

# PARTNERS FOR SUSTAINABLE GROWTH

## ANNUAL RESULTS 2016



ACKERMANS & VAN HAAREN

# ACKERMANS & VAN HAAREN IN 2016

"Ackermans & van Haaren closed the 2016 financial year with a net profit of 224.2 million euros, a solid result. The contribution of the core segments increased by 2.9 million euros to 259.1 million euros in comparison with 2015, which was a very strong year.

This shows that the group is well positioned and allows AvH to look to 2017 with confidence, as is confirmed by the proposal to increase the dividend per share by 4% to 2.04 euros.

At 224.2 million euros, the net result is lower than in 2015 (284.1 million euros). This is the result of operating losses and impairments on Groupe Flo and CKT Offshore totaling 34 million euros in 2016, as opposed to non-recurrent capital gains of 55.2 million euros in 2015 (remeasurement Tour & Taxis, Egemin).

AvH has redefined its strategic priorities and wants to focus even more on the development of its core segments together with a limited number of new initiatives. It wants to present itself, totally in line with the new baseline, as a 'partner for sustainable growth'."

*Jan Suykens, CEO - Chairman of the executive committee*

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

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

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

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

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

- By acquiring the 26% minority interest

in Sofinim on September 30, 2016, AvH increased its shareholding percentage in the participations that are held through Sofinim. Since the supervision and direc-

tion of those participations are integrated within Ackermans & van Haaren, Development Capital is now reported under AvH & Growth Capital.

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

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

## Key figures - consolidated balance sheet

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

<sup>(1)</sup> Remeasurement Tour & Taxis

# MARINE ENGINEERING & CONTRACTING

Contribution to the AvH consolidated net result

(€ mio)	2016	2015
DEME	93.9	121.6
CFE	7.2	-13.4
A.A. Van Laere	-2.5	2.1
Rent-A-Port	6.9	1.0
Green Offshore	-0.3	-2.0
<b>Total</b>	<b>105.2</b>	<b>109.2</b>

## DEME

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

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

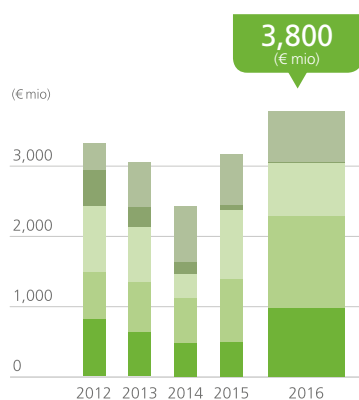
Major projects carried out in 2016 included

Jurong Island Westward Extension (JIWE) and Tuas Terminal Phase 1 in Singapore, and the widening and deepening of the Pacific access channel of the Panama Canal. DEME had a very busy second half of the year in the United Kingdom with the Galloper and Race Bank projects, as well as in Africa, India and in many places in Europe. GeoSea was able to finish the transport and installation of the monopile foundations for the 54 wind turbines of the German Nordsee One wind farm sooner than expected.

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

DEME: Order backlog

■ Benelux ■ Middle East and India  
■ Europe ■ Other  
■ Asia Pacific



## DEME

(€ mio)	2016		2015	
	(1)	(2)	(1)	(2)
Turnover	1,978.3	1,978.2	2,286.1	2,351.0
EBITDA	447.4	450.1	489.2	558.4
Net result	155.3	155.3	199.2	199.2
Equity	1,220.6	1,220.6	1,132.9	1,132.9
Net financial position	-151.2	-154.6	-269.5	-266.7

<sup>(1)</sup> 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.

<sup>(2)</sup> 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 on one single line on the balance sheet and in the income statement.



DEME - Singapore



DEME - La Réunion

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

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

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

out at sea, such as offshore wind farms, services for customers in the offshore oil and gas industry, and the dismantling of old offshore structures.

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

## CFE

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

CFE improved the performance of its Contracting division in terms of turnover, profit and order book.

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

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

The Rail Infra & Utility Networks seg-

ment expects to see its turnover increase from 2017 onwards, whereas in 2016 it remained at roughly the same level as in 2015.

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

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

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

As regards the projects that were not transferred, CFE had to face further losses again in 2016 on the Brussels-South wastewater treatment plant project and on the works on the railway station area in Mechelen. For the construction of the new Brussels-



CFE - AZ Sint Maarten - Mechelen



Van Laere - Gateway - Zaventem

South wastewater treatment plant, an agreement could be reached with the customer on the first two phases of the project. In Nigeria, construction of the Eko Tower building was completed, and in Belgium, final settlements were obtained for several projects, such as the schools in Eupen and a number of projects for the OCMW (Welfare Office) in Brussels.

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

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

## A.A. Van Laere

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

## Rent-A-Port

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

The contribution of 6.9 million euros to the consolidated result of AvH (as reported on

page 3) includes the indirect participation that is held through CFE. AvH has a direct interest of 45%, as well as an additional participation of 27.2% through CFE. The contribution of CFE's interest in Rent-A-Port has not been eliminated in the results of CFE (on page 5).

## Green Offshore

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

CFE: Breakdown by division (excl. DEME)

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

<sup>(1)</sup> Including contribution from Rent-A-Port and Green Offshore

# PRIVATE BANKING

Contribution to the AvH consolidated net result

(€ mio)	2016	2015
Finaxis	-1.0	-0.8
Delen Investments	69.2	72.8
Bank J. Van Breda & Co	29.7	31.9
Asco-BDM	0.6	0.1
<b>Total</b>	<b>98.5</b>	<b>104.0</b>

## Delen Investments

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

The strong growth in assets under management at Delen Private Bank is the result of a positive impact of the increasing value of the assets and of a solid organic net growth. At the UK asset manager JM Finn & Co, the assets under management decreased as a result of a limited net outflow, but mainly due to the exchange rate development of pound sterling against the euro (-13.9%, -1,520 million euros), which is only partly offset by the positive evolution of the value of the client portfolios (in GBP). Oyens & Van Eeghen manages 657 million euros worth of assets for private clients and foundations.

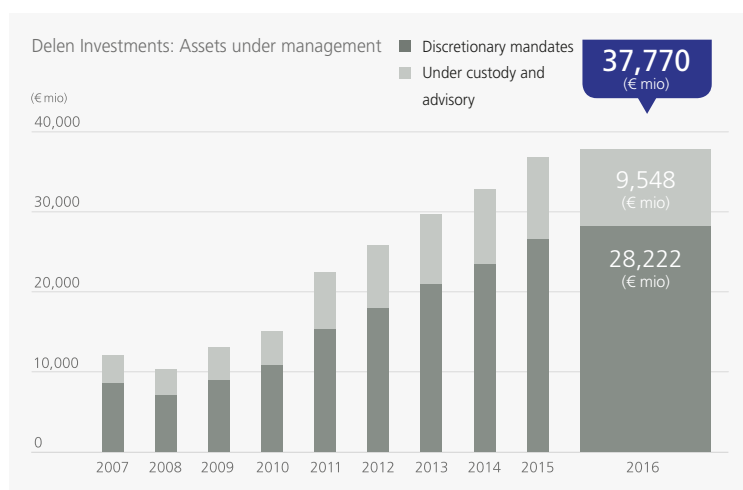
For the Delen Investments group as a whole, this gives the following evolution of the assets under management:

Delen Investments: Assets under management

(€ mio)	2016	2015
Delen Private Bank	27,383	25,555
JM Finn & Co	9,730	10,758
Oyens & Van Eeghen	657	572
<b>Total</b>	<b>37,770</b>	<b>36,885</b>

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

Delen Private Bank - Liège





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

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

#### Delen Investments

(€ mio)	2016	2015
Gross revenues	313.1	314.1
Net result	87.9	92.4
Equity	621.2	582.6
Assets under management	37,770	36,885
Core Tier1 capital ratio (%)	30.9	26.0
Cost-income ratio (%)	57.8	54.9

### Bank J.Van Breda & C°

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

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

The net profit amounted to 37.7 million euros (2015: 40.5 million euros), the second



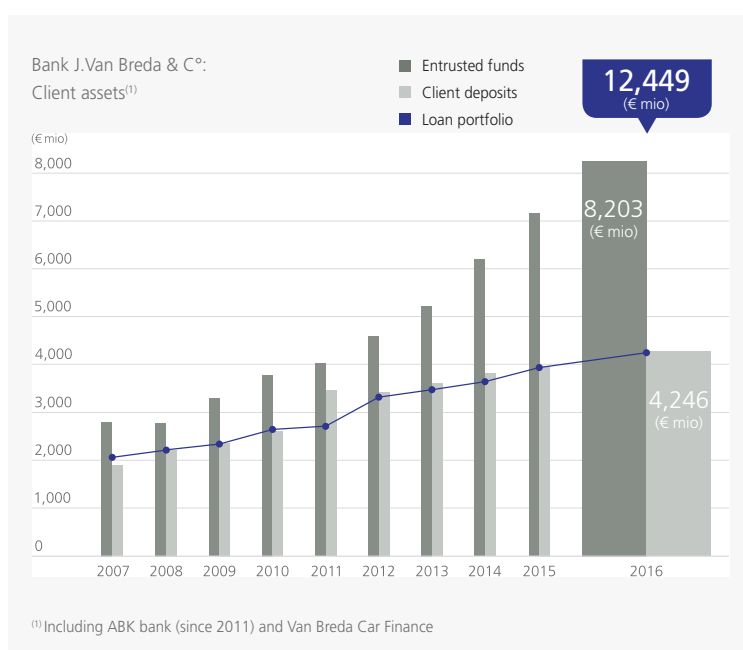
Bank J.Van Breda & C° - Antwerp

best result in the bank's history. The 7% decrease in net profit is due to pressure on the interest margin and higher bank taxes.

The equity (group share) increased from 501.6 million euros to 518.3 million euros, allowing the bank to sustain commercial growth without losing a solid balance sheet structure, which is the best protection for the depositors. The solvency expressed as equity to assets (leverage ratio) stood at 9.8%, well above the 3% which the regulator wants to introduce at the earliest by 2018 under Basel III. At the end of 2016, the Core Tier1 capital ratio stands at 14.8%.

#### Bank J.Van Breda & C°

(€ mio)	2016	2015
Bank product	134.0	133.9
Net result	37.7	40.5
Equity	518.3	501.6
Entrusted funds	8,203	7,165
Client deposits	4,246	3,969
Loan portfolio	4,223	3,932
Core Tier1 capital ratio (%)	14.8	14.5
Cost-income ratio (%)	59.4	55.6



# REAL ESTATE & SENIOR CARE

Contribution to the AvH consolidated net result

(€ mio)	2016	2015
Leasinvest Real Estate	10.1	9.9
Extensa Group	30.4	31.0
Anima Care	3.6	1.1
HPA	2.1	1.6
Holding Groupe Duval	-	-8.0
<b>Total</b>	<b>46.2</b>	<b>35.6</b>

## Leasinvest Real Estate

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

At the end of April, a usufruct agreement for a term of 21 years was concluded with the European Parliament for the office building Montoyer 63 in Brussels that will be redeveloped. At the end of the second quarter, LRE finalized the sale of the Royal20 office building in the Grand Duchy of Luxembourg for an amount of 62.5 million euros (excluding VAT). At the beginning of November 2016, LRE further diversified its retail portfolio to a fourth country. The group acquired two Austrian real estate companies that own the Frun Park Asten retail park. This 18,300 m<sup>2</sup> retail park yields an annual rental income of 2.3 million euros, and represents an overall investment of 38 million euros.

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

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

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

LRE: Real estate portfolio

(€ mio)	2016	2015
Real estate portfolio fair value (€ mio)	859.9	869.4
Rental yield (%)	6.78	6.88
Occupancy rate (%)	96.77	95.80

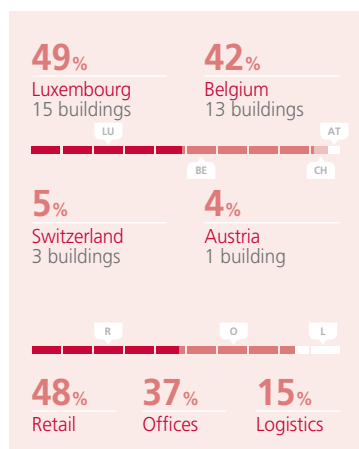
## Extensa

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

In 2016, Extensa acquired the former customs office building (6,511 m<sup>2</sup> above ground) on the Tour & Taxis site in view of its redevelopment in line with the other historic buildings on the site. The third quarter also saw the start of refurbishment works on the 'Gare Maritime', for which a contract was signed with the first tenant (as from 2018). The residential development 'Gloria' was completed at the beginning of 2017, and 111 of the 115 apartments have already been sold. Construction of the impressive Herman Teirlinck building is also progressing according to schedule. At year-end 2016, Extensa reached an agreement on the sale to the insurance company Baloise of the project company developing this building.

In Luxembourg, apartments in the Cloche d'Or project are also selling very well. Construction work on this site has begun on the office building (30,000 m<sup>2</sup>) for Deloitte Lux-

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





Anima Care - Duneroze



Leasinvest Real Estate - Frunpark - Austria

embourg for which a long-term lease has been concluded.

## Anima Care

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

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

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

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

## HPA (Residalya + Patrimoine & Santé)

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

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

of a residential care centre with 60 beds and a crèche with 50 cots.

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

# ENERGY & RESOURCES

Contribution to the AvH consolidated net result

(€ mio)	2016	2015
Sipef	10.0	4.6
NMP	1.9	1.6
Sagar Cements	0.4	1.2
Oriental Quarries & Mines	-3.1	0.0
<b>Total</b>	<b>9.2</b>	<b>7.4</b>

## Sipef

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




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

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

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

In December 2016, Sipef reached an agreement with its joint venture partners PT Austindo Nusantara Jaya TBK and M.P. Evans Group Plc on the acquisition of their interest of 10.87% and 36.84% respectively in

Sipef: Production

(Ton) <sup>(1)</sup>	2016	2015
	<b>297,705</b>	290,907
	<b>9,192</b>	10,069
	<b>2,940</b>	2,726

<sup>(1)</sup> Own + outgrowers

PT Agro Muko, for a total amount of 144.1 million USD. As a result, Sipef increases its participation in Agro Muko to 95% and acquires exclusive control over PT Agro Muko.

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

On February 21, 2017, Sipef announced that the conditions precedent related to the Agro Muko transaction were fulfilled and that an agreement was reached on the potential acquisition of 95% of the shares of PT Dendy Marker Indah Lestari in South Sumatra for an amount of 53.1 million USD. Dendy Marker owns 6,562 prepared/planted hectares of oil palms with a potential for expansion up to 9,000 hectares, and has a palm oil extraction mill with a capacity of 25 tonnes/hour. Dendy Marker's operations are RSPO certified.

These transactions will be financed by a combination of a capital increase of a maximum amount of 97.2 million USD with preferential subscription rights for the current shareholders and a long-term loan. An extraordinary general meeting of Sipef will decide in the coming weeks on this capital increase, which will be supported by AvH.

Sipef - Oil palm pre-nursery



Sipef

(USD mio)	2016	2015 <sup>(1)</sup>
Turnover	267.0	225.9
EBIT	47.5	21.5
Net result	39.9	18.7
Equity	448.1	415.4
Net cash position	-45.1	-50.5

<sup>(1)</sup> Restated in accordance with IAS41R

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



Sipef - Plantation with mature palms



Sagar Cements



NMP

## NMP

In 2016, NMP (AvH 75.0%) was closely involved in discussions on a review of safety regulations relating to pipeline transportation of gases and other products. In 2016, Nitraco (joint venture between NMP and Praxair) finished the project for additional extensions of the existing nitrogen network in the Antwerp port area and started up work on an extension of the existing oxygen network to TRA (Total Refinery Antwerp). NMP also signed an agreement with Nippon Shokubai Europe (NSE) for the construction of a new propylene pipeline between the site of Oiltanking Antwerp Gas Terminal and the site of NSE in Zwijndrecht to supply the new plant.

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

## Sagar Cements

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

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

## OQM

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

# AvH & GROWTH CAPITAL

Contribution to the AvH consolidated net result

(€ mio)	2016	2015
Contribution of participations	2.7	8.9
AvH & subholdings	-10.8	-9.8
Capital gains(losses)/ impairments	-26.8	5.2
<b>AvH &amp; Growth Capital</b>	<b>-34.9</b>	4.3

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

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

For **Agidens** (AvH 86.3%, incl. via Axe Investments), the first full financial year following the divestment of the Handling Automation division and the brand name Egemin was a success. The order book was worth approximately 50 million euros at year-end 2016. The different divisions continue to grow, resulting in a turnover increase to 75.0 million euros and a net result of 1.6 million euros. Last year, the sale of the Handling Automation division (Egemin) made a positive contribution of 31.7 million euros to the group result.

The result of **Atenor Group** (AvH 10.5%) was driven among other things by the delivery of the Trebel building to the European Parliament, the sale of a first building on the Vaci Greens campus in Budapest (Hungary), and the further development of a number of residential projects. Atenor also had rental income from the projects in Budapest and in Bucharest (Romania). Atenor will announce its results on March 9, 2017.

**Axe Investments** (AvH 48.3%) has shareholdings in the ICT firm Xylos, in Agidens and in the energy company REstore, and owns part of the Ahlers building in Antwerp.

**Corelio** (AvH 26.1%): Mediahuis took an important new step in 2016 towards becoming a multichannel media company in Belgium and the Netherlands. After approval of the competition authorities, the Dutch Media Groep Limburg (De Limburger), the participations in De Vijver Media (Vier, Vijf, Zes, Woestijnvis) and Metro, the Dutch and French-speaking radio station Nostalgie and the operation of the regional TV channels will be contributed into Mediahuis in 2017. Thanks to a slight increase of the advertising revenues, the operational cash flow of Mediahuis continued to increase in 2016 compared with 2015. Despite the provision for the restructuring plan of the printing activities, the consolidated net profit increased slightly to 13.9 million euros in 2016.

**Distriplus** (AvH 50.0%) was confronted in 2016 with a retail market that was affected by the terrorist attacks in Brussels and Paris. Nevertheless, Planet Parfum managed to increase its turnover slightly in 2016 to 97.0 million euros. The new retail concept was successful and the e-shop saw its turnover double. At Di, due to the growth of low-end retail with its highly aggressive promotional activity, the turnover remained stable at 105.1 million euros, despite a few shop openings. On a consolidated basis, Distriplus ended with an operating result which, adjusted for certain non-recurring items, is in line with 2015. The net result came to -2.4 million euros (2015: -13.1 million euros).

Apart from the many recurrent assignments, **Euro Media Group** (AvH 22.2%) was also prominent as a technical service provider at the major sporting events of the year (World Cup, Olympic Games). In comparison with 2015, the turnover increased by 24.6 million euros to 318.6 million euros. The re-





Turbo's Hoet Groep

current operating cash flow increased from 46.7 million euros in 2015 to 62.5 million euros. With the exception of France, where volumes decreased as a result of a decision by a major customer to insource technical services, the operations in EMG's other countries evolved positively. At the end of 2016, Euro Media France reached an agreement on the disposal of its studio activity, which should be finalized in the first months of 2017. The net result remains negative in 2016 (-4.4 million euros), although 6.5 million euros is attributable to the recognition of interest charges on convertible bonds that EMG issued in 2014, and 7.4 million euros represents non-recurring costs (such as for restructuring).

**Manuchar** (AvH 30.0%) succeeded in improving its profitability in 2016, despite the decrease in turnover in the group's steel trading activity in a challenging market with stiff competition. In the distribution of chemicals, too, market conditions are still difficult in countries such as Brazil, Colombia and Nigeria. Manuchar realized a net profit of 11.7 million euros over the financial year (2015: 8.2 million euros).

At the beginning of September, AvH acquired a 15% interest in **OncoDNA**. The historical shareholders and a new group of investors including AvH subscribed to the new capital round of 7.7 million euros. OncoDNA was set up four years ago and is based in Belgium. The company develops medical diagnostics to map the molecular characteristics of tumours and to monitor cancer evolution. With these data, OncoDNA helps oncologists to choose treatments based on targeted therapies.

**Telemond Group** (AvH 50.0%) was still confronted with difficult market conditions in 2016. The turnover decreased slightly to 69.0 million euros, due to the impact of the

slowdown in the construction industry, a.o. in China, South America and Russia, on its customers' sales. Despite the negative market trends, Teleskop and Montel were able to increase their market share with their principal customers in the hoisting business. The group recorded a net profit of 2.2 million euros (2015: -2.6 million euros).

**Transpalux** (AvH 45.0%), which is active in the rental business of cameras, lighting and other equipment for the production of films and series for television and cinema, reported a strong 2016. The successful operation of the emblematic studio complex in Bry-sur-Marne and the investments in new equipment gave Transpalux a strong market position in 2016, which generally experienced the favourable impact of a change in the tax system since 2016. The turnover increased to 29.7 million euros and the net result to 1.4 million euros (2015: -0.1 million euros).

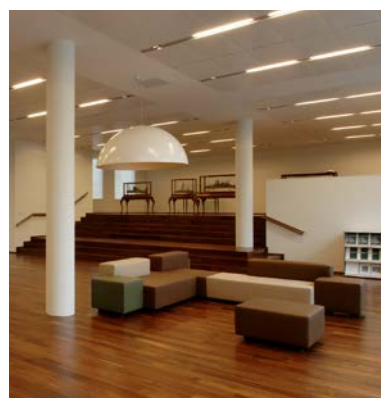
**Turbo's Hoet Groep** (AvH 50.0%) sold and rented out more new trucks in 2016, generating an increase in turnover to 393 million euros. The net result amounted to 9.3 million euros. In 2016, the group invested in the construction of a new dealership and workshop in Sofia (Bulgaria), the thorough refurbishment and extension of the garage in Strépy (Belgium), and the expansion of its rental fleet.

## Held for sale

At year-end 2016, AvH transferred its interests in Groupe Flo and CKT Offshore to 'held for sale' on the basis of their estimated liquidation value. The combination of loss contributions from and impairments on those participations had a combined impact of -34 million euros on the income statement.

In 2016, **CKT Offshore** (AvH 47.5%) was primarily engaged on the completion of the Aasta Hansteen project for Statoil in Norway. As in 2015, CKT Offshore was confronted with a sharp decrease in investments in that sector and made losses on the completion of some major orders. In light of the strong decrease in turnover, CKT Offshore carried out restructuring operations involving the closure of its branch in the UK and a strong reduction in its workforce in the Netherlands. The group recorded a net loss of 19.5 million euros over the financial year.

In December 2016, **Groupe Flo** (GIB 47.1%) announced it would reconsider its strategic options. In that context in February 2017, Groupe Flo received non-binding offers for the acquisition of certain assets or for investments in the capital of Groupe Flo in February 2017. Such operations, to which several conditions are attached, will in that case also require an agreement on the restructuring of the bank debts.



## General comments on the figures

- The equity of AvH (group share) increased to 2,783.1 million euros as at December 31, 2016, which corresponds to 83.08 euros per share. As at December 31, 2015, the equity stood at 2,607.3 million euros or 77.84 euros per share. In June 2016, a dividend of 1.96 euros per share was paid. Including dividend, the equity per AvH share increased by 9.3% over 2016.
- At year-end 2016, AvH (including sub-holdings) had a net cash position of 68.3 million euros, compared with 76.3 million euros at year-end 2015. Besides cash and short-term deposits, this cash position consisted of 68.0 million euros in short-term investments (including treasury shares) and 30.4 million euros in short-term debt in the form of commercial paper. The group's net cash position decreased only slightly in relation to 2015, despite the investments made during the year in a.o. Sofinim and Green Offshore/Rentel.

## Dividend

The board of directors proposes to the ordinary general meeting of May 22, 2017, to increase the dividend per share to 2.04 euros, a 4% increase compared to the dividend of 1.96 euros that was paid in 2016. This proposal amounts to a total dividend payment of 68.3 million euros.

## Outlook 2017

The board of directors believes that the companies of the group are well positioned: DEME has an all-time high order book and is preparing for a significant increase in activity in 2017 and 2018; Delen Investments and Bank J.Van Breda & C<sup>o</sup> should in 2017 be able to reap the benefits of their solid commercial performance in 2016; another strong contribution is expected from the real estate developments of Extensa and the real estate and senior care subsidiaries; Sipef started 2017 with better market pri-

ces for palm oil and has reached important agreements for a substantial expansion of its plantations. AvH & Growth Capital should improve its contribution to the result compared with 2016.

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

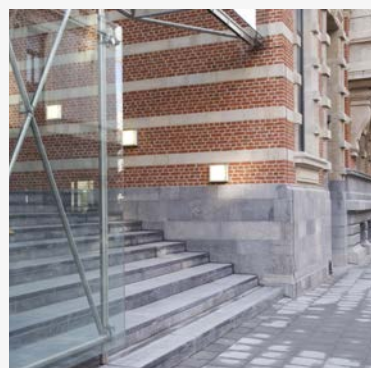
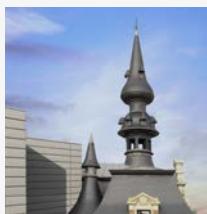
## Key figures per share

	31.12.2016	31.12.2015
<b>Number of shares</b>		
Number of shares	33,496,904	33,496,904
<b>Net result per share (€)</b>		
Net result per share		
Basic	6.77	8.58
Diluted	6.74	8.54
Dividend per share		
Gross dividend	2.0400	1.9600
Net dividend	1.4280	1.4308
<b>Net equity per share (€)</b>		
Net equity per share	83.08	77.84
<b>Evolution of the stock price (€)</b>		
Highest (December 31)	132.10	144.40
Lowest (July 8)	100.50	100.80
Closing price (December 31)	132.10	135.30



## Consolidated Income statement (by nature)

(€ 1,000)	2016	2015
<b>Revenue</b>	<b>3,649,117</b>	<b>4,011,231</b>
Rendering of services	179,897	146,344
Lease revenue	8,546	8,607
Real estate revenue	179,314	119,053
Interest income - banking activities	106,615	116,083
Fees and commissions - banking activities	48,011	44,663
Revenue from construction contracts	3,020,241	3,463,769
Other operating revenue	106,493	112,712
<b>Other operating income</b>	<b>9,782</b>	<b>7,869</b>
Interest on financial fixed assets - receivables	317	869
Dividends	9,292	6,881
Government grants	121	0
Other operating income	52	118
<b>Operating expenses (-)</b>	<b>-3,347,785</b>	<b>-3,702,275</b>
Raw materials and consumables used (-)	-1,769,842	-1,989,833
Changes in inventories of finished goods, raw materials & consumables (-)	25,780	-13,281
Interest expenses Bank J. Van Breda & C° (-)	-32,544	-38,986
Employee expenses (-)	-717,569	-725,540
Depreciation (-)	-262,910	-275,012
Impairment losses (-)	-30,230	-21,275
Other operating expenses (-)	-552,702	-630,028
Provisions	-7,766	-8,319
<b>Profit (loss) on assets/liabilities designated at fair value through profit and loss</b>	<b>40,587</b>	<b>82,463</b>
Financial assets held for trading	0	0
Investment property	40,587	82,463
<b>Profit (loss) on disposal of assets</b>	<b>17,635</b>	<b>97,281</b>
Realised gain (loss) on intangible and tangible assets	3,514	19,037
Realised gain (loss) on investment property	3,584	3,231
Realised gain (loss) on financial fixed assets	9,350	73,846
Realised gain (loss) on other assets	1,188	1,167
<b>Profit (loss) from operating activities</b>	<b>369,337</b>	<b>496,569</b>
<b>Finance income</b>	<b>31,433</b>	<b>50,709</b>
Interest income	11,423	10,492
Other finance income	20,010	40,216
<b>Finance costs (-)</b>	<b>-90,491</b>	<b>-108,603</b>
Interest expenses (-)	-49,546	-42,970
Other finance costs (-)	-40,946	-65,633
<b>Derivative financial instruments designated at fair value through profit and loss</b>	<b>122</b>	<b>-4,348</b>
<b>Share of profit (loss) from equity accounted investments</b>	<b>108,660</b>	<b>110,549</b>
<b>Other non-operating income</b>	<b>1,785</b>	<b>1,566</b>
<b>Other non-operating expenses (-)</b>	<b>0</b>	<b>0</b>
<b>Profit (loss) before tax</b>	<b>420,847</b>	<b>546,442</b>
<b>Income taxes</b>	<b>-54,794</b>	<b>-108,046</b>
Deferred taxes	13,146	-50,447
Current taxes	-67,940	-57,599
<b>Profit (loss) after tax from continuing operations</b>	<b>366,053</b>	<b>438,395</b>
<b>Profit (loss) after tax from discontinued operations</b>	<b>0</b>	<b>-1,141</b>
<b>Profit (loss) of the period</b>	<b>366,053</b>	<b>437,254</b>
Minority interests	141,816	153,175
Share of the group	224,237	284,079
<b>Earnings per share (€)</b>		
<b>1. Basic earnings per share</b>		
1.1. from continued and discontinued operations	6.77	8.58
1.2. from continued operations	6.77	8.59
<b>2. Diluted earnings per share</b>		
2.1. from continued and discontinued operations	6.74	8.54
2.2. from continued operations	6.74	8.56



### Declaration by the auditor

The auditor has confirmed that his review of the consolidated annual accounts has been completed and that no meaningful corrections have come to its attention that would require an adjustment to the accounting information included in this press release.

Antwerp, February 27, 2017

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

**Ackermans & van Haaren** is a diversified group active in 4 core sectors: Marine Engineering & Contracting (DEME, one of the largest dredging companies in the world - CFE and A.A. Van Laere, two construction groups with headquarters in Belgium), Private Banking (Delen Private Bank, one of the largest independent private asset managers in Belgium, and asset manager JM Finn & Co in the UK - Bank J. Van Breda & C°, niche bank for entrepreneurs and liberal professions in Belgium), Real Estate & Senior Care (Leasinvest Real Estate, a public regulated real estate company - Extensa, an important land and real estate developer focused on

Belgium, Luxembourg and Central Europe) and Energy & Resources (Sipef, an agro-industrial group in tropical agriculture). In 2016, through its share in its participations, the AvH group represented a turnover of 4.9 billion euros and employed 21,165 people. The group concentrates on a limited number of strategic participations with significant potential for growth. AvH is quoted on the BEL20 index, the Private Equity NXT index of Euronext Brussels and the European DJ Stoxx 600.

### Website

All press releases issued by AvH and its most important group companies as well as the 'Investor Presentation' can also be consulted on the AvH website: [www.avh.be](http://www.avh.be). Anyone who is interested to receive the press releases via email has to register to this website.

### Financial calendar

May 19, 2017	Interim statement Q1 2017
May 22, 2017	Ordinary general meeting
August 31, 2017	Half-year results 2017
November 22, 2017	Interimstatement Q3 2017

### Contact

For further information please contact:

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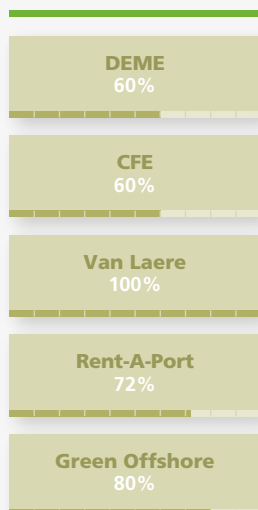
Tom Bamelis, CFO - Member executive committee, Tel. +32.3.897.92.42

e-mail: [dirsec@avh.be](mailto:dirsec@avh.be)

**ACKB**  
**LISTED**  
**EURONEXT**

# ACKERMANS & VAN HAAREN

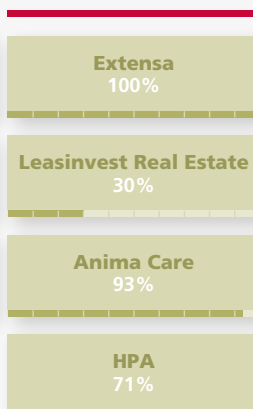
## Marine Engineering & Contracting



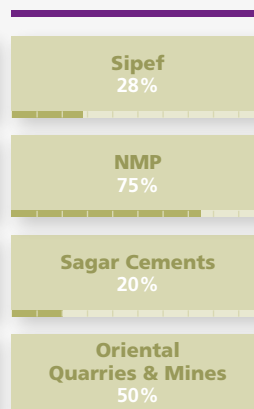
## Private Banking



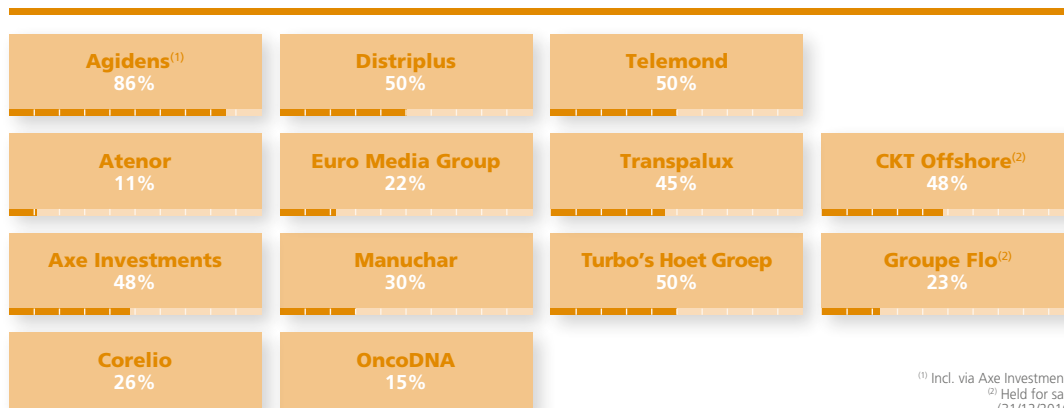
## Real Estate & Senior Care



## Energy & Resources



## AvH & Growth Capital



<sup>(1)</sup> Incl. via Axe Investments  
<sup>(2)</sup> Held for sale  
 (31/12/2016)



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# CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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ACKERMANS & VAN HAAREN

## 1. Consolidated income statement

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Share of the group	224,237	284,079

Earnings per share (€)		
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2.1. from continued and discontinued operations	6.74	8.54
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## 2. Consolidated statement of comprehensive income

(€ 1,000)	2016	2015
<b>Profit (loss) of the period</b>	<b>366,053</b>	<b>437,254</b>
Minority interests	141,816	153,175
<b>Share of the group</b>	<b>224,237</b>	<b>284,079</b>
<b>Other comprehensive income</b>	<b>-24,305</b>	<b>28,706</b>
<b>Items that may be reclassified to profit or loss in subsequent periods</b>		
Net changes in revaluation reserve: financial assets available for sale	-3,444	16,466
Net changes in revaluation reserve: hedging reserves	-6,702	-703
Net changes in revaluation reserve: translation differences	-1,622	10,770
<b>Items that cannot be reclassified to profit or loss in subsequent periods</b>		
Net changes in revaluation reserve: actuarial gains (losses) defined benefit pension plans	-12,536	2,174
<b>Total comprehensive income</b>	<b>341,748</b>	<b>465,960</b>
Minority interests	127,414	163,277
<b>Share of the group</b>	<b>214,335</b>	<b>302,683</b>

The recognition at fair value of financial assets available for sale yields an unrealized loss of 3.4 million euros, resulting from the accounting revaluation (since they are unrealized capital gains or losses) of financial assets which at December 31, 2016 are still in portfolio, but are available for sale. The negative value is explained by the decrease in unrealized capital gains on AvH's investment portfolio, Leasinvest Real Estate (primarily the Retail Estates shares) and Bank J.Van Breda & C°.

Hedging reserves arise from fluctuations in the fair value of hedging instruments used by group companies to hedge against certain risks. Several group companies have hedged against a rise in interest rates. The market value of this hedging instrument showed a negative trend over 2016, particularly due to the way this item evolved at Leasinvest Real Estate (-10.3 million euros). It should be pointed out, however, that the market value of these hedging instruments evolved positively in the second half of 2016. Consequently, the change in this revaluation reserve turned out less negative than was the case at June 30, 2016.

Translation differences arise from fluctuations in the exchange rates of group companies that report in foreign currencies. During 2016, the negative fluctuations (mainly GBP and PLN) outweighed the positive fluctuations (USD), amounting to -1.6 million euros in total.

With the introduction of the amended IAS 19 accounting standard in 2013, the actuarial gains and losses on certain pension plans are recognized directly in the other comprehensive income. The negative trend of -12.5 million euros in 2016 is primarily explained by actuarial adjustments to DEME's pension plans (retirement age, accounting for defined contribution plans).



### 3. Consolidated balance sheet - Assets

(€ 1,000)	2016	2015
<b>I. Non-current assets</b>	<b>8,523,262</b>	<b>7,952,062</b>
<b>Intangible assets</b>	<b>166,832</b>	<b>157,012</b>
<b>Goodwill</b>	<b>342,539</b>	<b>333,882</b>
<b>Tangible assets</b>	<b>2,134,639</b>	<b>1,945,772</b>
Land and buildings	475,433	231,112
Plant, machinery and equipment	1,488,867	1,587,959
Furniture and vehicles	31,411	32,120
Other tangible assets	4,364	4,100
Assets under construction and advance payments	134,301	90,174
Operating lease - as lessor (IAS 17)	263	306
<b>Investment property</b>	<b>1,010,754</b>	<b>955,090</b>
<b>Participations accounted for using the equity method</b>	<b>1,153,300</b>	<b>1,137,249</b>
<b>Financial fixed assets</b>	<b>289,146</b>	<b>261,386</b>
Available for sale financial fixed assets	113,043	101,491
Receivables and warranties	176,103	159,894
<b>Non-current hedging instruments</b>	<b>3,576</b>	<b>4,228</b>
<b>Amounts receivable after one year</b>	<b>160,669</b>	<b>138,445</b>
Trade receivables	4,230	1,845
Finance lease receivables	129,272	113,956
Other receivables	27,167	22,644
<b>Deferred tax assets</b>	<b>134,236</b>	<b>113,272</b>
<b>Banks - receivables from credit institutions and clients after one year</b>	<b>3,127,572</b>	<b>2,905,726</b>
<b>II. Current assets</b>	<b>4,247,159</b>	<b>4,261,397</b>
<b>Inventories</b>	<b>114,536</b>	<b>98,981</b>
<b>Amounts due from customers under construction contracts</b>	<b>247,803</b>	<b>370,095</b>
<b>Investments</b>	<b>621,408</b>	<b>636,083</b>
Available for sale financial assets	621,405	636,073
Financial assets held for trading	3	10
<b>Current hedging instruments</b>	<b>3,551</b>	<b>9,455</b>
<b>Amounts receivable within one year</b>	<b>1,405,260</b>	<b>1,365,992</b>
Trade debtors	1,166,164	1,149,540
Finance lease receivables	47,850	43,750
Other receivables	191,245	172,703
<b>Current tax receivables</b>	<b>24,429</b>	<b>11,748</b>
<b>Banks - receivables from credit institutions and clients within one year</b>	<b>1,041,064</b>	<b>994,336</b>
Banks - loans and advances to banks	74,156	85,220
Banks - loans and receivables (excluding leases)	931,915	879,746
Banks - cash balances with central banks	34,993	29,370
<b>Cash and cash equivalents</b>	<b>754,315</b>	<b>704,987</b>
Time deposits for less than three months	156,773	204,333
Cash	597,542	500,654
<b>Deferred charges and accrued income</b>	<b>34,793</b>	<b>69,720</b>
<b>III. Assets held for sale</b>	<b>104,637</b>	<b>39,587</b>
<b>Total assets</b>	<b>12,875,059</b>	<b>12,253,045</b>

The breakdown of the consolidated balance sheet by segment is shown on page 29-30 of this report. This reveals that the full consolidation of Bank J.Van Breda & C° (Private Banking segment) has a significant impact on both the balance sheet total and the balance sheet structure of AvH. Bank J.Van Breda & C° contributes 4,992.2 million euros to the balance sheet total of 12,875.1 million euros, and although this bank is solidly capitalized with a Core Tier1 ratio of 14.8%, its balance sheet ratios, as explained by the nature of its activity, are different from those of the other companies in the consolidation scope. To improve the readability of the consolidated balance sheet, certain items from the balance sheet of Bank J.Van Breda & C° have been summarized in the consolidated balance sheet.

## Consolidated balance sheet - Equity and liabilities

(€ 1,000)	2016	2015
<b>I. Total equity</b>	<b>3,916,348</b>	<b>3,815,612</b>
<b>Equity - group share</b>	<b>2,783,083</b>	<b>2,607,339</b>
<b>Issued capital</b>	<b>113,907</b>	<b>113,907</b>
Share capital	2,295	2,295
Share premium	111,612	111,612
<b>Consolidated reserves</b>	<b>2,682,090</b>	<b>2,496,006</b>
<b>Revaluation reserves</b>	<b>11,915</b>	<b>21,817</b>
Financial assets available for sale	31,145	32,153
Hedging reserves	-18,635	-17,821
Actuarial gains (losses) defined benefit pension plans	-11,569	-3,912
Translation differences	10,974	11,397
<b>Treasury shares (-)</b>	<b>-24,830</b>	<b>-24,392</b>
<b>Minority interests</b>	<b>1,133,265</b>	<b>1,208,273</b>
<b>II. Non-current liabilities</b>	<b>2,675,375</b>	<b>2,617,200</b>
<b>Provisions</b>	<b>105,989</b>	<b>103,191</b>
<b>Pension liabilities</b>	<b>56,021</b>	<b>45,600</b>
<b>Deferred tax liabilities</b>	<b>256,685</b>	<b>217,986</b>
<b>Financial debts</b>	<b>1,413,303</b>	<b>1,336,904</b>
Bank loans	892,811	812,546
Bonds	434,049	417,040
Subordinated loans	3,344	2,200
Finance leases	79,446	104,083
Other financial debts	3,654	1,035
<b>Non-current hedging instruments</b>	<b>84,352</b>	<b>85,145</b>
<b>Other amounts payable after one year</b>	<b>54,346</b>	<b>46,230</b>
<b>Banks - non-current debts to credit institutions, clients &amp; securities</b>	<b>704,680</b>	<b>782,144</b>
Banks - deposits from credit institutions	0	0
Banks - deposits from clients	647,175	719,359
Banks - debt certificates including bonds	0	3
Banks - subordinated liabilities	57,505	62,782
<b>III. Current liabilities</b>	<b>6,277,332</b>	<b>5,820,233</b>
<b>Provisions</b>	<b>37,865</b>	<b>34,392</b>
<b>Pension liabilities</b>	<b>214</b>	<b>246</b>
<b>Financial debts</b>	<b>560,632</b>	<b>438,892</b>
Bank loans	299,610	274,998
Bonds	0	0
Finance leases	52,202	17,776
Other financial debts	208,819	146,118
<b>Current hedging instruments</b>	<b>25,147</b>	<b>36,188</b>
<b>Amounts due to customers under construction contracts</b>	<b>222,816</b>	<b>212,179</b>
<b>Other amounts payable within one year</b>	<b>1,573,372</b>	<b>1,582,065</b>
Trade payables	1,270,310	1,281,046
Advances received	3,814	4,138
Amounts payable regarding remuneration and social security	183,864	188,642
Other amounts payable	115,384	108,239
<b>Current tax payables</b>	<b>51,989</b>	<b>49,603</b>
<b>Banks - current debts to credit institutions, clients &amp; securities</b>	<b>3,727,271</b>	<b>3,395,076</b>
Banks - deposits from credit institutions	24,422	42,007
Banks - deposits from clients	3,532,914	3,183,127
Banks - debt certificates including bonds	161,693	166,179
Banks - subordinated liabilities	8,242	3,763
<b>Accrued charges and deferred income</b>	<b>78,027</b>	<b>71,593</b>
<b>IV. Liabilities held for sale</b>	<b>6,004</b>	<b>0</b>
<b>Total equity and liabilities</b>	<b>12,875,059</b>	<b>12,253,045</b>

The breakdown of the consolidated balance sheet by segment is shown on page 29-30 of this report. This reveals that the full consolidation of Bank J.Van Breda & C° (Private Banking segment) has a significant impact on both the balance sheet total and the balance sheet structure of AvH. Bank J.Van Breda & C° contributes 4,992.2 million euros to the balance sheet total of 12,875.1 million euros, and although this bank is solidly capitalized with a Core Tier1 ratio of 14.8%, its balance sheet ratios, as explained by the nature of its activity, are different from those of the other companies in the consolidation scope. To improve the readability of the consolidated balance sheet, certain items from the balance sheet of Bank J.Van Breda & C° have been summarized in the consolidated balance sheet.

#### 4. Consolidated cash flow statement (indirect method)

(€ 1,000)	2016	2015
<b>I. Cash and cash equivalents - opening balance</b>	<b>704,987</b>	<b>922,226</b>
Profit (loss) from operating activities	369,337	496,569
Reclassification 'Profit (loss) on disposal of assets' to cash flow from divestments	-25,102	-97,281
Dividends from participations accounted for using the equity method	65,608	42,548
Other non-operating income (expenses)	1,785	1,566
Income taxes	-65,173	-131,986
<b>Non-cash adjustments</b>		
Depreciation	262,910	275,012
Impairment losses	30,171	21,183
Share based payment	-1,618	2,194
Profit (loss) on assets/liabilities designated at fair value through profit and loss	-40,587	-82,463
(Decrease) increase of provisions	1,342	7,056
(Decrease) increase of deferred taxes	-13,146	50,447
Other non-cash expenses (income)	1,391	-6,989
<b>Cash flow</b>	<b>586,920</b>	<b>577,855</b>
<b>Decrease (increase) of working capital</b>	<b>71,291</b>	<b>-163,854</b>
Decrease (increase) of inventories and construction contracts	115,994	3,082
Decrease (increase) of amounts receivable	-37,227	-111,537
Decrease (increase) of receivables from credit institutions and clients (banks)	-265,930	-332,534
Increase (decrease) of liabilities (other than financial debts)	7,038	71,259
Increase (decrease) of debts to credit institutions, clients & securities (banks)	261,979	213,169
Decrease (increase) other	-10,563	-7,294
<b>Cash flow from operating activities</b>	<b>658,211</b>	<b>414,001</b>
<b>Investments</b>	<b>-1,168,089</b>	<b>-912,027</b>
Acquisition of intangible and tangible assets	-217,138	-308,165
Acquisition of investment property	-114,766	-36,223
Acquisition of financial fixed assets	-222,562	-209,509
New amounts receivable	-81,695	-19,444
Acquisition of investments	-531,929	-338,685
<b>Divestments</b>	<b>701,601</b>	<b>603,454</b>
Disposal of intangible and tangible assets	9,275	32,568
Disposal of investment property	66,146	23,974
Disposal of financial fixed assets	51,563	206,975
Reimbursements of amounts receivable	35,527	8,593
Disposal of investments	539,090	331,344
<b>Cash flow from investing activities</b>	<b>-466,488</b>	<b>-308,573</b>
<b>Financial operations</b>		
Interest received	11,142	9,830
Interest paid	-57,421	-54,954
Other financial income (costs)	-20,366	-24,964
Decrease (increase) of treasury shares	-801	-4,110
(Decrease) increase of financial debts	53,279	-169,852
Distribution of profits	-64,980	-60,363
Dividends paid to minority interests	-64,717	-49,172
<b>Cash flow from financial activities</b>	<b>-143,863</b>	<b>-353,586</b>
<b>II. Net increase (decrease) in cash and cash equivalents</b>	<b>47,859</b>	<b>-248,158</b>
Change in consolidation scope or method	1,814	27,857
Capital increases (minorities)	275	1,799
Impact of exchange rate changes on cash and cash equivalents	-620	1,263
<b>III. Cash and cash equivalents - ending balance</b>	<b>754,315</b>	<b>704,987</b>

## 5. 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 2015	113,907	2,276,983	25,322	-16,646	-5,290	-173	-22,029	2,372,075	1,097,172	3,469,247
Profit		284,079						284,079	153,175	437,254
Non-realised results			6,831	-1,175	1,378	11,569		18,604	10,102	28,706
<b>Total of realised and unrealised results</b>	<b>0</b>	<b>284,079</b>	<b>6,831</b>	<b>-1,175</b>	<b>1,378</b>	<b>11,569</b>	<b>0</b>	<b>302,683</b>	<b>163,277</b>	<b>465,960</b>
Distribution of dividends of the previous financial year		-60,363						-60,363	-49,172	-109,535
Operations with treasury shares							-2,363	-2,363		-2,363
Other (a.o. changes in consol. scope / beneficial interest %)		-4,693						-4,693	-3,004	-7,697
<b>Ending balance, 31 December 2015</b>	<b>113,907</b>	<b>2,496,006</b>	<b>32,153</b>	<b>-17,821</b>	<b>-3,912</b>	<b>11,397</b>	<b>-24,392</b>	<b>2,607,339</b>	<b>1,208,273</b>	<b>3,815,612</b>

(€ 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
Non-realised results			-1,007	-814	-7,658	-423		-9,902	-14,402	-24,305
<b>Total of realised and unrealised results</b>	<b>0</b>	<b>224,237</b>	<b>-1,007</b>	<b>-814</b>	<b>-7,658</b>	<b>-423</b>	<b>0</b>	<b>214,335</b>	<b>127,414</b>	<b>341,748</b>
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
<b>Ending balance, 31 December 2016</b>	<b>113,907</b>	<b>2,682,090</b>	<b>31,145</b>	<b>-18,635</b>	<b>-11,569</b>	<b>10,974</b>	<b>-24,830</b>	<b>2,783,083</b>	<b>1,133,265</b>	<b>3,916,348</b>

For comments on the unrealized results, see Note 2 on page 20 of this report.

On the 1st of June 2016, AvH paid a dividend of 1.96 euros per share.

In 2016 AvH sold 20,000 and purchased 15,000 treasury shares as part of the stock option plan for its personnel. As at December 31, 2016, there were a total of 331,000 stock options outstanding. To hedge those obligations and the options that were offered at the beginning of 2017, AvH (together with subsidiary Brinvest) had a total of 352,000 shares in portfolio.

In addition, 341,058 AvH shares were purchased and 340,912 AvH shares sold in 2016 as part of the agreement that AvH has concluded with Kepler Cheuvreux to support the liquidity of the AvH share. Kepler Cheuvreux acts entirely autonomously in those transactions, but as they are carried out on behalf of AvH, the net purchase of 146 AvH shares in this context has a (limited) impact on AvH's equity.

The item 'Other' in the statement of changes in consolidated equity consists for the most part of the negative consolidation difference of 27.3 million euros that was recognized on the acquisition at September 30, 2016, of NPM Capital's 26% minority interest in Sofinim. Since AvH already controlled Sofinim at the time of the transaction, this amount is recognized directly in the equity.

## 6. Segment reporting

### Changes in Segment reporting

On September 30, 2016, AvH bought out minority shareholder (26%) NPM Capital in Sofinim and now owns 100% of Sofinim, its Development Capital subsidiary. Since the supervision and direction of Sofinim and its participations is fully integrated in AvH, this is now reported as one segment under the heading "AvH & Growth Capital". AvH already accounted for Sofinim earlier using the full consolidation method, with a minority interest of 26%. The acquisition of this minority interest leads (mechanically) to an increased shareholding percentage in the participations that are held through Sofinim. The resulting higher shareholding percentages were applied in the income statement as of 4Q 2016.

Following this change in the segmentation, a few other minor adjustments have been made: the stake in Nationale Maatschappij der Pijpleidingen is now reported in the "Energy & Resources" segment, while the interest in Telemond now comes under "AvH & Growth Capital". These changes have only a (limited) impact on the presentation of the segment reporting. There is no impact whatsoever on the overall results or on the balance sheet or cash flow. The segment reporting for 2015 was restated accordingly.

#### Other changes in 2016:

AvH and CFE increased their respective stakes in Rent-A-Port Energy to 50% each by acquiring the interest that was held by the management of Rent-A-Port. The company's name was subsequently changed to Green Offshore. At year-end 2016, AvH's shareholding percentage in Green Offshore stood at 80.2%.

In January 2016, AvH swapped an additional stake (16%) in Holding Groupe Duval for 25% in Patrimoine & Santé. Patrimoine & Santé is a French company that invests in the real estate operated by the retirement home group Residalya. AvH and members of the management of Residalya then grouped their respective interests in Residalya and in Patrimoine & Santé together under a new holding company, HPA. At year-end 2016, HPA owned 100% of the capital of Residalya and 73.7% of Patrimoine & Santé. HPA fully consolidates those two companies. AvH in turn owns 70.86% of the capital of HPA and fully consolidates this interest.

In the course of 2016, AvH slightly increased its shareholding percentage in Sipef to 27.83%, in Sagar Cements to 19.91%, and in Corelio to 26.13%, without this bringing about any change in the consolidation method of those participations.

In the financial statements at 31/12/2016, the participations held in Financière Flo/Groupe Flo and in CKT Offshore were transferred to 'Assets held for sale'. The participations were thereby written down to market value.

### Segment 1

#### Marine Engineering & Contracting:

DEME (global integration 60.40%), CFE (global integration 60.40%), Rent-A-Port (global integration 72.18%), Green Offshore (global integration 80.2%), and Van Laere (global integration 100%)

### Segment 2

#### Private Banking:

Delen Investments CVA (equity method 78.75%), Bank J.Van Breda & C° (global integration 78.75%), Finaxis (global integration 78.75%) and ASCO-BDM (equity method 50%)

### Segment 3

#### Real Estate & Senior Care:

Extensa (global integration 100%), Leasinvest Real Estate (global integration 30%), Anima Care (global integration 92.5%) and HPA (global integration 70.86%). HPA is the new structure that owns 100% of Residalya (operation of retirement homes) and 73.70% of Patrimoine & Santé (which owns real estate operated by Residalya). Both Residalya and Patrimoine&Santé are fully consolidated (global integration) by HPA.

### Segment 4

#### Energy & Resources:

Sipef (equity method 27.8%), NMP (global integration 75%), AvH India Resources (global integration 100%), Sagar Cements (equity method 19.9%) and Oriental Quarries and Mines (equity method 50%).

### Segment 5

#### AvH & Growth Capital:

- AvH, Sofinim & subholdings (global integration 100%)
- Participations accounted for using global integration : Agidens (former Egemin International) (86.2%)
- Participations accounted for using the equity method: Atenor (10.5%), Axe Investments (48.3%), Amsteldijk Beheer (50%), Corelio (26.1%), Distriplus (50%), Financière EMG (22.2%), Manuchar (30.0%), MediaCore (49.9%), Transpalux (45.0%), Turbo's Hoet Groep (50%), Consortium Telemond (50%) and GIB (50%)
- Non-consolidated participations: OncoDNA (15%)
- Assets held for sale at fair value: Groupe Flo (23.6%) and CKT Offshore (47.5%)/Hermes Finance (47.5%),

## 6. Segment information - consolidated 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
<b>Revenue</b>	<b>3,051,586</b>	<b>164,381</b>	<b>341,397</b>	<b>13,600</b>	<b>80,826</b>	<b>-2,673</b>	<b>3,649,117</b>
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
<b>Other operating income</b>	<b>3,452</b>	<b>1,940</b>	<b>3,505</b>	<b>3</b>	<b>1,265</b>	<b>-383</b>	<b>9,782</b>
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
<b>Operating expenses (-)</b>	<b>-2,824,699</b>	<b>-113,145</b>	<b>-282,660</b>	<b>-13,784</b>	<b>-116,448</b>	<b>2,953</b>	<b>-3,347,785</b>
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
<b>Profit (loss) on assets/liabilities designated at fair value through profit and loss</b>	<b>22</b>	<b>0</b>	<b>40,565</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>40,587</b>
Financial assets held for trading							0
Investment property	22		40,565				40,587
<b>Profit (loss) on disposal of assets</b>	<b>12,842</b>	<b>835</b>	<b>3,877</b>	<b>102</b>	<b>-21</b>	<b>0</b>	<b>17,635</b>
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
<b>Profit (loss) from operating activities</b>	<b>243,202</b>	<b>54,011</b>	<b>106,685</b>	<b>-79</b>	<b>-34,378</b>	<b>-104</b>	<b>369,337</b>
<b>Finance income</b>	<b>26,948</b>	<b>14</b>	<b>3,874</b>	<b>20</b>	<b>765</b>	<b>-187</b>	<b>31,433</b>
Interest income	8,280	14	2,801	20	496	-187	11,423
Other finance income	18,668		1,073		269		20,010
<b>Finance costs (-)</b>	<b>-63,687</b>	<b>0</b>	<b>-24,995</b>	<b>-124</b>	<b>-1,976</b>	<b>291</b>	<b>-90,491</b>
Interest expenses (-)	-33,130		-16,092	-111	-503	291	-49,546
Other finance costs (-)	-30,557		-8,904	-13	-1,472		-40,946
<b>Derivative financial instruments designated at fair value through profit and loss</b>	<b>0</b>	<b>-649</b>	<b>771</b>	<b>0</b>	<b>0</b>		<b>122</b>
Share of profit (loss) from equity accounted investments	1,636	88,679	5,664	10,793	1,889		108,660
<b>Other non-operating income</b>	<b>0</b>	<b>1,429</b>	<b>356</b>	<b>0</b>	<b>0</b>		<b>1,785</b>
<b>Other non-operating expenses (-)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>
<b>Profit (loss) before tax</b>	<b>208,100</b>	<b>143,483</b>	<b>92,354</b>	<b>10,609</b>	<b>-33,700</b>	<b>0</b>	<b>420,847</b>
<b>Income taxes</b>	<b>-30,250</b>	<b>-18,479</b>	<b>-4,631</b>	<b>-645</b>	<b>-789</b>	<b>0</b>	<b>-54,794</b>
Deferred taxes	15,862	-3,932	1,080	78	58		13,146
Current taxes	-46,112	-14,547	-5,710	-723	-847		-67,940
<b>Profit (loss) after tax from continuing operations</b>	<b>177,850</b>	<b>125,005</b>	<b>87,723</b>	<b>9,964</b>	<b>-34,489</b>	<b>0</b>	<b>366,053</b>
<b>Profit (loss) after tax from discontinued operations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>
<b>Profit (loss) of the period</b>	<b>177,850</b>	<b>125,005</b>	<b>87,723</b>	<b>9,964</b>	<b>-34,489</b>	<b>0</b>	<b>366,053</b>
Minority interests	72,658	26,498	41,547	731	382		141,816
Share of the group	105,192	98,506	46,176	9,234	-34,872		224,237



## Comments on the consolidated income statement

The revenue decreased by 362.1 million euros in 2016 compared to last year. This movement is explained primarily by decreasing revenue (-464.9 million euros) in the "Marine Engineering & Contracting" segment and an increase in the "Real Estate & Senior Care" segment. The decrease in "Marine Engineering & Contracting" is explained by the lower turnover level at DEME, which as expected and announced, 2016 was unable to match the record year 2015 (with the large-scale works on the Suez Canal in Egypt). CFE also reported decreasing revenue as a result of a more selective intake of new contracts, the transfer of the civil engineering activity, and the reduction of its presence on a number of markets in Africa and Eastern Europe. The expansion of the activities of Anima Care and Residalya in the senior care sector, along with the sale by Extensa of real estate being developed on the Tour & Taxis site (Brussels) and on Cloche d'Or in Luxembourg, accounts for the increase in turnover in "Real Estate & Senior Care". In the "AvH & Growth Capital" segment, the revenue primarily comprises the turnover generated by Agidens, since the other participations are accounted for using the equity method. In the "Private Banking" segment, the evolution of the interest income should of course be seen in conjunction with that of the interest expenses. In 2016, the pressure on the net interest margin of Bank J. Van Breda & C° was amply offset by the increase in fee income.

The profit (loss) on assets/liabilities designated at fair value through profit and loss in 2015 included a positive impact of 60.8 million euros (or 42.1 million euros after accounting for tax effects) by the remeasurement of the historical interest in Tour & Taxis which had to be recognized following the acquisition of control (100%) of the site by buying out the minority shareholders at the beginning of that year. The rest (22.1 million euros) of the profit on assets/liabilities designated at fair value through profit and loss in 2015 related to other changes in the value of the real estate portfolios of Extensa and Leasinvest Real Estate. In 2016, the fair values of those real estate assets at both Extensa and Leasinvest Real Estate went on to increase by 40.6 million euros, the bulk of which is represented by the Herman Teirlinck project (Extensa) on the Tour & Taxis site, in pursuance of the sales agreement that Extensa concluded with Baloise.

In view of the negative trend observed at Groupe Flo during 2016 and in light of negotiations that are being conducted to attract new investors and/or to dispose of certain divisions of Groupe Flo, AvH reduced its exposure to Financière Flo / Groupe Flo by 22.1 million euros in line with the market value of Groupe Flo per 31.12.2016.

AvH recognized goodwill impairment losses in 2016 on its stake in Oriental Quarries & Mines (3.1 million euros), as did HPA on the first consolidation of Patrimoine & Santé (4.1 million euros).

In comparison to 2015, when Agidens was able to realize a capital gain of 59.8 million euros (share of the group 31.7 million euros) on the sale of Egemin Handling Automation, and Sofinim sold its participation in Hertel, the gain on disposal of assets was substantially lower in 2016: CFE realized capital gains on its PPP stakes in Locorail (Liefkenshoek rail tunnel) and Coentunnel (Amsterdam). Leasinvest Real Estate finalized the previously announced sale of the new office building Royal20 in the Grand Duchy of Luxembourg and realized a capital gain on that transaction, on top of the profit that was already recognized in previous periods through fair value adjustments in profit and loss.

The evolution of the profit from operating activities is a combination of the many factors in the contributing segments. The greatest difference in the comparison with 2015 lies in the "AvH & Growth Capital" segment, where there is no recurrence of the capital gains on the sale of (especially) Egemin Handling Automation and Hertel in 2015, and 2016 is characterized by impairment losses at Groupe Flo and CKT Offshore.

Despite the inclusion of Patrimoine & Santé in the consolidation scope in 2016, there was only a slight decrease in the net financial result in relation to last year.

The profit contribution from equity accounted companies in 2016 (108.7 million euros), although composed differently, roughly equalled that of 2015 (110.5 million euros).

There was a decrease in income taxes due to a lower result before tax, a lower tax rate at DEME as a result of a different geographical location of the turnover realized and the investments made and a decrease in the real estate segment (in 2015 there was a substantial deferred tax on the T&T remeasurement). It should be pointed out that the contribution from equity accounted companies only represents the share of the group in the net result of those companies, and that the taxes due on those results are not shown in the consolidated financial statements of AvH.

Over the full year, the profit for the year (share of the group) turns out 59.8 million euros lower than in 2015. The bulk of this negative variation is attributable to the "AvH & Growth Capital" segment where, as was already explained above, there were no capital gains on sales of participations, and negative contributions and impairment losses on Groupe Flo and CKT Offshore were reported instead.

## Segment information - Consolidated income statement 2015

(€ 1,000)	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5		
	Marine Engineering & Contracting	Private Banking	Real Estate & Senior Care	Energy & Resources	AvH & Growth Capital	Eliminations between segments	Total 2015
<b>Revenue</b>	<b>3,516,487</b>	<b>171,412</b>	<b>244,739</b>	<b>14,030</b>	<b>67,297</b>	<b>-2,733</b>	<b>4,011,231</b>
Rendering of services	-6,167		138,558	13,970	2,579	-2,595	146,344
Lease revenue		7,016	1,591				8,607
Real estate revenue	27,331		91,722				119,053
Interest income - banking activities		116,083					116,083
Fees and commissions - banking activities		44,663					44,663
Revenue from construction contracts	3,401,839				61,930		3,463,769
Other operating revenue	93,483	3,650	12,869	59	2,788	-138	112,712
<b>Other operating income</b>	<b>3,952</b>	<b>592</b>	<b>1,798</b>	<b>0</b>	<b>2,317</b>	<b>-791</b>	<b>7,869</b>
Interest on financial fixed assets - receivables	250		21		1,150	-553	869
Dividends	3,703	592	1,777		810		6,881
Government grants							0
Other operating income					356	-238	118
<b>Operating expenses (-)</b>	<b>-3,310,402</b>	<b>-114,329</b>	<b>-188,126</b>	<b>-11,161</b>	<b>-81,228</b>	<b>2,971</b>	<b>-3,702,275</b>
Raw materials and consumables used (-)	-1,929,773		-32,735		-27,325		-1,989,833
Changes in inventories of finished goods, raw materials & consumables (-)	-14,340		873		187		-13,281
Interest expenses Bank J.Van Breda & C° (-)		-38,986					-38,986
Employee expenses (-)	-574,337	-41,503	-79,717	-876	-29,108		-725,540
Depreciation (-)	-255,525	-5,592	-8,771	-2,217	-2,907		-275,012
Impairment losses (-)	-16,285	-760	-1,566		-2,664		-21,275
Other operating expenses (-)	-512,618	-26,894	-66,019	-8,068	-19,400	2,971	-630,028
Provisions	-7,524	-594	-191		-11		-8,319
<b>Profit (loss) on assets/liabilities designated at fair value through profit and loss</b>	<b>-397</b>	<b>0</b>	<b>82,860</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>82,463</b>
Financial assets held for trading							0
Investment property	-397		82,860				82,463
<b>Profit (loss) on disposal of assets</b>	<b>27,419</b>	<b>409</b>	<b>498</b>	<b>11</b>	<b>68,944</b>	<b>0</b>	<b>97,281</b>
Realised gain (loss) on intangible and tangible assets	18,802		210	11	14		19,037
Realised gain (loss) on investment property	2,746		485				3,231
Realised gain (loss) on financial fixed assets	5,871		-187		68,162		73,846
Realised gain (loss) on other assets		409	-10		768		1,167
<b>Profit (loss) from operating activities</b>	<b>237,059</b>	<b>58,084</b>	<b>141,770</b>	<b>2,880</b>	<b>57,330</b>	<b>-553</b>	<b>496,569</b>
<b>Finance income</b>	<b>46,112</b>	<b>43</b>	<b>2,055</b>	<b>61</b>	<b>2,516</b>	<b>-78</b>	<b>50,709</b>
Interest income	8,328	43	1,227	48	924	-78	10,492
Other finance income	37,783		828	13	1,592		40,216
<b>Finance costs (-)</b>	<b>-84,195</b>	<b>0</b>	<b>-21,298</b>	<b>-184</b>	<b>-3,556</b>	<b>631</b>	<b>-108,603</b>
Interest expenses (-)	-29,261		-13,123	-179	-1,036	631	-42,970
Other finance costs (-)	-54,934		-8,175	-5	-2,519		-65,633
<b>Derivative financial instruments designated at fair value through profit and loss</b>	<b>0</b>	<b>445</b>	<b>-4,793</b>	<b>0</b>	<b>0</b>		<b>-4,348</b>
<b>Share of profit (loss) from equity accounted investments</b>	<b>40,148</b>	<b>92,603</b>	<b>-4,646</b>	<b>6,150</b>	<b>-23,705</b>		<b>110,549</b>
<b>Other non-operating income</b>	<b>0</b>	<b>1,566</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>1,566</b>
<b>Other non-operating expenses (-)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>
<b>Profit (loss) before tax</b>	<b>239,124</b>	<b>152,740</b>	<b>113,087</b>	<b>8,906</b>	<b>32,585</b>	<b>0</b>	<b>546,442</b>
<b>Income taxes</b>	<b>-60,263</b>	<b>-20,646</b>	<b>-26,018</b>	<b>-800</b>	<b>-318</b>	<b>0</b>	<b>-108,046</b>
Deferred taxes	-24,042	-5,360	-21,311	-243	509		-50,447
Current taxes	-36,221	-15,286	-4,707	-558	-827		-57,599
<b>Profit (loss) after tax from continuing operations</b>	<b>178,860</b>	<b>132,094</b>	<b>87,069</b>	<b>8,106</b>	<b>32,267</b>	<b>0</b>	<b>438,395</b>
<b>Profit (loss) after tax from discontinued operations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1,141</b>		<b>-1,141</b>
<b>Profit (loss) of the period</b>	<b>178,860</b>	<b>132,094</b>	<b>87,069</b>	<b>8,106</b>	<b>31,126</b>	<b>0</b>	<b>437,254</b>
Minority interests	69,629	28,114	27,900	689	26,844		153,175
Share of the group	109,231	103,980	59,169	7,417	4,282		284,079

## Segment information - Consolidated balance sheet 2016 - Assets

(€ 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
<b>I. Non-current assets</b>	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
<b>II. Current assets</b>	2,013,435	1,708,521	375,617	32,522	155,094	-38,029	4,247,159
Inventories	96,613		17,516		407		114,536
Amounts due from customers under construction contracts	56,019		189,742		2,042		247,803
Investments	3	582,069	317		39,019		621,408
Available for sale financial assets		582,069	317		39,019		621,405
Financial assets held for trading	3						3
Current hedging instruments	2,324	1,227					3,551
Amounts receivable within one year	1,174,961	71,569	98,247	26,416	71,848	-37,781	1,405,260
Trade debtors	1,105,991		34,373	4,781	22,583	-1,563	1,166,164
Finance lease receivables		47,303	547				47,850
Other receivables	68,970	24,266	63,327	21,635	49,265	-36,218	191,245
Current tax receivables	18,954		4,515	26	933		24,429
Banks - receivables from credit institutions and clients within one year		1,041,064					1,041,064
Banks - loans and advances to banks		74,156					74,156
Banks - loans and receivables (excl. finance leases)		931,915					931,915
Banks - cash balances with central banks		34,993					34,993
Cash and cash equivalents	639,458	5,857	63,191	6,046	39,762		754,315
Time deposits for less than three months	124,658	1	4,853		27,261		156,773
Cash	514,801	5,856	58,338	6,046	12,501		597,542
Deferred charges and accrued income	25,101	6,734	2,089	34	1,083	-248	34,793
<b>III. Assets held for sale</b>	21,416		75,191		8,031		104,637
<b>Total assets</b>	4,491,724	5,759,472	2,049,307	207,005	411,917	-44,366	12,875,059

## Segment information - Consolidated balance sheet 2016 - Equity and liabilities

(€ 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
<b>I. Total equity</b>	<b>1,550,265</b>	<b>1,277,714</b>	<b>633,966</b>	<b>194,112</b>	<b>260,290</b>		<b>3,916,348</b>
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
Securities 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
<b>II. Non-current liabilities</b>	<b>1,003,847</b>	<b>732,951</b>	<b>897,578</b>	<b>8,354</b>	<b>38,981</b>	<b>-6,336</b>	<b>2,675,375</b>
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
<b>III. Current liabilities</b>	<b>1,931,608</b>	<b>3,748,807</b>	<b>517,763</b>	<b>4,538</b>	<b>112,645</b>	<b>-38,029</b>	<b>6,277,332</b>
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
<b>IV. Liabilities held for sale</b>	<b>6,004</b>						<b>6,004</b>
<b>Total equity and liabilities</b>	<b>4,491,724</b>	<b>5,759,472</b>	<b>2,049,307</b>	<b>207,005</b>	<b>411,917</b>	<b>-44,366</b>	<b>12,875,059</b>

## Comments on the consolidated balance sheet

The balance sheet total of AvH continued to grow in 2016 to 12,875.1 million euros at 31/12/2016. This is an increase by 622.0 million euros on year-end 2015. The increase is to be found primarily in the "Private Banking" segment, where it reflects the increased commercial volumes at Bank J. Van Breda & C° as well as the growth in the equity of Delen Investments, and in the "Real Estate & Senior Care" segment where Extensa's projects are in full development and where, as a result of the formation of HPA in 2016, both Residalya and Patrimoine & Santé are now fully consolidated, which in 2015 was not yet the case as far as the latter is concerned.

As was already observed in previous years, the full consolidation of the interest in Bank J. Van Breda & C° and the large balance sheet total of that group company (4,992.2 million euros) in relation to the other group companies had a highly significant impact on the presentation of AvH's consolidated balance sheet. A number of items from the balance sheet of Bank J. Van Breda & C° are summarized under separate items for distinction purposes.

The increase in tangible assets from 1,945.8 million euros (2015) to 2,134.6 million euros at year-end 2016 is explained primarily by the full consolidation (through HPA) of Patrimoine & Santé, which owns 220.9 million euros in retirement homes and furnishing.

The increase in investment property is the result of Extensa's dynamic on the Tour & Taxis site with the acquisition of the Hôtel des Douanes and the development of the Herman Teirlinck building. The real estate portfolio of Leasinvest Real Estate represents 859.9 million euros and decreased slightly in 2016 following the sale of the Royal20 and Zeutestraat buildings and the acquisition of a shopping centre in Austria.

The increase in the item 'Participations accounted for using the equity method' means that these companies realized more profit than they paid out dividends. Three segments report a decrease due to effects connected with changes in the consolidation scope: in 2015, the interest in Patrimoine & Santé was still accounted for using the equity method, as opposed to the full consolidation in 2016, while in the "AvH & Growth Capital" segment the participations in Financière Flo/Groupe Flo and in CKT Offshore were transferred to 'Assets held for sale'. A similar transfer of a real estate development company by CFE accounts for the decrease in the "Marine Engineering & Contracting" segment.

The Retail Estates shares held by Leasinvest Real Estate are reported under 'Available for sale financial fixed assets', as are a limited number of non-consolidated participations of AvH and of Green Offshore.

As in previous years, it should be pointed out that the balance sheet of Delen Investments, an equity accounted group company, contains a substantial item 'Clients' of 235.5 million euros at year-end 2016 (2015: 239.8 million euros).

The 'Investments' consist primarily of the investment portfolio of Bank J. Van Breda & C° and to a lesser extent of AvH investments.

The cash and cash equivalents increased further in 2016 to 754.3 million euros at year-end 2016, compared with 705.0 million euros last year. A large part of that cash is to be found in the "Marine Engineering & Contracting" segment. This is explained by the strong cash generation by DEME in combination with some delay at the shipyards where DEME has ordered new vessels, which meant that certain payments connected with those orders were not yet due at year-end 2016.

The assets held for sale consist primarily of buildings or land held for sale by CFE, Algemene Aannemingen Van Laere and Leasinvest Real Estate. This

item also includes at year-end 2016 the final portion (21.8%) of the stake in Holding Groupe Duval, which in accordance with the relevant agreements has been swapped at the beginning of 2017 for shares of Patrimoine & Santé, as well as the interest which AvH holds in Financière Flo/Groupe Flo and in CKT Offshore.

For details of the changes in equity, we refer to note 5 on page 24 of this report.

In the "Marine Engineering & Contracting" segment, the item 'Provisions' contains at year-end 2016 an amount of 46.3 million euros (2015: 49.3 million euros) for 'contingent liabilities' that were identified by AvH when it acquired control over CFE at the end of 2013.

The increase in long-term financial debts by 76.4 million euros is explained primarily by the inclusion in the consolidation scope of Patrimoine & Santé, which predominantly finances its real estate assets in the long term. Compared with year-end 2015, the impact of Residalya/Patrimoine & Santé is 145.3 million euros. Apart from this effect of a change in consolidation scope, the long-term financial debts of the group have decreased.

Several entities of the group have issued retail bonds, such as CFE (100 million euros), DEME (200 million euros), Leasinvest Real Estate (95 million euros) and Patrimoine & Santé (34 million euros).

When acquiring the 26% interest that NPM Capital held in Sofinim, AvH negotiated a deferred payment of 56 million euros, half of which is payable end of September 2017 and the rest end of September 2018; that final instalment is reported under other amounts payable after one year.

Client deposits at Bank J. Van Breda & C° increased in relation to last year. Compared with last year, the bank's clients held a larger portion of those deposits in the form of short term time deposits.

## Segment information - Consolidated balance sheet 2015 - Assets

(€ 1,000)	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5		
	Marine Engineering & Contracting	Private Banking	Real Estate & Senior Care	Energy & Resources	AvH & Growth Capital	Eliminations between segments	Total 2015
<b>I. Non-current assets</b>	2,451,187	3,777,568	1,291,208	161,440	273,942	-3,283	7,952,062
Intangible assets	97,928	7,081	51,968		35		157,012
Goodwill	177,113	134,247	22,522				333,882
Tangible assets	1,742,431	38,423	126,218	10,874	27,826		1,945,772
Investment property	2,419		952,671				955,090
Participations accounted for using the equity method	166,715	593,935	22,109	150,444	204,045		1,137,249
Financial fixed assets	138,874	364	89,692		35,739	-3,283	261,386
Available for sale financial fixed assets	7,729	3	86,372		7,387		101,491
Receivables and warranties	131,145	361	3,319		28,352	-3,283	159,894
Non-current hedging instruments	1,381	1,251	1,597				4,228
Amounts receivable after one year	20,475	90,042	24,125		3,803		138,445
Trade receivables	945				900		1,845
Finance lease receivables		90,042	23,914				113,956
Other receivables	19,530		211		2,904		22,644
Deferred tax assets	103,851	6,499	307	122	2,493		113,272
Banks - receivables from credit institutions and clients after one year		2,905,726					2,905,726
<b>II. Current assets</b>	1,990,617	1,668,997	382,832	35,124	213,583	-29,756	4,261,397
Inventories	80,079		18,707		194		98,981
Amounts due from customers under construction contracts	144,836		221,034		4,226		370,095
Investments	10	594,926			41,146		636,083
Available for sale financial assets		594,926			41,146		636,073
Financial assets held for trading	10						10
Current hedging instruments	8,765	690					9,455
Amounts receivable within one year	1,171,301	66,318	76,104	30,101	51,696	-29,528	1,365,992
Trade debtors	1,109,469		22,523	3,537	15,474	-1,464	1,149,540
Finance lease receivables		43,226	524				43,750
Other receivables	61,832	23,092	53,057	26,564	36,221	-28,064	172,703
Current tax receivables	8,505		2,743	28	472		11,748
Banks - receivables from credit institutions and clients within one year		994,336					994,336
Banks - loans and advances to banks		85,220					85,220
Banks - loans and receivables (excl. finance leases)		879,746					879,746
Banks - cash balances with central banks		29,370					29,370
Cash and cash equivalents	519,386	7,292	58,691	4,984	114,633		704,987
Time deposits for less than three months	96,250		4,610	1,774	101,700		204,333
Cash	423,137	7,292	54,081	3,210	12,933		500,654
Deferred charges and accrued income	57,735	5,434	5,553	11	1,216	-228	69,720
<b>III. Assets held for sale</b>			39,462		125		39,587
<b>Total assets</b>	<b>4,441,805</b>	<b>5,446,565</b>	<b>1,713,502</b>	<b>196,564</b>	<b>487,650</b>	<b>-33,039</b>	<b>12,253,045</b>



## Segment information - Consolidated balance sheet 2015 - Equity and liabilities

(€ 1,000)	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5		
	Marine Engineering & Contracting	Private Banking	Real Estate & Senior Care	Energy & Resources	AvH & Growth Capital	Eliminations between segments	Total 2015
<b>I. Total equity</b>	<b>1,443,134</b>	<b>1,218,433</b>	<b>583,586</b>	<b>182,121</b>	<b>388,336</b>		<b>3,815,612</b>
Shareholders' equity - group share	885,400	990,154	315,751	173,786	242,248		2,607,339
Issued capital					113,907		113,907
Share capital					2,295		2,295
Share premium					111,612		111,612
Consolidated reserves	899,817	981,544	312,604	159,139	142,902		2,496,006
Revaluation reserves	-14,417	8,610	3,147	14,646	9,831		21,817
Securities available for sale		4,404	12,400	47	15,302		32,153
Hedging reserves	-6,661	-605	-10,258		-296		-17,821
Actuarial gains (losses) defined benefit pension plans	-4,651	232		-589	1,097		-3,912
Translation differences	-3,104	4,579	1,006	15,188	-6,272		11,397
Treasury shares (-)					-24,392		-24,392
Minority interests	557,735	228,279	267,835	8,336	146,088		1,208,273
<b>II. Non-current liabilities</b>	<b>1,054,953</b>	<b>807,912</b>	<b>736,304</b>	<b>9,825</b>	<b>11,490</b>	<b>-3,283</b>	<b>2,617,200</b>
Provisions	96,741	932	5,340		179		103,191
Pension liabilities	41,540	3,250	429	359	22		45,600
Deferred tax liabilities	152,319	488	60,631	3,015	1,533		217,986
Financial debts	713,270		614,084	6,451	6,384	-3,283	1,336,904
Bank loans	308,111		497,987	6,448			812,546
Bonds	305,216		111,824				417,040
Subordinated loans			2,200				2,200
Finance leases	95,984		1,712	3	6,384		104,083
Other financial debts	3,958		360			-3,283	1,035
Non-current hedging instruments	33,807	10,484	40,853				85,145
Other amounts payable after one year	17,276	10,614	14,967		3,373		46,230
Banks - debts to credit institutions, clients & securities		782,144					782,144
Banks - deposits from credit institutions							0
Banks - deposits from clients		719,359					719,359
Banks - debt certificates including bonds		3					3
Banks - subordinated liabilities		62,782					62,782
<b>III. Current liabilities</b>	<b>1,943,717</b>	<b>3,420,219</b>	<b>393,612</b>	<b>4,618</b>	<b>87,824</b>	<b>-29,756</b>	<b>5,820,233</b>
Provisions	34,339		54				34,392
Pension liabilities		246					246
Financial debts	113,252		292,031	1,441	60,232	-28,064	438,892
Bank loans	97,975		175,583	1,440			274,998
Bonds							0
Finance leases	15,218		1,104	1	1,454		17,776
Other financial debts	58		115,345		58,778	-28,064	146,118
Current hedging instruments	35,146	995	47				36,188
Amounts due to customers under construction contracts	210,870				1,309		212,179
Other amounts payable within one year	1,470,234	15,336	70,353	3,039	24,568	-1,464	1,582,065
Trade payables	1,240,004	7	28,983	1,502	12,014	-1,464	1,281,046
Advances received			2,741	1,396			4,138
Amounts payable regarding remuneration and social security	156,928	8,338	13,414	141	9,821		188,642
Other amounts payable	73,301	6,991	25,214		2,732		108,239
Current tax payables	28,881	1,671	18,519	15	517		49,603
Banks - debts to credit institutions, clients & securities		3,395,076					3,395,076
Banks - deposits from credit institutions		42,007					42,007
Banks - deposits from clients		3,183,127					3,183,127
Banks - debt certificates including bonds		166,179					166,179
Banks - subordinated liabilities		3,763					3,763
Accrued charges and deferred income	50,996	6,896	12,608	124	1,197	-228	71,593
<b>IV. Liabilities held for sale</b>							<b>0</b>
<b>Total equity and liabilities</b>	<b>4,441,805</b>	<b>5,446,565</b>	<b>1,713,502</b>	<b>196,564</b>	<b>487,650</b>	<b>-33,039</b>	<b>12,253,045</b>

## Segment information - Consolidated 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
<b>I. Cash and cash equivalents - opening balance</b>	<b>519,386</b>	<b>7,292</b>	<b>58,691</b>	<b>4,984</b>	<b>114,633</b>		<b>704,987</b>
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
<b>Non-cash adjustments</b>							
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
<b>Cash flow</b>	<b>409,256</b>	<b>96,041</b>	<b>79,025</b>	<b>4,521</b>	<b>-1,821</b>	<b>-104</b>	<b>586,920</b>
<b>Decrease (increase) of working capital</b>	<b>29,221</b>	<b>-34,342</b>	<b>39,265</b>	<b>3,346</b>	<b>39,332</b>	<b>-5,531</b>	<b>71,291</b>
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
<b>Cash flow from operating activities</b>	<b>438,477</b>	<b>61,699</b>	<b>118,290</b>	<b>7,867</b>	<b>37,511</b>	<b>-5,634</b>	<b>658,211</b>
<b>Investments</b>	<b>-299,596</b>	<b>-537,371</b>	<b>-206,388</b>	<b>-4,858</b>	<b>-119,875</b>		<b>-1,168,089</b>
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
<b>Divestments</b>	<b>74,707</b>	<b>536,288</b>	<b>82,040</b>	<b>102</b>	<b>8,465</b>		<b>701,601</b>
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
<b>Cash flow from investing activities</b>	<b>-224,890</b>	<b>-1,083</b>	<b>-124,349</b>	<b>-4,756</b>	<b>-111,410</b>		<b>-466,488</b>
<b>Financial operations</b>							
Interest received	7,999	14	2,801	20	496	-187	11,142
Interest paid	-40,610		-16,487	-111	-503	291	-57,421
Other financial income (costs)	-12,101		-7,049	-13	-1,203		-20,366
Decrease (increase) of treasury shares					-801		-801
(Decrease) increase of financial debts	12,626		43,418	-1,444	-6,852	5,531	53,279
Distribution of profits					-64,980		-64,980
Dividends paid to minority interests	-61,355	-62,065	-16,468	-1,406	76,577		-64,717
<b>Cash flow from financial activities</b>	<b>-93,441</b>	<b>-62,051</b>	<b>6,215</b>	<b>-2,954</b>	<b>2,734</b>	<b>5,634</b>	<b>-143,863</b>
<b>II. Net increase (decrease) in cash and cash equivalents</b>	<b>120,146</b>	<b>-1,435</b>	<b>156</b>	<b>157</b>	<b>-71,165</b>		<b>47,859</b>
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
<b>III. Cash and cash equivalents - ending balance</b>	<b>639,458</b>	<b>5,857</b>	<b>63,191</b>	<b>6,046</b>	<b>39,762</b>		<b>754,315</b>

## Comments on the consolidated cash flow statement

Despite the fact that in 2016 the profit from operating activities turned out 127.2 million euros lower than in the 2015 financial year, AvH still realized a higher consolidated cash flow, increasing from 577.9 million euros to 586.9 million euros. We refer to the consolidated income statement and the notes to that statement for the factors that explain the evolution of the profit from operating activities. The increase in cash flow in 2016 is explained by (i) a smaller profit from the sale of assets (reclassified to cash flow from divestments) and from valuations at fair value through the income statement, (ii) higher dividends received from equity-accounted companies, and (iii) higher impairment losses charged to the 2016 income statement.

The profit reclassified to 'cash flow from divestments' amounted to 97.3 million euros in 2015 and derived primarily from the sale by Agidens of the Handling Automation division of Egemin (on which a profit of 59.8 million euros was realized) and of Sofinim's participation in Hertel. In 2016, those capital gains represented 25.1 million euros. This figure includes the capital gains realized in the "Marine Engineering & Contracting" segment on the divestment of the interests in Locorail (CFE), Coentunnel (CFE and DEME) and part of the interest in C-Power (DEME).

In line with the strong results which AvH's group companies realized in 2015, the equity-accounted companies paid out 23.1 million euros more in dividends to AvH and its subsidiaries. The main contributors (and gainers) in this item were the non-fully consolidated subsidiaries of CFE/DEME and Delen Investments.

The impairment losses were explained in the comments on the income statement, as was the profit on assets designated at fair value.

The working capital of the consolidated group decreased in 2016 for all segments, except in "Private Banking" where lending increased faster than client deposits and interbank financing. The lower turnover at DEME and the sale of real estate developments by Extensa accounted for most of this decrease.

In 2016, the fully consolidated companies of the AvH group invested a total of 1,168.1 million euros, which is 256.1 million euros more than in 2015. Although investments in DEME's fleet and the other investments throughout the group in intangible and tangible assets remained high (217.1 million euros in total) in 2016, the acquisition of major additional investment properties were done at Extensa (in the buildings on the Tour & Taxis site, such as the Herman Teirlinck building and the 'Hôtel des douanes') and at Leasinvest Real Estate (acquisition of shopping centre in Austria and additional investments in buildings in portfolio). More cash was also spent in 2016 on the acquisition of financial fixed assets, i.e. the acquisition of the 26% share that NPM Capital held in Sofinim (of which 50 million euros has already been paid and instalments of 28 million euros being payable in 2017 and 2018), the increased stake in the company developing the Herman Teirlinck building, the acquisition of an additional 25% stake in Patrimoine & Santé at the beginning of 2016, and finally the acquisition of additional senior care residences by Anima Care and HPA.

The fully consolidated companies of the AvH group disposed of more investment property (66.1 million euros) than in 2015 (23.9 million euros). Those sales occurred primarily in the portfolio of Leasinvest Real Estate (Royal20 building in Luxembourg, Zeutestraat in Mechelen).

The disposal of financial fixed assets amounted to 51.6 million euros, which is far below the 207.0 million euros in 2015 (then a.o. Hertel, Agidens). The divestments of 2016 consist primarily of the aforementioned divestments that are transferred from the operating cash flow of "Marine Engineering & Contracting" and of the swap of an additional stake (16%) in Holding Groupe

Duval (which at the beginning of 2016 was swapped for Patrimoine & Santé shares).

The new loans that were granted (and do not relate to the banking activity) are primarily in the "Marine Engineering & Contracting" segment, and are connected with the financing of the Merkur and Rentel wind projects.

The acquisition by Bank J. Van Breda & C° of 531.8 million euros worth of short-term investments is part of the bank's normal investment portfolio management and almost entirely matches the disposal of short-term investments (536.3 million euros).

The sharp reduction of financial debts in 2015 was followed in 2016 by a slight increase, mainly as a result of developments in the "Real Estate & Senior Care" segment.

The item 'dividends paid to minority interests' consists of the dividends paid in 2016 outside the consolidation scope, more particularly to the minority shareholders of CFE, Finaxis, Leasinvest Real Estate, Sofinim and Agidens.

## Segment information - Consolidated cash flow statement 2015

(€ 1,000)	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5		
	Marine Engineering & Contracting	Private Banking	Real Estate & Senior Care	Energy & Resources	AvH & Growth Capital	Eliminations between segments	Total 2015
<b>I. Cash and cash equivalents -opening balance</b>	<b>722,647</b>	<b>97,450</b>	<b>23,668</b>	<b>4,388</b>	<b>74,073</b>		<b>922,226</b>
Profit (loss) from operating activities	237,059	58,084	141,770	2,880	57,330	-553	496,569
Reclassification 'Profit (loss) on disposal of assets' to cash flow from divestments	-27,419	-409	-498	-11	-68,944		-97,281
Dividends from participations accounted for using the equity method	1,174	32,136		287	8,951		42,548
Other non-operating income (expenses)		1,566					1,566
Income taxes	-84,203	-20,646	-26,018	-794	-324		-131,986
<b>Non-cash adjustments</b>							
Depreciation	255,525	5,592	8,771	2,217	2,907		275,012
Impairment losses	16,285	668	1,566		2,664		21,183
Share based payment	62	127	1,315		689		2,194
Profit (loss) on assets/liabilities designated at fair value through profit and loss	397		-82,860				-82,463
(Decrease) increase of provisions	6,796	768	271		-779		7,056
(Decrease) increase of deferred taxes	24,042	5,360	21,311	243	-509		50,447
Other non-cash expenses (income)	-11,182	4,418	-312	-3	89		-6,989
<b>Cash flow</b>	<b>418,537</b>	<b>87,663</b>	<b>65,316</b>	<b>4,819</b>	<b>2,074</b>	<b>-553</b>	<b>577,855</b>
<b>Decrease (increase) of working capital</b>	<b>-26,016</b>	<b>-128,999</b>	<b>-8,091</b>	<b>-1,175</b>	<b>1,295</b>	<b>-867</b>	<b>-163,854</b>
Decrease (increase) of inventories and construction contracts	-1,431		11,170		-6,656		3,082
Decrease (increase) of amounts receivable	-101,791	-6,925	-16,427	-1,079	15,552	-867	-111,537
Decrease (increase) of receivables from credit institutions and clients (banks)		-332,534					-332,534
Increase (decrease) of liabilities (other than financial debts)	79,444	-1,501	1,679	-58	-8,305		71,259
Increase (decrease) of debts to credit institutions, clients & securities (banks)		213,169					213,169
Decrease (increase) other	-2,238	-1,208	-4,514	-38	705		-7,294
<b>Cash flow from operating activities</b>	<b>392,520</b>	<b>-41,337</b>	<b>57,225</b>	<b>3,644</b>	<b>3,369</b>	<b>-1,420</b>	<b>414,001</b>
<b>Investments</b>	<b>-355,047</b>	<b>-323,520</b>	<b>-182,427</b>	<b>-3,392</b>	<b>-56,773</b>	<b>9,132</b>	<b>-912,027</b>
Acquisition of intangible and tangible assets	-278,943	-4,242	-23,252	-34	-1,694		-308,165
Acquisition of investment property			-36,223				-36,223
Acquisition of financial fixed assets	-59,628		-122,642	-3,358	-23,880		-209,509
New amounts receivable	-16,476	-220	-309		-11,571	9,132	-19,444
Acquisition of investments		-319,058			-19,627		-338,685
<b>Divestments</b>	<b>60,899</b>	<b>319,739</b>	<b>24,800</b>	<b>11</b>	<b>212,139</b>	<b>-14,132</b>	<b>603,454</b>
Disposal of intangible and tangible assets	31,880		603	11	75		32,568
Disposal of investment property			23,974				23,974
Disposal of financial fixed assets	24,655				182,320		206,975
Reimbursements of amounts receivable	4,364		215		18,146	-14,132	8,593
Disposal of investments		319,739	8		11,597		331,344
<b>Cash flow from investing activities</b>	<b>-294,149</b>	<b>-3,781</b>	<b>-157,627</b>	<b>-3,381</b>	<b>155,366</b>	<b>-5,000</b>	<b>-308,573</b>
<b>Financial operations</b>							
Interest received	8,008	43	1,227	48	924	-420	9,830
Interest paid	-40,281	0	-14,430	-179	-1,036	972	-54,954
Other financial income (costs)	-17,416		-6,176	-18	-1,354		-24,964
Decrease (increase) of treasury shares					-4,110		-4,110
(Decrease) increase of financial debts	-238,359		125,631	-1,440	-61,551	5,867	-169,852
Distribution of profits					-60,363		-60,363
Dividends paid to minority interests	-50,629	-45,082	-16,032	-1,470	64,041		-49,172
<b>Cash flow from financial activities</b>	<b>-338,678</b>	<b>-45,040</b>	<b>90,220</b>	<b>-3,059</b>	<b>-63,450</b>	<b>6,420</b>	<b>-353,586</b>
<b>II. Net increase (decrease) in cash and cash equivalents</b>	<b>-240,307</b>	<b>-90,157</b>	<b>-10,182</b>	<b>-2,797</b>	<b>95,285</b>		<b>-248,158</b>
Transfer between segments	2,738		35,819	3,358	-41,915		0
Change in consolidation scope or method	33,450		7,289		-12,882		27,857
Capital increases (third party share)	574		1,225				1,799
Impact of exchange rate changes on cash and cash equivalents	284		873	35	71		1,263
<b>III. Cash and cash equivalents - ending balance</b>	<b>519,386</b>	<b>7,292</b>	<b>58,691</b>	<b>4,984</b>	<b>114,633</b>	<b>0</b>	<b>704,987</b>

## 7. Notes to the financial statements

### 7.1. Basis for the presentation of the financial statements

The consolidated financial statements of Ackermans & van Haaren are prepared in accordance with the International Financial Reporting Standards (IFRS) and IFRIC interpretations effective on 31 December 2016 as approved by the European Commission. The applied accounting principles have not changed since the end of 2015. Due to the amended valuation method in accordance with IAS 41 Revised (Agriculture - Bearer Plants), the growing bio-

logical produce is valued at fair value. The original assessment was adjusted on that basis and the financial statements of the previous period (2015) were restated by Sipef. The limited impact of that restatement amounts to -0.6 million USD on the net result of Sipef and +1.6 million USD on its equity, share of the group. This change has no material impact on the financial statements of AvH (Sipef 27.6% in 2015); consequently, the 2015 income statement of AvH was not restated and the impact was recognized through equity.

### 7.2. Acquisition 26% Sofinim

(€ 1.000)	Sofinim	Agidens	Total
Financial assets	204,856	170	205,026
Cash and cash equivalents and investments	287,242	8,545	295,787
Other assets	3,518	40,657	44,175
<b>Total assets</b>	<b>495,616</b>	<b>49,372</b>	<b>544,989</b>
Equity - group share	490,137	19,028	509,165
Minority interests	0	3,034	3,034
Other liabilities	5,479	27,310	32,790
<b>Total equity and liabilities</b>	<b>495,616</b>	<b>49,372</b>	<b>544,989</b>
Total assets	495,616	49,372	544,989
Total liabilities	-5,479	-27,310	-32,790
Minority interests	0	-3,034	-3,034
Exclusion of revaluation reserves	3,687	-226	3,461
<b>Net assets</b>	<b>493,824</b>	<b>18,801</b>	<b>512,626</b>
Shareholding percentage			26.00%
<b>Net assets - share of the group</b>			<b>133,294</b>
Negative goodwill			-27,294
<b>Purchase price</b>			<b>106,000</b>

On September 30, 2016, AvH bought out minority shareholder (26%) NPM Capital in Sofinim and now owns 100% of Sofinim, its Development Capital subsidiary. Since the supervision and direction of Sofinim and its participations is fully integrated in AvH, this is now reported as one segment under the heading "AvH & Growth Capital". AvH had already accounted for Sofinim earlier using the full consolidation method, with a minority interest of 26%. The difference of 27.3 million euros between the price that was negotiated for the acquisition of this minority interest and its carrying value is directly recognized in the equity in the consolidated financial statements of AvH, since AvH was already the controlling shareholder of Sofinim prior to that transaction.

### 7.3. Other changes in consolidation scope

We refer to the note under the section "Segment Reporting" on page 25.

### 7.4. Seasonality or cyclicity of operations

Ackermans & van Haaren is active in several segments, each (more or less) cyclically sensitive : dredging & infrastructure, oil & energy markets (DEME, Rent-A-Port), construction (CFE, Van Laere), evolution on the financial markets and interest rates (Delen Private Bank, JM Finn & Co and Bank J.Van Breda & C°), real estate and interest rates evolution (Extensa & Leasinvest Real Estate) and the evolution of commodity prices (Sipef, Sagar Cements). The segments in which the Growth Capital participations are active (ICT & Engineering, Real Estate Development, Retail & Distribution and Media & Printing) are also confronted with seasonal or cyclical activities, while Groupe Flo and Distriplus in particular are affected by consumer confidence.

## 7.5. Earnings per share

	2016	2015
<b>I. Continued and discontinued operations</b>		
Net consolidated profit, share of the group (€ 1,000)	224,237	284,079
Weighted average number of shares <sup>(1)</sup>	33,140,199	33,126,066
<b>Basic earnings per share (€)</b>	<b>6.77</b>	<b>8.58</b>
Net consolidated profit, share of the group (€ 1,000)	224,237	284,079
Weighted average number of shares <sup>(1)</sup>	33,140,199	33,126,066
Impact stock options	110,619	135,411
Adjusted weighted average number of shares	33,250,818	33,261,477
<b>Diluted earnings per share (€)</b>	<b>6.74</b>	<b>8.54</b>
<b>II. Continued activities</b>		
Net consolidated profit from continued activities, share of the group (€ 1,000)	224,237	284,683
Weighted average number of shares <sup>(1)</sup>	33,140,199	33,126,066
<b>Basic earnings per share (€)</b>	<b>6.77</b>	<b>8.59</b>
Net consolidated profit from continued activities, share of the group (€ 1,000)	224,237	284,683
Weighted average number of shares <sup>(1)</sup>	33,140,199	33,126,066
Impact stock options	110,619	135,411
Adjusted weighted average number of shares	33,250,818	33,261,477
<b>Diluted earnings per share (€)</b>	<b>6.74</b>	<b>8.56</b>

<sup>(1)</sup> Based on number of shares issued, adjusted for treasury shares in portfolio.

## 7.6. Number of treasury shares

In 2016 AvH sold 20,000 and purchased 15,000 treasury shares as part of the stock option plan for its personnel. As at December 31, 2016, there were a total of 331,000 stock options outstanding. To hedge those obligations and the options that were offered at the beginning of 2017, AvH (together with subsidiary Brinvest) had a total of 352,000 shares in portfolio.

In addition, 341,058 AvH shares were purchased and 340,912 AvH shares sold in 2016 as part of the agreement that AvH had concluded with Kepler Cheuvreux to support the liquidity of the AvH share. Kepler Cheuvreux acts entirely autonomously in those transactions, but they are carried out on behalf of AvH. The net purchase of 146 AvH shares has therefore a (limited) impact on AvH's equity.

	2016	2015
<b>Treasury shares as part of the stock option plan</b>		
<b>Opening balance</b>	<b>357,000</b>	<b>380,000</b>
Acquisition of treasury shares	15,000	62,500
Disposal of treasury shares	-20,000	-85,500
<b>Ending balance</b>	<b>352,000</b>	<b>357,000</b>

	2016	2015
<b>Treasury shares as part of the liquidity contract</b>		
<b>Opening balance</b>	<b>2,132</b>	<b>2,544</b>
Acquisition of treasury shares	341,058	557,080
Disposal of treasury shares	-340,912	-557,492
<b>Ending balance</b>	<b>2,278</b>	<b>2,132</b>

## 7.7. Impairments

AvH and the fully consolidated group companies recognized a total of 30.2 million euros in impairment losses in 2016.

At the end of 2016, Groupe Flo announced it would examine several strategic options. On February 17, 2017, Groupe Flo reported that it had received non-binding offers to buy parts of the company and/or to participate in the capital of Groupe Flo. The outcome is unclear. Various conditions are attached to those offers, and the approval of Groupe Flo's banks will, if necessary, be required as well. Precisely in view of the uncertainty created by these circumstances with regard to the future of the group and/or the valuation of assets or parts thereof, Groupe Flo has not yet adopted its financial statements for the 2016 financial year. In light of that uncertainty, AvH ceased to make the valuation of its interest in Groupe Flo dependent on long-term perspectives or business plans, basing itself exclusively on the market price of the Groupe Flo share per 31.12.2016 instead, hence an impairment loss of 22.1 million euros.

AvH also recognized a goodwill impairment (3.1 million euros) on its 50% interest in Oriental Quarries & Mines (OQM), in view of disappointing profit figures and the difficulties which the company experiences in acquiring additional reserves that are considered necessary for a successful expansion of its current operations. When HPA was formed in 2016 by the contribution of participating interests in Residalya and Patrimoine & Santé, the assets of those entities were recognized at their fair value. HPA decided at year-end 2016 to write off the part of the goodwill of Patrimoine & Santé (4.1 million euros) that could not be allocated to the buildings in portfolio.

At its meeting of February 23, 2017 the board of directors of CFE discussed its exposure to the Chadian government, which still amounts to approximately 60 million euros. On the basis of the proposal that the Chadian authorities received for a refinancing of the Grand Hotel in N'Djamena, the board of directors of CFE decided not to recognize an impairment on this exposure.



## 7.8. Contingent liabilities or contingent assets

AvH derecognized 3.0 million euros (group share 1.8 million euros) worth of contingent liabilities relating to its stake in CFE, since the underlying risks for which those provisions were set aside have now been settled by CFE. At December 31, 2016, there remains a provision for contingent liabilities of 46.3 million euros in the accounts of AvH.

## 8. Events after balance sheet date

On February 21, 2017, Sipef reported that it received the approval of the Capital Investment Coordinating Board in Indonesia for the acquisition of an additional 47.71% stake in PT Agro Muko for a total amount of 144.1 million USD. On that same day, Sipef reported a conditional agreement on the acquisition of a 95% stake in an additional plantation in South Sumatra for 53.1 million USD. The board of directors of Sipef will convene an extraordinary meeting of shareholders to decide on a capital increase by Sipef of up to a maximum of 97.2 million USD.

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

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

# LEXICON

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- EBIT: Earnings before interest and taxes
- EBITDA: EBIT plus depreciation and amortisation on fixed assets.
- EBITDAR: EBITDA plus rent cost
- Net financial position: cash&cash equivalents and investments minus short and long term financial debt.
- Rental Yield based on fair value: includes only buildings in operation, excluding the projects and the assets held for sale