

# PARTNERS FOR SUSTAINABLE GROWTH

## TRADING UPDATE THIRD QUARTER 2017

“The third quarter confirms the favourable outlook in terms of group result over the whole of 2017. The sale of NMP illustrates our strategic focus on a smaller number of participations and will generate a capital gain of 21 million euros.”

*Jan Suykens, Chairman of the executive committee*

# MARINE ENGINEERING & CONTRACTING

- DEME's turnover increases by 27.6% thanks to strong activity in offshore wind farm construction.
- DEME's order backlog boosted to 3,980 million euros.
- CFE on track to close the acquisition of Algemene Aannemingen Van Laere in Q4 2017.

## DEME

DEME (AvH 60.4%) realized an (economic) turnover of 643.9 million euros in the third quarter of 2017, compared with 566.0 million euros in the same period last year. The cumulative turnover for the first nine months of 2017 totalled 1,746.7 million euros, a 27.6% increase compared with 1,369.1 million euros in 2016. DEME's subsidiary GeoSea was very active in offshore wind farm construction. In the third quarter, GeoSea finished the installation of 42 monopiles for Rentel, and also worked on the Horns Rev (Denmark), Merkur and Hohe See (both in Germany) offshore wind farms.

DEME's order backlog increased to 3,980 million euros at September 30, 2017, compared with 3,845 million euros at the end of June 2017. In the third quarter, DEME was able to add the following contracts to its order backlog:

- submarine power cable installation for Elia's Modular Offshore Grid, the 'plug at sea' (130 million euros),

- redevelopment of the old port of Doha in Qatar (in joint venture, total value 100 million euros), and
- New Terneuzen Lock (in joint venture, representing approximately 300 million euros turnover for DEME)

Several contracts are not yet included in this order backlog:

- Fehmarnbelt project (approx. 700 million euros), pending the necessary permits,
- award of the 'Blankenburgverbinding' contract for the design, construction, management and maintenance for 20 years of the A24 link between the A20 and A15 in the Netherlands, and
- UK offshore wind farms Moray East (around 100 wind turbines and three offshore substation platforms) and Triton Knoll (90 wind turbines, 860 MW) by GeoSea.

At the end of August, GeoSea successfully closed the acquisition of A2SEA, a leading player in the installation of offshore wind turbines. The transaction represents an

investment of approximately 170 million euros. This acquisition enables GeoSea to offer a wider 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. With A2SEA, which was restructured by the previous owner, a team of 160 highly qualified staff join the ranks of DEME, and two high-tech installation vessels, Sea Installer and Sea Challenger (built in 2012 and 2014), are added to the fleet. As of June 30, 2017, A2SEA had an order backlog of 141 million euros.

At the beginning of November, GeoSea also acquired 72.5% of G-tec, a Belgian firm specializing in offshore geotechnical and geological marine investigation and in deep sea engineering services.

On September 29, 2017, DEME held the naming ceremony for the dual fuel dredger 'Scheidt River'. This ultramodern vessel, with a hopper capacity of 8,400 m<sup>3</sup>, is the second dredger in DEME's fleet that can

DEME - Scheidt River



DEME - Rentel

also operate in LNG mode, reducing the emission of sulphur, NOx and atmospheric particles.

In the first nine months of 2017, DEME already invested a (net) amount of 583.9 million euros. Those investments relate to vessels under construction, major overhaul works, and the acquisition of A2SEA. Despite this intense investment activity, the net debt position, limited to 458.2 million euros, remains sound.

Over the whole of 2017, DEME is expected to realize a turnover of approximately 2.5 billion euros, with margins in line with the historical average between 16% and 20% (EBITDA).

## CFE

CFE (AvH 60.4%) reported a decrease in turnover for the Contracting division from 580.2 million euros at the end of September 2016 to 512.8 million euros this year. This 11.6% decrease had to a large extent already been incurred by June 30, 2017, and is the result of the postponement of several contracts in the Construction segment in Belgium. The other segments realized a stable turnover.

The order book of CFE Contracting increased to 980.1 million euros (compared with 850.5 million euros at year-end 2016). Especially CFE Polska, VMA and the Rail Infra segment signed several new contracts in the third quarter. CLE (Luxembourg) concluded an important contract for the Kiem project, a residential development by BPI Luxembourg.

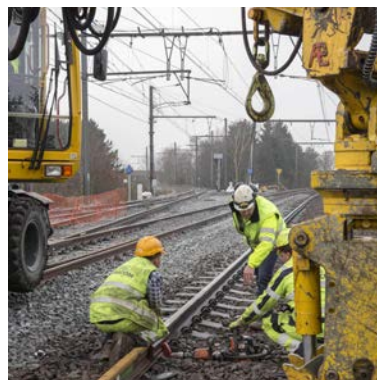
Over the whole of 2017, CFE Contracting will report a turnover that is down on 2016, but with a marked improvement in the operational results.

BPI sold the Ronndriesch project (Luxembourg) in the third quarter. In Poland, a majority stake was taken in a residential project in Poznan.

There has been no change in the receivables on Chad since December 31, 2016. Negotiations continue with the Chadian authorities and financial institutions to refinance the outstanding receivables with regard to the Grand Hotel.

Several steps have been taken following the decision of the board of directors to examine the combination of the activities of the Van Laere group and of CFE Contracting. committee of independent directors was created, and a due diligence was performed on the financials of Van Laere as at June 30, 2017. The board of directors of CFE will take a final decision on the acquisition of Van Laere on the basis of the report of the committee of independent directors. CFE's objective is to complete the transaction by year-end 2017.

CFE - Commercial center Platan Zabrze - Poland (artist impression)



CFE Rail Infra - Remacom

# PRIVATE BANKING

- The assets entrusted by clients increased to a new record level of 40.7 billion euros at Delen and 13.5 billion euros at Van Breda.

## Delen Investments

In the third quarter of 2017, Delen Investments (AvH 78.75%) realized a further increase in total assets under management to a record level of over 40 billion euros (40,678 million euros, compared with 39,853 million euros at the end of June 2017 and 37,770 million euros at the end of December 2016). Both Delen Private Bank and JM Finn & Co contributed to this increase.

This increase in assets under management by 7.7% in nine months is driven by the strong inflow of new and additional assets entrusted by the clients of Delen Investments and by the increasing value of those assets.

## Bank J. Van Breda & C°

Bank J. Van Breda & C° (AvH 78.75%) also reported a good operational quarter with an increase in total client assets to 13.5 billion euros (of which 6.3 billion euros at Delen Private Bank), compared with 13.2 billion euros at the end of June 2017, and 12.4 billion euros at the end of December 2016. The loan portfolio increased slightly to 4.4 billion euros.

Delen Investments: Assets under management

(€ mio)	3Q17	1H17	2016
Delen Private Bank	29,816	29,130	27,383
JM Finn & Co	10,220	10,065	9,730
Oyens & Van Eeghen	642	658	657
<b>Total</b>	<b>40,678</b>	<b>39,853</b>	<b>37,770</b>

Banque J. Van Breda & C°

(€ mio)	3Q17	1H17	2016
Total client assets	<b>13,500</b>	<b>13,165</b>	<b>12,449</b>
Entrusted funds	8,978	8,793	8,203
Client deposits	4,522	4,372	4,246
Loan portfolio	<b>4,419</b>	<b>4,381</b>	<b>4,223</b>

Delen Private Bank - Antwerp



Bank J. Van Breda & C° - 's Gravenwezel





# REAL ESTATE & SENIOR CARE

- Leasinvest: major investments in Austria, exit from Switzerland.
- Extensa: developments on Tour & Taxis and Cloche d'Or on schedule.

## Leasinvest Real Estate

Leasinvest Real Estate (AvH 30.0%) reported a 16% increase in its net result in the first nine months of 2017 to 29.7 million euros (3Q16: 25.6 million euros).

The fair value of the real estate portfolio at the end of September 2017 amounted to 883.3 million euros (compared with 907.0 million euros at the end of June 2017 and 859.9 million euros at year-end 2016).

The rental income remained stable at 42.1 million euros. The average duration of the portfolio was 4.38 years. Of the Mercator building in Luxembourg, 60% is currently let (42% as at 30/6/2017), while the office and retail areas on the ground floor of the Royal Warehouse on the Tour & Taxis site are fully occupied. As a result, the occupancy rate has increased from 91.8% at the end of June 2017 to 93.0% at the end of September. The rental yield was 6.46%, compared with 6.78% at year-end 2016.

As at September 30, 2017, the equity (group share) stood at 371.9 million euros (end of June 2017: 362.8 million euros). The debt ratio decreased to 58.2% at the end of September 2017.

Following a number of strategic transactions in September and October, LRE announced it will now focus on two asset classes (retail and offices) and three countries (Belgium, Luxembourg and Austria). At the beginning of October, the Swiss retail portfolio (three properties) was entirely divested for 41.8 million euros. In mid-October, two major retail parks in Vienna (Austria) were acquired for 56.2 million euros. Finally, in September and October, three Belgian logistics buildings were divested for a total amount of 60 million euros. LRE will have divested a total of approximately 74 million euros in 2017, or 65% of the logistics portfolio in Belgium.

## Extensa

At Extensa (AvH 100%), the Herman Teirlinck building, which accommodates the new Flemish Administrative Centre, was officially opened on the Tour & Taxis site in September.

The sales of apartments and the construction of two office buildings on the Cloche d'Or site (Luxembourg) are progressing well.

## Anima Care

Anima Care (AvH 92.5%) completed the construction of 22 additional service flats on the site of its residential care centre 'Les Comtes de Méan' in Blegny. At September 30, 2017, Anima Care had a total of 1,843 beds (retirement home beds, service flats and convalescent home beds) in operation, spread over 18 residences. Anima Care is building new residential care centres in Zoutleeuw and on the Erasmus site in Anderlecht. In Vorst, work has started on a new residence in partnership with Care Property Invest, which will be the owner of this property.

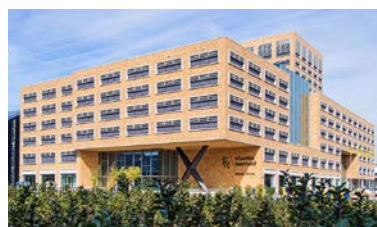
## HPA

HPA's (AvH 72.3%) portfolio remained unchanged during the third quarter of 2017 and comprises 2,598 beds in operation, spread over 34 residences in France. Extension works are in progress at residence Granvelle in Besançon, and will result in an extra capacity of 40 beds. Refurbishment works have started at three other locations.

Leasinvest Real Estate - Gewerbepark - Stadlau - Austria



Extensa - Herman Teirlinck - Brussels



# ENERGY & RESOURCES

- Total planted area increased to 70,767 ha thanks to acquisition of Dendymarker plantation in Q3.
- 16.5% increase in palm oil production and higher market prices support the result.
- Agreement on sale of 75% stake in NMP.

## SIPEF

SIPEF (AvH 30.25%) continued the trend of generally increasing palm oil production in the third quarter. In 2016, production had still been negatively impacted by the El Niño effect. As a result, total palm oil production for the first nine months increased by 16.5% to 245,638 tonnes, compared with 210,922 tonnes during the same period last year. In the third quarter, the increase was as much as 17.6%.

Market prices for palm oil increased from USD 625/tonne at the end of June to USD 695/tonne at the end of September.

Accordingly, SIPEF expects the recurring result for the whole of 2017 to be significantly better than in 2016.





The acquisition of 95% of the PT Dendymarker Indah Lestari palm oil plantation for 53.1 million USD was completed in the third quarter. The management of this plantation

was transferred to SIPEF on August 1. The priorities are now to optimize the currently loss-making plantation activities, rehabilitate the palm oil mill, and gradually replant the approximately 20-year-old trees.

## NMP

An agreement was reached with the Antwerp Port Authority on the sale of 100% of the capital of Nationale Maatschappij der Pijpleidingen (AvH 75%). This transaction is still subject to a number of conditions precedent. The sale will generate (including dividend) an amount of 45.4 million euros for AvH and a capital gain of approximately 21 million euros. This represents a cumulative return (IRR) of 11.4% since the participation was acquired in 1994.

SIPEF: Production

(Ton) <sup>(1)</sup>	3Q17	3Q16
	245,638	210,922
	6,121	7,090
	1,747	2,261
	22,115	18,719

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

SIPEF - Nursery with young palms



SIPEF - Rubber nursery



### Net cash position

The net cash position of AvH at September 30, 2017 amounted to 49.9 million euros, compared with 57.2 million euros at June 30, 2017. This net cash position includes the investment portfolio of AvH and treasury shares to hedge stock option obligations under the stock option plan and the liquidity agreement.

### Outlook 2017

The board of directors confirms 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, without taking into account the capital gain on the sale of NMP.

### 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](http://www.avh.be). Anyone who is interested to receive the press releases via email has to register to this website.

### Financial calendar

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

30/09/2017

## MARINE ENGINEERING & CONTRACTING

DEME 60%
CFE 60%
Van Laere 100%
Rent-A-Port 72%
Green Offshore 80%

## PRIVATE BANKING

Delen Investments 79%
Bank J.Van Breda & C° 79%
ASCO-BDM 50%

## REAL ESTATE & SENIOR CARE

Extensa 100%
Leasinvest Real Estate 30%
Anima Care 93%
HPA 72%

## ENERGY & RESOURCES

SIPEF 30%
NMP 75%
Sagar Cements 18%
Oriental Quarries & Mines 50%

## AvH & GROWTH CAPITAL

Agidens <sup>(1)</sup> 86%	Corelio 26%	Manuchar 30%	Transpalux 45%
Atenor 11%	Distriplus 50%	OncoDNA <sup>(2)</sup> 15%	Turbo's Hoet Groep 50%
Axe Investments 48%	Euro Media Group 22%	Telemond 50%	

<sup>(1)</sup> Incl. via Axe Investments  
<sup>(2)</sup> Not consolidated



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