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of 14 November 2007

Press release
Antwerp, August 31, 2018

HALF-YEAR RESULTS 2018

ACKERMANS & VAN HAAREN

Ackermans & van Haaren realizes a profit of 111.7 million euros for 1H2018 (1H2017: 133.5 million euros[1]).

This result comprises:

i) 122.3 million euros profit contribution from the key participations (+12%). That means an increase of 13.6 million euros compared with last year. The 'Marine Engineering & Contracting' and 'Private Banking' segments, and especially the 'Real Estate & Senior Care' segment, reported higher profits than in 1H2017.

ii) Net capital gains/(losses) of 5.2 million euros (1H2017: 7.2 million euros), thanks among other things to the capital gains on the sale of the participations in Atenor and BDM-Asco.

iii) A disappointing contribution of -10.7 million euros from the Growth Capital segment, where the impairment losses at Distriplus and Manuchar overshadowed positive developments in other participations.

(1) The net profit of 1H2017 contained a non-recurring remeasurement of 19.8 million euros following the acquisition by SIPEF of exclusive control over Agro Muko.

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

(€ mio)	30.06.2018	30.06.2017
Marine Engineering & Contracting	32.2	27.5
Private Banking	57.7	52.9
Real Estate & Senior Care	25.9	18.6
Energy & Resources	6.5	9.7
Contribution from core segments	**122.3**	108.7
Growth Capital	-10.7	3.2
AvH & subholdings	-5.1	-5.4
Net capital gains(losses) / impairments	5.2	7.2
Result before remeasurement	**111.7**	113.7
Remeasurement	-	19.8
Consolidated net result	**111.7**	133.5

"AvH's key participations reported a strong performance. The 122.3 million euros profit which they contributed to the group result illustrates our focus on recurring results and on a balanced spread of those results.

Thanks to dividends received and the sale of our participations in Atenor and BDM-Asco, we strengthened our net cash position further to 170.4 million euros. Hence, the AvH group has the resources to make new investments in the present portfolio as well as in new opportunities."

Jan Suykens, CEO - Chairman of the executive committee

General comments on the figures

- The equity of AvH (group share) increased to 2,996.1 million euros as at June 30, 2018, which after adjustment for treasury shares held in portfolio, corresponds to 90.41 euros per share. As at December 31, 2017, the equity stood at 2,972.2 million euros or 89.70 euros per share. On June 1, 2018, a dividend was paid of 2.20 euros per share (73.7 million euros total dividend distribution).

- At the end of June 2018, AvH (including subholdings) had a net cash position of 170.4 million euros, compared with 80.2 million euros at year-end 2017. Besides cash and short-term deposits, this cash position consisted of 75.7 million euros in short-term investments and treasury shares, and 35.0 million euros in short-term debt in the form of commercial paper.

- In 1H2018, AvH sold its participation in Atenor (10.53%) for 26.7 million euros, and finalized the sale that was announced in 2017 of its 50% stake in BDM-Asco for 17.5 million euros. The investments in the first six months of 2018 were limited to follow-up investments worth a total of 7.9 million euros.

- To hedge its stock option obligations, AvH owned 352,000 treasury shares at the end of the first half of 2018 (2017: 357,000). At June 30, 2018, 5,426 treasury shares were added to this number as a result of acquisitions and disposals within the framework of the AvH stock liquidity programme (2017: 5,257).

Key figures - consolidated balance sheet

(€ mio)	**30.06.2018**	31.12.2017
Net equity (part of the group - before allocation of profit)	**2,996.1**	2,972.2
Net cash position of AvH & subholdings	**170.4**	80.2

Outlook 2018

The substantial increase in the profit contribution from the key participations over the first six months of 2018 confirms earlier statements by the board of directors that those key participations are well positioned for the whole of 2018.

The board of directors expects the contribution from the 'AvH & Growth Capital' segment to improve on the first half of 2018.

Key figures per share

	30.06.18	30.06.17
Net result per share (€)		
Net result per share		
Basic	**3.37**	4.03
Diluted	**3.36**	4.01

	30.06.18	31.12.17
Number of shares		
Number of shares	**33,496,904**	33,496,904
Net equity per share (€)		
Net equity per share	**90.41**	89.70
Evolution of the stock price (€)		
Highest (May 22, 2018)	**155.10**	156.20
Lowest (April 4, 2018)	**138.70**	125.75
Closing price (June 30/December 31)	**147.50**	145.15

Ackermans & van Haaren

Marine Engineering & Contracting

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

Private Banking

- Delen Private Bank 79%
- Bank J.Van Breda & C° 79%

Real Estate & Senior Care

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

Energy & Resources

- SIPEF 31%
- Sagar Cements 18%

AvH & Growth Capital

- Agidens[1] 86%
- Axe Investments 48%
- Distriplus 50%
- Euro Media Group 23%
- Manuchar 30%
- Mediahuis 13%
- OncoDNA[2] 15%
- Telemond 50%
- Turbo's Hoet Groep 50%

[1] Incl. participation via Axe Investments
[2] Not consolidated

30/06/2018

Ackermans & van Haaren

Marine Engineering & Contracting

Contribution to the AvH consolidated net result

(€ mio)	1H18	1H17
DEME	28.6	27.2
CFE (excl. DEME)	5.1	15.0
Rent-A-Port	-1.0	-3.4
Green Offshore	-0.5	0.0
A.A. Van Laere	-	-11.3
Total	32.2	27.5

DEME

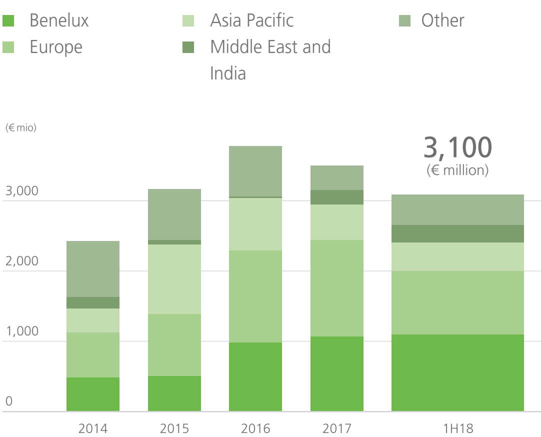
DEME (AvH 60.4%) managed to further increase its (economic) turnover by 21.8% to 1,342.9 million euros in the first half of 2018. This turnover increase is due to a generally higher activity level across the entire DEME group, but in particular to the buoyant activity of the subsidiaries GeoSea and Tideway in the construction and installation of offshore wind farms. In the first six months of 2018, the DEME group realized just over half of its turnover in the installation of renewable energy.

In the United Kingdom, GeoSea installed the first 60 foundations (of a total of 174) on Hornsea 1, the world's largest offshore wind farm, currently under construction. Work on the Merkur offshore wind farm in Germany is entering its final phase. Preparations for the large-scale works that will be carried out on the Hohe See and Albatros projects (also in Germany) are well underway. Fair progress has also been made in the works on the Rentel offshore wind project in Belgium, where more than half of the wind turbines are already generating renewable energy.

Alongside its traditional rock placement and landfall construction activities, wholly-owned subsidiary Tideway was also closely involved in the installation of the connecting cables for the Rentel (Belgium), Merkur (Germany) and Hornsea 1 (UK) offshore wind farms. Specifically for this kind of activity, Tideway invested in a new, groundbreaking multipurpose cable-laying vessel, the Living Stone. Due to the bankruptcy of the Spanish shipyard, this vessel could not be brought into service until the beginning of July 2018, more than one year after the originally scheduled delivery date. Because of this delay in the completion of the vessel, external capacity had to be hired, and conversions were carried out on own vessels, which weighed on the profitability of the projects. Similarly, GeoSea was confronted with the late delivery of its new jack-up vessel, the Apollo.

In the traditional dredging business, DEME was also able to increase its turnover in relation to 1H2017: the occupancy of the hopper fleet increased from 15.8 weeks in 1H2017 to 20.1 weeks in

DEME: Order backlog



DEME

(€ mio)	1H18		1H17	
	(1)	(2)	(1)	(2)
Turnover	1,329.4	1,342.9	1,097.7	1,102.9
EBITDA	187.1	192.6	195.4	194.4
Net result	48.4	48.4	46.1	46.1
Equity	1,298.4	1,298.4	1,217.8	1,217.8
Net financial position	-552.9	-559.0	-230.0	-235.2

(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 - Borkum Riffgrund 2 - Innovation

DEME - Living Stone

1H2018. The occupancy of the cutter fleet, however, remained low at 12.6 weeks (1H2017: 13.7 weeks). Besides maintenance dredging works in Belgium, Germany and Africa, DEME was also particularly busy on the large-scale TTP1 project in Singapore, where on June 30, 192 of the planned 222 caissons were installed which together will form the quay wall of the new container terminal, and on several projects in India.

In 1H2018, DEME reported an EBITDA of 192.6 million euros (14.3%), compared with 194.4 million euros (17.6%) in the same period last year. As was explained earlier, the late delivery of the cable-laying vessel Living Stone and of the new jack-up vessel Apollo weighed on the profitability of certain projects in the first half of 2018. Both vessels are now fully operational. The net result amounted to 48.4 million euros (1H2017: 46.1 million euros).

DEME continued its investment programme as planned. In 1H2018, a total of 233.1 million euros was invested (including investments through jointly controlled subsidiaries). In addition to the Apollo and Living Stone, the powerful self-propelled DP2 crane vessel Gulliver was also brought into service in 1H2018.

The board of directors of DEME also approved the investment of a total of 133 million euros in the construction of four new vessels: two new trailing suction hopper dredgers with a capacity of 2,300 m³ and 8,000 m³ respectively, and two split barges of 3,500 m³ each. These vessels will be built by IHC, and are due for completion in 2020.

DEME's net financial debt increased during the course of 1H2018 to 559.0 million euros, compared with 296.2 million euros at year-end 2017. This development is the result of the sustained investment efforts as well as of normal, expected movements within the working capital.

DEME's order backlog at June 30, 2018 stood at 3,100 million euros. In 1H2018, DEME won the contract for the deepening and maintenance dredging of the Martin Garcia Canal in Uruguay and Argentina (in joint venture, total value 100 million euros), alongside several other projects in the Middle East, Africa and Australia.

As was already mentioned in connection with the order backlog at year-end 2017, a number of confirmed contracts are not yet included in the order backlog due to the fact that certain conditions precedent are not yet fulfilled, such as financial close or permits required for the works. The contracts in question concern the Fehmarnbelt, Blankenburg, Moray East and Triton Knoll projects.

Similarly, the order backlog at June 30, 2018 does not include the new contract that has since been landed to dredge the 66 km access channel to the port of Szczecin in Poland. Accordingly, the contracts won but not yet included in the order backlog come to a total of two billion euros.

DEME expects a higher level of activity in the second half of the year with improved operating margins. The EBITDA margin for the full year 2018 is expected to rise above 16%.

CFE

CFE (AvH 60.4%) realized a significant turnover increase in the Contracting segment to 468.1 million euros (+33%, 1H2017: 351.2 million euros) in the first half of 2018. On a like-for-like basis, excluding the acquisitions of A.A. Van Laere and Coghe, the increase amounted to 13.7%. Although the construction industry in Belgium, Luxembourg and Poland is being driven by large-scale new projects, it is also coming under pressure from price competition and higher costs for subcontractors.

All segments made a positive contribution to the net result of CFE Contracting of 4.1 million euros (1H2017: 8.8 million euros). This result was adversely impacted by the winding down of activities in Tunisia (4.1 million euros turnover in 1H2018).

The order book stood at 1,144.6 million euros at the end of June 2018, compared with 1,229.7 million euros at year-end 2017. The order book increased in Flanders, but this increase was neutralized by a decrease in Wallonia and in the international activities. Several major projects will be added to the order book in the second half of the year, such as the contract for the Aurea tower in Luxembourg that was signed in July.

Sales of residential projects of real estate developer BPI are going ahead as expected. In Poland, the two large-scale projects of Immo Wola and the first phase of Bulwary Kasiazece were completed. BPI's net result was also positively impacted by the sale of the Woodskot project and amounted to 7.8 million euros. In the comparison with last year, it should be remembered that the sales of the Kons and Oosteroever projects made an exceptional contribution to the result in 1H2017. In the first half of 2018, BPI acquired a new project in Warsaw representing 10,000 m² residential and retail space, which will be started up in the second half of 2018. BPI's real estate projects amounted to 137 million euros at the end of June 2018.

CFE: Breakdown by division (excl. DEME)

(€ mio)	Turnover		Net result[1]	
	1H18	1H17	1H18	1H17
Construction	**343.3**	242.9		
Multi-technics	**86.2**	74.9		
Rail Infra	**38.6**	33.4		
Contracting	**468.1**	351.2	**4.1**	8.8
Real estate development	**75.5**	7.1	**7.8**	18.8
Holding, non-transferred activities and eliminations	**-12.9**	-0.2	**-7.5**	-4.9
Total	**530.7**	358.2	**4.4**	22.7

[1] Including contribution from Rent-A-Port and Green Offshore

CFE - Sint-Maarten - Mechelen

In the Holding and Non-transferred Activities division, the Brussels-South wastewater treatment plant project is progressing according to plan, and is due for completion in 2020. This is the last project as these activities are being phased out.

Negotiations are continuing with the Chadian government and the Afrexim Bank to refinance the receivables related to the Grand Hôtel. A payment of 7.5 million euros was received from the Chadian government after June 30, 2018. In addition, in accordance with IFRS 9, an impairment loss of 12 million euros was recognized on these outstanding receivables in CFE's opening balance.

Rent-A-Port

Rent-A-Port (AvH 72.18%) reported a loss of 1.4 million euros in the first half of 2018, primarily due to a low turnover in Vietnam during the first six months. Despite delays in the new dike infrastructure, as a result of which no large industrial sites are available, the considerable efforts made by the local team have helped to turn around sales in Vietnam, raising expectations of a better second half of the year.

Activities in Oman are also developing according to plan and confirm the favourable outlook.

Private Banking

Contribution to the AvH consolidated net result

(€ mio)	1H18	1H17
Finaxis	-0.1	-0.7
Delen Private Bank	44.7	39.5
Bank J.Van Breda & C°	13.1	13.8
BDM-Asco	-	0.5
Total	**57.7**	52.9

The combined assets under management of Finaxis (Delen Private Bank and Bank J.Van Breda & C°) attained 48.6 billion euros at June 30, 2018 (47.8 billion euros at December 31, 2017).

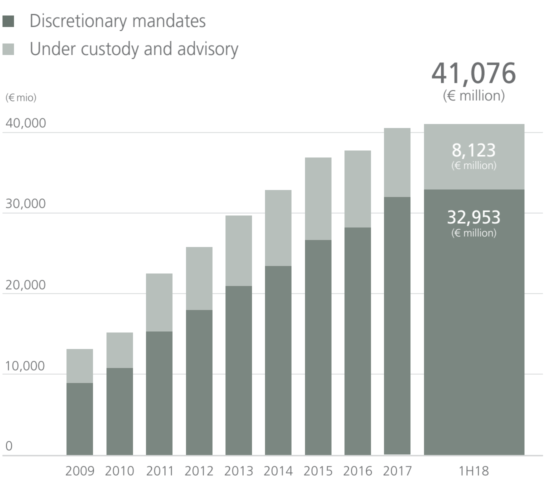
Delen Private Bank

Delen Private Bank (AvH 78.75%) realized an increase in total assets under management on a consolidated level (Delen Private Bank, JM Finn and Oyens & Van Eeghen) to 41,076 million euros in the first half of 2018, compared with 40,075 million euros at the end of March 2018 and 40,545 million euros at the end of December 2017. Both the head office and the regional branches of Delen Private Bank and JM Finn contributed to this increase. In absolute figures, the gross inflow of assets in Belgium surpassed the record level of the first half of 2017.

Thanks to the increase in assets under management, the gross revenues increased from 176.2 million euros at the end of June 2017 to 193.6 million euros. The cost-income ratio, after normalization of the bank levy over the full year, on a consolidated level stood at 53.9% (1H2017: 53.9%). That figure was 43.1% for Delen Private Bank and 84.6% for JM Finn.

The net result increased in the first six months to 56.9 million euros (compared with 50.1 million euros in 1H2017), including the contribution from JM Finn of 3.9 million euros. The consolidated equity stood at 686.4 million euros as at June 30, 2018 (compared with 678.8 million euros at year-end 2017). The Core Tier1 capital ratio increased to 30.3%.

Delen Private Bank: Assets under management



Delen Private Bank: Assets under management

(€ mio)	1H18	2017
Delen Private Bank	**29,980**	29,410
JM Finn[1]	**10,549**	10,475
Oyens & Van Eeghen	**547**	660
Total	**41,076**	40,545

[1] 1H18: GBP 9,347 mio, 2017: GBP 9,294 mio

Delen Private Bank

(€ mio)	1H18	1H17
Gross revenues	**193.6**	176.2
Net result	**56.9**	50.1
Equity	**686.4**	623.8
Assets under management	**41,076**	39,853
Core Tier1 capital ratio (%)	**30.3**	27.8
Cost-income ratio (%)	**53.9**	53.9

Bank J.Van Breda & C° - Bank de Kremer

Bank J.Van Breda & C°

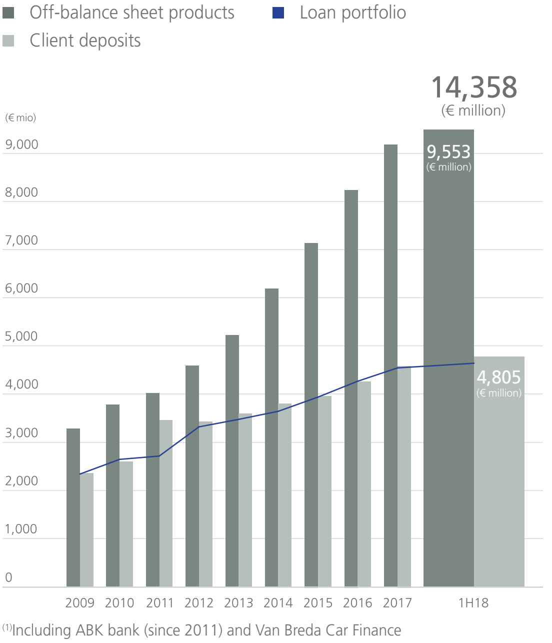
Bank J.Van Breda & C° (AvH 78.75%) reported a strong commercial performance. The total invested by clients saw a record net growth to 14.4 billion euros (end of March 2018: 14.0 billion euros; end of December 2017: 13.7 billion euros), of which 9.6 billion euros off-balance sheet products and 4.8 billion euros client deposits. The loan portfolio increased to 4.7 billion euros (end of March 2018: 4.6 billion euros; end of December 2017: 4.5 billion euros). The provisions for loan losses remain very low at 0.03% of the average loan portfolio.

In a difficult interest rate climate, this commercial growth resulted in a bank product of 72.1 million euros (+4% compared with 1H2017). The costs increased by 8%, driven by the bank levy and by investments by the bank in staff and IT. As a result, the normalized cost-income ratio increased to 59.8%, compared with 57.4% in 1H2017. The net result amounted to 16.7 million euros (compared with 17.5 million euros in 1H2017).

Bank J.Van Breda & C°

(€ mio)	1H18	1H17
Bank product	72.1	69.4
Net result	16.7	17.5
Equity	525.7	534.1
Off-balance sheet products	9,553	8,793
Client deposits	4,805	4,372
Loan portfolio	4,666	4,381
Core Tier1 capital ratio (%)	13.7	14.4
Cost-income ratio (%)	59.8	57.4

Bank J.Van Breda & C°: Client assets[1]



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

The consolidated equity decreased from 538.7 million euros at year-end 2017 to 525.7 million euros at June 30, 2018 as a result of the payment of a dividend in 1H2018. The solvency remains solid with a leverage ratio of 8.6% (the legal minimum is 3%) and a Core Tier1 capital ratio of 13.7%.

Bank de Kremer was established in June. This division of Bank J.Van Breda & C° focuses on asset management for private clients. The app of Bank de Kremer gives clients an insight in their assets and an understanding of their financial future. The bank starts with a network of six branches in Antwerp, Mechelen, Schoten, Turnhout, Ghent and Hasselt.

Real Estate & Senior Care

Contribution to the AvH consolidated net result

(€ mio)	1H18	1H17
Leasinvest Real Estate	6.1	4.8
Extensa Group	16.6	11.1
Anima Care	2.1	1.9
HPA	1.1	0.8
Total	**25.9**	18.6

Leasinvest Real Estate

Leasinvest Real Estate (AvH 30.01%) reported half-year figures in line with expectations. The net result increased by 26% to 19.7 million euros (1H2017: 15.6 million euros).

The fair value of the consolidated real estate portfolio, including project developments, increased to 921.8 million euros (compared with 903.0 million euros at year-end 2017 and 907.0 million euros at the end of June 2017). The Treesquare office building in Brussels and the extension of the Frun Park shopping centre in Asten (Austria) were successfully completed. The current redevelopment projects in Belgium (Montoyer 63 office building) and Luxembourg (shopping centres Boomerang Strassen, Pommerloch and Schmiede) remain on schedule. Including the participation in Retail Estates and the project developments, the consolidated real estate portfolio amounted to 1,012.8 million euros at June 30, 2018.

The rental income (27.9 million euros) remained virtually stable compared with mid-2017, despite a number of significant divestments (four Belgian logistics properties and three Swiss retail properties) in the second half of 2017. The rental yield increased to 6.61% (2017: 6.44%). The occupancy rate decreased slightly from 94.8% at year-end 2017 to 94.4%, primarily as a result of the reclassification of the Treesquare building (64% occupancy rate) from projects to leased buildings.

At the end of June 2018, the equity (group share) stood at 377 million euros (year-end 2017: 382 million euros). The debt ratio increased to 59.3% (year-end 2017: 57.1%), due mainly to a combination of the dividend payment and additional investment in Retail Estates and in the Treesquare and Montoyer 63 projects.

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

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

48% Retail
45% Offices
7% Logistic

LRE: Real estate portfolio

	1H18	1H17
Real estate portfolio fair value (€ mio)	921.8	907.0
Rental yield (%)	6.61	6.41
Occupancy rate (%)	94.4	91.8

Leasinvest Real Estate - Treesquare - Brussels

Extensa

The net result of Extensa Group (AvH 100%) over the first six months of 2018 amounted to 16.6 million euros (compared with 11.1 million euros at June 30, 2017).

The residential and office projects under construction on the Cloche d'Or site in the Grand-Duchy of Luxembourg in particular contributed to this result. A lease contract was signed for an additional office project of 4,700 m² which has yet to be built.

New projects are also in preparation on Tour & Taxis in Brussels which will start contributing to the result next year. The renovation of the former freight station (Gare Maritime) continued. In the meantime, four multinationals have rented nearly 50% of the available office space (which corresponds to 20% of the total floor area of this project). Once the Hôtel de la Poste has been renovated, this building will be fully operational from the beginning of 2019. Sales of apartments in the Riva residence are going very well (more than 85% have been sold or reserved). The construction of offices in the Gare Maritime and the commercialization of apartment buildings in the area behind the Gare Maritime are expected to start in the autumn of 2018.

Anima Care

At the beginning of 2018, Anima Care (AvH 92.5%) acquired the operation of the senior care residence Ark van Noé in Bilzen. Ark van Noé has 57 beds in operation, which by mid-2019 will be transferred to a newly built residence.

Thanks in part to the effect of retirement homes acquired in 2017 and 2018, Anima Care increased its turnover by 13.3% to 41.6 million euros, on which an EBITDA of 18.9% was realized and a net profit of 2.3 million euros.

As of June 30, 2018, Anima Care had 2,067 beds in operation: 1,785 retirement home beds, 77 convalescent home beds, and 205 service flats, spread over 21 care centres (9 in Flanders, 8 in Brussels, 4 in Wallonia).

HPA (Residalya + Patrimoine & Santé)

HPA (AvH 71.72%) realized a turnover of 58.8 million euros during the first six months of 2018, compared with 56.2 million euros in 1H2017. This increase at HPA is partly attributable to the acquisition of one residence in Salleboeuf (Gironde). The EBITDA and net result increased to 11.7 million euros (1H2017: 10.5 million euros) and 1.5 million euros (1H2017: 1.1 million euros) respectively.

As of June 30, 2018, Residalya operated 2,647 beds in 35 residences across France, along with 50 cots in crèches.

At the beginning of July 2018, HPA sold the real estate of 14 of its senior care residences to the French real estate group Icade Santé. HPA's subsidiary Residalya remains the tenant and operator of these senior care residences. The transaction values the assets concerned at 189 million euros and earns AvH a capital gain - group share - of 21 million euros, which will be recognized in 3Q2018.

Extensa - Tour & Taxis - Hôtel des Douanes

Anima Care - Au Privilège

Energy & Resources

Contribution to the AvH consolidated net result

(€ mio)	1H18	1H17
SIPEF	6.3	8.5[1]
Sagar Cements	0.2	0.2
Oriental Quarries & Mines	-	-0.1
NMP	-	1.1
Total	**6.5**	9.7

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

SIPEF

SIPEF (AvH 30.54%) again recorded a strong growth in palm oil production at its own plantations in the second quarter of 2018. The 6.7% increase during the first six months of the year compared with an already very solid production in 2017 is attributable to the further production increase in Indonesia and the fact that the decrease in the first quarter in Papua New Guinea could be offset. This growth was driven by favourable weather, improved yield of the young planted hectares, the additional volumes of Dendymarker, and improved fruit bunch formation. The neighbouring farmers also reported a strong second quarter and were able to reverse the downward trend. Consequently, the total group production amounted to 166,202 tonnes, compared with 161,541 tonnes in the first half of 2017.

Market prices for palm oil are under pressure in 2018 and currently quote below 600 USD/tonne.

Despite higher palm oil volumes and improved efficiency, SIPEF's turnover in the first half of 2018 decreased to 140.0 million USD, compared with 157.0 million USD during the same period last year. The palm oil volumes were sold at substantially lower prices, while turnover for rubber also saw a significant decrease due to a combination of lower production volumes and market prices.

The net result decreased to 24.8 million USD (1H2017: 107.4 million USD). In this respect, account should be taken of the remeasurement gain on the acquisition of Agro Muko in 2017 (75.2 million USD) and the capital gain on the sale of BDM-Asco which was finalized in June 2018 (7.4 million USD). Excluding these non-recurring items, the result decreased from 32.3 million USD to 17.4 million USD.

Expansion in South Sumatra (Indonesia) continued steadily with 9,749 hectares already being cultivated in Musi Rawas, while a start was made with the limited expansion and replanting of the Dendymarker plantation which was acquired in 2017.

As a result of the expected higher production volumes, the recurring profit for the second half of the year should exceed the recurring profit for the first six months.

In August, SIPEF acquired 1,770 hectares of additional land rights in Bengkulu (Indonesia). The acquisition, worth 2.5 million USD, should be finalized around April 2019.

SIPEF: Production

(Ton)[1]	1H18	1H17
	**166,202**	161,541
	**4,125**	4,424
	**1,185**	1,169
	**13,301**	14,812

[1]Own + outgrowers

SIPEF

(USD mio)	1H18	1H17
Turnover	140.0	157.0
EBIT	37.3	43.5[1]
Net result	24.8	107.4
Equity	641.5	602.7
Net cash position	-76.8	-36.3

[1] Excl. USD 79.3 mio non-recurrent remeasurement on PT Agro Muko (group share: USD 75.2 mio)

SIPEF - Young palms in the nursery

SIPEF - Collecting freshly harvested fruit bunches in Papua New Guinea

SIPEF - Plucking tea at Cibuni tea estate in Java, Indonesia

Sagar Cements

Sagar Cements (AvH 17.57%) reported a turnover of 5,698 million INR (71.8 million euros) in the first six months, compared with 4,929 million INR (68.8 million euros) in 1H2017. This increase is due to an increase in sales volumes, which made up for the decrease in market prices. The average capacity utilization increased to 70% (2017: 57%). The net result increased to 105.6 million INR (1.3 million euros; 1H2017: 68.1 million INR or 1.0 million euros).

The expansion of the capacity of the new grinding unit in Vizag has been completed, while work on the company's own thermal power plant is also progressing smoothly.

AvH & Growth Capital

Contribution to the AvH consolidated net result

(€ mio)	1H18	1H17
Contribution of participations	-10.7	3.2
AvH & subholdings	-5.1	-5.4
Capital gains(losses)/ impairments	5.2	7.2
AvH & Growth Capital	**-10.6**	5.0

Contribution of participations

In the AvH & Growth Capital segment, the impairment losses at Distriplus and Manuchar overshadowed positive developments at several other participations, such as Turbo's Hoet Groep, Mediahuis, Euro Media Group and Agidens.

Distriplus (AvH 50%), too, had to contend in the first half of 2018 with the difficult market conditions currently prevailing in the Belgian retail industry. Thanks to a higher average turnover per ticket, Planet Parfum (81 stores) was able to report a small turnover growth, unlike Di (118 stores). This resulted in disappointing half-year figures. Including impairment losses to the amount of 16.9 million euros, the half-year loss increased to 23 million euros (1H2017: -1.9 million euros). Together with the management AvH is looking into how the position of Di and Planet Parfum can be strengthened in these difficult markets.

Manuchar (AvH 30%) again reported solid figures for its trading activities in the first six months of 2018, with volume growth making up for the pressure on margins. A solid turnover growth (+12%) was reported in the distribution activities as well, albeit still with a negative impact on the results at June 30, 2018 from the weakening of some currencies of emerging markets. The production of sodium sulphate in Mexico is being shut down for the time being. Taking into account an impairment loss on this activity, Manuchar contributed -5.0 million euros to AvH's group result at June 30, 2018.

Agidens - Life Sciences at Pfizer

Telegraaf Media Groep was delisted in January. Consequently, TMG is now an integral part of Mediahuis. At the beginning of March, **Mediahuis** and Wouter Vandenhaute and Erik Watté (Waterman & Waterman) announced an agreement on the sale of their respective stakes of 30 and 20 percent in De Vijver Media to Telenet Group Holding, which will thus become the sole shareholder. Also at the beginning of March, Corelio reached an agreement with CirclePrinters on the acquisition of Corelio Printing. The transaction was closed at the beginning of April 2018.

Capital gains/losses

In light of the developments at Distriplus as explained earlier, an impairment loss of 10 million euros was recognized on AvH's exposure to Distriplus.

At the beginning of March, AvH concluded an agreement on the sale of its 10.53% interest in **Atenor** to the other reference shareholders, namely Stéphan Sonneville, 3D, Luxempart and Alva. The transaction was closed in 2Q2018 at 45 euros per share, and earned AvH a total of 26.7 million euros and a capital gain of 8.7 million euros.

In June 2018, AvH and SIPEF finalized the sale, which was already announced at the end of 2017, of the insurance group **BDM-Asco** to the US listed company Navigators Group, Inc. The sale of its 50% stake earned AvH a capital gain of 6.1 million euros, which is recognized in the results of 1H2018.

Half-yearly financial report according to IAS 34

The half-yearly financial report for the period 01/01/18-30/06/18, 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, a construction group with headquarters in Belgium), Private Banking (Delen Private Bank, one of the largest independent private asset managers in Belgium, and asset manager JM Finn 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 2017, through its share in its participations, the AvH group represented a turnover of 5.4 billion euros and employed 22,749 people. The group concentrates on a limited number of strategic participations with significant potential for growth. AvH is quoted on Euronext Brussels and is included in the BEL20 index, the Private Equity NXT index 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 e-mail has to register to this website.

Financial calendar

November 23, 2018	Interim statement Q3 2018
February 28, 2019	Annual results 2018

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Half-yearly financial report 2018

Antwerp, 31 August 2018

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

Condensed consolidated financial statements

1. Consolidated income statement

(€ 1,000)	30-06-2018	30-06-2017
Revenue	**2,256,310**	**1,887,739**
Rendering of services	101,944	99,499
Lease revenue	5,023	4,402
Real estate revenue	207,662	122,170
Interest income - banking activities	47,997	49,686
Fees and commissions - banking activities	30,310	26,228
Revenue from construction contracts	1,822,323	1,555,681
Other operating revenue	41,052	30,073
Other operating income	**4,601**	**5,245**
Interest on financial fixed assets - receivables	3,408	643
Dividends	1,163	4,537
Government grants	0	0
Other operating income	30	65
Operating expenses (-)	**-2,118,361**	**-1,776,696**
Raw materials and consumables used (-)	-1,176,889	-959,998
Changes in inventories of finished goods, raw materials & consumables (-)	-31,760	4,603
Interest expenses Bank J.Van Breda & C° (-)	-12,395	-13,022
Employee expenses (-)	-437,006	-390,181
Depreciation (-)	-139,526	-131,716
Impairment losses (-)	-9,271	3,163
Other operating expenses (-)	-317,228	-281,799
Provisions	5,715	-7,747
Profit (loss) on assets/liabilities designated at fair value through profit and loss	**4,831**	**10,529**
Financial assets - Fair value through P/L (FVPL)	4,747	0
Investment property	84	10,529
Profit (loss) on disposal of assets	**18,339**	**48,821**
Realised gain (loss) on intangible and tangible assets	1,727	2,427
Realised gain (loss) on investment property	0	-1,924
Realised gain (loss) on financial fixed assets	15,871	47,122
Realised gain (loss) on other assets	741	1,196
Profit (loss) from operating activities	**165,721**	**175,638**
Finance income	**30,541**	**33,852**
Interest income	3,800	5,156
Other finance income	26,742	28,696
Finance costs (-)	**-53,235**	**-64,335**
Interest expenses (-)	-19,389	-19,406
Other finance costs (-)	-33,846	-44,929
Derivative financial instruments designated at fair value through profit and loss	**878**	**643**
Share of profit (loss) from equity accounted investments	**63,170**	**73,395**
Other non-operating income	**358**	**577**
Other non-operating expenses (-)	**0**	**0**
Profit (loss) before tax	**207,434**	**219,771**
Income taxes	**-35,189**	**-29,715**
Deferred taxes	1,513	4,106
Current taxes	-36,702	-33,821
Profit (loss) after tax from continuing operations	**172,245**	**190,056**
Profit (loss) after tax from discontinued operations	**0**	**0**
Profit (loss) of the period	**172,245**	**190,056**
Minority interests	60,584	56,551
Share of the group	111,661	133,505

Earnings per share (€)		
1. Basic earnings per share		
1.1. from continued and discontinued operations	3.37	4.03
1.2. from continued operations	3.37	4.03
2. Diluted earnings per share		
2.1. from continued and discontinued operations	3.36	4.01
2.2. from continued operations	3.36	4.01

For the first time application of IFRS 9 Financial instruments and IFRS 15 Revenue from contracts with customers, we refer to Disclosure 7.1 New IFRS standards.

2. Consolidated statement of comprehensive income

(€ 1,000)	30-06-2018	30-06-2017
Profit (loss) of the period	**172,245**	**190,056**
Minority interests	60,584	56,551
Share of the group	**111,661**	**133,505**
Other comprehensive income	**2,301**	**8,031**
Elements to be reclassified to profit or loss in subsequent periods		
Net changes in revaluation reserve: financial assets available for sale		6,537
Net changes in revaluation reserve: bonds - Fair value through OCI (FVOCI)	344	
Net changes in revaluation reserve: hedging reserves	-4,746	15,977
Net changes in revaluation reserve: translation differences	6,340	-14,348
Elements not to be reclassified to profit or loss in subsequent periods		
Net changes in revaluation reserve: shares - Fair value through OCI (FVOCI)	20	
Net changes in revaluation reserve: actuarial gains (losses) defined benefit pension plans	342	-135
Total comprehensive income	**174,545**	**198,086**
Minority interests	59,595	69,510
Share of the group	**114,951**	**128,577**

For the first time application of IFRS 9 Financial instruments and IFRS 15 Revenue from contracts with customers, we refer to Disclosure 7.1 New IFRS standards.

For a breakdown of the item ‘Minority interests’ in the results of the first half of 2018, see the segment reporting on page 25 of this report. The increase of this share is primarily explained by the higher profit realized in the “Real Estate & Senior Care” segment by group companies that are not wholly owned by AvH (Leasinvest Real Estate, the project companies developing Extensa’s Cloche d’Or project in Luxembourg, HPA, Anima Care).

As a result of the application of the new accounting standard “IFRS 9 Financial Instruments”, as explained on page 36 of this report, financial assets are as of 2018 broken down into three categories on the balance sheet. Another consequence of the application of this new rule is that, as of 2018, fluctuations in the “fair value” of financial assets are reported in the consolidated income statement instead of in the unrealized results. The only exception to this rule are the fair value fluctuations in the investment portfolio of Bank J.Van Breda & C° and Delen Private Bank, which in the table above is divided into shares and bonds.

Hedging reserves arise from fluctuations in the fair value of hedging instruments used by group companies to hedge against risks. Several group companies have hedged against a possible rise in interest rates. Across the group, the total unrealized loss on hedging instruments, mainly on interest rates and exchange rates, has increased by 4.7 million euros (including minority interests) in the first half of 2018.

Translation differences arise from fluctuations in the exchange rates of group companies that report in foreign currencies. During the first half of 2018, the euro decreased in value against most relevant currencies (USD, GBP, …), which on balance is reflected in positive translation differences of 6.3 million euros.

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)	30-06-2018	31-12-2017
I. Non-current assets	**9,324,735**	**9,255,476**
Intangible assets	**178,695**	**179,567**
Goodwill	**340,222**	**349,523**
Tangible assets	**2,513,432**	**2,572,877**
Land and buildings	343,488	479,686
Plant. machinery and equipment	1,578,221	1,615,815
Furniture and vehicles	27,348	28,822
Other tangible assets	4,868	4,713
Assets under construction and advance payments	559,253	443,558
Operating lease - as lessor (IAS 17)	255	283
Investment property	**967,240**	**945,488**
Participations accounted for using the equity method	**1,231,143**	**1,240,746**
Financial fixed assets	**286,448**	**267,186**
Available for sale financial fixed assets	0	102,335
Financial assets - Fair value through P/L (FVPL)	120,838	0
Receivables and warranties	165,609	164,851
Non-current hedging instruments	**3,223**	**5,649**
Amounts receivable after one year	**184,951**	**177,109**
Trade receivables	0	6,958
Finance lease receivables	175,715	160,765
Other receivables	9,235	9,386
Deferred tax assets	**105,299**	**109,219**
Banks - receivables from credit institutions and clients after one year	**3,514,082**	**3,408,112**
II. Current assets	**4,522,481**	**4,192,378**
Inventories	**318,577**	**329,400**
Amounts due from customers under construction contracts	**92,568**	**74,292**
Investments	**456,724**	**467,882**
Available for sale financial assets	0	467,879
Financial assets held for trading	0	3
Financial assets - Fair value through P/L (FVPL)	40,347	0
Financial assets - Fair value through OCI (FVOCI)	402,877	0
Financial assets - at amortised cost	13,500	0
Current hedging instruments	**1,255**	**4,553**
Amounts receivable within one year	**1,513,431**	**1,321,413**
Trade debtors	1,253,806	1,066,152
Finance lease receivables	60,332	55,139
Other receivables	199,292	200,122
Current tax receivables	**28,374**	**19,030**
Banks - receivables from credit institutions and clients within one year	**1,458,167**	**1,304,957**
Banks - loans and advances to banks	125,811	88,863
Banks - loans and receivables (excluding leases)	931,397	908,056
Banks - cash balances with central banks	400,959	308,038
Cash and cash equivalents	**606,475**	**637,027**
Time deposits for less than three months	78,820	35,152
Cash	527,655	601,875
Deferred charges and accrued income	**46,910**	**33,824**
III. Assets held for sale	**157,928**	**21,159**
Total assets	**14,005,144**	**13,469,013**

For more details regarding the impact of the first time application of IFRS 9 Financial instruments and IFRS 15 Revenue from contracts with customers, we refer to Disclosure 7.1 New IFRS standards.

The breakdown of the consolidated balance sheet by segment is shown on page 28-29 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 5,686 million euros to the balance sheet total of 14,005 million euros, and although this bank is solidly capitalized with a Core Tier1 ratio of 13.7%, 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)	30-06-2018	31-12-2017
I. Total equity	**4,214,333**	**4,195,272**
Equity - group share	**2,996,084**	**2,972,208**
Issued capital	**113,907**	**113,907**
Share capital	2,295	2,295
Share premium	111,612	111,612
Consolidated reserves	**2,947,399**	**2,905,611**
Revaluation reserves	**-35,876**	**-17,482**
Financial assets available for sale	0	23,579
Financial assets - Fair value through OCI (FVOCI)	2,182	0
Hedging reserves	-12,865	-10,204
Actuarial gains (losses) defined benefit pension plans	-14,741	-15,083
Translation differences	-10,452	-15,774
Treasury shares (-)	**-29,345**	**-29,828**
Minority interests	**1,218,249**	**1,223,064**
II. Non-current liabilities	**2,475,764**	**2,477,286**
Provisions	**90,071**	**86,381**
Pension liabilities	**58,469**	**58,134**
Deferred tax liabilities	**185,757**	**212,268**
Financial debts	**1,448,232**	**1,388,177**
Bank loans	1,174,755	877,470
Bonds	221,342	435,327
Subordinated loans	5,406	5,354
Finance leases	43,053	66,147
Other financial debts	3,676	3,880
Non-current hedging instruments	**52,515**	**50,397**
Other amounts payable after one year	**25,879**	**26,761**
Banks - non-current debts to credit institutions. clients & securities	**614,841**	**655,168**
Banks - deposits from credit institutions	0	0
Banks - deposits from clients	575,361	607,368
Banks - debt certificates including bonds	0	0
Banks - subordinated liabilities	39,480	47,800
III. Current liabilities	**7,214,778**	**6,796,455**
Provisions	**52,647**	**59,166**
Pension liabilities	**339**	**289**
Financial debts	**619,321**	**499,467**
Bank loans	226,444	163,833
Bonds	200,002	99,959
Subordinated loans	3	0
Finance leases	12,565	15,230
Other financial debts	180,306	220,445
Current hedging instruments	**9,095**	**8,405**
Amounts due to customers under construction contracts	**178,385**	**235,704**
Other amounts payable within one year	**1,709,725**	**1,641,461**
Trade payables	1,421,059	1,352,745
Advances received on construction contracts	1,764	2,505
Amounts payable regarding remuneration and social security	200,124	186,022
Other amounts payable	86,778	100,189
Current tax payables	**50,118**	**64,691**
Banks - current debts to credit institutions. clients & securities	**4,502,535**	**4,191,182**
Banks - deposits from credit institutions	28,075	27,458
Banks - deposits from clients	4,175,647	3,898,145
Banks - debt certificates including bonds	284,121	253,114
Banks - subordinated liabilities	14,692	12,465
Accrued charges and deferred income	**92,613**	**96,089**
IV. Liabilities held for sale	**100,270**	**0**
Total equity and liabilities	**14,005,144**	**13,469,013**

4. Consolidated cash flow statement (indirect method)

(€ 1,000)	30-06-2018	30-06-2017
I. Cash and cash equivalents, opening balance	**637,027**	**754,315**
Profit (loss) from operating activities	165,721	175,638
Reclassification 'Profit (loss) on disposal of assets' to cash flow from divestments	-18,339	-48,821
Dividends from participations accounted for using the equity method	64,107	61,780
Other non-operating income (expenses)	358	577
Income taxes	-37,104	-22,348
Non-cash adjustments		
Depreciation	139,526	131,716
Impairment losses	9,261	-3,081
Share based payment	199	311
Profit (loss) on assets/liabilities designated at fair value through profit and loss	-4,831	-10,529
(Decrease) increase of provisions	-5,357	6,535
(Decrease) increase of deferred taxes	-1,513	-4,106
Other non-cash expenses (income)	5,921	3,021
Cash flow	**317,948**	**290,694**
Decrease (increase) of working capital	**-214,041**	**-60,217**
Decrease (increase) of inventories and construction contracts	-62,206	25,340
Decrease (increase) of amounts receivable	-215,393	13,378
Decrease (increase) of receivables from credit institutions and clients (banks)	-260,801	-332,471
Increase (decrease) of liabilities (other than financial debts)	57,831	43,225
Increase (decrease) of debts to credit institutions, clients & securities (banks)	274,798	196,908
Decrease (increase) other	-8,269	-6,597
Cash flow from operating activities	**103,907**	**230,477**
Investments	**-517,049**	**-585,095**
Acquisition of intangible and tangible assets	-254,605	-281,905
Acquisition of investment property	-21,552	-78,041
Acquisition of financial fixed assets	-20,045	-90,901
New amounts receivable	-13,467	-12,385
Acquisition of investments	-207,379	-121,863
Divestments	**276,337**	**346,264**
Disposal of intangible and tangible assets	2,576	4,863
Disposal of investment property	3,500	3,427
Disposal of financial fixed assets	49,316	86,795
Reimbursements of amounts receivable	2,738	5,025
Disposal of investments	218,208	246,153
Cash flow from investing activities	**-240,712**	**-238,831**
Financial operations		
Interest received	3,800	5,182
Interest paid	-25,380	-26,152
Other financial income (costs)	-6,955	-15,794
Decrease (increase) of treasury shares	300	-1,867
(Decrease) increase of financial debts	263,549	147,923
Distribution of profits	-73,019	-67,638
Dividends paid to minority interests	-52,443	-39,151
Cash flow from financial activities	**109,852**	**2,503**
II. Net increase (decrease) in cash and cash equivalents	**-26,953**	**-5,850**
Change in consolidation scope or method	-3,158	-10,230
Capital increases (minority interests)	0	75
Impact of exchange rate changes on cash and cash equivalents	-441	-1,727
III. Cash and cash equivalents - ending balance	**606,475**	**736,583**

The first time application of IFRS 9 Financial instruments and IFRS 15 Revenue from contracts with customers has no impact on the cash flow statement.

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 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**

(€ 1,000)			Revaluation reserves								
	Issued capital & share premium	Consolidated reserves	Financial assets available for sale	Financial assets - Fair value through OCI (FVOCI)	Hedging reserves	Actuarial gains (losses) defined benefit pension plans	Translation differences	Treasury shares	Equity - group share	Minority interests	Total equity
Closing balance, 31 December 2017	**113,907**	**2,905,611**	**23,579**		**-10,204**	**-15,083**	**-15,774**	**-29,828**	**2,972,208**	**1,223,064**	**4,195,272**
Impact IFRS 9 - Reclassification & measurement		21,684	-23,579	1,895					0	0	0
Impact IFRS 9 - Expected Credit loss		-9,866							-9,866	-5,458	-15,324
Impact IFRS 15 - Revenue from contracts with customers		-9,392							-9,392	-6,158	-15,550
Opening balance, 1 January 2018	**113,907**	**2,908,037**	**0**	**1,895**	**-10,204**	**-15,083**	**-15,774**	**-29,828**	**2,952,951**	**1,211,448**	**4,164,398**
Profit		111,661							111,661	60,584	172,245
Non-realised results				287	-2,661	342	5,322		3,290	-989	2,301
Total of realised and unrealised results	**0**	**111,661**	**0**	**287**	**-2,661**	**342**	**5,322**	**0**	**114,951**	**59,595**	**174,545**
Distribution of dividends of the previous financial year		-73,019							-73,019	-52,443	-125,462
Operations with treasury shares								482	482		482
Other (a.o. changes in consol. scope / beneficial interest %)		720							720	-351	369
Ending balance, 30 June 2018	**113,907**	**2,947,399**	**0**	**2,182**	**-12,865**	**-14,741**	**-10,452**	**-29,345**	**2,996,084**	**1,218,249**	**4,214,333**

For comments on the unrealized results, see Note 2 on page 19 of this report. The impact of the new accounting standard "IFRS 9 Financial instruments" is explained in Disclosure 7.1 New IFRS Standards on page 36 of this report.

On June 1, 2018, AvH paid a dividend of 2.20 euros per share.

In the first half of 2018, AvH didn't buy any treasury shares to hedge stock option obligations to its staff. During that same period, beneficiaries of the stock option plan exercised options on 5,000 AvH shares. As at June 30 2018, AvH had granted options on a total of 352,000 AvH shares. To hedge that obligation, AvH had exactly a total 352,000 treasury shares in portfolio on that same date.

In addition, 235,919 shares were purchased and 235,750 shares sold in the first six months of 2018 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 169 AvH shares in this context has an impact on AvH's equity. This net purchase of 169 shares during 1H2018 puts the total number of shares held by AvH as part of this liquidity agreement at 5,426.

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

Segment 1

Marine Engineering & Contracting:

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

The composition of this segment has not changed in 1H2018.

Segment 2

Private Banking:

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

The composition of this segment has not changed since year-end 2017. In the consolidated balance sheet of 2017, the participation in BDM-Asco had already been reclassified to 'Assets held for sale' in light of the announced sale to the US insurance company Navigators Group, Inc. This transaction was closed in 1H2018.

Segment 3

Real Estate & Senior Care:

Extensa (global integration 100%), Leasinvest Real Estate (global integration 30%), Leasinvest Real Estate Management (global integration 100%), Anima Care (global integration 92.5%) and HPA (global integration 71.7%). HPA is the structure that owns 100% of Residalya (operation of retirement homes) and 100% of Patrimoine & Santé (which owns real estate operated by Residalya). Both Residalya and Patrimoine & Santé are fully consolidated by HPA.

The composition of this segment has not changed in 1H2018.

Segment 4

Energy & Resources:

SIPEF (equity method 30.5%), AvH India Resources (global integration 100%) and Sagar Cements (equity method 17.6%).

AvH's stake in SIPEF increased slightly from 30.25% to 30.54% in the first half of 2018.

Segment 5

AvH & Growth Capital:

- AvH, Sofinim & subholdings (global integration 100%)
- Participations accounted for using global integration: Agidens (86.2%)
- Participations accounted for using the equity method: Axe Investments (48.3%), Amsteldijk Beheer (50%), Corelio (26.2%), Mediahuis (13.2%), MediaCore (49.9%), Distriplus (50%), Financière EMG (22.5%), Manuchar (30.0%), Turbo's Hoet Groep (50%), Consortium Telemond (50%) and GIB (50%)
- Non-consolidated participations: OncoDNA (15%)

In April 2018, Sofinim (AvH 100%) sold its entire participation (10.53%) in Atenor.

During the first half of 2018, AvH's shareholding percentage in Financière EMG increased from 22.24% to 22.51% and in Corelio from 26.17% to 26.21%. Both these movements are the result of minor changes in the shareholder structure of those companies and not of additional direct investments by AvH.

6. Segment information - consolidated income statement 30-06-2018

(€ 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	30-06-2018
Revenue	**1,890,253**	**83,719**	**241,505**	**12**	**41,670**	**-849**	**2,256,310**
Rendering of services	1,505		100,416		872	-849	101,944
Lease revenue		4,235	788				5,023
Real estate revenue	75,474		132,188				207,662
Interest income - banking activities		47,997					47,997
Fees and commissions - banking activities		30,310					30,310
Revenue from construction contracts	1,783,078				39,246		1,822,323
Other operating revenue	30,197	1,177	8,114	12	1,552		41,052
Other operating income	**3,382**	**520**	**0**	**0**	**1,325**	**-627**	**4,601**
Interest on financial fixed assets - receivables	3,338				625	-557	3,408
Dividends	43	520			600		1,163
Government grants							0
Other operating income					100	-70	30
Operating expenses (-)	**-1,812,196**	**-61,740**	**-187,874**	**-47**	**-57,423**	**919**	**-2,118,361**
Raw materials and consumables used (-)	-1,068,817		-89,836		-18,235		-1,176,889
Changes in inventories of finished goods, raw materials & consumables (-)	-35,359		3,599				-31,760
Interest expenses Bank J.Van Breda & C° (-)		-12,395					-12,395
Employee expenses (-)	-335,852	-22,842	-60,338		-17,974		-437,006
Depreciation (-)	-126,096	-2,298	-9,670		-1,462		-139,526
Impairment losses (-)	2,303	-1,546	-29		-10,000		-9,271
Other operating expenses (-)	-254,031	-22,464	-31,849	-47	-9,757	919	-317,228
Provisions	5,656	-195	249		5		5,715
Profit (loss) on assets/liabilities designated at fair value through profit and loss	**0**	**0**	**4,804**	**0**	**27**	**0**	**4,831**
Financial assets - Fair value through P/L (FVPL)			4,720		27		4,747
Investment property			84				84
Profit (loss) on disposal of assets	**2,362**	**507**	**2**	**0**	**15,469**	**0**	**18,339**
Realised gain (loss) on intangible and tangible assets	1,708		2		17		1,727
Realised gain (loss) on investment property							0
Realised gain (loss) on financial fixed assets	654				15,217		15,871
Realised gain (loss) on other assets		507			234		741
Profit (loss) from operating activities	**83,801**	**23,006**	**58,437**	**-35**	**1,068**	**-557**	**165,721**
Finance income	**28,562**	**4**	**1,613**	**0**	**373**	**-10**	**30,541**
Interest income	2,349	4	1,319		138	-10	3,800
Other finance income	26,213		294		235		26,742
Finance costs (-)	**-39,046**	**0**	**-13,703**	**0**	**-1,053**	**567**	**-53,235**
Interest expenses (-)	-11,338		-8,424		-195	567	-19,389
Other finance costs (-)	-27,708		-5,279		-858		-33,846
Derivative financial instruments designated at fair value throughprofit and loss	**0**	**-208**	**1,086**	**0**	**0**		**878**
Share of profit (loss) from equity accounted investments	**-642**	**56,948**	**11,132**	**6,499**	**-10,766**		**63,170**
Other non-operating income	**0**	**358**	**0**	**0**	**0**		**358**
Other non-operating expenses (-)	**0**	**0**	**0**	**0**	**0**		**0**
Profit (loss) before tax	**72,675**	**80,108**	**58,565**	**6,464**	**-10,378**	**0**	**207,434**
Income taxes	**-20,526**	**-6,713**	**-7,725**	**0**	**-225**	**0**	**-35,189**
Deferred taxes	4,549	929	-4,308		343		1,513
Current taxes	-25,075	-7,642	-3,416		-568		-36,702
Profit (loss) after tax from continuing operations	**52,149**	**73,395**	**50,841**	**6,464**	**-10,603**	**0**	**172,245**
Profit (loss) after tax from discontinued operations	**0**	**0**	**0**	**0**	**0**		**0**
Profit (loss) of the period	**52,149**	**73,395**	**50,841**	**6,464**	**-10,603**	**0**	**172,245**
Minority interests	19,992	15,645	24,946	2	-2		60,584
Share of the group	32,156	57,750	25,895	6,462	-10,602		111,661

Comments on the consolidated income statement

The consolidated **revenue** increased by 368.6 million euros (+20%) to 2,256.3 million euros. The "Marine Engineering & Contracting" segment accounts for most (336.6 million euros) of this increase, thanks to the increased activity reported by DEME and CFE compared with 1H2017.

Extensa's successful sales of its residential property developments (more particularly on the Cloche d'Or site in Luxembourg) and the continuing expansion of the retirement home groups Anima Care in Belgium and HPA/Residalya in France explain the turnover growth in the "Real Estate & Senior Care" segment.

Revenue in the "Private Banking" segment increased by 3.5%. Since the participation in Delen Private Bank is accounted for using the equity method, this revenue (and the associated charges) relates exclusively to Bank J.Van Breda & C°. The increase in revenue is due to the increased fees and commissions, since the interest income has been decreasing as a result of the persistently low interest rates. In 1H2018, fees and commissions already accounted for 36% of the total revenue of Bank J.Van Breda & C°, compared with 32% a year ago. The impairment losses recognized by Bank J.Van Breda & C° were once again very limited in 1H2018, amounting to 1.5 million euros on a total outstanding loan portfolio of 4,666 million euros as at June 30, 2018.

Revenue and operating expenses are virtually entirely eliminated in the "Energy & Resources" segment following the sale (in 2H2017) of the participation in Nationale Maatschappij der Pijpleidingen.

The consolidated **operating expenses** increased by 19%, in line with the explanation of the revenue given above. As regards operating expenses, the increase is likewise for the most part accounted for by the growth in activity reported by DEME and CFE ("Marine Engineering & Contracting"). In 1H2018, an additional 2.9 million euros (share AvH 1,8 million euros) worth of provisions for contingent liabilities that were constituted in 2013 on the occasion of AvH's acquisition of control over CFE, was reversed, given that the relevant underlying risks have since been reduced.

In the "AvH & Growth Capital" segment, an impairment loss of 10 million euros was recognized in 1H2018 on the exposure of Sofinim (AvH 100%) to Distriplus.

The 4.8 million euros **profit on assets designated at fair value through profit and loss** was generated entirely by the "Real Estate & Senior Care" segment in 1H2018. As of 2018, as a result of the application of the new IFRS 9 standard, the value fluctuations (i.e. fluctuations of the market price) of the 1,192,422 Retail Estates shares held by Leasinvest Real Estate are recognized in profit and loss. In 1H2018, this made a positive contribution of 4.7 million euros (including minority interests) to the income statement. The value fluctuations on investment property of Leasinvest Real Estate and Extensa, however, contributed on balance just 0.1 million euros to the results (1H2017: 10.5 million euros).

The **profit on disposal of assets** in 1H2018 arises primarily from the entire disposal of the stakes in Atenor (8.7 million euros) and BDM-Asco (6.1 million euros). In 1H2017, AvH realized 48.8 million euros worth of capital gains on the disposal of a.o. the stakes in Ogeda and of the companies developing the 'Kons' and 'Oosteroever' real estate projects.

Despite 30.5 million euros less capital gains realized and 12.4 million euros more impairment losses recognized, the decrease in **profit from operating activities** was limited to 9.9 million euros, reflecting the generally favourable development of the key participations of the AvH group.

The **net interest expenses** increased by 1.3 million euros compared with 1H2017. This is mainly explained by the situation of DEME, which as expected saw its net financial debt increase to 559.0 million euros (1H2017: 235.2 million euros). The other financial income/costs turn out 9.1 million euros net less negative than in 1H2017, mainly thanks to better exchange results.

In 1H2018, the **share of profit/loss from equity accounted investments** continues to represent a substantial part (63.2 million euros in 1H2018, compared with 73.4 million euros in 1H2017) of the consolidated profit. In 1H2018, Delen Private Bank and Extensa (through its 50% stake in the development companies of the Deloitte and Alter Domus projects on the Cloche d'Or site in Luxembourg) in particular were able to increase their contribution. In the "AvH & Growth Capital" segment, the positive development of Turbo's Hoet Groep, Financière EMG and Corelio was overshadowed by the losses at Manuchar (impairment loss on its Mexican plant) and Distriplus (impairment loss on goodwill and disappointing operating results). As far as the comparative figures of 1H2017 are concerned, we should recall the recognition (through the contribution of SIPEF) of a remeasurement gain of 19.8 million euros (AvH share) on Agro Muko following the acquisition of exclusive control by SIPEF.

The **income taxes** increased by 5.5 million euros compared with the first half of 2017. It should be pointed out in this connection that the contribution of equity accounted companies is recognized on the basis of their profit after tax. After adjustment for this, the tax cost of 35.2 million euros for 1H2018 relates to a profit before tax of 144.3 million euros, which is 24.4%.

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° (-)		-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 throughprofit 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

Segment information - consolidated balance sheet 30-06-2018 - 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	30-06-2018
I. Non-current assets	2,901,494	4,539,396	1,482,516	211,244	207,490	-17,405	9,324,735
Intangible assets	90,907	2,139	85,051		597		178,695
Goodwill	177,520	134,247	28,456				340,222
Tangible assets	2,200,080	42,996	244,800		25,556		2,513,432
Investment property			967,240				967,240
Participations accounted for using the equity method	151,419	687,063	39,507	211,244	141,910		1,231,143
Financial fixed assets	176,767	1,055	93,327		32,704	-17,405	286,448
Financial assets - Fair value through P/L (FVPL)	18,977		92,194		9,667		120,838
Receivables and warranties	157,790	1,055	1,133		23,037	-17,405	165,609
Non-current hedging instruments	171	2,211	841				3,223
Amounts receivable after one year	5,330	152,979	23,274		3,368		184,951
Trade receivables							0
Finance lease receivables		152,979	22,736				175,715
Other receivables	5,330		538		3,368		9,235
Deferred tax assets	99,300	2,624	20		3,355		105,299
Banks - receivables from credit institutions and clients after one year		3,514,082					3,514,082
II. Current assets	1,924,980	2,046,276	383,554	378	210,019	-42,725	4,522,481
Inventories	123,782		194,326		469		318,577
Amounts due from customers under construction contracts	53,209		29,053		10,306		92,568
Investments	3	416,377	40		40,305		456,724
Financial assets - Fair value through P/L (FVPL)	3		40		40,305		40,347
Financial assets - Fair value through OCI (FVOCI)		402,877					402,877
Financial assets - at amortised cost		13,500					13,500
Current hedging instruments	1,146	109					1,255
Amounts receivable within one year	1,267,490	117,543	111,645		58,471	-41,717	1,513,431
Trade debtors	1,195,701		39,527		19,695	-1,117	1,253,806
Finance lease receivables		60,046	286				60,332
Other receivables	71,789	57,497	71,831		38,775	-40,600	199,292
Current tax receivables	17,965	5,566	3,826	23	994		28,374
Banks - receivables from credit institutions and clients within one year		1,458,167					1,458,167
Banks - loans and advances to banks		125,811					125,811
Banks - loans and receivables (excl. finance leases)		931,397					931,397
Banks - cash balances with central banks		400,959					400,959
Cash and cash equivalents	429,958	40,526	38,959	355	96,677		606,475
Time deposits for less than three months	30,494	1	4,202		44,123		78,820
Cash	399,464	40,525	34,757	355	52,554		527,655
Deferred charges and accrued income	31,427	7,988	5,705		2,797	-1,008	46,910
III. Assets held for sale			152,614		5,314		157,928
Total assets	4,826,474	6,585,672	2,018,684	211,622	422,822	-60,130	14,005,144

Segment information - consolidated balance sheet 30-06-2018 - 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	30-06-2018
I. Total equity	1,588,284	1,412,667	722,486	211,611	279,285		4,214,333
Shareholders' equity - group share	959,254	1,140,926	407,951	211,611	276,343		2,996,084
Issued capital					113,907		113,907
Share capital					2,295		2,295
Share premium					111,612		111,612
Consolidated reserves	985,393	1,138,533	415,101	205,691	202,681		2,947,399
Revaluation reserves	-26,139	2,393	-7,150	5,919	-10,900		-35,876
Financial assets - Fair value through OCI (FVOCI)		2,182					2,182
Hedging reserves	-2,955	-124	-9,978	176	16		-12,865
Actuarial gains (losses) defined benefit pension plans	-15,262	9	-21	-619	1,152		-14,741
Translation differences	-7,923	327	2,849	6,362	-12,067		-10,452
Treasury shares (-)					-29,345		-29,345
Minority interests	629,030	271,740	314,536		2,942		1,218,249
II. Non-current liabilities	1,003,462	647,629	837,944		4,133	-17,405	2,475,764
Provisions	79,708	5,377	3,570		1,416		90,071
Pension liabilities	53,231	4,175	866		196		58,469
Deferred tax liabilities	117,097		67,013		1,647		185,757
Financial debts	742,442		722,660		535	-17,405	1,448,232
Bank loans	645,371		529,384				1,174,755
Bonds	30,628		190,714				221,342
Subordinated loans	5,354				52		5,406
Finance leases	41,807		764		482		43,053
Other financial debts	19,283		1,798			-17,405	3,676
Non-current hedging instruments	7,858	10,948	33,709				52,515
Other amounts payable after one year	3,127	12,288	10,126		339		25,879
Banks - debts to credit institutions, clients & securities		614,841					614,841
Banks - deposits from credit institutions							0
Banks - deposits from clients		575,361					575,361
Banks - debt certificates including bonds							0
Banks - subordinated liabilities		39,480					39,480
III. Current liabilities	2,234,728	4,525,377	357,983	11	139,404	-42,725	7,214,778
Provisions	52,584	9	54				52,647
Pension liabilities		339					339
Financial debts	353,796		226,834		79,290	-40,600	619,321
Bank loans	144,753		81,691				226,444
Bonds	199,963		39				200,002
Subordinated loans					3		3
Finance leases	7,863		401		4,302		12,565
Other financial debts	1,217		144,703		74,985	-40,600	180,306
Current hedging instruments	7,472	1,623					9,095
Amounts due to customers under construction contracts	166,636		740		11,009		178,385
Other amounts payable within one year	1,546,368	14,205	102,097	8	48,166	-1,117	1,709,725
Trade payables	1,346,639	16	63,417	8	12,097	-1,117	1,421,059
Advances received			1,764				1,764
Amounts payable regarding remuneration and social security	161,215	9,081	23,973		5,855		200,124
Other amounts payable	38,514	5,108	12,943		30,213		86,778
Current tax payables	43,164	201	6,281	4	468		50,118
Banks - debts to credit institutions, clients & securities		4,502,535					4,502,535
Banks - deposits from credit institutions		28,075					28,075
Banks - deposits from clients		4,175,647					4,175,647
Banks - debt certificates including bonds		284,121					284,121
Banks - subordinated liabilities		14,692					14,692
Accrued charges and deferred income	64,708	6,465	21,977		471	-1,008	92,613
IV. Liabilities held for sale			100,270				100,270
Total equity and liabilities	4,826,474	6,585,672	2,018,684	211,622	422,822	-60,130	14,005,144

Comments on the segment information - balance sheet

As was already mentioned in earlier reports, the full consolidation of the stake (78.75%) in Bank J.Van Breda & C° has a significant impact on the balance sheet of AvH. Due to its specific (banking) activity, Bank J.Van Breda & C° not only has a significantly greater balance sheet total than the other participations of the AvH group: out of a balance sheet total of 14,005.1 million euros, the full consolidation of Bank J.Van Breda & C° already accounts for 5,686.4 million euros (more than 40% of the balance sheet total of the whole group). Moreover, as a financial institution, Bank J.Van Breda & C° has a distinct balance sheet structure that is adapted to its activities. A number of items from the balance sheet of Bank J.Van Breda & C° are summarized under separate items in AvH's consolidated balance sheet for distinction purposes.

In the same way as the revenue, AvH's **balance sheet** total grew further in 1H2018, from 13,469.0 million euros at year-end 2017 to 14,005.1 million euros. This is an increase by 536.1 million euros (+4.0%). The "Private Banking" segment again accounts for most of this increase as a direct result of the strong commercial dynamic at Bank J.Van Breda & C°, which led to increased client deposits (+5%) as well as increased lending (+3%). The increased level of activity at DEME, CFE ("Marine Engineering & Contracting") and in the real estate and retirement home activities of the AvH group is also reflected in a greater deployment of fixed assets and working capital.

The limited decrease (-9.3 million euros) in **Goodwill** is primarily the result of the final recognition of DEME's acquisition of the stakes in A2Sea and G-TEC; both these transactions had been provisionally recognized in the balance sheet at year-end 2017 (see also note 7.2 Business combinations on page 39).

Despite DEME's substantial investments to the amount of 221.3 million euros (when including jointly controlled entities 233.1 million euros) in the expansion and renewal of its fleet, the carrying value of the consolidated **tangible assets** decreased by 59.5 million euros compared with year-end 2017. This development is entirely explained by the announcement by HPA on March 29 that an agreement had been concluded with Icade Santé for the sale of the real estate of 14 residential care centres that are operated by Residalya. This transaction was implemented in July 2018. Consequently, the tangible assets that were transferred to Icade Santé in July 2018 are recognized in the consolidated balance sheet of AvH on June 30, 2018 under 'Assets held for sale'.

The composition of the **investment property** portfolio of Leasinvest Real Estate has largely remained unchanged since year-end 2017. Nevertheless, further investments were made, primarily in the Montoyer and Treesquare buildings. The Treesquare building was taken into service before 30/06/2018.

The increase in **financial fixed assets** at Leasinvest Real Estate is the result of an increase in the Retail Estates share price and of the participation, to the amount of 12.9 million euros, in the capital increase of Retail Estates in 1H2018.

The increased commercial activity at Bank J.Van Breda & C° is reflected in an increase of the receivables by 106.0 million euros of the non-current portion and an increase by 153.2 million euros of the current portion.

As of 2018, the investments are broken down into several categories according to the accounting treatment of the results that might be realized on those investments. The composition of AvH's own investment portfolio ("AvH & Growth Capital" segment) has not changed in the first six months of 2018.

Compared with year-end 2017, Bank J.Van Breda & C° has more short-term liquidities and has increased its deposits with banks and lending (both short-term). Like at year-end 2017, a substantial volume of **cash** is available in the "Marine Engineering & Contracting" segment, although this should of course be seen alongside short-term liabilities.

The evolution of the consolidated equity is explained in section 5.

Generally speaking, the long-term debts remain on approximately the same level as at year-end 2017. The long term financial debts however increased by 60.0 million euros. The "Marine Engineering & Contracting" segment accounts for 85.6 million euros of the increase. DEME also finances its investment in the expansion and renewal of its fleet by contracting long-term debts. At the same time, the 200 million euro DEME bond, which matures in February 2019, was reclassified to short-term debts on June 30, 2018. In the "Real Estate & Senior Care" segment, the sale that was announced of the real estate of 14 residential care centres of Patrimoine & Santé resulted in the short-term and long-term financial liabilities connected with this transaction being recognized under Liabilities held for sale as per June 30,2018. In 1H2018, Leasinvest Real Estate increased its long-term debt by 79.3 million euros and reduced its short-term debt by 20.5 million euros.

Although clients made 239,4 million euros more deposits with Bank J.Van Breda & C° than at year-end 2017, this increase is entirely in short-term deposits (less than one year). Long-term deposits (more than one year), however, decreased by 32.0 million euros over the last six months.

Short-term bond debts increased by 200 million euros following the reclassification of the DEME bond to short-term debts as mentioned earlier. However, they decreased as CFE repaid its 100 million euro bond debt in June 2018. The other amounts payable comprise 28 million euros representing the final tranche which AvH owes NPM Capital in September 2018 for the acquisition of 26% of Sofinim (transaction of 2016).

Segment information - consolidated balance sheet 31-12-2017 - Assets

(€ 1,000)	Segment 1 Marine Engineering & Contracting	Segment 2 Private Banking	Segment 3 Real Estate & Senior Care	Segment 4 Energy & Resources	Segment 5 AvH & Growth Capital	Eliminations between segments	Total 2017
I. Non-current assets	2,839,219	4,410,084	1,565,916	204,048	242,594	-6,385	9,255,476
Intangible assets	91,363	2,930	84,670		605		179,567
Goodwill	186,821	134,247	28,455				349,523
Tangible assets	2,126,568	41,578	378,527		26,204		2,572,877
Investment property			945,488				945,488
Participations accounted for using the equity method	154,177	679,973	28,204	204,048	174,344		1,240,746
Financial fixed assets	167,868	818	75,144		29,740	-6,385	267,186
Available for sale financial fixed assets	18,003		74,550		9,781		102,335
Receivables and warranties	149,865	818	594		19,959	-6,385	164,851
Non-current hedging instruments	921	3,662	1,066				5,649
Amounts receivable after one year	7,737	138,029	23,024		8,319		177,109
Trade receivables	2,418				4,540		6,958
Finance lease receivables		138,029	22,736				160,765
Other receivables	5,320		288		3,779		9,386
Deferred tax assets	103,763	735	1,338		3,382		109,219
Banks - receivables from credit institutions and clients after one year		3,408,112					3,408,112
II. Current assets	1,843,121	1,828,829	371,492	424	169,859	-21,347	4,192,378
Inventories	148,260		180,744		396		329,400
Amounts due from customers under construction contracts	46,077		20,359		7,856		74,292
Investments	3	427,712	153		40,013		467,882
Available for sale financial assets		427,712	153		40,013		467,879
Financial assets held for trading	3						3
Current hedging instruments	4,154	399					4,553
Amounts receivable within one year	1,082,719	84,743	114,901		59,907	-20,857	1,321,413
Trade debtors	1,007,332		46,560		14,750	-2,490	1,066,152
Finance lease receivables		54,568	571				55,139
Other receivables	75,387	30,175	67,770		45,156	-18,367	200,122
Current tax receivables	13,783		4,411	22	813		19,030
Banks - receivables from credit institutions and clients within one year		1,304,957					1,304,957
Banks - loans and advances to banks		88,863					88,863
Banks - loans and receivables (excl. finance leases)		908,056					908,056
Banks - cash balances with central banks		308,038					308,038
Cash and cash equivalents	524,994	3,762	48,930	402	58,939		637,027
Time deposits for less than three months	35,107	1	3		41		35,152
Cash	489,887	3,761	48,927	402	58,898		601,875
Deferred charges and accrued income	23,131	7,256	1,993		1,935	-491	33,824
III. Assets held for sale		11,686	3,613		5,860		21,159
Total assets	4,682,340	6,250,598	1,941,021	204,472	418,314	-27,732	13,469,013

Segment information - consolidated balance sheet 31-12-2017 - 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	Total 2017
I. Total equity	1,626,817	1,351,777	707,868	204,466	304,344		4,195,272
Shareholders' equity - group share	981,360	1,095,291	389,692	204,466	301,400		2,972,208
Issued capital					113,907		113,907
Share capital					2,295		2,295
Share premium					111,612		111,612
Consolidated reserves	1,006,643	1,093,851	387,336	202,778	215,003		2,905,611
Revaluation reserves	-25,283	1,439	2,356	1,688	2,317		-17,482
Financial assets available for sale		1,860	8,804		12,916		23,579
Hedging reserves	-743	-183	-9,302	20	4		-10,204
Actuarial gains (losses) defined benefit pension plans	-15,262	33	-21	-644	810		-15,083
Translation differences	-9,278	-271	2,876	2,312	-11,412		-15,774
Treasury shares (-)					-29,828		-29,828
Minority interests	645,457	256,487	318,176		2,944		1,223,064
II. Non-current liabilities	928,196	684,166	867,427		3,882	-6,385	2,477,286
Provisions	76,843	4,572	3,545		1,421		86,381
Pension liabilities	53,149	3,995	790		200		58,134
Deferred tax liabilities	129,641	704	80,410		1,513		212,268
Financial debts	656,857		737,232		474	-6,385	1,388,177
Bank loans	366,402		511,068				877,470
Bonds	231,378		203,948				435,327
Subordinated loans	5,354						5,354
Finance leases	45,427		20,247		474		66,147
Other financial debts	8,296		1,969			-6,385	3,880
Non-current hedging instruments	7,209	8,572	34,616				50,397
Other amounts payable after one year	4,497	11,155	10,834		274		26,761
Banks - debts to credit institutions, clients & securities		655,168					655,168
Banks - deposits from credit institutions							0
Banks - deposits from clients		607,368					607,368
Banks - debt certificates including bonds							0
Banks - subordinated liabilities		47,800					47,800
III. Current liabilities	2,127,327	4,214,655	365,726	7	110,087	-21,347	6,796,455
Provisions	59,047	12	108				59,166
Pension liabilities		289					289
Financial debts	235,162		223,352		51,560	-10,607	499,467
Bank loans	116,042		47,791				163,833
Bonds	99,959						99,959
Finance leases	7,921		2,342		4,967		15,230
Other financial debts	11,241		173,218		46,593	-10,607	220,445
Current hedging instruments	7,445	800	160				8,405
Amounts due to customers under construction contracts	224,657				11,047		235,704
Other amounts payable within one year	1,491,839	13,252	100,206	3	46,411	-10,250	1,641,461
Trade payables	1,277,741	10	68,028	3	8,177	-1,213	1,352,745
Advances received			2,505				2,505
Amounts payable regarding remuneration and social security	152,612	8,177	17,565		7,669		186,022
Other amounts payable	61,487	5,065	12,108		30,565	-9,036	100,189
Current tax payables	42,538	3,437	18,429	4	283		64,691
Banks - debts to credit institutions, clients & securities		4,191,182					4,191,182
Banks - deposits from credit institutions		27,458					27,458
Banks - deposits from clients		3,898,145					3,898,145
Banks - debt certificates including bonds		253,114					253,114
Banks - subordinated liabilities		12,465					12,465
Accrued charges and deferred income	66,639	5,683	23,472		786	-491	96,089
IV. Liabilities held for sale							0
Total equity and liabilities	4,682,340	6,250,598	1,941,021	204,472	418,314	-27,732	13,469,013

Segment information - consolidated cash flow statement 30-06-2018

(€ 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	30-06-2018
I. Cash and cash equivalents - opening balance	**524,994**	**3,762**	**48,930**	**402**	**58,939**		**637,027**
Profit (loss) from operating activities	83,801	23,006	58,437	-35	1,068	-557	165,721
Reclassification 'Profit (loss) on disposal of assets' to cash flow from divestments	-2,363	-507	-2		-15,469		-18,339
Dividends from participations accounted for using the equity method	4,206	52,263			7,638		64,107
Other non-operating income (expenses)		358					358
Income taxes	-22,441	-6,713	-7,725		-225		-37,104
Non-cash adjustments							
Depreciation	126,096	2,298	9,670		1,462		139,526
Impairment losses	-2,303	1,541	24		10,000		9,261
Share based payment		-366	34		532		199
Profit (loss) on assets/liabilities designated at fair value through profit and loss			-4,804		-27		-4,831
(Decrease) increase of provisions	-5,567	425	-207		-8		-5,357
(Decrease) increase of deferred taxes	-4,550	-929	4,308		-343		-1,513
Other non-cash expenses (income)	5,006	508	-11		417		5,921
Cash flow	**181,885**	**71,883**	**59,725**	**-35**	**5,045**	**-557**	**317,948**
Decrease (increase) of working capital	**-171,527**	**-42,608**	**-34,663**	**4**	**-4,327**	**39,080**	**-214,041**
Decrease (increase) of inventories and construction contracts	-38,612		-21,034		-2,560		-62,206
Decrease (increase) of amounts receivable	-200,003	-53,297	1,356		-2,529	39,080	-215,393
Decrease (increase) of receivables from credit institutions and clients (banks)		-260,801					-260,801
Increase (decrease) of liabilities (other than financial debts)	67,511	-2,123	-9,502	5	1,940		57,831
Increase (decrease) of debts to credit institutions, clients & securities (banks)		274,798					274,798
Decrease (increase) other	-422	-1,185	-5,484		-1,178		-8,269
Cash flow from operating activities	**10,358**	**29,275**	**25,062**	**-30**	**718**	**38,523**	**103,907**
Investments	**-241,192**	**-191,915**	**-59,143**	**-1,745**	**-24,986**	**1,933**	**-517,049**
Acquisition of intangible and tangible assets	-226,742	-2,924	-24,225		-713		-254,605
Acquisition of investment property			-21,552				-21,552
Acquisition of financial fixed assets	-3,556		-13,030	-1,745	-1,714		-20,045
New amounts receivable	-10,894	-237	-336		-3,933	1,933	-13,467
Acquisition of investments		-188,754			-18,625		-207,379
Divestments	**8,129**	**199,491**	**3,639**	**0**	**65,077**		**276,337**
Disposal of intangible and tangible assets	2,534		15		27		2,576
Disposal of investment property			3,500				3,500
Disposal of financial fixed assets	2,861		2		46,452		49,316
Reimbursements of amounts receivable	2,734		4				2,738
Disposal of investments		199,491	118		18,598		218,208
Cash flow from investing activities	**-233,063**	**7,576**	**-55,504**	**-1,745**	**40,092**	**1,933**	**-240,712**
Financial operations							
Interest received	2,349	4	1,319		138	-10	3,800
Interest paid	-17,213		-8,539		-195	567	-25,380
Other financial income (costs)	-1,524		-4,983		-447		-6,955
Decrease (increase) of treasury shares	0				300		300
(Decrease) increase of financial debts	205,096		71,678		27,788	-41,013	263,549
Distribution of profits			0		-73,019		-73,019
Dividends paid intra group	-36,695		-7,410		44,105		0
Dividends paid to minority interests	-24,060	-73	-28,310				-52,443
Cash flow from financial activities	**127,954**	**-69**	**23,755**		**-1,331**	**-40,457**	**109,852**
II. Net increase (decrease) in cash and cash equivalents	**-94,751**	**36,782**	**-6,688**	**-1,775**	**39,479**		**-26,953**
Transfer between segments			0	1,745	-1,745		0
Change in consolidation scope or method	108	-18	-3,248				-3,158
Capital increases (minorities)							0
Impact of exchange rate changes on cash and cash equivalents	-393		-36	-17	5		-441
III. Cash and cash equivalents - ending balance	**429,958**	**40,526**	**38,959**	**355**	**96,677**		**606,475**

Comments on the segment information - consolidated cash flow statement

The cash flow in 1H2018 amounted to 317.9 million euros, which is 27.3 million euros higher than in the first half of 2017. Although in the first half of 2018 the **profit from operating activities** turned out 9.9 million euros lower than in the same period last year, this is more than compensated by the fact that this operating profit comprises just 18.3 million euros in profits from divestments (compared with 48.8 million euros in 1H2017) and that the non-cash adjustments turned out 19.3 million euros higher in total than last year. This is explained by, on balance, more impairment losses, higher depreciation and less profit from fair value adjustments being recognized in the operating profit of 1H2018 compared with 1H2017.

In contrast to the higher cash flow of 1H2018, there is a substantial increase in **working capital** by 214.0 million euros. The "Marine Engineering & Contracting" segment accounts for most of this increase in working capital. The increase in this segment is primarily explained by the increased working capital requirement at DEME as a result of the higher level of activity in 1H2018. The working capital of Bank J.Van Breda & C° remained stable. Lending (+137.7 million euros) increased less vigorously than the incoming client deposits (+239.4 million euros; the surplus cash was converted into deposits with the National Bank of Belgium. Consequently, the increased working capital in the "Private Banking" segment is explained by the temporary investment of Finaxis cash (at AvH) pending a dividend payment in 3Q2018. In the cash flow statement of 1H2017, the acquisition by AvH of the Leasinvest Real Estate shares that were held by Extensa had an impact on the working capital of the "Real Estate & Senior Care" and "AvH & Growth Capital" segments. This is not the case in the cash flow statement of 1H2018.

After the working capital increase of 214.0 million euros, a cash flow from operating activities remained of 103.9 million euros (1H2017: 230.5 million euros).

In 1H2018, the different segments invested a total of 517.0 million euros and divested a total of 276.3 million euros. This means a net investment of 240.7 million euros, which is slightly higher than the 238.8 million euros net investment during 1H2017. As was also the case in 1H2017, the "Marine Engineering & Contracting" segment accounts for a substantial part of the investments, driven by DEME's considerable investments (221.3 million euros, or 233.1 million euros including the jointly controlled entities) in the expansion and renewal of its fleet. The acquisition and disposal of investments in the "Private Banking" segment arise from the choices made by Bank J.Van Breda & C° in the management of its investment portfolio. Anima Care and Residalya invested in the further expansion of their retirement home network with ongoing new construction or refurbishment projects in Anderlecht, Zoutleeuw, Aalst, Berlare, Bilzen etc., and the acquisition of a new residence in Salleboeuf (F). Leasinvest Real Estate followed for its part the capital increase of Retail Estates, which represented an additional investment of 12.9 million euros.

Investment activity in the "AvH & Growth Capital" segment was fairly limited. AvH increased its stake in SIPEF from 30.25% to 30.54% during the first half of 2018. The divestments of 1H2018 in that segment primarily concerned the disposal of the 10.53% stake in Atenor and the entire disposal of the stake in BDM-Asco.

To finance the investments and working capital, 109.9 million euros worth of extra financing was obtained, most of which within "Marine Engineering & Contracting". In the "AvH & Growth Capital" segment, however, there was a net reduction of financial debt.

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**

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 2018 as approved by the European Commission.

New and amended standards and interpretations
Following new standards and amendments to existing standards published by the IASB, are applied as from January 1, 2018.

- Amendments to IFRS 2 Share-based Payment - Classification and Measurement of Share-based Payment Transactions, effective as from 1 January 2018
- IFRS 9 Financial Instruments, effective as from January 1, 2018
- IFRS 15 Revenue from Contracts with Customers, including amendments to IFRS 15: Effective date of IFRS 15, effective as from January 1, 2018
- Amendments to IAS 40 Investment Property – Transfers of Investment Property, effective 1 January 2018
- IFRIC 22 Foreign Currency Transactions and Advance Consideration1, effective 1 January 2018
- Annual Improvements Cycle - 2014-2016, effective 1 January 2018

IFRS 9 Financial Instruments
The final version of IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting.

AvH makes use of the possibility not to restate the comparative figures. As a result, for both the classification and measurement of financial instruments and the determination of expected credit losses the impact is recorded in the opening balance at 1/1/2018, without adjustment of the previous periods.

(I) Classification and measurement:
IFRS 9 identifies three categories for the classification of financial assets according to how the assets are measured: amortized cost, fair value through other comprehensive income, and fair value through profit & loss. The IAS 39 categories of held-to-maturity investments, loans and receivables, and available-for-sale financial assets cease to exist.

The new classification of financial assets and liabilities at amortized cost is determined in two steps:
- The ‘business model’ test determines how a portfolio is managed as a whole.
- The ‘Solely Payment of Principal and Interest (SPPI)’ test determines the characteristics of the contractual cash flows.

Except at Bank J.Van Breda & C° and Delen Private Bank, the changes in fair value in the portfolio ‘Available-for-sale financial assets’ are recognized through profit and loss as from January 1, 2018. Consequently, the unrealized capital gains were reclassified (within the equity) to the consolidated reserves in the opening balance to the amount of 21.7 million euro (share of the group). After that, the classification (changes in fair value through profit and loss or through other comprehensive income) of each new acquisition is determined per instrument.

(II) Expected credit losses (expected loss model)
The introduction of IFRS 9 involves a changeover from an ‘incurred loss’ model to an ‘expected loss’ model as regards impairments. Under IFRS 9, a provision must be constituted for expected losses at the start of a contract.

Bank J.Van Breda & C° has developed a model to determine 'expected credit loss'. The credit portfolio is subdivided into three stages:
- Stage 1: performing credits, for which an initial ‘one-year expected credit loss’ is recognized: for all financial assets, an initial provision for expected credit losses is constituted based on the probability that events will occur within 12 months that give rise to default.
- Stage 2: underperforming credits for which a 'lifetime expected credit loss' is recognized: if a significant increase in credit risk is observed, a provision for credit losses is constituted over the expected life of the financial asset.
- Stage 3: for non-performing credits, the impairments continue to be recognized individually.

The credit losses for stages 1 and 2 are determined on the basis of a model developed internally in accordance with the rules of IFRS 9. Given the quality of the loan portfolio of Bank J.Van Breda & C°, the impact on the opening equity is limited to -3.3 million euros (pre-minorities). **Delen Private Bank** reports a minimal impact of -0.1 million euros (pre-minorities).

The implementation of IFRS 9 at Bank J.Van Breda & C° and Delen Private Bank is explained in more detail in Note 11 on page 42.

In accordance with IFRS 9, an impairment loss of 12 million euros was recognized on the outstanding receivables in **CFE**’s opening balance. The evaluation of CFE's financial assets considers the present value of expected losses if the borrower defaults on its obligations. Expected credit losses are calculated based on a weighted average of expected credit losses arising from multiple scenario’s. Implementation of this model on the receivables owned by CFE on the Chadian State leads to a decrease of the opening equity at 1st January 2018 by an amount of 12 million euros.

No material impact has been noticed for the AvH group’s **other participations** following the initial application of IFRS 9 – expected credit losses.

(III) Hedge accounting
The new hedge accounting principles will have no impact.

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

AvH implemented the new standard on 1/1/2018 and has opted for the modified retrospective method, which means that the opening balance of the equity at January 1, 2018 is adjusted without adjustment of the comparative figures of the previous year. In this approach, IFRS 15 is applied to contracts which were not yet completed on the date of initial application; these contracts are restated as if IFRS 15 was always applicable.

The analysis performed at DEME shows that certain contracts (EPCI) contain separately identifiable performance obligations, namely obligations relating to purchase and installation activities. Until the end of 2017, these standard contracts were always treated as one single contract under IAS 11, but according to IFRS 15 the different performance obligations give each separately rise to revenue recognition. The impact of this restatement caused the opening equity to decrease by 15.6 million euros (pre-minorities) at January 1, 2018. The other participations reported no material impact.

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

Assets - impact of IFRS 9 & IFRS 15

(€ 1,000)	31-12-2017	IFRS 9 Classification & measurement	IFRS 9 Expected Credit loss 'Private Banking'	IFRS 9 Expected Credit loss 'Other Segments'	IFRS 15	Opening balance (1-1-2018)
I. Non-current assets	**9,255,476**	**0**	**-2,819**	**0**	**0**	**9,252,657**
Intangible assets	**179,567**					**179,567**
Goodwill	**349,523**					**349,523**
Tangible assets	**2,572,877**					**2,572,877**
Land and buildings	479,686					479,686
Plant. machinery and equipment	1,615,815					1,615,815
Furniture and vehicles	28,822					28,822
Other tangible assets	4,713					4,713
Assets under construction and advance payments	443,558					443,558
Operating lease - as lessor (IAS 17)	283					283
Investment property	**945,488**					**945,488**
Participations accounted for using the equity method	**1,240,746**	**0**	**-61**	**0**	**0**	**1,240,685**
Financial fixed assets	**267,186**	**0**	0	0	0	**267,186**
Available for sale financial fixed assets	102,335	-102,335				0
Financial assets - Fair value through P/L (FVPL)		102,335				102,335
Financial assets - Fair value through OCI (FVOCI - recycling)						0
Financial assets - Fair value through OCI (FVOCI - no recycling)						0
Financial assets - at amortised cost						0
Receivables and warranties	164,851					164,851
Non-current hedging instruments	**5,649**					**5,649**
Amounts receivable after one year	**177,109**	**0**	**-544**	**0**	**0**	**176,565**
Trade receivables	6,958					6,958
Finance lease receivables	160,765		-544			160,221
Other receivables	9,386					9,386
Deferred tax assets	**109,219**	**0**	**1,088**	**0**	**0**	**110,307**
Banks - receivables from credit institutions and clients after one year	**3,408,112**	**0**	**-3,302**	**0**	**0**	**3,404,810**
II. Current assets	**4,192,378**	**0**	**-32**	**-12,000**	0	**4,180,346**
Inventories	**329,400**					**329,400**
Amounts due from customers under construction contracts	**74,292**					**74,292**
Investments	**467,882**	**0**	**-32**	**0**	**0**	**467,850**
Available for sale financial assets	467,879	-467,879				0
Financial assets held for trading	3	-3				0
Financial assets - Fair value through P/L (FVPL)		40,170				40,170
Financial assets - Fair value through OCI (FVOCI - recycling)		427,139	-32			427,107
Financial assets - Fair value through OCI (FVOCI - no recycling)		573				573
Financial assets - at amortised cost						0
Current hedging instruments	**4,553**					**4,553**
Amounts receivable within one year	**1,321,413**	**0**	**0**	**-12,000**	**0**	**1,309,413**
Trade debtors	1,066,152			-12,000		1,054,152
Finance lease receivables	55,139					55,139
Other receivables	200,122					200,122
Current tax receivables	**19,030**					**19,030**
Banks - receivables from credit institutions and clients within one year	**1,304,957**					**1,304,957**
Banks - loans and advances to banks	88,863					88,863
Banks - loans and receivables (excl. finance leases)	908,056					908,056
Banks - cash balances with central banks	308,038					308,038
Cash and cash equivalents	**637,027**					**637,027**
Time deposits for less than three months	35,152					35,152
Cash	601,875					601,875
Deferred charges and accrued income	**33,824**					**33,824**
III. Assets held for sale	**21,159**					**21,159**
Total assets	**13,469,013**	**0**	**-2,851**	**-12,000**	**0**	**13,454,162**

Equity and liabilities - impact of IFRS 9 & IFRS 15

(€ 1.000)	31-12-2017	IFRS 9 Classification & measurement	IFRS 9 Expected Credit loss 'Private Banking'	IFRS 9 Expected Credit loss 'Other Segments'	IFRS 15	Opening balance (1-1-2018)
I. Total equity	**4,195,272**	**0**	**-3,324**	**-12,000**	**-15,550**	**4,164,398**
Shareholders' equity - group share	**2,972,208**	**0**	**-2,618**	**-7,248**	**-9,392**	**2,952,951**
Issued capital	**113,907**					**113,907**
Share capital	2,295					2,295
Share premium	111,612					111,612
Consolidated reserves	**2,905,611**	**21,684**	**-2,618**	**-7,248**	**-9,392**	**2,908,037**
Revaluation reserves	**-17,482**	**-21,684**	**0**	**0**	**0**	**-39,166**
Financial assets available for sale	23,579	-23,579				0
Financial assets - Fair value through OCI (FVOCI - recycling)		1,544				1,544
Financial assets - Fair value through OCI (FVOCI - no recycling)		351				351
Hedging reserves	-10,204					-10,204
Actuarial gains (losses) defined benefit pension plans	-15,083					-15,083
Translation differences	-15,774					-15,774
Treasury shares (-)	**-29,828**					**-29,828**
Minority interests	**1,223,064**	**0**	**-706**	**-4,752**	**-6,158**	**1,211,448**
II. Non-current liabilities	**2,477,286**	**0**	**473**	**0**	**-3,077**	**2,474,682**
Provisions	**86,381**	**0**	**473**	**0**	**0**	**86,854**
Pension liabilities	**58,134**					**58,134**
Deferred tax liabilities	**212,268**	**0**	**0**	**0**	**-3,077**	**209,191**
Financial debts	**1,388,177**					**1,388,177**
Bank loans	877,470					877,470
Bonds	435,327					435,327
Subordinated loans	5,354					5,354
Finance leases	66,147					66,147
Other financial debts	3,880					3,880
Non-current hedging instruments	**50,397**					**50,397**
Other amounts payable after one year	**26,761**					**26,761**
Banks - debts to credit institutions, clients & securities	**655,168**					**655,168**
Banks - deposits from credit institutions	0					0
Banks - deposits from clients	607,368					607,368
Banks - debt certificates including bonds	0					0
Banks - subordinated liabilities	47,800					47,800
III. Current liabilities	**6,796,455**	**0**	**0**	**0**	**18,627**	**6,815,082**
Provisions	**59,166**					**59,166**
Pension liabilities	**289**					**289**
Financial debts	**499,467**					**499,467**
Bank loans	163,833					163,833
Bonds	99,959					99,959
Finance leases	15,230					15,230
Other financial debts	220,445					220,445
Current hedging instruments	**8,405**					**8,405**
Amounts due to customers under construction contracts	**235,704**					**235,704**
Other amounts payable within one year	**1,641,461**	**0**	**0**	**0**	**18,627**	**1,660,088**
Trade payables	1,352,745				18,627	1,371,371
Advances received	2,505					2,505
Amounts payable regarding remuneration and social security	186,022					186,022
Other amounts payable	100,189					100,189
Current tax payables	**64,691**					**64,691**
Banks - debts to credit institutions, clients & securities	**4,191,182**					**4,191,182**
Banks - deposits from credit institutions	27,458					27,458
Banks - deposits from clients	3,898,145					3,898,145
Banks - debt certificates including bonds	253,114					253,114
Banks - subordinated liabilities	12,465					12,465
Accrued charges and deferred income	**96,089**					**96,089**
IV. Liabilities held for sale	**0**					**0**
Total equity and liabilities	**13,469,013**	**0**	**-2,851**	**-12,000**	**0**	**13,454,162**

7.2. Business combinations

(€ 1.000)	31-12-2017	30-06-2018	Difference
	A2SEA & G-TEC	A2SEA & G-TEC	
	Preliminary assessment	Final assessment	
Tangible assets	186,675	190,964	4,289
Cash and cash equivalents	38,945	38,945	0
Other current and non-current assets & liabilities	-23,474	-21,560	1,914
Net assets (100%)	**202,146**	**208,349**	**6,203**
Non-acquired minorities	702	869	167
Net assets - group share	**202,848**	**209,218**	**6,370**
Goodwill (post allocation)	7,410	704	-6,706
Purchase price	**210,258**	**209,922**	**-336**

On 31 August 2017, GeoSea, a subsidiary of DEME, acquired 100% of the shares of the fully consolidated company A2SEA. In the fourth quarter of 2017, GeoSea acquired 72,5% of the shares of the fully consolidated Belgian company G-tec.

The fair value of the identifiable assets and liabilities of both new entities was provisionally assessed on 31 December 2017. During the first half year of 2018, the accounting of the business combinations A2SEA and G-Tec has been finalized and following adjustments have been reflected in the consolidated interim financial statements per June 30, 2018.

As the total net impact of the difference between the provisional and final accounting of the business combination is not significant to the financial statements as a whole, the 2017 comparative financial statements have not been restated and the effect is reflected in the 2018 income statement.

The final assessment of the business combination resulted in a remaining goodwill (704.323 euros).

The following valuation methods were used:
- Property, plant and equipment (mainly vessels): the fair value was determined on the basis of a valuation report by an independent expert.
- Orderbook: the multi-period excess earnings method was used.
- Other assets and liabilities: the fair value is based on the market value at which these assets or liabilities can be settled with a third,unrelated party.

7.3. Seasonality or cyclicality 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 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 behaviour.

7.4. Earnings per share

	30-06-2018	30-06-2017
I. Continued and discontinued operations		
Net consolidated profit, share of the group (€ 1,000)	111,661	133,505
Weighted average number of shares [1]	33,137,063	33,145,184
Basic earnings per share (€)	**3.37**	**4.03**
Net consolidated profit, share of the group (€ 1,000)	111,661	133,505
Weighted average number of shares [1]	33,137,063	33,145,184
Impact stock options	108,643	132,383
Adjusted weighted average number of shares	33,245,706	33,277,567
Diluted earnings per share (€)	**3.36**	**4.01**

	30-06-2018	30-06-2017
II. Continued activities		
Net consolidated profit from continued activities, share of the group (€ 1,000)	111,661	133,505
Weighted average number of shares [1]	33,137,063	33,145,184
Basic earnings per share (€)	**3.37**	**4.03**
Net consolidated profit from continued activities, share of the group (€ 1,000)	111,661	133,505
Weighted average number of shares [1]	33,137,063	33,145,184
Impact stock options	108,643	132,383
Adjusted weighted average number of shares	33,245,706	33,277,567
Diluted earnings per share (€)	**3.36**	**4.01**

[1] Based on number of shares issued, adjusted for treasury shares in portfolio.

7.5. Number of treasury shares

In the first half of 2018, AvH didn't buy any treasury shares to hedge stock option obligations to its staff. During that same period, beneficiaries of the stock option plan exercised options on 5,000 AvH shares. As at June 30 2018, AvH had granted options on a total of 352,000 AvH shares. To hedge that obligation, AvH had exactly a total 352,000 treasury shares in portfolio on that same date.

	30-06-2018	30-06-2017
Treasury shares as part of the stock option plan		
Opening balance	**357,000**	**352,000**
Acquisition of treasury shares	0	20,000
Disposal of treasury shares	-5,000	-31,000
Ending balance	**352,000**	**341,000**

	30-06-2018	30-06-2017
Treasury shares as part of the liquidity contract		
Opening balance	**5,257**	**2,278**
Acquisition of treasury shares	235,919	54,686
Disposal of treasury shares	-235,750	-48,801
Ending balance	**5,426**	**8,163**

In addition, 235,919 shares were purchased and 235,750 shares sold in the first six months of 2018 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 169 AvH shares in this context has an impact on AvH's equity. This net purchase of 169 shares during 1H2018 puts the total number of shares held by AvH as part of this liquidity agreement at 5,426.

7.6. Impairments

Bank J.Van Breda & C° follows strict procedures to recognize impairments on outstanding receivables. The total cost of loan losses slighthly increased in relation to last year to 1.5 million euros, which is still very low (H1 2017: 1.4 million euros)

In view of the disappointing developments at Distriplus in the first half of 2018, AvH decreased its exposure to Distriplus by 10.0 million euros. This impairment loss comes on top of AvH's share (50%) in the half-year loss of Distriplus, which is accounted for using the equity method and which in itself already comprises a substantial impairment loss (AvH share: 8.1 million euros) on intangible assets.

After the closure of its accounts on June 30, 2018, CFE received two payments worth approximately 7.5 million euros from the Chadian government. These sums could not yet be repatriated to Europe. Once this has been arranged, CFE's net exposure to the Chadian government, which at December 31, 2017 was still 60.0 million euros, can be reduced by the amount of those payments. Furthermore, negotiations with the Chadian government and the Afrexim Bank continued during the first half of 2018 to refinance the outstanding receivables related to the Grand Hotel in N'Djamena. Moreover, in accordance with the new IFRS 9 accounting standard, CFE reduced its exposure to the Chadian government in the opening balance of 2018 by recognizing an expected credit loss of 12 million euros. In view of this diminished exposure, along with the payments already received and the progress made in the negotiations with the Chadian government and with the Afrexim Bank, CFE decided not to recognize an impairment loss in profit or loss for 1H2018.

7.7. Contingent liabilities or contingent assets

At June 30, 2018, AvH further reduced the provision for contingent liabilities which it had set aside at year-end 2013 in respect of its stake in CFE by 2.9 million euros (AvH share: 1.8 million euros) to 41.4 million euros (AvH share: 25.0 million euros). This reversal is justified by the disappearance of the underlying risks for which the provision had been constituted at year-end 2013.

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 31/12/2017. 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,...) 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 1H2018.

AvH did not acquire any new participations in the first half of 2018. The subsidiaries of AvH invested in the further expansion of their activities. AvH believes that those investments do not fundamentally alter the risk profile; they are follow-up investments by companies in which the Group has been a shareholder for some time now.

Several group companies of AvH (such as DEME, CFE,...) 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 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.

In its role as proactive shareholder, AvH also sees to it that the companies in which it participates organize themselves in such a way as to comply with current laws and regulations, including all kinds of international and compliance rules.

9. Overview of the major related party transactions

No transactions with related parties took place during the first half of 2018 that have any material impact on AvH'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 2017 financial year which could have material consequences for Ackermans & van Haaren's financial position or results.

10. Events after balance sheet date

In July 2018, HPA finalized the sale to Icade Santé of the real estate of 14 retirement homes operated by Residalya for the sum of 189 million euros. This sale, which was already announced at the end of March 2018, earns AvH a capital gain (group share) of 21.2 million euros, which will be recognized in 3Q2018.

11. Additional disclosure – IFRS 9

IFRS 9 – Bank J.Van breda & C°

1.1 Classification and measurement

IFRS 9 identifies three categories for the classification of financial assets according to how the assets are measured: amortised cost, FVOCI (fair value through other comprehensive income) and FVTPL (fair value through profit & loss). The IAS 39 categories held to maturity, loans & receivables and available for sale cease to exist.
In the matter of the classification and measurement of financial liabilities, IFRS 9 is largely similar to IAS 39.

The new classification under IFRS 9 is the result of a number of assessments made by Bank J.Van Breda & C° for the different groups of financial instruments.

The business model (BM) test is carried out for every group of interest-bearing financial assets that are managed in the same way with regard to cash flow generation:

- held-to-collect (HTC): by collecting the contractual cash flows over the term to maturity of the assets;
- held-to-collect & sell (HTC&S): by collecting contractual cash flows as well as by regularly selling the financial assets proper;
- other: e.g. trading.

Assessment of the contractual cash flow characteristics or SPPI test is carried out per product group (interest-bearing financial assets with similar cash flow characteristics) or, where necessary, on an individual basis. It is assessed whether the instrument generates cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding (SPPI: solely payments of principal and interest).

For example, this test may fail if there is a major mismatch between the reference interest rate used and the repricing time period (such as with a monthly repricing at a one-year interest rate), or if an excessive early repayment penalty is charged, or if the amount or timing of the cash flows can be unilaterally changed by a counterparty.

The shares and funds currently in the investment portfolio are not held for trading purposes. Bank J.Van Breda & C° opts to recognize these instruments in the category FVOCI when implementing IFRS 9 for the first time. Any capital gains/losses realized on sales are not reclassified to profit and loss (no recycling).

Derivatives are always recognized in the category FVTPL. A small part of these are forward exchange contracts entered into with clients and any hedges of those contracts with credit institutions. The majority are interest rate swaps that are held to hedge the interest rate risk of the credit portfolio: they will continue to be treated administratively as fair value hedges under IAS 39 until a new macro hedging standard is introduced.

The table below shows that the new classification of financial assets and liabilities has no impact on the opening balance at 1/1/2018 of Bank J.Van Breda & C°, based on the assessments made (without the impact of ECLs, see below).

1.2 Expected credit losses (expected loss model)

The introduction of IFRS 9 involves a changeover from an 'incurred loss' model to an 'expected loss' model. 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).

Modelling

The different portfolios of financial assets are subdivided into three stages:

- Stage 1 contracts, for which a 'one-year expected credit loss' is recognized: at the start of the contract, a provision for expected credit losses is constituted based on the probability that events will occur within 12 months that give rise to default.
- Stage 2 contracts, for which a 'lifetime expected credit loss' is recognized: if a significant increase in credit risk is observed since the start of the contract, a provision for credit losses is constituted over the expected life of the contract.
- Stage 3 contracts are non-performing contracts for which impairments continue to be recognized individually.

A valuation model calculates the credit losses for stages 1 and 2 in line with the literature on IFRS9 ECL modelling. Nothing changes for the non-performing credits in stage 3 (incurred credit loss).

The '1-year expected credit loss' and 'lifetime expected credit loss' are calculated for each individual contract on the basis of the repayment schedule and the following model parameters:

- PD stands for 'Probability of Default' in a given period. The PD modelling has been set up using migration matrices based on existing internal credit ratings.
- Loss given default (LGD) stands for expected loss in the event of default. The LGD figure is obtained from the 'exposure at default' and the pledged collateral.
- 'Survival Probability' is the probability that a contract is still liable to credit losses. The Survival Probability is determined on the basis of:
  - the probability that a contract has not disappeared from the balance sheet following an earlier default, and
  - the probability that a contract has not yet disappeared from the balance sheet following full early repayment.
- The 'Effective Interest Rate' (EIR) is the interest rate at which the losses are discounted. For fixed-rate contracts this is the contractual effective interest rate; for variable-rate contracts, the most recent fixing is used.

The staging in the event of a significant increase (or decrease) in credit risk is done on an individual contract level ('bottom-up' staging) based on certain criteria such as payment arrears, renegotiations, and rating category. The internal credit rating is used for the individual staging. As this is a criterion based on past history, a distinct 'collective staging' logic is used as well to take into account the macroeconomic outlook.

IFRS 9 allows an exemption (low credit risk exemption) to a portfolio with a low risk profile (e.g. bonds in a liquidity portfolio). For such a portfolio, a simplified way is allowed to determine an increased risk. This, however, is an exceptional situation where on the basis of the low credit risk at the reporting date it may be concluded that there has been no significant increase in credit risk.

The bond portfolio is modelled according to the same principles as those used for the credit portfolio (as described above). The PD modelling is based on migration matrices supplied by rating agency DBRS. For bonds we also apply the 'low credit risk exemption': as long as those bonds retain their investment grade rating category, they remain in stage 1. Should a bond migrate to a 'non-investment grade' rating category, Bank J.Van Breda & C° will do one of the following:

- the bond will be sold, or
- the bond will be assigned to stage 2 with corresponding 'lifetime ECL' recognition.

Quantitative impact on the balance sheet and equity of Bank J.Van Breda & C°
The following tables show the total exposure (on and off-balance sheet) and expected credit losses for the 'performing loans' in the credit, Van Breda Car Finance and bond portfolios (excluding interbank exposures, which in our modelling do not give rise to expected credit losses).

(€1,000)	Total exposure (on and off-balance sheet)	Estimated credit loss
Credit portfolio	4,542,325	3,124
Van Breda Car Finance portfolio	390,457	1,194
Bond portfolio	417,620	32
Total	**5,350,403**	**4,350**

The table below segments the above three portfolios by number of days in arrears.

(€1,000)	Total exposure (on and off-balance sheet)	Estimated credit loss
No arrears	5,165,683	3,743
1-30 days in arrears	167,936	345
31-60 days in arrears	15,381	242
61-90 days in arrears	1,370	20
More than 90 days in arrears	34	1
Total	**5,350,403**	**4,350**

Based on the above calculations, the net impact on the equity of the opening balance of Bank J.Van Breda & C° at 1/1/2018 is -3,263 KEUR as a result of expected credit losses on financial assets (stages 1 & 2).

Assets		Equity	
Expected credit losses	- 4,350	Reserves	-3,263
Deferred tax assets	+1,087		

Equity reported at 31/12/2017	538,838
Impact of IFRS 9 ECL	-3,263
Adjusted equity in opening balance at 1/1/2018	**535,575**

IFRS 9 – Delen Investments

1.1 Classification and measurement

Delen Private Bank has reviewed the above criteria and concludes that, as far as classification and measurement of financial liabilities and financial assets is concerned, there is no impact on the opening balance at 1/1/2018. The organization, processes and governance are adjusted in order that the formal assessments and the review can be carried out in a going concern.

The changes in fair value in the portfolio "available-for-sale financial assets" are recognized through profit and loss as from January 1. Consequently, the unrealized capital gains are reclassified (within the equity) to the consolidated reserves in the opening balance to the amount of 304 KEUR. After that, the classification (changes in fair value through profit and loss or through other comprehensive income) of each new acquisition will be determined per instrument.

1.2 Expected credit losses (expected loss model)

The introduction of IFRS 9 involves a changeover from an "incurred loss" model to an "expected loss" model as regards impairments. Under IFRS 9, a provision must be constituted for expected losses at the start of a contract. The expected credit losses (ECL) are determined on an individual basis. Given the quality of the credit portfolio of Delen Private Bank, the impact on the opening equity is very limited (-61 KEUR).

1. Financial assets and liabilities per category

(€ 1,000)	Fair value		Book value	
	30-06-2018	31-12-2017	30-06-2018	31-12-2017
Financial assets				
Available for sale financial assets		570,213		570,213
Financial assets of the trading portfolio		3		3
Financial assets - Fair value through P/L (FVPL)	161,186		161,186	
Financial assets - Fair value through OCI (FVOCI)	402,877		402,877	
Financial assets - at amortised cost	13,500		13,500	
Receivables and cash				
Receivables and warranties	165,609	164,851	165,609	164,851
Finance lease receivables	252,196	231,389	236,048	215,904
Other receivables	208,528	209,508	208,528	209,508
Trade debtors	1,253,806	1,073,110	1,253,806	1,073,110
Time deposits for less than three months	78,820	35,152	78,820	35,152
Cash	527,655	601,875	527,655	601,875
Banks - receivables from credit institutions & clients	5,285,794	5,030,849	4,972,249	4,713,069
Hedging instruments	4,478	10,202	4,478	10,202

(€ 1,000)	Fair value		Book value	
	30-06-2018	31-12-2017	30-06-2018	31-12-2017
Financial liabilities				
Financial liabilities valued at amortised cost				
Financial debts				
Bank loans	1,410,379	1,055,117	1,401,200	1,041,303
Bonds	426,016	544,537	421,344	535,285
Surbordinated loans	5,410	5,354	5,410	5,354
Finance leases	58,315	84,481	55,618	81,377
Other financial debts	183,981	224,325	183,981	224,325
Other debts				
Trade payables	1,421,059	1,352,745	1,421,059	1,352,745
Advances received	1,764	2,505	1,764	2,505
Amounts payable regarding remuneration and social security	200,124	186,022	200,124	186,022
Other amounts payable	112,657	126,950	112,657	126,950
Banks - debts to credit institutions, clients & securities	5,142,398	4,874,548	5,117,376	4,846,350
Hedging instruments	61,610	58,802	61,610	58,802

(€ 1,000)	30-06-2018			31-12-2017		
	Level 1	Level 2	Interest accrual	Level 1	Level 2	Interest accrual
Financial assets						
Available for sale financial assets				538,264	29,489	2,460
Financial assets of the trading portfolio					3	
Financial assets - Fair value through P/L (FVPL)	132,477	28,708				
Financial assets - Fair value through OCI (FVOCI)	401,161	518	1,198			
Financial assets - at amortised cost	13,500					
Receivables and cash						
Finance lease receivables		252,196			231,389	
Banks - receivables from credit institutions & clients		5,285,794			5,030,849	
Hedging instruments		4,477	1		10,201	1
Financial liabilities						
Financial debts						
Bank loans		1,410,379			1,055,117	
Bonds	385,785	40,231		490,352	54,185	
Surbordinated loans		5,410			5,354	
Finance leases		58,315			84,481	
Banks - debts to credit institutions, clients & securities		5,142,398			4,874,548	
Hedging instruments		60,869	741		58,181	621

The fair value of the securities in the investment portfolio is determined by means of the public market price (level 1). This also applies to the retail bonds issued by DEME, CFE, BPI, Leasinvest Real Estate and Extensa. In determining the receivables (and debts) to credit institutions & clients at Bank J.Van Breda & C° the following assumptions are made: the commercial margins on re-pricing and a percentage of early repayments are taken into account, but a percentage of loan losses is not taken into account. For hedging instruments, this is the current value of future cash flows while taking into account of the applicable swap rate and volatility (level 2).

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 2018 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 2018 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 14,005 million euros and a consolidated profit (share of the group) for the 6 month period then ended of 111.7 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.

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 2018, and of its financial performance and its cash flows for the 6 month period then ended in accordance with IAS 34.

Antwerp, 29 August 2018
Ernst & Young Reviseurs d'Entreprises SCCRL/Bedrijfsrevisoren BCVBA
Statutory auditor
represented by

Patrick Rottiers	Wim Van Gasse
Partner*	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 2018
On behalf of the company

Jan Suykens
Chairman of
the Executive Committee

Tom Bamelis
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.

- **Economic turnover DEME**: Following the introduction of the new accounting standards IFRS10/IFRS11, group companies jointly controlled by DEME are accounted for using the equity method with effect from January 1, 2015. In this configuration, the group companies that are jointly controlled by DEME are still proportionally integrated. Although this is not in accordance with the new IFRS10 and IFRS11 accounting standards, it nevertheless gives a more complete picture of the operations and assets/liabilities of those companies.

- **Net financial position:** Cash & cash equivalents and investments minus short and long term financial debt.

- **REBITDA** (Recurring Earnings Before Interest Taxes Depreciation and Amortisation): Profit earned on the active (recurring) items.

- **Rental yield based on fair value:** Rental yield is only calculated on buildings in operation, excluding the projects and the assets held for sale.

- **Return on equity (ROE):** The relative profitability of the group, more particularly the amount of net income returned as a percentage of shareholders' equity.