

# PARTNERS FOR SUSTAINABLE GROWTH

## FIRST QUARTER 2017



ACKERMANS & VAN HAAREN

# MARINE ENGINEERING & CONTRACTING

## DEME

DEME (AvH 60.4%) realized an economic turnover (including the jointly controlled companies on a proportional basis) of 512.1 million euros in the first quarter of 2017, compared with 402.2 million euros in the same period last year. This increase is primarily explained by the high activity level at GeoSea, which in the first quarter of 2017 was engaged on the construction of the Galloper (United Kingdom), Merkur (Germany) and Rentel (Belgium) offshore wind farms.

The order backlog increased to 4,130 million euros at March 31, 2017, compared with 3,800 million euros at year-end 2016. In the first quarter of 2017, DEME landed new contracts worth 100 million euros in India and the Maldives where land reclamation works will be carried out for the construction of ten islands intended for the development of tourism infrastructure, and contracts worth 128 million euros for the construction of the Rijnlandroute in the Netherlands, a complex infrastructure project with a traffic junction and a bored tunnel. As the financial close of the Hohe See project was reached in February, this project is also included in the order backlog. In April and May, DEME won another 240

million euros worth of contracts in Europe and Africa, such as for maintenance dredging on the river Elbe in Germany, a gas terminal in Angola, the Freeport of Liberia and the port of Abidjan in Ivory Coast, works at the ports of Calais, Boulogne-sur-Mer, Brest and Bordeaux in France and at the port of Tema in Ghana, coastal protection works in the United Kingdom and in Benin, dredging works in the port of Barcelona, and finally the Maiyegun Waterfront project in Lagos. These contracts are not yet included in the order backlog as at March 31, 2017, nor is the Fehmernbelt project, pending receipt of the required permits (project worth approximately 700 million euros).

On the strength of its order backlog, DEME confirmed the expectations of a markedly increasing turnover over the full year 2017, with operating margins in line with the historical average EBITDA margins (16-20%).

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

out at sea, such as offshore wind farms, services for customers in the offshore oil and gas industry, and the decommissioning of old offshore structures. The investment for the eight vessels under construction amounted to 193 million euros in the first quarter of 2017. Due to delays at the shipyards building the vessels, a number of payments that were planned for 2016 were deferred to the beginning of 2017.

## CFE

CFE (AvH 60.4%) reported a decrease in turnover (excl. DEME) in the first quarter of 2017 to 163.9 million euros (1Q16: 208.4 million euros), due to a slowdown in the Belgian construction activities. The order book of the Contracting division, however, increased slightly to 872 million euros.

At the beginning of March, the Versluys group acquired BPI/CFE's 50% stake in the Oosteroever project development site. This group is now full owner of the new residential project development site in the port of Ostend. The price for this transaction was 24 million euros.

The Kons building, which BPI Luxembourg developed in joint venture with partners,

DEME - Spartacus



CFE - Kons

was finished and delivered in March. The shares in PEF KONS Investment were sold to AXA IM - Real Assets, on behalf of AXA Belgium.

The exposure to Chad (60 million euros) remained unchanged.

### A.A. Van Laere

Van Laere (AvH 100%) experienced a difficult start to the year in 2017 with operational challenges on certain major projects.

At the end of April, Van Laere sold its parking company Alfa Park to EFFIA, a branch of the French Keolis group. Alfa Park operates more than 8,000 parking places in Belgium, and joins now the number two on the French car park market. The transaction will have no significant impact on the group result.

## PRIVATE BANKING

### Delen Investments

Delen Investments (AvH 78.75%) reported a 5.2% increase in total assets under management to 39,742 million euros in the first quarter of 2017, compared with 37,770 million euros at the end of December 2016. Delen Private Bank, JM Finn & Co and Oyens & Van Eeghen all contributed to this increase.

Delen Private Bank (28,951 million euros) reported the largest-ever inflow in 1Q17.

The value of the client assets also had a significant positive impact. At JM Finn & Co (10,110 million euros), the growth was determined by the positive development of the market value of the assets under management.

The combined assets under management of Finaxis (Delen Investments and Bank J.Van Breda & C°) attained 47.5 billion euros at March 31, 2017.

### Bank J.Van Breda & C°

Bank J.Van Breda & C° (AvH 78.75%) reported a strong quarter as well. The total client assets increased to 13.0 billion euros (end of December 2016: 12.4 billion euros), of which 8.6 billion euros entrusted funds and 4.4 billion euros client deposits. The loan portfolio increased slightly to 4.3 billion euros (end of December 2016: 4.2 billion euros).



Delen Private Bank - Antwerp



Bank J.Van Breda & C° - Antwerp

# REAL ESTATE & SENIOR CARE

## Leasinvest Real Estate

On March 31, 2017, AvH acquired Extensa's 29.3% shares in Leasinvest Real Estate. As AvH is the full owner of Extensa, AvH's consolidated shareholding percentage in Leasinvest Real Estate remains unchanged at 30.01%.

Leasinvest Real Estate reported a slight decrease in its results in the first quarter as a result of the temporary vacancy due to re-developments in the portfolio. The net result decreased to 3.5 million euros (1Q16: 4.5 million euros).

The fair value of the real estate portfolio stood at 864.0 million euros at the end of March 2017, compared with 859.9 million euros at the end of December 2016. The increase is primarily explained by the increased value of the projects under development.

The rental income remained stable at 14.3 million euros. The average duration of the portfolio increased to 4.68 years. The occupancy rate decreased slightly due to a limited increase in vacant rental surface, yet remained at a high level of 95.6%. The rental yield also decreased slightly to 6.65%.

As at March 31, 2017, the equity (group share) stood at 368.5 million euros (year-end 2016: 356.4 million euros). The debt ratio decreased further to 56.90% (2016: 58.05%).

On May 3, 2017, Leasinvest acquired full ownership of the company Mercator Sàrl, which owns an office building in Luxembourg City. The property is worth 35 million euros.

## Extensa

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.

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.

The various projects in progress on Tour & Taxis and Cloche d'Or (Luxembourg) are going well, and the results are recognized according to the percentage of completion.

## Anima Care

Anima Care (AvH 92.5%) continued to expand its network of retirement homes in 1Q17 by acquiring additional residences in Sint-Lambrechts-Woluwe (Eden, Arcade) and in Anderlecht (La Roseraie). Those three residences together represent 168 beds in operation, with a potential of 79 more beds. As a result, Anima Care's portfolio increased to 1,592 beds (retirement home beds and convalescent home beds) and 197 service flats spread over 17 sites.

## 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.

As of March 31, 2017, Residalya operated 2,598 beds in 34 residences across France.

Leasinvest Real Estate - Mercator - Luxembourg



Anima Care - Duneroze





# ENERGY & RESOURCES

## Sipef

Sipef (AvH 28.72%) reported a strong first quarter in 2017. Compared with 2016, a year which was characterized by low production in the wake of the El Niño weather phenomenon, palm oil production increased by 21.7% to 80,882 tonnes (compared with 66,446 tonnes in 1Q16). The growth was most marked in the mature plantations of North Sumatra (+22.3%) and in Papua New Guinea (+34.2%).

Due to tight stocks, palm oil prices at the beginning of the year were high (760 USD/tonne). They decreased to 665 USD/tonne at the end of March in view of the projected higher palm oil production in the second half of the year.

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

In December 2016, Sipef reached an agreement with its joint venture partners PT Aus-

tindo Nusantara Jaya TBK and M.P. Evans Group Plc on the acquisition of their interest of 10.87% and 36.84% respectively in PT Agro Muko, for a total amount of 144.1 million USD. As a result, Sipef increases its participation in Agro Muko to 95% and acquires exclusive control over PT Agro Muko.

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

These transactions will be financed by a combination of a capital increase of 88.9

million euros with preferential subscription rights for the current shareholders and a long-term loan. The subscription period for the capital increase started on May 5 and is open until today, May 19, 2017. AvH has agreed to exercise its rights to the full and to subscribe for at least 25.5 million euros. In addition, AvH also undertakes to subscribe for all new shares that are still available after the subscription period for the preferential rights and after the scrips private placement on May 22.

## Sagar Cements

At year-end 2016, AvH subscribed to the first phase of the share issue on a 50/50 basis with the Reddy family, the founders of Sagar Cements. The second phase of the capital increase was reserved for qualified institutionals and was successfully closed in February 2017. As a result, AvH's stake decreased slightly to 17.6%.

Sipef - Cibuni tea plantation with young shoots in the foreground



Sipef - Plantation with mature palms



Sagar Cements



NMP

# AvH & GROWTH CAPITAL

**Corelio:** At the end of April, Mediahuis and VP Exploitatie received the approval from the competition authorities to acquire Telegraaf Media Groep. The tender period ends on June 15, 2017. The recommended current bid of Mediahuis and VP Exploitatie is 6.00 euros (cum dividend) per share (certificate). The purpose of the intended acquisition is to transform the Mediahuis-TMG combination into a leading multimedia group that will in the long term remain successful on the Dutch and Belgian markets.

At the end of April, **Groupe Flo** (GIB 47.1%) reached an agreement with Groupe Bertrand which, in the coming weeks, will result in the transfer of the participation in Financière Flo and a large part of the financing for the symbolic amount of one euro. Following the impairments that were recognized in 2016, the total exposure of the AvH group at that moment amounted to approximately 8 million euros. After the restructuring, AvH's exposure will be less than 2 million euros.

At the beginning of April 2017, the shareholders of **Ogeda** (AvH 3%) reached an agreement with Astellas on the acquisition of the company, subject to the fulfilment of certain conditions precedent. At AvH level, the transaction amounts to 13.5 million euros, most of which will be recognized as capital gain.

Turbo's Hoet Groep



Corelio - Mediahuis





## Net cash position

The net cash position of AvH at March 31, 2017 amounted to 54.3 million euros, compared with 68.3 million euros at December 31, 2016. This net cash position includes the investment portfolio of AvH and treasury shares to hedge stock option obligations under the stock option plan, as well as 2,628 treasury shares as part of the liquidity agreement.

## Outlook 2017

The board of directors believes that the projections formulated earlier are still valid:

"The companies of the group are well positioned: DEME has an all-time high order book and is preparing for a significant increase in activity in 2017 and 2018; Delen Investments and Bank J. Van Breda & C<sup>o</sup> should in 2017 be able to reap the benefits of their solid commercial performance in 2016; another strong contribution is expected from the

real estate developments of Extensa and the real estate and senior care subsidiaries; Sipef started 2017 with better market prices for palm oil and has reached important agreements for a substantial expansion of its plantations. AvH & Growth Capital should improve its contribution to the result compared with 2016.

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

**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<sup>o</sup>, niche bank for entrepreneurs and liberal professions in Belgium), Real Estate & Senior Care (Leasinvest Real Estate, a public regulated real estate company - Extensa, an important land and real estate developer focused on

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

## Website

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

## Financial calendar

May 22, 2017	Annual shareholder's meeting
August 31, 2017	Half-year results 2017
November 22, 2017	Interimstatement Q3 2017

## Contact

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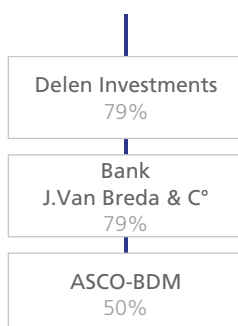
# ACKERMANS & VAN HAAREN

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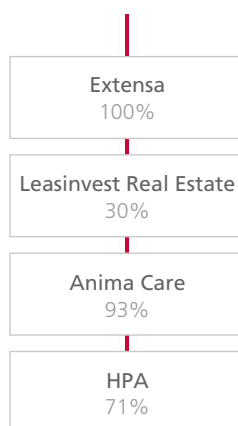
## MARINE ENGINEERING & CONTRACTING



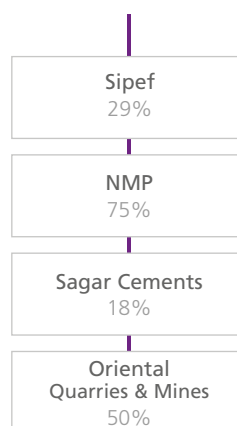
## PRIVATE BANKING



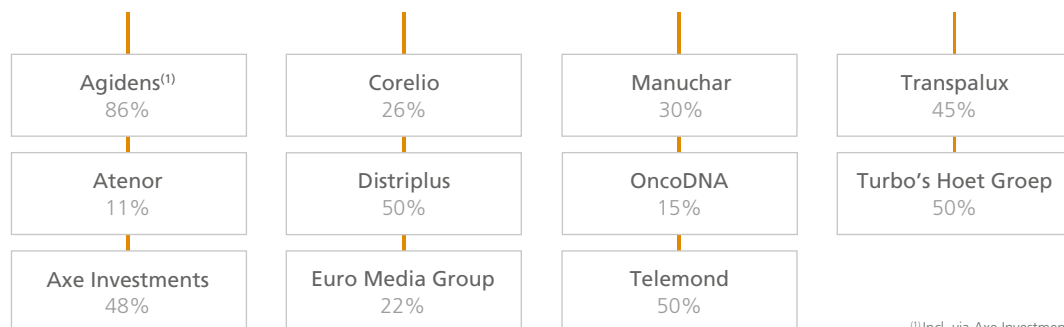
## REAL ESTATE & SENIOR CARE



## ENERGY & RESOURCES



## AvH & GROWTH CAPITAL

<sup>(1)</sup> Incl. via Axe Investments

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