness of these assumptions in view of local tax regulations.
- Obtaining understanding of the procedures relating to accounting for (deferred) taxes and considered design and implementation of the related controls and processes.
- Assessing the appropriateness of the disclosures relating to (deferred) taxes in the group's Consolidated Financial Statements.

Reference to information or notes in the Consolidated Financial statements
Refer to note 1 (Valuation rules) and note 20 (Taxes).

4. Revenue recognition and valuation of inventories (Marine Engineering & Contracting, Real Estate & Senior Care)

Companies concerned: CFE and Extensa

Description of the key audit matter
The valuation of the land positions and the incurred constructions costs for residential property developments are based on the historical cost or lower net realizable value. The assessment of the net realizable values involves assumptions relating to future market developments, decisions of governmental bodies, discount rates and future changes in costs and selling prices. These estimates involve various terms and are sensitive to scenarios and assumptions used and involve as such significant management judgement. Risk exists that potential impairments of inventories are not appropriately accounted for.
Revenues and results are recognized to the extent that components (housing units) have been sold and based on the percentage of completion of the development. The recognition of revenue and profit therefore relies on estimates in relation to the forecasted total costs on each project.
This often involves a high degree of judgement due to the complexity of projects and uncertainty about costs to complete. Therefore, there is a high degree of risk associated with estimating the amount of revenue and associated profit to be recognized by the Group up to the balance sheet date and changes to these estimates could give rise to material variances.

Summary of audit procedures performed
- A sample of project developments have been tested by verifying the costs incurred to date, relating to land and work in progress as well as recalculating the percentage of completion at the balance sheet date. A selection of these schemes have been reviewed with a sample of costs agreed to third party surveyors' certificates, total sales values agreed to contracts, and the accuracy of the recognition formula has been verified.
- Assessment of the calculations of net realizable values and challenging the reasonableness and consistency of the assumptions and model used by management.
- Evaluating the financial performance of specific projects against budget and historical trends, specifically in view of assessing the reasonableness of the costs to complete.

Reference to information or notes in the Consolidated Financial statements
Refer to note 1 (Valuation rules) and note 13 (inventories and construction contracts)

5. Specific allowances for loans and advances to customers (Private banking)

Company concerned: Bank J.Van Breda & C°

Description of the key audit matter
The net portfolio of loans and advances to customers amounted to € 4.529 million as at 31 December 2017. Loans and advances to customers are measured at amortized cost, net of the allowance for loan losses (€ 27,5 million).
Certain aspects of the accounting for allowance for loan losses require significant judgement by management, such as the identification of loans and advances to customers that are deteriorating, the assessment of objective evidence for impairment, the value of collateral and the estimation of the recoverable amount.
Due to the significance of loans and advances to customers advances to customers and the related estimation uncertainty, the valuation of loans and advances to customers is considered as a key audit matter.

Summary of audit procedures performed
The following audit procedures were performed, amongst others:
- Assessing the design and evaluation of the operating effectiveness of controls around the valuation and accuracy of loans and advances and collateral data, the determination of risk ratings and the process for identifying arrears and the management thereof.
- Performing risk assessment aimed at identifying higher risk deteriorating, the assessment of objective evidence for portfolios, including an assessment of manage-

ment's own portfolio stress tests and risk mitigation actions to identify areas of focus.
- Credit file reviews to test the recoverability of loans and advances to customers; by doing so, challenging the probability of realization, and valuation of collateral and other possible sources of repayment.
- Comparing Management's key assumptions against the understanding of the relevant industries and business environments.
- Assessing whether disclosures appropriately reflected the exposure to credit risk, including controls over identification and disclosure of forborne loans, collateral valuation and sensitivity of key assumptions.

Reference to information or notes in the Consolidated Financial statements
Refer to note 1 (Valuation rules) and note 12 (Banks – receivables from credit institutions and clients)

6. Valuation of the investment properties (Real Estate & Senior Care)

Companies concerned: LRE en Extensa

Description of the key audit matter
As per 31 December 2017 the Group presents Investment property for a total amount of € 945 million on its balance sheet.
In accordance with the accounting policies and IAS 40 standard "Investment property", investment property is valued at fair value, and the changes in the fair value of investment property are recognized in the income statement. Some parameters used for valuation purposes are based on unobservable data (discount rate, future occupancy rate, …). For these reasons, we consider the valuation of the investment properties as a key audit matter.

Summary of audit procedures performed
The group appoints external appraisers to carry out an estimate of the fair value of the investment properties of the Group, with the support of internal real estate valuation specialists, the valuation reports were evaluated. More precisely:
- assessment of the objectivity, the independence and the competence of the external appraisers,
- testing of the integrity of source data (contractual rentals, maturities of the rental contracts, …) used in their calculations,
- review of the models, assumptions and parameters used in their reports (the most important ones being discount rates, future occupancy rates, …).

Assessment of the appropriateness of the information on the fair value of the investment properties disclosed in note 1 (Valuation rules) and note 9 (Investment property at fair value) of the Consolidated Financial Statements.

7. Valuation of financial instruments (multiple segments)

Description of the key audit matter
Different companies within the group use interest rate swaps (IRS) to hedge its interest rate risk on its variable rate debts. The measurement of the derivatives at fair value is an important source of volatility of the result and/or the shareholders' equity. As a matter of fact, in accordance with IAS 39 "Financial Instruments: Recognition and Measurement", these derivatives are valued at fair value (considered to belong to the level 2 of the fair value hierarchy defined by IFRS 13 "Fair Value Measurement"). The changes in fair value are recognized in the income statements except for those IRS for which the Company applies hedge accounting ("cash-flow hedging"), which allows to record most of the changes in fair value in the caption of the shareholders' equity ("Reserve for the balance of changes in fair value of authorized hedging instruments qualifying for hedge accounting as defined under IFRS"). The audit risk appears on the one hand in the valuation of these derivatives and on the other hand in the application of hedge accounting. For these reasons, this is considered as a key audit matter.

Summary of audit procedures performed
- Comparing the fair values of the derivatives with the values communicated by the counterparties and the credit risk adjustments calculated by an external specialist.
- Assessment of the most important assumptions and the calculations performed by this external specialist.
- Reviewing the effectiveness tests performed by the external specialist involved by the company with regard to the correct application of hedge accounting
- Comparing the volume of derivatives subject to hedge accounting with the volume of the variable rate debts projected on the future accounting years in order to identify any potential over hedging which could potentially jeopardize the application of hedge accounting.
- Assessment of the appropriateness of the information on the financial instruments disclosed in note 19 (Financial instruments) to the Consolidated Financial Statements.

8. Goodwill

Description of the key audit matter
As per 31 December 2017 the Group presents goodwill for a total amount of € 349 million on its balance sheet.
The impairment analysis is yearly performed by management based on different factors such as (i) stock exchange share prices, (ii) equity values, (iii) discounted cash flow analysis ("DCF analysis") of the underlying participations based on forecasts approved by the board of directors of the companies en (iv) sales prices based on ongoing negotiations. This requires assessment and valuation of the assumptions used by management, such as the underlying recoverable value of the participation. The determination of the future cash flows of the cash generating units ("CGU") and of the used discount rate is complex and subjective. Changes in these assumptions can result in material deviations in the value-in-use calculations, which influences the potential impairment loss to be recorded on goodwill.

Summary of audit procedures performed
- Review of management's process to identify the impairment indicators.
- Assessing management's method to determine the recoverable value of each of the investments, along with the intercompany positions and the related goodwill to ensure this follows the IFRS guidelines.
- Assessing the appropriateness of the assumptions used by management to determine the recoverable value (if needed with the help of internal specialists).
- Comparison of the operational cash flows with historical figures and trends.
- Assessing the reasonableness of future cash flows used in the valuation exercise on goodwill based on the historical results, the business plan available and the evaluation of the historical accuracy of the assumptions used by management.
- Checking whether the future cash flows were based on a business plan approved by the board of directors.
- Performing of mathematical accuracy checks of the valuation model.
- Assessment of the sensitivity analysis performed by management.
- Assessment of the appropriateness of the information on the financial instruments disclosed in note 1 (Valuation rules – principles of consolidation) and note 7 (Goodwill) to the Consolidated Financial Statements.

9. Risks of the companies accounted for under the equity method

Description of the key audit matter
A large number of companies are accounted for using the equity method in the Consolidated Financial Statements of the Group. Per 31 December 2017 this amounts to € 1.241 million in the balance sheet and they contribute for € 141 million in the consolidated result of the year. The information on participations accounted for using the equity method is included in note 10 to the Consolidated Financial Statements.
The risks exists that key audit matters are related to those companies which are significant to the Consolidated Financial Statements of the Group.
Delen Private Bank has acquired clientele, as a result of several acquisitions, which are included under intangible fixed assets, the majority of the purchased clientele is considered as intangible assets with an indefinite useful life. The statistical data from the past show that only a limited part of the purchased clientele has a definite useful life. With each acquisition of clientele, on the basis of the statistics, it is determined how much of the purchased clientele is to be considered as an intangible fixed asset with a certain useful life, which is amortized pro rata over this useful life. The remainder is not amortized. Management conducts an annual impairment analysis on the basis of its own developed model for both clientele with a definite and indefinite useful life, whereby the purchased clientele is subdivided per group office.
The valuation of the purchased clientele is complex and requires estimates from the management. The valuation of the clientele is based on the assets entrusted by the clientele (Assets under management, hereinafter "AuMs") on which a factor is applied. A change in these parameters or the use of erroneous data would have a material impact on the valuation of the purchased clientele.
For these reasons, the valuation of the activated, acquired clientele is a key audit matter of our audit.

Summary of audit procedures performed

With regard to the valuation of the activated, acquired clientele, the following audit procedures were carried out:

- Assessment of the division of the existing clientele within the group per office and discussion of any changes in relation to previous periods.
- Assessment of the parameters used (such as AuMs and factors), the methodology and the model used in accordance with IAS 36.
- Analysis of the breakdown of purchased customers per office.
- Verification of the factors used in the model with market data and reconciliation of the AuMs with the accounting inventories and of the applied market value with the market data.
- Sensitivity analysis on the most important assumptions, which is mainly the cost-income ratio.
- Recalculation of the recorded depreciation on the clientele with a certain useful life.
- Assessment of the adequacy and completeness of note 7 (Goodwill) of the Consolidated Financial Statements.

With respect to the key audit matters in the balance sheets of the companies accounted for using the equity method, the following audit procedures were performed, amongst others:

- Communication of clear audit instructions to the component auditors indicating the possible key audit matters, specific audit risks, audit procedures to be performed according to the materiality levels determined.
- Detailed review of the reported deliverables by the component auditors.
- Critical evaluation of the used audit approach in accordance with the international auditing standards.
- Discussion on the key audit matters with the component auditor and assessment of the reported clarifications.
- Assessment of the adequacy and completeness of note 10 (companies accounted for using the equity method) of the Consolidated Financial Statements.

Responsibilities of the Board of Directors for the preparation of the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the Consolidated Financial Statements that give a true and fair view in accordance with IFRS and with applicable legal and regulatory requirements in Belgium as well as internal controls relevant to the preparation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the Consolidated Financial Statements, the Board of Directors is responsible for assessing the Company s ability to continue as a going concern, and provide, if applicable, information on matters impacting going concern. The Board of Directors should prepare the financial statements using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the Company or to cease business operations, or has no realistic alternative but to do so.

Our responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement, whether due to fraud or error, to express an opinion on these Consolidated Financial Statements based on our audit. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit, in accordance with ISAs, we exercise professional judgment and we maintain professional skepticism throughout the audit. We also perform the following tasks:

- Identification and assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, the planning and execution of audit procedures to respond to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements is larger when these misstatements are due to fraud, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining insight in the system of internal controls that are relevant for the audit and with the objective 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;
- Evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Board of Directors as well as the underlying information given by the Board of Directors;
- Conclude on the appropriateness of Board of Director's use of the going-concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to event or conditions that may cast significant doubt on the Company or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company or Group to cease to continue as a going-concern;
- Evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and of whether these financial statements reflect the underlying transactions and events in a true and fair view.

We communicate with the Audit Committee within the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the audits of the subsidiaries. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities.

We provide the Audit Committee within the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee within the Board of Directors, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our report, unless the law or regulations prohibit this.

Report on other legal and regulatory requirements

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and the content of the Board of Director's report and other information included in the annual report.

Responsibilities of the auditor

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, the Board of Director's report and other information included in the annual report, and to report any matters.

Aspects relating to Board of Director's report and other information included in the annual report

In our opinion, after carrying out specific procedures on the Board of Director's report, the Board of Director's report is consistent with the Consolidated Financial Statements and has been prepared in accordance with article 119 of the Belgian Companies Code.

In the context of our audit of the Consolidated Financial Statements, we are also responsible to consider whether, based on the information that we became aware of during the performance of our audit, the Board of Director's report and other information included in the annual report, being:

- 2017 at a glance - page 8
- Activity report - page 62
- Key figures - appendix

contain any material inconsistencies or contains information that is inaccurate or otherwise misleading. In light of the work performed, we do not need to report any material inconsistencies. In addition, we do not express any form of reasonable assurance regarding the individual elements included in the annual report.

The non–financial information required by article 119 §2 of the Belgian Companies Code has been included in the Board of Director's report on the Consolidated Financial Statements.

The Group has not based the non-financial information on a European or internationally recognized framework, but did adopt aspects of the Global Reporting Initiative

("GRI") Standards. Consequently, we do not comment on whether this non-financial information has been prepared, in all material respects, in accordance with the GRI Standards. We do not express any form of assurance regarding the individual elements included in this non-financial information.

Independence matters

Our auditor's office and our network has not performed any services that are not compatible with the statutory audit of the Annual Accounts and has remained independent of the Company during the course of our mandate.
The fees related to additional services which are compatible with the statutory audit of the Annual Accounts as referred to in article 134 of the Belgian Companies Code were duly itemized and valued in the notes to the Annual Accounts.

Other communications

- This report is consistent with our supplementary declaration to the Audit Committee as specified in article 11 of the regulation (EU) nr. 537/2014.

Diegem, 29 March 2018

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	2017	2016	2015
Assets				
Fixed assets		**2,628,386**	**2,467,325**	**2,346,969**
I. Formation expenses				
II. Intangible assets		**0**	**1**	**35**
III. Tangible assets	(1)	**10,134**	**10,598**	**10,828**
A. Land and buildings		6,733	7,037	7,372
C. Furniture and vehicles		1,248	1,310	1,105
D. Leasing and other similar rights		0	0	0
E. Other tangible assets		2,153	2,252	2,351
F. Assets under construction and advanced payments				
IV. Financial assets		**2,618,252**	**2,456,726**	**2,336,106**
A. Affiliated enterprises	(2)	2,401,174	2,275,420	2,152,174
1. Participating interests		2,394,789	2,269,084	2,145,391
2. Amounts receivable		6,385	6,336	6,783
B. Other enterprises linked by participating interests	(3)	210,547	174,016	176,194
1. Participating interests		210,547	174,016	176,194
2. Amounts receivable		0	0	0
C. Other financial assets		6,531	7,289	7,738
1. Shares		6,524	7,282	7,731
2. Amounts receivable and cash guarantees		8	8	8
Current assets		**107,041**	**69,720**	**105,534**
V. Amounts receivable after more than one year		**6,066**	**2,346**	**900**
A. Trade receivables				
B. Other amounts receivable		6,066	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		**4,304**	**10,533**	**28,781**
A. Trade receivables		2,073	1,672	3,514
B. Other amounts receivable	(4)	2,231	8,861	25,267
VIII. Investments	(5)	**49,216**	**52,137**	**71,147**
A. Treasury shares		36,954	24,400	23,963
B. Other investments and deposits		12,262	27,737	47,185
IX. Cash at bank and in hand		**46,906**	**4,206**	**4,131**
X. Deferred charges and accrued income		**549**	**498**	**575**
Total assets		**2,735,427**	**2,537,045**	**2,452,503**

Balance sheet

(€ 1,000)	Note	2017	2016	2015
Liabilities				
Equity	(6)	**1,868,915**	**1,679,714**	**1,426,185**
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		**100,159**	**81,703**	**79,716**
A. Legal reserve		248	248	248
B. Reserves not available for distribution		36,997	24,435	23,997
1. Own shares		36,962	24,400	23,963
2. Other		35	35	35
C. Untaxed reserves				
D. Reserves available for distribution		62,915	57,020	55,470
V. Profit carried forward		**1,654,848**	**1,484,103**	**1,232,562**
Loss carried forward (-)				
VI. Investment grants				
Provisions and deferred taxation		**0**	**0**	**0**
VII. A. Provisions for liabilities and charges		**0**	**0**	**0**
1. Pensions and similar obligations		0	0	0
2. Taxation				
3. Major repairs and maintenance				
4. Other liabilities and charges				
B. Deferred taxation				
Creditors		**866,513**	**857,331**	**1,026,318**
VIII. Amounts payable after more than one year	(7)	**0**	**28,000**	**0**
A. Financial debts		0	0	0
B. Trade debts				
C. Advances received on contracts in progress				
D. Other amounts payable		0	28,000	
IX. Amounts payable within one year		**866,255**	**829,088**	**1,025,182**
A. Current portion of amounts payable after more than one year		0	0	0
B. Financial debts	(7)	759,928	728,209	954,885
1. Credit institutions				
2. Other loans		759,928	728,209	954,885
C. Trade debts		397	442	430
1. Suppliers		397	442	430
E. Taxes, remuneration and social security		3,115	2,914	3,150
1. Taxes		160	158	191
2. Remuneration and social security		2,955	2,756	2,959
F. Other amounts payable	(8)	102,815	97,523	66,718
X. Accrued charges and deferred income		**258**	**243**	**1,136**
Total liabilities		**2,735,427**	**2,537,045**	**2,452,503**

Income statement

(€ 1,000)	Note	2017	2016	2015
Charges				
A. Interests and other debt charges		3,010	3,905	4,802
B. Other financial charges		803	879	924
C. Services and other goods		8,022	8,006	8,842
D. Remuneration, social security costs and pensions		1,919	1,876	2,114
E. Other operating charges		913	927	766
F. Depreciation of and other amounts written off on formation expenses, intangible and tangible assets		592	695	680
G. Amounts written off	(9)	13,001	36,118	6,373
1. Financial assets		6,186	15,170	6,373
2. Current assets		6,815	20,948	0
H. Provisions for liabilities and charges		0	0	0
I. Loss on disposal of		3,960	3,195	3,100
1. Intangible and tangible assets		0	0	0
2. Financial assets	(10)	1,817	2,292	927
3. Current assets		2,143	903	2,173
J. Extraordinary charges		0	0	0
K. Income taxes		106	126	18
L. Profit for the period		263,484	322,518	67,769
M. Transfer to the untaxed reserves				
N. Profit for the period available for appropriation		263,484	322,518	67,769
Appropriation account				
A. Profit to be appropriated		1,747,587	1,555,079	1,306,957
1. Profit for the period available for appropriation		263,484	322,518	67,769
2. Profit brought forward		1,484,103	1,232,562	1,239,188
Total		**1,747,587**	**1,555,079**	**1,306,957**

Income statement

(€ 1,000)	Note	2017	2016	2015
Income				
A. Income from financial assets		263,872	343,761	75,476
1. Dividends	(11)	262,279	342,293	73,604
2. Interests		201	120	547
3. Tantièmes		1,392	1,348	1,326
B. Income from current assets		1,647	1,221	1,339
C. Other financial income		1	9	4
D. Income from services rendered		3,148	2,596	4,611
E. Other operating income		364	370	337
F. Write back to depreciation of and to other amounts written off intangible and tangible assets				
G. Write back to amounts written off		1,016	261	9,691
1. Financial assets		102	62	5,214
2. Current assets		914	200	4,477
H. Write back to provisions for liabilities and charges		0	0	4
I. Gain on disposal of	(12)	25,762	30,028	3,926
1. Tangible and intangible assets		20	23	8
2. Financial assets		23,041	29,636	3,560
3. Current assets		2,701	369	357
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		18,456	1,988	8,202
3. To other reserves		18,456	1,988	8,202
D. Result to be carried forward		1,654,848	1,484,103	1,232,562
1. Profit to be carried forward		1,654,848	1,484,103	1,232,562
F. Distribution of profit		74,283	68,989	66,194
1. Dividends		73,693	68,334	65,654
2. Tantièmes		590	655	540
Total		**1,747,587**	**1,555,079**	**1,306,957**

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: AvH acquired Extensa's interest in Leasinvest Real Estate and LRE Management for 156.8 million euros. In December 2017, AvH sold its 75% stake in Nationale Maatschappij der Pijpleidingen for 33 million euros (a.o. by receiving an extraordinary dividend of 12.4 million euros prior to the sale). The final tranche (21.8%) of AvH's stake in Holding Groupe Duval (HGD) was swapped against 23.5% 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 the Belgian holding company HPA, in which AvH holds 71.72%.

3. Financial assets - Other enterprises linked by participating interests: in 2017, AvH increased its stake in Sipef to 30.25% by acquiring shares on the stock market, but in particular by subscribing to Sipef's public capital increase. The total additional investment to reinforce the interest in Sipef amounted to 40.4 million euros.

4. The 'Other amounts receivable within one year' consist of recoverable taxes and the net carrying value of the advances that were granted to GIB.

5. The movement in 'Investments' is the result of the acquisition of 51,300 treasury shares that were previously held in the portfolio of Brinvest, and of the sale to Brinvest of investments in investment funds managed by Delen Private Bank. The item 'Treasury shares' amounted to 37.0 million euros at year-end 2017. In 2017, AvH acquired on balance 7,979 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 181-182 of this report.

Liabilities

6. AvH's equity increased by 189.2 million euros compared with the situation at year-end 2016 (both figures include the dividend proposed to the general meeting of shareholders). This increase is explained by the result for the 2017 financial year, which amounts to 263.5 million euros, less the dividend of 73.7 million euros proposed to the general meeting of shareholders and which will be paid out during 2018.

7. Apart from the debt to subsidiary AvH-CC, which centralizes the group's cash, the only financial debts within one year which AvH had at year-end 2017 consist of 45.0 million euros worth of commercial paper.

8. The 'Other amounts payable' of 102.8 million euros at year-end 2017 include the dividend payment proposed to the general meeting of shareholders. This dividend has increased by 8% in relation to year-end 2016. The other amounts payable also include the final tranche of 28 million euros on the acquisition of the Sofinim shares that is payable at the end of September 2018.

Income statement

Charges

9. The impairments in 2017 primarily relate to the participating interests in and, where appropriate, financing of Financière Flo/Groupe Flo, HPA and Oriental Quarries & Mines in line with the value adjustments that AvH recognized in its consolidated financial statements at year-end 2017.

10. A statutory capital loss of 1.8 million euros was recognized on the contribution of the 23.5% stake in Patrimoine & Santé into HPA.

Income

11. AvH received 262.3 million euros in dividends from its direct participations, including an extraordinary dividend of 156.8 million euros from Extensa and of 12.4 million euros from Nationale Maatschappij der Pijpleidingen. In 2016, a dividend of 250 million euros was paid by Sofinim following the acquisition of the 26% of the shares in Sofinim that were previously held by NPM Capital.

12. In 2017, AvH realized 6.0 million euros worth of capital gains on the swap transaction of the final tranche in Holding Groupe Duval against 23.5% in Patrimoine & Santé. Statutory capital gains were realized on the disposal of NMP (2.9 million euros) and Ogeda (13.9 million euros).

General information regarding the company and the capital

General information regarding the company

Registered office

Begijnenvest 113, 2000 Antwerp, Belgium
VAT BE 0404.616.494
RPR Antwerp - Department 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 13 November 2017, published by excerpt in the Annexes to the Belgian Official Gazette of 13 December 2017, under number 17175234.

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 - Department 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 accordance with the decision of the extraordinary general meeting dated 13 November 2017, the Board of Directors shall be entitled to increase the registered capital, in the specific cases stipulated in the extraordinary report, in one or more instalments of maximum 500,000 euro during a period of 5 years, starting on 13 December 2017.

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 13 November 2017.

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. Co-owners, usufructuaries and bare-owners must be represented by a joint trustee and notify the company accordingly. 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.

Notes

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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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.

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Financial calendar

May 25, 2018	Interim statement Q1 2018
May 28, 2018	Ordinary general meeting
August 31, 2018	Half-year results 2018
November 23, 2018	Interim statement Q3 2018
February 28, 2019	Annual results 2018

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