

PARTNERS FOR SUSTAINABLE GROWTH

HALF-YEAR RESULTS 2017



ACKERMANS & VAN HAAREN

SUCCESSFUL STRATEGY OF DIVERSIFICATION AND FOCUS ON STRATEGIC SEGMENTS PUSHES 'CURRENT' RESULT OF THE AVH GROUP UP BY 16.8%

With a net profit of 133.5 million euros (1H16: 84.7 million euros, +58%), AvH looks back on a **strong first half year in 2017**. This increase is driven by:

- i) A 15.6 million euros increase (+16.8%) in the **contribution of the core segments**.
 - A clearly higher contribution to the group profit from Delen Investments (+6.0 million euros), Extensa (+9.5 million euros) and SIPEF (+5.8 million euros) underpins the increasing profit in the core segments 'Private Banking', 'Real Estate & Senior Care' and 'Energy & Resources'.
 - CFE also reported a particularly strong start to the year in the 'Marine Engineering & Contracting' segment. Due to one-off problems on two projects of A.A. Van Laere and a slower start of DEME and Rent-A-Port, however, the contribution was 6.0 million euros lower than in 1H16.
- ii) A positive contribution of 5 million euros from the **AvH & Growth Capital** segment and **net capital gains/losses** (1H16: -8.4 million euros).
 - The Growth Capital participations made another positive contribution to the group result, along with, on balance, positive capital gains/losses on the sale of participations (Ogeda +13.9 million euros, Groupe Flo -6.7 million euros).
- iii) A (non-recurring) **remeasurement gain** of 19.8 million euros following the acquisition of control by SIPEF over the Agro Muko plantation.

"DEME confirms its positive outlook with a very strong order backlog, while Delen Investments and Bank J. Van Breda & C° realize a record inflow of assets under management. AvH continues the implementation of its strategy, with more focus within its portfolio and on a stable growth of the contribution of the core segments to the recurrent result of the group. The developments at SIPEF and the increase of our shareholding percentage illustrate this perfectly. Thanks to the momentum of its real estate development projects, Extensa also contributes on a more recurrent basis to the group result."

Jan Suykens,
CEO - Chairman of
the executive committee

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

(€ mio)	30.06.2017	30.06.2016
■ Marine Engineering & Contracting	27.5	33.5
■ Private Banking	52.9	47.1
■ Real Estate & Senior Care	18.6	8.7
■ Energy & Resources	9.7	3.8
Contribution from core segments	108.7	93.1
Growth Capital	3.2	-2.9
AvH & subholdings	-5.4	-5.0
Net capital gains(losses) / impairments	7.2	-0.5
Result before exceptional results	113.7	84.7
Exceptional results	19.8	0.0
Consolidated net result	133.5	84.7

Key figures - consolidated balance sheet

(€ mio)	30.06.2017	31.12.2016
Net equity (part of the group - before allocation of profit)	2,826.1	2,783.1
Net cash position of AvH & subholdings	57.2	68.3

MARINE ENGINEERING & CONTRACTING

Contribution to the AvH consolidated net result

(€ mio)	1H17	1H16
DEME	27.2	32.7
CFE (excl. DEME)	15.0	0.1
A.A. Van Laere	-11.3	1.1
Rent-A-Port	-3.4	0.3
Green Offshore	0.0	-0.7
Total	27.5	33.5

DEME

DEME (AvH 60.4%) realized a significant increase in (economic) turnover over the first six months of 2017 to 1,102.9 million euros, compared with 803.1 million euros over the same period last year. This increase is attributable to the vigorous growth of GeoSea, which was involved in the construction of the wind farms Galloper in the United Kingdom, Merkur and Hohe See in Germany, and Rentel in Belgium. Dredging activity was at a lower level than in the first half of 2016 due to delays in the start-up or tender of several projects in the Middle East and Asia. This led to a lower occupancy of the dredging fleet. Besides maintenance dredging work in Belgium, Germany and Africa, the main projects during the first six months were in Singapore (extension of Jurong island/JIWE and construction of the first phase of the Tuas container terminal) and in the port of Port Louis (Mauritius).

The cash flow from operating activities (EBITDA) amounted to 194.4 million euros (17.6% of turnover). Although in percentage terms this is lower than in 2016, as was expected, it remains within the historical range of 16% to 20% EBITDA margin. The

net profit amounted to 46.1 million euros (1H16: 54.0 million euros).

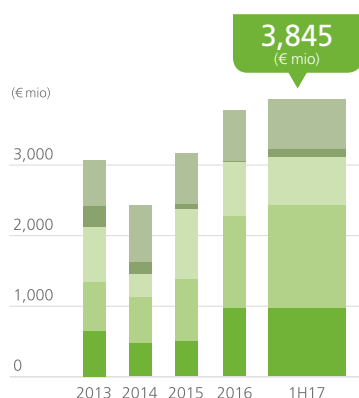
The order backlog amounted to 3,845 million euros as of June 30, 2017, compared with 3,800 million euros at year-end 2016 and 4,130 million euros as of March 31, 2017. After winning major new orders in 1Q17 (such as in India and the Maldives, the Rijnlandroute and the Hohe See project), DEME landed many new contracts in the second quarter of 2017 as well. DEME was able to boost its order backlog with contracts in Europe, Africa and Asia, including:

- maintenance dredging contracts for the river Elbe in Germany, a gas terminal in Angola, the Freeport in Liberia, and the port of Abidjan in Ivory Coast,
- works at the ports of Calais, Boulogne-sur-Mer, Brest and Bordeaux in France, and the port of Tema in Ghana,
- coastal protection works in the UK and Benin,
- dredging works in the port of Barcelona,
- the Maiyegun Waterfront project in Lagos
- and phase 2 of the Ayer Merbau reclamation project in Singapore.

At the end of June, GeoSea also won the project for the installation of the offshore foundations for the EnBW offshore wind farm Albatros in Germany.

DEME: Order backlog

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



DEME

(€ mio)	1H17		1H16	
	(1)	(2)	(1)	(2)
Turnover	1,097.7	1,102.9	802.1	803.1
EBITDA	195.4	194.4	185.3	195.2
Net result	46.1	46.1	54.0	54.0
Equity	1,217.8	1,217.8	1,127.3	1,127.3
Net financial position	-230.0	-235.2	-325.0	-334.2

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

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



DEME - Maldives



DEME - Goliath

Several contracts are not yet included in the order backlog:

- the Fehmarnbelt project (approximately 700 million euros), pending the necessary permits,
- the provisional award of the contract for the Blankenburgverbinding,
- the cable installation for Elia's Modular Offshore Grid (130 million euros),
- and the old port of Doha in Qatar (in joint venture, total value 100 million euros).

At the beginning of July, GeoSea reached an agreement in principle with Dong Energy and Siemens on the acquisition of A2SEA, a leading player in the installation of offshore wind turbines. This enables GeoSea to offer a wide range of integrated services and solutions in the offshore wind energy market and to become market leader in the installation of offshore foundations and wind turbines. A2SEA, which in recent months carried out a major restructuring operation, will contribute around 160 highly qualified and specialized staff, and has two modern high-tech installation vessels, Sea Installer and Sea Challenger (built in 2012 and 2014). As of June 30, 2017, A2SEA had an order backlog of 141 million euros. The transaction, representing an investment of approximately 170 million euros, is expected to be closed in the third quarter of 2017.

In the first six months of 2017, DEME already invested an amount of 264.1 million euros. A total of eight new vessels are under construction and are due for completion between 2017 and 2019. The first vessel of this programme, the hopper dredger Minerva (with a capacity of 3,500 m³), was

ceremonially named in Zeebrugge on June 23, 2017.

Despite this intensive investment programme, the net debt position only witnessed a limited increase from 154.6 million euros at year-end 2016 to 235.2 million euros at June 30, 2017.

CFE

CFE (AvH 60.4%) recorded a sharp increase of its net profit (excluding DEME's contribution to the results) to 22.7 million euros in the first six months (1H16: -1.0 million euros), despite a decrease in turn-over (also excluding DEME) to 358.2 million euros (1H16: 422.5 million euros).

CFE hereby confirms the turn-around achieved in 2016. CFE reported markedly better results in its contracting division,

which doubled its profit to 8.8 million euros (1H16: 4.1 million euros), and in its real estate development activity, where sales of the development projects Oosteroever in Ostend and Kons in Luxembourg boosted the profit to 18.8 million euros. The cost of the holding and the management of legacy activities represented a cost of 4.9 million euros, which is only slightly higher than the 4.3 million euros in 1H16, which had been impacted by the capital gain on the sale of Locorail.

The board of directors of CFE monitored the development of the exposure to Chad, leaving it unchanged. The negotiations to refinance CFE's receivables are progressing slower than expected. The operational management and maintenance of the Grand Hotel were transferred in June 2017 to the hotel operator appointed by the Chadian government. The hotel was officially opened on July 1, 2017.

CFE: Breakdown by division (excl. DEME)

(€ mio)	Turnover		Net result ⁽¹⁾	
	1H17	1H16	1H17	1H16
Construction	242.9	293.5		
Multitechnics	74.9	76.2		
Rail Infra	<u>33.4</u>	<u>30.8</u>		
Contracting	351.2	400.5	8.8	4.1
Real estate development	7.1	7.6	18.8	-0.8
Holding, non-transferred activities and eliminations	-0.2	14.4	-4.9	-4.3
Total	358.2	422.5	22.7	-1.0

⁽¹⁾ Including contribution from Rent-A-Port and Green Offshore



CFE - Sint-Maarten hospital - Mechelen



CFE - Kons - Luxembourg

At the end of June, the boards of directors of AvH and CFE announced that they are examining the combination of the activities of the Van Laere group and of CFE Contracting under CFE. To this end, the board of directors of CFE set up a committee of independent directors to describe the nature and the terms of that transaction, evaluate the pro's and con's for CFE and its shareholders, and evaluate the financial consequences. The board of directors of CFE will take a final decision on the basis of those findings. The transaction could be completed in the course of the fourth quarter of 2017, after the performance of a due diligence.

A.A. Van Laere

Algemene Aannemingen Van Laere (AvH 100.0%) witnessed a disappointing first half-year in 2017, realizing a turnover of 79.5 million euros (1H16: 87.1 million euros). Poor operational results, in particular on two projects that are either already finished or in the final phase of execution, resulted in a loss for Van Laere of 11.3 million euros, as opposed to a profit of 1.1 million euros in 1H16. The order backlog amounted to 150 million euros at the end of June 2017.

As part of a strategic repositioning, Van Laere sold its car park operator Alfa Park to the French company Effia.

The measures taken in the area of operational excellence will start to generate more results from the second half of the year. As a result, the prospects for the rest of the year look better. As of July 31, the management team of Van Laere has been strengthened by the appointment of Manu Coppens, as new CEO. He has 20 years of experience in the construction industry.

Rent-A-Port

Rent-A-Port (AvH 72.18%) reported a loss of 4.7 million euros in the first half of 2017, mainly due to a very low turnover in Vietnam. The delay in sales of industrial land in Vietnam are due to the late construction of two small seawalls, which means that no large industrial sites are available. These problems will be fully resolved in the course of 2018, which will also see the start of some large-scale development projects in Vietnam.

PRIVATE BANKING

Contribution to the AvH consolidated net result

(€ mio)	1H17	1H16
Finaxis	-0.7	-0.4
Delen Investments	39.5	33.5
Bank J. Van Breda & Co	13.8	14.0
Asco-BDM	0.5	0.0
Total	52.9	47.1

Delen Investments

Delen Investments (AvH 78.75%) realized an increase in total assets under management to 39,853 million euros in the first half of 2017, compared with 39,742 million euros at the end of March 2017 and 37,770 million euros at year-end 2016. Both Delen Private Bank and JM Finn & Co contributed to this increase.

This 5.5% increase in six months is due in almost equal measure to additional assets entrusted by clients of Delen Investments and to the increasing value of those assets. In the first half of the year, Delen Private Bank reported the strongest inflow of new capital ever in absolute terms. JM Finn & Co also witnessed a higher inflow of new assets, which in 1H17 remained above the outflow, leaving JM Finn & Co with, on balance, a fairly modest net inflow.

Thanks to the increase in assets under management, gross revenues increased from 152.9 million euros at the end of June 2016 to 176.2 million euros. The cost-income ratio, adjusted for a spread of the bank levies over the entire year, decreased both at Delen Private Bank (to 42.6%) and JM

Delen Investments: Assets under management

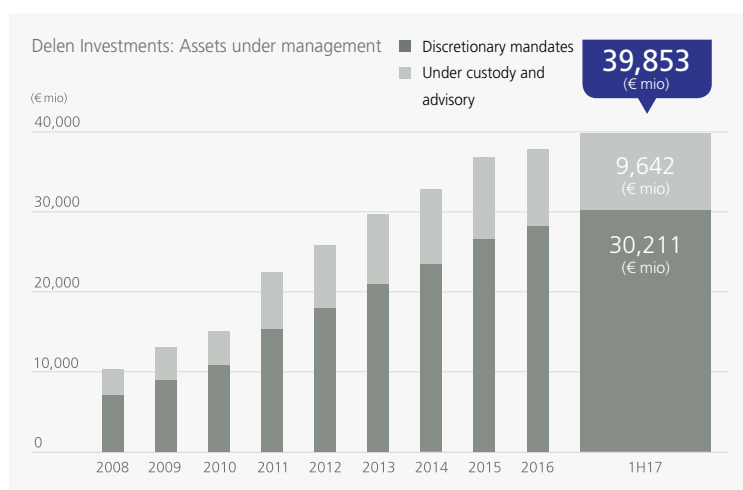
(€ mio)	1H17	2016
Delen Private Bank	29,130	27,383
JM Finn & Co	10,065	9,730
Oyens & Van Eeghen	658	657
Total	39,853	37,770

Finn & Co (to 82.3%), and came to 53.9% (1H16: 57.4%) at the consolidated level of Delen Investments.

The net result increased in the first six months to 50.1 million euros (compared with 42.5 million euros in 1H16), which includes the contribution of JM Finn & Co of 3.8 million euros.

The consolidated equity of Delen Investments stood at 623.8 million euros as at June 30, 2017 (compared with 621.2 million euros at year-end 2016). The Core Tier1 capital ratio of 27.8% is well above the industry average.

Delen Private Bank - Antwerp



Delen Investments

(€ mio)	1H17	1H16
Gross revenues	176.2	152.9
Net result	50.1	42.5
Equity	623.8	626.4
Assets under management	39,853	35,681
Core Tier1 capital ratio (%)	27.8	29.1
Cost-income ratio (%)	53.9	57.4



Bank J. Van Breda & Co - Antwerp

Bank J. Van Breda & Co

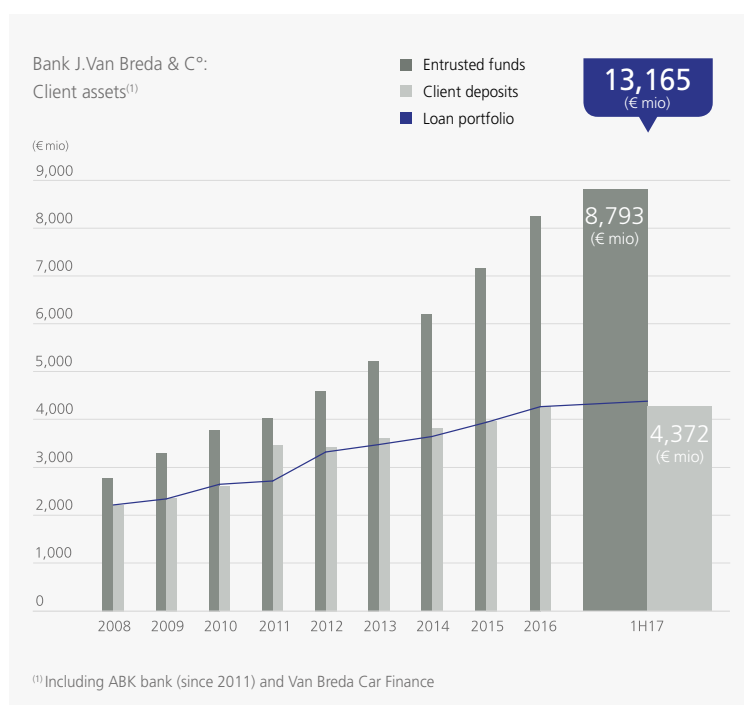
Bank J. Van Breda & Co (AvH 78.75%) reported a strong commercial performance in the first six months of 2017. The total client assets increased to 13.2 billion euros (end of March 2017: 13.0 billion euros; end of December 2016: 12.4 billion euros), of which 8.8 billion euros entrusted funds and 4.4 billion euros client deposits. The loan portfolio increased slightly to 4.4 billion euros (end of March 2017: 4.3 billion euros; end of December 2016: 4.2 billion euros). The provisions for loan losses represented 0.03% of the average loan portfolio, and remain extremely low.

The cost-income ratio stood at 57.4% compared with 59.3% in 1H16. In this ratio, the bank levies of 8.4 million euros, which were charged entirely to 1H17, was spread over the full year. Without these bank levies, the costs increased by only 2% compared with the same period last year. The net result in the first six months remained more or less stable at 17.5 million euros (compared with 17.8 million euros in 1H16).

The consolidated equity increased from 518.3 million euros at year-end 2016 to 534.1 million euros at June 30, 2017. The solvency expressed as equity to assets (leverage ratio) stood at 9.3% and the Core Tier1 capital ratio at 14.4%.

Bank J. Van Breda & Co

(€ mio)	1H17	1H16
Bank product	69.4	66.1
Net result	17.5	17.8
Equity	534.1	500.3
Entrusted funds	8,793	7,408
Client deposits	4,372	4,201
Loan portfolio	4,381	4,060
Core Tier1 capital ratio (%)	14.4	14.4
Cost-income ratio (%)	57.4	59.3



REAL ESTATE & SENIOR CARE

Contribution to the AvH consolidated net result

(€ mio)	1H17	1H16
Leasinvest Real Estate	4.8	5.3
Extensa Group	11.1	1.6
Anima Care	1.9	1.7
HPA	0.8	0.1
Total	18.6	8.7

Leasinvest Real Estate

Leasinvest Real Estate (AvH 30.0%) reported a slight increase in its results in the first six months to 15.6 million euros (1H16: 15.1 million euros).

The fair value of the real estate portfolio at the end of June 2017 amounted to 907.0 million euros (compared with 864.0 million euros at the end of March 2017 and 859.9 million euros at year-end 2016).

At the beginning of May, LRE acquired full ownership of the company Mercator Sàrl, which owns an office building in Luxembourg City. The property is worth 35 million euros.

At the end of June, LRE signed a binding agreement - subject to limited conditions precedent - for a 99-year lease on three of its logistics buildings (Tongeren, Wommelgem, Canal Logistics Phase 1 in Neder-over-Heembeek) with a foreign real estate fund. The value of over 60 million euros is in line with the estimated fair value as at June 30, 2017. As a result, most of the logistics portfolio will be sold by year-end 2017.

The rental income remained virtually stable at 28.1 million euros. The average duration of the portfolio was 4.49 years. The temporary decrease in the occupancy rate to 91.8% is essentially attributable to the above-mentioned acquisition of the Mercator building, of which only 42% is currently occupied. The rental yield also decreased to 6.41%.

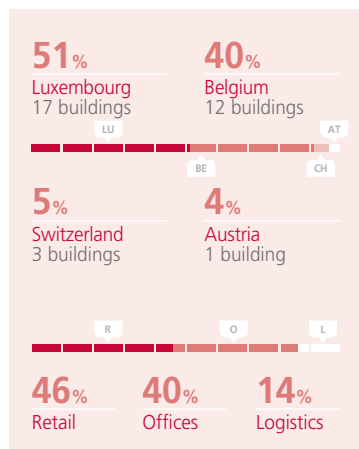
As at 30/06/17, the equity (group share) stood at 362.8 million euros (year-end 2016: 356.4 million euros). The debt ratio was 59.92% (2016: 58.05%). The sale of the three logistics buildings will lower the debt ratio by around 2.5 percentage points. This decrease will only be noticeable in the third quarter once the notarial sales deeds will be passed.

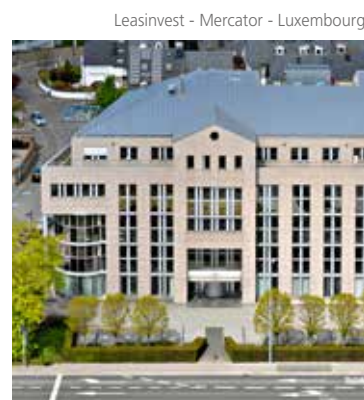
LRE: Real estate portfolio

(€ mio)	1H17	1H16
Real estate portfolio fair value (€ mio)	907.0	814.1
Rental yield (%)	6.41	6.95
Occupancy rate (%)	91.8	97.5

On March 31, 2017, AvH acquired Extensa's 29.3% stake in Leasinvest Real Estate. This, however, has no impact on the group's consolidated shareholding percentage (unchanged at 30.01%).

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





Leasinvest - Mercator - Luxembourg

Extensa - Gare maritime - Tour & Taxis - Brussels

Extensa

The net result of Extensa Group (AvH 100.0%) over the first six months of 2017 amounted to 55.2 million euros, of which 44.1 million euros represents the capital gain on the sale of Extensa's 29.3% stake in Leasinvest Real Estate to AvH on March 31, 2017, which is eliminated in AvH's consolidated financial statements. Even without this capital gain, Extensa's results increased from 1.6 million euros (1H16) to 11.1 million euros at June 30, 2017. This significant increase in results reflects the progress of the Herman Teirlinck office building that is under construction on the Tour & Taxis site, and the successful developments on Cloche d'Or in Luxembourg (both residential and offices).

On April 20, 2017, the Government of the Brussels-Capital Region ratified the Special Zoning Plan 'Tour & Taxis', which had already been approved by the City of Brussels at the end of December 2016. After a lengthy procedure that was initiated in 2001, legal certainty has now been obtained with regard to the building lots, zoning status and developable volume. The old freight station (Gare Maritime) is currently being renovated, pending the permit for repurposing into offices, retail and public facilities. Tenants have already been found for 25% of the offices. Completion is scheduled for 2019.

Also on April 20, 2017, the Municipality of Kontich approved the allotment plan for the 'Parkwijk Groeningen' project. This project

comprises a varied range of 650 residences in a green area next to the centre of the town, and includes an innovative residential wall concept.

Anima Care

Anima Care (AvH 92.5%) acquired four new retirement homes in the first six months of 2017. At June 30, 2017, it managed a total of 1,638 beds (retirement home beds and convalescent home beds) and 183 service flats in operation, spread over 18 sites.

Anima Care acquired three residences in the Brussels-Capital Region in the first quarter: Eden and Arcade in Sint-Lambrechts-Woluwe, and La Roseraie in Anderlecht. In June 2017, it also took over the operation of the Atrium residence in Kraainem.

These acquisitions, along with those that were acquired during the second half of 2016 in Sint-Jans-Molenbeek and Wenduine, generated a substantial increase in turnover to 36.7 million euros (1H16: 26.4 million euros). The EBITDA and net profit increased as well to 6.9 million euros (1H16: 6.2 million euros) and 2.0 million euros (1H16: 1.8 million euros) respectively. The increase of the EBITDA and net profit is less than the increase of the turnover, since the newly acquired residences have yet to be integrated into the Anima Care model.

HPA

At the beginning of 2017, and in accordance with the agreements of 2015, AvH swapped its last remaining Holding Groupe Duval shares for an additional 23.5% stake in Patrimoine & Santé, the real estate division of the French retirement home operator Residalya.

HPA (AvH 72.31%) realized a turnover over the first six months of 2017 of 56.2 million euros, compared with 50.7 million euros in 1H16. At HPA, too, this increase is partly attributable to the acquisition of two residences. The EBITDA and net result increased to 10.5 million euros and 1.1 million euros respectively.

As of June 30, 2017, Residalya operated 2,598 beds in 34 residences across France.

ENERGY & RESOURCES

Contribution to the AvH consolidated net result

(€ mio)	1H17	1H16
SIPEF ⁽¹⁾	8.5	2.7
NMP	1.1	0.8
Sagar Cements	0.2	0.3
Oriental Quarries & Mines	-0.1	0.0
Total	9.7	3.8

⁽¹⁾ Excluding a non-recurrent remeasurement gain of € 19.8 mio, which in the overview on page 2 is reported as a non-recurring element.

SIPEF

SIPEF (AvH 30.25%) recorded a very strong performance in the first half of 2017. Total palm oil production over the first six months increased by 15.9% to 161,541 tonnes (compared with 139,418 tonnes in 1H16). Rising volumes were recorded at all production centres in Indonesia and Papua New Guinea.

Market prices for palm oil experienced strong fluctuations with a high of USD 760/tonne in January and a low of USD 625/tonne at the end of June.

As the much higher volumes of palm oil were sold at higher unit prices, turnover increased to 157.0 million euros, compared with 117.4 million euros in 1H16. The full consolidation of PT Agro Muko, a mixed palm oil and rubber plantation with 19,750 planted hectares in Sumatra-Indonesia, had only a minor impact on turnover, in light of the fact that almost the entire production of PT Agro Muko already used to be sold through SIPEF.

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

SIPEF: Production

(Ton) ⁽¹⁾	1H17	1H16
	161,541	139,418
	4,424	5,409
	1,169	1,507
	14,812	12,186

⁽¹⁾ Own + outgrowers

Muko to 95% and acquire exclusive control over Agro Muko. The conditions precedent were fulfilled in February 2017.

In February 2017, an agreement was also reached on the 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 activities are RSPO certified. This transaction was closed on July 31.

Both transactions were financed by a combination of a capital increase of 97.1 million USD with preferential subscription rights for the current shareholders and a long-term loan. By exercising its own preferential subscription rights and additional rights acquired on the stock market, AvH subscribed for 629,268 new ordinary shares, increasing its current stake to 30.25%. AvH invested a total of 40.4 million euros during the first half of 2017 to increase its interest in SIPEF (incl. participation in the capital increase).

SIPEF - Oil palms



SIPEF

(USD mio)	1H17	1H16 ⁽¹⁾
Turnover	157.0	117.4
EBIT	43.5 ⁽²⁾	15.0
Net result	107.4	12.2
Equity	602.7	421.7
Net cash position	-36.3	-44.5

⁽¹⁾ Restated in accordance with IAS41R

⁽²⁾ Excl. USD 79.3 mio non-recurrent reamasurement on Agro Muko (share of the group: USD 75.2 mio).

The management teams of SIPEF and Dendy Marker in front of the palm oil extraction mill



SIPEF - Plantation with mature palms



The net result amounted to 107.4 million USD (1H16: 12.2 million USD). Of this net profit, 75.2 million USD represents a one-off remeasurement gain that SIPEF had to recognize on the acquisition of exclusive control over Agro Muko. The net profit, without the one-off gain (share of the group) of 75.2 million USD, amounted to 32.3 million USD, which is 164% up on the first half of 2016. Following the acquisition of Dendy Marker, the SIPEF group has 76,768 hectares in operation, of which 70,800 hectares after adjustment for minority interests (beneficial).

Sagar Cements

Sagar Cements (AvH 17.57%) reported a solid increase in turnover from 51.7 million euros in 1H16 to 68.8 million euros in 1H17. Prices on the Indian market recovered in the first quarter and remained constant. The contribution to the group result amounted to 0.2 million euros (1H16: 0.3 million euros).

At year-end 2016, AvH subscribed to the first phase of a capital increase alongside the Reddy family, the reference shareholder of Sagar Cements. The second phase of the capital increase, which was reserved for qualified institutionals, was successfully closed in February 2017. As a result, AvH's stake has decreased again slightly to 17.6%.

AvH & GROWTH CAPITAL

Contribution to the AvH consolidated net result

(€ mio)	1H17	1H16
Contribution of participations	3.2	-2.9
AvH & subholdings	-5.4	-5.0
Capital gains(losses)/impairments	7.2	-0.5
AvH & Growth Capital	5.0	-8.4

The participations in the Growth Capital segment made an overall positive contribution to the results in the first half of 2017. In 1H16, the contribution was still negatively impacted by the losses of Groupe Flo and CKT Offshore. The composition of the Growth Capital portfolio did not undergo any changes in 1H17.

The sale in April 2017 of AvH's 3.0% stake in **Ogeda** (formerly Euroscreen) for 15.1 million euros resulted in a capital gain of 13.9 million euros.

In the course of the second quarter of 2017, AvH (through GIB, in which it holds 50%) transferred its interest in **Financière Flo** (principal shareholder of the French listed restaurant group Groupe Flo) to a third party for one euro. At year-end 2016, AvH had already brought the valuation of its investment in Financière Flo in line with the corresponding stock price of Groupe Flo. Following the exit from Financière Flo, a loss of 6.7 million euros was recognized on that value in 1H17. AvH maintains a limited exposure of 1.7 million euros, in the form of a debenture loan to Groupe Flo.

Corelio: At the end of April, Mediahuis and VP Exploitatie received the approval from the competition authorities to acquire Telegraaf Media Groep. Following the close of the tender offer, Mediahuis owns 64.66% of the share capital of Telegraaf Media Groep. The objective of the acquisition is to transform the Mediahuis-Telegraaf Media Groep combination into a leading multimedia group that should in the long term remain successful in the Dutch and Belgian markets.



General comments on the figures

- The equity of AvH (group share) increased to 2,826.1 million euros as at June 30, 2017, which corresponds to 84.37 euros per share (85.25 euros after adjustment for treasury shares held). At December 31, 2016, the equity stood at 2,783.1 million euros or 83.08 euros per share (83.97 euros after adjustment for treasury shares held). On May 31, 2017, a dividend was paid of 2.04 euros per share (68.3 million euros total dividend distribution).
- At the end of June 2017, AvH (including subholdings) had a net cash position of 57.2 million euros, compared with 68.3 million euros at year-end 2016. Besides cash and short-term deposits, this cash position consisted of 69.8 million euros in short-term investments and treasury shares, and 37.5 million euros in short-term debt in the form of commercial paper.
- In the course of the first six months, AvH invested a total of 46.9 million euros cash (excluding short-term investments and treasury shares), most of which (40.4 million euros) to strengthen the participation in SIPEF. The divestments, also excluding movements in short-term investments and treasury shares, yielded 21.3 million euros. The main divestment was the sale of 3% in Ogeda.
- AvH owned 341,000 treasury shares (2016: 352,000) to hedge its stock option obligations. At June 30, 2017, an additional 8,163 treasury shares were acquired in the framework of the stock liquidity program (2016: 2,278).

Outlook 2017

AvH performed well in the first six months of 2017.

The board of directors continues to believe that the group companies will remain well positioned during the rest of 2017:

- DEME maintains its order backlog at a very high level and looks forward to a busy second half of the year.
- The strong inflow of new assets at Delen Investments and Bank J.Van Breda & C° is expected to yield good results in the second half of the year as well.

- The dynamic of Extensa's large development projects in Brussels and Luxembourg should persist in the second half of the year, as should the further growth of elderly care activities in Belgium and France.

- Despite higher production volumes, the results of SIPEF for the second half of the year will not match those of the first six months.

The board of directors therefore expects that, barring unforeseen circumstances, the group's results for the second half of the year will be in the same range as those of the first six months.

Key figures per share

	30.06.2017	31.12.2016
Number of shares		
Number of shares	33,496,904	33,496,904
Net result per share (€)		
Net result per share		
Basic	4.03	6.77
Diluted	4.01	6.74
Dividend per share		
Gross		2.0400
Net		1.4280
Net equity per share (€)		
Net equity per share ⁽¹⁾	85.25	83.97
Evolution of the stock price (€)		
Highest	156.20	132.10
Lowest	125.75	100.50
Closing price (June 30)	146.20	132.10

⁽¹⁾ Adjusted for treasury shares in portfolio

Consolidated Income statement (by nature)

(€ 1,000)	30.06.2017	30.06.2016
Revenue	1,887,739	1,638,357
Rendering of services	99,499	85,799
Lease revenue	4,402	4,320
Real estate revenue	122,170	85,566
Interest income - banking activities	49,686	54,159
Fees and commissions - banking activities	26,228	22,885
Revenue from construction contracts	1,555,681	1,346,161
Other operating revenue	30,073	39,467
Other operating income	5,245	3,023
Interest on financial fixed assets - receivables	643	664
Dividends	4,537	2,314
Government grants	0	0
Other operating income	65	45
Operating expenses (-)	-1,776,696	-1,516,258
Raw materials and consumables used (-)	-959,998	-737,092
Changes in inventories of finished goods, raw materials & consumables (-)	4,603	18,827
Interest expenses Bank J. Van Breda & C° (-)	-13,022	-17,254
Employee expenses (-)	-390,181	-386,592
Depreciation (-)	-131,716	-127,302
Impairment losses (-)	3,163	-4,036
Other operating expenses (-)	-281,799	-265,767
Provisions	-7,747	2,959
Profit (loss) on assets/liabilities designated at fair value through profit and loss	10,529	1,435
Financial assets held for trading	0	0
Investment property	10,529	1,435
Profit (loss) on disposal of assets	48,821	14,952
Realised gain (loss) on intangible and tangible assets	2,427	832
Realised gain (loss) on investment property	-1,924	5,292
Realised gain (loss) on financial fixed assets	47,122	8,078
Realised gain (loss) on other assets	1,196	750
Profit (loss) from operating activities	175,638	141,509
Finance income	33,852	17,083
Interest income	5,156	6,842
Other finance income	28,696	10,241
Finance costs (-)	-64,335	-48,974
Interest expenses (-)	-19,406	-23,204
Other finance costs (-)	-44,929	-25,770
Derivative financial instruments designated at fair value through profit and loss	643	-1,319
Share of profit (loss) from equity accounted investments	73,395	48,895
Other non-operating income	577	714
Other non-operating expenses (-)	0	0
Profit (loss) before tax	219,771	157,908
Income taxes	-29,715	-25,009
Deferred taxes	4,106	9,873
Current taxes	-33,821	-34,882
Profit (loss) after tax from continuing operations	190,056	132,899
Profit (loss) after tax from discontinued operations	0	0
Profit (loss) of the period	190,056	132,899
Minority interests	56,551	48,194
Share of the group	133,505	84,705
Earnings per share (€)		
1. Basic earnings per share		
1.1. from continued and discontinued operations	4,03	2,56
1.2. from continued operations	4,03	2,56
2. Diluted earnings per share		
2.1. from continued and discontinued operations	4,01	2,55
2.2. from continued operations	4,01	2,55



Half-yearly financial report according to IAS 34

The half-yearly financial report for the period 01/01/17-30/06/17, which comprises besides the condensed financial statements, including all information according to IAS 34, also the interim

management report, a statement of the responsible persons and information regarding the external audit, is available on the website www.avh.be.

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 and Luxembourg) 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. Anyone who is interested to receive the press releases via email has to register to this website.

Financial calendar

November 22, 2017	Interim statement Q3 2017
February 28, 2018	Annual results 2017
May 25, 2018	Interim statement Q1 2018
August 31, 2018	Half-year results 2018
November 23, 2018	Interim statement Q3 2018

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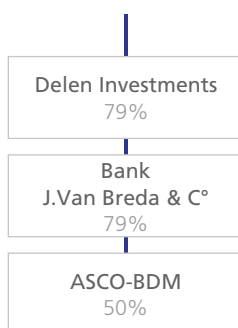
ACKERMANS & VAN HAAREN

30/06/2017

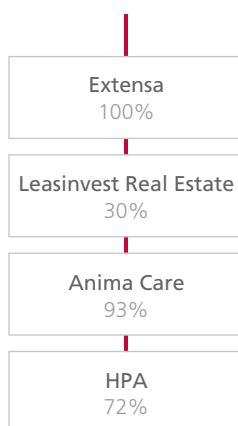
MARINE ENGINEERING & CONTRACTING



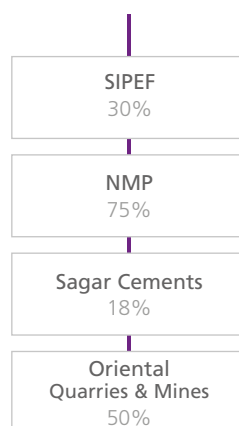
PRIVATE BANKING



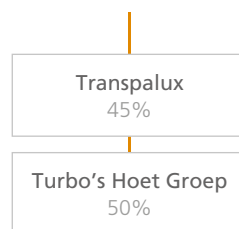
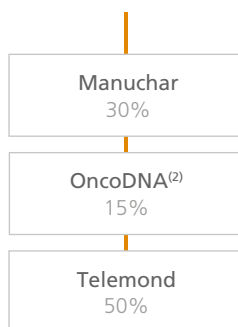
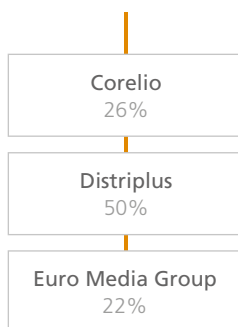
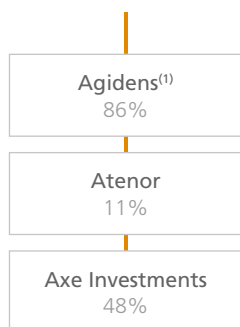
REAL ESTATE & SENIOR CARE



ENERGY & RESOURCES



AvH & GROWTH CAPITAL



⁽¹⁾ Incl. via Axe Investments
⁽²⁾ Not consolidated



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HALF-YEARLY FINANCIAL REPORT 2017

Antwerp, 31 August 2017

The half-yearly financial report was issued in accordance with article 13 of the Royal Decree of 14 November 2007.

This report contains:

- an interim annual report concerning 1) the major events which occurred during the first six months of the financial year, 2) a description of the main risks and uncertainties about the remaining months of the year as well as, if applicable, 3) an overview of the major related parties transactions;
- the condensed consolidated financial statements relating the first six months of the financial year, issued on a consolidated basis in accordance with IAS 34;
- information on the external audit;
- a declaration on behalf of the company on the condensed financial statements and the interim annual report.
- Lexicon



ACKERMANS & VAN HAAREN

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1. Consolidated income statement

(€ 1,000)	30-06-2017	30-06-2016
Revenue	1,887,739	1,638,357
Rendering of services	99,499	85,799
Lease revenue	4,402	4,320
Real estate revenue	122,170	85,566
Interest income - banking activities	49,686	54,159
Fees and commissions - banking activities	26,228	22,885
Revenue from construction contracts	1,555,681	1,346,161
Other operating revenue	30,073	39,467
Other operating income	5,245	3,023
Interest on financial fixed assets - receivables	643	664
Dividends	4,537	2,314
Government grants	0	0
Other operating income	65	45
Operating expenses (-)	-1,776,696	-1,516,258
Raw materials and consumables used (-)	-959,998	-737,092
Changes in inventories of finished goods, raw materials & consumables (-)	4,603	18,827
Interest expenses Bank J.Van Breda & C° (-)	-13,022	-17,254
Employee expenses (-)	-390,181	-386,592
Depreciation (-)	-131,716	-127,302
Impairment losses (-)	3,163	-4,036
Other operating expenses (-)	-281,799	-265,767
Provisions	-7,747	2,959
Profit (loss) on assets/liabilities designated at fair value through profit and loss	10,529	1,435
Financial assets held for trading	0	0
Investment property	10,529	1,435
Profit (loss) on disposal of assets	48,821	14,952
Realised gain (loss) on intangible and tangible assets	2,427	832
Realised gain (loss) on investment property	-1,924	5,292
Realised gain (loss) on financial fixed assets	47,122	8,078
Realised gain (loss) on other assets	1,196	750
Profit (loss) from operating activities	175,638	141,509
Finance income	33,852	17,083
Interest income	5,156	6,842
Other finance income	28,696	10,241
Finance costs (-)	-64,335	-48,974
Interest expenses (-)	-19,406	-23,204
Other finance costs (-)	-44,929	-25,770
Derivative financial instruments designated at fair value through profit and loss	643	-1,319
Share of profit (loss) from equity accounted investments	73,395	48,895
Other non-operating income	577	714
Other non-operating expenses (-)	0	0
Profit (loss) before tax	219,771	157,908
Income taxes	-29,715	-25,009
Deferred taxes	4,106	9,873
Current taxes	-33,821	-34,882
Profit (loss) after tax from continuing operations	190,056	132,899
Profit (loss) after tax from discontinued operations	0	0
Profit (loss) of the period	190,056	132,899
Minority interests	56,551	48,194
Share of the group	133,505	84,705

Earnings per share (€)		
1. Basic earnings per share		
1.1. from continued and discontinued operations	4.03	2.56
1.2. from continued operations	4.03	2.56
2. Diluted earnings per share		
2.1. from continued and discontinued operations	4.01	2.55
2.2. from continued operations	4.01	2.55

2. Consolidated statement of comprehensive income

(€ 1,000)	30-06-2017	30-06-2016
Profit (loss) of the period	190,056	132,899
Minority interests	56,551	48,194
Share of the group	133,505	84,705
Other comprehensive income	8,031	-24,578
Elements to be reclassified to profit or loss in subsequent periods		
Changes in revaluation reserve: financial assets available for sale	6,537	-1,708
Changes in revaluation reserve: hedging reserves	15,977	-19,386
Changes in revaluation reserve: translation differences	-14,348	-3,212
Elements not to be reclassified to profit or loss in subsequent periods		
Changes in revaluation reserve: actuarial gains (losses) defined benefit pension plans	-135	-273
Total comprehensive income	198,086	108,321
Minority interests	69,510	37,591
Share of the group	128,577	70,731

The recognition at fair value of financial assets available for sale yields an unrealized gain of 6.5 million euros, resulting from the accounting revaluation (since they are unrealized capital gains or losses) of financial assets which at June 30, 2017 are still in portfolio, but are available for sale. The increased value during 1H2017 is explained by the 7.7 million euros increase in value of securities which Leasinvest Real Estate has in portfolio, including its 10% stake in the listed company Retail Estates.

Hedging reserves arise from fluctuations in the fair value of hedging instruments used by several group companies to hedge against risks. Several group companies have hedged against a possible rise in interest rates. Generally speaking, the value of those hedging instruments has increased during the first half of 2017, allowing part of the negative value adjustments that were previously recognized under this item to be reversed (such as at Leasinvest Real Estate and DEME).

Translation differences arise from fluctuations in the exchange rates of group companies that report in foreign currencies. During the first half of 2017, the euro increased in value against most currencies (USD, GBP, INR,...), which is reflected in negative translation differences a.o. at Sipef, Rent-A-Port and Manuchar.

With the introduction of the amended IAS 19 accounting standard in 2013, the actuarial gains and losses on certain pension plans are recognized directly in the other comprehensive income.

3. Consolidated balance sheet - Assets

(€ 1,000)	30-06-2017	31-12-2016
I. Non-current assets	8,983,837	8,523,262
Intangible assets	178,131	166,832
Goodwill	343,517	342,539
Tangible assets	2,292,558	2,134,639
Land and buildings	478,278	475,433
Plant, machinery and equipment	1,436,345	1,488,867
Furniture and vehicles	31,155	31,411
Other tangible assets	4,366	4,364
Assets under construction and advance payments	342,100	134,301
Operating lease - as lessor (IAS 17)	314	263
Investment property	1,080,052	1,010,754
Participations accounted for using the equity method	1,188,783	1,153,300
Financial fixed assets	298,737	289,146
Available for sale financial fixed assets	123,830	113,043
Receivables and warranties	174,907	176,103
Non-current hedging instruments	6,618	3,576
Amounts receivable after one year	175,105	160,669
Trade receivables	6,521	4,230
Finance lease receivables	142,771	129,272
Other receivables	25,813	27,167
Deferred tax assets	122,843	134,236
Banks - receivables from credit institutions and clients after one year	3,297,492	3,127,572
II. Current assets	4,217,561	4,247,159
Inventories	126,457	114,536
Amounts due from customers under construction contracts	209,731	247,803
Investments	491,564	621,408
Available for sale financial assets	491,561	621,405
Financial assets held for trading	3	3
Current hedging instruments	9,407	3,551
Amounts receivable within one year	1,381,961	1,405,260
Trade debtors	1,149,764	1,166,164
Finance lease receivables	49,803	47,850
Other receivables	182,394	191,245
Current tax receivables	23,153	24,429
Banks - receivables from credit institutions and clients within one year	1,195,027	1,041,064
Banks - loans and advances to banks	83,574	74,156
Banks - loans and receivables (excluding leases)	906,712	931,915
Banks - cash balances with central banks	204,741	34,993
Cash and cash equivalents	736,583	754,315
Time deposits for less than three months	172,092	156,773
Cash	564,491	597,542
Deferred charges and accrued income	43,679	34,793
III. Assets held for sale	90,986	104,637
Total assets	13,292,383	12,875,059

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 5,194.7 million euros to the balance sheet total of 13,292.4 million euros, and although this bank is solidly capitalized with a Core Tier1 ratio of 14.4%, 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)	30-06-2017	31-12-2016
I. Total equity	3,990,078	3,916,348
Equity - group share	2,826,105	2,783,083
Issued capital	113,907	113,907
Share capital	2,295	2,295
Share premium	111,612	111,612
Consolidated reserves	2,731,249	2,682,090
Revaluation reserves	6,987	11,915
Financial assets available for sale	32,612	31,145
Hedging reserves	-11,309	-18,635
Actuarial gains (losses) defined benefit pension plans	-11,707	-11,569
Translation differences	-2,609	10,974
Treasury shares (-)	-26,038	-24,830
Minority interests	1,163,972	1,133,265
II. Non-current liabilities	2,653,024	2,675,375
Provisions	97,225	105,989
Pension liabilities	56,569	56,021
Deferred tax liabilities	242,980	256,685
Financial debts	1,444,404	1,413,303
Bank loans	954,916	892,811
Bonds	408,517	434,049
Subordinated loans	2,544	3,344
Finance leases	74,542	79,446
Other financial debts	3,886	3,654
Non-current hedging instruments	64,860	84,352
Other amounts payable after one year	49,082	54,346
Banks - non-current debts to credit institutions. clients & securities	697,905	704,680
Banks - deposits from credit institutions	0	0
Banks - deposits from clients	646,295	647,175
Banks - debt certificates including bonds	0	0
Banks - subordinated liabilities	51,610	57,505
III. Current liabilities	6,643,209	6,277,332
Provisions	47,945	37,865
Pension liabilities	228	214
Financial debts	671,758	560,632
Bank loans	324,025	299,610
Bonds	99,959	0
Finance leases	11,688	52,202
Other financial debts	236,086	208,819
Current hedging instruments	16,476	25,147
Amounts due to customers under construction contracts	222,614	222,816
Other amounts payable within one year	1,641,249	1,573,372
Trade payables	1,347,986	1,270,310
Advances received on construction contracts	4,553	3,814
Amounts payable regarding remuneration and social security	181,383	183,864
Other amounts payable	107,328	115,384
Current tax payables	54,977	51,989
Banks - current debts to credit institutions. clients & securities	3,926,067	3,727,271
Banks - deposits from credit institutions	25,378	24,422
Banks - deposits from clients	3,662,564	3,532,914
Banks - debt certificates including bonds	226,576	161,693
Banks - subordinated liabilities	11,549	8,242
Accrued charges and deferred income	61,896	78,027
IV. Liabilities held for sale	6,072	6,004
Total equity and liabilities	13,292,383	12,875,059

4. Consolidated cash flow statement (indirect method)

(€ 1,000)	30-06-2017	30-06-2016
I. Cash and cash equivalents, opening balance	754,315	704,987
Profit (loss) from operating activities	175,638	141,509
Reclassification 'Profit (loss) on disposal of assets' to cash flow from divestments	-48,821	-14,952
Dividends from participations accounted for using the equity method	61,780	12,974
Other non-operating income (expenses)	577	714
Income taxes	-22,348	-29,726
Non-cash adjustments		
Depreciation	131,716	127,302
Impairment losses	-3,081	3,908
Share based payment	311	-1,832
Profit (loss) on assets/liabilities designated at fair value through profit and loss	-10,529	-1,435
(Decrease) increase of provisions	6,535	-2,666
(Decrease) increase of deferred taxes	-4,106	-9,873
Other non-cash expenses (income)	3,021	992
Cash flow	290,694	226,916
Decrease (increase) of working capital	-60,217	-61,235
Decrease (increase) of inventories and construction contracts	25,340	42,210
Decrease (increase) of amounts receivable	13,378	34,662
Decrease (increase) of receivables from credit institutions and clients (banks)	-332,471	-219,294
Increase (decrease) of liabilities (other than financial debts)	43,225	-116,693
Increase (decrease) of debts to credit institutions, clients & securities (banks)	196,908	197,568
Decrease (increase) other	-6,597	312
Cash flow from operating activities	230,477	165,681
Investments	-585,095	-426,701
Acquisition of intangible and tangible assets	-281,905	-117,184
Acquisition of investment property	-78,041	-30,284
Acquisition of financial fixed assets	-90,901	-49,933
New amounts receivable	-12,385	-3,989
Acquisition of investments	-121,863	-225,310
Divestments	346,264	371,405
Disposal of intangible and tangible assets	4,863	2,493
Disposal of investment property	3,427	66,744
Disposal of financial fixed assets	86,795	27,756
Reimbursements of amounts receivable	5,025	23,854
Disposal of investments	246,153	250,558
Cash flow from investing activities	-238,831	-55,296
Financial operations		
Interest received	5,182	6,842
Interest paid	-26,152	-31,099
Other financial income (costs)	-15,794	-14,862
Decrease (increase) of treasury shares	-1,867	176
(Decrease) increase of financial debts	147,923	-26,128
Distribution of profits	-67,638	-64,980
Dividends paid to minority interests	-39,151	-60,096
Cash flow from financial activities	2,503	-190,147
II. Net increase (decrease) in cash and cash equivalents	-5,850	-79,762
Change in consolidation scope or method	-10,230	1,874
Capital increases (minority interests)	75	88
Impact of exchange rate changes on cash and cash equivalents	-1,727	-1,304
III. Cash and cash equivalents - ending balance	736,583	625,882

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 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		84,705						84,705	48,194	132,899
Non-realised results			-2,769	-6,904	-242	-4,059		-13,975	-10,604	-24,578
Total of realised and unrealised results	0	84,705	-2,769	-6,904	-242	-4,059	0	70,731	37,591	108,321
Distribution of dividends of the previous financial year		-64,980						-64,980	-51,476	-116,455
Operations with treasury shares							551	551		551
Other (a.o. changes in consol. scope / beneficial interest %)		1,649						1,649	14,330	15,979
Ending balance, 30 June 2016	113,907	2,517,381	29,383	-24,724	-4,154	7,337	-23,841	2,615,290	1,208,718	3,824,008

(€ 1,000)			Revaluation reserves							
	Issued capital & share premium	Consolidated reserves	Financial assets available for sale	Hedging reserves	Actuarial gains (losses) defined benefit pension plans	Translation differences	Treasury shares	Equity - group share	Minority interests	Total equity
Opening balance, 1 January 2017	113,907	2,682,090	31,145	-18,635	-11,569	10,974	-24,830	2,783,083	1,133,265	3,916,348
Profit		133,505						133,505	56,551	190,056
Non-realised results			1,467	7,326	-138	-13,583		-4,928	12,959	8,031
Total of realised and unrealised results	0	133,505	1,467	7,326	-138	-13,583	0	128,577	69,510	198,086
Distribution of dividends of the previous financial year		-67,638						-67,638	-39,151	-106,789
Operations with treasury shares							-1,208	-1,208		-1,208
Other (a.o. changes in consol. scope / beneficial interest %)		-16,708						-16,708	349	-16,359
Ending balance, 30 June 2017	113,907	2,731,249	32,612	-11,309	-11,707	-2,609	-26,038	2,826,105	1,163,972	3,990,078

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

On May 31, 2017, AvH paid a dividend of 2.04 euros per share.

In the first half of 2017, AvH bought 20,000 treasury shares to hedge stock option obligations to its staff. During that same period, beneficiaries of the stock option plan exercised options on 31,000 AvH shares. As at June 30 2017, AvH had granted options on a total of 346,000 AvH shares. To hedge that obligation, AvH had a total 341,000 treasury shares in portfolio on that same date.

In addition, 54,686 shares were purchased and 48,801 shares sold in the first six months of 2017 as part of the agreement that AvH has concluded with

Kepler Cheuvreux to support the liquidity of the AvH share. Kepler Cheuvreux acts entirely autonomously in those transactions, but as they are carried out on behalf of AvH, the net purchase of 5,885 AvH shares in this context has an impact on AvH's equity. This net purchase of 5,885 shares during 1H2017 puts the total number of shares held by AvH as part of this liquidity agreement at 8,163.

The item "Other" in the statement of changes in equity includes a.o. the eliminations of results on sales of treasury shares, the impact of the acquisition of minority interests and the impact of the measurement of the purchase obligation resting on certain shares.

6. Segment reporting

Changes in segment reporting 2016

The segment reporting as at 30/06/2016 has changed in line with the altered segment reporting at year-end 2016. See the 2016 annual report (p. 133) for more details.

Changes in H1 2017

In 1H2017, AvH increased its shareholding percentage in Sipef from 27.83% at year-end 2016 to 30.25%. This increase was realized by the purchase of 80,000 shares on the stock exchange in 1Q2017 (increase in the stake to 28.72%) and by the subscription for new Sipef shares that were publicly issued with maintenance of preferential subscription rights (increase to 30.25%). AvH acquired 629,268 new Sipef shares under this public capital increase (by exercising its own Sipef subscription rights and subscription rights purchased on the stock market). The new shareholding percentage of 30.25% will be applied in the income statement as of July 1, 2017.

In accordance with the agreements, AvH's 21.80% stake in Holding Groupe Duval, which was reported under 'held for sale' at year end 2016, was swapped in January 2017 against 23.5% in the capital of Patrimoine & Santé. In 2Q2017, those Patrimoine & Santé shares, along with those held by members of the management of Residalya, were subsequently contributed into HPA; consequently, as of June 30, 2017, HPA owns 100% of the capital of Patrimoine & Santé as well as 98.15% of Residalya. As a result of this contribution, AvH's shareholding percentage in HPA has increased further to 72.31%.

AvH's stake in Sagar Cements has decreased from 19.91% to 17.57% as a result of a capital increase subscribed to by institutional investors, after the shareholding percentage had first increased at year-end 2016 by subscribing to another part of the capital increase.

In 2Q2017, GIB (AvH 50%) transferred its entire participation in Financière Flo (controlling shareholder of the listed company Groupe Flo) to Groupe Bertrand, which became the new controlling shareholder of Groupe Flo. The participation in Financière Flo was already reported as 'held for sale' at year-end 2016.

On March 31, 2017, AvH acquired the interests in Leasinvest Real Estate and Leasinvest Real Estate Management from Extensa. Since Extensa is wholly owned by AvH, this transaction does not change the group's shareholding percentage in those companies.

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%), Leasinvest Real Estate Management (global integration 100%), Anima Care (global integration 92.5%) and HPA (global integration 72.3%). HPA is the new structure that owns 98.15% of Residalya (operation of retirement homes) and 100% of Patrimoine & Santé (which owns real estate operated by Residalya). Both Residalya and Patrimoine & Santé are fully consolidated by HPA.

Segment 4

Energy & Resources:

Sipef (equity method 30.3%), NMP (global integration 75%), AvH India Resources (global integration 100%), Sagar Cements (equity method 17.6%) 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: Agiden (86.2%)
- Participations accounted for using the equity method: Atenor (10.5%), Axe Investments (48.3%), Amsteldijk Beheer (50%), Corelio (26.2%), 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%)

6. Segment information - consolidated income statement 30-06-2017

(€ 1,000)	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5		
	Marine Engineering & Contracting	Private Banking	Real Estate & Senior Care	Energy & Resources	AvH & Growth Capital	Eliminations between segments	30-06-2017
Revenue	1,553,701	80,907	212,160	6,461	35,786	-1,277	1,887,739
Rendering of services	112		92,925	6,436	1,232	-1,205	99,499
Lease revenue		3,623	779				4,402
Real estate revenue	7,928		114,242				122,170
Interest income - banking activities		49,686					49,686
Fees and commissions - banking activities		26,228					26,228
Revenue from construction contracts	1,522,463				33,219		1,555,681
Other operating revenue	23,199	1,370	4,214	25	1,336	-71	30,073
Other operating income	3,831	360	104	0	1,120	-170	5,245
Interest on financial fixed assets - receivables	503		104		136	-100	643
Dividends	3,328	360			848		4,537
Government grants							0
Other operating income					135	-70	65
Operating expenses (-)	-1,490,311	-58,626	-174,647	-4,984	-49,475	1,347	-1,776,696
Raw materials and consumables used (-)	-854,898		-88,551	-3,312	-13,236		-959,998
Changes in inventories of finished goods, raw materials & consumables (-)	-5,287		9,889		1		4,603
Interest expenses Bank J.Van Breda & C ^o (-)		-13,022					-13,022
Employee expenses (-)	-295,156	-21,367	-55,091	-411	-18,156		-390,181
Depreciation (-)	-117,932	-2,612	-8,874	-957	-1,341		-131,716
Impairment losses (-)	11,270	-1,365	-12		-6,730		3,163
Other operating expenses (-)	-220,412	-20,260	-32,158	-303	-10,013	1,347	-281,799
Provisions	-7,896		149				-7,747
Profit (loss) on assets/liabilities designated at fair value through profit and loss	0	0	10,529	0	0	0	10,529
Financial assets held for trading							0
Investment property			10,529				10,529
Profit (loss) on disposal of assets	35,297	1,179	-1,934	355	13,924	0	48,821
Realised gain (loss) on intangible and tangible assets	2,419		-10	3	15		2,427
Realised gain (loss) on investment property			-1,924				-1,924
Realised gain (loss) on financial fixed assets	32,878		-17	352	13,909		47,122
Realised gain (loss) on other assets		1,179	17				1,196
Profit (loss) from operating activities	102,518	23,820	46,213	1,833	1,355	-100	175,638
Finance income	31,954	3	1,617	4	627	-353	33,852
Interest income	3,716	3	1,298	4	487	-353	5,156
Other finance income	28,238		318		140		28,696
Finance costs (-)	-51,057	0	-12,809	-50	-871	453	-64,335
Interest expenses (-)	-11,508		-8,066	-49	-236	453	-19,406
Other finance costs (-)	-39,549		-4,744	-1	-635		-44,929
Derivative financial instruments designated at fair value through profit and loss	0	-53	696	0	0		643
Share of profit (loss) from equity accounted investments	-13,034	50,716	1,922	29,954	3,837		73,395
Other non-operating income	0	577	0	0	0		577
Other non-operating expenses (-)	0	0	0	0	0		0
Profit (loss) before tax	70,380	75,063	37,638	31,741	4,948	0	219,771
Income taxes	-17,531	-7,921	-3,680	-515	-68	0	-29,715
Deferred taxes	5,383	-196	-1,338	4	253		4,106
Current taxes	-22,914	-7,725	-2,342	-519	-321		-33,821
Profit (loss) after tax from continuing operations	52,850	67,142	33,959	31,226	4,880	0	190,056
Profit (loss) after tax from discontinued operations	0	0	0	0	0		0
Profit (loss) of the period	52,850	67,142	33,959	31,226	4,880	0	190,056
Minority interests	25,337	14,200	15,359	1,765	-111		56,551
Share of the group	27,512	52,942	18,600	29,460	4,991		133,505

Comments on the consolidated income statement

AvH's consolidated revenue increased by 249.4 million euros to 1,887.7 million euros, which is 15.2% up on last year. This increase is primarily attributable to the higher revenue of DEME (+294.4 million euros), which started up the construction of several large offshore wind farms, of Extensa (+34.7 million euros), whose sales of residential developments on the Tour & Taxis and Cloche d'Or sites are going well, and of the Anima Care and HPA retirement groups, which increased their turnover by 10.8 million euros and 5.3 million euros respectively thanks to external growth.

The increase in revenue went hand in hand with an increase in operating expenses by 260.4 million euros (+17.2%). This increase in operating expenses is to be found primarily in the 'Marine Engineering & Contracting' and 'Real Estate & Senior Care' segments, which also reported increased revenue.

AvH recognized an impairment of 6.7 million euros following its exit from Financière Flo (the controlling shareholder of Groupe Flo), having in 2016 already brought the value of its participation into line with the market value of Groupe Flo as at 31/12/2016. Bank J. Van Breda & C° recognized an impairment of 1.4 million euros on its loan portfolio, which is more than last year, but still very limited (3 bps) considering the total volume of outstanding loans. The collection of some outstanding receivables by CFE made it possible to reverse the provisions that had been constituted in previous years, with on balance even a positive impact on the operating result of the item 'impairment losses'.

The valuation at fair value of the investment properties of Leasinvest Real Estate and Extensa (particularly as regards the 'Herman Teirlinck' property that is still under construction on the Tour & Taxis site) produced a gain of 10.5 million euros for the first half of 2017.

The operating result at June 30 also includes capital gains of 48.8 million euros realized by AvH on the sale of its stake in Ogeda (formerly Euroscreen), by Leasinvest Real Estate on the sale of the Vierwinden Business Park, and by CFE on the disposal of its stakes in the development projects 'Kons' in Luxembourg and 'Oosteroever' in Ostend.

The balance of finance income less finance costs is slightly less negative than last year.

In 1H2017, the equity accounted companies continued to make a substantial contribution to the group result. Their contribution amounts to 73.4 million euros, which is 24.5 million euros more than in 1H2016. This trend reflects the good results for the first six months of Delen Investments and Sipef (including a non-recurring remeasurement gain). The negative contribution in the 'Marine Engineering & Contracting' segment is attributable to DEME, which reports under this item its share in the results of Merkur Offshore and Rentel, which in the past few months started work on the construction of a large offshore wind farm, and also its stake in the Medco-JV in Qatar.

The income taxes had an impact of 29.7 million euros on the result (1H2016: 25.0 million euros). It should be pointed out in this connection that the contribution of the equity-accounted companies is calculated on their profit after tax, and that the result for the first six months includes capital gains of 48.8 million euros on the disposal of participations.

Segment information - consolidated income statement 30-06-2016

(€ 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	30-06-2016
Revenue	1,353,056	81,968	159,843	7,089	37,796	-1,395	1,638,357
Rendering of services	1,594		77,124	7,053	1,353	-1,325	85,799
Lease revenue		3,521	799				4,320
Real estate revenue	7,662		77,904				85,566
Interest income - banking activities		54,159					54,159
Fees and commissions - banking activities		22,885					22,885
Revenue from construction contracts	1,311,284				34,877		1,346,161
Other operating revenue	32,516	1,403	4,015	37	1,566	-70	39,467
Other operating income	43	1,105	1,176	1	797	-99	3,023
Interest on financial fixed assets - receivables	-21		584		131	-29	664
Dividends	64	1,105	592	1	552		2,314
Government grants							0
Other operating income					115	-70	45
Operating expenses (-)	-1,282,250	-57,890	-129,331	-5,678	-42,574	1,465	-1,516,258
Raw materials and consumables used (-)	-674,251		-46,700		-16,141		-737,092
Changes in inventories of finished goods, raw materials & consumables (-)	18,896		-68		-2		18,827
Interest expenses Bank J. Van Breda & C ^o (-)		-17,254					-17,254
Employee expenses (-)	-305,619	-20,215	-43,811	-353	-16,594		-386,592
Depreciation (-)	-113,264	-2,834	-8,944	-955	-1,305		-127,302
Impairment losses (-)	-3,523	-223	-290				-4,036
Other operating expenses (-)	-207,393	-17,364	-29,527	-4,371	-8,578	1,465	-265,767
Provisions	2,904		10		46		2,959
Profit (loss) on assets/liabilities designated at fair value through profit and loss	372	0	1,063	0	0	0	1,435
Financial assets held for trading							0
Investment property	372		1,063				1,435
Profit (loss) on disposal of assets	9,553	827	5,305	0	-734	0	14,952
Realised gain (loss) on intangible and tangible assets	829		-16		19		832
Realised gain (loss) on investment property			5,292				5,292
Realised gain (loss) on financial fixed assets	8,724		29		-675		8,078
Realised gain (loss) on other assets		827			-77		750
Profit (loss) from operating activities	80,774	26,010	38,057	1,413	-4,715	-29	141,509
Finance income	15,299	6	1,501	14	280	-18	17,083
Interest income	5,256	6	1,392	14	192	-18	6,842
Other finance income	10,044		109		88		10,241
Finance costs (-)	-36,533	0	-11,430	-68	-990	47	-48,974
Interest expenses (-)	-15,065		-7,866	-56	-263	47	-23,204
Other finance costs (-)	-21,467		-3,564	-12	-726		-25,770
Derivative financial instruments designated at fair value through profit and loss	0	-562	-757	0	0		-1,319
Share of profit (loss) from equity accounted investments	6,570	42,607	-353	3,131	-3,060		48,895
Other non-operating income	0	714	0	0	0		714
Other non-operating expenses (-)	0	0	0	0	0		0
Profit (loss) before tax	66,111	68,774	27,018	4,490	-8,484	0	157,908
Income taxes	-12,008	-8,940	-3,198	-412	-452	0	-25,009
Deferred taxes	12,550	-1,988	-702	-125	139		9,873
Current taxes	-24,557	-6,952	-2,496	-287	-591		-34,882
Profit (loss) after tax from continuing operations	54,103	59,835	23,820	4,077	-8,936	0	132,899
Profit (loss) after tax from discontinued operations	0	0	0	0	0		0
Profit (loss) of the period	54,103	59,835	23,820	4,077	-8,936	0	132,899
Minority interests	20,569	12,768	15,079	278	-500		48,194
Share of the group	33,534	47,066	8,741	3,799	-8,435		84,705

Segment information - consolidated balance sheet 30-06-2017 - 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	30-06-2017
I. Non-current assets	2,561,632	4,239,915	1,705,647	220,235	262,790	-6,381	8,983,837
Intangible assets	92,538	3,991	81,603				178,131
Goodwill	177,060	134,247	32,210				343,517
Tangible assets	1,840,734	40,191	372,619	11,306	27,708		2,292,558
Investment property			1,080,052				1,080,052
Participations accounted for using the equity method	139,583	636,504	18,124	208,783	185,790		1,188,783
Financial fixed assets	170,758	818	96,036		37,506	-6,381	298,737
Available for sale financial fixed assets	16,717	3	95,026		12,084		123,830
Receivables and warranties	154,041	815	1,011		25,422	-6,381	174,907
Non-current hedging instruments	1,333	4,009	1,276				6,618
Amounts receivable after one year	23,520	119,449	23,625		8,511		175,105
Trade receivables	1,981				4,540		6,521
Finance lease receivables		119,449	23,322				142,771
Other receivables	21,539		303		3,971		25,813
Deferred tax assets	116,106	3,214	102	146	3,275		122,843
Banks - receivables from credit institutions and clients after one year		3,297,492					3,297,492
II. Current assets	1,980,908	1,771,044	532,126	27,516	142,559	-236,592	4,217,561
Inventories	107,994		18,075		387		126,457
Amounts due from customers under construction contracts	43,550		159,478		6,703		209,731
Investments	3	451,656	624		39,280		491,564
Available for sale financial assets		451,656	624		39,280		491,561
Financial assets held for trading	3						3
Current hedging instruments	8,933	474					9,407
Amounts receivable within one year	1,164,562	110,011	257,545	23,180	62,990	-236,327	1,381,961
Trade debtors	1,090,918		38,653	4,574	16,826	-1,207	1,149,764
Finance lease receivables		49,528	275				49,803
Other receivables	73,644	60,483	218,618	18,606	46,164	-235,120	182,394
Current tax receivables	16,120	2,668	3,545	24	796		23,153
Banks - receivables from credit institutions and clients within one year		1,195,027					1,195,027
Banks - loans and advances to banks		83,574					83,574
Banks - loans and receivables (excl. finance leases)		906,712					906,712
Banks - cash balances with central banks		204,741					204,741
Cash and cash equivalents	607,227	4,059	90,097	4,213	30,987		736,583
Time deposits for less than three months	155,273	1	3		16,815		172,092
Cash	451,954	4,058	90,094	4,213	14,172		564,491
Deferred charges and accrued income	32,519	7,149	2,761	99	1,415	-265	43,679
III. Assets held for sale	19,916		71,070				90,986
Total assets	4,562,455	6,010,959	2,308,842	247,751	405,349	-242,974	13,292,383

Segment information - consolidated balance sheet 30-06-2017 - 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	30-06-2017
I. Total equity	1,549,990	1,339,981	808,662	238,614	52,832		3,990,078
Shareholders' equity - group share	942,499	1,085,982	516,806	230,917	49,902		2,826,105
Issued capital					113,907		113,907
Share capital					2,295		2,295
Share premium					111,612		111,612
Consolidated reserves	959,561	1,083,050	511,424	222,060	-44,846		2,731,249
Revaluation reserves	-17,062	2,932	5,382	8,857	6,878		6,987
Financial assets available for sale		2,941	13,748		15,923		32,612
Hedging reserves	-400	-250	-10,597		-63		-11,309
Actuarial gains (losses) defined benefit pension plans	-11,878	-49	-8	-731	959		-11,707
Translation differences	-4,785	290	2,239	9,588	-9,941		-2,609
Treasury shares (-)					-26,038		-26,038
Minority interests	607,491	253,998	291,856	7,697	2,930		1,163,972
II. Non-current liabilities	942,043	723,033	952,271	4,717	37,341	-6,381	2,653,024
Provisions	84,571	3,588	6,468		2,597		97,225
Pension liabilities	51,698	3,675	711	429	56		56,569
Deferred tax liabilities	138,005	704	102,456		1,815		242,980
Financial debts	653,984		787,949	4,288	4,565	-6,381	1,444,404
Bank loans	391,851		558,777	4,288			954,916
Bonds	202,739		205,778				408,517
Subordinated loans	1,294		1,250				2,544
Finance leases	48,590		21,387		4,565		74,542
Other financial debts	9,510		757			-6,381	3,886
Non-current hedging instruments	12,839	9,363	42,658				64,860
Other amounts payable after one year	946	7,798	12,029		28,308		49,082
Banks - debts to credit institutions, clients & securities		697,905					697,905
Banks - deposits from credit institutions							0
Banks - deposits from clients		646,295					646,295
Banks - debt certificates including bonds							0
Banks - subordinated liabilities		51,610					51,610
III. Current liabilities	2,064,350	3,947,946	547,910	4,420	315,176	-236,592	6,643,209
Provisions	47,860	11	74				47,945
Pension liabilities		220	8				228
Financial debts	238,296		406,836	1,440	104,697	-79,511	671,758
Bank loans	114,694		207,891	1,440			324,025
Bonds	99,959						99,959
Finance leases	7,656		2,486		1,546		11,688
Other financial debts	15,987		196,459		103,151	-79,511	236,086
Current hedging instruments	15,314	846	316				16,476
Amounts due to customers under construction contracts	213,580				9,033		222,614
Other amounts payable within one year	1,476,960	12,798	105,259	2,456	200,592	-156,816	1,641,249
Trade payables	1,278,770	14	61,645	1,065	7,699	-1,207	1,347,986
Advances received	0		3,377	1,176			4,553
Amounts payable regarding remuneration and social security	147,937	8,495	19,463	215	5,273		181,383
Other amounts payable	50,253	4,289	20,775		187,620	-155,609	107,328
Current tax payables	33,384	1,854	19,316	223	199		54,977
Banks - debts to credit institutions, clients & securities		3,926,067					3,926,067
Banks - deposits from credit institutions		25,378					25,378
Banks - deposits from clients		3,662,564					3,662,564
Banks - debt certificates including bonds		226,576					226,576
Banks - subordinated liabilities		11,549					11,549
Accrued charges and deferred income	38,955	6,149	16,102	300	655	-265	61,896
IV. Liabilities held for sale	6,072						6,072
Total equity and liabilities	4,562,455	6,010,959	2,308,842	247,751	405,349	-242,974	13,292,383

Comments on the segment information - balance sheet

The full consolidation of AvH's interest in Bank J.Van Breda & C°, which because of its specific (banking) activity has a substantially larger balance sheet total than the other group companies, has a major impact on the presentation of the consolidated balance sheet. Of the consolidated balance sheet total of 13,292.4 million euros at June 30, 2017, 5,194.7 million euros comes directly from the balance sheet of Bank J.Van Breda & C°. A number of items from the balance sheet of Bank J.Van Breda & C° are summarized under separate items for distinction purposes.

The balance sheet total of AvH increased again in the first half of 2017, from 12,875.1 million euros at year-end 2016 to 13,292.4 million euros at June 30, 2017. This increase is entirely accounted for by the non-current assets, which increased by 460.6 million euros.

The continuing expansion in the retirement home segment is reflected in an increased number of 'beds' in operation and in additional licences at both Anima Care and Residalya. Consequently, the intangible assets of this segment increased by 15.5 million euros during the first six months and together represent 81.6 million euros at June 30, 2017.

The tangible assets increased by 157.9 million euros, of which 150.2 million euros is accounted for by DEME, which in the first half of 2017 continued to implement its investment programme for the modernization and expansion of its fleet.

The real estate portfolio (excluding leases and real estate held for sale) of Leasinvest Real Estate continued to grow (31.6 million euros), primarily with the acquisition of the Mercator building in Luxembourg. The increase (37.7 million euros) of Extensa's investment property is almost entirely explained by the investment during the first half of 2017 in the office building 'Herman Teirlinck', which is under construction on the Tour & Taxis site.

The total of the equity accounted companies increased by just 35.5 million euros during the first six months. It should be pointed out that since several group companies paid out a dividend in the course of the first six months, the increase in the equity method value turned out lower than their contribution to the group's profit.

The good commercial performance of Bank J.Van Breda & C° is reflected in an increase in short and long-term lending to clients by 3.7% (+ 158.2 million euros). The current low interest income from low-risk investments explains why in the first half of 2017 Bank J.Van Breda & C° held more cash in the form of deposits with the National Bank of Belgium rather than investing it in government bonds.

As was already the case at the end of 2016, the logistics buildings of Leasinvest Real Estate and a property position of CFE are reported as held for sale. At year-end 2016, this item also included AvH's stakes in Holding Groupe Duval and in Financière Flo. At June 30, 2017, Leasinvest Real Estate also reported its building on Prins Boudewijnlaan in Wilrijk as held for sale.

For an explanation of the changes in the consolidated equity of AvH, see Note 5 on p. 24 of this report.

The long-term financial debts of the Group increased in 1H2017 by 31.1 million euros and the short-term debts by 111.1 million euros. The 'Real Estate & Senior Care' segment accounts for 96.3 million euros of this increase, which is explained by the loans that were taken out for the expansion of the retirement home activities of Anima Care and HPA (Residalya - Patrimoine & Santé), the further expansion of the real estate portfolio of Leasinvest Real Estate, and the additional investments by Extensa in its real estate developments. Furthermore, the financial debts of DEME also increased by 70.6 million euros as a result of the investments in the expansion of the fleet, which is partly financed with borrowed capital. The increased financial debt in the AvH & Growth Capital segment is primarily explained by the increased deposits by group companies with AvH Coordination Center: the 104.7 million euro short-term financial debts of this segment at June 30, 2017, consist of 37.5 million euros in commercial paper, 65.7 million euros in deposits received from group companies, while the remainder is accounted for by the

fully consolidated Agidens.

In May 2017, Extensa refinanced part of its bank debts by issuing a medium-term bond of 75 million euros. The bond of 100 million euros which CFE issued in 2012 matures on June 21, 2018, and was therefore reclassified to short-term debts.

The solid commercial growth of Bank J.Van Breda & C° can also be seen on the liabilities side of the balance sheet: the deposits (and CP) received from clients and other credit institutions showed an overall increase of 191.0 million euros. The increase, however, is exclusively short term.

The increase in other amounts payable within one year is almost entirely attributable to the increase in trade payables, which is explained by the development of the Group's activities. The 'other amounts payable' decreased slightly compared with last year. On March 31, 2017, AvH acquired the interests in Leasinvest Real Estate and Leasinvest Real Estate Management from Extensa Group. Since payment of this acquisition had not yet taken place on June 30, 2017, this gave rise to a debt from the 'AvH and Growth Capital' segment towards 'Real Estate & Senior Care', which however is eliminated in the consolidated financial statements.

Segment information - consolidated balance sheet 31-12-2016 - 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
I. Non-current assets	2,456,874	4,050,951	1,598,499	174,483	248,792	-6,336	8,523,262
Intangible assets	95,516	5,179	66,136		1		166,832
Goodwill	177,060	134,247	31,232				342,539
Tangible assets	1,697,794	40,054	359,876	9,231	27,683		2,134,639
Investment property			1,010,754				1,010,754
Participations accounted for using the equity method	159,540	633,263	15,933	165,113	179,450		1,153,300
Financial fixed assets	172,125	625	88,952		33,780	-6,336	289,146
Available for sale financial fixed assets	16,578	3	88,237		8,225		113,043
Receivables and warranties	155,547	622	715		25,554	-6,336	176,103
Non-current hedging instruments	510	1,481	1,584				3,576
Amounts receivable after one year	26,143	105,906	23,623		4,997		160,669
Trade receivables	1,884				2,346		4,230
Finance lease receivables		105,906	23,366				129,272
Other receivables	24,259		256		2,651		27,167
Deferred tax assets	128,184	2,624	409	138	2,881		134,236
Banks - receivables from credit institutions and clients after one year		3,127,572					3,127,572
II. Current assets	2,013,435	1,708,521	375,617	32,522	155,094	-38,029	4,247,159
Inventories	96,613		17,516		407		114,536
Amounts due from customers under construction contracts	56,019		189,742		2,042		247,803
Investments	3	582,069	317		39,019		621,408
Available for sale financial assets		582,069	317		39,019		621,405
Financial assets held for trading	3						3
Current hedging instruments	2,324	1,227					3,551
Amounts receivable within one year	1,174,961	71,569	98,247	26,416	71,848	-37,781	1,405,260
Trade debtors	1,105,991		34,373	4,781	22,583	-1,563	1,166,164
Finance lease receivables		47,303	547				47,850
Other receivables	68,970	24,266	63,327	21,635	49,265	-36,218	191,245
Current tax receivables	18,954		4,515	26	933		24,429
Banks - receivables from credit institutions and clients within one year		1,041,064					1,041,064
Banks - loans and advances to banks		74,156					74,156
Banks - loans and receivables (excl. finance leases)		931,915					931,915
Banks - cash balances with central banks		34,993					34,993
Cash and cash equivalents	639,458	5,857	63,191	6,046	39,762		754,315
Time deposits for less than three months	124,658	1	4,853		27,261		156,773
Cash	514,801	5,856	58,338	6,046	12,501		597,542
Deferred charges and accrued income	25,101	6,734	2,089	34	1,083	-248	34,793
III. Assets held for sale	21,416		75,191		8,031		104,637
Total assets	4,491,724	5,759,472	2,049,307	207,005	411,917	-44,366	12,875,059

Segment information - consolidated balance sheet 31-12-2016 - 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
I. Total equity	1,550,265	1,277,714	633,966	194,112	260,290		3,916,348
Shareholders' equity - group share	947,977	1,036,961	354,349	186,609	257,186		2,783,083
Issued capital					113,907		113,907
Share capital					2,295		2,295
Share premium					111,612		111,612
Consolidated reserves	968,111	1,032,278	354,278	167,855	159,568		2,682,090
Revaluation reserves	-20,133	4,683	71	18,754	8,541		11,915
Financial assets available for sale		4,053	11,446	-9	15,656		31,145
Hedging reserves	-4,939	-337	-13,282		-77		-18,635
Actuarial gains (losses) defined benefit pension plans	-11,878	-49	-19	-664	1,041		-11,569
Translation differences	-3,317	1,016	1,926	19,427	-8,079		10,974
Treasury shares (-)					-24,830		-24,830
Minority interests	602,287	240,753	279,617	7,503	3,104		1,133,265
II. Non-current liabilities	1,003,847	732,951	897,578	8,354	38,981	-6,336	2,675,375
Provisions	91,968	3,588	6,297		4,135		105,989
Pension liabilities	51,544	3,404	606	407	60		56,021
Deferred tax liabilities	153,792	283	97,957	2,940	1,713		256,685
Financial debts	681,798		727,785	5,008	5,049	-6,336	1,413,303
Bank loans	315,577		572,227	5,008			892,811
Bonds	303,537		130,512				434,049
Subordinated loans	1,294		2,050				3,344
Finance leases	51,808		22,589		5,049		79,446
Other financial debts	9,583		407			-6,336	3,654
Non-current hedging instruments	18,988	14,148	51,215				84,352
Other amounts payable after one year	5,756	6,848	13,717		28,024		54,346
Banks - debts to credit institutions, clients & securities		704,680					704,680
Banks - deposits from credit institutions							0
Banks - deposits from clients		647,175					647,175
Banks - debt certificates including bonds							0
Banks - subordinated liabilities		57,505					57,505
III. Current liabilities	1,931,608	3,748,807	517,763	4,538	112,645	-38,029	6,277,332
Provisions	37,758	34	74				37,865
Pension liabilities		206	8				214
Financial debts	170,021		370,673	1,440	54,715	-36,218	560,632
Bank loans	107,246		190,924	1,440			299,610
Bonds							0
Finance leases	48,122		2,583		1,498		52,202
Other financial debts	14,653		177,166		53,218	-36,218	208,819
Current hedging instruments	23,515	1,632					25,147
Amounts due to customers under construction contracts	218,377				4,439		222,816
Other amounts payable within one year	1,393,472	13,511	112,534	2,839	52,578	-1,563	1,573,372
Trade payables	1,200,026	4	57,964	1,568	12,311	-1,563	1,270,310
Advances received			2,638	1,176			3,814
Amounts payable regarding remuneration and social security	149,279	7,947	17,378	95	9,165		183,864
Other amounts payable	44,168	5,560	34,554		31,102		115,384
Current tax payables	32,885	1,070	17,509	156	369		51,989
Banks - debts to credit institutions, clients & securities		3,727,271					3,727,271
Banks - deposits from credit institutions		24,422					24,422
Banks - deposits from clients		3,532,914					3,532,914
Banks - debt certificates including bonds		161,693					161,693
Banks - subordinated liabilities		8,242					8,242
Accrued charges and deferred income	55,579	5,083	16,966	103	544	-248	78,027
IV. Liabilities held for sale	6,004						6,004
Total equity and liabilities	4,491,724	5,759,472	2,049,307	207,005	411,917	-44,366	12,875,059

Segment information - consolidated cash flow statement 30-06-2017

(€ 1,000)	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5		
	Marine Engineering & Contracting	Private Banking	Real Estate & Senior Care	Energy & Resources	AvH & Growth Capital	Eliminations between segments	30-06-2017
I. Cash and cash equivalents - opening balance	639,458	5,857	63,191	6,046	39,762		754,315
Profit (loss) from operating activities	102,518	23,820	46,213	1,833	1,355	-100	175,638
Reclassification 'Profit (loss) on disposal of assets' to cash flow from divestments	-35,297	-1,179	1,934	-355	-13,924		-48,821
Dividends from participations accounted for using the equity method	7,652	46,386		181	7,561		61,780
Other non-operating income (expenses)		577					577
Income taxes	-10,164	-7,921	-3,680	-515	-68		-22,348
Non-cash adjustments							
Depreciation	117,932	2,612	8,874	957	1,341		131,716
Impairment losses	-11,270	1,362	97		6,730		-3,081
Share based payment		-50			361		311
Profit (loss) on assets/liabilities designated at fair value through profit and loss			-10,529				-10,529
(Decrease) increase of provisions	8,055	285	-74		-1,731		6,535
(Decrease) increase of deferred taxes	-5,383	196	1,338	-4	-253		-4,106
Other non-cash expenses (income)	-14	2,852	88	10	85		3,021
Cash flow	174,029	68,940	44,261	2,107	1,457	-100	290,694
Decrease (increase) of working capital	67,752	-191,340	-128,851	3,055	146,261	42,907	-60,217
Decrease (increase) of inventories and construction contracts	-3,709		29,095		-47		25,340
Decrease (increase) of amounts receivable	20,644	-54,652	-153,299	3,238	-1,455	198,903	13,378
Decrease (increase) of receivables from credit institutions and clients (banks)		-332,471					-332,471
Increase (decrease) of liabilities (other than financial debts)	55,284	568	-4,300	-315	147,985	-155,996	43,225
Increase (decrease) of debts to credit institutions, clients & securities (banks)		196,908					196,908
Decrease (increase) other	-4,467	-1,693	-347	132	-222		-6,597
Cash flow from operating activities	241,781	-122,399	-84,590	5,162	147,717	42,807	230,477
Investments	-282,880	-123,623	-128,457	-43,459	-6,676		-585,095
Acquisition of intangible and tangible assets	-268,685	-1,567	-7,226	-3,035	-1,393		-281,905
Acquisition of investment property			-78,041				-78,041
Acquisition of financial fixed assets	-2,252		-42,985	-40,425	-5,239		-90,901
New amounts receivable	-11,942	-193	-205		-45		-12,385
Acquisition of investments		-121,863					-121,863
Divestments	48,420	244,236	27,683	10,578	15,348		346,264
Disposal of intangible and tangible assets	4,706	6	106	3	42		4,863
Disposal of investment property	1,500		1,927				3,427
Disposal of financial fixed assets	38,785		22,378	10,574	15,058		86,795
Reimbursements of amounts receivable	3,429		1,348		248		5,025
Disposal of investments		244,230	1,923		0		246,153
Cash flow from investing activities	-234,459	120,613	-100,774	-32,882	8,671		-238,831
Financial operations							
Interest received	3,725	3	1,316	4	487	-353	5,182
Interest paid	-18,278		-8,042	-49	-236	453	-26,152
Other financial income (costs)	-9,913		-5,440	-1	-440		-15,794
Decrease (increase) of treasury shares					-1,867		-1,867
(Decrease) increase of financial debts	44,986		97,066	-720	49,498	-42,907	147,923
Distribution of profits	0				-67,638		-67,638
Dividends paid intra group	-36,172		-7,262	-1,247	44,681		0
Dividends paid to minority interests	-21,554		-17,073	-416	-109		-39,151
Cash flow from financial activities	-37,206	3	60,566	-2,429	24,377	-42,807	2,503
II. Net increase (decrease) in cash and cash equivalents	-29,885	-1,784	-124,798	-30,148	180,765		-5,850
Transfer between segments			149,100	40,425	-189,525		0
Change in consolidation scope or method	-234	-15	2,119	-12,100			-10,230
Capital increases (minorities)			75				75
Impact of exchange rate changes on cash and cash equivalents	-2,113		410	-9	-16		-1,727
III. Cash and cash equivalents - ending balance	607,227	4,059	90,097	4,213	30,987		736,583

Comments on the segment information - consolidated cash flow statement

During the first half of 2017, AvH realized a consolidated cash flow of 290.7 million euros, which is a 63.8 million euro increase (+28.1%) compared with the first half of 2016.

48.8 million euros of this increase is explained by higher dividends received from equity accounted companies. Unlike in 1H2016, Finaxis already received a dividend from Delen Investments (46.4 million euros) in the first half of 2017. Higher dividends were received from o.a. Sipef, Turbo's Hoet Groep, Atenor, Manuchar and Telemond.

The operating profit in 1H2017 amounted to 175.6 million euros, contributing 34.1 million euros more towards the cash flow than in the same period last year. This increase, however, consists almost entirely (33.9 million euros) of cash flow from divestments. The divestments in the first half of 2017 consist primarily of the disposal by CFE of its stake in the companies developing the real estate projects Oosteroever in Ostend and Kons in Luxembourg, the partial downsizing by Bank J.Van Breda & C° of its investment portfolio, the sale of the Vierwinden building by Leasinvest Real Estate, and the disposal by AvH of its 3.0% interest in Ogeda.

CFE in particular, and to a lesser extent DEME, received payments in 1H2017 on receivables on which impairments had been recognized in previous periods. Bank J.Van Breda & C° and AvH recognized impairments in respect of loan losses (1.4 million euros) and 6.7 million euros following the exit from Financière Flo/Groupe Flo (participation held through GIB).

The adjustment of the cash flow for gains arising from fair value adjustments to assets amounted to 10.5 million euros (9.1 million euros more than in 1H2016). The fair value adjustment in 1H2017 consists primarily of the increase in value of the office building 'Herman Teirlinck', which is under construction on the Tour & Taxis site, and of the real estate portfolio of Leasinvest Real Estate.

In 1H2017, CFE constituted 7.8 million euros worth of new provisions for risks that were identified in the execution of projects. In 1H2017, AvH did not reverse any of the provisions for contingent liabilities that were recognized in 2013 upon the acquisition of control over CFE.

The working capital of AvH increased on balance by 60.2 million euros. Bank J.Van Breda & C° accounts for 146.3 million euros of this increase, which is explained by increased lending (158.2 million euros), which is growing faster than the incoming client deposits (126.2 million euros), as well as by a downsizing of part of the investment portfolio of Bank J.Van Breda & C°, which was converted into deposits with the National Bank of Belgium. This trend also clearly emerges from the investment cash flow in the 'Private Banking' segment. At 30/6/2017, Finaxis had an outstanding receivable of 46.6 million euros from group company AvH Coordination Center (an increase of 45.9 million euros), while Extensa Group had an outstanding receivable of 155.6 million euros from AvH. Both these receivables are eliminated in consolidation.

In 1H2017, the investments amounted to 585.1 million euros. After adjustment for the acquisition of investments by Bank J.Van Breda & C° as part of its ALM policy, there remains 463.2 million euros, which is substantially higher than the 201.7 million euros in 1H2016. DEME again invested heavily (261.4 million euros) in the further modernization and expansion of its fleet. In the 'Real Estate & Senior Care' segment, too, investments were stepped up: Leasinvest Real Estate bought the Mercator building in Luxembourg, and made additional investments in the redevelopment of two properties in Brussels. In 1H2017, Extensa invested in the further completion of the office building Herman Teirlinck. Anima Care and HPA expanded their network of retirement homes by acquiring new residences. AvH increased its stake in Patrimoine & Santé by swapping its last remaining Holding Groupe Duval shares (which were held for sale) and subsequently contributed those shares into HPA. AvH also invested 40.4 million euros in the capital increase and the increase of its stake in Sipef.

The divestments in 1H2017 yielded 346.3 million euros. Discounting the downsizing by Bank J.Van Breda & C° of its investment portfolio, which was

explained earlier, the divestments amounted to 102.0 million euros. The main divestments in 1H2017 were the disposal by CFE of its stakes in the property development companies of Oosteroever and Kons, the disposal by AvH of the Holding Groupe Duval shares, the disposal by Nationale Maatschappij der Pijpleidingen of its subsidiary Canal Re, and the disposal by AvH of its 3% stake in Ogeda (formerly Euroscreen).

There was a decrease in the interest cost, despite a 147.9 million euro increase in financial debt compared with year-end 2016. On balance (interest received less interest paid), too, the interest cost was 3.3 million euros lower, primarily thanks to more favourable financing conditions in the 'Marine Engineering & Contracting' segment.

End of May, AvH paid a dividend of 2.04 euros per share. This represented (taking into account the treasury shares in portfolio) an outlay of 67.6 million euros (2.7 million euros more than in 2016).

The dividends paid to minority interests amounted to 39.2 million euros in 1H2017, and consisted primarily of the dividends that are paid outside the group by CFE (21.6 million euros), Leasinvest Real Estate (16.9 million euros) and Nationale Maatschappij der Pijpleidingen (0.4 million euros).

Segment information - consolidated cash flow statement 30-06-2016

(€ 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	30-06-2016
I. Cash and cash equivalents - opening balance	519,386	7,292	58,691	4,984	114,633		704,987
Profit (loss) from operating activities	80,774	26,010	38,057	1,413	-4,715	-29	141,509
Reclassification 'Profit (loss) on disposal of assets' to cash flow from divestments	-9,553	-827	-5,305		734		-14,952
Dividends from participations accounted for using the equity method	7,879			409	4,687		12,974
Other non-operating income (expenses)		714					714
Income taxes	-16,725	-8,940	-3,198	-412	-452		-29,726
Non-cash adjustments							
Depreciation	113,264	2,834	8,944	955	1,305		127,302
Impairment losses	3,523	321	64				3,908
Share based payment	26	-2,250			392		-1,832
Profit (loss) on assets/liabilities designated at fair value through profit and loss	-372		-1,063				-1,435
(Decrease) increase of provisions	-2,812	138	55		-46		-2,666
(Decrease) increase of deferred taxes	-12,550	1,988	702	125	-139		-9,873
Other non-cash expenses (income)	-1,183	3,071	-291	-20	-585		992
Cash flow	162,271	23,059	37,965	2,470	1,181	-29	226,916
Decrease (increase) of working capital	-32,921	-50,072	11,963	2,930	-4,945	11,811	-61,235
Decrease (increase) of inventories and construction contracts	20,720		21,331		160		42,210
Decrease (increase) of amounts receivable	57,689	-20,288	-16,331	3,007	-1,849	12,436	34,662
Decrease (increase) of receivables from credit institutions and clients (banks)		-219,294					-219,294
Increase (decrease) of liabilities (other than financial debts)	-115,189	-555	3,004	-94	-3,233	-625	-116,693
Increase (decrease) of debts to credit institutions, clients & securities (banks)		197,568					197,568
Decrease (increase) other	3,860	-7,503	3,960	17	-22		312
Cash flow from operating activities	129,349	-27,013	49,928	5,399	-3,765	11,782	165,681
Investments	-121,877	-226,772	-69,413	-406	-8,859	625	-426,701
Acquisition of intangible and tangible assets	-110,181	-1,555	-4,000	-127	-1,322		-117,184
Acquisition of investment property			-30,284				-30,284
Acquisition of financial fixed assets	-9,821		-32,971	-279	-6,862		-49,933
New amounts receivable	-1,875	-227	-1,837		-675	625	-3,989
Acquisition of investments		-224,990	-320				-225,310
Divestments	34,045	250,232	81,003	0	6,125		371,405
Disposal of intangible and tangible assets	1,982		487		24		2,493
Disposal of investment property	1,291		65,453				66,744
Disposal of financial fixed assets	10,530		14,951		2,275		27,756
Reimbursements of amounts receivable	20,242		112		3,500		23,854
Disposal of investments		250,232			326		250,558
Cash flow from investing activities	-87,832	23,460	11,591	-406	-2,734	625	-55,296
Financial operations							
Interest received	5,255	6	1,392	14	192	-18	6,842
Interest paid	-22,865		-7,961	-56	-263	47	-31,099
Other financial income (costs)	-11,423		-2,789	-11	-638		-14,862
Decrease (increase) of treasury shares					176		176
(Decrease) increase of financial debts	4,060		-32,468	-724	15,440	-12,436	-26,128
Distribution of profits					-64,980		-64,980
Dividends paid intra group	-37,295	0	-175	-1,055	38,525		0
Dividends paid to minority interests	-24,060	0	-16,293	-352	-19,392		-60,097
Cash flow from financial activities	-86,328	6	-58,294	-2,184	-30,941	-12,407	-190,147
II. Net increase (decrease) in cash and cash equivalents	-44,810	-3,547	3,225	2,810	-37,440		-79,762
Transfer between segments	456		23	-3,460	2,982		0
Change in consolidation scope or method			2,136		-262		1,874
Capital increases (minorities)	88						88
Impact of exchange rate changes on cash and cash equivalents	-1,341		57	-18	-3		-1,304
III. Cash and cash equivalents - ending balance	473,780	3,745	64,131	4,316	79,910	0	625,882

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 30 June 2017 as approved by the European Commission. The applied accounting principles have not changed since the end of 2016.

Published standards not yet compulsory

Certain new standards and amendments to existing standards were published by the IASB, but were not yet compulsory for the financial year beginning on January 1, 2017, and were not applied early. AvH will apply those standards and interpretations once they become effective.

- IFRS 9 Financial Instruments, effective as from January 1, 2018
- IFRS 15 Revenue from Contracts with Customers, including amendments to IFRS 15: Effective date of IFRS 15, effective as from January 1, 2018
- IFRS 16 Leases, effective as from January 1, 2019*

IFRS 9 Financial Instruments

The final version of IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for financial years beginning on or after January 1, 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

(I) Classification and measurement:

The classification of financial assets will be determined in two steps:

- The 'business model' test will determine how a portfolio is managed as a whole.
- The 'Solely Payment of Principal and Interest (SPPI)' test will determine the characteristics of the contractual cash flows.

The Private Banking segment will perform the business model and SPPI test in the second half of the year, although it is expected that the classification and measurement of financial assets will be largely consistent with IAS 39. No changes are expected for financial liabilities.

The consequences of reclassification are currently examined throughout AvH and its other participations, although it is expected that the classification and measurement of financial assets will largely concur with IAS 39.

(II) Impairment

The introduction of IFRS 9 involves a changeover from an 'incurred loss' model to an 'expected loss' model as regards impairments. Under IFRS 9, a provision must be constituted for expected losses at the start of a contract. In general, all financial assets will carry a provision for credit losses (save for a few exceptions). Given the quality of the loan portfolio of Bank J. Van Breda & C°, the impact on equity will be very limited. In the autumn of 2017, Bank J. Van Breda & C° will further implement the IFRS 9 concepts in its models, systems, processes and governance. The model being developed to determine the expected credit loss is currently being tested. There will be a parallel run in the autumn. The quantitative disclosures are in preparation. No material impact on equity is expected as far as the other participations of the AvH group are concerned.

(III) The amended hedge accounting rules are not expected to have a significant impact.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 introduces a five-step model to recognize revenue from contracts with customers. Under IFRS 15, revenue from the transfer of goods or services is recognized in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The new standard replaces all existing IFRS requirements for revenue recognition. For financial years beginning on or after January 1, 2018, full retrospective application or modified retrospective application is required.

AvH will introduce the new standard on the required effective date. The main participations are currently engaged on this exercise. According to their first assessment, the impact will be fairly limited. AvH expects that the principle of revenue recognition in the contracting activities will remain the same; only the spread of the revenue recognition over time may differ for certain specific contracts. The impact will be quantified in H2 2017.

IFRS 16 Leases*: This new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases (1/1/2019) and replaces IAS 17. As a result, all operating lease and rental obligations (such as real estate leases) must appear on the balance sheet. The impact of this has yet to be determined.

7.2. Changes in consolidation scope & Business combinations

We refer to Note 6. Segment information, p. 25.

(€ 1,000)	30-06-2017
Non current assets	26,820
Current assets	7,706
Total assets	34,526
Equity - group share	25,381
Minorities	0
Non current liabilities	1,379
Current liabilities	7,766
Total equity and liabilities	34,526
Total assets	34,526
Total liabilities	-9,145
Net assets (100%)	25,381
Non-acquired minorities	0
Net assets - group share	25,381
Goodwill (post allocation)	3,728
Purchase price	29,110

The business combinations are entirely attributable to the Senior Care activity. Anima Care acquired three retirement homes in the Brussels-Capital Region in the first quarter: Eden and Arcade in Sint-Lambrechts-Woluwe, and La Roseraie in Anderlecht. In June 2017, it also took over the operation of the Atrium residence in Kraainem.

HPA finalized two acquisitions at the beginning of 2017: the residences Pyla sur Mer (60 beds, to be extended to 83 beds) and Villa Thalia (95 beds). In both cases, the operation as well as the real estate were acquired. Since the acquisition of the real estate is an asset deal, it falls outside the scope of IFRS 3.

After allocation of the acquisition price to intangible and tangible assets, the goodwill amounts to 3.7 million euros.

*Not yet endorsed by the European Commission as at 30 of June 2017

7.3. 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, are also confronted with seasonal or cyclical activities. Distriplus in particular is affected by consumer confidence.

7.4. Earnings per share

	30-06-2017	30-06-2016
I. Continued and discontinued operations		
Net consolidated profit, share of the group (€ 1,000)	133,505	84,705
Weighted average number of shares ⁽¹⁾	33,145,184	33,141,996
Basic earnings per share (€)	4.03	2.56
Net consolidated profit, share of the group (€ 1,000)	133,505	84,705
Weighted average number of shares ⁽¹⁾	33,145,184	33,141,996
Impact stock options	132,383	112,587
Adjusted weighted average number of shares	33,277,567	33,254,583
Diluted earnings per share (€)	4.01	2.55
II. Continued activities		
Net consolidated profit from continued activities, share of the group (€ 1,000)	133,505	84,705
Weighted average number of shares ⁽¹⁾	33,145,184	33,141,996
Basic earnings per share (€)	4.03	2.56
Net consolidated profit from continued activities, share of the group (€ 1,000)	133,505	84,705
Weighted average number of shares ⁽¹⁾	33,145,184	33,141,996
Impact stock options	132,383	112,587
Adjusted weighted average number of shares	33,277,567	33,254,583
Diluted earnings per share (€)	4.01	2.55

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

7.5. Number of treasury shares

In the first half of 2017, AvH bought 20,000 treasury shares to hedge stock option obligations to its staff. During that same period, beneficiaries of the stock option plan exercised options on 31,000 AvH shares. As at 30 June 2017, AvH had granted options on a total of 346,000 AvH shares. To hedge that obligation, AvH had a total 341,000 treasury shares in portfolio on that same date.

In addition, 54,686 shares were purchased and 48,801 shares sold in the first six months of 2017 as part of the agreement that AvH has concluded with Kepler Cheuvreux to support the liquidity of the AvH share. Kepler Cheuvreux acts entirely autonomously in those transactions, but as they are carried out on behalf of AvH, the net purchase of 5,885 AvH shares in this context has

an impact on AvH's equity. This net purchase of 5,885 shares during 1H2017 puts the total number of shares held by AvH as part of this liquidity agreement at 8,163.

7.6. Impairments

On April 25, 2017, AvH announced that an agreement was reached on the disposal of its participation (through GIB - AvH share 50%) in Financière Flo, the principal shareholder of the French listed restaurant group Groupe Flo. That agreement was implemented on June 16, 2017 after the approval of all the parties involved was obtained. The agreement also provided for the conversion of part of the financing granted by GIB in previous years into a new debenture loan to Groupe Flo, which at 30/6/2017 was valued at 1.65 million euros in the financial statements of AvH. The exposure to Financière Flo (Groupe Flo) resulted in an impairment loss of K€ 6,730 in the financial statements at 30/6/2017.

Bank J.Van Breda & C° follows strict procedures to recognize impairments on outstanding receivables. The total cost of loan losses increased in relation to last year to 1.4 million euros, which is still very low.

Since CFE received payments in 1H2017 on receivables on which impairments were recognized in previous periods, a net amount of 10.1 million euros could be reversed on impairment losses that had been recognized in previous periods.

CFE's board of directors carefully examined the development of its exposure to the Chadian government, which at June 30, 2017 remained unchanged at 60 million euros, and discussed the matter once more at its meeting of August 25, 2017. The receivables relate to the construction of the 'Grand Hotel' and a building for the Ministry of Finance. The operational management and maintenance of the Grand Hotel were transferred in June 2017 to the ho-

	30-06-2017	30-06-2016
Treasury shares as part of the stock option plan		
Opening balance	352,000	357,000
Acquisition of treasury shares	20,000	0
Disposal of treasury shares	-31,000	-13,000
Ending balance	341,000	344,000

	30-06-2017	30-06-2016
Treasury shares as part of the liquidity contract		
Opening balance	2,278	2,132
Acquisition of treasury shares	54,686	208,146
Disposal of treasury shares	-48,801	-203,594
Ending balance	8,163	6,684

tel operator appointed by the Chadian government. The hotel was officially opened on July 1, 2017. The negotiations to refinance CFE's receivables are progressing slower than expected. The board of directors of CFE decided not to recognize an impairment on the exposure to Chad.

7.7. Contingent liabilities or contingent assets

AvH made no changes in the first half of 2017 to the contingent liabilities recognized in previous periods in respect of its stake in CFE. Consequently, 46.3 million euros (share AvH: 28.0 million euros) is still set aside for such contingent liabilities.

8. Main risks and uncertainties

For a description of the main risks and uncertainties, please refer to our annual report for the financial year ended 31/12/2016. The composition of Ackermans & van Haaren's portfolio changed only slightly during the first half of the year; accordingly, the risks and the spread of those risks have not changed fundamentally in relation to the situation at the end of the previous year.

Several group companies of AvH (such as DEME, CFE, Rent-A-Port, Sipef, Telemond, Manuchar, Turbo's Hoet Groep, Agidens, Atenor,...) are also internationally active and are therefore exposed to related political and credit risks. In this context, reference is also made to section 7.6 Impairments with regard to CFE's exposure to the risk of non-payment in Chad.

When disposing of participating interests and/or activities, AvH and its subsidiaries are regularly required to provide certain warranties and representations. These may give rise to claims - legitimate or otherwise - from buyers for compensation on that basis. AvH received no such claims in 1H2017, and an old case involving a sale in 2015 was settled for a sum that was lower than the provision that was constituted in 2016, and considerably lower than the claim that was filed.

In May 2017, DEME reached an agreement with the Swiss authorities to end a legal procedure over a case more than 10 years ago where two subsidiaries of DEME were reproached for having insufficiently effective internal control systems. In addition to the action that had already been taken in that regard, DEME tightened its compliance programmes to help prevent such risks.

AvH did not acquire any new major participations in the first half of 2017. It increased its stakes in Sipef and HPA, among others, while several subsidiaries such as DEME, Leasinvest Real Estate, Anima Care, HPA and Sipef invested in the further development of their activities. AvH believes that those investments do not fundamentally alter the risk profile; they are follow-up investments in or by companies in which the Group has been a shareholder for some time now.

Several group companies of AvH (such as DEME, CFE, Van Laere,...) are actively involved in the execution of projects. This always entails a certain operational risk, but also means that certain estimates of profitability need to be made at the end of such a project. This is inherent in such activity, as is the risk of disagreements with customers over divergent costs or changes in execution and the collection of these receivables.

In the current market context, AvH is focusing more than ever on its role as proactive shareholder in the companies in which it has a stake. By participating in risk committees, audit committees, technical committees etc. at DEME, CFE, Van Laere and Rent-A-Port, AvH specifically monitors the risks in its contracting division from a very early stage.

As regards the risk of value adjustments on assets, reference is made to section 7.6 Impairments.

9. Overview of the major related party transactions

No transactions with related parties took place during the first half of 2017 that have any material impact on Ackermans & van Haaren's results.

Furthermore, during the first six months there were no changes in the transactions with affiliated parties as described in the annual report for the 2016 financial year which could have material consequences for Ackermans & van Haaren's financial position or results.

10. Events after balance sheet date

On June 28, AvH and CFE announced that they wanted to examine the possibility of bringing together the activities of the Van Laere group and of CFE Contracting under CFE. The board of directors of CFE decided to set up a committee of independent directors that will report on this transaction and on the benefits and drawbacks for CFE and its shareholders. Such a transaction could be completed in the fourth quarter of 2017.

At the beginning of July, GeoSea, a wholly-owned subsidiary of DEME, announced that it had reached an agreement with Dong Energy and Siemens on the acquisition of A2Sea, a Danish company specializing in the maintenance and installation of offshore wind turbines. The transaction is expected to be closed in the third quarter of 2017. It is financed entirely from DEME's equity capital, and represents an investment of approximately 170 million euros.

AUDITOR'S REPORT

Report of the statutory auditor to the shareholders of Ackermans & van Haaren NV on the review of the interim condensed consolidated financial statements as of 30 June 2017 and for the 6 month period then ended.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Ackermans & van Haaren NV (the "Company"), and its subsidiaries (collectively referred to as "the Group") as at 30 June 2017 and the related interim condensed consolidated statements of income, the consolidated statement of comprehensive income, the statements of changes in consolidated equity and cash flows for the six month period then ended, and explanatory notes, collectively, the "Interim Condensed Consolidated Financial Statements".

These statements show a consolidated statement of financial position total of 13,292 million euros and a consolidated profit (share of the group) for the 6 month period then ended of 133.5 million euros. Management is responsible for the preparation and presentation of these Interim Condensed Consolidated Financial Statements in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting ("IAS 34") as adopted for use in the European Union. Our responsibility is to express a conclusion on these Interim Condensed Consolidated Financial Statements based on our review.

Scope of Review

We conducted our review in accordance the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" applicable to review engagements. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Unqualified conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Condensed Consolidated Financial Statements do not give a true and fair view of the financial position of the Group as at 30 June 2017, and of its financial performance and its cash flows for the 6 month period then ended in accordance with IAS 34.

Antwerp, 29 August 2017

Ernst & Young Reviseurs d'Entreprises SCCRL/Bedrijfsrevisoren BCVBA

Statutory auditor

represented by

Patrick Rottiers

Partner*

Wim Van Gasse

Partner*

* Acting on behalf of a BVBA/SPRL

DECLARATION

To our knowledge:

- (i) the condensed financial statements, drafted in accordance with the applicable standards for annual accounts, present a true and fair view of the assets, financial situation and the results of Ackermans & van Haaren and the companies included in the consolidation;
- (ii) the intermediate annual report provides a true and fair view of the main events and major transactions with related parties that took place in the

first six months of the financial year and their effect on the condensed financial statements, as well as a description of the main risks and uncertainties for the remaining months of the financial year.

31 August 2017
On behalf of the company

Jan Suykens
*Chairman of
the Executive Committee*

Tom Barnelis
*Member of
the Executive Committee*

John-Eric Bertrand
*Member of
the Executive Committee*

Piet Bevernage
*Member of
the Executive Committee*

André-Xavier Cooreman
*Member of
the Executive Committee*

Piet Dejonghe
*Member of
the Executive Committee*

Koen Janssen
*Member of
the Executive Committee*

LEXICON

- **Cost-income ratio:** The relative cost efficiency (cost versus income) of the banking activities.
- **Core Tier1 capital ratio:** A capital ratio of the liquidity buffers held by banks to offset any losses, seen from the regulator's perspective. The equity of a bank consists of share capital and undistributed profits. This equity is necessary to offset losses on loans.
- **EBIT:** Earnings before interest and taxes.
- **EBITDA:** EBIT plus depreciation and amortisation on fixed assets.
- **EBITDAR:** EBITDA plus rent cost.
- **EPRA profit:** Net result excluding the portfolio result and variations in the fair value of the non-effective interest rate hedges, previously net current result. Only used in the sector of regulated real estate companies.
- **Net financial position:** Cash & cash equivalents and investments minus short and long term financial debt.
- **REBITDA (Recurring Earnings Before Interest Taxes Depreciation and Amortisation):** Profit earned on the active (recurring) items.
- **Rental yield based on fair value:** Rental yield is only calculated on buildings in operation, excluding the projects and the assets held for sale.
- **Return on equity (ROE):** The relative profitability of the group, more particularly the amount of net income returned as a percentage of shareholders' equity.