



ANNUAL REPORT 2007



ACKERMANS & VAN HAAREN

WE WORK FOR GROWTH





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Pursuant to the RD of 14 November 2007 on the obligations of issuers of financial instruments admitted to trading on a Belgian regulated market, Ackermans & van Haaren is required to publish its annual financial report in the form of a brochure available for public distribution.

This brochure contains the combined statutory and consolidated annual report of the board of directors prepared in accordance with article 119, last paragraph of the Company Code. (p. 14)

The brochure further contains a condensed version of the statutory annual accounts (p. 133) prepared in accordance with article 105 of the Company Code, and the full version of the consolidated annual accounts (p. 82). The full version of the statutory annual accounts has been deposited with the National Bank of Belgium, pursuant to articles 98 and 100 of the Company Code, together with the annual report of the board of directors and the audit report. The auditor has approved the statutory annual accounts without qualification.

The annual report, the full versions of the statutory and consolidated annual accounts, as well as the audit reports regarding said annual accounts are available on the website ([www.avh.be](http://www.avh.be)) and may be obtained upon simple request, without charge, at the following address:

Address: Begijnenvest 113 – 2000 Antwerp

Phone: +32 3 231 87 70

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# MISSION STATEMENT

“ Our mission is to create shareholder value through long term investments in a limited number of strategic participations with growth potential on an international level. ”

WE WORK  
FOR  
GROWTH

### **Positioning of Ackermans & van Haaren**

- an independent
- diversified group
- focused on a limited number of core companies with international growth potential
- led by an experienced, multidisciplinary management team

### **Strategy of Ackermans & van Haaren: long-term growth**

- concentrates on a limited number of participations for which clear objectives are agreed and that are responsible for their own financial position
- focused on the systematic creation of shareholder value via a long-term strategy
- strives for annual growth in the profits of each participation and in the group as a whole
- based upon a healthy financial structure

### **Role of Ackermans & van Haaren as investor: proactive shareholder**

- proactively involved in
  - selecting senior management
  - defining long-term strategy
- permanent dialogue with management to monitor and check
  - operational and financial discipline
  - strategic focus
- active support to management for specific operational and strategic projects



2007: excellent year  
for the participations  
of the group.

## MESSAGE FROM THE CHAIRMEN

Ladies and Gentlemen,

As expected, 2007 was once again an excellent year for the participations of the group. Following the 44% growth of the result contribution (excl. capital gains) of the group's participations in 2006 to 128 million euros, the result has increased again by 43% in 2007 to 183 million euros.

Including a number of exceptional capital gains, the group's total net result amounts to 241.4 million euros. Although it is lower than the result recorded in 2006, which amounted to 307.6 million euros, this result is very strong taking into account the 150 million euros capital gains on the sale of Quick in 2006. This represents a return on shareholders' equity of 16% per share.

In 2007, the group increased its investment activity even further to nearly 250 million euros, of which 154 million euros in Private Equity. The new participations have already contributed to the current result of the group and resulted in a new and substantial increase of this result.

Notwithstanding these important expenditures, the group maintains a very solid balance sheet with shareholders' equity amounting to 1,580 million euros at the end of 2007 (1,424 million euros in 2006) and a net cash position of 364 million euros at the end of 2007 compared to 552 million euros in the beginning of the year.

The group's participations are evolving favourably, with generally high order portfolios. The real economy in which Ackermans & van Haaren has a strong presence continues to develop favourably for the group.

However, we are not blind to the evolutions in the financial markets, and it is clear that the upward trend will eventually also weaken the real economy.

Today, the group is better positioned, due to its growing current profit, strong balance sheet and

cash flow, to withstand a weakening economic climate than it was in 2001/2002.

On the other hand, Ackermans & van Haaren also has the necessary strategic resources to respond to future opportunities provided in these markets. To date, the gradual conversion of our cash into new investments has occurred carefully and successfully. We are convinced that the 'Ackermans & van Haaren model' will enable further sustainable expansion of the current profit. The focus of Ackermans & van Haaren's management team continues to be on the participations and the investment activity of the group.

In the contracting, dredging and concessions sector, DEME recorded substantial turnover and profit growth in a very active market. Turnover increased to 1,314 million euros (+22% compared to 2006: 1,077 million euros) and net profit to 90.2 million euros (+80% compared to 2006: 50.4 million euros) thanks to effective execution of the projects.

With further growth of the order book, from 1,601 million euros (2006) to 1,811 million euros (2007), we can expect a further increase of turnover and the operating profit in the coming year.





Following the delivery of the Reynaert (5,600 m<sup>3</sup>) and the Brabo (11,650 m<sup>3</sup>) in 2007, the Breydel (9,000 m<sup>3</sup>) will be delivered in the next few weeks. In the meantime, a new investment programme in dredging ships is being prepared, which allows us to protect our market share in a growing market. DEME's EBITDA amounts to 260 million euros in 2007 (177 million euros in 2006), which enabled the company to reduce its net debt, to consolidate shareholders' equity and which makes room for important new investments in the future.

The new concession activity of Rent-A-Port involving the former CEO of DEME is evolving favourably and records a positive result in its first operational year.

Algemene Aannemingen Van Laere recorded a lower turnover in 2007 (133 million euros compared to 213 million euros in 2006). However, the quality of the profit on the multitude of finished projects and the increase of the order book to 187 million euros is promising.

The result of the pipeline company (NMP) increased substantially (6.3 million euros compared to 2.4 million euros in 2006) thanks to an exceptional capital gain. The current result is along the same lines as that of previous years.

Following the record contribution of 28.5 million euros in 2006, the contribution of the real estate activities remained stable, with a result of 27.1 million euros.

The internationalisation of Extensa is bearing fruit with a capital gain of 10.1 million euros on the sale of a participation in a retail park in Romania. The residential land development activities evolve favourably with a result of 3.3 million euros, while a positive fair value revaluation of 5.8 million euros was recorded on Tour & Taxis.

This results in a profit for Extensa of 15.2 million euros in 2007 compared to 18.8 million euros in 2006.

Extensa has considerable potential for development with new promotions in Belgium (Tour & Taxis), Luxembourg (Cloche d'Or), Romania, Slovakia and Turkey. In conjunction with the further expansion of the land development in Belgium, this provides a strong foundation for the result of the next few years.

Extensa's debt does not amount to more than the value of its listed participation in Leasinvest Real Estate.

In 2007, Leasinvest Real Estate recorded 5.8 million euros capital gains on the sale of a number of buildings, including 'Extensa Square' on the periphery of Brussels. This resulted in a slight decrease of the rental yield of the portfolio to 7.21% (compared to 7.45%) and in an increase of the high occupancy rate to 97.74% (compared to 96.97%). Following the acquisition in 2006 of a real estate investment fund with variable capital (bevek/sicav) in Luxembourg, Leasinvest Real Estate has 30% of its assets in this stable and growing market. With the purchase of a logistics project of 50,000 m<sup>2</sup> in the canal zone of Brussels, Leasinvest is developing its strategy further towards retail and logistics.





With a profit of 33.4 million euros in 2007 (29.3 million euros in 2006) based on shareholders' equity of 261 million euros (243 million euros in 2006) and a debt ratio of 40.34%, Leasinvest has the necessary scope to further implement its successful strategy in the next few years.

With the growth of its turnover from 29.8 million euros to 40.2 million euros (+35%), Cobelguard records an increase of its operational profit by 45% to 2.4 million euros.

Financière Duval (21% Ackermans & van Haaren), acquired at the beginning of 2007, records a 22% increase of its turnover to 261.3 million euros and a 62% increase of its current operational result to 20.2 million euros.

Financière Duval represents a new step for the group in France, in a growing activity in real estate development as well as in management of leisure parks (nr. 2 in France), elderly homes, offices and car parks. The profile and the entrepreneurship of the owner-CEO of Financière Duval open a new and interesting network for the group.

Despite the changing stock market climate, 2007 was a year of strategic expansion for Bank Delen. In July 2007, Bank Delen acquired the Brussels-based asset manager Capital & Finance, with approximately 2.7 billion euros of assets under management. The quality of the Capital & Finance team and its complementarity with that of Bank Delen, in conjunction with the strategic decision to expand funds with an excellent track record, and a strong presence in Brussels and in the south of the country, have led to this strategic acquisition.

Together with the growth of the bank's net inflows, this resulted in a substantial increase of the assets under management of 8.4 billion euros in 2006 to 12.1 billion euros in 2007.

To realise this transaction, Finaxis increased the capital of Delen Investments by 60 million euros. The net result of the bank increased by 22.4% to 36.7 million euros (30 million euros in 2006). This resulted in an increase of the shareholders' equity

of Delen Investments from 148.7 million euros in 2006 to 246 million euros.

At the beginning of 2008, Bank Delen was crowned 'Best Private Bank' in Belgium by Euromoney for the second consecutive time. Notwithstanding the difficult financial environment, we are convinced that the growth of the assets under management realised in 2007 will enable a further expansion of the bank's result in 2008.

Bank J. Van Breda & Co recorded a slight decrease of 8% of the result in 2007 (22.4 million euros vs. 24.4 million euros in 2006). However, the bank performed better with regard to nearly all operational parameters. The business of the bank increased substantially (15% growth of invested assets, +17% loan portfolio, 17% asset management and 19% insurance investments). These growth figures were neutralised by the unfavourable interest rate climate (inverse interest rate curve). In the first half of the year, the profit decreased by 17% compared to a growth of 3% in the second half of the year. The return to profit growth is clearly promising for the coming year.

Neither Bank Delen, nor Bank J. Van Breda & Co had any investments in sub-prime or similar products.





In the Private Equity sector, a substantial rise to 47.2 million euros (compared to 26.9 million euros in 2006) of the contribution to the current result was once again recorded in 2007. In this respect, it is clear that the group has succeeded in its challenge to completely compensate the contribution of Quick which was sold in 2007.

In 2007, new investments amounting to 137.9 million euros were realised in Spano Group, Manuchar, Distriplus and I.R.I.S.

Follow-up investments amounting to 16.1 million euros were realised with, a.o. Alural, Euro Media Group and Turbo's Hoet Group.

On the other hand, divestments amounted to 29.3 million euros, generating 18.1 million euros capital gains: Corn. van Loocke (3.1 million euros) and the contribution of UBF Media Group into Euro Media Group (EMG) (14.9 million euros).

This new alliance at EMG with the Barry family, the Bolloré and Allianz groups creates the market leader in television facilities in Europe with a turnover of nearly 300 million euros and an EBITDA of 50 million euros.

The adjusted net asset value of the Private Equity portfolio, including unrealised capital gains on the listed shares within Sofnim and on Groupe Flo, amounts to 478.7 million euros as per 31/12/07 (compared to 631.5 million euros as per 31/12/06, including Quick for 211 million euros).

It is clear that the evolution of the current participations led to higher current profits.

The sustainable appreciation of the portfolio lays the foundation for the realisation of new capital gains in the long-term.

Manuchar is an Antwerp-based trading firm active in steel, sodium-sulphates and wood via a network of subsidiaries spread across 23 growth countries. Manuchar realised a turnover of 571 million euros and a net profit of 8.6 million euros in 2007. As a player in the logistics sector, Manuchar has become an example of a multinational group in today's globalized world.

Ackermans & van Haaren helped create I.R.I.S. in 1987. With a participation of 6.2%, Ackermans & van Haaren is re-establishing ties with a known team in archiving techniques and 'optical character recognition' that has survived the venture capital phase. With a turnover of 95 million euros, I.R.I.S. clearly has the capacity to grow into an international group.





And last but not least, our investments in Sipef and Henschel also need to be mentioned: together with the Bracht family, a shareholders' agreement was signed at the beginning of 2007 regarding Sipef. This agreement confirms in full the spirit of the partnership of the last 10 years between the Bracht family and Ackermans & van Haaren, and is the reason for incorporating Sipef in the consolidated accounts of Ackermans & van Haaren. The improvement of the balance sheet, the focus on Indonesia and Papua New Guinea, the purchase of new plantations and the higher palm oil prices allow the further expansion of this attractive investment on the South-East Asian continent.

In the same way, Henschel, in which Ackermans & van Haaren owns 50%, is also consolidated in view of its increased size. Henschel produces telescopic arms and parts for cranes. Together with our partner, Mr. Reiner Maas, it was decided to further expand the company in Poland. This decision was taken mainly due to the fact that there is a shortage of experienced welders in the Antwerp region. This expansion to the East proved to be a successful strategic move and has given this growing SME a second life.

Both participations represent a growing contribution of more than 10 million euros a year for our group.

Notwithstanding the high investment activity, the net cash flow of the group has been maintained (363.6 million euros compared to 552 million euros at the beginning of 2007).

Together with the aforementioned favourable evolution of the current result of the group, this confirms our confidence in the future. For this reason, we propose to distribute a dividend of 1.39 euro, which is an increase of 21% (following an increase of 28% in 2006).

We wish to thank all the group's staff members once again for their commitment and contribution to this attractive result.

**Luc Bertrand**  
Chairman of the  
executive committee

**Alain Dieryck**  
Chairman of the  
board of directors



ANNUAL REPORT OF THE  
BOARD OF DIRECTORS

To the annual  
ordinary general meeting  
of 26 May 2008.

Dear shareholder,

It is our privilege to report to you on the operations of our company during the past financial year and to submit to you, for approval, the statutory and consolidated annual accounts, closed on 31 December 2007. In accordance with article 119 of the Company Code, the annual reports on the statutory and consolidated annual accounts have been combined.

## I STATUTORY ANNUAL ACCOUNTS

### 1 CAPITAL AND SHAREHOLDING

During the last financial year, there have been no changes in the company's share capital. The share capital amounts to 2,295,278 euros and is represented by 33,496,904 shares, without mention of nominal value. All shares have been paid up in full.

In 2007, 45,000 new options were granted in the context of the stock option plan. The options granted and not yet exercised, as per 31 December 2007, entitle their holders to acquire an aggregate of 265,800 Ackermans & van Haaren shares (0.79%).

In 2007, the company did not receive any new transparency notice, in accordance with the provisions of the Law of 2 March 1989. However, after closing of the financial year, the company received a notice pursuant to the Law of 1 April 2007 regarding public take over bids, as set out hereafter under number 5.7.

### 2 ACTIVITIES

For an overview of the main activities of the group during the financial year 2007, reference is made to the Message from the Chairmen (p. 8).

## 3 COMMENTS ON THE STATUTORY ANNUAL ACCOUNTS

### 3.1 Financial situation as per 31 December 2007

The statutory annual accounts of Ackermans & van Haaren have been prepared in accordance with Belgian accounting rules. The total assets of the company as at 31 December 2007 are 1,382 million euros, i.e. approximately 16 million euros more than the previous year.

In 2007, Ackermans & van Haaren invested in Financièrè Duval (20.8%), Rent-A-Port (45%) and in the acquisition of all shares of Alurfin (previously held by Sofinim), of which the name has in the meanwhile been changed into 'Anima Care'. Furthermore, a subordinated loan was granted to Finaxis within the framework of the capital increase of Delen Investments for purposes of the acquisition of Capital & Finance, and GIB repaid the loan granted in 2006 for the financing of its investments.

The financial debts of Ackermans & van Haaren (623 million euros) are exclusively composed of short term advances granted by AvH Coordination Center, of which the capital is almost entirely owned by group companies. This debt position has been reduced by 153 million euros in 2007.

Taking into account the distribution of the profit proposed to the ordinary general meeting of 26 May 2008, the shareholders' equity of Ackermans & van Haaren amounts to 704 million euros, which corresponds to 21.02 euros per share.

The statutory results were and are still largely determined by dividends and capital gains/losses. Since not all the group's participations are held directly by Ackermans & van Haaren itself, the group's consolidated result is a more accurate reflection of the underlying economic developments.

The statutory result for the 2007 financial year is 206 million euros, a solid increase compared to the 10 million euros for 2006. This increase is



due to the distribution by GIB of 198 million euros of dividends in 2007 after the sale of its stake in Quick Restaurants. This capital gain was already taken into account in the consolidated results of 2006. The rest of the statutory result can be explained by operating charges, financial charges and other collected dividends or realised capital gains.

### 3.2 Appropriation of the results

The board of directors proposes to allocate the result (in euro) as follows:

|   |             |
|---|-------------|
| Profit of the previous financial year carried forward | 384,594,748 |
| Profit of the financial year                          | 206,253,258 |
| Total for appropriation                               | 590,848,006 |
| Allocation to the legal reserves                      | 0           |
| Allocation to the non-distributable reserves          | 2,514,769   |
| Allocation to the distributable reserves              | 0           |
| Dividends   | 46,560,696  |
| Directors' fee  | 205,500     |
| Profit to be carried forward                          | 541,567,041 |

The board of directors proposes to distribute a gross dividend of 1.39 euro per share.

After withholding tax, the net dividend amounts to 1.0425 euro per share, or 1.1815 euro for the coupons that are presented together with a VVPR strip coupon.

If the annual general meeting approves this proposal, the dividend will be paid as from 4 June 2008 upon presentation of coupon nr. 9, at the offices of Bank Delen, Bank J.Van Breda & C°, Bank

Degroof, Fortis Bank, KBC Bank, ING Belgium, Dexia Bank and Petercam.

Following this distribution, the shareholders' equity will amount to 703,994,388 euros, and will be composed as follows:

|                            |                    |
|----------------------------|--------------------|
| <b>Capital</b>             |                    |
| Subscribed capital         | 2,295,278          |
| Issue premium              | 111,612,040        |
| <b>Reserves</b>            |                    |
| Legal reserves             | 248,081            |
| Non-distributable reserves | 12,315,368         |
| Tax-exempt reserves        | 0                  |
| Distributable reserves     | 35,956,579         |
| Profits carried forward    | 541,567,041        |
| <b>Total</b>               | <b>703,994,388</b> |

## 4. OUTLOOK

As was the case the previous years, the results of the current financial year will to a large extent depend on the dividends distributed by the companies within the group and on the realisation of any capital gains or losses.

## 5. NOTICES

### 5.1 Key events after the closing of the financial year

Since the closing of the financial year 2007, there have been no major events which could have a material impact on the development of the company.

### 5.2 Application of article 523 of the Company Code

Extract from the minutes of the meeting of the board of directors of Ackermans & van Haaren of 16 November 2007:

*'Report of the meeting of the remuneration committee of 16 November 2007*

*Before the board of directors starts the deliberation on the granting of stock options, Luc Bertrand declares that he, as beneficiary to the stock option plan, has a direct interest of a proprietary nature that is contrary to the proposed resolution, within the meaning of article 523 Company Code. Pursuant to article 523 Company Code, Luc Bertrand will inform the auditor of the company concerning the conflict of interest after this meeting.*

*Mr. Luc Bertrand exits the meeting and does not take part in the deliberations and decision-making concerning this item.*

*Based on the recommendations of the remuneration committee, the board of directors decides to offer, under the current stock option plan, a maximum of 50,500 options to the members of the executive committee and certain members of staff and independent service providers of Ackermans & van Haaren, the Nationale Investeringsmaatschappij and Sofnimm.*

*As it is the policy of the company to cover stock options through the acquisition of own shares (within the limits of the authorisation granted by the extraordinary general meeting to the board of directors on 8 June 2007), the consequences of a proprietary nature for the company are in principle limited to the assumed or foregone interest over the period from the acquisition of the shares to the resale to option-holders.*

*Luc Bertrand rejoines the meeting.'*

### **5.3 Additional remuneration for the auditor**

We further report, in accordance with article 134, §§ 2 and 4 of the Company Code, that an additional remuneration of 8,300 euros (VAT excl.) has been paid to Ernst & Young Tax Consultants CV with respect to tax advice. Furthermore, an amount of 420,205 euros (VAT excl.) has been paid to Ernst & Young Advisory (France) for due diligence activities.

### **5.4 Research and development**

The company has not undertaken any activities in the area of research and development.

### **5.5 Acquisition and sale of redeemed shares**

On 8 June 2007, the extraordinary general meeting has authorised the board of directors of Ackermans & van Haaren to redeem own shares within a well-defined price range during a term of 18 months.

In the course of the financial year 2007, Ackermans & van Haaren redeemed 38,458 own shares. These shares were acquired to cover the company's obligations under the stock option plan. Including these shares and taking into account the sale of 11,500 shares pursuant to the exercise of options, the situation as per 31 December 2007, reads as follows:

---

|                           |                  |
|---------------------------|------------------|
| Number of redeemed shares | 241,552 (0.72%)  |
| Par value per share       | 0.07 euro        |
| Average share price       | 50.84 euros      |
| Total investment value    | 12,280,615 euros |

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In addition, Brinvest, an indirect subsidiary of Ackermans & van Haaren, holds another 51,300 shares Ackermans & van Haaren.

### **5.6 Modification of the by-laws following the abolition of bearer shares**

On 16 November 2007 the by-laws have been modified by decision of the board of directors pursuant to article 96 of the Law of 14 December 2005 regarding the abolition of bearer securities.

Article 6 of the by-laws has been modified as follows:

*'The shares which are not fully paid in shall remain registered shares.*

*The shares fully paid in as well as other securities of the company may exist as registered, bearer or dema-*



terialised securities. Each holder may, at any time and at his own expenses, request the conversion of its paid in securities into another form, within the limits of the law and without prejudice to the provisions of the third paragraph of article 9 of the by-laws.

The dematerialised security is represented by a booking on an account in the name of the owner or holder, held with a registered account holder or with a clearing and settlement institution. The number of existing dematerialised securities is registered, per security category, in the name of the clearing and settlement institution in the relevant register of securities.

A register is held at the company's office for each category of registered securities. This register can be in electronic format. The board of directors may appoint a third party of its choice to hold this electronic register.

Each holder of securities can consult the register with regard to its own securities.'

At the end of article 6 the following transitional provision was added:

*'The company may issue bearer shares and the registered shares can be converted into bearer shares until thirty-one December two thousand and seven.*

*As from the first of January two thousand and eight, bearer shares booked on a securities account are automatically converted into dematerialised shares.*

*As from the first of January two thousand and eight, bearer shares which are not yet booked on a securities account, are automatically converted into dematerialised shares, as soon as they are booked on a securities' account.'*

Also, the first paragraph of article 31 of the by-laws was modified as follows:

*'In order to attend the general meeting, the holders of dematerialised shares must deposit at the company's office or at the places specified in the convocation, not later than three business days before that meeting, a certificate originating from the registered account holder or the clearing and settlement institution cer-*

*tifying the unavailability of the dematerialised shares until the date of the general meeting. The holders of bearer shares must deposit their securities within this term at the aforementioned places.'*

## 5.7 Notice pursuant to the law on public take over bids

By letter of 18 February 2008, Scaldis Invest has sent a notification to the company, in accordance with article 74 §7 of the law of 1 April 2007 on public take over bids. From this notification, it appears that Scaldis Invest owns over 30% of the shares with voting rights of Ackermans & van Haaren and that 'Stichting Administratiekantoor Het Torentje' ultimately controls Scaldis Invest.

## II CONSOLIDATED ANNUAL ACCOUNTS

### 1 RISKS AND UNCERTAINTIES

As outlined in our Mission Statement (p. 6), Ackermans & van Haaren invests in a limited number of companies with international growth potential on a long term basis.

The diversified character of these investments in such areas as contracting and dredging activities, financial services, real estate and private equity (with investments in sectors ranging from oleochemistry and media to logistics and wood solutions) contributes to a balanced spread of the economic and financial risks. Moreover, Ackermans & van Haaren generally finances these investments with equity.

Each group company has of course an individual risk profile depending on the sector in which it is active. The results of Bank Delen are for instance partially dependent upon the overall stock market climate. Bank J.Van Breda & C° is sensitive to the overall economic situation and the interest curve. DEME is present worldwide in a very competitive market. Although over the last few years, DEME has developed important activities in sectors adjacent to its core activities, its turnover remains to a large extent dependent upon capital dredging work, which has an inherent cyclical character and

is sometimes influenced by geopolitical developments. The real estate and promotional activities of Leasinvest Real Estate, Extensa and Financière Duval respectively are also influenced by the general economic situation and the interest curve. Finally, the sector of private equity is characterised by heavy competition, also from abroad. The players who are active in this market have significant investment resources and do not necessarily all have the same risk profile regarding leveraged deals.

Ackermans & van Haaren has a considerable cash reserve that is partially invested in short-term deposits with renowned financial institutions with which it has a long term relationship, and partially in liquid shares, such as KBC Group and Fortis.

With a view to, and limited to, hedging of certain risks (such as risks resulting from the evolution of the interest rates) financial derivatives can be used. In 2007, no new hedging contracts were concluded at the level of Ackermans & van Haaren and subholdings, and the total hedging by way of financial derivatives amounted to 10 million euros at the end of 2007.

Notwithstanding the fact that Ackermans & van Haaren disposes of a positive net cash position, it has short term financial debts in the form of commercial paper. The current programs allow Ackermans & van Haaren to issue commercial paper in an aggregate amount of 250 million euros. At the end of 2007, commercial paper was issued for only 43.3 million euros. Ackermans & van Haaren has confirmed credit lines which largely exceed this amount.

As a general rule, Ackermans & van Haaren and subholdings do not make commitments or grant securities with respect to the liabilities of the operational group companies. Only in specific cases, exceptions are made to this rule.

## 2 COMMENTS ON THE CONSOLIDATED ANNUAL ACCOUNTS

The consolidated annual accounts for the financial year 2007 are prepared in accordance with International Financial Reporting Standards (IFRS).

The consolidated balance sheet total as at 31 December 2007 amounts to 4,888 million euros, an increase of 4% compared to the balance sheet total of 4,721 million euros at the end of 2006.

2007 is a year again characterised by significant investments. Within the 'AvH and subholdings' and 'private equity' segments, 248.2 million euros was invested.

Within the 'private equity' segment, the group invested a total of 154.0 million euros, of which 137.9 million euros went to new investments (Distriplus, Spano Group, IRIS, Manuchar) and 16.1 million euros to follow-up investments in, a.o. Alural, Euro Media Group and Turbo's Hoet Group.

Furthermore, 94.2 million euros was invested, of which 27.0 million euros was put into new investments in a.o. Financière Duval and Rent-A-Port. The follow-up investments amounted to 67.2 million euros. 53.0 million euros was invested in the capital increase of Finaxis with Delen Investments, and the balance was invested in a.o. increases of the participations in Sipef and Leasinvest Real Estate.

In 2007, Ackermans & van Haaren realised divestments in a total amount of 37.9 million euros. Sofnim (private equity) sold its 45%-stake in Corn. Van Loocke to Umicore (capital gain of 3.1 million euros) and contributed its stake in UBF Media Group into the new 'Euro Media Group' (capital gain of 14.9 million euros). Moreover, Financière Flo succeeded in reimbursing a part of its acquisition debt to GIB, following the refinancing completed in the summer of 2007 (effect for Ackermans & van Haaren of 22.2 million euros). Ackermans & van Haaren also sold a part of its participation in Belfimas (capital gain of 5.5 million euros).



Furthermore, some modifications were made in the investment portfolio: all Agridec shares were sold at the occasion of the public take over bid on this company; in the first quarter of 2007, 100,000 KBC shares were sold; also, 617,676 Telenet shares were sold; finally, in the second semester of 2007, the capital increase of Fortis was subscribed for.

This investment and divestment activity, together with the payment of dividends and directors' fees and other cash results of the group, contribute to the evolution of the net cash position of 340.7 million euros (December 2006, i.e. before receipt of the sales price of Quick Restaurants of 211.3 million euros) to 363.6 million euros at the end of 2007.

The consolidated shareholders' equity of Ackermans & van Haaren (part of the group – before distribution of the results) has increased to 1,580.1 million euros at the end of 2007, which corresponds to 47.17 euros per share.

The consolidated result (part of the group) amounts to 241.4 million euros, compared to the record profit of 2006 (influenced by the exceptional capital gain of 150.4 million euros further to the sale of Quick Restaurants) of 307.6 million euros. The result of the participations increases by 42.8% to 183.2 million euros.

An (economic) breakdown of these results over the group's activity segments is set out in the annex 'Key Figures' to the brochure.

Based on a continuously strong order book, DEME has known a very high activity degree with a nearly complete utilisation of the fleet. Turnover increased in 2007 by 22% to 1,313.9 million euros. The net profit rose by 79% to 90.2 million euros.

This favourable evolution of the results is due to good operations and was hardly influenced by extraordinary results.

The real estate-related activities (LRE, Extensa, Cobelguard and Financière Duval) contribute to the result, in a steady way compared to 2006, in an amount of 27.1 million euros.

Within a very volatile stock market climate, Bank Delen knew a remarkable growth of its assets under management to 12,126 million euros (compared to 8,416 million euros on 31/12/06), of which 2,747 million euros originated from the acquisition in July 2007 of the Brussels' asset manager 'Capital & Finance'. The net profit rose by 22.4% to 36.7 million euros. Bank J. Van Breda & C° showed a strong commercial performance, which could, however, not compensate for the decrease in profits due to the unfavourable interest rate climate. The net consolidated result amounted to 22.4 million euros, compared to 24.4 million euros in 2006.

The participations in Sipef and Henschel, which come under the segment 'Ackermans & van Haaren and subholdings' and which have for the first time been consolidated, contribute in an amount of 10.8 million euros.

The current contribution of 'private equity' showed a significant increase of 75% to 47.2 million euros (compared to 26.9 million euros in 2006) in 2007. Almost all companies of the private equity portfolio recorded favourable results. As set out above, 2007 was an active investment year.

### 3 KEY EVENTS FOLLOWING CLOSING OF THE FINANCIAL YEAR

No key events, which could have a significant influence on the activities or on the financial position of the company, have taken place after the closing of the accounts.

#### 4 RESEARCH AND DEVELOPMENT

In 2007, Ackermans & van Haaren and the fully consolidated participations have not engaged in any research and development activities.

#### 5 FINANCIAL INSTRUMENTS

Within the group, financial instruments are used for risk management. More specifically, this involves financial instruments that would mitigate the effect of an increase in short-term interest rates. Within Extensa Group, Leasinvest Real Estate and AvH Coordination Center, these instruments form part of the financing of short-term credit requirements via the commercial paper program.

The counterparties of these financial instruments are exclusively renowned banks with which Acker-

mans & van Haaren has built up a long-term relationship.

Within Bank J. Van Breda & C° a similar effort is being made to pursue a cautious policy in terms of interest rate risk by using interest swaps and options.

#### 6 OUTLOOK 2008

Except in case of unforeseen circumstances, the board of directors expects for 2008 a further strong contribution of most of the participations to the result of the group.

On behalf of the board of directors, 15 April 2008

**Luc Bertrand**  
Director

**Alain Dieryck**  
Chairman



## KEY EVENTS 2007

High investment  
activity of  
Ackermans & van Haaren  
and the participations.

#### **JANUARY 2007**

Bank Delen is nominated 'Best Private Bank in Belgium in 2007' by Euromoney.

#### **FEBRUARY 2007**

UBF Media Group and Euro Media Télévision announce the merger of both groups into the European market leader in audiovisual facilities (combined turnover of 300 million euros). Closing took place in October 2007.

Ackermans & van Haaren and the Bracht family conclude a shareholder agreement, representing together at that time over 30% of the Sipef capital.

DEME receives important new orders in India and Abu Dhabi in an aggregate amount of 177 million euros.

#### **MARCH 2007**

Ackermans & van Haaren acquires 21% of the French group Financière Duval, active in real estate development and real estate-related services (leisure parcs, elderly homes).

Ackermans & van Haaren acquires via Sofnim 50% of Distriplus, together with CNP (also holding 50%). Distriplus comprises, next to Club and Planet Parfum, Di, acquired from Delhaize.

The Ackermans & van Haaren share becomes part of the BEL20 index of NYSE Euronext Brussels as from 2 March 2007.

#### **APRIL 2007**

Sipef reaches an agreement regarding the acquisition of a palm oil plantation (5,100 ha) in Sumatra, Indonesia.

#### **MAY 2007**

DEME concludes new contracts for over 300 million euros on the African continent and in the countries around the Mediterranean sea.

#### **JUNE 2007**

Groupe Flo acquires the renowned Brussels' restaurant 'Aux Armes de Bruxelles', as well as the brand and restaurant concept 'Maître Kanter' from the French brewery group 'Brasseries Kronenbourg'.

Sofnim acquires a stake of 20% in Manuchar with an option to increase its stake to 30%.

Delen Investments reaches an agreement regarding the acquisition of 90% of Capital & Finance and its 100% subsidiary Capital & Finance Asset Management. Together, Bank Delen and Capfi then manage client portfolios in a total amount of 12.2 billion euros.

#### **SEPTEMBER 2007**

Bank J.Van Breda & C° concludes an agreement with Ethias Bank for the acquisition of the client portfolio of credits and investments of independent entrepreneurs active in inland shipping.

#### **OCTOBER 2007**

Sofnim sells its participation (45%) in Corn. Van Loocke, together with the other shareholders, to Umicore.

#### **DECEMBER 2007**

DEME acquires new orders abroad, in an aggregate amount of 300 million euros. In its own country, it starts the important deepening of the 'Schelde' through the temporary business association 'THV Zeeschelde'. The trailing suction hopper dredger 'Brabo' and the new trailing suction hopper dredger 'Breydel' are launched.

# GENERAL INFORMATION TO THE SHAREHOLDER

**board of directors**  
*sitting, from left to right:*  
F. van Haaren, J. Delen,  
A. Dieryck, L. Bertrand,  
P. Willaert and T. Jurgens  
*standing, from left to right:*  
P. Macharis and  
T. van Baren



**executive committee**  
*from left to right:*  
W. Poot, P. Bevernage,  
T. Bamelis, L. Bertrand,  
P. Dejonghe and J. Suykens



# BOARD OF DIRECTORS, SUPERVISION AND DAILY MANAGEMENT

## BOARD OF DIRECTORS

### President

Alain Dieryck

*Chairman of the executive committee*

### Directors

Luc Bertrand  
Jacques Delen  
Teun Jurgens  
Pierre Macharis  
Thierry van Baren  
Frederic van Haaren  
Pierre Willaert

## AUDITOR

Ernst & Young Bedrijfsrevisoren BCV, represented by Patrick Rottiers and Christel Weymeersch<sup>(1)</sup>.

## EXECUTIVE COMMITTEE

### President

Luc Bertrand

### Members

Tom Bamelis  
Piet Bevernage  
Piet Dejonghe  
Werner Poot<sup>(2)</sup>  
Jan Suykens

## MANAGEMENT OF PARTICIPATIONS (in addition to the members of the executive committee)

### Private Equity

Marc De Pauw  
André Xavier Cooreman  
Koen Janssen  
Matthias De Raeymaeker  
Harold Vanheel

## GROUP SERVICES

### Finance

Tom Bamelis *Financial manager*  
Hilde Delabie *Group controller*  
Ingrid Van de Maele *Group controller*  
Marc De Groote *Accountant*  
Bart Bressinck *Accountant*  
Jean-Claude Janssens *Treasurer*  
Piet Bevernage *Secretary general*  
Sofie Beernaert *Legal counsel*  
Edouard De Saegher *Administration and personnel*  
Brigitte Adriaensens *Corporate secretary NIM/Sofinim*  
Michel Malengreau *Tax counsel*

### Legal

(1) Since 31 December 2007.

(2) Since 1 January 2008.

# CORPORATE GOVERNANCE

## 1 GENERAL INFORMATION

On 14 April 2005, the board of directors of Ackermans & van Haaren adopted the first Corporate Governance Charter ('Charter'). The Charter has been prepared in accordance with the provisions of the Belgian Corporate Governance Code ('Code'), published on 9 December 2004 by the Corporate Governance Committee under the presidency of Count Maurice Lippens. The first Charter was published on 6 May 2005.

Since then, the board of directors updated the Charter at its meeting of 18 April 2006 further to various Royal Decrees adopted pursuant to European regulations on market abuse. At its meeting of 15 January 2008, the board of directors has amended item 3.2.2. (b) of the Charter in order to clarify the procedure regarding investigations into

irregularities. The amended Charter was published on 15 April 2008 and can be consulted in three languages (Dutch, French and English) on the website of the company [www.avh.be](http://www.avh.be).

Pursuant to the Code, Ackermans & van Haaren is to include a chapter ('Chapter') in its annual report in which special attention is given to factual information about corporate governance, to any changes that may have occurred in the corporate governance policy, and events relevant to corporate governance that occurred during the past financial year. This Chapter also includes an explanation on the derogations from the recommendations of the Code in accordance with the 'comply or explain' principle.

## 2 BOARD OF DIRECTORS

### 2.1 COMPOSITION

| Name                | Born | Office                           | End of term of office |
|---------------------|------|----------------------------------|-----------------------|
| Alain Dieryck       | 1943 | <i>Chairman, non-executive</i>   | 2009                  |
| Luc Bertrand        | 1951 | <i>Executive</i>                 | 2009                  |
| Jacques Delen       | 1949 | <i>Non-executive</i>             | 2008                  |
| Teun Jurgens        | 1948 | <i>Independent non-executive</i> | 2010                  |
| Pierre Macharis     | 1962 | <i>Independent non-executive</i> | 2008                  |
| Thierry van Baren   | 1967 | <i>Non-executive</i>             | 2010                  |
| Frederic van Haaren | 1960 | <i>Independent non-executive</i> | 2009                  |
| Pierre Willaert     | 1959 | <i>Independent non-executive</i> | 2008                  |

The board of directors will propose to the ordinary general meeting of 26 May 2008, to renew the mandates of Jacques Delen, Pierre Macharis and Pierre Willaert for a term of 4 years.

## 2.2 INDEPENDENT DIRECTORS

Teun Jurgens is a company director. Pierre Macharis is managing director and chairman of the executive committee of the listed company VPK Packaging Group NV.

Frederic van Haaren is a company director. Pierre Willaert is a company director. Teun Jurgens, Pierre Macharis, Frederic van Haaren and Pierre Willaert are independent directors within the meaning of article 524 of the Company Code, and all meet all independency criteria set out under item 2.2.4 of the company's Charter.

## 2.3 OTHER DIRECTORS

Luc Bertrand is chairman of the Ackermans & van Haaren executive committee.

Jacques Delen is chairman of the executive committee of Bank Delen, a subsidiary of Ackermans & van Haaren.

Luc Bertrand, Jacques Delen and Alain Dieryck are directors of Scaldis Invest which is, with a stake of 33%, the principal shareholder of Ackermans & van Haaren.

Luc Bertrand and Alain Dieryck are also directors of Belfimas, which controls Scaldis Invest with a share participation of 91.35%.

Scaldis Invest and Belfimas are holding companies which exclusively invest (directly and indirectly) in Ackermans & van Haaren shares.

Thierry van Baren is marketing and communication consultant.

## 2.4 DIRECTORS' REMUNERATION

All directors received a directors' fee in 2007. The amount of the directors' fee consists of a base sum of 20,000 euros and an extra sum of 2,500 euros per membership in an advisory committee. In 2007, the directors received a total of 162,000

euros in directors' fees. Since the sums of these directors' fees bear no relation to the results, they can be equated to fixed, non-performance related remuneration. The individual fees and other benefits granted, directly or indirectly, by Ackermans & van Haaren and its subsidiaries to the respective directors in 2007 are limited to the directors' fees distributed by Ackermans & van Haaren in 2007 (for the financial year 2006):

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|                     |              |
|---------------------|--------------|
| Alain Dieryck       | 7,000 euros  |
| Luc Bertrand        | 20,000 euros |
| Jacques Delen       | 22,500 euros |
| Teun Jurgens        | 22,500 euros |
| Pierre Macharis     | 22,500 euros |
| Thierry van Baren   | 22,500 euros |
| Frederic van Haaren | 22,500 euros |
| Pierre Willaert     | 22,500 euros |

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For the sake of completeness, it is to be noted that Luc Bertrand also receives a remuneration as chairman of the executive committee of Ackermans & van Haaren (see item 5.3 hereafter) and that Jacques Delen also receives a remuneration as chairman of the executive committee of Bank Delen.

Upon the recommendation of the remuneration committee, the board of directors approved on 16 November 2007 the proposal to increase the base remuneration of the directors for the financial year 2007 from 20,000 euros to 25,000 euros. The base remuneration of the chairman remains unchanged at 30,000 euros.

Taking into account the importance of the tasks and responsibilities of the audit committee, it was also proposed to increase the remuneration of the chairman of the audit committee to 8,000 euros and the remuneration of the other members of the audit committee to 4,000 euros per member.



## 2.5 ACTIVITY REPORT

The board of directors met ten times in 2007. In addition, the board of directors decided pursuant to the procedure of written decision making to move the registered office of the company to the current address.

Average presence was 98%.

In 2007, the board of directors monitored the group's results and the development of the activities of the various participations on the basis of reports prepared by the executive committee. The board of directors also took several important investment and divestment decisions in the past financial year.

At its meeting of 15 January 2008, the non-executive directors have discussed, in the absence of the executive director and in accordance with article 2.7 of the Charter, the relation between the board of directors and the executive committee. The directors involved expressed their general satisfaction on the good cooperation between the two corporate bodies and made some suggestions in this regard to the executive director.

## 2.6 CODE OF CONDUCT REGARDING CONFLICTS OF INTEREST

The board of directors has published in the Charter (2.9. and 4.7.) its policy regarding transactions between Ackermans & van Haaren or a company affiliated to it on the one hand, and members of the board of directors or executive committee (and their close relatives) on the other, which may give rise to a conflict of interest (within the meaning of the Company Code or otherwise). In 2007, no decisions were made giving cause to apply this policy.

## 2.7 CODE OF CONDUCT REGARDING FINANCIAL TRANSACTIONS

The board of directors published its policy on the prevention of market abuse in the Charter (section 5.).

## 3 AUDIT COMMITTEE

### 3.1 COMPOSITION

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**President** Pierre Willaert,  
*independent, non-executive director*  
Thierry van Baren,  
*non-executive director*  
Frederic van Haaren,  
*independent, non-executive director*

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### 3.2 ACTIVITY REPORT

The audit committee met four times in 2007. On 1 March and 30 August 2007, the audit committee, in the presence of financial management and the auditor, concentrated mainly on the analysis of the annual and six-monthly financial statements respectively. The audit committee of 27 March focused its attention on the financial report as published in the annual report of 2006. The same occurred for the annual report of 2007, at the audit committee of 10 April 2008.

At the meeting of the audit committee of 11 December 2007, the reporting on the internal audit was discussed and the internal audit planning for 2008 was approved. The members of the audit committee also receive the available reports of the audit committees of the operational subsidiaries of Ackermans & van Haaren.

## 4 REMUNERATION COMMITTEE

### 4.1 COMPOSITION

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**President** Jacques Delen,  
*non-executive director*  
Teun Jurgens,  
*independent, non-executive director*  
Pierre Macharis,  
*independent, non-executive director*

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### 4.2 ACTIVITY REPORT

The remuneration committee met twice in 2007, on 18 April and 16 November. On 18 April 2007, the remuneration committee requested Towers Perrin to verify the market conformity of the remuneration of the members of the executive committee. At its meeting of 16 November 2007, the committee made recommendations to the board of directors regarding the appointment of Werner Poot as a member of the executive committee, the fixed and variable remunerations of the members of the executive committee and the granting of stock options to these members and other group executives.

## 5 EXECUTIVE COMMITTEE

### 5.1 COMPOSITION

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|                                    |                 |
|------------------------------------|-----------------|
| Luc Bertrand                       | <b>Chairman</b> |
| Tom Bamelis                        |                 |
| Piet Bevernage                     |                 |
| Piet Dejonghe                      |                 |
| Werner Poot (since 1 January 2008) |                 |
| Jan Suykens                        |                 |

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As a general rule, Alain Dieryck, chairman of the board of directors, attends the meetings of the executive committee as an observer.

### 5.2 ACTIVITY REPORT

The executive committee met 22 times in 2007. Average attendance was 95.4%.

The executive committee is, amongst others, responsible for the day-to-day management of Ackermans & van Haaren and prepares the decisions to be made by the board of directors.

### 5.3 REMUNERATION OF THE MEMBERS OF THE EXECUTIVE COMMITTEE

The members of the executive committee receive a fixed remuneration, a variable remuneration depending on the consolidated net result of Ackermans & van Haaren, and stock options. They also have the benefit of a company car and group life insurance (pension scheme, death cover, disability cover) and hospitalisation insurance. The group life insurance is of the 'defined contribution' type. The fixed and variable remunerations and other benefits, directly or indirectly, granted by Ackermans & van Haaren and its subsidiaries to the members of the executive committee in 2007, are set forth in the table hereafter. The members of





the executive committee can, through the exercise of their stock options (including the stock options granted in January 2008), acquire in the future a total of 238,300 shares Ackermans & van Haaren (see table below):

| (€)  | Fixed remuneration <sup>(2)</sup> | Variable remuneration <sup>(3)</sup> | Group and hospitalisation insurance |
|--|-----------------------------------|--------------------------------------|-------------------------------------|
| Executive committee (overall) <sup>(1)</sup> | 2,044,071                         | 1,786,286                            | 99,166                              |
| CEO (individually)                           | 605,526                           | 796,587 <sup>(4)</sup>               | 27,175                              |

(1) This includes the CEO's remuneration, but does not include the remuneration of Werner Poot who became a member of the executive committee on 1 January 2008.

(2) This includes the benefit in kind resulting from the use of a company car.

(3) This includes the bonus calculated for the 2007 financial year and due in 2008. The bonus calculated for the 2006 financial year, paid in 2007, amounted to 2,496,240 euros.

(4) The bonus calculated for the 2006 financial year, paid in 2007, amounted to 1,035,080 euros.

### Options outstanding

| Grant                   | 2000            | 2001            | 2003            | 2004            | 2005            | 2006            | 2007            | 2008            |
|-------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Expiry date</b>      | <b>12.01.11</b> | <b>07.02.12</b> | <b>31.01.11</b> | <b>26.01.12</b> | <b>24.01.13</b> | <b>03.01.14</b> | <b>08.01.15</b> | <b>02.01.16</b> |
| <b>Exercise price €</b> | 28.26           | 32.33           | 15.98           | 19.02           | 27.08           | 46.09           | 62.12           | 66.05           |
| Luc Bertrand            |                 |                 |                 |                 |                 |                 |                 | 16,000          |
| Jan Suykens             |                 |                 |                 |                 |                 |                 |                 | 5,500           |
| Piet Dejonghe           |                 |                 |                 |                 |                 |                 |                 | 4,000           |
| Piet Bevernage          |                 |                 |                 |                 |                 |                 |                 | 4,000           |
| Tom Bamelis             |                 |                 |                 |                 |                 |                 |                 | 4,000           |
| <b>Total</b>            | <b>1,800</b>    | <b>58,000</b>   | <b>20,500</b>   | <b>24,000</b>   | <b>33,500</b>   | <b>33,500</b>   | <b>33,500</b>   | <b>33,500</b>   |

## 5.4 MAIN CONTRACTUAL CONDITIONS

The chairman of the executive committee is a director of Ackermans & van Haaren. The contracts of the other members of the executive committee contain the usual provisions regarding remuneration (fixed and variable remuneration), non-competition and confidentiality. These contracts are of indefinite duration. Each member of the executive committee is entitled to end his contract unilaterally subject to six (6) months' notice. The company is entitled to unilaterally end the contract of any member of the executive committee subject to eighteen (18) months' notice.

## 6 INTERNAL AND EXTERNAL AUDIT

The company's statutory auditor is Ernst & Young Bedrijfsrevisoren BCV, represented by Patrick Rotiers and Christel Weymeersch (who replaced Jan De Landsheer on 31 December 2007). The statutory auditor conducts the external audit (of both consolidated and statutory figures) of Ackermans & van Haaren, and reports to the board of directors twice a year. The statutory auditor was appointed at the ordinary general meeting of 29 May 2007. Its mandate expires on the ordinary general meeting of shareholders in 2010. The statutory auditor's annual fee for auditing the statutory and consolidated Ackermans & van Haaren annual accounts is 35,000 euros (excluding VAT). In addition, a fee of 8,300 euros (excluding VAT) was paid to Ernst & Young Tax Consultants CV for tax advice. Furthermore, an amount of 420,205 euros (excluding VAT) was paid to Ernst & Young Advisory (France) as a fee for due diligence activities.

The total cost for the external audit of Ackermans & van Haaren and integrally consolidated subsidi-

aries was 660,619 euros in 2007 (including the 35,000 euros mentioned above).

The internal audit is conducted by the group controllers, who report to the chairman of the executive committee. At least once a year, the group controllers report directly to the board of directors.

## 7 SHAREHOLDER STRUCTURE, CROSS SHAREHOLDINGS AND PROTECTION STRUCTURES

### 7.1 SHAREHOLDER STRUCTURE

Scaldis Invest NV holds 11,054,000 shares in the capital of Ackermans & van Haaren, i.e. a stake of 33%. Scaldis Invest is in turn controlled by Belfimas NV, which holds 91.35% of the capital in Scaldis Invest. The ultimate control of Scaldis Invest is held by 'Stichting Administratiekantoor Het Torentje'. Pursuant to the law of 2 March 1989, Scaldis Invest notified its shareholding percentage to the company and to the Banking, Finance and Insurance Commission. Said notice was published, in accordance with article 4, §2 of the law of 2 March 1989, on 18 May 2000.

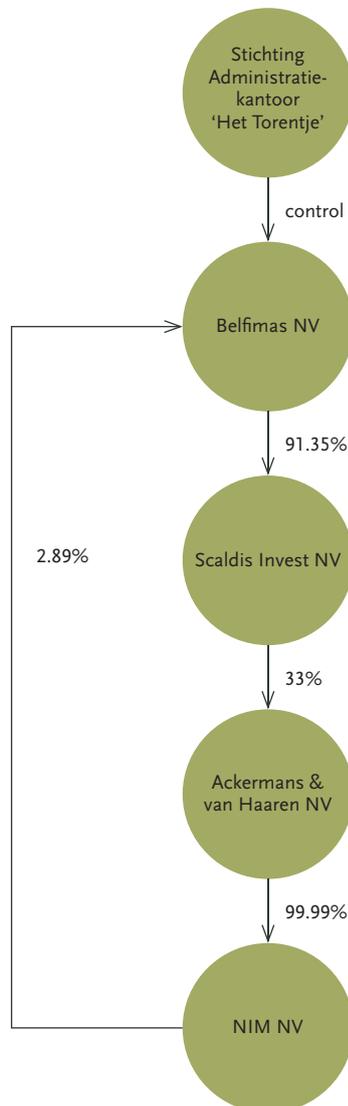
### 7.2 CROSS SHAREHOLDINGS

Through its subsidiary Nationale Investeringsmaatschappij NV, Ackermans & van Haaren holds a stake of 2.89% of the share capital of Belfimas. Ackermans & van Haaren holds 214,552 of its own shares as at 31 December 2007. These shares were acquired between 2001 and 2007 with a view to covering the stock option plan. Its indirect subsidiary, Brinvest NV (98.7%), holds 51,300 shares in Ackermans & van Haaren.



### 7.3 GRAPHIC REPRESENTATION

The shareholders' structure and cross shareholdings, as at 15 April 2008, are shown in the following diagram:



### 7.4 REFERENCE SHAREHOLDER

Belfimas is the (indirect) reference shareholder of Ackermans & van Haaren. Belfimas' sole purpose is to invest, directly or indirectly, in Ackermans & van Haaren shares.

Any transfer of securities issued by Belfimas is subject to a statutory right of approval of the Belfimas board of directors.

Two of Ackermans & van Haaren's directors (Luc Bertrand and Alain Dieryck) are members of the Belfimas board of directors. The board of directors is not aware of any agreements between Ackermans & van Haaren shareholders.

### 7.5 PROTECTION SCHEMES

On 8 June 2007, the extraordinary general meeting renewed the authorisation of the board of directors to proceed to a capital increase, in case of a public take over bid on the securities of Ackermans & van Haaren, in accordance with the provisions and within the limits of article 607 of the Company Code. The board of directors is allowed to use this authorisation in case the notification of a public take over bid by the Banking, Finance and Insurance Commission to the company is given not later than three years from the date of the aforementioned extraordinary general meeting.

The board of directors is also authorised for a period of three years, which expires on 3 July 2010, to acquire or divest shares of the company in the event that such is required in order to safeguard the company from serious and threatening harm.

### 8 COMPLY OR EXPLAIN

The Charter of Ackermans & van Haaren does not comply with the recommendations of the Code on a limited number of elements:

## **8.1 COMPOSITION OF THE NOMINATION COMMITTEE**

In accordance with recommendation 5.3./1, Appendix D of the Code, the nomination committee must consist for the majority of independent non-executive directors. The Ackermans & van Haaren nomination committee consists of all members of the board of directors. Since only half of the board of directors are independent non-executive directors, the Charter derogates from the Code in that regard.

The board of directors is, however, of the opinion that this derogation is justified since its relatively limited size (eight members) does not impede efficient deliberation and decision making and since the board of directors as a whole is better able to evaluate the size, composition and succession planning of a.o. the board of directors.

## **8.2 PRIOR APPROVAL OF THE STOCK OPTION PLAN BY THE GENERAL MEETING**

In accordance with recommendation 7.13 of the Code, any system used to remunerate members of executive management in the form of stock options must be approved beforehand by the shareholders via a resolution of the ordinary general meeting. This approval must relate to the system itself, but need not relate to the individual granting of share-related remuneration under the plan. Ackermans & van Haaren introduced a stock option plan in 1999 (this is before the adoption of the Code). The

outlines of this plan were explained at the ordinary general meeting of 1999. All options are still allocated on the basis of the 1999 stock option plan.

Given the fact that the board of directors has not approved a new stock option plan since, the board is of the opinion that there is no need to submit the existing plan again to the general meeting for approval.

## **8.3 SUBMISSION OF PROPOSALS TO THE GENERAL MEETING**

In accordance with recommendation 8.9 of the Code, the minimum share percentage a shareholder is required to possess in order to be able to submit proposals to the general meeting may not exceed 5% of the capital.

The board of directors has decided not to follow this recommendation.

At the general meeting, Ackermans & van Haaren shareholders are able to ask the directors and statutory auditor questions relating to an item on the agenda.

The board of directors is, however, aware of the fact that the Belgian legislator, pursuant to the European Directive 2007/36/EG of 11 July 2007 regarding the execution of certain rights of shareholders in listed companies, may or will impose the 5% limit at the latest on 3 August 2009.

# GENERAL INFORMATION REGARDING THE COMPANY

## Registered office

Begijnenvest 113, 2000 Antwerp  
BTW BE 0.404.616.494  
RPR Antwerp

## Incorporation date, last amended by-laws

The company was incorporated on 30 December 1924 by notarial deed, published in full in the Annexes to the Belgian Official Gazette of 15 January 1925 under number 566.

The by-laws have been modified several times and for the last time by notarial deed of 16 November 2007, published by excerpt in the Annexes to the Belgian Official Gazette of 5 December 2007, under number 07174898.

## Duration of the company

Indefinite

## Legal Form, applicable law

Limited liability company under Belgian law, making or having made a public offering of securities within the meaning of article 438 of the Company Code.

## Statutory purpose

The statutory purpose of the company includes the following:

- (a) the project study, supervision and management of all kinds of public and private works, mainly in the field of construction in general, as well as the organization and administration of all companies or businesses and assistance to them in all forms;
- (b) the contracting of all sea- and landbased public or private works in the area of construction and, in particular, all kinds of sea- and river-based works, major irrigation activities and the canalisation of waterways, major dewatering and pumping works, dredging, drilling, sounding, well-sinking, drainage, the building of permanent structures, digging, and the general contracting of construction works, as well as the re-floating of boats and ships;
- (c) sea- and land-based prospecting for industrial extraction, mainly of crude oil or natural gas, as well as mineral products in general;
- (d) the operation, production, processing, distribution, purchase, sale and transport of all products derived from industrial extraction;

- (e) the acquisition, operation, development and transfer of land, real estate and any property entitlement;
- (f) the acquisition, the operation and the realization, in any form whatever, of intellectual property rights, licenses and concessions;

(g) the acquisition of a participation, by way of subscription, contribution, merger, cooperation, financial intervention or in any other way, in any company, entreprise, operation or association in Belgium or abroad, already existing or still to be incorporated;

(h) the management, development and realization of these participations;

(i) involvement, directly or indirectly, in the management, control or dissolution of any company, entreprise, business or association in which it has a participation;

(j) providing assistance to the board of directors or to management or support in all possible management matters of companies, businesses or associations in which it has a participation, and in general, performing all acts constituting entirely or partially, directly or indirectly, holding activities.

The company may carry out all civil, commercial, industrial and financial activities as well as activities relating to real and movable property that are linked, directly or indirectly, to its statutory purpose or that may enhance the realization thereof.

The company may provide securities or guarantee in favour of companies, enterprises, businesses or associations in which it has a participation, act as representative or agent, provide advances, credit facilities and mortgages or other securities.

The company's activities may be carried out both abroad and in Belgium.

## Consultation of documents regarding the company

The statutory and consolidated annual accounts of the company are deposited with the National Bank of Belgium. A coordinated version of the company by-laws can be consulted with the clerck of the Commercial Court of Antwerp. The brochure is sent to the registered shareholders and to anyone who so requests. The coordinated version of the company by-laws and the brochure are also available on the company's website ([www.avh.be](http://www.avh.be)).

# GENERAL INFORMATION REGARDING THE COMPANY'S CAPITAL

## Subscribed capital

The subscribed capital is 2,295,277.90 euros. The capital is fully paid-up and is represented by 33,496,904 shares without nominal value.

## Capital increases

The most recent capital increase was decided upon on 11 October 1999, as part of the merger through acquisition of Belcofi NV by AvH NV.

## Authorized capital

In the events set out in the special report approved by the extraordinary general meeting of 8 August 2005, the board of directors is authorised to increase the company's capital during a period of five years as of 14 September 2005, once or several times, in a maximum amount of 500,000 euros.

The board of directors can also make use of the authorised capital, in case of a public take over bid on securities issued by the company, in accordance with the provisions and within the limits of article 607 of the Company Code. The board of directors is allowed to use this authorisation in case the notification of a public take over bid by the Banking, Finance and Insurance Commission to the company is given not later than three years from the date of the aforementioned extraordinary general meeting.

The capital increases decided upon pursuant to these authorisations may be completed in accordance with the terms and conditions as shall be determined by the board of directors, such as, amongst others, by way of a contribution in cash or, subject to applicable law, by way of a contribution in kind, or by means of the conversion of disposable or non-disposable reserves and issue premiums, with or without the issuance of new shares or through the issuance of subordinated or non-subordinated convertible bonds, as well as through the issuance of warrants or other securities, whether or not attached to other securities

issued by the company, the board being entitled to decide whether or not the new securities shall remain registered and are not convertible into bearer securities. The authorisations can be renewed in accordance with the relevant legal provisions. The board of directors may, in the interest of the company, at the occasion of a capital increase or issuance of convertible bonds or bonds to which warrants may or may not be attached or, subject to legal restrictions, of warrants carried out within the restrictions of the authorised capital, restrict or cancel the shareholders' preferential right, including for the benefit of one or more well-defined parties or members of the company's personnel or of its subsidiaries.

## Nature of the shares

The shares fully paid in as well as other securities of the company may exist as registered, bearer or dematerialised securities. Each holder may, at any time and at his own expenses, request the conversion of its paid in securities into another form, within the limits of the law and without prejudice to the provisions of the third paragraph of article 9 of the by-laws. As from 1 January 2008, the company may no longer issue bearer shares and registered shares can no longer be converted into bearer shares.

As from 1 January 2008, bearer shares booked on a securities account are automatically converted into dematerialised shares. As from 1 January 2008, bearer shares which are not yet booked on a securities account, are automatically converted into dematerialised shares as soon as they are booked on a securities account.

The securities are indivisible towards the company which can suspend the rights of any share regarding which disputes would arise as to the ownership, usufruct or naked ownership. In case of usufruct, the naked owner of the share shall be represented vis-à-vis the company by the holder of the right of usufruct, unless the parties decide otherwise.

# PATRONAGE

For many years now, Ackermans & van Haaren supports certain projects of a scientific and socio-cultural nature with a link to the Antwerp region. An effort has always been made to establish a lasting relationship with the partners, it being understood that this relationship is periodically being re-assessed.

In 2007, Ackermans & van Haaren supported, among others, the following projects in a total amount of approximately 181,000 euros:

## CULTURAL

- Royal Museum of Fine Arts in Antwerp
- Middelheim

## SCIENTIFIC

- Institute for Tropical Medicine
- Christian de Duve Institute of Cellular Pathology
- Vlerick Leuven Gent Management School

## SOCIAL

- Lucia (support for mothers in need)
- Special Olympics
- Hoger Wal (through Koning Boudewijnstichting) (youth assistance)
- De Wolkammerij (start-up companies)
- Sint Egidiusgemeenschap (assistance to the poor and homeless)
- Anautica (home for non active mentally disabled)
- Simon & Odil (assistance to long term and chronically ill children)
- Het Recreatief

# ACTIVITY REPORT

43% growth  
of the results of  
the participations.



*Pearl of Qatar*

# DEME

DEME is one of the largest marine engineering companies in the world. The group's turnover increased by 22% in 2007.



DEME is one of the largest marine engineering companies in the world. From its core activities, dredging and civil marine engineering, the group has developed complementary activities such as environmental engineering (mainly treatment of soil and sludge), services for the oil and gas sector and extraction of construction aggregates from the sea.

## OPERATIONAL OVERVIEW 2007

### DREDGING AND MARINE ENGINEERING WORK, MARITIME AND OFFSHORE ACTIVITIES, SALVAGE AND SOIL TREATMENT SERVICES OF DEME IN 2007

Driven by the further increase of maritime transport, of energy requirements, tourism and worldwide environmental developments, the upward trend of the international dredging industry continued further in 2007. Major projects were accepted on nearly all continents ensuring the maximum deployment of the dredging fleet in all its types and segments. The order book has grown to 1,811 million euros. Annual turnover is approximately 1,300 million euros. The market outlook in the short and medium term remains very promising.

DEME maintained its high level of activities in the Middle East. In the so-called BRIC countries (Brazil, Russia, India and China) a firm position has been developed by accepting substantial and, most often, long-term assignments. Activities were continued in countries such as Venezuela and Pakistan, and in West and South Africa. The Australian market experienced a real revival while new markets were explored in Libya, Algeria and Eastern Europe. The beginning of a come-back was realised in the United Kingdom while overall activity in Europe remained stable.

The environment branch, DEC-Ecoterres, confirmed its market leadership by bringing in prestigious assignments in the United Kingdom. Continuity is ensured further by a number of long-term assignments in the Benelux.

The oil and gas-related services of the DEME subsidiary, Tideway Offshore and Marine Contractors,

AvH controlling and beneficial interest: 50%

DEME consolidated (31 December 2007)

| (€ 1,000)                         | 2007      | 2006      | 2005      |
|-----------------------------------|-----------|-----------|-----------|
| Turnover                          | 1,313,863 | 1,077,470 | 845,123   |
| EBITDA                            | 259,445   | 176,625   | 153,343   |
| EBIT                              | 148,533   | 82,186    | 78,426    |
| Net result                        | 90,158    | 50,417    | 40,674    |
| Net cash flow                     | 203,994   | 147,667   | 118,221   |
| Shareholders' equity (part group) | 410,598   | 337,875   | 310,819   |
| Net financial position            | -363,780  | -380,209  | -254,504  |
| Balance sheet total               | 1,472,593 | 1,323,786 | 1,079,643 |
| Personnel                         | 2,836     | 2,766     | 2,588     |

also continued to grow in 2007. This was the case for trench dredging as well as landfall construction and precision stone dumping in deep waters. Pioneering work was performed in cable installation techniques, including pre and post trenching activities.

DBM (DEME Building Materials) further reinforced its market position in sand and gravel extraction and as a supplier in Northern Europe, and the company was awarded long-term new contracts in the United Kingdom and in Poland.

Geo@Sea was present in Mexico and in the North Sea region with its special drilling techniques at sea, and the diversified use of jack-up barges; the company was also successful in Australia.

DEME continued its important investment programme which started in 2005 and whereby 6 large units have been added to the dredging fleet in the meantime. In March 2007, the 5,600 m<sup>3</sup> capacity trailing suction hopper 'Reynaert' was commissioned. In November, the 11,650 m<sup>3</sup> trailing suction hopper 'Brabo' followed. In December, the final component of the investment programme, the trailing suction hopper 'Breydel', was launched. The 'Breydel' (9,000 m<sup>3</sup>) will be put into commission in May 2008.

## I. Dredging and maritime works

### 1.1. Benelux activities

The level of activities in the Benelux region remained at a stable level. Dredging works for construction were performed in Antwerp, Ghent,



Ostend and Zeebrugge. In Antwerp, the official start was given for the third round of dredging activities on the river Scheldt. The start of construction works for the wind turbine farm on the Thornton Bank, off the Belgian coast also created interest. All specialities of the DEME Group will be applied extensively for this prestigious project.

On the Dutch market, we were mainly active through our Dutch company de Vries & van de Wiel. The construction of the new Zuiderzeehaven in Kampen – a PPP project – was also finalised in collaboration with this company.

Important projects in progress:

#### **Belgium**

- Maintenance dredging work in the North Sea, in the river Scheldt and in the access channels to the locks of Antwerp
- Maintenance dredging work in the canal of Ghent-Terneuzen
- Dredging works for the 4th phase of the Kluizen dock in Ghent
- Dredging and widening of the Albert II dock in Zeebrugge
- Miscellaneous dredging and marine engineering works in the port of Ostend
- Construction on land of very large foundations (Gravity Based Foundations - GBF) for the installation of wind turbines on the Thornton Bank (C-Power project)

#### **The Netherlands**

- Miscellaneous dredging assignments and dyke works along the domestic waterways, and civil engineering works
- Completion of the PPP-project Zuiderzeehaven-Kampen in the north of the country

## **1.2. International activities**

### **Europe**

Europe remains the main 'domestic market' for DEME. Our positions were strengthened further in the countries where we are traditionally very strong: France, Italy, Spain and Germany. We continued our presence on the Finnish market and made significant steps towards a new market share in the United Kingdom. In several Eastern European countries, we carried out work for the first time. New projects were carried out in Russia for the fourth year in a row.

Important projects in execution phase were:

- Beach replenishment operations in Terracina-Anzio, Lazio and Abruzzo in Italy
- Dredging for construction in Ravenna and marine engineering works in Cagliari, Trapani and Ortona in Italy
- Maintenance dredging work or improvement works in Bayonne, Gravelines and Lorient in France
- The extension of the port of Fos-sur-Mer in France
- Maintenance dredging work on the Thames near London in the United Kingdom
- Maintenance dredging work on the Elbe, Ems and in Wilhelmshaven in Germany
- Dredging work as part of the storm surge flood barrier of St. Petersburg in Russia
- The dredging and widening of the access to Burgas in Bulgaria
- Dredging of the access to Kulevi in Georgia

### **Africa**

The development of a permanent basis in Nigeria has reinforced DEME's market position in Western Africa over the years. This part of the market is driven on the one hand by a certain offering of maintenance dredging work and on the other hand by construction dredging work for oil and gas clients. In the south of Africa we have been active the entire year with a port extension in Durban, South-Africa and in Port Est on the island La Réunion.

In Northern Africa we succeeded, with or without the synergy created with our offshore specialists Tideway, in winning important new contracts in Libya and Algeria.

Important projects in execution phase were:

- Maintenance dredging work in Liberia and Guinea
- Construction dredging work for Traini 7 of the NLNG-project on Bonny Island, Nigeria
- Reconstruction of the access channel to Durban, South-Africa
- Expansion of the Port Est in La Réunion
- Construction of landfall for the Hasdrubal pipeline in Tunisia
- Various maintenance assignments for the oil and gas industry in Nigeria

#### **Latin America**

In South America DEME was able to consolidate its position in Venezuela by being awarded several new maintenance dredging assignments. On the other hand, a very important port expansion project was awarded in Brazil. With this contract, DEME has re-entered a market which we lost several decades ago.

Important projects in execution phase were:

- Maintenance dredging works on the Orinoco river and in the Maracaibo lake in Venezuela
- Expansion of the steel port of Sepetiba, for Thyssen-Krupp in Brazil
- Maintenance dredging work in the access channel of La Plata in Argentina

#### **Middle East and Indian subcontinent**

After finishing the major orders Pearl Qatar and Doha Airport in Qatar, DEME has maintained its market share in the region of the Persian Gulf by further anchoring its activities in the United Arab Emirates. The high quality execution of the Al Raha Beach project in Abu Dhabi yielded new assignments with the local real estate developers. We are developing our activities further in this zone via the joint venture company QDC, a partnership with the Qatari government and the Qatari company UDC. The same partnership philosophy is also being applied in India, where we have founded the company ISD in cooperation with the local major construction and industrial player Larsen Toubro.

Important projects in execution phase were:

- Construction of a new industrial estate and expansion of the port of Dhamra in India
- Land reclamation works for the expansion of the port of Gangavaram in India
- Channel dredging and construction of landfalls

for gas pipelines from the Dhirubai Field, near Kakinada in India

- Maintenance dredging work in Ennore and Mundra in India and in Port Qasim in Pakistan
- Completion of the prestigious Pearl Qatar artificial island in Qatar and of the 1,700 ha platform for the new Doha airport in Qatar
- Land reclamation for the expansion of the Al Raha Beach for real estate development in Abu Dhabi, U.A.E.
- Land reclamation works for the expansion of the sulphur terminal for Takreer in Abu Dhabi, U.A.E.
- Construction of the Al Marjan island complex in Ras Al Khaimah, U.A.E.

#### **Asia and Australia**

Thanks to the successful partnership with Guangzhou Dredging, our jumbo trailer Nile River was active in Chinese waters the entire year. In Singapore, the works for the Jurong Island Development continue at a slow pace.

Australian exports of the mining products, iron ore, coal, oil and gas, continue to grow. The demand for further port development consequently continues to increase.

Important projects in execution phase in Australia were:

- Dredging of the access to Cape Lambert
- Port dredging works in Port Kembla and Newcastle
- Maintenance dredging work in Port Hedland and Bunbury
- Construction dredging work in Gladstone (awarded recently)

### **1.3 Activities for the oil and gas industry**

Higher oil prices have resulted in the construction of new infrastructures on the one hand, and strongly stimulated an increase of oil and gas related activities on the other hand.

Our oil and gas specialists Tideway Marine and offshore Contractors have consequently realised a high increase of their turnover, in the dredging segment as well as in the stone dumping segment. Both of Tideway's fall pipe vessels, the 'Rollingstone' and the 'Seahorse' were fully occupied in Mexico and in the North Sea. Continuity is ensured thanks to the Miskar Infill Wells Project in Tunisia and the long-term contract for stone dumping activities on the Skarv and Idun Field Project for BP in the North Sea.

Major steps were taken by Tideway in a new cabling activity with the complex installation of the 576 km long NorNed power cable on the seabed between Norway and the Netherlands. Next summer, as part of the C-Power offshore wind turbine farm, Tideway will install the 38 km long power cable from the Thornton Bank to the landfall near Ostend.

Other important projects in execution phase were:

- Dredging and filling of landfall channels for a gas pipeline in Map Ta Phut, Thailand and in Mina Al Ahmadi, Kuwait
- Dredging and filling works, including the pipeline to the Hasdrubal project in Tunisia
- Dredging of channels and construction of landfall for pipelines from the Dhirubai Field system near Kakinada

#### 1.4 Heavy lifting work at sea

Scaldis Salvage and Marine Contractors, in which DEME has a participating interest of 55%, was active on various major salvage and wreck removal projects and heavy lifting operations throughout Europe.

Important projects in execution phase were:

##### **Salvage and wreck removal projects**

- Salvage of the container ship 'Rokia Delmas' near the Isle of Rhé off the coast of France
- Salvage of the last three sections of the wreck 'Michelle' in the North Sea

##### **Heavy lifting projects**

- Installation of basic structures and a 5MW wind turbine generator on the Beatrice Offshore Wind farm in Scotland
- Installation of a 3,000 T lock door in Rotterdam, the Netherlands
- Various nearshore lifting projects in the Netherlands, Norway and the United Kingdom

#### 1.5 Vertical and horizontal offshore and nearshore drilling techniques

Geo@Sea is the specialised DEME company which concentrates on rock socketing and the installation of foundations for jetties and mooring systems, the installation of offshore structures, offshore wind turbine farms and carrying out deep-sea soil surveys.

An interesting market is the growing demand for the decommissioning or rejuvenation of offshore structures which require jack-up platforms for crane assistance and accommodations, diving activities and heavy lifting work.

Important projects in execution phase in 2007 were:

- Remote controlled drilling under the dunes of Mid-delkerke, Belgium to create a conduit for the high voltage cable from the Thornton Bank wind turbine farm
- Soil survey for various wind turbine farms in the UK
- Rock socketing for the installation of mooring piles for the Costa Azul LNG terminal in Mexico

## II. Environmental activities: soil remediation and storage of polluted sludge

DEC-Ecoterres is the environmental specialist within the DEME Group. It succeeded in keeping its activities at a high level in 2007 and increasing its market share, particularly in the European market. Thanks to its excellent references and pioneering role in the highly specialised environment market, it has been awarded two prestigious contracts in the United Kingdom: the remediation of the London Olympics 2012 site in Stratford and the Coke Avenue area near Chesterfield. To this end, DEC UK was founded at the beginning of 2007.

A soil recycling centre was opened in collaboration with partner Augean in Middlesbrough.

In France, Ecoterres started a partnership with Extract through the new company Extract-Ecoterres.

In Sweden, soil remediation and landfill projects were carried out in Tranemo, Kramfors, Hultsfred and Vetlanda.

In the Netherlands, DEC-Ecoterres was present via de Vries & van de Wiel in a number of water and soil decontaminations, decontamination of river bank locations and industrial soil remediation projects.

DEC also won the Golden Bridge Award as best export company in its specialist field.

In Belgium, DEC was granted the permission for a new GRC in Heusden-Zolder and a sludge processing centre in Ghent, along with the soil recycling centre in Kallo.

In Belgium, important projects in execution phase in 2007 were:

- Dewatering project for Umicore in Balen (long-term contract)
- The repair of 3 acid tar lagoons in Ertvelde for Total

- Decontamination of the site 't Eilandje (Fasiver) near Ghent
- Decontamination of a 15 ha site belonging to Carcoke in Zeebrugge
- Installation of a new landfill for domestic waste at the Hooge Maey site in Antwerp
- In the French-speaking region, Ecoterres carried out a number of small-scale decontamination and landfill projects, and continued work on a new soil recycling centre in Bilh e

### III. Building materials

DEME Building Materials is specialised in extracting and processing aggregates from its own maritime sand and gravel resources, for the construction industry.

The geographical spread of its marine aggregate reserves enables DBM to offer an interesting alternative for river-dredged materials for the ready-mixing of concrete and concrete products.

Aggregates were supplied to the ports of Le Havre and Dieppe in France, Vlissingen and Amsterdam in The Netherlands and Hamburg in Germany. Deliveries to the UK market were kept at a high level and look promising for the future.

Beside its existing strategic alliances, DBM signed a framework agreement for the long-term supply of gravel to its English partner Brett in Cliffe on the Thames. Furthermore, at the end of 2007, a long-term agreement was concluded with the company Lafarge for the delivery of gravel in Gdansk, Poland.

### IV. Concessions

In 2007 DEME continued its efforts in terms of up-stream activities and being involved in the early stages of the development of new projects via the development of concession agreements and striving for amongst others PPP agreements (Public-Private Partnerships).

In the Netherlands, the construction of the Zuiderzeehaven-Kampen was completed. This project was developed by a 50-50 public-private partnership (PPP) consisting of six equal shareholders: three parties from the public sector (the cities of Kampen and Zwolle and the province Overijssel) and three parties from the private

sector (Dura Vermeer, IPEM and de Vries & Van de Wiel).

In the specialist field of offshore wind turbine farms, DEME develops initiatives in various European countries via its concession specialist Power@Sea. Participation of Power@sea early on in the development of such projects clears the way for other companies in the group in order to carry out major construction contracts.

The first major participation of Power@sea is the C-power project on the Thornton Bank, where the company will also be responsible for maintenance once the project has been completed.

The C-Power project consists of the construction of a farshore wind turbine farm on the Thornton Bank, 27 to 30 km in the North Sea in water depths of 12 to 24.5 m. The wind turbine farm will have a total capacity of 300 MW. As such this project is the largest offshore wind turbine farm of its kind in the world.

The official start of the works took place in May 2007. The gigantic foundation for 6 wind turbines is currently under construction onshore in Ostend. DEME was selected as contractor for all marine construction activities such as dredging works for the foundations, the building and the moving of the ballast-reinforced foundations, the cable laying works and the installation of the turbines. The offshore works will start in May 2008 and are planned to be completed with the 6 first turbines becoming operational by the end of September 2008.





# RENT-A-PORT



Consultancy firm  
specialised in projects  
and concessions for ports.

*Oman, Mussandam Quarry*

AvH controlling and beneficial interest: 45%

| (€ 1,000)                         | 2007   |
|-----------------------------------|--------|
| Turnover                          | 4,639  |
| EBITDA                            | 1,356  |
| EBIT                              | 1,187  |
| Net result                        | 1,875  |
| Net cash flow                     | 2,044  |
| Shareholders' equity (part group) | 3,230  |
| Net financial position            | -1,648 |
| Balance sheet total               | 13,383 |

The new firm Rent-A-Port NV was set up during the last quarter of 2006, and 2007 was its first complete operational year in 2007.

In 2007, 100% of the existing firm IPEM NV was acquired. IPEM was, as turnkey contractor and port concessionary, founded in 1994 by, among others, Ackermans & van Haaren, CFE and Gewestelijke Maatschappij voor Investerings van Vlaanderen (GIMV). Through this acquisition, Rent-A-Port acquired more than 12 years of references, experience, history and a track record.

Rent-A-Port as well as IPEM have specialised in three complementary disciplines in port industry, namely:

- Preliminary studies on port construction or conversion of existing ports (concept studies, layout proposals and feasibility studies)
- Turnkey solutions for complete port projects, including electro mechanics
- Concessions of port facilities

The target areas are mainly West-Africa, the Middle East, India and Vietnam. Vietnam in particular has already turned out to be a success.

The first complete financial year of Rent-A-Port was concluded successfully.





## ALGEMENE AANNEMINGEN VAN LAERE

Order book kept  
at a proper level  
in 2007/2008.

**Van Laere, including its subsidiaries, is a respected construction group active in various industries, i.e. office buildings, civil engineering, environmental and industrial projects, car parks, restoration, steel constructions and PPP.**

**Beside in its domestic market, Belgium, Van Laere also has projects in the north of France and in Luxembourg.**

The turnover of the Van Laere group decreased in 2007, in comparison with 2006. Notwithstanding this decrease, the actual results are better than the budgeted results.

The sale of the French subsidiary VPN resulted in a substantial capital gain for Van Laere NV.

Groupe Thiran (located in Ciney) was able to strengthen its position in Wallonia in 2007 and generated a positive result.

The restoration company, Arthur Vandendorpe in Bruges, continues on its growth path as in the

previous year, with a focus on the optimisation of synergies with Van Laere. Its result over the year 2007 is quite attractive.

### OPERATIONAL OVERVIEW 2007

#### VAN LAERE

The first project successfully completed in 2007 was the new headquarters of AvH. Further to this project, also the new offices of Leasinvest Real Estate were constructed.

In the city of Béthune in the north of France, the underground car park in the city centre, built by Van Laere, was put into use.

In Ghent, the flats 'De Volkshaard' were completed with the company being congratulated by Sociale Huisvestingsmaatschappij (social housing) for the quality it delivered, and the Heymans site renovated by Van Laere, was put into use by the University Hospital.

A new library of an exceptional architecture was completed for the University of Antwerp.

In addition, Van Laere is also active in the port of Antwerp. Noteworthy is the fact that BASF commended Van Laere for the quality it delivered and the safety requirements it took into account.

In Laakdal, in the course of 2007, Nike put its European distribution centre into use which project was one of Van Laere's turnkey projects.

In Diegem, Van Laere completed projects for Robelco which are now being used by Honeywell and Hewlett-Packard.

Also in Diegem, Van Laere completed a new office building for Canon which was commissioned by Segro (Slough).

The former tobacco factory Ajja in Molenbeek was renovated and converted into community spaces as commissioned by the council.

An excellent example of synergy within the group is the successful completion of the above-ground car park building on the Axxes Business Park in Merelbeke, as commissioned by Leasinvest Real Estate.

In Knokke-Heist, the entire line of successful PPP projects on the Lichttorenplein and Ijzerpark will be completed at the beginning of 2008. Van Laere was responsible for the development, the design, sales, the construction and financing of these underground car parks and garage units with the redevelopment of the above-ground squares and the construction of a new office for the Tourist Board.

#### ANMECO

Van Laere remains the most important source of assignments for the metal construction firm Anmeco.

Noteworthy are the steel construction for the lighthouse in Knokke-Heist and the steel construction for the above-ground car park on the Axxes Business Park in Merelbeke.

In addition, the new stainless steel awning at Sint-Pieters station in Ghent is a fine example of craftsmanship.

#### ARTHUR VANDENDORPE

Despite the lower turnover, the projected result has been achieved.

On 5 February 2008 the first five-star hotel in Bruges opened its doors. Vandendorpe took part in the restoration of the site at which this Kempinski Hotel is housed.

The synergy with Van Laere is illustrated by the construction of the 'replica of the old lighthouse' on the Lichttorenplein in Knokke-Heist.

AvH controlling and beneficial interest: 100%

#### VAN LAERE consolidated (31 December 2007)

| (€ 1,000)                         | 2007    | 2006    | 2005    |
|-----------------------------------|---------|---------|---------|
| Turnover                          | 132,957 | 212,498 | 178,274 |
| Net result                        | 3,221   | 4,349   | 1,401   |
| Net cash flow                     | 4,828   | 6,511   | 3,617   |
| Shareholders' equity (part group) | 31,974  | 28,276  | 24,125  |
| Net financial position            | 25,096  | 19,022  | 20,351  |
| Balance sheet total               | 94,801  | 122,859 | 96,205  |
| Personnel                         | 569     | 640     | 656     |



In Antwerp, restoration works were carried out on the fountains on Astridplein and at the new headquarters of AvH.

#### GROUPE THIRAN

This Walloon subsidiary had a very successful 2007.

In Brussels, the renovation of the 'Hôtel de Mérode' was completed successfully.

Furthermore, the apartment projects Rafaello, Veronese and Boticelli in Evere were also finalised.

The renovation of rooms for people in need of care in Ottignies was an excellent project which led to several follow-up assignments.

The order book for 2008 looks promising.

#### PROSPECTS FOR 2008

Besides on the 'traditional' tenders and projects, Van Laere will concentrate further on PPP projects.

In part thanks to the potential synergies with the group's partners, Van Laere is in a position to realise a recurrent share of its turnover with PPP projects.



# EXTENSA LEASINVEST REAL ESTATE

The real estate activities of the AvH group are expanded towards services and present a high level steady contribution.



### The AvH group is active in

- real estate management via LRE SCA: a listed real estate investment trust with a real estate portfolio of 441 million euros, invested in offices, logistics and retail in Belgium and the Grand Duchy of Luxembourg
- real estate development via Extensa focused both on residential real estate and mixed development projects in Belgium, the Grand Duchy of Luxembourg, Central Europe and Turkey.

AvH controlling and beneficial interest in Extensa: 100%

#### GROUP EXTENSA - LEASINVEST REAL ESTATE

| (€ mio)  | 2007          | 2006          |
|--|---------------|---------------|
| <b>Balance sheet</b>                             |               |               |
| Real estate investments & leasings               | 53.60         | 49.72         |
| Land development                                 | 18.93         | 19.77         |
| Real estate projects                             | 40.96         | 20.98         |
| Leasinvest Real Estate (LRE) <sup>(1)</sup>      | 76.54         | 71.14         |
| Other assets                                     | 26.51         | 18.44         |
| <b>Total assets</b>                              | <b>216.54</b> | <b>180.05</b> |
| Shareholders' equity (part group) <sup>(2)</sup> | 121.17        | 101.63        |
| Financial debt                                   | 79.59         | 64.92         |
| Other liabilities                                | 15.78         | 13.5          |
| <b>Total liabilities</b>                         | <b>216.54</b> | <b>180.05</b> |

(1) number of shares 1,173,866 (29.3%)

(2) including subordinated loan of 13.9 mio by the AvH group

#### Contribution to AvH result

|                  |       |       |
|------------------|-------|-------|
| LRE (incl. LREM) | 9.77  | 9.52  |
| Extensa          | 15.21 | 18.76 |

The Extensa Group recorded a consolidated net profit of 24.98 million euros compared to 28.3 million euros in 2006, which is a minor decrease of a highly qualitative and recurrently high result.

The AvH group holds a total of 1,204,102 shares (30.0%) of the listed real estate investment trust Leasinvest Real Estate, of which 29.3% is directly held at the level of Extensa Group NV. Leasinvest Real Estate contributed in 2007 some 9.77 million euros (compared to 9.52 million euros for 2006) to the AvH group.

The development activities of Extensa contributed 15.21 million euros, coming from:

- 10.1 million euros capital gains on the sale of real estate (7.3 million euros in 2006)
- 5.8 million euros on the positive evolution of the market values of the investment portfolios, e.g. Tour & Taxis (9.6 million euros in 2006)
- 3.3 million euros on the land development activities in Wondelgem and Bergen.

The consolidated shareholders' equity of the Extensa Group on 31.12.07 amounted to 121.2 million euros (101.6 million euros in 2006) taking into account a subordinated loan granted by AvH in an amount of 13.9 million euros.

The financial debt rose from 64.9 million euros as at 31.12.06 to 79.6 million euros as at 31.12.07.

## OPERATIONAL OVERVIEW 2007

### EXTENSA

Extensa owns a small real estate investment portfolio (50 million euros - 15 buildings) in Belgium which it continued to manage actively, the main assets being the Royal Warehouse and the Public Warehouse of Tour & Taxis and Tervurenlaan 72 - office of AvH/Bank Delen in Brussels. This investment portfolio generates a gross rental yield on the investment value of 7.4%.

In accordance with the prevailing IFRS standards, this portfolio is adjusted periodically according to the fair value. This valuation resulted in an additional positive net value fluctuation of 5.8 million euros, mainly on the Tour & Taxis office building, this building thus being valued on the basis of an average rental yield of 7.3%.

The Belgian land development activities were also favourable and already contributed for 3.3 million euros (after tax) to the result. The first phase of the lotting 'Lange Velden' in Ghent (Wondelgem) was commercialised and already sold for 66%, which represents 75 building plots. The average selling price for these plots was about 285 euros per m<sup>2</sup>.

Flats have also been developed at various locations. The project on the site of the former swim-



Swimming pool in the centre of Leuven of Implant NV (which following the acquisition of 50% of the shares is now wholly owned by the Extensa Group), is being finalised. Nevertheless, all units have been sold (contribution to the result: 1 million euros). Building permission has been requested for Evere, Genèvestraat (72 units).

The land portfolio (200 ha) represents a total book value of 18.9 million euros, of which 100 ha is being developed. Existing and expected permits result in a real estate development potential of 268,000 m<sup>2</sup>, for the period 2008-2012.

Various stages of the administrative procedures have been followed successfully for the projects in Hasselt, Leuven and Kontich.

The development activities are mainly situated in Belgium, Luxembourg, Central Europe and Turkey. Significant progress has been made in two major land development projects.

Project T&T (Extensa: 50%) applied for a building permit in October for a large volume of new developments on the site of Tour & Taxis. This was possible after the City of Brussels and the Brussels Capital Region came to an agreement on the major lines of the master plan.

Grossfeld PAP (Extensa: 25%) completed the extensive master plan project for its site in the south of the City of Luxembourg (the approval for this project being expected sometime in 2008). The plans for the first actual projects have been prepared, including a regional shopping centre based on a socio-economic permit which has already been granted.

The office project 'Kinesis' (24,000 m<sup>2</sup>) in Evere which was repositioned in order to adjust it to the changed market conditions, was granted the final permit in December.

Outside Belgium and Luxembourg, the geographic diversity was developed more specifically in three countries: Slovakia, Romania and Turkey.

In Slovakia, two land positions were acquired (10 ha and 27 ha) in the Trnava region via a joint venture (50%) with Slovakian partners. The basic infrastructure has been prepared and the first projects will be offered in 2008.

Belrom Unu (30% Extensa) was able to build and rent the retail park (52,000 m<sup>2</sup>) in Targu Mures (Romania). In December 2007, the investment was sold to an institutional investor for a total value of 90 million euros. This transaction generated a capital gain for Extensa amounting to 10.1 million euros as contribution to the consolidated result in 2007. In April and July 2007, additional positions were acquired (20%) in similar projects in respectively Focsani (47,000 m<sup>2</sup>) and Deva (52,000 m<sup>2</sup>). Extensa Romania (100%) which was established in December, is actively prospecting the market in Bucharest.

Extensa Istanbul (100% in 2006) was converted into a 50% joint venture with local partners. Through various transactions in January, May and October, a land position of 0.7 ha was acquired in Istanbul. The land is situated in a run-down suburb of Sisli, which thanks to its location near to the exclusive Nisantasi neighbourhood and the development of other new projects, may soon increase in value. The first building with 120 flats and shops (12,000 m<sup>2</sup> in total) is under preparation.



Visualisation: Architects BOB361

## LEASINVEST REAL ESTATE (LRE)

The past financial year 2006/2007 of Leasinvest Real Estate was characterised by the consolidation and integration of two major acquisitions carried out in the first semester of 2006. On the one hand, the acquisition of the listed company Leasinvest Immo Lux (formerly Dexia Immo Lux) consisting of a real estate portfolio comprising 13 buildings in Luxembourg, and on the other hand, the acquisition of part of the buildings portfolio of Extensa Group NV comprising 4 buildings in Belgium. In addition, during the past financial year, two buildings which are part of the Extensa Square site in Evere, a building in Wommelgem and the building 'Aubépines' in Luxembourg were sold.

The fair value of the real estate portfolio on 31.12.07 amounted to 441.1 million euros (476.3 million euros as at the end of 2006). This decrease was caused by the sale of three buildings located in Evere and Wommelgem and a building in Luxembourg.

The total investment value (before deduction of transaction costs) as at 31.12.07 amounts to 452.4 million euros (31.12.06: 488.5 million euros). This real estate portfolio as at 31.12.07 amounts to a total surface area of 263,716 m<sup>2</sup>, spread across 38 buildings in Belgium (70% of the consolidated portfolio) and 11 buildings in Luxembourg (30%). The portfolio consists for 71.2% of office buildings, for 20.8% of logistics and semi-industrial buildings and for 8% of retail.

The office buildings are mainly located in Brussels (33% of the total portfolio), in Luxembourg (22.5%), in Ghent (8.5%) and Mechelen/Antwerp (7.2%). Storage spaces are located in Belgium (15.8%) and Luxembourg (4.9%). Retail can be found in Belgium (5.5%) and Luxembourg (2.6%). The average duration of the portfolio is 4.76 years. The occupancy rate as at 31.12.07 rose further to 97.74% (2006: 96.97%). The rental yield amounted to 7.21% as at 31.12.07 (2006: 7.45%).

Leasinvest Real Estate continues to manage its real estate portfolio actively and to investigate new investment opportunities.

AvH controlling and beneficial interest: 30%

### LEASINVEST REAL ESTATE

| (€ mio)                            | 2007   | 2006   |
|------------------------------------|--------|--------|
| Net result <sup>(1)</sup>          | 33.37  | 29.30  |
| Shareholders' equity (part group)  | 260.70 | 243.39 |
| Real estate portfolio (fair value) | 441.08 | 476.30 |
| Rental yield                       | 7.21%  | 7.45%  |
| Occupancy rate                     | 97.74% | 96.97% |
| Per share:                         |        |        |
| Net asset value (€)                | 65.21  | 60.65  |
| Closing price (€)                  | 66.64  | 76.70  |

(1) As the financial year of LRE ends on 30 June, two semesters of different financial years of LRE are consolidated by AvH to determine LRE's result.

In addition, LRE is involved in a number of promising redevelopment projects in Luxembourg.

In the Cloche d'Or region, situated in the city of Luxembourg, LRE currently has two major redevelopment projects through its subsidiary Leasinvest Immo Lux:

- for the 'CFM' project, the existing site was renovated as requested by the current tenant and expanded with 4,000 m<sup>2</sup> storage space and 1,200 m<sup>2</sup> office space. For both extensions long-term leases were already concluded up front. Completion is expected during the second quarter of 2008, and this represents a significant potential for capital gains within the portfolio.
- the 'BIAN' project, which is located in the same Cloche d'Or region, is an office building which is being completely dismantled and then extended to 5,500 m<sup>2</sup>. The completion is scheduled for the end of 2008 which means no rental income will be realised for this year.

Shareholders' equity (share of group) amounted to 260.7 million euros as at 31.12.07. The re-valued net assets therefore amount to 65.21 euros per share based on the fair value of the real estate portfolio (60.65 euros as at 31.12.06) and 68.01 euros (63.60 euros as at 31.12.06) based on the investment value.

Net debts as at 31.12.07 amounted to 181.6 million euros (206.4 million euros as at 31.12.06). The debt ratio (in accordance with the RD of 21.06.06) amounts to 40.34% (46.61% as at 31.12.06). Based on a maximum permitted debt ratio of 65%, Leasinvest Real Estate has an investment capacity of 331 million euros.

Square de Meeûs, Brussels



LRE's balance sheet total amounted to 469.8 million euros as at 31.12.07.

The share price of the Leasinvest Real Estate share fluctuated during the calendar year 2007 between 62 euros and 84.5 euros. The closing price at 31.12.07 was 66.64 euros.

Leasinvest Real Estate closed its financial year 2006/2007 as at 30.06.07 with a net result (share LRE group) of 34.9 million euros (19.7 million euros as at 30.06.06), giving a net result per share of 8.71 euros (5.94 euros as per 30.06.06).

Rental income for the financial year 2006/2007 rose to 33.2 million euros (23.9 million euros as at 30.06.06).

Based on a gross dividend per share of 3.80 euros (3.75 euros for 2005/2006) this gave a dividend yield for the financial year 2006/2007 (based on the average share price) of 5%.

## PROSPECTS FOR 2008

Extensa Group is monitoring closely the possible impact of the worldwide financial crisis on the various real estate markets where activities are being developed. Considering that many land positions held by the Extensa Group date back to before the major price increases of recent years, the risks are limited. Real estate development as well as residential projects will continue to contribute substantially to the result in 2008. Some foreign projects should be able to be started at the end of 2008. It is expected that the overall result will be in line with the 2007 result.

Leasinvest Real Estate wishes to maintain its high occupancy rate in 2008 and let its portfolio grow selectively through acquisitions of diversified real estate portfolios or interesting real estate targets. Considering a number of foreseen capital gains (e.g. the aforementioned CFM project), but also depending on portfolio value fluctuations, LRE expects to realise a net result for the financial year 2007/2008 which is at least comparable to the result of the financial year 2006/2007.

Louise 66, Brussels, Essentiel



SKF, Tongres



# COBELGUARD

**As the largest - exclusively Belgian - security firm, Cobelguard Security is specialised in the static security of movable and immovable goods, mobile security and store theft prevention.**

In the past year, Cobelguard once again realised significant growth of its turnover by 35% to 40.2 million euros (29.8 million euros in 2006) compared to +20% in 2006 and +43% in 2005.

This continued growth is due to existing as well as to new customers. Thanks to economies of scale and the continuous, precise monitoring of costs, the operational profit rose in 2007 by 45% to 2.4 million euros which represents an operational margin of 5.9% (5.5% in 2006).

The net profit rose by 80% to 1.7 million euros (0.9 million euros in 2006).

The consolidated shareholders' equity at 31.12.07 amounted to 5 million euros, for a net debt position of 4.9 million euros.

## OPERATIONAL OVERVIEW 2007

Since April 2006, AvH has a 40% participating interest in D&S Holding, the parent company of Cobelguard and Cobelservices. Cobelservices offers specific services in the field of day and night reception, parking attendants, stewards, hostesses and related services.

Cobelguard focuses mainly on security services for stores, cinemas, office buildings, major distribution chains, industry and manufacturing companies, ports, car parks, as well as on surveillance at trade fairs and events. In addition, Cobelguard offers interventions in the case of alarm and patrol assignments. Cobelguard is also one of the market leaders in Belgium in the field of store theft prevention. Cobelguard works together with specialised and high-quality technology partners for electronic security services. Cobelguard has major customers in distribution, the financial sector and logistics. The 10 largest customers represented about 60% of total turnover in 2007. A special Key Account programme has been developed for strategic customers. In 2007, Cobelguard employed 1,106 people, including 1,051 security guards (719 in 2006) and retail employees (store security guards) and 55 administrative and operational employees.

AvH controlling and beneficial interest: 40%

**COBELGUARD consolidated (as per 31 December 2007)**

| (€ 1,000)                         | 2007   | 2006   |
|-----------------------------------|--------|--------|
| Turnover                          | 40,159 | 29,757 |
| EBITDA                            | 2,992  | 2,068  |
| EBIT                              | 2,405  | 1,661  |
| Net result                        | 1,732  | 930    |
| Net cash flow                     | 2,320  | 1,337  |
| Shareholders' equity (part group) | 5,013  | 3,648  |
| Net financial position            | -4,956 | -1,589 |
| Balance sheet total               | 18,866 | 10,157 |
| Personnel                         | 1,106  | 770    |



In 2007, new projects started in the field of automation and hardware, and for the optimisation of process flows and change management. These projects will be implemented and optimised further in 2008.

The commercial team was also reinforced in 2007 to ensure a more pro-active presence in the market.

In 2007, Cobelguard also made efforts to widen its range of services, in particular with the intention of offering its customers more technological solutions and services.

## PROSPECTS FOR 2008

Cobelguard is committed to continuing the growth of recent years in 2008 and to strengthen its market share in the Belgian market with respect for high-quality services. In addition, Cobelguard also wants to actively expand by setting up new foreign subsidiaries or by making targeted acquisitions or forming partnerships with foreign firms in the same sector. Cobelguard also wants to take advantage of new opportunities which may arise on the domestic or foreign market with regard to new services within the security industry.

AvH controlling and beneficial interest: 21%

**GROUPE FINANCIERE DUVAL consolidated (31 December 2007)**

| (€ 1,000)                         | 2007    | 2006    |
|-----------------------------------|---------|---------|
| Turnover                          | 261,314 | 213,628 |
| EBITDA                            | 26,494  | 17,771  |
| EBIT                              | 20,180  | 12,452  |
| Net result                        | 7,474   | 3,185   |
| Net cash flow                     | 18,792  | 13,129  |
| Shareholders' equity (part group) | 62,322  | 39,425  |
| LT financial debt                 | 78,005  | 43,924  |
| Balance sheet total               | 394,447 | 240,493 |

# FINANCIERE DUVAL

**Groupe Financière Duval is active in real estate with a multi-disciplinary approach which enables the company to offer both its private and public customers comprehensive real estate solutions ranging from the search for real estate to managing property, promotion/construction and real estate services.**



Photo: Odalys

## FINANCIAL OVERVIEW 2007

Groupe Financière Duval recorded a turnover of 261.3 million euros in 2007, an increase of 22% compared to 2006 (213.6 million euros). This increase is mainly the result of intense activities in the 'Promotion and Construction' division, and also the external growth contributed by the 'Senior' division (Residalya).

The operational result amounted to 20.2 million euros (+62% compared to 2006: 12.5 million euros) for a net result (Duval group part) of 7.5 million euros (2006: 3.2 million euros).

Shareholders' equity (in accordance with IFRS accounting rules) amounts to 62.3 million euros (part of the group) with a long-term debt of 78 million euros.

## OPERATIONAL OVERVIEW - 2007

In March 2007, AvH had the opportunity to acquire a shareholding stake of 20.8% in Groupe Financière Duval, mainly by way of a capital increase.

Along with the new shares, also warrants were issued enabling AvH to increase its participation to 30% based on the results in 2007/2008.

The initial investment represents an amount of approximately 20 million euros.

AvH is shareholder alongside the Duval family (56.7%), Mr Michel Fortin (14.5%) and Tocqueville Finance (8%).

Groupe Financière Duval, the central services of which are located in Boulogne-Billancourt, was founded by Eric Duval in 1978.

The strategy of Groupe Financière Duval is based on synergy between the different activities and geographic proximity. Groupe Financière Duval focuses on services related to real estate, and it never acts as the final investor with respect to projects which it has set up or buildings which it operates.

The group's activities are spread across 3 divisions:

### PROMOTION & CONSTRUCTION DIVISION

C.F.A. (Compagnie Financière des Alizés, 72.5% stake held by Financière Duval) is a well-known promoter in the professional real estate business: city centre and urban developments, commercial centres and business parks, corporate real estate and Public-Private Partnerships. The strength of CFA lies mainly in its decentralised structure with 9 regional subsidiaries in France. The subsidiary managers are minority shareholders in their structure.

The CFA group recorded a turnover of 92.9 million euros in 2007 (2006: 80.3 million euros) and has a significant order portfolio which should allow the company to generate turnover of more than 160 million euros in 2008.

To support the promotional activity of CFA, the group has developed skills in the field of project management (ALAMO) and also as a contractor of turnkey buildings (MCG).

## RESIDENTIAL DIVISION

ODALYS Groupe manages and sells holiday residences and residential leisure parks. Groupe Financière Duval increased its stake in Odalys at the beginning of 2007 from 50.1% to 75%. With 85,000 beds in 244 residences and a turnover of 119.6 million euros in 2007 (106.4 million euros in 2006), Odalys Groupe is the second largest management company of holiday residences in France.

As part of the development of a sports and leisure complex, the group acquired control (70%) of the company Les Nouveaux Golfs de France. NGF operates 14 golf courses and has over 11,000 members. NGF recorded a turnover of 12.2 million euros in 2007.

RESIDALYA (Groupe Financière Duval: 70%), founded at the end of 2004, develops and manages service flats and nursing homes for the elderly. In 2007 Residalya had a capacity of 747 beds, spread across 11 elderly homes. In 2008 the construction of 4 new residences is planned, representing a capacity increase of 438 beds. Turnover amounts to 15.7 million euros in 2007.

## SERVICES DIVISION

The Services division revolves around Yxime (Groupe Financière Duval: 61.35%), a property management company resulting from the merger of Irimmo and APM in 2006. Today, Yxime manages approximately 3,000,000 m<sup>2</sup> of office space and warehouses in France, generating a turnover of 20.9 million euros, making it one of the leaders in the French market for corporate real estate. Via Parc Alizés, the group operates 4 car parks in Paris.



Photo: Alain Gouillardon

## PROSPECTS FOR 2008

In 2008 Groupe Financière Duval will focus, a.o. on the development of local sports projects in the field of Promotion/Construction, and on acquiring new sites in the field of real estate management. The Operations division will continue to expand the range of products offered in the residential sector, in particular with residences in city centres, club residences and hotels, while remaining vigilant to take advantage of any opportunities for increasing the number of service flats and integrating new leisure activities, especially in the sports sector.

Further to these developments, Groupe Financière Duval should be able to increase its turnover as well as its results.



Photo: Odalys



# BANK DELEN

Bank Delen  
– Best Private Bank  
in Belgium 2007/2008  
– was able to substantially  
increase its total assets  
under management to  
12.1 billion euros.



**Bank Delen - Private Bankers specialises in asset management and asset management advice for a wide range of mainly private clients.**

**On 31 December 2007, the assets under management amounted to 12.1 billion euros.**

AvH controlling and beneficial interest: 75%

**DELEN INVESTMENTS consolidated (31 December 2007)**

| (€ 1,000)                                | 2007       | 2006      | 2005      |
|--|------------|-----------|-----------|
| Gross operating income                   | 108,429    | 87,814    | 75,878    |
| Net result                               | 36,714     | 30,007    | 25,901    |
| Net cash flow                            | 39,924     | 32,436    | 29,008    |
| Shareholders' equity                     | 246,021    | 148,711   | 134,380   |
| Assets under management and/or entrusted | 12,125,735 | 8,416,378 | 7,471,537 |
| Cost-income ratio                        | 44.6%      | 43.3%     | 42.8%     |
| Return on equity                         | 18.6%      | 21.2%     | 20.5%     |
| Personnel                                | 210        | 168       | 168       |

The total assets entrusted to Bank Delen rose in 2007 from 8,416 million euros to 12,126 million euros, of which 2,747 million euros is the result of an acquisition in July 2007 of the Brussels asset manager 'Capital & Finance'.

The autonomous net inflow of Bank Delen itself was also considerable, reaching nearly double the average of the previous years.

Due to this strong growth, the gross operating income rose for the first time above 100 million euros (103.3 million euros) and including Capfi (included in the consolidation since 01/08/07) to 108.4 million euros.

In comparison with 2006, income rose by 23.5% (17.7% without Capfi).

Operating expenses rose by 10.3% to 37.1 million euros (38.8 million euros including Capfi).

Personnel costs account for 57% and depreciations for 8% of these costs.

The Delen group had 222 employees at the end of 2007, an increase with 46 new employees, of which 18 are from Capfi. 141 of these employees, i.e. 63.5% are involved in a commercial or management position.

The cost-income ratio remains at a very competitive level of 44.6% (43.3% for 2006) despite the increase of the head count.

Net profits consequently rose by 22.4% to 36.7 million euros (30 million euros in 2006), of which 2.3 million euros were contributed by Capfi which was included in the consolidation as from 01/08/07.

The consolidated shareholders' equity of Delen Investments amounted to 246.0 million euros as at 31.12.07 (compared to 148.7 million euros as at 31.12.06). This increase originated in an amount of 60 million euros from the capital increase which was paid up in full by the existing shareholders at

the occasion of the Capfi acquisition.

Shareholders' equity (taking into account the intangible fixed assets, goodwill and revaluation reserves) amounted to 90.1 million euros as at 31.12.07.

Bank Delen is thus amply capitalised; it meets the applicable Basel I requirements with regard to shareholders' equity and it is sufficiently prepared for Basel II.

The return on (average) shareholders' equity amounted to a very satisfactory 18.6%.

**OPERATIONAL OVERVIEW 2007**

The most important event of 2007 was without a doubt the acquisition of the Brussels asset manager 'Capital & Finance' in July 2007, the largest acquisition ever made by Bank Delen.

Capfi was founded in 1989 and is known as an independent asset manager whose client base is mainly located in Brussels, in an age category which is slightly younger than the existing clientele of Bank Delen, and also maintains slightly larger portfolios (1.7 million euros). At the time of the acquisition, Capfi managed some 2,747 million euros in client deposits with a management model which focused on the promotion of global asset management funds under the names Universal Invest and C+F.

Bank Delen merged with the latter company at the end of 2007 and the ex-partners all remained active in various positions within the group's management. Arnaud Van Doosselaere and Bernard Woronoff were appointed to the management committee of Bank Delen, and Michel Vandekerckhove is now chairman of the management committee of Capfi Delen Asset Management NV, the asset manager of the Delen group. Patrick





François, Antoine de Séjournet and Philippe de Spirllet are also directors in the latter company.

Bank Delen and Capfi opted for this cooperation because their corporate culture as well as their investment philosophy fit well together, the personal relationship with the client being central.

Both Bank Delen and Capfi offer their clients the complete range of asset management services: dynamic portfolio management with good returns for a limited risk and limited volatility, and overall asset management advice based on a practical knowledge of succession and family law.

Through this cooperation with Capfi, Bank Delen has strengthened considerably its presence on the Brussels market where it was already actively present via the integration of Havaux in 2000.

Capfi is only included in this figure for 5 months of 2007. The merger has enabled the partners and personnel of Capfi to focus even more on asset management and client relations with the support of the bank service, IT and administrative services of Bank Delen. A number of services related to trust funds of Universal Invest will no longer be outsourced in 2008 which means the profit margin of Capfi can increase even further. This has already been the case since November for the C+F trust funds.

Without taking into account the acquisition of Capfi, the funds entrusted to Bank Delen in 2007 rose from 8,416 million euros to 9,279 million euros (including Capfi to 12,126 million euros).

72% (8,719 million euros) of the assets entrusted to Bank Delen are managed via direct discretionary asset management or via own trust funds. This represents more than 12,800 management mandates.

The various branches of Bank Delen in Antwerp, Rumbeke (West Flanders), Liège and Brussels all contributed to the growth of the managed assets.

Furthermore, in 2007 a branch was opened in Ghent, and in early 2008 a branch was opened in Hasselt.

Bank J.Van Breda & C° also contributed substantially to this growth via its 45 branches.

On 31.12.07, Bank Delen was managing 1,431 million euros on behalf of clientele through the network of Bank J.Van Breda & C°, which represents an increase of 17% in comparison with 31.12.06 (1,219 million euros). In addition, Bank Delen also manages another 177.6 million euros via trust funds which Bank J.Van Breda & C° promotes among its clientele and it also provides the administrative management of the back office securities of Bank J.Van Breda & C° (324.3 million euros).

Bank J.Van Breda & C° (after the acquisition of Capfi) thus represents approximately 15% of the total assets at Bank Delen.

Bank Delen was not only nominated Best Private Bank in Belgium by the sector in January 2007, but also for the second consecutive time in January 2008, in the annual poll which is organised by the renowned magazine Euromoney. It is the first time a Belgian private bank has won this award two years in a row.



In January 2008, the magazine Cash (Trends-Tendances) confirmed the reputation of Delen, by electing it the 'Best Equity Manager' in 2007.

In addition, 'Hermes Belgian Growth' was chosen as best fund for Belgian shares (1 year return: 16.3%) and Hermes Pensioenfond as best pension fund (1 year return: 5.1%).

Capfi joins in the list of honours: 4 of its mostly global flexible funds ranked first in their S&P category for Belgium/Luxembourg since their inception: the star fund Universal Invest Global Flexible (since 1996), but also Universal Invest Low (1994), Universal Invest High (1997) and the European equity fund C+F Euro Equities (1998).

## PROSPECTS FOR 2008

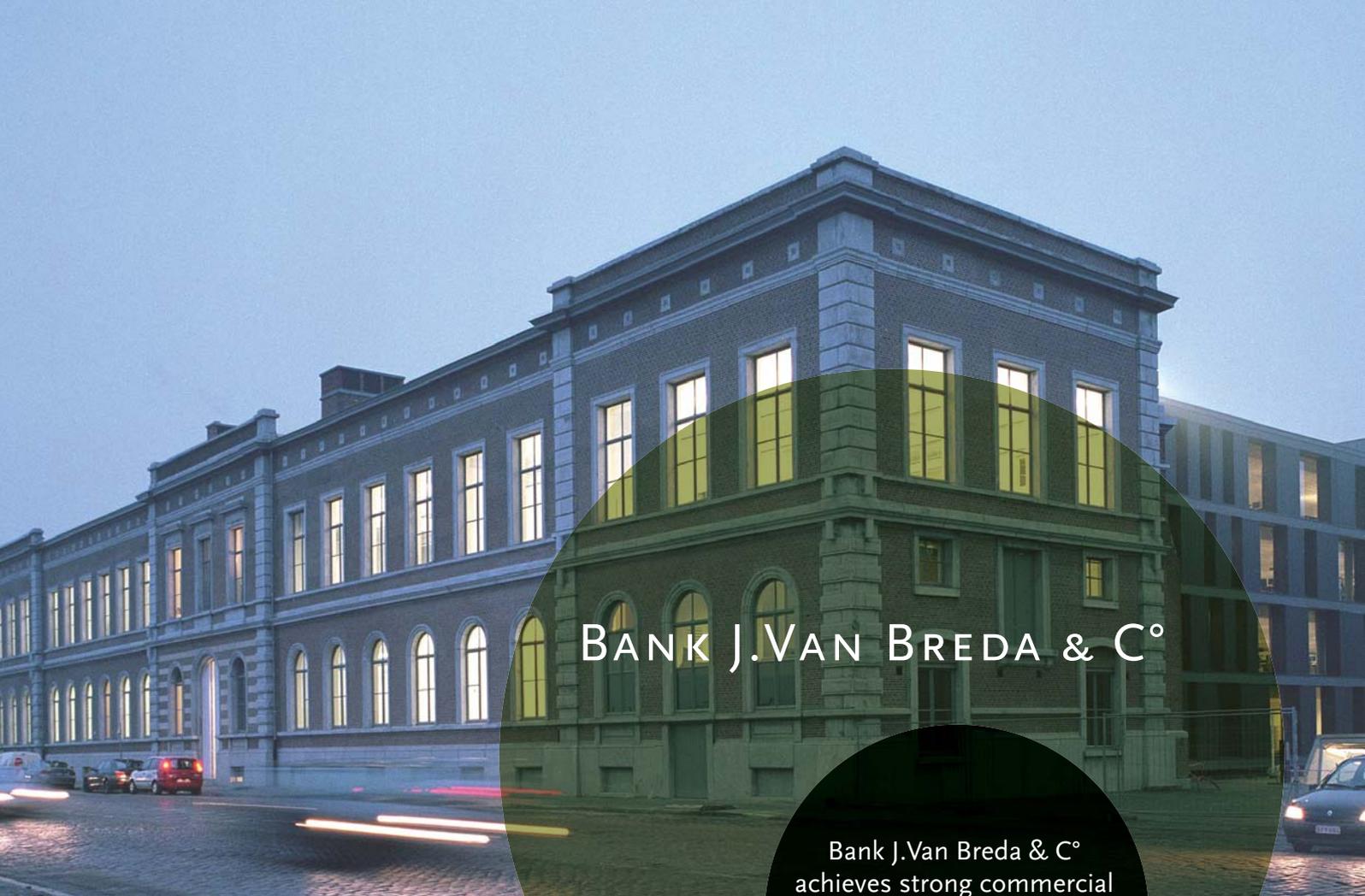
The turbulence and uncertainties in the financial markets will probably create a difficult stock market climate.

More than ever, Bank Delen will be focusing on a careful investment strategy in order to provide adequate protection of its clients' assets.

The growth of assets under management over the last few years and more specifically the integration of the full 12 months of Capfi's results, combined with the insourcing of a number of back-office functions, will contribute to the strengthening of the recurring and growing results of Bank Delen.

Bank Delen, in its reinforced structure with the teams of Capfi, will continue to seek external growth opportunities in Belgium as well as abroad.





# BANK J.VAN BREDA & C°

Bank J. Van Breda & C° achieves strong commercial growth with its target group clientele of entrepreneurs and liberal professions.



Bank J. Van Breda & C° is a specialised advisory bank focusing exclusively on entrepreneurs and the liberal professions, with regard to both their private and professional interests and with a specific focus on asset growth, asset management and protection.

## FINANCIAL OVERVIEW 2007

Bank J. Van Breda & C° recorded a strong commercial performance in 2007. Assets invested by clients grew by 624 million euros (+15%) and the private loans granted rose by 14%. This record growth could, however, not compensate for the decrease in profits due to the unfavourable interest climate. The net consolidated result amounted to 22.4 million euros, compared to 24.4 million euros in 2006 (-8%). In the first half of the year, the profit decreased by 17%. In the second half of the year, on the other hand, profits grew +3% compared to the second half of 2006.

The consolidated bank product amounts to 81.5 million euros, compared to 78.9 million euros in 2006. The fact that higher volumes in deposits and loans and the increase of income generated by fees only resulted in a 3% rise of the bank product is entirely due to the unfavourable interest rate climate.

Just like other financial institutions, Bank J. Van Breda & C° benefits from a profit contribution from the transformation margin between the interest on short-term deposits and the interest on long-term loans. The pronounced flattening of the interest rate curve and the increase of the market interest rates resulted in a substantial decrease.

Furthermore, the increase of interest rates resulted in capital losses and amounts written off on financial instruments amounting to 0.8 million euros. In 2006, capital gains were recorded in an amount of 1.6 million euros. Since Bank J. Van Breda & C° basically only invests in government bonds, the portfolio of financial instruments was in no way affected by the crisis on the financial markets.

AvH controlling and beneficial interest: 75%

**BANK J. VAN BREDA EN C° consolidated (31 December 2007)**

| (€ 1,000)                 | 2007                   | 2006                   | 2005                  |
|---------------------------|------------------------|------------------------|-----------------------|
| Bank product              | 81,496                 | 78,949                 | 81,418 <sup>(1)</sup> |
| Net result                | 22,384                 | 24,397                 | 24,620 <sup>(2)</sup> |
| Shareholders' equity      | 206,577 <sup>(4)</sup> | 224,371 <sup>(3)</sup> | 237,170               |
| Balance sheet total       | 2,631,572              | 2,596,297              | 2,666,736             |
| Total invested by clients | 4,700,984              | 4,077,405              | 3,537,549             |
| Private loans granted     | 2,056,606              | 1,797,619              | 1,670,248             |
| Net loan loss provision   | 0.13%                  | 0.04%                  | 0.13%                 |
| Cost-income ratio         | 58%                    | 57%                    | 51%                   |
| Return on equity          | 10.4%                  | 10.6%                  | 13.2%                 |
| Bis Tier1 Capital Ratio   | 9.5%                   | 10.6%                  | 10.0%                 |
| Solvency ratio (RAR)      | 11.8%                  | 13.1%                  | 14.4%                 |
| Personnel                 | 399                    | 403                    | 380                   |

(1) Bank product including leasing: 90.9 million euros.

(2) Excluding current contribution of Leasing of 4.2 million euros and capital gains (22.6 million euros) on the sale of Leasing J. Van Breda & C°.

(3) After the distribution in 2006 of 17.6 million euros dividends for the financial year 2005 and 13 million euros extraordinary dividends 2006.

(4) After the distribution in 2007 of 11.4 million euros dividends for the financial year 2006 and 25 million euros extraordinary dividends 2007.

The total bank product (81.5 million euros) consists of 55.9 million euros (-1% compared to 2006) net interest revenues and 22.4 million euros (+39% compared to 2006) commission earnings.

Net commission earnings already amount to 28% of the total bank product compared to 17% in 2005 and 11% in 2003.

The rapid growth of invested assets will make this percentage grow even further and reduce the impact of interest results.

The costs amount to 47.7 million euros compared to 44.6 million euros in 2006. This increase is explained by higher investments in IT applications, housing and additional commercial personnel.

As mentioned above, the commercial results for 2007 could not compensate for the decline in capital gains and interest income caused by the unfavourable interest rate climate. This resulted in a slight increase of the cost-income ratio to 58% (57% in 2006), which is still very acceptable in the Belgian banking retail market.

Amounts written off and provisions for credit files increased to 2.4 million euros from an exceptional 0.7 million euros in 2006, but remain very low at 0.13% of the average credit portfolio (vs. 0.04% in 2006, vs. 0.13% in 2005).



At the end of 2007, shareholders' equity amounted to 207 million euros compared to 224 million euros at the end of 2006. In the course of the financial year, dividends amounting to 36.4 million euros were distributed.

The risk-asset ratio (solvency ratio) as reported to the Banking, Finance and Insurance Commission fell slightly as a result of this dividend distribution to 11.8% compared to 13.1% in 2006, whereas the minimum requirement is 8%. The ratio based on shareholders' equity in the narrow sense (Tier 1) amounts to 9.5% (10.6% in 2006), with a minimum requirement of 4%.

#### OPERATIONAL OVERVIEW 2007

The success of the niche strategy used by Bank J. Van Breda & Co which focuses specifically on entrepreneurs and the liberal professions is confirmed once again. The number of target group clients continues to grow (+5% in 2007). The many entrepreneurs and liberal professionals who became clients in recent years, entrust the bank with an increasing share of their banking business, private as well as professional. This can be seen in the strong growth of the different product groups per target group client and in the average bank product per target group client.

Despite a more difficult stock market climate, assets invested by clients in 2007 grew by a record amount of 624 million euros to 4,701 million euros (+15%). Clients continued to accumulate assets through the bank.

- Client deposits rose to 1,899 million euros (+14% vs 2006: 1,660 million euros). Excluding the deposits of the acquired portfolio of inland shipping entrepreneurs (see further), growth amounts to 12% here.
- Investments in off-balance sheet products rose again strongly by 16% (+385 million euros) to 2,801 million euros.

Volumes in asset management grew in 2007 by 17%. Today, Bank Delen manages 1,431 million euros for clients of Bank J. Van Breda & Co (1,219 million euros in 2006). There was a steady inflow of new capital, from existing as well as new clients.

Insurance investment funds grew once again, by more than 164 million euros to a volume of 1,043 million euros (+19%).

Fee revenues from other insurance products (mainly group insurances) rose by 21% to nearly 1.7 million euros. Outstanding reserves rose at the end of the financial year by 33% to over 88 million euros.

Only investment funds dropped slightly, reaching an invested capital of 237 million euros (-6%).

The total volumes of these investments in off-balance sheet products grew very strongly to 2,801 million euros, resulting in a growth of net fee income from core client banking of 33%.

As a reminder: off-balance sheet investments at the end of 2003 were only 1,291 million euros. The total amount of invested assets rose in the period 2003-2007 from 2,673 million euros to 4,701 million euros.

In 2007, credit volume of core clients continued to grow to 1,755 million euros (+17%).

On 31 October 2007, the entire customer portfolio of inland shipping entrepreneurs (ex-Creditmar) was acquired from Ethias Bank. The integration of this portfolio, which contains approximately 100 million euros of outstanding loans, was completed successfully. Even excluding this acquisition, the portfolio of credit facilities to entrepreneurs and the liberal professions still recorded an attractive and autonomous growth (+10%).

The bank follows a cautious credit policy whereby, in principle, loans are only granted to target group clients that maintain, or aim at establishing, a comprehensive relation with the bank, both privately and professionally.

Next to that, Bank J. Van Breda & C° is active across Belgium in the car financing and car leasing sector via Van Breda Car Finance, in particular as a credit company for clients of large, independent car dealers.

At the end of 2007, the total Car Finance portfolio amounted to 266 million euros, compared to 245 million euros at the end of 2006 (+9%). As a result of the extremely competitive market conditions, this volume increase did not result in an increase of earnings from interest. The pressure on interest income was, however, compensated entirely by a strong increase of the net fee income from the sale of complementary insurance policies. The result of this activity dropped by 9%, due to the higher operating expenses and the higher amounts to be written off on loans.

Bank J. Van Breda & C° maintains its relations with its clientele through 43 branches, of which 11 belong to independent agents. Of these 43 branches, 5 are located in Wallonia and 2 in Brussels.

On 12 February 2007, the new headquarters of the bank in the attractively restored Goederenstation on the Ledeganck quay in Antwerp were officially opened.

In the network of branches, the Antwerp Plantin branch was renovated in 2007. In 2008, renovation, extension or moving to new premises are scheduled in Genk, Lier, Mons, Roeselare and Turnhout.

At the end of 2007, a total of 399 staff was employed by the bank. In 2007, an average of 122 relationship managers were active for Bank J. Van Breda & C°, compared to 111 in 2006. In 1999, there were only 60.

The customer-oriented approach is promoted by a strong commercial team. In 2007, the percentage of staff maintaining direct contact with clients rose further to reach the high level of 63%. This involves considerable and ongoing training efforts.

In 2007, investments were made in a technological upgrade of the Van Breda Online internet application. In addition, efforts were made to streamline the further automation of the credit process to target group relations, and to the further development of systems for client management. These developments will result in an even better organisation of client advice and follow-up, both commercially and from a risk management point of view. Further investments will be made in this area in 2008.

At Van Breda Car Finance, the extranet application [www.vanbredavendor.com](http://www.vanbredavendor.com) has been playing a crucial role in operational processes for several years.

### PROSPECTS FOR 2008

In the past years, Bank J. Van Breda & C° invested heavily in its new headquarters, in the commercial upgrading of its offices, in IT support, and in the substantial expansion of the number of relationship managers. This resulted in an increase of the costs which have, however, been amply compensated by the increase of commercial income from interest and fee revenues as a result of the successful commercial strategy.

Despite this strong commercial performance, Bank J. Van Breda & C° recorded lower profits (8%) compared to 2006, due to the unfavourable interest rate climate in 2007.





The interest climate continues to be unfavourable in 2008. Nevertheless, unless there are unexpected market changes, a limited increase in interest income is expected in 2008. Moreover, Bank J.Van Breda & C° has become less dependent on earnings from interest and capital gains, thanks to the increase of the share of net commission earnings of the bank product (28% in 2007 vs. 17% in 2005).

Unless unexpected, unfavourable evolutions of market interest rates or provisions for credit losses occur, Bank J.Van Breda & C° aspires to a profit growth which already began in the second half of 2007 and should accelerate in 2008.

Both the growth of the number of target group relations and the stronger anchoring of the bank with its target group relations, confirm the trust in the long-term strategy and the growth potential of the bank in Belgium.

If opportunities should occur in Belgium or abroad which would make it possible to expand this niche strategy or to accelerate its implementation, Bank J.Van Breda & C° shall not hesitate to investigate these.



# ASCO-BDM

The insurance group Asco-BDM consists of the insurance company Asco (which is active through agents in Belgium and in the Netherlands), the life insurance company Asco Life (mainly active in the so-called 'Branch 23'), and the agents BDM (Antwerp) and Bruns ten Brink (the Netherlands). The main activity of the Asco-BDM group is in maritime and industrial insurance.

The insurance markets did not face any major disasters in 2007 which could have an impact on the insurance companies situated in Europe. As from the second half-year, however, the entire economy was confronted with a declining stock market climate and afterwards with the impact of the crisis on the American real estate and credit markets and its worldwide consequences.

Given those market conditions, the BDM-Asco group succeeded in presenting good results.

Insurance company Asco realised a total of premiums earned of 16.2 million euros and thus equalled the 2006 level. Through the controlled, though cautious transition from proportional reinsurance to non-proportional reinsurance, premiums in net retention have increased by 5%, to 6.1 million euros. This resulted in an increase of the share of Asco in the excellent technical results of the insurance risks, realised by the BDM-Asco group. Because of less favourable technical results coming from the Dutch part of the portfolio, certain types of risks were cut back there.

The total technical provisions amount to 18.3 million euros, of which 8.7 million euros in reserves in net retention.

Asco had already cut back a part of its investment portfolio in the first quarter of 2007 and has therefore suffered less of the negative evolutions of the stock prices during the second half-year of 2007. Furthermore, a capital gain was realised on the sale of the former registered office, situated Lange Nieuwstraat in Antwerp. Since the beginning of 2007 the teams of BDM-Asco and of Minerva, absorbed in 2006, are installed, together, in the new offices at the Entrepotkaai.

AvH controlling and beneficial interest: 50%

ASCO NV (31 December 2007)

| (€ 1,000)            | 2007   | 2006   | 2005   |
|----------------------|--------|--------|--------|
| Gross premiums       | 16,185 | 16,175 | 15,166 |
| Net result           | 1,342  | 1,559  | 1,845  |
| Shareholders' equity | 12,144 | 10,652 | 9,760  |

AvH controlling and beneficial interest: 50%

BDM NV consolidated (31 December 2007)<sup>(1)</sup>

| (€ 1,000)            | 2007   | 2006   | 2005   |
|----------------------|--------|--------|--------|
| Premiums earned      | 77,135 | 87,612 | 68,260 |
| Operating income     | 10,635 | 11,517 | 7,314  |
| Net result           | 524    | 1,131  | 779    |
| Shareholders' equity | 4,702  | 4,579  | 3,779  |
| Personnel            | 110    | 118    | 81     |

(1) Consolidated figures BDM-Bruns ten Brink (IFRS).

Asco has obtained a licence for motor vehicle insurances and will start up this business as from 2008.

Asco Life, the life insurance company in which Asco has a stake of 40% has nearly doubled its production in 'branch 23' products, to 25.5 million euros and realised a break even result, despite the difficult market conditions. The outflow was limited, resulting in a growth of the total amount of assets in branch 23 funds to 60.5 million euros (compared to 37.9 million euros at the end of 2006). Overall, there was a loss of 0.5 million euros further to the start-up of an own commercial activity and the related increase of staff.

BDM is an insurance agent situated in Antwerp, which subscribes for policies based on proxies of local and foreign companies, mainly regarding transport and company insurances. Together with its 100% subsidiary in the Netherlands, a total of 77.1 million euros of premiums was subscribed for, on which a profit of 0.5 million euros was realised.



## PRIVATE EQUITY

Highest investment activity ever and substantially increased recurring contribution of the participations.



**AvH provides risk capital for a limited number of medium-sized corporations with a strong competitive position and high growth potential and which are run by an efficient management team. Contrary to AvH's industrial investment strategy, this is achieved through the acquisition of majority as well as minority participations whereby the rotation of the portfolio is higher.**

## FINANCIAL OVERVIEW 2007

2007 started strongly for the European venture capital sector. The downturn in July 2007 which everyone had seen coming for some time, eventually surprised many players. To date, the crisis seems to be limited to the financial markets and institutions, but it will probably have an impact on the dynamics of economic growth in general. The nature of the transactions and companies where AvH is active has meant that, to date, there have been no effects worth mentioning on the operational affairs of the participations.

However, this is not the case for the (des)investment market which is clearly slowing down, in particular in regard to major transactions with private equity players. Venture capital funds still raised record amounts in 2007 and as a result, valuations are still high. Given their strong balance sheets, industrial players will probably increase their market share in the M&A market. In Belgium, the venture capital market maintained its high level which was, however, lower than the record year of 2006.

In fact, in 2007 AvH invested the highest amount ever in venture capital, amounting to 154 million euros, thus confirming its position as one of the most important players in Belgium. This was done via investments in a limited number of new major participations as well as follow-up investments. The current contribution of private equity to the group results has known a significant increase of 75% in 2007, to 47.2 million euros (2006: 26.9 million euros), including the capital gain on the sale of Telenet shares (7.6 million euros). Within the portfolio also

18.1 million euros (AvH share) of capital gains were realised. Taking this into account, Private Equity realised a profit contribution to the AvH consolidated result of 65.3 million euros in 2007.

The adjusted net asset value of the Private Equity portfolio, including unrealised capital gains on the listed shares held by Sofinim and on Groupe Flo shares, amounted to 478.7 million euros (compared to 631.5 million euros at the end of 2006, then including Quick for 211 million euros) at the end of 2007. Regardless of Quick in 2006 and the profit distribution of 9 million euros in 2007, this represents an increase of 68 million euros (+16%).

2008 seems to be evolving similarly to the second half of 2007. Due to market conditions, it is possible that more opportunities may present themselves for AvH and its participations, given the business model (long-term vision, partnership, ...) and the important cash resources of the group.

## GIB NV

AvH controlling and beneficial interest: 50%

GIB, which is jointly controlled by AvH and the 'Nationale Portefeuille Maatschappij', embodies AvH's partnership with the Frère Group. The GIB portfolio remained unchanged in 2007, the focus being on the follow-up of the shareholdings in Groupe Flo and Trasys.

| (€ 1,000)                         | 2007     | 2006    |
|-----------------------------------|----------|---------|
| Turnover                          | 379,982  | 348,500 |
| EBITDA                            | 46,000   | 38,100  |
| Net result                        | 19,065   | 19,009  |
| Shareholders' equity (part group) | 144,700  | 133,700 |
| Net financial position            | -123,800 | -81,800 |

www.groupeflo.com

**Groupe FLO** (AvH 23.4%) is the leading French company in the commercial restaurant business with table service. Its strategy is based on a portfolio of well-known brand names, complementary theme catering concepts in growth market segments, and operating renown brasseries. In 2007, the group had another dynamic year in a favourable consumer climate, recording a 9% increase of its turnover. Activity remained successful throughout the first semester, however, it dropped in the last quarter as a result of labour unrest in France. All of its brands have capitalised on the high-quality repositioning of their offerings and the standardisation of their development models, resulting in an improvement of operational performance amounting to more than 25.4%. The

operational result rose to 33.0 million euros, and EBITDA grew by 21%. The net result remained stable in view of the normal tax charge (impact 9.6 million euros) and losses carried forward were booked on the previous financial year.

Flo continued to grow thanks to the successful opening of 28 new restaurants. In the Hippopotamus grill-restaurant chain there were 20 openings, bringing the total number of restaurants up to 107, and there were 3 new openings of Tablapizza (9 businesses in total) following a year of normalisation and rationalisation of the chains acquired in 2006. The group's collection of brasseries was expanded with the Belgian restaurant 'Aux armes de Bruxelles'. The group also acquired the brand and concept of Maître Kanter in order to strengthen its offer of theme restaurants with this well-known brand in the segment of traditional popular restaurant business (average ticket is between 25 and 30 euros). In the course of 2008, the company will be confronted with an increase of labour taxes due to a change in social legislation. The implementation of a marketing, productivity improvement and cost reduction plan is intended to limit the impact thereof, while ensuring that the excellent service and brand differentiation are not compromised.



| (€ 1,000)                         | 2007   | 2006   |
|-----------------------------------|--------|--------|
| Turnover                          | 62,934 | 64,459 |
| EBITDA                            | 6,149  | 6,592  |
| Net result                        | 3,314  | 3,578  |
| Shareholders' equity (part group) | 9,360  | 9,560  |
| Net financial position            | -641   | -453   |

www.trasys.be

**Trasys** (AvH 46.0%) is active in the IT industry with a wide range of services and skills (consultancy, project implementation, IT infrastructure operations) on both private and public markets. The company employs more than 600 staff in Belgium, Luxembourg, the United Kingdom (London), France (Paris) and Greece (Athens). 2007 was influenced by the fact that a major framework agreement was not renewed by the European Commission (EC),

but this was compensated by the initial effects of a long-term contract with the European Commission concluded at the end of 2006. Although the volume of this contract is lower, the assignments will generate a higher added value per unit. The strategic objectives for 2007 have thus been achieved. Several framework consultancy contracts have also been concluded for a number of specialised agencies of the European Commission. One of these contracts will require the setting up of a new branch in Spain. The functional and IT competencies developed as part of the REACH regulations for chemical substances sold in Europe allowed the company to approach the chemical industry, in particular via the trade federations. References have already been obtained in several European countries and also in the USA. The volume of business carried out for several companies of the SUEZ group also continued to grow. In 2008, Trasys will seek to continue the growth in volume and operational margin for the activities generating the greatest added value.

## SOFINIM NV

### AvH controlling and beneficial interest: 74%

Also in 2007, most of Sofinim's participations performed very well. Consequently, the diversification of Sofinim's portfolio risk increased which is a positive development. Noteworthy is in any event the successful start of Oleon Biodiesel. While a number of participations such as Engelhardt and Euro Media Group ('EMG'), the former UBF, were able to maintain their good results of 2006, only a minority of participations recorded disappointing results or encountered longer turnarounds than expected. The general good performance resulted in only limited amounts to be written off on the portfolio.

In 2007, investments related mainly to new participations, in particular Distriplus (comprising the retail chains Club, Di and Planet Parfum), the listed company I.R.I.S., Manuchar and Spano Group. Follow-up investments were made at Alural, Arcomet,

Egemin, EMG, Mercapital and Turbo's Hoet Group. These related to the acquisition of shares of partners wishing to exit or capital increases in order to finance investments by these participations.

In addition, Sofinim was able to realise several exits. The participation in Corn. Van Loocke was sold to Umicore. Further to this transaction, Sofinim achieved an IRR of 31.9% spread over the investment horizon 1999-2007. This shows that a long-term perspective, with increased and continued investments, did benefit the return. Furthermore, Sofinim sold part of its Telenet shares, received funds from Mercapital, and it booked capital gains as a result of the merger of UBF with EMT.

In January 2007, Sofinim acquired a shareholding interest of 72.9% in the **Spanogroup** at the occasion of a management buyout. The group was established in 1963 and employs approximately 800 people. A leader in wood processing in Belgium, Spano is a medium-size player in Europe. The group focuses on niche markets such as construction, interior decorating and the furniture sector with 4 business units: Spano (chipboards and construction panels), Dekaply (decorative finishing of wood panels), Spanolux MDF (medium density fibreboard) and Balterio (laminated floors). Spanogroup participates for 50% in the two latter BUs. Spano is the market leader in various areas, such as fire-retardant chipboard, MDF and (ultra)light MDF. Balterio focuses on the high-end of the market. The company sells directly to industrial customers or via an extensive network of professional wood dealers in Western and Eastern Europe as well as in Scandinavia. In its Belgian production facilities in Oostrozebeke, Eredebodegem and Vielsalm, Spanogroup has a total capacity of 1 million m<sup>3</sup> chipboard and MDF boards and 20 million m<sup>2</sup> of laminated floors. 2007 was an exceptional year with a very strong demand and high prices for all products. The consolidated turnover reached a record high while EBITDA and operating profit grew strongly.



| (€ 1,000)                         | 2007    |
|-----------------------------------|---------|
| Turnover                          | 270,686 |
| EBITDA                            | 42,053  |
| Net result                        | 17,205  |
| Shareholders' equity (part group) | 69,443  |
| Net financial position            | -61,408 |

[www.spanogroup.be](http://www.spanogroup.be)

| (€ 1,000)                         | 2007    | 2006    |
|-----------------------------------|---------|---------|
| Turnover                          | 671,020 | 525,026 |
| EBITDA                            | 51,534  | 28,750  |
| Net result                        | 22,029  | 9,332   |
| Shareholders' equity (part group) | 59,000  | 43,747  |
| Net financial position            | -41,150 | -38,711 |

www.hertel.com

The Dutch **Hertel Holding** (Sofinim 36.0%) was able in 2007 to again increase its turnover substantially by 28%. The focus on end markets and related services, with fine-tuned management tools and a successful integration of acquisitions, all contributed to this result. Hertel was able to benefit from strong growth in its markets, such as the energy market and chemicals, where customers seek high-quality and groups that are active internationally. A number of exceptional elements, such as the sale of the rubber activities, caused a further increase of net profits. In 2007, Hertel actively sought acquisition targets in

order to further expand its services and geographic offer. At the end of 2007, it acquired Schlüter in Germany and McGill in the United Kingdom. The latter is active in modular elements for ships. At the beginning of 2008, it acquired the German Enning group which, together with Schlüter, will substantially improve Hertel's market position in the industrial maintenance sector in Germany. Hertel offers a total package of new construction and maintenance services, such as insulation and scaffolding construction, piping, and asbestos removal, mainly for the (petro-) chemical and electricity industries. The company is also active in various industries such as accommodation for offshore, shipbuilding, water treatment (legionella prevention), maintenance of motors, trade in various materials and technical temporary recruitment. Hertel records a substantial part of its turnover in the United Kingdom and Ireland where it is the market leader in industrial services. The company also holds a strong position in Belgium, Germany, Lithuania and the Netherlands. The prospects for 2008 remain good. The expansion of its activities in the Middle and Far East are receiving the necessary focus in this respect.

| (€ 1,000)                         | 2007    | 2006    |
|-----------------------------------|---------|---------|
| Turnover                          | 416,420 | 281,661 |
| EBITDA                            | 40,814  | 26,565  |
| Net result                        | 23,003  | 12,656  |
| Shareholders' equity (part group) | 86,286  | 62,746  |
| Net financial position            | -76,298 | -58,939 |

www.oleon.com

**Oleon Holding** (Sofinim 37.1%) recorded good results in extremely difficult conditions. In January 2007, the fatty acids plant in Ertvelde was involved in a fire which rendered 60% of the existing capacity inoperative. The timely reaction and dynamics of the Oleon management and the insurance coverage were able to limit the operational and financial impact of this catastrophe.

In the meantime it has been decided to rebuild the production plant and to expand it from 190,000 tonnes to 240,000 tonnes.

The consolidated turnover rose by 48%, while the EBITDA rose by 54%.

The profit after tax was partly impacted by the effect of the received fire insurance.

In the meantime, Oleon is growing further to become the leading European oleo chemicals group.

The investment programme includes the construction of the new fatty acids plant in Ertvelde and in 2009 will lead to the start of an additional glycerine refinery (30,000 tonnes) in France and an ester production plant (17,000 tonnes) in Malaysia.

These investments allow Oleon to develop into a more global and, at the same time, more diversified group ensuring that the company can continue its growth and positive turnover and results.

**Oleon Biodiesel** (Sofinim 22.2% direct and 40.8% indirect), in which Oleon Holding participates for 50%, brought the first biodiesel production plant in Belgium into use in February 2007. Oleon, which has a capacity of 100,000 tonnes, has been granted a quota for the delivery of biodiesel on the local market in Belgium (53,000 tonnes) and France (45,000 tonnes). The market conditions were difficult for biodiesel due to the increased prices of raw materials (colseeds). Furthermore, in Belgium the government has not imposed any obligations on fuel suppliers to mix bio fuels with regular fuels. Consequently, only one of the major players purchased biodiesel in 2007. However, despite these market conditions, Oleon Biodiesel recorded an operational profit amounting to 3.9 million euros on a turnover of 62 million euros thanks to a careful hedging policy for its raw materials and oil prices.

Thanks to a good investment climate in the transport sector and an increased demand for vehicles in Eastern Europe, **Turbo's Hoet Group** (THG - Sofinim 50%) was able to improve its results substantially. Turnover rose by 25% and net profits even by 79%. THG strengthened its leadership position in 2007 in the West European 'after market' of turbo sales as a result of a strong internal growth and the acquisition of the Dutch company Turbo World. The network of truck dealerships (for the DAF and Iveco brands) was expanded further, as a result of which the group is able to increase its sales and services realised and delivered in the areas assigned to Turbo Hoet by these manufacturers. New branches were opened for this purpose in Liège (Belgium), Moscow (Russia) and Arras (France, opening in 2008) and land has been acquired for the construction of additional garages in Bulgaria (Sofia, Burgas and Varna) and Russia (Moscow). The expansion of the East European activities, with the main focus on

## Turbo's Hoet

| (€ 1,000)                         | 2007    | 2006    |
|-----------------------------------|---------|---------|
| Turnover                          | 317,946 | 254,628 |
| EBITDA                            | 24,697  | 15,175  |
| Net result                        | 11,450  | 6,393   |
| Shareholders' equity (part group) | 67,882  | 56,601  |
| Net financial position            | -75,359 | -52,445 |

[www.turbos-hoet.com](http://www.turbos-hoet.com)

Russia and Bulgaria, is progressing quickly; these activities already represent with 105 employees 16.1% of the turnover. The department involved in the leasing and renting of business vehicles recorded a good year and expanded its fleet of vehicles by 8.6% to 2,075 units.

In 2007, **Atenor** (Sofinim 12.01%) permanently terminated its private equity activities in order to focus on development projects in the real estate business. The 2007 results were record breaking. They are mainly the result of the sale of the President projects – 30,000 m<sup>2</sup> of mainly office space in Luxembourg – to a German investment fund. The results were also positively influenced by the completion of the construction and the renting of the Pixel building in Luxembourg (approximately 8,000 m<sup>2</sup> offices and business spaces). The Atenor group, with 30 employees, currently has about 10 projects in its portfolio, with a total surface area of nearly 300,000 m<sup>2</sup>. These include, among others, a tower in development for mixed use with a surface of 70,000 m<sup>2</sup>, on Rederskaai in Brussels, the Europa Hotel in the heart of the Brussels European neighbourhood, the South City project at the South Station in Brussels, for which a building and urbanisation permit was granted at the end of 2007, and two office projects in Central

## ATENOR group

| (€ 1,000)                         | 2007    | 2006    |
|-----------------------------------|---------|---------|
| Turnover                          | 34,443  | 78,745  |
| EBITDA                            | 31,530  | 12,478  |
| Net result                        | 35,414  | 13,626  |
| Shareholders' equity (part group) | 107,968 | 75,654  |
| Net financial position            | 23,816  | -59,922 |

[www.atenor.be](http://www.atenor.be)

Europe: one in Bucharest – more than 60,000 m<sup>2</sup> of offices – and one in Budapest – 30,000 m<sup>2</sup> of offices. 2008 will be influenced strongly by the finalisation works of the President project which is scheduled to be completed in January 2009.



| (€ 1,000)                         | 2007    | 2006    |
|-----------------------------------|---------|---------|
| Turnover                          | 161,452 | 151,520 |
| EBITDA                            | 27,002  | 24,835  |
| Net result                        | 12,129  | 10,753  |
| Shareholders' equity (part group) | 53,445  | 42,047  |
| Net financial position            | -4,234  | 2,156   |

www.nmc.be

In 2007, **NMC** (Sofinim 28.4%) presented very good results once again. NMC is a reference in Europe in the field of extruded and preformed foam products based on polyethylene, polystyrene, polyurethane and synthetic rubber. The group produces decorative products for interior decoration and facade walls, insulation products for the heating, sanitary and insulation sectors, industrial packaging for the

automotive industry and products for sport and leisure. Turnover continued to grow despite the weaker market conditions during the second half of the year, and the (relatively limited) consequences of a fire in a warehouse. NMC's volume grew strongly, particularly in Central and Eastern Europe. Like many other processors of synthetic materials, the results were influenced negatively by rising raw material and energy prices. On the other hand, the successful integration of the acquired Finnish companies provided a positive contribution. In 2007, NMC further implemented its important investment programme. Production capacity was further enhanced in Central and Eastern Europe. In Belgium, investments were made in additional production and storage capacity. At the beginning of 2008, NMC was able to expand its presence in Scandinavia considerably, by acquiring three companies in Sweden and Norway with a consolidated turnover of more than 20 million euros.



| (€ 1,000)                         | 2007    | 2006    |
|-----------------------------------|---------|---------|
| Turnover                          | 268,170 | 142,666 |
| EBITDA                            | 49,697  | 25,779  |
| Net result                        | 14,948  | 3,610   |
| Shareholders' equity (part group) | 157,009 | 28,697  |
| Net financial position            | -76,087 | -58,124 |

www.euromediagroup.com

The merger of the Dutch **UBF Media Group** with the French company Euro Média Télévision resulted in the leading European player in the market for television facilities, **Euro Media Group** (EMG). What began in 2001 with a small investment in the company formerly known as Valkieser (turnover at the time was 33.4 million euros) has become, over the years and with considerable follow-up investments, a participation in a major company with 270 million euros of turnover, active in 6 countries, with 1,300 employees, a wide range of specialised equipment and 50 million euros of EBITDA. EMG has 80 stu-

dios, 45 broadcasting vehicles (of which 16 in High Definition, HD), 93 post production units and approximately 80 ENG sets. Sofinim holds a participating interest of 22% in EMG along with parties such as Allianz Capital Partners (22%), Bolloré (22%) and Barry & C° Media Holding (J.-P. and C. Barry, 31%). EMG is controlled by representatives of both groups. The group has important market positions in the Netherlands (United, Cinevideogroep, Filmpartners), Belgium (Videohouse, Studio Manhattan), UK (CTV Outside Broadcast), Germany (Nobeo) and France (Société Française de Production-SFP, VCF, Euro Média Télévision, Tatou). At the beginning of 2008, the group was reinforced by the acquisition of the French group Transpalux, specialised in the rental of cameras and accessories for fiction productions. The market for television facilities will in the future offer many opportunities, among others, due to the expected scaling up of operations as a result of the high investments in new HD technology. 2008 will be the first year of the integrated cooperation. It will also be a very busy year with for example major sports events (Olympic Games, European football championship, etc.) where EMG will be present as service provider.

**Corelio**, in which Synvest (Sofinim 48.3%) holds an interest of 32.8%, managed to stand firm in the difficult advertising market.

The circulation of the newspapers De Standaard, Het Nieuwsblad, Het Volk and Les Editions de L'Avenir amounted to an average of 451,592 copies, making Corelio the largest newspaper publisher in Belgium. Passe Partout was able to strengthen its position in the Belgian market for free regional press with 104 local editions and a circulation of 4.3 million copies. The new printing presses in the commercial print shop have reinforced the growth and the market position of Corelio Printing. In the audiovisual sector, Woestijnvis (Corelio 40%) maintained its market position as leading production company in Flanders. Following the regrouping of several provincial radio stations, Corelio also participates in the Flemish regional radio network Nostalgie.

Notwithstanding a slight increase of turnover to 376.5 million euros, the operational cash flow (EBITDA)



| (€ 1,000)                         | 2007    | 2006    |
|-----------------------------------|---------|---------|
| Turnover                          | 356,623 | 346,441 |
| EBITDA                            | 34,535  | 37,556  |
| Net result                        | 6,402   | 9,773   |
| Shareholders' equity (part group) | 62,891  | 60,368  |
| Net financial position            | -43,776 | -45,406 |

[www.corelio.be](http://www.corelio.be)

dropped to 34.4 million euros and the net result to 6.4 million euros, partly as a result of the higher depreciations for investments in new printing presses. Corelio wishes to further strengthen its position as leading newspaper publisher in 2008, and to also further develop its important positions in other media in both regions of the country and gradually also across the borders.

At the Dutch company **Cindu** (Sofinim 50.0%, consolidated under the equity method), the subsidiary Cindu Chemicals (Cindu 50%) recorded an exceptionally strong result. Net profits amounted to 4.5 million euros compared to 0.4 million euros in 2006, with a sharp increase in turnover (+25.5%). The restructuring of recent years is bearing fruit, while the market continued to be prosperous for most players despite the unpredictable energy prices. In 2007, the focus was on the creation of the strategic plan and setting up the management structure. A good result is expected again in 2008. At Cindu, further efforts are being made to sell the real estate which is no longer required from an operational point of view.



| (€ 1,000)                         | 2007  | 2006  |
|-----------------------------------|-------|-------|
| EBITDA                            | 1,543 | 218   |
| Net result                        | 3,541 | 2,484 |
| Shareholders' equity (part group) | 4,855 | 2,328 |
| Net financial position            | 889   | 283   |

[www.cindu.nl](http://www.cindu.nl)

The company **Alupa** (Sofinim 100.0%) is based in Genk and is one of the leading European manufacturers of metallic paper for use in labels and the cigarette industry. As an independent player, Alupa was able to grow and convert its intrinsic potential into actual results. The turnaround which began in 2006 continued in all areas. Alupa recorded a substantial increase of turnover from both existing and new customers. Productivity and machine yield were increased significantly and the quality of products has stabilised at a high level. This resulted in a good net profit and a leading role in the sector. Looking towards the future, efforts were also made with regard to the development of new technologies for other applications.



| (€ 1,000)                         | 2007   | 2006   |
|-----------------------------------|--------|--------|
| Turnover                          | 28,808 | 24,926 |
| EBITDA                            | 2,491  | -291   |
| Net result                        | 1,008  | -2,222 |
| Shareholders' equity (part group) | 5,910  | 4,920  |
| Net financial position            | -4,014 | -3,372 |

[www.alupa.com](http://www.alupa.com)



| (€ 1,000)                         | 2007   |
|-----------------------------------|--------|
| Turnover                          | 95,062 |
| EBITDA                            | 9,031  |
| Net result                        | 5,733  |
| Shareholders' equity (part group) | 49,226 |
| Net financial position            | 19,227 |

www.irislink.com

**I.R.I.S.** (Sofinim 6.1%), which celebrated its 20th anniversary in 2007, is a technology company listed

on NYSE Euronext Brussels, which positions itself as the world leader in software for intelligent document recognition. I.R.I.S. is the n°. 1 specialist for the electronic management of documents, data and information in Belgium, France and Luxembourg. In 2007, Sofinim acquired a shareholding interest by way of a capital increase, thus providing I.R.I.S. with the necessary funds to grow. In 2007, I.R.I.S. acquired Morningstar (the Netherlands) and Docutec (Germany), expanding both the company's geographic distribution of its professional solutions and its technological assets for the automatic classification of documents. The company predicts a strong increase of turnover, personnel and returns for 2008.



| (€ 1,000)                         | 2007    |
|-----------------------------------|---------|
| Turnover                          | 182,966 |
| REBITDA                           | 14,404  |
| Net result                        | 607     |
| Shareholders' equity (part group) | 101,281 |
| Net financial position            | -34,929 |

www.planetparfum.be, www.di.be, www.club.be

**Distriplus** (Sofinim 50.0%) acquired the retail activities of the brands Club, Planet Parfum and DI in 2007. Planet Parfum is the n°. 2 retailer of perfume and cosmetics in Belgium, covering the entire territory of Belgium and Luxembourg with 72 retail

sales outlets. Its turnover amounted to 91.7 million euros in 2007, an increase of 7.2% compared to 2006. Club is a retailer of books and stationery with 26 retail sales outlets in Belgium. Its turnover of 54.1 million euros in 2007 rose by 3.0% compared to 2006. In 2007, a new commercial concept was gradually introduced in all of the Club stores. DI, which was acquired from Delhaize, specialises in drug and perfume retail with 90 managed stores and 42 franchised stores. At an operational level, Distriplus holding, which was incorporated together with the NPM group when Sofinim became a shareholder, focussed in 2007 on the integration of DI and the implementation of a new single IT system for all brands. In 2008, the group will finalise these projects started the previous year. The commercial relaunching of the DI concept will be a priority.

In 2007, **Arcomet Beheer** (Sofinim 10.0%) continued the excellent results of 2006. The implementation of the business model (services matrix and geographic distribution) produced the desired effect. Arcomet rents out more than 1,300 tower and rapid-assembly cranes for construction projects in Europe and in the United States. It also provides related services (research, installation, crane operators, maintenance and transportation), produces a limited range of large rapid-assembly cranes, trades second-hand equipment and is a dealer for new cranes. Arcomet is thus a one-stop-shop for high-quality equipment for major construction groups. It seeks to be a privileged partner of these customers. 2007 was characterised by a high utilisation rate and the group continued to invest in the expansion and renovation of the fleet. Its position as market leader in several markets was reinforced further and this made the group less dependent on specific markets. Turnover rose by 16.2%, and the operating profit by 80% to 16.4 million euros. New activities were started in Norway and Romania. The joint venture partner in the United Kingdom was bought out at the beginning of 2007. The group's position



| (€ 1,000)                         | 2007    | 2006    |
|-----------------------------------|---------|---------|
| Turnover                          | 119,835 | 103,124 |
| EBITDA                            | 33,022  | 23,881  |
| Net result                        | 5,667   | 2,724   |
| Shareholders' equity (part group) | 37,551  | 30,168  |
| Net financial position            | -80,798 | -58,573 |

[www.arcomet.be](http://www.arcomet.be)

as a leader in the market has led other smaller players to seek affinity with Arcomet. The organisation and systems were strengthened further. In the new financial year, the group should continue to grow despite a possible slow-down in a number of markets. At the beginning of 2008, a new financing agreement was concluded with a view to further renew the fleet of cranes and expand geographically.

Having started as an Antwerp-based trading company mainly dealing in inorganic powder chemicals and steel products, **Manuchar** (Sofinim 20.0%) increasingly focused on offering marketing and logistic solutions to both producers and end users. Manuchar acts as the export and marketing channel for prime producers while being, on the other hand, the preferred global logistic service provider for many large multinationals. To this end, the company uses an extensive network of subcontractors, agents and own subsidiaries. Manuchar today has subsidiaries in 23 growing countries spread over Latin America, Africa and Asia, with a strong presence in the BRIC-countries. In 2007 Manuchar opened new offices in Venezuela, Russia and the Philippines. Last year Manuchar's operational profit amounted to 24 million euros. The cash flow generated is to a large extent reinvested in local infrastructure and working capital. The investment made by Sofinim in 2007, by



| (€ 1,000)                         | 2007     | 2006    |
|-----------------------------------|----------|---------|
| Turnover                          | 571,727  | 467,244 |
| EBITDA                            | 24,963   | 24,602  |
| Net result                        | 8,607    | 9,248   |
| Shareholders' equity (part group) | 27,296   | 18,991  |
| Net financial position            | -110,240 | -89,706 |

[www.manuchar.be](http://www.manuchar.be)

way of subscription for a capital increase and the acquisition of existing shares, should be viewed in this context. In 2008, the company foresees the highest growth in new upcoming countries, among which Vietnam, Nigeria, South Africa and Colombia.

| (€ 1,000)                         | 2007   | 2006   |
|-----------------------------------|--------|--------|
| Turnover                          | 36     | 16     |
| EBITDA                            | -181   | -67    |
| Net result                        | 782    | 1,369  |
| Shareholders' equity (part group) | 20,217 | 19,800 |
| Net financial position            | 5,040  | 3,262  |

www.axe-investments.com

| (€ 1,000)                         | 2007   | 2006   |
|-----------------------------------|--------|--------|
| Turnover                          | 65,178 | 68,411 |
| EBITDA                            | 5,171  | 3,491  |
| Net result                        | 940    | 712    |
| Shareholders' equity (part group) | 9,907  | 8,967  |
| Net financial position            | -5,538 | -3,783 |

www.engelhardt-etikett.de

SPEF I, the first **Mercapital** fund (Sofinim 2.0%) is being liquidated. SPEF II, with 600 million euros of committed capital (Sofinim 1.3%), has already sold off part of the invested portfolio,

**Axe Investments** (Sofinim 48.3%) main assets consist of a 40% interest in Xylos (applied ICT services and training). This company performed strongly once again in 2007. The acquisition of another company in the sector enabled them to expand their range of services even further. In addition, the investments portfolio in listed securities was increased further.

**Engelhardt Druck** (Sofinim 97.5%) is located in Germany and prints labels for the beverage and food industries. It is one of the major players in the German market. The company primarily uses offset technology. During the past year, the company focused on improving productivity and made continued efforts to develop activities in new applications with existing and new technologies. Despite these development costs and difficult market conditions, Engelhardt was nevertheless able to show increasing results in terms of EBITDA (+48.1%) and net profit (+32%).

a substantial part of the funds thus obtained having been paid back to the investors. The exit in the coming years out of the remaining part of the investments should contribute to achieving the initially envisaged return.

| (€ 1,000)                         | 2007   | 2006   |
|-----------------------------------|--------|--------|
| Turnover                          | 243    | 1,923  |
| EBITDA                            | -221   | 380    |
| Net result                        | -658   | 15     |
| Shareholders' equity (part group) | 9,453  | 10,111 |
| Net financial position            | -5,413 | -5,734 |

**IDIM** (Sofinim 37.5%) is active as real estate promoter in the Brussels real estate sector. The main asset of the company is a site in Neder-over-Heembeek. The location of this site and the lack of demand for office buildings along the perimeter of Brussels have led to an adjustment of the initial project which consisted of building several office buildings. Several options are currently being investigated. There is interest in a new development from both the public sector and several private investors. The company hopes to find a purpose for this site and the office building which has already been built, in the course of 2008.

2007 was another difficult year for the **Alural Group** (Sofinim 60.0%). The group is active in surface treatments for aluminium (powder coating). The production line in Tisselt which was renovated in 2005, still does not deliver the desired increase of productivity. On the other hand, the subsidiaries in France and Poland performed very well. The factory in Lummen and the de-coating department via a joint venture did live up to expectations. In addition, a change of management took place. The effects of productivity improvements in Tisselt at the end of 2007 and the restructuring are expected to be reflected in the figures for 2008, despite market conditions which may be slightly more difficult. All of this had an adverse effect on the turnover and the group results for 2007. Considering the circumstances, Sofinim increased its participation mid 2007 to 60%. The company is actively seeking opportunities to expand its activities abroad.



| (€ 1,000)                         | 2007   | 2006   |
|-----------------------------------|--------|--------|
| Turnover                          | 37,393 | 38,689 |
| EBITDA                            | 3,031  | 2,818  |
| Net result                        | -835   | 47     |
| Shareholders' equity (part group) | 5,131  | 5,907  |
| Net financial position            | -1,789 | -2,987 |

[www.alural.be](http://www.alural.be)

2007 was for **Egemin International** (Sofinim 28.9%) a year with many changes. A major event was the appointment of a new corporate management team. The Handling Automation division confirmed its position with good results. Egemin Consulting was consistent with its growth plan. The new management took actions to get the Business & Automation Solutions division back on track: Produmex R&D, which was causing cash drain, was divested, overhead costs were cut back, and focus was on the market and trust. Nevertheless, the performance of the Business & Automation division was poor and a strong follow-up in 2008 will be required. The overall net result was accordingly also negative. Thanks to a focused market approach with clear business models, the 2007 order intake offers a well-filled portfolio for 2008. Being in the focal point of major investments in specific target industries (pharmaceuticals, food and beverage, distribution, etc.), Egemin International strongly believes in its future as an automation partner for local and global companies.



| (€ 1,000)                         | 2007   | 2006   |
|-----------------------------------|--------|--------|
| Turnover                          | 79,190 | 82,677 |
| EBITDA                            | -688   | 1,781  |
| Net result                        | -3,842 | -393   |
| Shareholders' equity (part group) | 4,143  | 8,413  |
| Net financial position            | 3,219  | 2,637  |

[www.egemin.be](http://www.egemin.be)

**Corn. Van Loocke** had an excellent 2007. The new production entity gradually reached cruising speed. The company is one of Europe's major manufacturers of metal soaps. In addition, it produces synthetic resins and carboxyl acids. Together with other share-

holders, Sofinim sold its shares to Umicore which will incorporate the company in its international network in order to accelerate its growth.



## OTHER INVESTMENTS

AvH controlling and beneficial interest: 19.55%

SIPEF NV consolidated (31 December 2007)

(USD 1,000)

|                                   | 2007    | 2006    |
|-----------------------------------|---------|---------|
| Turnover                          | 209,489 | 163,687 |
| EBITDA                            | 70,645  | 38,069  |
| EBIT                              | 73,779  | 34,703  |
| Net result                        | 48,074  | 22,100  |
| Net cash flow                     | 58,193  | 30,552  |
| Shareholders' equity (part group) | 202,050 | 155,302 |
| Net financial position            | -8,280  | -35,215 |
| Balance sheet total               | 345,863 | 283,456 |

The agro-industrial group **Sipef**, which is listed on NYSE Euronext Brussels, is mainly active in the Far East where it manages and exploits plantations producing palm oil, rubber and tea, primarily through majority participations.

More than half of the group's turnover is realised in Sumatra (palm oil and rubber) and Java (tea). The return of the group's activities in Indonesia is very high and as such represents 68% of operating results. Interests in palm oil and rubber in Papua New Guinea have increased and 30% of turnover and operating results have already been realised there. The tea activities in Indonesia and Vietnam currently only make a limited contribution. These labour-intensive growing activities were affected by overproduction in the Far East in recent years, however, price improved at the end of 2007 following the unrest in Kenya, and 2008 promises to be a substantially better year.

The past year can be described as a year of new records for the Sipef Group, during which the prices of palm oil rose to an all-time high. There are a number of reasons for these record prices. The first and main factor was the strong increase in demand from growth countries such as India and China. The growth of bio fuels certainly played a role as well, however, not directly for palm oil. In particular, the rising prices of grain following two bad harvesting years, have led farmers around the world to switch to more grains and corn and neglect oil bearing seeds such as soy and colaseed. This means balances have been disrupted and stocks of these seeds have

dropped to a historically low level, and buyers have been obliged to follow the market. Crude oil prices rising above 100 USD/tonne have also affected vegetable oil prices and it goes without saying that the weak dollar has reinforced this rise.

This exceptional situation continues in 2008 with harvests in China being affected by bad weather conditions, sustaining the trend of expensive agricultural products. This also leads to the assumption that high prices for agricultural raw materials have become a reality which industry and consumers will have to take into account.

The rubber markets also experienced 30% price rises in 2007. Increasing demand from growth countries could not be absorbed sufficiently and unfavourable weather conditions and expensive oil (the basic raw material for synthetic rubber) also contributed to this market situation. Limited flexibility of the supply of natural rubber and the interventions of financial funds via the paper market continues to stimulate volatility.

Both products together represent 96% of the operating result of Sipef which can be considered as a pure player in this sector.

The high selling prices have not had a noteworthy effect on production costs for the time being, and this means Sipef's return across all elements of the profit and loss account have doubled in comparison with the previous year. Sipef closed 2007 with a net profit for IAS 41 of 41.3 million USD compared to 20.0 million USD in 2006. The non-recurrent elements in these results are limited to the amount of 0.6 million USD.

The operational cash flow of 63.8 million USD could therefore be spent entirely on the expansion of plantations and on the further reduction of the financial debts. Unfavourable weather conditions meant that the plantation programme has not been completed in full, although, 3,389 ha of additional plantations have already been planted in 2007.

This expansion, together with the rise of the average selling prices, translates immediately into the increase of the fair value of the plantations in accor-



dance with the calculations of IAS 41, which means an additional net result of 6.8 million USD was recorded in 2007. The net result, share of the group, in accordance with the IFRS standards, therefore amounted to 48.1 million USD, or an increase of 118% compared to last year, and representing 53.92 USD per share.

Sipef wants to become a medium-sized player as soon as possible in the palm oil and rubber market, and in the coming years, it will realise this growth priority as fast as possible by acquiring additional and good farming land in Indonesia and Papua New Guinea, with the intention of reaching 100,000 planted hectares in the group share. The focus will continue to be on palm oil, while rubber acreages will also continue to be profitable in the future.

This expansion focuses on the planting activities of the 13,000 hectares which have already been acquired in North Sumatra, while additional land will be sought in the vicinity with a view to reaching a total of 20,000 hectares. Furthermore, the company is looking forward to a sufficiently large project which can secure its future and which could potentially not be located in Sumatra. Several expansion projects are being investigated in Papua New Guinea as well, in order to at least double the current planted surface area of 12,000 hectares of oil palms and rubber trees.



In this respect, Sipef wants to promote itself as a reliable supplier of high-quality agricultural raw materials for the processing industry, whereby sustainability will play an important role for the future. There is clearly a demand for raw materials which are produced with respect for ethical, social and environmental standards, and it goes without saying that a European industrial company in growth countries must provide an answer to this. The certification processes are already underway in both Indonesia and Papua so the company can play a leading role in the sector in this respect as well.

The sale of non-core activities continues. At the beginning of 2008, the last office building in the USA was sold with a capital gain of more than 3 million USD, thus terminating the real estate activity of the group. The other activities in Brazil are still up for sale, allowing management to concentrate completely on the expansion in the Far East.



AvH controlling and beneficial interest: 75%

**NMP consolidated (31 December 2007)**

| (€ 1,000)                         | 2007   | 2006   | 2005   |
|-----------------------------------|--------|--------|--------|
| Turnover                          | 14,477 | 16,373 | 17,743 |
| EBITDA                            | 5,210  | 6,292  | 8,987  |
| EBIT                              | 3,183  | 2,749  | 2,983  |
| Net result                        | 6,258  | 2,359  | 2,104  |
| Net cash flow                     | 8,284  | 5,903  | 8,108  |
| Shareholders' equity (part group) | 35,837 | 34,526 | 32,915 |
| Net financial position            | 22,933 | 17,716 | 10,315 |
| Balance sheet total               | 64,891 | 64,060 | 64,892 |
| Personnel                         | 5      | 5      | 5      |

**Nationale Maatschappij der Pijpleidingen NV** (NMP), originally founded by the Belgian state, specialises in the construction and management of pipelines for the transport of industrial gases and products for the petrochemical industry. NMP

owns and/or manages a pipeline network of more than 800 km in Belgium. The pipelines were operated throughout the entire year of 2007 without any noteworthy problems.

After performing an ILI (In Line Inspection) on the ND150 propylene pipeline between Antwerp and Feluy, which is out use, the renovation works to make the pipeline operational again were started. This section of the pipeline will be back in use again in the autumn of 2008. NMP knew an important increase of its result thanks to an exceptional capital gain.

### PROSPECTS FOR 2008

NMP has planned further expansion projects in the port zone of Antwerp. However, the schedule needs to suit the primary investments of production units by multinational chemical concerns.

A possible delivery of nitrogen to Zeebrugge is being investigated further.

AvH controlling and beneficial interest: 50%

**HENSCHEL consolidated (31 December 2007)**

| (€ 1,000)                         | 2007   | 2006   |
|-----------------------------------|--------|--------|
| Turnover                          | 62,679 | 63,659 |
| EBITDA                            | 11,219 | 10,693 |
| EBIT                              | 8,559  | 7,783  |
| Net result                        | 8,489  | 6,774  |
| Net cash flow                     | 11,150 | 9,685  |
| Shareholders' equity (part group) | 26,268 | 16,634 |
| Net financial position            | -4,835 | -6,794 |
| Balance sheet total               | 39,675 | 32,054 |

The focus of **Henschel Engineering's** activities is, on the one hand, on the development and the manufacturing of loading containers and skips for light trucks, and, on the other hand, on the manufacturing of welded structures, with a particular emphasis

on telescopic cranes for mobile crane vehicles.

In 2006 and 2007, the welding activities were moved to the subsidiary Teleskop, founded in 2000, in Küstrin, Poland.

The branch in Antwerp employs approximately 100 people and produces loading containers and skips. The entire production process is in-house, from the steel coils, surface treatment in cathodic and coating installations to the actual end product, which is sold to the factories of Volkswagen and other automobile manufacturers.

In the Polish factory, which employs more than 450 staff members and is situated approximately 60 km from Berlin, crane arms are welded from high-grade steel by qualified welders. The structures are treated mechanically and painted, and are then sold to major manufacturers of crane products. Strong growth in this market means that considerable investments are required to ensure that Henschel can maintain its high market share.

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The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards and IFRIC interpretations effective on 31 December 2007, as approved by the European Commission.

Mississippi



CONSOLIDATED  
FINANCIAL STATEMENTS

## INCOME STATEMENT (BY NATURE)

| (€ 1,000)   | Note | 2007            | 2006            | 2005            |
|---|------|-----------------|-----------------|-----------------|
| <b>Revenue</b>  |      | <b>363,971</b>  | <b>372,034</b>  | <b>349,737</b>  |
| Rendering of services   |      | 16,655          | 18,501          | 19,800          |
| Lease revenue   |      | 9,564           | 9,621           | 25,292          |
| Real estate revenue   |      | 45,802          | 10,399          | 5,626           |
| Interest income - banking activities  |      | 118,078         | 98,158          | 92,906          |
| Commissions receivable - banking activities   |      | 24,286          | 18,283          | 18,024          |
| Revenue from construction contracts   |      | 136,847         | 209,359         | 170,102         |
| Other operating revenue   |      | 12,740          | 7,712           | 17,987          |
| <b>Other operating income</b>   |      | <b>15,960</b>   | <b>15,785</b>   | <b>14,491</b>   |
| Interest on financial fixed assets - receivables  |      | 1,902           | 692             | 776             |
| Dividends   |      | 13,942          | 15,062          | 13,541          |
| Other operating income  |      | 116             | 32              | 174             |
| <b>Operating expenses (-)</b>   |      | <b>-311,781</b> | <b>-349,450</b> | <b>-333,202</b> |
| Raw materials and consumables used (-)  | 13   | -103,805        | -160,023        | -134,775        |
| Changes in inventories of finished goods, raw materials & consumables (-)                   |      | 41              | -464            | -938            |
| Interest expenses Bank J.Van Breda & C° (-)   |      | -83,619         | -65,533         | -60,396         |
| Employee expenses (-)   | 22   | -59,885         | -59,244         | -60,266         |
| Depreciation (-)  |      | -7,184          | -6,605          | -9,319          |
| Impairment losses (-)   |      | -9,368          | -1,523          | -6,025          |
| Other operating expenses (-)  |      | -68,270         | -64,530         | -59,725         |
| Provisions  |      | 20,308          | 8,471           | -1,757          |
| <b>Profit (loss) from operating activities</b>  |      | <b>68,150</b>   | <b>38,370</b>   | <b>31,026</b>   |
| <b>Profit (loss) on assets/liabilities designated at fair value through profit and loss</b> |      | <b>56,225</b>   | <b>13,108</b>   | <b>-16,515</b>  |
| Private equity  | 11   | 45,248          | 11,639          | -17,906         |
| Financial assets held for trading   | 18   | -724            | -952            |                 |
| Investment property   | 9    | 11,048          | 1,342           | -657            |
| Derivative financial instruments  | 18   | 654             | 1,080           | 2,048           |
| <b>Profit (loss) on disposal of assets</b>  |      | <b>70,150</b>   | <b>31,416</b>   | <b>232,067</b>  |
| Realised gain(loss) on intangible and tangible assets                                       |      | 430             | 760             | 242             |
| Realised gain(loss) on investment property  |      | 5,774           |                 |                 |
| Realised gain(loss) on financial fixed assets   |      | 43,812          | 27,154          | 210,273         |
| Realised gain(loss) on other assets   |      | 20,135          | 3,502           | 21,552          |
| <b>Finance income</b>   |      | <b>30,122</b>   | <b>28,389</b>   | <b>23,917</b>   |
| Interest income   |      | 26,467          | 27,365          | 22,064          |
| Other finance income  |      | 3,655           | 1,024           | 1,854           |
| <b>Finance costs (-)</b>  |      | <b>-23,363</b>  | <b>-11,003</b>  | <b>-15,555</b>  |
| Interest expenses (-)   |      | -20,372         | -9,083          | -10,486         |
| Other finance costs (-)   |      | -2,991          | -1,920          | -5,069          |
| <b>Share of profit (loss) from equity accounted investments</b>                             | 10   | <b>113,291</b>  | <b>237,728</b>  | <b>65,631</b>   |
| <b>Other non-operating income</b>   |      | <b>1,074</b>    | <b>4,086</b>    | <b>1,919</b>    |
| <b>Other non-operating expenses (-)</b>   |      | <b>-132</b>     | <b>-13</b>      | <b>-1,681</b>   |
| <b>Profit (loss) before tax</b>   |      | <b>315,518</b>  | <b>342,081</b>  | <b>320,809</b>  |
| <b>Income taxes</b>   | 19   | <b>-12,132</b>  | <b>-12,947</b>  | <b>-14,532</b>  |
| Deferred taxes  |      | 2,330           | -160            | 3,228           |
| Current taxes   |      | -14,462         | -12,787         | -17,760         |
| <b>Profit (loss) after tax from continuing operations</b>                                   |      | <b>303,386</b>  | <b>329,135</b>  | <b>306,277</b>  |
| <b>Profit (loss) after tax from discontinued operations</b>                                 | 24   |                 |                 | <b>9,314</b>    |
| <b>Profit (loss) of the period</b>  |      | <b>303,386</b>  | <b>329,135</b>  | <b>315,591</b>  |
| Minority interests  |      | 61,997          | 21,534          | 36,605          |
| Share of the group  |      | 241,390         | 307,600         | 278,986         |
| <b>EARNINGS PER SHARE</b>   |      |                 |                 |                 |
| <b>1. Basic earnings per share</b>  |      |                 |                 |                 |
| 1.1. from continued and discontinued operations   |      | 7.27            | 9.26            | 8.36            |
| 1.2. from continued operations  |      | 7.27            | 9.26            | 8.25            |
| <b>2. Diluted earnings per share</b>  |      |                 |                 |                 |
| 2.1. from continued and discontinued operations   |      | 7.24            | 9.23            | 8.35            |
| 2.2. from continued operations  |      | 7.24            | 9.23            | 8.23            |

We refer to the segment information on page 98 for more comments on the consolidated results.

## ASSETS

| (€ 1,000)   | Note | 2007             | 2006             | 2005             |
|---|------|------------------|------------------|------------------|
| <b>I. NON-CURRENT ASSETS</b>  |      | <b>3,070,902</b> | <b>2,631,284</b> | <b>1,910,404</b> |
| <b>Intangible assets</b>  | 6    | <b>1,081</b>     | <b>1,391</b>     | <b>1,021</b>     |
| <b>Goodwill</b>   | 7    | <b>120,834</b>   | <b>117,826</b>   | <b>118,549</b>   |
| <b>Tangible assets</b>  | 8    | <b>95,449</b>    | <b>69,439</b>    | <b>55,350</b>    |
| Land and buildings  |      | 41,864           | 27,468           | 12,751           |
| Plant, machinery and equipment  |      | 21,231           | 21,772           | 25,024           |
| Furniture and vehicles  |      | 3,701            | 2,370            | 2,557            |
| Other tangible assets   |      | 1,531            | 1,462            | 1,374            |
| Assets under construction and advance payments                                  |      | 19,973           | 8,888            | 5,798            |
| Operating lease - as lessor (IAS 17)  |      | 7,150            | 7,479            | 7,847            |
| <b>Investment property</b>  | 9    | <b>462,948</b>   | <b>471,304</b>   | <b>65,157</b>    |
| <b>Participations accounted for using the equity method</b>                     | 10   | <b>611,336</b>   | <b>588,393</b>   | <b>445,041</b>   |
| <b>Financial fixed assets</b>   | 11   | <b>405,461</b>   | <b>225,278</b>   | <b>169,710</b>   |
| Private equity participations   |      | 344,692          | 162,117          | 123,869          |
| Available for sale financial fixed assets                                       |      | 20,088           | 52,694           | 42,595           |
| Receivables and warranties  |      | 40,681           | 10,466           | 3,246            |
| <b>Non-current hedging instruments</b>  | 18   | <b>15,584</b>    | <b>14,707</b>    | <b>7,098</b>     |
| <b>Amounts receivable after one year</b>  |      | <b>81,915</b>    | <b>71,951</b>    | <b>70,540</b>    |
| Finance lease receivables   | 14   | 80,143           | 70,271           | 69,691           |
| Other receivables   |      | 1,772            | 1,681            | 849              |
| <b>Deferred tax assets</b>  | 19   | <b>8,118</b>     | <b>5,579</b>     | <b>6,571</b>     |
| <b>Banks - receivables from credit institutions and clients after one year</b>  | 12   | <b>1,268,177</b> | <b>1,065,416</b> | <b>971,366</b>   |
| <b>II. CURRENT ASSETS</b>   |      | <b>1,817,052</b> | <b>2,062,496</b> | <b>2,298,040</b> |
| <b>Inventories</b>  | 13   | <b>31,825</b>    | <b>34,625</b>    | <b>35,207</b>    |
| <b>Amounts due from customers under construction contracts</b>                  | 13   | <b>7,554</b>     | <b>2,260</b>     | <b>1,899</b>     |
| <b>Investments</b>  |      | <b>613,169</b>   | <b>835,801</b>   | <b>689,393</b>   |
| Available for sale financial assets   | 11   | 612,208          | 814,994          | 689,393          |
| Financial assets held for trading   | 18   | 961              | 20,807           |                  |
| Time deposits for more than three months  |      |                  |                  |                  |
| <b>Current hedging instruments</b>  | 18   | <b>1,365</b>     | <b>896</b>       | <b>419</b>       |
| <b>Amounts receivable within one year</b>                                       |      | <b>121,606</b>   | <b>195,173</b>   | <b>161,684</b>   |
| Trade debtors   |      | 55,451           | 89,029           | 56,463           |
| Finance lease receivables   | 14   | 32,066           | 29,200           | 27,539           |
| Other receivables   |      | 34,089           | 76,944           | 77,683           |
| <b>Current tax receivables</b>  | 19   | <b>5,300</b>     | <b>5,082</b>     | <b>8,235</b>     |
| <b>Banks - receivables from credit institutions and clients within one year</b> | 12   | <b>786,272</b>   | <b>752,049</b>   | <b>1,029,507</b> |
| <b>Cash and cash equivalents</b>  |      | <b>225,547</b>   | <b>214,778</b>   | <b>351,090</b>   |
| Time deposits for less than three months  |      | 192,475          | 177,512          | 322,698          |
| Cash  |      | 33,072           | 37,265           | 28,392           |
| <b>Deferred charges and accrued income</b>                                      |      | <b>24,414</b>    | <b>21,834</b>    | <b>20,607</b>    |
| <b>III. ASSETS HELD FOR SALE</b>  |      | <b>0</b>         | <b>27,698</b>    | <b>0</b>         |
| <b>TOTAL ASSETS</b>   |      | <b>4,887,954</b> | <b>4,721,478</b> | <b>4,208,443</b> |



## EQUITY AND LIABILITIES

| (€ 1,000)  | Note | 2007             | 2006             | 2005             |
|--|------|------------------|------------------|------------------|
| <b>I. TOTAL EQUITY</b>   |      | <b>1,997,428</b> | <b>1,803,253</b> | <b>1,303,873</b> |
| Equity - group share   |      | 1,580,059        | 1,423,664        | 1,118,180        |
| Issued capital   |      | 113,907          | 113,907          | 113,907          |
| Share capital  |      | 2,295            | 2,295            | 2,295            |
| Share premium  |      | 111,612          | 111,612          | 111,612          |
| Consolidated reserves  |      | 1,360,317        | 1,151,151        | 873,447          |
| Revaluation reserves   |      | 118,545          | 169,368          | 133,228          |
| Financial assets available for sale                                    |      | 123,357          | 168,835          | 131,174          |
| Hedging reserves   |      | 3,661            | 3,551            | 1,157            |
| Translation differences  |      | -8,472           | -3,018           | 898              |
| Treasury shares (-)  |      | -12,710          | -10,762          | -2,403           |
| Minority interests   |      | 417,369          | 379,588          | 185,693          |
| <b>II. NON-CURRENT LIABILITIES</b>                                     |      | <b>603,469</b>   | <b>811,576</b>   | <b>982,023</b>   |
| Provisions   | 15   | 6,795            | 25,571           | 39,281           |
| Pension liabilities  | 23   | 1,821            | 1,518            | 1,340            |
| Deferred tax liabilities   | 19   | 24,727           | 25,444           | 31,824           |
| Financial debts  | 16   | 188,200          | 222,297          | 138,197          |
| Bank loans   |      | 114,306          | 159,681          | 75,594           |
| Subordinated loans   |      | 73,849           | 62,597           | 58,490           |
| Finance leases   |      | 45               | 20               | 3                |
| Other financial debts  |      |                  |                  | 4,110            |
| Non-current hedging instruments  | 18   | 5,175            | 4,978            | 4,395            |
| Other amounts payable after one year                                   |      | 10,419           | 11,117           | 19,424           |
| Banks - non-current debts to credit institutions, clients & securities | 17   | 366,330          | 520,651          | 747,563          |
| <b>III. CURRENT LIABILITIES</b>  |      | <b>2,287,057</b> | <b>2,106,649</b> | <b>1,922,547</b> |
| Provisions   | 15   | 165              |                  | 250              |
| Pension liabilities  | 23   | 75               | 50               | 51               |
| Financial debts  | 16   | 214,043          | 210,090          | 157,612          |
| Bank loans   |      | 30,429           | 3,085            | 11,043           |
| Subordinated loans   |      | 1,703            | 233              | 209              |
| Finance leases   |      | 14               | 5                | 5                |
| Other financial debts  |      | 181,897          | 206,768          | 146,355          |
| Current hedging instruments  | 18   | 821              | 612              | 926              |
| Amounts due to customers under construction contracts                  | 13   | 7,202            | 6,185            | 5,567            |
| Other amounts payable within one year                                  |      | 80,440           | 105,285          | 146,992          |
| Trade payables   |      | 51,681           | 77,698           | 49,446           |
| Advances received on construction contracts                            |      | 633              | 1,020            |                  |
| Amounts payable regarding remuneration and social security             |      | 15,733           | 14,806           | 12,312           |
| Other amounts payable  |      | 12,393           | 11,761           | 85,233           |
| Current tax payables   | 19   | 6,225            | 8,875            | 8,411            |
| Banks - current debts to credit institutions, clients & securities     | 17   | 1,944,161        | 1,740,485        | 1,579,845        |
| Accrued charges and deferred income                                    |      | 33,925           | 35,067           | 22,893           |
| <b>IV. LIABILITIES HELD FOR SALE</b>                                   |      | <b>0</b>         | <b>0</b>         | <b>0</b>         |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                    |      | <b>4,887,954</b> | <b>4,721,478</b> | <b>4,208,443</b> |

## CASH FLOW STATEMENT ( INDIRECT METHOD)

| (€ 1,000)   | 2007            | 2006              | 2005            |
|---|-----------------|-------------------|-----------------|
| <b>I. CASH AND CASH EQUIVALENTS, OPENING BALANCE</b>                        | <b>214,778</b>  | <b>351,090</b>    | <b>183,178</b>  |
| <b>Profit (loss) from operating activities</b>                              | <b>68,150</b>   | <b>38,370</b>     | <b>31,026</b>   |
| Dividends from participations accounted for using the equity method         | 208,026         | 27,472            | 46,359          |
| Other non-operating income (expenses)                                       | -71             | 807               | 32              |
| Income taxes  | -12,133         | -12,947           | -14,532         |
| Profit (loss) from discontinued operating activities                        |                 |                   | 21,686          |
| <b>Non-cash adjustments</b>   |                 |                   |                 |
| Depreciation  | 7,184           | 6,605             | 9,319           |
| Impairment losses   | 9,368           | 1,516             | 6,019           |
| Share based payment   | 235             | -6,066            | 2,215           |
| (Decrease)increase of provisions  | -18,499         | -8,729            | 1,524           |
| (Decrease)increase of deferred taxes  | -2,330          | 160               | -2,774          |
| Other non-cash income (expenses)  | 226             | 618               | -328            |
| <b>Cash flow</b>  | <b>260,158</b>  | <b>47,806</b>     | <b>100,545</b>  |
| <b>Decrease (increase) of working capital</b>                               | <b>-103,266</b> | <b>28,266</b>     | <b>-207,352</b> |
| Decrease (increase) of inventories and construction contracts               | 1,559           | 846               | -92             |
| Decrease (increase) of amounts receivable                                   | 55,819          | -43,829           | 2,964           |
| Decrease (increase) of receivables from credit instit. and clients (banks)  | -141,466        | 182,731           | -518,584        |
| Increase (decrease) of liabilities (other than financial debts)             | -26,517         | -49,323           | -134,140        |
| Increase (decrease) of debts to credit instit. clients & securities (banks) | 10,192          | -66,272           | 440,209         |
| Decrease (increase) other   | -2,853          | 4,113             | 2,291           |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                                  | <b>156,891</b>  | <b>76,072</b>     | <b>-106,807</b> |
| <b>Investments</b>  | <b>-647,230</b> | <b>-1,136,066</b> | <b>-255,533</b> |
| Acquisition of intangible and tangible assets                               | -14,499         | -21,744           | -12,182         |
| Acquisition of investment property  | -8,410          | -8                | -229            |
| Acquisition of financial fixed assets                                       | -354,212        | -67,822           | -25,318         |
| New amounts receivable  | -36,784         | -7,705            | -590            |
| Acquisition of investments  | -233,326        | -1,038,788        | -217,213        |
| <b>Divestments</b>  | <b>566,314</b>  | <b>981,912</b>    | <b>578,487</b>  |
| Disposal of intangible and tangible assets                                  | 927             | 517               | 2,069           |
| Disposal of investment property   | 42,914          | 2,396             |                 |
| Disposal of financial fixed assets  | 80,237          | 66,423            | 337,303         |
| Reimbursements of amounts receivable  | 1,625           | 667               | 961             |
| Disposal of investments   | 440,611         | 911,908           | 238,154         |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                                  | <b>-80,916</b>  | <b>-154,155</b>   | <b>322,954</b>  |
| <b>Financial operations</b>   |                 |                   |                 |
| Interest received   | 26,250          | 26,805            | 28,069          |
| Interest paid   | -17,676         | -6,397            | -15,825         |
| Other financial income (costs)  | -215            | 946               | -2,949          |
| (Decrease)increase of treasury shares                                       | -3,262          | -8,549            | 12              |
| (Decrease)increase of financial debts                                       | -19,544         | -43,048           | -27,384         |
| Distribution of profits   | -38,210         | -29,993           | -21,688         |
| Dividends paid to minority interests  | -17,962         | -9,975            | -8,470          |
| <b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>                                  | <b>-70,618</b>  | <b>-70,212</b>    | <b>-48,236</b>  |
| <b>II. NET VARIATION IN CASH AND CASH EQUIVALENTS</b>                       | <b>5,357</b>    | <b>-148,294</b>   | <b>167,912</b>  |
| Change in consolidation scope or method                                     | 5,409           | 11,989            |                 |
| Impact of exchange rate changes on cash and cash equivalents                | 3               | -7                |                 |
| <b>III. CASH AND CASH EQUIVALENTS - ENDING BALANCE</b>                      | <b>225,547</b>  | <b>214,778</b>    | <b>351,090</b>  |

A detailed cash flow statement per segment is presented on page 102.

## STATEMENT OF CHANGES IN EQUITY

|  | Revaluation reserves |                       |                                     |                  |                         |                 |                      | Minority interests | TOTAL EQUITY     |
|--|----------------------|-----------------------|-------------------------------------|------------------|-------------------------|-----------------|----------------------|--------------------|------------------|
|  | Issued capital       | Consolidated reserves | Financial assets available for sale | Hedging reserves | Translation differences | Treasury shares | Equity - group share |                    |                  |
| <b>OPENING BALANCE, 1 JANUARY 2006</b>   | <b>113,907</b>       | <b>873,447</b>        | <b>131,174</b>                      | <b>1,157</b>     | <b>898</b>              | <b>-2,403</b>   | <b>1,118,180</b>     | <b>185,692</b>     | <b>1,303,873</b> |
| Distribution of dividends of the previous financial year                       |                      | -29,993               |                                     |                  |                         |                 | -29,993              | -9,975             | -39,968          |
| Profit (loss) of the period  |                      | 307,600               |                                     |                  |                         |                 | 307,600              | 21,534             | 329,135          |
| <i>Changes in revaluation reserves - fully consolidated companies</i>          |                      |                       | 37,713                              | 3,342            | -9                      |                 | 41,046               |                    |                  |
| <i>Changes in revaluation reserves - accounted for using the equity method</i> |                      |                       | -52                                 | -948             | -3,907                  |                 | -4,906               |                    |                  |
| Total income and expenses of the period  |                      |                       | 37,661                              | 2,394            | -3,916                  |                 | 36,139               | -1,076             | 35,063           |
| Operations with treasury shares  |                      |                       |                                     |                  |                         | -8,359          | -8,359               |                    | -8,359           |
| Other (a.o. changes in consol. scope / shareholders%)                          |                      | 97                    |                                     |                  |                         |                 | 97                   | 183,413            | 183,510          |
| <b>ENDING BALANCE, 31 DECEMBER 2006</b>  | <b>113,907</b>       | <b>1,151,151</b>      | <b>168,835</b>                      | <b>3,551</b>     | <b>-3,018</b>           | <b>-10,762</b>  | <b>1,423,664</b>     | <b>379,588</b>     | <b>1,803,253</b> |
| <b>OPENING BALANCE, 1 JANUARY 2007</b>   | <b>113,907</b>       | <b>1,151,151</b>      | <b>168,835</b>                      | <b>3,551</b>     | <b>-3,018</b>           | <b>-10,762</b>  | <b>1,423,664</b>     | <b>379,588</b>     | <b>1,803,253</b> |
| Distribution of dividends of the previous financial year                       |                      | -38,216               |                                     |                  |                         |                 | -38,216              | -17,962            | -56,178          |
| Profit (loss) of the period  |                      | 241,390               |                                     |                  |                         |                 | 241,390              | 61,997             | 303,386          |
| <i>Changes in revaluation reserves - fully consolidated companies</i>          |                      |                       | -46,025                             | -635             | 3                       |                 | -46,657              | -931               | -47,588          |
| <i>Changes in revaluation reserves - accounted for using the equity method</i> |                      |                       | 547                                 | 745              | -5,458                  |                 | -4,166               | 148                | -4,018           |
| Total income and expenses of the period  |                      |                       | -45,478                             | 110              | -5,455                  |                 | -50,823              | -783               | -51,606          |
| Operations with treasury shares  |                      |                       |                                     |                  |                         | -1,948          | -1,948               |                    | -1,948           |
| Other (a.o. changes in consol. scope / shareholders%)                          |                      | 5,991                 |                                     |                  |                         |                 | 5,991                | -5,470             | 521              |
| <b>ENDING BALANCE, 31 DECEMBER 2007</b>  | <b>113,907</b>       | <b>1,360,317</b>      | <b>123,357</b>                      | <b>3,661</b>     | <b>-8,472</b>           | <b>-12,710</b>  | <b>1,580,059</b>     | <b>417,369</b>     | <b>1,997,428</b> |

### GENERAL DATA REGARDING THE CAPITAL

#### Issued capital

The issued capital amounts to 2,295,277.90 euro. The capital is fully paid-up and is represented by 33,496,904 shares without nominal value.

| Capital               | 2007       | 2006       |  | 2007           | 2006           |
|-----------------------|------------|------------|--|----------------|----------------|
| Number of shares      | 33,496,904 | 33,496,904 | <b>Treasury shares – opening balance</b> | <b>265,894</b> | <b>132,644</b> |
| Number of VVPR Strips | 6,733,984  | 6,733,984  | Acquisition of treasury shares           | 38,458         | 165,300        |
|                       |            |            | Disposal of treasury shares              | -11,500        | -32,050        |
|                       |            |            | <b>Treasury shares – ending balance</b>  | <b>292,852</b> | <b>265,894</b> |

#### Authorised capital

In the events set out in the special report approved by the extraordinary general meeting of 8 August 2005, the board of directors is authorised to increase the company's capital during a period of five years as of 14 September 2005, once or several times, in a maximum amount of 500,000 euros.

The board of directors can also make use of the authorised capital, in case of a public take over bid on securities issued by the company, in accordance with the provisions and within the limits of article 607 of the Company Code. This authorisation is valid for a period of 3 years as from 3 July 2007.

#### Capital management

AvH has a considerable cash reserve that is partially invested in short-term deposits with renowned financial institutions with which it has a long term relationship, and partially in liquid shares, such as KBC Group and Fortis.

Notwithstanding the fact that AvH disposes of a positive net cash position, it has short term financial debts in the form of commercial paper. The current programs allow AvH to issue commercial paper in an aggregate amount of 250 million euros. At the end of 2007, commercial paper was issued for only 43.3 million euros. AvH has confirmed credit lines which largely exceed this amount.

As a general rule, AvH and subholdings do not make commitments or grant securities with respect to the liabilities of the operational group companies. Only in specific cases, exceptions are made to this rule.

## Note 1: IFRS valuation rules

### STATEMENT OF COMPLIANCE

The consolidated annual accounts are prepared in accordance with the International Financial Reporting Standards and IFRIC interpretations effective on 31 December 2007, as approved by the European Commission.

In compliance with IFRS 1, AvH has applied the following options to prepare the opening balance as at 1 January 2004:

- business combinations with origin before the transition date are not restated;
- the cumulative translation differences are included in the consolidated reserves;
- all actuarial gains and losses on post employment obligations are recognised in equity;
- for the application of IFRS 2 'share-based payment', only options granted after 7 November 2002 have been processed;
- the transitional provisions of IFRS 4 for Insurance have been applied.

### BASIS OF PRESENTATION

The consolidated annual accounts have been prepared on a historical cost basis, except for financial instruments and assets which are measured at fair value. The opening balance as at 1 January 2004 has been prepared in accordance with IFRS 1.

### PRINCIPLES OF CONSOLIDATION

The consolidated annual accounts contain the financial details of AvH NV, its subsidiaries and jointly controlled companies, as well as the share of the group in the results of the associated companies.

#### 1. Subsidiaries

Subsidiaries are entities which are controlled by the group. Control exists when AvH has the power to steer the financial and operational management of a company in order to obtain benefit from its activities. The participating interests in subsidiaries are consolidated in full as from the date of acquisition until the end of the control.

The financial statements of the subsidiaries have been prepared for the same reporting period as AvH and uniform IFRS valuation rules have been used. All intra-group transactions and unrealised intra-group profits and losses on transactions between group companies have been eliminated. Unrealised losses have been eliminated unless they concern an impairment.

#### 2. Jointly controlled subsidiaries and associated participating interests

##### Jointly controlled subsidiaries

Companies which are controlled jointly (defined as those entities in which the group has joint control, among others via the shareholders' percentage or contractual agreement with one or more entities of the joint venture) are included on the basis of the equity method as from the date of acquisition until the end of the control.

##### Associated participating interests

Associated participating interests in which the group has a considerable and significant influence, more specifically companies in which AvH has the power to participate (not control) the financial and operational management decisions of the participation, are included in accordance with the equity method, as from the date of acquisition until the end of the control.

##### The equity method

According to the equity method, the participating interests are initially recorded at cost and the carrying amount is subsequently modified to include the share of the group in the profit or loss of the participating interest, as from the date of purchase.

The financial statements of these companies are prepared for the same reporting period as AvH and uniform IFRS valuation rules are applied. Unrealised intra-group profits and losses on transactions are eliminated to the extent of the interest in the company.

#### 3. Private Equity participations of Sofinim

The jointly controlled subsidiaries and the associated participating interests in the venture capitalist Sofinim are measured pursuant to IAS 31, § 1 and IAS 28, § 1, at fair value in accordance with IAS 39. They are presented in the balance sheet as "private equity participations" whereby the changes in fair value are included in the result of the period when occurred.

##### Valuation techniques

Financial assets measured at fair value through profit or loss are equity instruments that belong to the investment portfolio of Sofinim, including the jointly controlled subsidiaries and the associated participating interests.

At the moment of acquisition, the fair value equals the acquisition price as such price has been agreed in a third party transaction. Subsequently, the fair value is adjusted in accordance with the results of the entity concerned. For listed equity instruments, the fair value equals in principle the stock price, except when such stock price is deemed not to be representative in light of the size of the participation and the market liquidity of the equity instrument. Should this be the case, the valuation prior is taken into account.

Realised profits and losses on these investments are calculated as the difference between the selling price and the carrying amount of the investment at the time of the sale.

All buying and selling of financial assets in accordance with standard market conventions are recorded on transaction date, i.e. the date when the group agreed to the purchase.

### INTANGIBLE FIXED ASSETS

Intangible fixed assets with a finite useful life are stated at cost, less accumulated amortisation and any accumulated impairment losses.

Intangible fixed assets are amortised on a straight-line basis over the useful economic life. The useful economic life is stated per annum and this is also the case for any residual value. The residual value is assumed to be zero.

Intangible fixed assets with indefinite useful life, stated at cost, are not amortised but are subject to an impairment test on an annual basis and whenever indications of a possible impairment occur.

Costs for starting up new activities are included in the profit or loss at the time they occur.

Research expenses are taken into profit or loss in the period in which they arise. Development expenses that meet the severe recognition criteria of IAS 38 are capitalised and amortised over the useful life.



## GOODWILL

Goodwill is the positive difference between the cost of the business combination and the share of the group in the fair value of the acquired assets, the acquired liabilities and contingent liabilities of the subsidiary, jointly controlled subsidiary or associated participating interests at the time of the acquisition.

Goodwill is not amortised but is subject to an annual impairment test and whenever indications of a possible impairment have occurred.

## TANGIBLE FIXED ASSETS

Tangible fixed assets are carried at cost or production cost less accumulated amortisations and any impairments.

Tangible fixed assets are amortised on a straight-line basis over the useful economic life. The useful life is reviewed on a yearly basis and this is also the case for any residual value.

Repair and maintenance expenses for tangible assets are recognised as an expense in the period in which they occur, unless they result in an increase of the future economic benefit of the respective tangible fixed assets, which justifies their capitalisation.

Assets under construction are amortised as from the time they are taken into use.

Government grants are recorded as deferred income and taken into profit as income over the useful life of the asset following a systematic and rational basis.

## IMPAIRMENT OF FIXED ASSETS

On each closing date, the group verifies whether there are indications that an asset is subject to an impairment. In the event that such indications are present, an estimation is made of the recoverable amount. When the carrying amount of an asset is higher than the recoverable amount, an impairment is recorded in order to bring the carrying amount of the asset back to the recoverable amount.

The recoverable amount of an asset is defined as the higher of the fair value minus costs to sell (assuming a voluntary sale) and the value in use (based upon the net present value of the estimated future cash flows).

Any resulting impairments are charged to the profit and loss account. Previously recorded impairments, except on goodwill and available for sale financial assets, are reversed through the profit and loss account when they are no longer valid.

## LEASING AND RELATED RIGHTS - INVESTMENT PROPERTY

### 1. The group's company is lessee

**Finance lease** (group's company carries all substantial risks and rewards of ownership)

At the start of the lease period, the assets and liabilities are recognised at fair value of the leased asset or if lower, the net present value of the minimum lease payments, as determined at the time of the beginning of the lease. The discount rate used for the calculation of the net present value of the minimum lease payments is the interest rate implied in the lease agreement, insofar as this rate can be determined. In the other case, the marginal interest rate of the lessee is to be used.

**Operating lease** (substantial risks and rewards remain with the lessor)

The lease payments are recognised at cost on a straight-line basis over the lease period, unless a different systematic basis better represents the time pattern of the rewards for the user.

### 2. The group's company is acting as lessor

**Finance lease**

The finance lease contracts are recorded in the balance sheet under the long and short-term receivables at the present value of the future lease payments and the residual value, irrespective of whether the residual value is guaranteed. The accrued interests are recognised in the income statement, calculated at the interest rate implied in the lease.

Acquisition costs related to lease contracts and allocatable to the contract are recorded in the income statement across the term of the contract. Acquisition costs which cannot be allocated to a contract (super commission, certain campaigns) are immediately recorded in the income statement.

**Operating lease**

The operating leases concern leases which do not qualify as a finance lease. A distinction is made between operating leases which, in accordance with IAS 17, are measured at cost, and operating leases which are considered as investment property and which, in accordance with IAS 40.33 are measured at fair value by which means the changes in fair value are recorded in the profit and loss account. The difference between both types depends on the calculation method of the option. If the call option takes into account the market value, the contract will be qualified as a property investment. In all other cases, these contracts are considered as operating leases in accordance with IAS 17.

### 3. Investment property – leased buildings

Investment property is measured at fair value through profit or loss.

On a yearly basis, the fair value of the leased buildings is determined upon valuation reports.

## FINANCIAL INSTRUMENTS

### 1. Available-for-sale financial assets

Available-for-sale shares and securities are measured at fair value. Changes in fair value are reported in equity until the sale or impairment of the investments, in which case the cumulative revaluation is recorded in the income statement.

When the fair value of a financial asset cannot be defined reliably, it is valued at cost.

When a decline in the fair value of an available-for-sale financial asset had been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative losses that had been recognised directly in equity are recorded in the profit and loss account.

### 2. Financial assets designated at fair value through profit or loss

Changes in fair value of 'financial assets designated at fair value through profit or loss', in particular 'private equity participating interests', are recorded in the profit and loss account.

### 3. Derivative financial instruments

The operational subsidiaries belonging to the Ackermans & van Haaren group are each responsible for their risk management, such as exchange risk, interest risk, credit risk, commodity risk, etc. The risks vary according to the particular business where the subsidiaries are active and therefore they are not managed centrally at group level. The respective executive committees report to their board of directors or audit committee regarding their hedging policy.

At the level of Ackermans & van Haaren NV and subholdings, the (mainly) interest risks are however managed centrally by the AvH Coordination Centre. Derivative instruments are initially valued at cost. Subsequently, these instruments are recorded in the balance sheet at their fair value; the changes in fair value are reported in the income statement unless these instruments are part of hedging transactions.

#### Cash flow hedges

The value fluctuations of a derivative financial instrument that complies with the strict conditions for recognition as a cash flow hedge are recorded in equity for the effective part.

The ineffective part is recorded directly in the profit and loss account. The hedging results are recorded out of equity into the profit and loss account at the moment the hedged transaction influences the result.

#### Fair value hedges

Changes in fair value of a derivative instrument that is formally allocated to hedge the changes of fair value of recorded assets and liabilities, are recognised in the profit and loss account together with the profits and losses caused by the fair value revaluation of the hedged component.

The value fluctuations of derivative financial instruments which do not meet the criteria for fair value hedge or cash flow hedge are recorded directly in the profit and loss account.

### 4. Interest-bearing debts and receivables

Financial debts and receivables are valued at amortised cost using the effective interest method.

### 5. Trade receivables and other receivables

Trade receivables and other receivables are valued at nominal value, less any impairments for uncollectible receivables.

### 6. Cash and cash equivalents

Cash and cash equivalents consist of cash and short-term investments and are recorded on the balance sheet at nominal value.

### INVENTORIES / CONSTRUCTION CONTRACTS

Inventories are valued at cost (purchase or production cost) according to the FIFO method (first in, first out) or at net realisable value when this is lower. The production cost comprises all direct and indirect costs incurred in bringing the inventories to their completion at balance sheet date and this corresponds with the estimated sales prices in normal circumstances, minus the handling, marketing and distribution costs (net realisable value).

Construction contracts are valued according to the Percentage of Completion method whereby the result is recognised in accordance with progress of the works. Expected losses are immediately recognised as an expense.

### CAPITAL AND RESERVES

Costs which are related to a capital transaction are deducted from the capital.

The purchase of treasury shares is deducted from equity at purchase price. Subsequent sale or cancellation at a later date does not affect the result; profits and losses with regard to treasury shares are recorded directly in equity.

### TRANSLATION DIFFERENCES

#### Statutory accounts

Transactions in foreign currency are recorded at the exchange rate on the date of the transaction. Positive and negative unrealised translation differences, resulting from the calculation of monetary assets and liabilities at closing rate on balance sheet date, are recorded as income or cost respectively in the profit and loss account.

#### Consolidated accounts

Based upon the closing rate method, assets and liabilities of the consolidated subsidiary are converted at closing rate, while the income statement is converted at the average rate of the period, which results in translation differences included in the consolidated equity.

### PROVISIONS

A provision is recognised if a company belonging to the group has a (legal or indirect) obligation as a result of a past event, and it is probable that the settlement of this obligation will require an outflow and the amount of this obligation can be determined in a reliable manner.

In the event that the difference between the nominal and discounted value is significant, a provision is recorded for the amount of the discounted value of the estimated expenses. The resulting increase of the provision in proportion to the time is recorded as an interest charge.

#### Restructuring

Provisions for restructuring costs are only recognised when the group already has a detailed and approved restructuring plan and the planned restructuring has already started or been announced to the relevant staff members. No provisions are made for costs relating to the normal activities of the group.

#### Guarantees

A provision is made for warranty obligations relating to delivered products, services and contracts, based upon statistical data from the past.

### CONTINGENT ASSETS AND LIABILITIES

Contingent assets and liabilities are mentioned in the notes if their impact is important.

### TAXES

Taxes are composed of current and deferred taxes. Both types of taxes are recorded in the profit and loss accounts except when they relate to components being part of the equity and therefore allocated to the equity.

Deferred taxes are based upon the balance sheet method applied on temporary differences between the carrying amount of the assets and liabilities of the balance sheet and their tax base. The main temporary differences consist of different amortisation percentages of tangible fixed assets, provisions for pensions and carry-forward tax losses.

Deferred tax liabilities are recognised for all taxable temporary differences:

- except when the deferred tax liability arises from the original recognition of goodwill or the initial recording of assets and liabilities in a transaction that is not a business combination and that at the time of the transaction has no impact on the taxable profit.
- except with regard to investments in subsidiaries, joint and associated companies, where the group is able to control the date when the temporary difference will be reversed, and it is not likely that the temporary difference will be reversed in the foreseeable future.

Deferred tax assets are recorded for all deductible temporary differences and on carry-forward tax credits and tax losses that can be recovered, to the extent that it is probable that there will be taxable profits in the near future in order to be able to enjoy the tax benefit. The carrying amount of the deferred tax assets is verified on every balance sheet date and impaired to the extent that it is no longer probable that sufficient taxable profit will be available to credit all or part of the deferred taxes.

Deferred tax assets and liabilities are determined using the tax rates that are expected to apply for the years when these temporary differences will be realised or settled, based on tax percentages which are enacted or confirmed on the balance sheet date.

## EMPLOYEE BENEFITS

Employee benefits consist of short-term employee benefits, post-employment benefits, other long-term employee benefits, redundancy pay and rewards in equity instruments.

The post-employment benefits include the pension plans, life insurance policies and insurance policies for medical assistance. Pension plans with fixed contribution or defined benefit plans are provided through separate funds or insurance plans. In addition, employee benefits consisting of equity instruments also exist.

### Pension plans

#### Defined Contribution Plans

The defined contribution is charged to the profit and loss account of the year to which it relates.

#### Defined Benefits Plans

The defined benefit liability at balance sheet date is calculated on the basis of the present value of the pension obligations, plus (minus) the unrecognised actuarial gains (losses) and after deduction of the fair value of the pension plan assets as well as the costs for services performed in the past which have not been recorded yet. In the event that this calculation results in a positive balance, the asset is restricted to the net total of all unrecognised costs of performed services and net present value of any repayments whatsoever of the plan or reductions of future contributions to the plan.

If a new plan is introduced or modifications are made to the existing plan, the costs relating to services rendered in the past (or 'past service costs') are recognised as an expense on a straight-line basis until the benefits are 'vested'. To the extent that the pension benefits are vested immediately, the past service costs are included immediately in the income statement.

The amount which is recorded in the profit and loss account consists of the current service expense, any recognised past service costs, the interest cost, the estimated return on plan assets and the actuarial gains and losses.

## Employee benefits in equity instruments

Different stock option plans exist within the Ackermans & van Haaren group, giving employees the right to buy AvH shares or the shares of some subsidiary at a predefined price. This price is determined at the time when the options are granted and it is based on the market price or the intrinsic value.

Furthermore, warrant plans have been established at the level of some subsidiaries.

The performance of the beneficiary is measured on the basis of the fair value of the granted options and warrants and recognised in the profit and loss account at the time when the services are rendered, during the vesting period.

## RECOGNITION OF REVENUE

The revenue is recognised in accordance with IFRS standards taking into account the specific activities of each sector.

## DISCONTINUED OPERATIONS

The assets, liabilities and net results of the discontinued operations are reported separately in a single item on the consolidated balance sheet and profit and loss account. The same reporting applies for assets and liabilities held for sale.

## EVENTS AFTER BALANCE SHEET DATE

Events may occur after the balance sheet date which provide additional information with regard to the financial situation of the company at balance sheet date (adjusting events). This information allows the adjustment of estimations and a better reflection of the actual situation on the balance sheet date. These events require an adjustment of the balance sheet and the profit and loss account. Other events after balance sheet date are mentioned in the notes if they have a significant impact.

## EARNINGS PER SHARE

The group calculates both the basic earnings per share as the diluted earnings per share in accordance with IAS 33. The basic earnings per share are calculated on the basis of the weighted average number of outstanding shares during the period. Diluted earnings per share are calculated according to the average number of shares outstanding during the period plus the diluted effect of the warrants and stock options outstanding during the period.

## SEGMENT REPORTING

### 1. Primary segment reporting

Ackermans & van Haaren is currently a diversified group which is active in the following core sectors:

1. **Contracting, dredging and concessions** with DEME, one of the largest dredging companies in the world, Rent-A-Port, Algemene Aannemingen Van Laere, a major contractor in Belgium, and Société Nationale de Transport par Canalisation.

2. **Real estate and related services** with Leasinvest Real Estate, a listed real-estate investment trust, Extensa Group, an important land and real estate developer, Cobelguard, active in the security market and Groupe Financière Duval, active in development and operating of real estate, leisure parks and housing for the elderly in France.

3. **Financial services** with Bank Delen, one of the largest independent private asset managers in Belgium, Bank J.Van Breda & C°, a niche-bank for entrepreneurs and liberal professions in Belgium and the insurance group BDM-ASCO.

4. **Private equity** with Sofinim, one of the largest risk capital providers in Belgium, and GIB.

5. The headquarter activity is bundled in the 5<sup>th</sup> segment **AvH and subholdings**.

Until mid 2005, Solvus was the core activity of the Human Resources services segment.

## 2. Secondary segment reporting

The activities of the fully consolidated companies are mainly concentrated in Belgium-Luxemburg. Extensa recently invested in Romania, Slovakia and Turkey.

## Note 2: Subsidiaries and jointly controlled subsidiaries

### 1. Fully consolidated subsidiaries

| Name of subsidiary                                     | Registration nr     | Registered office | Beneficial interest % 2007 | Beneficial interest % 2006 |
|--|---------------------|-------------------|----------------------------|----------------------------|
| <b>CONTRACTING, DREDGING &amp; CONCESSIONS</b>         |                     |                   |                            |                            |
| <b>Algemene Aannemingen Van Laere</b>                  | <b>0405.073.285</b> | <b>Belgium</b>    | <b>100.00%</b>             | <b>100.00%</b>             |
| Anmeco   | 0458.438.826        | Belgium           | 100.00%                    | 100.00%                    |
| Groupe Thiran  | 0425.342.624        | Belgium           | 99.95%                     | 99.95%                     |
| TPH Van Laere  | 43.434.858.544      | France            | 99.76%                     | 99.76%                     |
| V.P.N. <sup>(1)</sup>                                  | 86.325.696.375      | France            |                            | 74.50%                     |
| Van Laere Infrabouw                                    | 810.124.282         | Holland           | 100.00%                    | 90.00%                     |
| Vandendorpe  | 0417.029.625        | Belgium           | 90.32%                     | 90.32%                     |
| Wefima   | 0424.903.055        | Belgium           | 100.00%                    | 100.00%                    |
| <b>Société Nationale de Transport par Canalisation</b> | <b>0418.190.556</b> | <b>Belgium</b>    | <b>75.00%</b>              | <b>75.00%</b>              |
| Quinten Matsys   | 0424.256.125        | Belgium           | 75.00%                     | 75.00%                     |
| Corepi   | 1993.2215.066       | Luxembourg        | 75.00%                     | 75.00%                     |
| <b>REAL ESTATE AND RELATED SERVICES</b>                |                     |                   |                            |                            |
| <b>Extensa Group</b>                                   | <b>0425 459 618</b> | <b>Belgium</b>    | <b>100.00%</b>             | <b>100.00%</b>             |
| Citérim  | 0450.016.058        | Belgium           | 100.00%                    | 100.00%                    |
| Extensa  | 0466.333.240        | Belgium           | 100.00%                    | 100.00%                    |
| Extensa Istanbul <sup>(2)</sup>                        | 566454 / 514036     | Turkey            |                            | 100.00%                    |
| Extensa Land I   | 0465.058.085        | Belgium           | 100.00%                    | 100.00%                    |
| Extensa Land II  | 0406.211.155        | Belgium           | 100.00%                    | 100.00%                    |
| Extensa Luxembourg                                     | 1999.2229.988       | Luxembourg        | 100.00%                    | 100.00%                    |
| Extensa Nederland                                      | 801.966.607         | Holland           | 100.00%                    | 100.00%                    |
| Extensa Participations I                               | 2004.2421.120       | Luxembourg        | 100.00%                    | 100.00%                    |
| Extensa Participations II                              | 2004.2421.090       | Luxembourg        | 100.00%                    | 100.00%                    |
| Extensa Slovakia                                       | 36.281.441          | Slovakia          | 100.00%                    | 100.00%                    |
| Grossfeld Immobilière                                  | 2001.2234.458       | Luxembourg        | 100.00%                    | 100.00%                    |
| Implant <sup>(3)</sup>                                 | 434.171.208         | Belgium           | 100.00%                    |                            |
| Kinna Finance  | 0465.054.523        | Belgium           | 100.00%                    | 100.00%                    |
| Kinna I  | 0465.054.721        | Belgium           | 100.00%                    | 100.00%                    |
| Kinna II   | 0465.054.919        | Belgium           | 100.00%                    | 100.00%                    |
| Leasinvest Finance                                     | 0461.340.215        | Belgium           | 100.00%                    | 100.00%                    |
| Leasinvest Real Estate Management                      | 0466.164.776        | Belgium           | 100.00%                    | 100.00%                    |
| Metropool 2000   | 0444.461.225        | Belgium           | 100.00%                    | 100.00%                    |
| Stevibis   | 0446.953.135        | Belgium           | 100.00%                    | 100.00%                    |
| UPO Invest   | 0473.705.438        | Belgium           | 100.00%                    | 100.00%                    |
| Vilvolease   | 0456.964.525        | Belgium           | 100.00%                    | 100.00%                    |
| <b>Leasinvest Real Estate<sup>(4)</sup></b>            | <b>0436.323.915</b> | <b>Belgium</b>    | <b>30.01%</b>              | <b>29.23%</b>              |
| De Leeuwe <sup>(5)</sup>                               | 0457.482.583        | Belgium           |                            | 29.23%                     |
| Leasinvest Real Estate Facility Services               | 0878.901.063        | Belgium           | 29.71%                     | 28.94%                     |
| Leasinvest Immo Lux                                    | 1991.8500.012       | Luxembourg        | 28.87%                     | 27.96%                     |
| Leasinvest Immo Lux Conseil                            | 1991.4000.036       | Luxembourg        | 30.01%                     | 29.23%                     |
| Logistics Finance I <sup>(5)</sup>                     | 0418.979.325        | Belgium           |                            | 29.23%                     |
| Warehouse Finance <sup>(5)</sup>                       | 0419.819.463        | Belgium           |                            | 29.23%                     |
| <b>FINANCIAL SERVICES</b>                              |                     |                   |                            |                            |
| <b>Bank J. Van Breda &amp; C°</b>                      | <b>0404.055.577</b> | <b>Belgium</b>    | <b>75.00%</b>              | <b>75.00%</b>              |
| Van Breda Car Finance                                  | 0475.277.432        | Belgium           | 75.00%                     | 75.00%                     |
| Beherman Vehicle Supply                                | 0473.162.535        | Belgium           | 60.00%                     | 60.00%                     |
| Beherman Vehicle Finance                               | 0473.376.232        | Belgium           | 60.00%                     | 60.00%                     |
| Station Zuid   | 0454.664.041        | Belgium           | 75.00%                     | 75.00%                     |
| Fracav   | 0449.881.545        | Belgium           | 75.00%                     |                            |
| <b>Finaxis</b>   | <b>0462.955.363</b> | <b>Belgium</b>    | <b>75.00%</b>              | <b>75.00%</b>              |
| <b>PRIVATE EQUITY</b>                                  |                     |                   |                            |                            |
| <b>Sofinim</b>   | <b>0434.330.168</b> | <b>Belgium</b>    | <b>74.00%</b>              | <b>74.00%</b>              |
| Sofinim Luxembourg                                     | 2003.2218.661       | Luxembourg        | 74.00%                     | 74.00%                     |
| Mabeco   | 0428.604.101        | Belgium           | 74.00%                     | 74.00%                     |

(1) Van Laere sold its participation in V.P.N. (France) at the beginning of 2007.

(2) Since the sale of 50% to its partners in Turkey, Extensa Istanbul has become a jointly controlled subsidiary accounted for using the equity method.

(3) Implant evolved in 2007 from a jointly controlled subsidiary (50%) to a fully consolidated subsidiary after the acquisition of the other 50% of the shares.

(4) The control over Leasinvest Real Estate is the result of a shareholders' agreement between Extensa and Axa Belgium.

(5) De Leeuwe, Logistics Finance and Warehouse Finance merged with Leasinvest Real Estate in October 2007.

## Note 2: Subsidiaries and jointly controlled subsidiaries (continued)

| Name of subsidiary        | Registration nr | Registered office | Beneficial interest % 2007 | Beneficial interest % 2006 |
|---------------------------|-----------------|-------------------|----------------------------|----------------------------|
| <b>SUBHOLDINGS AvH</b>    |                 |                   |                            |                            |
| Anfima                    | 0426.265.213    | Belgium           | 100.00%                    | 100.00%                    |
| Anima Care <sup>(6)</sup> | 0469.969.453    | Belgium           | 100.00%                    |                            |
| AvH Coordination Center   | 0429.810.463    | Belgium           | 99.68%                     | 99.68%                     |
| Avafin-Re                 | 1991.2210.289   | Luxembourg        | 100.00%                    | 100.00%                    |
| Brinvest                  | 0431.697.411    | Belgium           | 98.71%                     | 98.71%                     |
| NIM                       | 0403.232.661    | Belgium           | 100.00%                    | 100.00%                    |
| Profimolux                | 1992.2213.650   | Luxembourg        | 100.00%                    | 100.00%                    |
| Protalux                  | 1991.4015.963   | Luxembourg        | 100.00%                    | 100.00%                    |
| Urbaninfra <sup>(7)</sup> | 0419.510.944    | Belgium           |                            | 100.00%                    |

(6) Following the modification of the shareholder structure of Alural (by which Sofinim has become a direct shareholder of Alural and no longer indirectly via Alurfin), AvH has acquired 100% of the capital of Alurfin and has changed its name into Anima Care.

(7) Urbaninfra merged with NIM at the beginning of 2007.

### 2. Jointly controlled subsidiaries accounted for using the equity method

| (€ 1,000)  | Registration nr.      | Registered office | Beneficial interest % 2007 | Beneficial interest % 2006 | Total assets     | Total liabilities | Turnover         | Net result    |
|--|-----------------------|-------------------|----------------------------|----------------------------|------------------|-------------------|------------------|---------------|
| <b>CONTRACTING, DREDGING &amp; CONCESSIONS</b>         |                       |                   |                            |                            |                  |                   |                  |               |
| <b>D.E.M.E.</b>  | <b>0400.473.705</b>   | <b>Belgium</b>    | <b>50.00%</b>              | <b>50.00%</b>              | <b>1,472,593</b> | <b>1,061,994</b>  | <b>1,313,863</b> | <b>90,158</b> |
| <b>Rent-A-Port</b>                                     | <b>0885.565.854</b>   | <b>Belgium</b>    | <b>45.00%</b>              |                            | <b>13,383</b>    | <b>10,153</b>     | <b>4,639</b>     | <b>1,875</b>  |
| <b>Société Nationale de Transport par Canalisation</b> |                       |                   |                            |                            |                  |                   |                  |               |
| Corenox  | 0444.375.608          | Belgium           | 37.50%                     | 37.50%                     | 566              | 57                | 689              | 37            |
| Napro  | 0437.272.139          | Belgium           | 37.50%                     | 37.50%                     | 547              | 138               | 195              | 130           |
| Nitraco  | 0450.334.376          | Belgium           | 37.50%                     | 37.50%                     | 10,374           | 8,615             | 1,642            | 245           |
| Pipe-Line Antwerp-Limbourg-Liège <sup>(1)</sup>        | 0417.381.397          | Belgium           |                            | 38.25%                     |                  |                   |                  |               |
| <b>REAL ESTATE AND RELATED SERVICES</b>                |                       |                   |                            |                            |                  |                   |                  |               |
| <b>Extensa Group</b>                                   |                       |                   |                            |                            |                  |                   |                  |               |
| Implant <sup>(2)</sup>                                 | 0434.171.208          | Belgium           |                            | 50.00%                     |                  |                   |                  |               |
| Leasinvest Development                                 | 0405.767.232          | Belgium           | 100.00%                    | 100.00%                    | 1,962            | 4                 | 0                | 83            |
| Project T&T  | 0476.392.437          | Belgium           | 50.00%                     | 50.00%                     | 14,554           | 12,265            | 969              | 317           |
| T&T Koninklijk Pakhuis                                 | 0863.090.162          | Belgium           | 50.00%                     | 50.00%                     | 79,008           | 57,720            | 4,583            | 6,082         |
| T&T Openbaar Pakhuis                                   | 0863.093.924          | Belgium           | 50.00%                     | 50.00%                     | 19,508           | 14,004            | 2,361            | 5,028         |
| T&T Parking  | 0863.091.251          | Belgium           | 50.00%                     | 50.00%                     | 8,300            | 6,384             | 356              | 661           |
| Extensa Istanbul                                       | 566.454/514036        | Turkey            | 50.00%                     | 100.00%                    | 4,222            | 4,265             | 0                | -431          |
| <b>FINANCIAL SERVICES</b>                              |                       |                   |                            |                            |                  |                   |                  |               |
| <b>ASCO</b>  | <b>0404.454.168</b>   | <b>Belgium</b>    | <b>50.00%</b>              | <b>50.00%</b>              | <b>38,178</b>    | <b>26,034</b>     | <b>16,185</b>    | <b>1,342</b>  |
| <b>B.D.M.</b>  | <b>0404.458.128</b>   | <b>Belgium</b>    | <b>50.00%</b>              | <b>50.00%</b>              | <b>32,235</b>    | <b>18,733</b>     | <b>48,980</b>    | <b>458</b>    |
| <b>Bruns ten Brink</b>                                 | <b>033.174.736</b>    | <b>Holland</b>    | <b>50.00%</b>              | <b>50.00%</b>              | <b>5,345</b>     | <b>4,443</b>      | <b>28,155</b>    | <b>66</b>     |
| <b>Delen Investments<sup>(4)</sup></b>                 | <b>0423.804.777</b>   | <b>Belgium</b>    | <b>75.00%</b>              | <b>75.00%</b>              | <b>1,472,856</b> | <b>1,226,743</b>  | <b>108,429</b>   | <b>36,714</b> |
| <b>PRIVATE EQUITY</b>                                  |                       |                   |                            |                            |                  |                   |                  |               |
| <b>Financière Flo</b>                                  | <b>39.349.570.937</b> | <b>France</b>     | <b>33.00%</b>              | <b>33.00%</b>              | <b>105,179</b>   | <b>73,206</b>     | <b>0</b>         | <b>2,391</b>  |
| Groupe Flo   | 09.349.763.375        | France            | 23.37%                     | 23.37%                     | 462,793          | 318,101           | 379,982          | 19,065        |
| <b>Financière Trasys</b>                               | <b>0881.214.910</b>   | <b>Belgium</b>    | <b>45.97%</b>              | <b>45.97%</b>              | <b>33,567</b>    | <b>21,424</b>     | <b>0</b>         | <b>2,002</b>  |
| Trasys   | 0429.117.706          | Belgium           | 45.97%                     | 45.97%                     | 25,927           | 16,567            | 62,934           | 3,314         |
| <b>SUBHOLDINGS AvH</b>                                 |                       |                   |                            |                            |                  |                   |                  |               |
| <b>GIB-subgroep</b>                                    | <b>0404.869.783</b>   | <b>Belgium</b>    | <b>50.00%</b>              | <b>50.00%</b>              | <b>64,671</b>    | <b>5,849</b>      | <b>0</b>         | <b>49,696</b> |
| <b>Henschel Engineering<sup>(5)</sup></b>              | <b>0404.002.030</b>   | <b>Belgium</b>    | <b>50.00%</b>              |                            | <b>39,672</b>    | <b>13,404</b>     | <b>62,679</b>    | <b>8,489</b>  |
| <b>Sipef<sup>(5)(6)</sup></b>                          | <b>0404.491.285</b>   | <b>Belgium</b>    | <b>19.55%</b>              |                            | <b>345,863</b>   | <b>128,681</b>    | <b>209,489</b>   | <b>48,074</b> |

(1) At the beginning of 2007 NMP has sold its 51% participation in Pall.

(2) Implant evolved in 2007 from a jointly controlled subsidiary (50%) to a fully consolidated subsidiary after the acquisition of the other 50% of the shares.

(3) Up until 2007, Henschel Engineering was not included in the consolidation due to its negligible significance. Since 2007, this participation has been consolidated through the equity method.

(4) Since the reorganisation of the shareholder structure of Finaxis, early 2004, AvH holds 75% of Delen Investments CVA.

(5) The shareholders' agreement between the Baron Bracht family and AvH, reached on 12 February 2007, results in joint control of Sipef, meaning the inclusion of Sipef (18.8%) according to the equity method. In November 2007, this participation was increased to 19.55%.

(6) Sipef figures are in 1,000 USD.

IAS 31 offers the option of including jointly controlled subsidiaries in the consolidated accounts according to the proportional consolidation or the alternative equity method. AvH has opted for the equity method. The jointly control results from the shareholder structures or agreements.

## Note 2: Subsidiaries and jointly controlled subsidiaries (continued)

### 3. Main subsidiaries and jointly controlled subsidiaries not included in the consolidation scope

| (€ 1,000)                                      | Registra-<br>tion<br>nr. | Registered<br>office | Beneficial<br>interest %<br>2007 | Reason<br>for<br>exclusion | Total<br>assets | Total<br>liabilities | Turnover | Net<br>result |
|--|--------------------------|----------------------|----------------------------------|----------------------------|-----------------|----------------------|----------|---------------|
| <b>CONTRACTING, DREDGING &amp; CONCESSIONS</b> |                          |                      |                                  |                            |                 |                      |          |               |
| <b>Algemene Aannemingen Van Laere</b>          |                          |                      |                                  |                            |                 |                      |          |               |
| VKV Gmbh                                       | 191.812.827              | Germany              | 50.00%                           | (1)                        | 72              | 11                   | 36       | -50           |
| VLK Gmbh                                       | 163.826.669              | Germany              | 50.00%                           | (1)                        | 535             | 58                   | 249      | 159           |
| S.C.I. De la Vallee                            | 4384.665.881             | France               | 100.00%                          | (1)                        | 336             | 227                  | 102      | 93            |
| <b>REAL ESTATE AND RELATED SERVICES</b>        |                          |                      |                                  |                            |                 |                      |          |               |
| <b>Extensa Group</b>                           |                          |                      |                                  |                            |                 |                      |          |               |
| Beekbaarimmo                                   | 1999.2223.718            | Luxembourg           | 50.00%                           | (1)                        | 253             | 44                   | 0        | -11           |
| Finance and Promotion                          | 0426.357.758             | Belgium              | 100.00%                          | (1)                        | 2               | 47                   | 0        | -9            |
| Extensa 1                                      | 036.654.116              | Slovakia             | 100.00%                          | (1)                        | 9               | 11                   | 0        | -4            |
| Extensa Romania                                | 0229.68.360              | Romania              | 100.00%                          | (3)                        |                 |                      |          |               |
| <b>FINANCIAL SERVICES</b>                      |                          |                      |                                  |                            |                 |                      |          |               |
| <b>Asco Life</b>                               | 0475.402.641             | Belgium              | 75.00%                           | (1)                        | 67,531          | 63,204               | 25,501   | -478          |
| <b>SUBHOLDINGS AvH</b>                         |                          |                      |                                  |                            |                 |                      |          |               |
| Belcadi  | 0033.38.885              | Holland              | 72.00%                           | (1)                        | 2               | 390                  | 0        | -5            |
| BOS  | 0422.609.402             | Belgium              | 100.00%                          | (1)                        | 281             | 0                    | 0        | 6             |
| Cruiser  | 0060.52.113              | Holland              | 100.00%                          | (1)                        | 1               | 138                  | 0        | -7            |
| GNR <sup>(2)</sup>                             |                          | Antilles             | 100.00%                          | (1)                        | 70              | 5                    | 0        | -3            |
| InTouch Telecom Europe                         |                          | Holland              | 50.00%                           | (1)                        | 1,478           | 234                  | 0        | 39            |
| Vlaamse Beleggingen                            | 0082.92.942              | Holland              | 100.00%                          | (1)                        | 585             | 4,790                | 0        | -188          |
| Brand Strat Consulting Pvt. Ltd                |                          | India                | 100.00%                          | (3)                        |                 |                      |          |               |
| Telemond holding                               | 0893.552.617             | Belgium              | 50.00%                           | (3)                        |                 |                      |          |               |

(1) Investment of negligible significance.

(2) Figures GNR in 1,000 USD.

(3) Recent investment or recently created.

## Note 3: Associated participating interests

### 1. Associated participating interests accounted for using the equity method

| (€ 1,000)   | Registra-<br>tion<br>nr. | Registered<br>office | Beneficial<br>interest %<br>2007 | Beneficial<br>interest %<br>2006 | Total<br>assets | Total<br>liabilities | Turnover       | Net<br>result |
|---|--------------------------|----------------------|----------------------------------|----------------------------------|-----------------|----------------------|----------------|---------------|
| <b>CONTRACTING, DREDGING &amp; CONCESSIONS</b>                          |                          |                      |                                  |                                  |                 |                      |                |               |
| <b>Algemene Aannemingen Van Laere</b><br>Lighthouse Parkings            | 0875.441.034             | Belgium              | 33.33%                           | 33.33%                           | 9,006           | 3,044                | 15,899         | 2,903         |
| <b>Nationale Maatschappij der Pijpleidingen</b><br>Belgian Pipe Control | 0446.109.037             | Belgium              | 18.75%                           | 18.75%                           | 303             | 145                  | 479            | 3             |
| <b>REAL ESTATE AND RELATED SERVICES</b>                                 |                          |                      |                                  |                                  |                 |                      |                |               |
| <b>Extensa Group</b><br>Grossfeld PAP                                   | 2005.2205.809            | Luxembourg           | 25.00%                           | 25.00%                           | 22,631          | 24,396               | 0              | -236          |
| FDC Targu Mures <sup>(1)</sup>  | 0331.95.794              | Holland              | 30.00%                           | 30.00%                           |                 |                      |                |               |
| Immobilière Espace Kirchberg B  | B77.989                  | Luxembourg           | 10.00%                           | 10.00%                           |                 |                      |                |               |
| FDC Focsani   | 201 28 317               | Holland              | 20.00%                           |                                  | 8,896           | 230                  | 0              | 110           |
| FDC Deva  | 341 41 084               | Holland              | 20.00%                           |                                  | 9,447           | 53                   | 0              | 85            |
| <b>Cobelguard</b>   | <b>0448.564.424</b>      | <b>Belgium</b>       | <b>40.00%</b>                    | <b>40.00%</b>                    | <b>18,866</b>   | <b>13,853</b>        | <b>40,159</b>  | <b>1,732</b>  |
| <b>Financière Duval</b>   | <b>401.922.497</b>       | <b>France</b>        | <b>20.82%</b>                    |                                  | <b>394,447</b>  | <b>332,124</b>       | <b>261,314</b> | <b>7,474</b>  |
| <b>FINANCIAL SERVICES</b>   |                          |                      |                                  |                                  |                 |                      |                |               |
| <b>Bank J.Van Breda &amp; C°</b><br>Power Lease NV                      | 0459.618.860             | Belgium              |                                  | 37.50%                           |                 |                      |                |               |
| Finauto NV  | 0464.646.232             | Belgium              | 37.50%                           | 37.50%                           | 1,147           | 921                  | 567            | 50            |
| Antwerpse Financiële<br>Handelsmaatschappij                             | 0418.759.886             | Belgium              | 37.50%                           | 37.50%                           | 191             | 174                  | 189            | -126          |
| Financieringsmaatschappij Definco                                       | 0415.155.644             | Belgium              | 37.50%                           | 37.50%                           | 199             | 14                   | 34             | 34            |
| Necadis Credit  | 0412.639.384             | Belgium              | 37.50%                           | 37.50%                           | 149             | 3                    | 16             | 8             |
| Jaguar Finance Belgium (liquidated)                                     | 0462.174.118             | Belgium              |                                  | 37.50%                           |                 |                      |                |               |
| Informatica J.Van Breda & C°  | 0427.908.174             | Belgium              | 30.00%                           | 30.00%                           | 3,886           | 2,727                | 4,103          | 5             |

(1) In 2007, the participation in FDC Targu Mures, first retail park in Romania, was sold.

### 2. Associated participating interests not accounted for using the equity method

| (€ 1,000)   | Registra-<br>tion<br>nr. | Registered<br>office | Beneficial<br>interest %<br>2007 | Reason<br>for<br>exclusion | Total<br>assets | Total<br>liabilities | Turnover | Net<br>result |
|---|--------------------------|----------------------|----------------------------------|----------------------------|-----------------|----------------------|----------|---------------|
| <b>CONTRACTING, DREDGING &amp; CONCESSIONS</b>    |                          |                      |                                  |                            |                 |                      |          |               |
| <b>Algemene Aannemingen Van Laere</b><br>Proffund | 0475.296.317             | Belgium              | 33.33%                           | (1)                        | 7,449           | 2,175                | 7,214    | 209           |
| <b>REAL ESTATE AND RELATED SERVICES</b>           |                          |                      |                                  |                            |                 |                      |          |               |
| <b>Extensa Group</b><br>DPI                       | 0890.090.410             | Belgium              | 50.00%                           | (2)                        | 61              | 0                    | 0        | -1            |
| Top Development                                   | 35 899 140               | Slovakia             | 50.00%                           | (3)                        |                 |                      |          |               |
| <b>SUBHOLDINGS AvH</b>                            |                          |                      |                                  |                            |                 |                      |          |               |
| Belgian Media Holding                             | 0446.404.787             | Belgium              | 49.99%                           | (1)                        | 66              | 5                    | 0        | -11           |
| I.B.F.  | 0417.827.795             | Belgium              | 30.00%                           | (1)                        | 12,404          | 10,612               | 18,033   | 789           |
| Nivelinvest                                       | 0430.636.943             | Belgium              | 25.00%                           | (1)                        | 31,340          | 23,899               | 578      | 30            |
| Partanea & Associés                               | 495.289.571.00012        | France               | 22.22%                           | (1)                        | 1,805           | 20                   | 0        | -15           |

(1) Investment of negligible significance.

(2) Created on 05/06/2007.

(3) Participation on 30/08/2007.

#### Note 4: Business combinations

| (€ 1,000)                           | 2007            |
|-------------------------------------|-----------------|
| <b>BUSINESS COMBINATIONS</b>        |                 |
| Non-current assets                  | 85,006          |
| Current assets                      | 15,754          |
| <b>Total assets</b>                 | <b>100,760</b>  |
| Shareholders' equity – group share  | -61,316         |
| Non-current liabilities             | -6,772          |
| Current liabilities                 | -32,672         |
| <b>Total equity and liabilities</b> | <b>-100,760</b> |
| Total assets                        | 100,760         |
| Total liabilities                   | -39,444         |
| <b>Net assets</b>                   | <b>61,316</b>   |
| Net assets - share AvH              | 61,316          |
| Net goodwill                        | 3,102           |
| <b>Sales price</b>                  | <b>64,418</b>   |

Bank J. Van Breda & C° has reached an agreement with Ethias Bank on 20/9/2007 regarding the full acquisition of the client portfolio of credits and investments of independent inland shipping entrepreneurs (ex-Creditmar). After approval by the supervising Banking, Finance and Insurance Commission, this portfolio has been transferred on 31/10/2007 and fully integrated within the target group approach of the bank. On 13 March 2007 Fracav SA has been acquired. Fracav SA is the owner of a building which will serve as the Mons office.

| (€ 1,000)                                       | 2007          |
|---|---------------|
| <b>DISPOSAL OF FULLY CONSOLIDATED COMPANIES</b> |               |
| Non-current assets                              | 179           |
| Current assets                                  | 4,549         |
| <b>Total assets</b>                             | <b>4,728</b>  |
| Equity - group share                            | -1,318        |
| Minority interests                              | -451          |
| Non-current liabilities                         | -165          |
| Current liabilities                             | -2,794        |
| <b>Total equity and liabilities</b>             | <b>-4,728</b> |
| Total assets                                    | 4,728         |
| Total liabilities                               | -2,959        |
| <b>Net assets</b>                               | <b>1,769</b>  |
| Net assets - share AvH                          | 1,318         |
| Net goodwill                                    | 559           |
| Profit (loss) on disposal                       | 60            |
| <b>Sales price</b>                              | <b>1,937</b>  |
| Derecognised cash and cash equivalents          | 1,147         |
| <b>Net divestment cash in</b>                   | <b>790</b>    |

Van Laere sold its participation in the French V.P.N. at the beginning of 2007.

We refer to the comments on the cash flow statement (page 102).

**Note 5: Segment information - Income statement 2007**

| (€ 1,000)   | Segment 1<br>Contracting,<br>dredging &<br>concessions | Segment 2<br>Real estate<br>and<br>related<br>services | Segment 3<br>Financial<br>services | Segment 4<br>Private<br>Equity | Segment 5<br>AvH and<br>sub-<br>holdings | Eliminations<br>between<br>segments | TOTAL<br>2007   |
|---|--|--|------------------------------------|--------------------------------|--|-------------------------------------|-----------------|
| <b>Primary segment information</b>  |  |  |                                    |                                |  |                                     |                 |
| <b>Revenue</b>  | <b>153,740</b>   | <b>55,708</b>  | <b>151,996</b>                     | <b>15</b>                      | <b>5,699</b>                             | <b>-3,186</b>                       | <b>363,971</b>  |
| Rendering of services   | 14,477   |  |                                    |                                | 4,192                                    | -2,014                              | 16,655          |
| Lease revenue   |  | 2,090  | 7,474                              |                                |  |                                     | 9,564           |
| Real estate revenue   |  | 45,802   |                                    |                                |  |                                     | 45,802          |
| Interest income - banking activities  |  |  | 118,078                            |                                |  |                                     | 118,078         |
| Commissions receivable - banking activities   |  |  | 24,286                             |                                |  |                                     | 24,286          |
| Revenue from construction contracts   | 132,957  | 3,890  |                                    |                                |  |                                     | 136,847         |
| Other operating revenue   | 6,306  | 3,926  | 2,158                              | 15                             | 1,508                                    | -1,173                              | 12,740          |
| <b>Other operating income</b>   | <b>469</b>   | <b>280</b>   | <b>44</b>                          | <b>6,709</b>                   | <b>10,637</b>                            | <b>-2,179</b>                       | <b>15,960</b>   |
| Interest on financial fixed assets - receivables  |  |  |                                    | 1,352                          | 1,785                                    | -1,234                              | 1,902           |
| Dividends   | 469  | 280  | 44                                 | 5,324                          | 7,824                                    |                                     | 13,942          |
| Other operating income  |  |  |                                    | 33                             | 1,028                                    | -945                                | 116             |
| <b>Operating expenses (-)</b>   | <b>-148,918</b>  | <b>-30,614</b>   | <b>-134,060</b>                    | <b>-5,169</b>                  | <b>2,847</b>                             | <b>4,131</b>                        | <b>-311,781</b> |
| Raw materials and consumables used (-)  | -97,042  | -6,763   |                                    |                                |  |                                     | -103,805        |
| Changes in inventories (-)  | 12   | 30   |                                    |                                |  |                                     | 41              |
| Interest expenses Bank J. Van Breda & C° (-)  |  |  | -83,619                            |                                |  |                                     | -83,619         |
| Employee expenses (-)   | -26,636  | -2,252   | -27,719                            | -212                           | -3,066                                   |                                     | -59,885         |
| Depreciation (-)  | -3,623   | -630   | -2,408                             | -20                            | -503                                     |                                     | -7,184          |
| Impairment losses (-)   | -123   | -3,692   | -2,537                             |                                | -3,016                                   |                                     | -9,368          |
| Other operating expenses (-)  | -21,766  | -17,313  | -18,521                            | -4,982                         | -9,820                                   | 4,131                               | -68,270         |
| Provisions  | 261  | 8  | 744                                | 45                             | 19,251                                   |                                     | 20,308          |
| <b>Profit (loss) from operating activities</b>  | <b>5,291</b>   | <b>25,375</b>  | <b>17,980</b>                      | <b>1,555</b>                   | <b>19,184</b>                            | <b>-1,235</b>                       | <b>68,150</b>   |
| <b>Profit (loss) on assets/liabilities designated<br/>at fair value through profit and loss</b> |  | <b>11,612</b>  | <b>-590</b>                        | <b>45,248</b>                  | <b>-44</b>                               |                                     | <b>56,225</b>   |
| Private equity  |  |  |                                    | 45,248                         |  |                                     | 45,248          |
| Financial assets held for trading   |  |  | -724                               |                                |  |                                     | -724            |
| Investment property   |  | 11,048   |                                    |                                |  |                                     | 11,048          |
| Derivative financial instruments  |  | 564  | 134                                |                                | -44                                      |                                     | 654             |
| <b>Profit (loss) on disposal of assets</b>  | <b>3,674</b>   | <b>16,519</b>  | <b>-253</b>                        | <b>34,719</b>                  | <b>15,492</b>                            |                                     | <b>70,150</b>   |
| Realised gain(loss) on intangible<br>and tangible assets  | 382  | 32   |                                    | 8                              | 8  |                                     | 430             |
| Realised gain(loss) on investment property  |  | 5,774  |                                    |                                |  |                                     | 5,774           |
| Realised gain(loss) on financial fixed assets   | 3,292  | 10,111   | -2                                 | 24,417                         | 5,995                                    |                                     | 43,812          |
| Realised gain(loss) on other assets   |  | 602  | -251                               | 10,295                         | 9,489                                    |                                     | 20,135          |
| <b>Finance income</b>   | <b>2,426</b>   | <b>3,855</b>   | <b>17,514</b>                      | <b>2,505</b>                   | <b>7,310</b>                             | <b>-3,487</b>                       | <b>30,122</b>   |
| Interest income   | 2,166  | 747  | 17,514                             | 2,474                          | 6,993                                    | -3,428                              | 26,467          |
| Other finance income  | 260  | 3,107  |                                    | 30                             | 317                                      | -59                                 | 3,655           |
| <b>Finance costs (-)</b>  | <b>-1,255</b>  | <b>-15,042</b>   | <b>-4,009</b>                      | <b>-1,246</b>                  | <b>-6,533</b>                            | <b>4,722</b>                        | <b>-23,363</b>  |
| Interest expenses (-)   | -1,026   | -13,253  | -4,008                             | -1,225                         | -5,521                                   | 4,662                               | -20,372         |
| Other finance costs (-)   | -229   | -1,789   |                                    | -21                            | -1,012                                   | 60                                  | -2,991          |
| <b>Share of profit (loss) from equity<br/>accounted investments</b>                             | <b>47,097</b>  | <b>7,902</b>   | <b>37,623</b>                      | <b>4,008</b>                   | <b>16,661</b>                            |                                     | <b>113,291</b>  |
| <b>Other non-operating income</b>   | <b>61</b>  | <b>1,013</b>   |                                    |                                |  |                                     | <b>1,074</b>    |
| <b>Other non-operating expenses (-)</b>   | <b>-123</b>  | <b>-6</b>  |                                    |                                | <b>-3</b>                                |                                     | <b>-132</b>     |
| <b>Profit (loss) before tax</b>   | <b>57,170</b>  | <b>51,227</b>  | <b>68,266</b>                      | <b>86,788</b>                  | <b>52,067</b>                            | <b>0</b>                            | <b>315,518</b>  |
| <b>Income taxes</b>   | <b>-1,757</b>  | <b>-225</b>  | <b>-9,349</b>                      |                                | <b>-800</b>                              |                                     | <b>-12,132</b>  |
| Deferred taxes  | -500   | 2,348  | -527                               |                                | 1,009                                    |                                     | 2,330           |
| Current taxes   | -1,257   | -2,574   | -8,822                             |                                | -1,809                                   |                                     | -14,462         |
| <b>Profit (loss) after tax from continuing operations</b>                                       | <b>55,412</b>  | <b>51,002</b>  | <b>58,917</b>                      | <b>86,788</b>                  | <b>51,267</b>                            | <b>0</b>                            | <b>303,386</b>  |
| <b>Profit (loss) after tax from discontinued operations</b>                                     |  |  |                                    |                                |  |                                     | <b>0</b>        |
| <b>Profit (loss) of the period</b>  | <b>55,412</b>  | <b>51,002</b>  | <b>58,917</b>                      | <b>86,788</b>                  | <b>51,267</b>                            | <b>0</b>                            | <b>303,386</b>  |
| Minority interests  | 1,575  | 23,936   | 14,573                             | 21,525                         | 387                                      |                                     | 61,997          |
| Share of the group  | 53,837   | 27,066   | 44,343                             | 65,264                         | 50,880                                   |                                     | 241,390         |

**Contracting, dredging- & concessions: contribution to Group result of AvH: 53.8 million euros**

At 45.1 million euro, DEME made the greatest contribution to this segment. The contribution of DEME has been entered in the accounts according to the equity method because DEME is a jointly controlled subsidiary of AvH. The entire profit contribution of DEME is consequently grouped under the line 'share of profit (loss) from equity accounted investments'.

We refer to p. 38 of this report for comments on the situation of DEME.

Rent-A-Port, a 45% subsidiary of AvH, was founded in December 2006 as a port-related consultancy company. Rent-A-Port is also consolidated according to the equity method. In its first year of operations, Rent-A-Port made a profit of 1.9 million euros, resulting in a positive contribution to the AvH group profit of 0.8 million euros.

The consolidated accounts of Algemene Aannemingen Van Laere and of Société Nationale de Transport par Canalisation are consolidated in full.

The Van Laere group closed 2007 with a profit of 3.2 million euros. The 'Lighthouse Parkings' in Knokke (33% Van Laere, incorporated by equity method) contributed 1 million euros to the profit.

SNTC saw its profits increase significantly to 6.3 million euros (AvH share: 4.7 million euros) against 2.4 million euros in 2006 thanks to a gain of 3.2 million euros realised on the sale of an asset.

**Real estate and related services: contribution to Group result AvH: 27.1 million euros**

Since 2006 'real estate and related services' have been posted as a separate segment. The contributions of Extensa and Leasinvest Real Estate (LRE) used to be integrated with 'financial services'. The important contributions of Extensa and LRE, strengthened by the recently acquired stakes in Cobelguard (2006) and Groupe Financière Duval (2007), clearly show that 'real estate and related services' are considered to be one of the strategic activities of AvH.

Based on the shareholders' agreement between Axa Belgium and Extensa (2006 - 2007), the stock exchange listed LRE is under the exclusive control of Extensa. Hence the full consolidation of LRE accounts since the end of 2006 (previously included according to the equity method). Consequently, the LRE expenses and income are now included under the various items of the income statement and are no longer grouped under the line 'share of profit (loss) from equity accounted investments'.

The consolidated net profit of LRE was 33.4 million euros in 2007 (AvH share: 9.8 million euros) and includes capital gains of 2.2 million euros on the sale of Extensa Square and Wommelgem, and 3.6 million euros on the sale of the Aubépines building in Luxembourg. The positive fluctuations in the value of the real estate portfolio contributed 11.9 million euros to the profit.

In 2007, Extensa made a profit of 15.2 million euros. The sale of its stake in the FDC Targu Mures retail park in Romania yielded a capital gain of 10.1 million euros. In 2007, a capital gain of 3.3 million euros was also booked from the sale of land. The positive fair value fluctuations on Tour & Taxis (included through the equity method) increased the profit by 5.8 million euros.

Cobelguard and Groupe Financière Duval are included through the equity method.

Cobelguard has been included in the consolidation since April 2006 and grew strongly in 2007: turnover +35% (40.2 million euros), operating profit +45% (2.4 million euros).

Groupe Financière Duval, acquired at the beginning of 2007 and consolidated for the first time, realised a turnover increase of 22% (to 261.3 million euros) and a current operating result increase of 62% (to 20.2 million euros) with regard to 2006. Both the development activities and the operation of holiday parks and rest homes contributed to this.

**Financial services: contribution to Group result of AvH: 44.3 million euros**

The Finaxis group (75% AvH), which includes the contributions from the Bank Delen and Bank J.Van Breda & C° banking groups, represents the majority of the 'financial services' segment. Bank J.Van Breda & C° is fully consolidated, via Finaxis, while the results of Delen Investments are included using the equity method. The Bank Delen banking group was able to increase its contribution, primarily due to the acquisition of the Brussels asset management company 'Capital & Finance', which has been included in the profit for 5 months. The net profit of Delen Investments rose by 22.4%. The insurance group BDM-Asco is also included through the equity method.

**Private equity: contribution to Group result of AvH: 65.3 million euros**

AvH operates in 'private equity' through Sofnim (minority interest of 26% held by NPM-Capital), on the one hand, and through GIB (joint participating interests with Compagnie Nationale à Portefeuille), on the other hand.

GIB and the investments held through GIB (Groupe Flo and Trasys) are consolidated using the equity method.

The participations of the private equity portfolio of Sofnim are shown at 'fair value'. The 'fair value' fluctuations are included in the profit under the 'Private Equity' heading. The Sofnim private equity portfolio was expanded in 2007 with new investments in Manuchar, Distriplus, IRIS and Spano, and through the contribution of UBF to Euro Media Group.

In 2007, Sofnim realised a capital gain of 7.6 million euros (AvH share) on the sale of 617,676 Telenet shares, 3.1 million euros (AvH share) on the sale of its interests in Corn. Van Loocke, and 14.9 million euros (AvH share) on the contribution of UBF to the new Euro Media Group.

**AvH and subholdings: contribution to Group result: 50.9 million euros**

In addition to the income from expenses and income relating to the management of the treasury position of AvH and subholdings, this segment also includes the results from Sipef and Henschel, which were consolidated for the first time using the equity method. The 'holding' result includes the write-back of a provision of 19.2 million euros that was made in 2002 in relation to the acquisition of GIB, and for which the guarantee periods have lapsed. Gains were realised on the sale of the investment position in Agridec and the partial sale of Belfimas and KBC shares.

## Note 5: Segment information - Assets 2007

| (€ 1,000)   | Segment 1<br>Contracting,<br>dredging &<br>concessions | Segment 2<br>Real estate<br>and<br>related<br>services | Segment 3<br>Financial<br>services | Segment 4<br>Private<br>Equity | Segment 5<br>AvH and<br>sub-<br>holdings | Eliminations<br>between<br>segments | TOTAL<br>2007    |
|---|--|--|------------------------------------|--------------------------------|--|-------------------------------------|------------------|
| <b>Primary segment information</b>  |  |  |                                    |                                |  |                                     |                  |
| <b>I. NON-CURRENT ASSETS</b>  | <b>247,766</b>   | <b>569,048</b>   | <b>1,644,871</b>                   | <b>415,913</b>                 | <b>228,205</b>                           | <b>-34,900</b>                      | <b>3,070,902</b> |
| Intangible assets   | 22   | 190  | 825                                |                                | 45                                       |                                     | 1,081            |
| Goodwill  | 1,928  | 145  | 3,523                              |                                | 115,237                                  |                                     | 120,834          |
| Tangible assets   | 26,940   | 25,722   | 28,549                             | 47                             | 14,192                                   |                                     | 95,449           |
| Investment property   | 2,749  | 460,198  |                                    |                                |  |                                     | 462,948          |
| Participations accounted for using the equity method                        | 213,457  | 59,430   | 259,269                            | 36,837                         | 42,343                                   |                                     | 611,336          |
| Financial fixed assets  | 1,938  | 5,318  | 906                                | 379,029                        | 53,170                                   | -34,900                             | 405,461          |
| Private equity participations   |  |  |                                    | 344,692                        |  |                                     | 344,692          |
| Available for sale financial fixed assets                                   | 555  | 5,293  | 885                                |                                | 13,355                                   |                                     | 20,088           |
| Receivables and warranties  | 1,382  | 25   | 21                                 | 34,337                         | 39,816                                   | -34,900                             | 40,681           |
| Non-current hedging instruments   |  | 2,178  | 13,379                             |                                | 27                                       |                                     | 15,584           |
| Amounts receivable after one year   | 444  | 12,405   | 69,041                             |                                | 25                                       |                                     | 81,915           |
| Finance lease receivables   |  | 11,394   | 68,749                             |                                |  |                                     | 80,143           |
| Other receivables   | 444  | 1,011  | 292                                |                                | 25                                       |                                     | 1,772            |
| Deferred tax receivables  | 289  | 3,462  | 1,202                              |                                | 3,165                                    |                                     | 8,118            |
| Banks - receivables from credit institutions<br>and clients after one year  |  |  | 1,268,177                          |                                |  |                                     | 1,268,177        |
| <b>II. CURRENT ASSETS</b>   | <b>122,765</b>   | <b>74,056</b>  | <b>1,247,096</b>                   | <b>44,737</b>                  | <b>367,671</b>                           | <b>-39,273</b>                      | <b>1,817,052</b> |
| Inventories   | 1,197  | 30,627   |                                    |                                |  |                                     | 31,825           |
| Amounts due from customers<br>under construction contracts                  | 5,453  | 2,100  |                                    |                                |  |                                     | 7,554            |
| Investments   |  | 6,837  | 380,482                            | 26,091                         | 199,759                                  |                                     | 613,169          |
| Available for sale financial assets   |  | 6,837  | 379,521                            | 26,091                         | 199,759                                  |                                     | 612,208          |
| Financial assets held for trading   |  |  | 961                                |                                |  |                                     | 961              |
| Current hedging instruments   |  | 9  | 1,356                              |                                |  |                                     | 1,365            |
| Amounts receivable within one year  | 77,706   | 20,855   | 46,791                             | 2,616                          | 11,502                                   | -37,864                             | 121,606          |
| Trade debtors   | 47,068   | 7,992  |                                    | 8                              | 2,202                                    | -1,819                              | 55,451           |
| Finance lease receivables   |  | 516  | 31,550                             |                                |  |                                     | 32,066           |
| Other receivables   | 30,638   | 12,347   | 15,241                             | 2,608                          | 9,300                                    | -36,045                             | 34,089           |
| Current tax receivables   | 1,073  | 487  | 1,650                              | 391                            | 1,699                                    |                                     | 5,300            |
| Banks - receivables from credit institutions<br>and clients within one year |  |  | 786,272                            |                                |  |                                     | 786,272          |
| Cash and cash equivalents   | 37,186   | 11,919   | 10,654                             | 14,094                         | 151,694                                  |                                     | 225,547          |
| Time deposits for less than three months                                    | 28,212   |  | 975                                | 14,010                         | 149,278                                  |                                     | 192,475          |
| Cash  | 8,975  | 11,919   | 9,679                              | 84                             | 2,416                                    |                                     | 33,072           |
| Deferred charges and accrued income   | 148  | 1,223  | 19,892                             | 1,545                          | 3,016                                    | -1,410                              | 24,414           |
| <b>III. ASSETS HELD FOR SALE</b>  |  |  |                                    |                                |  |                                     | <b>0</b>         |
| <b>TOTAL ASSETS</b>   | <b>370,531</b>   | <b>643,103</b>   | <b>2,891,967</b>                   | <b>460,650</b>                 | <b>595,876</b>                           | <b>-74,173</b>                      | <b>4,887,954</b> |

| (x € 1,000)                          | Segment 1<br>BELUX | Segment 2<br>Others | TOTAL<br>2007 |
|--------------------------------------|--------------------|---------------------|---------------|
| <b>Secondary segment information</b> |                    |                     |               |
| Revenue                              | 363,971            |                     | 363,971       |
| Total assets                         | 4,741,380          | 146,574             | 4,887,954     |
| Investments <sup>(1)</sup>           | -324,789           | -89,115             | -413,904      |

(1) Corresponds with the cash flow from investing activities, excluding the acquisition of investments (page 102).

**Note 5: Segment information - Equity and liabilities 2007**

| (€ 1,000)  | Segment 1<br>Contracting,<br>dredging &<br>concessions | Segment 2<br>Real estate<br>and<br>related<br>services | Segment 3<br>Financial<br>services | Segment 4<br>Private<br>Equity | Segment 5<br>AvH and<br>sub-<br>holdings | Eliminations<br>between<br>segments | TOTAL<br>2007    |
|--|--|--|------------------------------------|--------------------------------|--|-------------------------------------|------------------|
| <b>Primary segment information</b>                         |  |  |                                    |                                |  |                                     |                  |
| <b>I. TOTAL EQUITY</b>                                     | <b>278,641</b>   | <b>333,678</b>   | <b>434,527</b>                     | <b>451,772</b>                 | <b>498,811</b>                           |                                     | <b>1,997,428</b> |
| Shareholders' equity - group share                         | 269,621  | 141,647  | 328,926                            | 343,880                        | 495,986                                  |                                     | 1,580,059        |
| Issued capital   |  |  |                                    |                                | 113,907                                  |                                     | 113,907          |
| Share capital  |  |  |                                    |                                | 2,295                                    |                                     | 2,295            |
| Share premium  |  |  |                                    |                                | 111,612                                  |                                     | 111,612          |
| Consolidated reserves                                      | 272,740  | 140,368  | 330,762                            | 331,079                        | 285,366                                  |                                     | 1,360,317        |
| Revaluation reserves                                       | -3,119   | 1,278  | -1,837                             | 12,800                         | 109,422                                  |                                     | 118,545          |
| Securities available for sale                              |  | 1,060  | -3,752                             | 12,519                         | 113,529                                  |                                     | 123,357          |
| Hedging reserves   | 1,030  | 222  | 2,127                              | 281                            |  |                                     | 3,661            |
| Translation differences                                    | -4,149   | -4   | -212                               |                                | -4,107                                   |                                     | -8,472           |
| Treasury shares (-)  |  |  |                                    |                                | -12,710                                  |                                     | -12,710          |
| Minority interests   | 9,020  | 192,032  | 105,601                            | 107,892                        | 2,825                                    |                                     | 417,369          |
| <b>II. NON-CURRENT LIABILITIES</b>                         | <b>32,021</b>  | <b>121,937</b>   | <b>472,082</b>                     | <b>1,167</b>                   | <b>11,162</b>                            | <b>-34,900</b>                      | <b>603,469</b>   |
| Provisions   | 523  | 3,759  | 48                                 | 275                            | 2,190                                    |                                     | 6,795            |
| Pension liabilities  | 84   |  | 1,033                              |                                | 704                                      |                                     | 1,821            |
| Deferred tax liabilities                                   | 12,403   | 5,525  | 1,239                              |                                | 5,559                                    |                                     | 24,727           |
| Financial debts  | 18,073   | 110,136  | 94,849                             |                                | 42                                       | -34,900                             | 188,200          |
| Bank loans   | 18,070   | 96,236   |                                    |                                |  |                                     | 114,306          |
| Subordinated loans   |  |  | 73,849                             |                                |  |                                     | 73,849           |
| Finance leases   | 3  |  |                                    |                                | 42                                       |                                     | 45               |
| Other financial debts                                      |  | 13,900   | 21,000                             |                                |  | -34,900                             |                  |
| Non-current hedging instruments                            |  | 44   | 5,131                              |                                |  |                                     | 5,175            |
| Other amounts payable after one year                       | 937  | 2,472  | 3,452                              | 892                            | 2,667                                    |                                     | 10,419           |
| Banks - debts to credit institutions, clients & securities |  |  | 366,330                            |                                |  |                                     | 366,330          |
| <b>III. CURRENT LIABILITIES</b>                            | <b>59,869</b>  | <b>187,487</b>   | <b>1,985,359</b>                   | <b>7,712</b>                   | <b>85,903</b>                            | <b>-39,273</b>                      | <b>2,287,057</b> |
| Provisions   |  |  | 165                                |                                |  |                                     | 165              |
| Pension liabilities  |  |  | 75                                 |                                |  |                                     | 75               |
| Financial debts  | 1,722  | 167,019  | 1,703                              | 5,400                          | 74,236                                   | -36,038                             | 214,043          |
| Bank loans   | 1,606  | 28,822   |                                    |                                | 2  |                                     | 30,429           |
| Subordinated loans   |  |  | 1,703                              |                                |  |                                     | 1,703            |
| Finance leases   |  |  |                                    |                                | 14                                       |                                     | 14               |
| Other financial debts                                      | 116  | 138,198  |                                    | 5,400                          | 74,221                                   | -36,038                             | 181,897          |
| Current hedging instruments                                |  |  | 821                                |                                |  |                                     | 821              |
| Amounts due to customers under construction contracts      | 7,202  |  |                                    |                                |  |                                     | 7,202            |
| Other amounts payable within one year                      | 49,652   | 10,211   | 10,672                             | 434                            | 10,375                                   | -904                                | 80,440           |
| Trade payables   | 45,445   | 5,473  | 12                                 | 205                            | 1,450                                    | -904                                | 51,681           |
| Advances received on construction contracts                | 633  |  |                                    |                                |  |                                     | 633              |
| Amounts payable regarding remuneration and social security | 3,429  | 655  | 8,660                              | 229                            | 2,761                                    |                                     | 15,733           |
| Other amounts payable                                      | 146  | 4,083  | 2,000                              |                                | 6,164                                    |                                     | 12,393           |
| Current tax payables                                       | 871  | 1,177  | 3,351                              |                                | 827                                      |                                     | 6,225            |
| Banks - debts to credit institutions, clients & securities |  |  | 1,944,161                          |                                |  |                                     | 1,944,161        |
| Accrued charges and deferred income                        | 421  | 9,080  | 24,411                             | 1,878                          | 465                                      | -2,331                              | 33,925           |
| <b>IV. LIABILITIES HELD FOR SALE</b>                       |  |  |                                    |                                |  |                                     | <b>0</b>         |
| <b>TOTAL EQUITY AND LIABILITIES</b>                        | <b>370,531</b>   | <b>643,103</b>   | <b>2,891,967</b>                   | <b>460,650</b>                 | <b>595,876</b>                           | <b>-74,173</b>                      | <b>4,887,954</b> |

**Note 5: Segment information – Cash flow statement 2007**

| (€ 1,000)   | Segment 1<br>Contracting,<br>dredging &<br>concessions | Segment 2<br>Real estate<br>and<br>related<br>services | Segment 3<br>Financial<br>services | Segment 4 & 5<br>AvH,<br>subhold &<br>Private<br>Equity | Eliminations<br>between<br>segments | TOTAL<br>2007   |
|---|--|--|------------------------------------|---|-------------------------------------|-----------------|
| <b>Primary segment information</b>  |  |  |                                    |   |                                     |                 |
| <b>I. CASH AND CASH EQUIVALENTS,<br/>OPENING BALANCE</b>                                  | <b>31,203</b>  | <b>12,290</b>  | <b>12,102</b>                      | <b>159,181</b>  |                                     | <b>214,778</b>  |
| <b>Profit (loss) from operating activities</b>  | <b>5,291</b>   | <b>25,375</b>  | <b>17,980</b>                      | <b>20,739</b>   | <b>-1,235</b>                       | <b>68,150</b>   |
| Dividends from participations accounted<br>for using the equity method                    | 989  |  | 10                                 | 207,027   |                                     | 208,026         |
| Other non-operating income (expenses)   | -62  | -6   |                                    | -3  |                                     | -71             |
| Income taxes  | -1,757   | -225   | -9,350                             | -800  |                                     | -12,133         |
| <b>Non-cash adjustments</b>   |  |  |                                    |   |                                     |                 |
| Depreciation  | 3,623  | 630  | 2,408                              | 523   |                                     | 7,184           |
| Impairment losses   | 123  | 3,692  | 2,537                              | 3,016   |                                     | 9,368           |
| Share based payment   | 225  | 240  | 97                                 | -326  |                                     | 235             |
| (Decrease)increase of provisions  | -554   | 1,712  | -296                               | -19,361   |                                     | -18,499         |
| (Decrease)increase of deferred taxes  | 500  | -2,348   | 527                                | -1,009  |                                     | -2,330          |
| Other non-cash income (expenses)  |  | 234  | 1                                  | -9  |                                     | 226             |
| <b>Cash Flow</b>  | <b>8,379</b>   | <b>29,303</b>  | <b>13,914</b>                      | <b>209,796</b>  | <b>-1,235</b>                       | <b>260,158</b>  |
| <b>Decrease (increase) of working capital</b>   | <b>954</b>   | <b>-5,824</b>  | <b>-123,147</b>                    | <b>24,752</b>   |                                     | <b>-103,266</b> |
| Decrease (increase) of inventories, construction contracts<br>& advance payments received | -2,270   | 3,828  |                                    |   |                                     | 1,559           |
| Decrease (increase) of amounts receivable   | 30,218   | -9,507   | 10,741                             | 24,367  |                                     | 55,819          |
| Decrease (increase) of receivables from credit institutions<br>and clients (banks)        |  |  | -141,466                           |   |                                     | -141,466        |
| Increase (decrease) of liabilities<br>(other than financial debts)                        | -26,865  | -443   | -1,445                             | 2,236   |                                     | -26,517         |
| Increase (decrease) of debts to credit institutions,<br>clients & securities (banks)      |  |  | 10,192                             |   |                                     | 10,192          |
| Decrease (increase) other   | -130   | 298  | -1,170                             | -1,852  |                                     | -2,853          |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>  | <b>9,333</b>   | <b>23,479</b>  | <b>-109,234</b>                    | <b>234,548</b>  | <b>-1,235</b>                       | <b>156,891</b>  |
| <b>Investments</b>  | <b>-3,197</b>  | <b>-35,850</b>   | <b>-330,459</b>                    | <b>-277,724</b>   |                                     | <b>-647,230</b> |
| Acquisition of intangible and tangible assets   | -2,968   | -532   | -6,211                             | -4,788  |                                     | -14,499         |
| Acquisition of investment property  |  | -8,410   |                                    |   |                                     | -8,410          |
| Acquisition of financial fixed assets   | -51  | -20,866  | -125,418                           | -207,876  |                                     | -354,212        |
| New amounts receivable  | -178   | -6   |                                    | -36,600   |                                     | -36,784         |
| Acquisition of investments  |  | -6,036   | -198,830                           | -28,460   |                                     | -233,326        |
| <b>Divestments</b>  | <b>7,267</b>   | <b>63,566</b>  | <b>404,387</b>                     | <b>91,095</b>   |                                     | <b>566,314</b>  |
| Disposal of intangible and tangible assets  | 806  | 95   |                                    | 27  |                                     | 927             |
| Disposal of investment property   |  | 42,914   |                                    |   |                                     | 42,914          |
| Disposal of financial fixed assets  | 6,437  | 13,690   | 88                                 | 60,021  |                                     | 80,237          |
| Reimbursements of amounts receivable  | 24   | 1  |                                    | 1,600   |                                     | 1,625           |
| Disposal of investments   |  | 6,865  | 404,299                            | 29,447  |                                     | 440,611         |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>  | <b>4,070</b>   | <b>27,716</b>  | <b>73,928</b>                      | <b>-186,630</b>   |                                     | <b>-80,916</b>  |
| <b>Financial operations</b>   |  |  |                                    |   |                                     |                 |
| Interest received   | 2,166  | 747  | 19,151                             | 7,613   | -3,428                              | 26,250          |
| Interest paid   | -1,026   | -12,411  | -4,008                             | -4,892  | 4,662                               | -17,676         |
| Other financial income (costs)  | 30   | 477  | -36                                | -685  |                                     | -215            |
| (Decrease)increase of treasury shares   |  | -944   |                                    | -2,319  |                                     | -3,262          |
| (Decrease)increase of financial debts   | -2,140   | -23,650  | 33,922                             | -27,676   |                                     | -19,544         |
| Distribution of profits   |  |  |                                    | -38,210   |                                     | -38,210         |
| Dividends paid to minority interests  | -5,303   | -15,788  | -15,172                            | 18,301  |                                     | -17,962         |
| <b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>  | <b>-6,273</b>  | <b>-51,569</b>   | <b>33,857</b>                      | <b>-47,868</b>  | <b>1,235</b>                        | <b>-70,618</b>  |
| <b>II. NET VARIATION IN CASH<br/>AND CASH EQUIVALENTS</b>                                 | <b>7,130</b>   | <b>-374</b>  | <b>-1,449</b>                      | <b>51</b>   |                                     | <b>5,357</b>    |
| Change in consolidation scope or method   | -1,147   |  |                                    | 6,556   |                                     | 5,409           |
| Impact of exchange rate changes on cash and cash equivalents                              |  | 3  |                                    |   |                                     | 3               |
| <b>III. CASH AND CASH EQUIVALENTS - ENDING BALANCE</b>                                    | <b>37,186</b>  | <b>11,919</b>  | <b>10,654</b>                      | <b>165,788</b>  |                                     | <b>225,547</b>  |

## Comments on the segment information - Cash flow statement 2007

### Segment 1: Contracting, dredging & concessions

The cash flow statement only shows the cash flows of the Société Nationale de Transport par Canalisation (SNTC) and Algemene Aannemingen Van Laere groups. The cash movements of DEME, the most important holding in this segment, and Rent-A-Port have not been included as both holdings are consolidated through the equity method.

The divestments relate to the sale of an asset by SNTC and to the sale of the French VPN shareholding by Van Laere.

### Segment 2: Real estate and related services

Only the cash flows of Extensa and Leasinvest Real Estate have been included in the cash flow statement. Groupe Financière Duval and Cobelguard have been processed using the equity method. The cash flows of these last holdings are consequently not shown in the cash flow statement.

In the framework of its international expansion, Extensa invested in development projects in Romania, Turkey and Slovakia. Leasinvest Real Estate primarily invested in two important redevelopment projects in the Cloche d'Or area of the city of Luxembourg, i.e., CFM and Bian.

The divestments mainly concern the sale by Extensa of its shareholding in the first retail park, Targu Mures, in Romania and the sale by Leasinvest Real Estate of 2 office buildings, Extensa Square in Brussels, a building in Wommelgem and the Aubépines building in Luxembourg.

### Segment 3: Financial services

This segment solely contains cash flows that relate to the accounts of Bank J.Van Breda & C<sup>o</sup> and Finaxis, as the Delen and BDM-Asco groups are in-

cluded through the equity method. In order to enable the Bank Delen group to acquire Capital & Finance, Finaxis increased the capital of Delen Investments by 60 million euros.

### Segments 4 and 5: Private Equity and AvH and subholdings

In the Private Equity segment, the cash flows of GIB and its subsidiaries have not been included in the cash flow statement because these holdings are consolidated according to the equity method. Only the cash flows of Sofinim are shown.

As a result of the sale of Quick in 2006, AvH received a dividend of 198 million euros from GIB in 2007.

2007 was an active investment year for private equity. Sofinim invested a total of 154.0 million euros: 137.9 million euros of new investments in Spano, Iris, Manuchar and Distriplus, and 16.1 million euros in follow-up investments (a.o. Turbo's Hoet, Alural and UBF/ Euro Media Group). AvH took a stake in Groupe Financière Duval and in Rent-A-Port, and invested, via Finaxis, 53 million euros in the capital increase of Bank Delen, in relation to the acquisition of Capital & Finance. Also with regard to AvH, follow-up investments were made in, a.o. Sipef and Leasinvest Real Estate.

The divestments with regard to Sofinim mainly relate to the sale of Corn. Van Loocke, while for AvH, they relate to the sale of a number of non-consolidated participations such as Belfimas (partial), KBC (partial) and Agridec.

In order to cover all of its option obligations, in 2007 AvH purchased 2.5 million euros worth of its own shares, and also sold 0.2 million euros worth of its own shares in order to cover exercised options.

## Evolution of the cash position of the AvH group 2003-2007<sup>(1)</sup>

| (€ mio)   | 2007         | 2006         | 2005         | 2004          | 2003         |
|---|--------------|--------------|--------------|---------------|--------------|
| <b>Treasury shares</b>  | <b>11.3</b>  | <b>9.0</b>   | <b>3.0</b>   | <b>2.3</b>    | <b>1.9</b>   |
| <b>Other investments</b>                                      |              |              |              |               |              |
| • portfolio shares <sup>(2)</sup>                             | 225.9        | 233.7        | 200.0        | 78.3          | 82.0         |
| • term deposits   | 166.2        | 158.3        | 310.8        | 60.6          | 18.9         |
| <b>Cash</b>   | <b>3.6</b>   | <b>1.9</b>   | <b>1.2</b>   | <b>1.2</b>    | <b>1.2</b>   |
| <b>Latent capital gains on listed portfolio<sup>(2)</sup></b> |              |              |              | <b>79.9</b>   | <b>32.6</b>  |
| <b>Financial debts</b>  | <b>-43.3</b> | <b>-62.2</b> | <b>-80.6</b> | <b>-103.1</b> | <b>-58.3</b> |
| <b>Net cash position</b>                                      | <b>363.6</b> | <b>340.7</b> | <b>434.4</b> | <b>119.2</b>  | <b>78.3</b>  |
| <b>Net cash position incl. Quick<sup>(3)</sup></b>            |              | <b>552.0</b> |              |               |              |

(1) Includes the cash and financial debts to credit institutions or to financial markets of the consolidated companies recorded in the segment 'AvH and subholdings' and 'Private Equity', and (as from 2005) the cash of GIB (50%) included via the equity method.

(2) In accordance with IFRS portfolio shares are recorded at market value, as from 2005. For more details we refer to Note 11.5.

(3) Revenue from sale cashed at the beginning of 2007.

Note 5: Segment information – Assets 2006

| (€ 1,000)   | Segment 1<br>Contracting,<br>dredging &<br>concessions | Segment 2<br>Real estate<br>and<br>related<br>services | Segment 3<br>Financial<br>services | Segment 4<br>Private<br>Equity | Segment 5<br>AvH and<br>sub-<br>holdings | Eliminations<br>between<br>segments | TOTAL<br>2006    |
|---|--|--|------------------------------------|--------------------------------|--|-------------------------------------|------------------|
| <b>Primary segment information</b>  |  |  |                                    |                                |  |                                     |                  |
| <b>I. NON-CURRENT ASSETS</b>  | <b>212,272</b>   | <b>519,653</b>   | <b>1,320,617</b>                   | <b>197,503</b>                 | <b>395,139</b>                           | <b>-13,900</b>                      | <b>2,631,284</b> |
| Intangible assets   |  | 151  | 1,240                              |                                |  |                                     | 1,391            |
| Goodwill  | 2,487  | 112  | 421                                |                                | 114,806                                  |                                     | 117,826          |
| Tangible assets   | 27,768   | 7,950  | 23,692                             | 26                             | 10,003                                   |                                     | 69,439           |
| Investment property   | 2,749  | 468,555  |                                    |                                |  |                                     | 471,304          |
| Participations accounted for using the equity method                        | 176,696  | 26,105   | 158,204                            | 32,654                         | 194,734                                  |                                     | 588,393          |
| Financial fixed assets  | 1,812  | 636  | 22                                 | 164,823                        | 71,885                                   | -13,900                             | 225,278          |
| Private equity participations   |  |  |                                    | 162,117                        |  |                                     | 162,117          |
| Available for sale financial fixed assets                                   | 610  | 617  | 1                                  |                                | 51,467                                   |                                     | 52,694           |
| Receivables and warranties  | 1,202  | 19   | 21                                 | 2,706                          | 20,418                                   | -13,900                             | 10,466           |
| Non-current hedging instruments   |  | 1,660  | 12,975                             |                                | 72                                       |                                     | 14,707           |
| Amounts receivable after one year   | 505  | 12,696   | 58,647                             |                                | 103                                      |                                     | 71,951           |
| Finance lease receivables   |  | 11,856   | 58,415                             |                                |  |                                     | 70,271           |
| Other receivables   | 505  | 841  | 232                                |                                | 103                                      |                                     | 1,681            |
| Deferred tax assets   | 254  | 1,788  |                                    |                                | 3,536                                    |                                     | 5,579            |
| Banks - receivables from credit institutions<br>and clients after one year  |  |  | 1,065,416                          |                                |  |                                     | 1,065,416        |
| <b>II. CURRENT ASSETS</b>   | <b>147,613</b>   | <b>64,348</b>  | <b>1,446,163</b>                   | <b>181,950</b>                 | <b>359,801</b>                           | <b>-137,379</b>                     | <b>2,062,496</b> |
| Inventories   | 1,226  | 33,399   |                                    |                                |  |                                     | 34,625           |
| Amounts due from customers<br>under construction contracts                  | 2,260  |  |                                    |                                |  |                                     | 2,260            |
| Investments   | 1,079  | 7,748  | 593,269                            | 30,122                         | 203,582                                  |                                     | 835,801          |
| Available for sale financial assets   | 1,079  | 7,748  | 572,462                            | 30,122                         | 203,582                                  |                                     | 814,994          |
| Financial assets held for trading   |  |  | 20,807                             |                                |  |                                     | 20,807           |
| Current hedging instruments   |  |  | 896                                |                                |  |                                     | 896              |
| Amounts receivable within one year  | 111,370  | 9,029  | 67,067                             | 97,800                         | 47,182                                   | -137,275                            | 195,173          |
| Trade debtors   | 83,255   | 4,921  |                                    |                                | 1,801                                    | -948                                | 89,029           |
| Finance lease receivables   |  | 1,064  | 28,136                             |                                |  |                                     | 29,200           |
| Other receivables   | 28,115   | 3,044  | 38,931                             | 97,800                         | 45,381                                   | -136,327                            | 76,944           |
| Current tax receivables   | 248  | 580  | 2,246                              | 368                            | 1,640                                    |                                     | 5,082            |
| Banks - receivables from credit institutions<br>and clients within one year |  |  | 752,049                            |                                |  |                                     | 752,049          |
| Cash and cash equivalents   | 31,204   | 12,290   | 12,102                             | 53,453                         | 105,728                                  |                                     | 214,778          |
| Time deposits for less than three months                                    | 20,059   |  |                                    | 53,275                         | 104,178                                  |                                     | 177,512          |
| Cash  | 11,144   | 12,290   | 12,102                             | 178                            | 1,550                                    |                                     | 37,265           |
| Deferred charges and accrued income   | 228  | 1,303  | 18,533                             | 207                            | 1,668                                    | -104                                | 21,834           |
| <b>III. ASSETS HELD FOR SALE</b>  |  | <b>27,698</b>  |                                    |                                |  |                                     | <b>27,698</b>    |
| <b>TOTAL ASSETS</b>   | <b>359,885</b>   | <b>611,699</b>   | <b>2,766,780</b>                   | <b>379,453</b>                 | <b>754,939</b>                           | <b>-151,279</b>                     | <b>4,721,478</b> |

| (€ 1,000)                            | Segment 1<br>BELUX | Segment 2<br>Others | Eliminations<br>between<br>segments | TOTAL<br>2006 |
|--------------------------------------|--------------------|---------------------|-------------------------------------|---------------|
| <b>Secondary segment information</b> |                    |                     |                                     |               |
| Revenue                              | 359,616            | 12,478              | -60                                 | 372,034       |
| Total assets                         | 4,685,897          | 43,356              | -7,775                              | 4,721,478     |
| Investments                          | 88,398             | 8,880               |                                     | 97,278        |

**Note 5: Segment information – Equity and liabilities 2006**

| (€ 1,000)  | Segment 1<br>Contracting,<br>dredging &<br>concessions | Segment 2<br>Real estate<br>and<br>related<br>services | Segment 3<br>Financial<br>services | Segment 4<br>Private<br>Equity | Segment 5<br>AvH and<br>sub-<br>holdings | Eliminations<br>between<br>segments | TOTAL<br>2006    |
|--|--|--|------------------------------------|--------------------------------|--|-------------------------------------|------------------|
| <b>Primary segment information</b>                         |  |  |                                    |                                |  |                                     |                  |
| <b>I. TOTAL EQUITY</b>                                     | <b>236,283</b>   | <b>282,210</b>   | <b>391,251</b>                     | <b>372,918</b>                 | <b>520,591</b>                           |                                     | <b>1,803,253</b> |
| Equity - group share                                       | 227,137  | 98,796   | 295,447                            | 284,442                        | 517,844                                  |                                     | 1,423,664        |
| Issued capital   |  |  |                                    |                                | 113,907                                  |                                     | 113,907          |
| Share capital  |  |  |                                    |                                | 2,295                                    |                                     | 2,295            |
| Share premium  |  |  |                                    |                                | 111,612                                  |                                     | 111,612          |
| Consolidated reserves                                      | 229,577  | 96,961   | 294,719                            | 271,736                        | 258,159                                  |                                     | 1,151,151        |
| Revaluation reserves                                       | -2,440   | 1,835  | 727                                | 12,706                         | 156,539                                  |                                     | 169,368          |
| Securities available for sale                              |  | 1,667  | -1,972                             | 12,601                         | 156,539                                  |                                     | 168,835          |
| Hedging reserves   | 461  | 175  | 2,809                              | 105                            |  |                                     | 3,551            |
| Translation differences                                    | -2,901   | -7   | -109                               |                                |  |                                     | -3,018           |
| Treasury shares (-)  |  |  |                                    |                                | -10,762                                  |                                     | -10,762          |
| Minority interests   | 9,146  | 183,414  | 95,804                             | 88,476                         | 2,747                                    |                                     | 379,588          |
| <b>II. NON-CURRENT LIABILITIES</b>                         | <b>34,546</b>  | <b>163,153</b>   | <b>594,254</b>                     | <b>385</b>                     | <b>33,139</b>                            | <b>-13,900</b>                      | <b>811,576</b>   |
| Provisions   | 1,062  | 1,890  | 792                                | 385                            | 21,442                                   |                                     | 25,571           |
| Pension liabilities  | 292  |  | 483                                |                                | 743                                      |                                     | 1,518            |
| Deferred tax liabilities                                   | 11,809   | 5,250  | 1,447                              |                                | 6,939                                    |                                     | 25,444           |
| Financial debts  | 19,776   | 154,008  | 62,397                             |                                | 17                                       | -13,900                             | 222,297          |
| Bank loans   | 19,573   | 140,108  |                                    |                                |  |                                     | 159,681          |
| Subordinated loans   | 200  |  | 62,397                             |                                |  |                                     | 62,597           |
| Finance leases   | 3  |  |                                    |                                | 17                                       |                                     | 20               |
| Other financial debts                                      |  | 13,900   |                                    |                                |  | -13,900                             | 0                |
| Non-current hedging instruments                            |  | 81   | 4,897                              |                                |  |                                     | 4,978            |
| Other amounts payable after one year                       | 1,606  | 1,924  | 3,587                              |                                | 4,000                                    |                                     | 11,117           |
| Banks - debts to credit institutions, clients & securities |  |  | 520,651                            |                                |  |                                     | 520,651          |
| <b>III. CURRENT LIABILITIES</b>                            | <b>89,056</b>  | <b>166,337</b>   | <b>1,781,275</b>                   | <b>6,151</b>                   | <b>201,209</b>                           | <b>-137,379</b>                     | <b>2,106,649</b> |
| Provisions   |  |  |                                    |                                |  |                                     | 0                |
| Pension liabilities  |  |  | 50                                 |                                |  |                                     | 50               |
| Financial debts  | 2,225  | 145,172  | 233                                | 5,245                          | 193,097                                  | -135,882                            | 210,090          |
| Bank loans   | 2,225  | 860  |                                    |                                |  |                                     | 3,085            |
| Subordinated loans   |  |  | 233                                |                                |  |                                     | 233              |
| Finance leases   |  |  |                                    |                                | 5  |                                     | 5                |
| Other financial debts                                      |  | 144,312  |                                    | 5,245                          | 193,092                                  | -135,882                            | 206,768          |
| Current hedging instruments                                |  | 174  | 438                                |                                |  |                                     | 612              |
| Amounts due to customers under construction contracts      | 6,185  |  |                                    |                                |  |                                     | 6,185            |
| Other amounts payable within one year                      | 79,110   | 10,850   | 8,558                              | 735                            | 7,362                                    | -1,330                              | 105,285          |
| Trade payables   | 73,713   | 3,512  | 9                                  | 302                            | 1,188                                    | -1,025                              | 77,698           |
| Advances received on construction contracts                |  | 1,020  |                                    |                                |  |                                     | 1,020            |
| Amounts payable regarding remuneration and social security | 5,004  | 449  | 8,355                              | 21                             | 977                                      |                                     | 14,806           |
| Other amounts payable                                      | 394  | 5,869  | 194                                | 412                            | 5,197                                    | -305                                | 11,761           |
| Current tax payables                                       | 616  | 1,245  | 6,982                              |                                | 33                                       |                                     | 8,875            |
| Banks - debts to credit institutions, clients & securities |  |  | 1,740,485                          |                                |  |                                     | 1,740,485        |
| Accrued charges and deferred income                        | 921  | 8,897  | 24,529                             | 171                            | 717                                      | -167                                | 35,067           |
| <b>IV. LIABILITIES HELD FOR SALE</b>                       |  |  |                                    |                                |  |                                     | <b>0</b>         |
| <b>TOTAL EQUITY AND LIABILITIES</b>                        | <b>359,885</b>   | <b>611,699</b>   | <b>2,766,780</b>                   | <b>379,453</b>                 | <b>754,939</b>                           | <b>-151,279</b>                     | <b>4,721,478</b> |

**Note 5: Segment information – Income statement 2006**

| (€ 1,000)   | Segment 1<br>Contracting,<br>dredging &<br>concessions | Segment 2<br>Real estate<br>and<br>related<br>services | Segment 3<br>Financial<br>services | Segment 4<br>Private<br>Equity | Segment 5<br>AvH and<br>sub-<br>holdings | Eliminations<br>between<br>segments | TOTAL<br>2006   |
|---|--|--|------------------------------------|--------------------------------|--|-------------------------------------|-----------------|
| <b>Primary segment information</b>  |  |  |                                    |                                |  |                                     |                 |
| <b>Revenue</b>  | <b>229,705</b>   | <b>13,104</b>  | <b>126,644</b>                     | <b>7</b>                       | <b>6,468</b>                             | <b>-3,894</b>                       | <b>372,034</b>  |
| Rendering of services   | 16,373   |  |                                    |                                | 4,755                                    | -2,627                              | 18,501          |
| Lease revenue   |  | 2,060  | 7,561                              |                                |  |                                     | 9,621           |
| Real estate revenue   |  | 10,399   |                                    |                                |  |                                     | 10,399          |
| Interest income - banking activities  |  |  | 98,158                             |                                |  |                                     | 98,158          |
| Commissions receivable - banking activities   |  |  | 18,283                             |                                |  |                                     | 18,283          |
| Revenue from construction contracts   | 209,359  |  |                                    |                                |  |                                     | 209,359         |
| Other operating revenue   | 3,973  | 645  | 2,642                              | 7                              | 1,712                                    | -1,267                              | 7,712           |
| <b>Other operating income</b>   | <b>22</b>  | <b>272</b>   | <b>47</b>                          | <b>7,494</b>                   | <b>8,950</b>                             | <b>-1,000</b>                       | <b>15,785</b>   |
| Interest on financial fixed assets - receivables  |  |  |                                    | 252                            | 962                                      | -521                                | 692             |
| Dividends   | 22   | 272  | 47                                 | 7,214                          | 7,507                                    |                                     | 15,062          |
| Other operating income  |  |  |                                    | 28                             | 482                                      | -478                                | 32              |
| <b>Operating expenses (-)</b>   | <b>-222,604</b>  | <b>-11,461</b>   | <b>-111,729</b>                    | <b>-4,855</b>                  | <b>-3,173</b>                            | <b>4,372</b>                        | <b>-349,450</b> |
| Raw materials and consumables used (-)  | -156,815   | -3,208   |                                    |                                |  |                                     | -160,023        |
| Changes in inventories (-)  | 72   | -536   |                                    |                                |  |                                     | -464            |
| Interest expenses Bank J, Van Breda & C° (-)  |  |  | -65,533                            |                                |  |                                     | -65,533         |
| Employee expenses (-)   | -30,159  | -1,922   | -24,241                            | -169                           | -2,752                                   |                                     | -59,244         |
| Depreciation (-)  | -5,146   | -551   | -774                               | -10                            | -123                                     |                                     | -6,605          |
| Impairment losses (-)   | -535   | -873   | -684                               | 771                            | -202                                     |                                     | -1,523          |
| Other operating expenses (-)  | -30,503  | -4,438   | -20,196                            | -5,172                         | -8,593                                   | 4,372                               | -64,530         |
| Provisions  | 481  | 68   | -300                               | -275                           | 8,497                                    |                                     | 8,471           |
| <b>Profit (loss) from operating activities</b>  | <b>7,124</b>   | <b>1,915</b>   | <b>14,962</b>                      | <b>2,645</b>                   | <b>12,245</b>                            | <b>-521</b>                         | <b>38,370</b>   |
| <b>Profit (loss) on assets/liabilities designated<br/>at fair value through profit and loss</b> |  | <b>1,171</b>   | <b>74</b>                          | <b>11,639</b>                  | <b>224</b>                               |                                     | <b>13,108</b>   |
| Private equity  |  |  |                                    | 11,639                         |  |                                     | 11,639          |
| Financial assets held for trading   |  |  | -952                               |                                |  |                                     | -952            |
| Investment property   |  | 1,342  |                                    |                                |  |                                     | 1,342           |
| Derivative financial instruments  |  | -171   | 1,026                              |                                | 224                                      |                                     | 1,080           |
| <b>Profit (loss) on disposal of assets</b>  | <b>49</b>  | <b>7,269</b>   | <b>2,008</b>                       | <b>8,110</b>                   | <b>13,980</b>                            |                                     | <b>31,416</b>   |
| Realised gain(loss) on intangible<br>and tangible assets  | 43   | 727  | -16                                |                                | 5  |                                     | 760             |
| Realised gain(loss) on financial fixed assets   |  | 6,541  | 533                                | 8,111                          | 11,969                                   |                                     | 27,154          |
| Realised gain(loss) on other assets   | 6  |  | 1,491                              | -1                             | 2,006                                    |                                     | 3,502           |
| <b>Finance income</b>   | <b>1,801</b>   | <b>1,513</b>   | <b>19,783</b>                      | <b>4,467</b>                   | <b>4,670</b>                             | <b>-3,844</b>                       | <b>28,389</b>   |
| Interest income   | 1,512  | 782  | 19,782                             | 4,467                          | 4,666                                    | -3,844                              | 27,365          |
| Other finance income  | 288  | 731  | 1                                  |                                | 4  |                                     | 1,024           |
| <b>Finance costs (-)</b>  | <b>-1,465</b>  | <b>-3,842</b>  | <b>-2,947</b>                      | <b>-123</b>                    | <b>-6,990</b>                            | <b>4,365</b>                        | <b>-11,003</b>  |
| Interest expenses (-)   | -1,100   | -3,492   | -2,947                             | -105                           | -5,804                                   | 4,365                               | -9,083          |
| Other finance costs (-)   | -366   | -350   |                                    | -18                            | -1,186                                   |                                     | -1,920          |
| <b>Share of profit (loss) from equity<br/>accounted investments</b>                             | <b>26,404</b>  | <b>20,196</b>  | <b>31,247</b>                      | <b>162,345</b>                 | <b>-2,464</b>                            |                                     | <b>237,728</b>  |
| <b>Other non-operating income</b>   | <b>33</b>  | <b>1,436</b>   |                                    | <b>756</b>                     | <b>1,862</b>                             |                                     | <b>4,086</b>    |
| <b>Other non-operating expenses (-)</b>   |  | <b>-13</b>   |                                    |                                |  |                                     | <b>-13</b>      |
| <b>Profit (loss) before tax</b>   | <b>33,945</b>  | <b>29,644</b>  | <b>65,126</b>                      | <b>189,840</b>                 | <b>23,527</b>                            | <b>0</b>                            | <b>342,081</b>  |
| <b>Income taxes</b>   | <b>-1,935</b>  | <b>-1,118</b>  | <b>-9,931</b>                      |                                | <b>36</b>                                |                                     | <b>-12,947</b>  |
| Deferred taxes  | 696  | -1,023   | 102                                |                                | 66                                       |                                     | -160            |
| Current taxes   | -2,631   | -94  | -10,033                            |                                | -30                                      |                                     | -12,787         |
| <b>Profit (loss) after tax from continuing operations</b>                                       | <b>32,010</b>  | <b>28,526</b>  | <b>55,196</b>                      | <b>189,840</b>                 | <b>23,563</b>                            | <b>0</b>                            | <b>329,135</b>  |
| <b>Profit (loss) after tax from discontinued operations</b>                                     |  |  |                                    |                                |  |                                     | <b>0</b>        |
| <b>Profit (loss) of the period</b>  | <b>32,010</b>  | <b>28,526</b>  | <b>55,196</b>                      | <b>189,840</b>                 | <b>23,563</b>                            | <b>0</b>                            | <b>329,135</b>  |
| Minority interests  | 683  | 0  | 13,615                             | 7,149                          | 87                                       |                                     | 21,534          |
| Share of the group  | 31,327   | 28,526   | 41,580                             | 182,690                        | 23,476                                   |                                     | 307,600         |

**Note 5: Segment information – Cash flow statement 2006**

| (€ 1,000)   | Segment 1<br>Contracting,<br>dredging &<br>concessions | Segment 2<br>Real estate<br>and<br>related<br>services | Segment 3<br>Financial<br>services | Segment 4 & 5<br>AvH,<br>subhold &<br>Private<br>Equity | Eliminations<br>between<br>segments | TOTAL<br>2006     |
|---|--|--|------------------------------------|---|-------------------------------------|-------------------|
| <b>Primary segment information</b>  |  |  |                                    |   |                                     |                   |
| <b>I. CASH AND CASH EQUIVALENTS,<br/>OPENING BALANCE</b>                                  | <b>33,068</b>  | <b>4,668</b>   | <b>8,431</b>                       | <b>304,922</b>  |                                     | <b>351,090</b>    |
| <b>Profit (loss) from operating activities</b>  | <b>7,124</b>   | <b>1,915</b>   | <b>14,962</b>                      | <b>14,890</b>   | <b>-521</b>                         | <b>38,370</b>     |
| Dividends from participations accounted<br>for using the equity method                    | 158  | 4,887  | 15,605                             | 6,822   |                                     | 27,472            |
| Other non-operating income (expenses)   | 33   | 19   |                                    | 756   |                                     | 807               |
| Income taxes  | -1,935   | -1,118   | -9,931                             | 36  |                                     | -12,947           |
| <b>Non-cash adjustments</b>   |  |  |                                    |   |                                     |                   |
| Depreciation  | 5,146  | 551  | 774                                | 134   |                                     | 6,605             |
| Impairment losses   | 535  | 873  | 677                                | -569  |                                     | 1,516             |
| Share based payment   | 330  | 249  | -6,667                             | 23  |                                     | -6,066            |
| (Decrease)increase of provisions  | -298   | -153   | -56                                | -8,222  |                                     | -8,729            |
| (Decrease)increase of deferred taxes  | -696   | 1,023  | -102                               | -66   |                                     | 160               |
| Other non-cash income (expenses)  |  |  |                                    | 618   |                                     | 618               |
| <b>Cash flow</b>  | <b>10,395</b>  | <b>8,248</b>   | <b>15,263</b>                      | <b>14,421</b>   | <b>-521</b>                         | <b>47,806</b>     |
| <b>Decrease (increase) of working capital</b>   | <b>-4,032</b>  | <b>9,507</b>   | <b>133,353</b>                     | <b>-110,561</b>   |                                     | <b>28,266</b>     |
| Decrease (increase) of inventories, construction contracts<br>& advance payments received | 97   | 748  |                                    |   |                                     | 846               |
| Decrease (increase) of amounts receivable   | -29,119  | 9,904  | 9,443                              | -34,057   |                                     | -43,829           |
| Decrease (increase) of receivables from credit institutions<br>and clients (banks)        |  |  | 182,731                            |   |                                     | 182,731           |
| Increase (decrease) of liabilities<br>(other than financial debts)                        | 25,767   | -652   | 755                                | -75,193   |                                     | -49,323           |
| Increase (decrease) of debts to credit institutions,<br>clients & securities (banks)      |  |  | -66,272                            |   |                                     | -66,272           |
| Decrease (increase) other   | -777   | -494   | 6,696                              | -1,311  |                                     | 4,113             |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>  | <b>6,363</b>   | <b>17,754</b>  | <b>148,615</b>                     | <b>-96,140</b>  | <b>-521</b>                         | <b>76,072</b>     |
| <b>Investments</b>  | <b>-4,216</b>  | <b>-7,416</b>  | <b>-1,030,967</b>                  | <b>-97,386</b>  | <b>3,919</b>                        | <b>-1,136,066</b> |
| Acquisition of intangible and tangible assets   | -1,569   | -172   | -13,811                            | -6,192  |                                     | -21,744           |
| Acquisition of investment property  |  | -8   |                                    |   |                                     | -8                |
| Acquisition of financial fixed assets   | -467   | -7,227   | -1                                 | -64,045   | 3,919                               | -67,822           |
| New amounts receivable  | -215   | -9   |                                    | -7,482  |                                     | -7,705            |
| Acquisition of investments  | -1,965   |  | -1,017,155                         | -19,667   |                                     | -1,038,788        |
| <b>Divestments</b>  | <b>1,670</b>   | <b>25,811</b>  | <b>890,869</b>                     | <b>67,481</b>   | <b>-3,919</b>                       | <b>981,912</b>    |
| Disposal of intangible and tangible assets  | 117  | 350  |                                    | 50  |                                     | 517               |
| Disposal of investment property   |  | 2,396  |                                    |   |                                     | 2,396             |
| Disposal of financial fixed assets  |  | 22,977   | 856                                | 45,227  | -2,637                              | 66,423            |
| Reimbursements of amounts receivable  | 580  | 87   |                                    |   |                                     | 667               |
| Disposal of investments   | 974  |  | 890,013                            | 22,203  | -1,282                              | 911,908           |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>  | <b>-2,546</b>  | <b>18,394</b>  | <b>-140,098</b>                    | <b>-29,905</b>  | <b>0</b>                            | <b>-154,155</b>   |
| <b>Financial operations</b>   |  |  |                                    |   |                                     |                   |
| Interest received   | 1,512  | 782  | 22,087                             | 6,268   | -3,844                              | 26,805            |
| Interest paid   | -1,100   | -3,492   | -2,947                             | -3,224  | 4,365                               | -6,397            |
| Other financial income (costs)  | -77  | 381  | 1,842                              | -1,199  |                                     | 946               |
| (Decrease)increase of treasury shares   |  |  |                                    | -8,549  |                                     | -8,549            |
| (Decrease)increase of financial debts   | -4,917   | -34,679  | 4,131                              | -7,582  |                                     | -43,048           |
| Distribution of profits   |  |  |                                    | -29,993   |                                     | -29,993           |
| Dividends paid to minority interests  | -1,100   | -3,500   | -29,959                            | 24,584  |                                     | -9,975            |
| <b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>  | <b>-5,682</b>  | <b>-40,509</b>   | <b>-4,846</b>                      | <b>-19,696</b>  | <b>521</b>                          | <b>-70,212</b>    |
| <b>II. NET VARIATION IN CASH AND<br/>CASH EQUIVALENTS</b>                                 | <b>-1,865</b>  | <b>-4,360</b>  | <b>3,671</b>                       | <b>-145,741</b>   | <b>0</b>                            | <b>-148,294</b>   |
| Change in consolidation scope or method   |  | 11,989   |                                    |   |                                     | 11,989            |
| Impact of exchange rate changes on cash and cash equivalents                              |  | -7   |                                    |   |                                     | -7                |
| <b>III. CASH AND CASH EQUIVALENTS, ENDING BALANCE</b>                                     | <b>31,203</b>  | <b>12,290</b>  | <b>12,102</b>                      | <b>159,181</b>  | <b>0</b>                            | <b>214,778</b>    |

## Note 6: Intangible assets

| (€ 1,000)   | Patents,<br>trademarks<br>and other<br>rights | Goodwill | Computer-<br>software | Other<br>intangible<br>assets | TOTAL        |
|---|---|----------|-----------------------|-------------------------------|--------------|
| <b>MOVEMENTS IN INTANGIBLE ASSETS – FINANCIAL YEAR 2006</b> |   |          |                       |                               |              |
| <b>Intangible assets, opening balance</b>                   | <b>0</b>                                      | <b>0</b> | <b>1,021</b>          | <b>0</b>                      | <b>1,021</b> |
| Gross amount  |   | 2,459    | 2,183                 |                               | 4,642        |
| Accumulated depreciation (-)                                |   | -2,459   | -1,162                |                               | -3,621       |
| Investments   |   |          | 686                   |                               | 686          |
| Depreciation (-)  |   |          | -315                  |                               | -315         |
| <b>Intangible assets, ending balance</b>                    | <b>0</b>                                      | <b>0</b> | <b>1,391</b>          | <b>0</b>                      | <b>1,391</b> |
| Gross amount  | 67  | 2,451    | 2,862                 |                               | 5,381        |
| Accumulated depreciation (-)                                | -67   | -2,451   | -1,471                |                               | -3,990       |
| <b>MOVEMENTS IN INTANGIBLE ASSETS – FINANCIAL YEAR 2007</b> |   |          |                       |                               |              |
| <b>Intangible assets, opening balance</b>                   | <b>0</b>                                      | <b>0</b> | <b>1,391</b>          | <b>0</b>                      | <b>1,391</b> |
| Gross amount  | 67  | 2,451    | 2,862                 |                               | 5,381        |
| Accumulated depreciation (-)                                | -67   | -2,451   | -1,471                |                               | -3,990       |
| Investments   |   |          | 538                   |                               | 538          |
| Disposals through business divestiture (-)                  |   |          | -2                    |                               | -2           |
| Depreciation (-)  |   |          | -846                  |                               | -846         |
| <b>Intangible assets, ending balance</b>                    | <b>0</b>                                      | <b>0</b> | <b>1,081</b>          | <b>0</b>                      | <b>1,081</b> |
| Gross amount  | 67  | 2,451    | 2,983                 |                               | 5,501        |
| Accumulated depreciation (-)                                | -67   | -2,451   | -1,902                |                               | -4,420       |

## Note 7: Goodwill

| (€ 1,000)   | 2007           | 2006           |
|---|----------------|----------------|
| <b>MOVEMENTS IN GOODWILL</b>  |                |                |
| <b>Goodwill, opening balance</b>                                      | <b>117,826</b> | <b>118,549</b> |
| Gross amount - fully consolidated participations                      | 119,977        | 119,431        |
| Accumulated impairment losses - fully consolidated participations (-) | -2,151         | -882           |
| Increase of the percentage of the participation                       | 465            |                |
| Additions through business combinations                               | 3,102          | 79             |
| Disposals through business divestiture (-)                            | -559           |                |
| Impairment losses recognised in the income statement (-)              |                | -1,269         |
| Other increase (decrease)   |                | 467            |
| <b>Goodwill, ending balance</b>                                       | <b>120,834</b> | <b>117,826</b> |
| Gross amount - fully consolidated participations                      | 122,954        | 119,977        |
| Accumulated impairment losses - fully consolidated participations (-) | -2,120         | -2,151         |

114.8 million euros of the goodwill is attributable to Finaxis, as a result of the modified shareholder structure in early 2004. The increase in the stake in Leasinvest Real Estate (from 29.23 % to 30.01%) resulted in goodwill of 0.4 million euros. 5.6 million euros is attributable to the subsidiaries held by Van Laere, Extensa and Bank J.Van Breda & C°.

The acquisition by Bank J.Van Breda & C° of the customer portfolio of credits and investments of independent inland shipping operators (ex-Creditmar), and the acquisition of a company holding a building in portfolio, explain the goodwill relating to business combinations. For further information, we refer to Note 4 'Business combinations'.

## Note 8: Tangible assets

| (€ 1,000)  | Land and buildings | Plant, machinery and equipment | Furniture and vehicles | Other tangible assets | Assets under construction & advance payments | Operating lease as lessor (IAS 17) | TOTAL 2006    |
|--|--------------------|--------------------------------|------------------------|-----------------------|--|------------------------------------|---------------|
| <b>I. MOVEMENTS IN TANGIBLE ASSETS – FINANCIAL YEAR 2006</b> |                    |                                |                        |                       |  |                                    |               |
| <b>Tangible assets, opening balance</b>                      | <b>12,751</b>      | <b>25,024</b>                  | <b>2,557</b>           | <b>1,374</b>          | <b>5,798</b>                                 | <b>7,847</b>                       | <b>55,350</b> |
| Gross amount   | 17,688             | 163,524                        | 14,924                 | 1,980                 | 5,798  | 10,471                             | 214,386       |
| Accumulated depreciation (-)                                 | -4,726             | -138,500                       | -12,368                | -607                  |  | -2,624                             | -158,825      |
| Accumulated impairment losses (-)                            | -211               |                                |                        |                       |  |                                    | -211          |
| Investments  | 741                | 807                            | 1,050                  | 373                   | 18,087                                       |                                    | 21,058        |
| Disposals (-)  | -420               | -107                           | -136                   |                       |  |                                    | -663          |
| Depreciation (-)   | -549               | -3,987                         | -1,101                 | -285                  |  | -367                               | -6,289        |
| Transfer from (to) other items                               | 14,945             | -1                             |                        |                       | -15,103                                      |                                    | -159          |
| Other increase (decrease)                                    |                    | 35                             |                        |                       | 106  |                                    | 141           |
| <b>Tangible assets, ending balance</b>                       | <b>27,468</b>      | <b>21,772</b>                  | <b>2,370</b>           | <b>1,462</b>          | <b>8,888</b>                                 | <b>7,479</b>                       | <b>69,439</b> |
| Gross amount   | 32,924             | 163,407                        | 13,767                 | 2,353                 | 8,888  | 10,471                             | 231,810       |
| Accumulated depreciation (-)                                 | -5,403             | -141,636                       | -11,397                | -892                  |  | -2,991                             | -162,319      |
| Accumulated impairment losses (-)                            | -52                |                                |                        |                       |  |                                    | -52           |
| <b>II. OTHER INFORMATION</b>                                 |                    |                                |                        |                       |  |                                    |               |
| <b>Finance leases</b>  |                    |                                |                        |                       |  |                                    |               |
| Net carrying amount of tangible assets under finance lease   |                    | 21                             |                        |                       |  |                                    | 21            |
| Tangible assets acquired under finance lease                 |                    | 25                             |                        |                       |  |                                    | 25            |

| (€ 1,000)  | Land and buildings | Plant, machinery and equipment | Furniture and vehicles | Other tangible assets | Assets under construction & advance payments | Operating lease as lessor (IAS 17) | TOTAL 2007    |
|--|--------------------|--------------------------------|------------------------|-----------------------|--|------------------------------------|---------------|
| <b>I. MOVEMENTS IN TANGIBLE ASSETS – FINANCIAL YEAR 2007</b> |                    |                                |                        |                       |  |                                    |               |
| <b>Tangible assets, opening balance</b>                      | <b>27,468</b>      | <b>21,772</b>                  | <b>2,370</b>           | <b>1,462</b>          | <b>8,888</b>                                 | <b>7,479</b>                       | <b>69,439</b> |
| Gross amount   | 32,924             | 163,407                        | 13,767                 | 2,353                 | 8,888  | 10,471                             | 231,810       |
| Accumulated depreciation (-)                                 | -5,403             | -141,636                       | -11,397                | -892                  |  | -2,991                             | -162,319      |
| Accumulated impairment losses (-)                            | -52                |                                |                        |                       |  |                                    | -52           |
| Investments  | 8,420              | 2,099                          | 2,728                  | 418                   | 6,828  | 39                                 | 20,533        |
| Additions through business combinations                      | 759                | 17                             | 14                     |                       |  |                                    | 790           |
| Disposals (-)  | -130               | -8                             | -74                    |                       |  |                                    | -212          |
| Disposals through business divestiture (-)                   |                    | -33                            | -115                   |                       |  |                                    | -148          |
| Depreciation (-)   | -1,789             | -2,615                         | -1,223                 | -342                  |  | -369                               | -6,338        |
| Transfer from (to) other items                               | 7,135              |                                |                        | -7                    | 4,257  |                                    | 11,385        |
| <b>Tangible assets, ending balance</b>                       | <b>41,864</b>      | <b>21,231</b>                  | <b>3,701</b>           | <b>1,531</b>          | <b>19,973</b>                                | <b>7,150</b>                       | <b>95,449</b> |
| Gross amount   | 49,232             | 164,359                        | 13,981                 | 2,764                 | 19,973                                       | 10,510                             | 260,819       |
| Accumulated depreciation (-)                                 | -7,369             | -143,128                       | -10,280                | -1,233                |  | -3,360                             | -165,370      |
| <b>II. OTHER INFORMATION</b>                                 |                    |                                |                        |                       |  |                                    |               |
| <b>Finance leases</b>  |                    |                                |                        |                       |  |                                    |               |
| Net carrying amount of tangible assets under finance lease   |                    | 56                             |                        |                       |  |                                    | 56            |
| Tangible assets acquired under finance lease                 |                    | 72                             |                        |                       |  |                                    | 72            |

The net increase of tangible fixed assets by 26 million euros is primarily explained by investments of 32 million euros and the depreciation of 6.3 million euros.

The renovations of the AvH (Begijnvest-Antwerp) and Bank J.Van Breda & C° (Goederenstation Zuid - Antwerp) head offices explain around 11 million euros of the investments. The other 21 million euros primarily concern investments made by Leasinvest Real Estate in Torenhof, in Parking Axxes Business Park and in the CFM project (Luxembourg), as well as the reclassification of the BIAN real estate project (Luxembourg) from investment properties to development projects (= tangible fixed assets).

## Note 9: Investment property at fair value

| (€ 1,000)   | Leased buildings | Operating lease as lessor - IAS 40 | TOTAL 2006     |
|---|------------------|------------------------------------|----------------|
| <b>I. MOVEMENT IN INVESTMENT PROPERTY AT FAIR VALUE – FINANCIAL YEAR 2006</b> |                  |                                    |                |
| <b>Investment property, opening balance</b>                                   | <b>26,255</b>    | <b>38,902</b>                      | <b>65,157</b>  |
| Gross amount  | 26,255           | 38,902                             | 65,157         |
| Investments   | 8                |                                    | 8              |
| Disposals (-)   | -6,435           | -37,372                            |                |
| Gains (losses) from fair value adjustments                                    | 1,032            | 310                                | 1,342          |
| Other increase (decrease)   | 448,605          |                                    | 448,605        |
| <b>Investment property, ending balance</b>                                    | <b>469,464</b>   | <b>1,840</b>                       | <b>471,304</b> |
| Gross amount  | 469,464          | 1,840                              | 471,304        |
| <b>II. OTHER INFORMATION</b>  |                  |                                    |                |
| <b>Rental income and operating expenses</b>                                   |                  |                                    |                |
| Rental income of investment property  | 32,342           | 200                                | 32,542         |
| Direct operating expenses (incl. repair & maint) of leased buildings          | -2,466           |                                    | -2,466         |
| Direct operating expenses (incl. repair & maint) of non leased buildings      | -1,032           |                                    | -1,032         |

| (€ 1,000)   | Leased buildings | Operating lease as lessor - IAS 40 | TOTAL 2007     |
|---|------------------|------------------------------------|----------------|
| <b>I. MOVEMENT IN INVESTMENT PROPERTY AT FAIR VALUE - FINANCIAL YEAR 2007</b> |                  |                                    |                |
| <b>Investment property, opening balance</b>                                   | <b>469,464</b>   | <b>1,840</b>                       | <b>471,304</b> |
| Gross amount  | 469,464          | 1,840                              | 471,304        |
| Investments   | 749              |                                    | 749            |
| Capitalised subsequent expenditure  | 1,082            |                                    |                |
| Disposals (-)   | -9,483           |                                    | -9,483         |
| Gains (losses) from fair value adjustments                                    | 10,908           | 140                                | 11,048         |
| Reclassifications (to) from other items                                       | -11,385          |                                    | -11,385        |
| Other increase (decrease)   | -368             |                                    | -368           |
| <b>Investment property, ending balance</b>                                    | <b>460,968</b>   | <b>1,980</b>                       | <b>462,948</b> |
| Gross amount  | 460,968          | 1,980                              | 462,948        |
| <b>II. OTHER INFORMATION</b>  |                  |                                    |                |
| <b>Rental income and operating expenses</b>                                   |                  |                                    |                |
| Rental income of investment property  | 33,318           | 203                                | 33,521         |
| Direct operating expenses (incl. repair & maint) of leased buildings          | -2,989           | -2                                 | -2,992         |
| Direct operating expenses (incl. repair & maint) of non-leased buildings      | -452             | 0                                  | -452           |

The sale of the Aubépines building and the reclassification of the BIAN real estate project to 'development projects' (and thus under tangible fixed assets in the balance sheet) result in a decrease of 20.9 million euros in investment properties. The increase of the investment properties amounted to 11 million euros in 2007.

The Extensa Square and Wommelgem buildings sold in 2007 were under the 'available for sale' section of the balance sheet at the end of 2006, and thus did not affect the investment properties.

### Valuation of investment properties

The investment properties are valued at fair value, whereby changes in value are booked in the income statement.

### Leased buildings

The fair value of leased buildings is determined annually, based on valuation reports.

### Operational leaseings as lessor – IAS 40

Operational leaseings whose purchase option takes into account the market value are qualified as investment properties. In other cases, these contracts are considered to be operational leases in accordance with IAS 17.



## Note 10: Participations accounted for using the equity method

| (€ 1,000)   | 2007           | 2006           |
|---|----------------|----------------|
| <b>PARTICIPATIONS ACCOUNTED FOR USING THE EQUITY METHOD</b> |                |                |
| Contracting, dredging & concessions                         | 213,457        | 176,696        |
| Real estate and related services                            | 59,430         | 26,105         |
| Financial services  | 259,269        | 158,204        |
| Private equity  | 36,837         | 32,654         |
| AvH and subholdings   | 42,343         | 194,734        |
| <b>Total</b>  | <b>611,336</b> | <b>588,393</b> |

| (€ 1,000)  | Equity value   | Goodwill allocated to the equity value | TOTAL 2007     |
|--|----------------|--|----------------|
| <b>MOVEMENTS IN PARTICIPATIONS ACCOUNTED FOR USING THE EQUITY METHOD</b>     |                |  |                |
| <b>Participations accounted for using the equity method: opening balance</b> | <b>567,994</b> | <b>20,399</b>                          | <b>588,393</b> |
| Additions  | 93,349         | 8,073                                  | 101,423        |
| Disposals (-)  | -4,937         |  | -4,937         |
| Share of profit (loss) from equity accounted investments                     | 113,291        |  | 113,291        |
| Foreign currency exchange increase (decrease)                                | -578           | 0                                      | -578           |
| Impact of dividends distributed by the participations (-)                    | -207,362       | 0                                      | -207,362       |
| Reclassifications (to) from other items                                      | -2,378         | -2,034                                 | -4,411         |
| Other increase (decrease)  | 25,518         | 0                                      | 25,518         |
| <b>Participations accounted for using the equity method: ending balance</b>  | <b>584,898</b> | <b>26,438</b>                          | <b>611,336</b> |

### Directly held participations accounted for using the equity method

IAS 31 offers the option of including jointly controlled subsidiaries in the consolidated accounts according to the proportional consolidation or the alternative equity method. AvH has opted for the equity method and applies this method to its participations DEME (50%), Rent-A-Port (45%), Delen Investments (75%), GIB Group (50%), BDM-ASCO-BtB (50%), Henschel Engineering (50%) and Sipef (19.5%).

The directly held stakes in Cobelguard (40%) and Groupe Financière Duval (21%) are also recorded in this balance sheet item.

### Indirectly held participations accounted for using the equity method

The companies around Tour & Taxis (50%) and the real estate projects in Romania and Turkey are the main participations, held by the fully consolidated subsidiary Extensa.

The direct investments of AvH amounted to 87 million euros in 2007 and mainly relate to the 60 million euros capital increase in Delen Investments (further to the acquisition of the Brussels asset management company, Capital & Finance), and to the 20.8% stake in Groupe Financière Duval, the 45% stake in Rent-A-Port and additional Sipef shares.

Through Extensa, 15 million euros were invested in real estate projects in Romania, the acquisition of all shares of the property developer, Implant, and in Tour & Taxis.

The sale by Extensa of its participation in the first retail park in Romania (Targu Mures) and the sale of the participation in PALL by NMP explain the 'disposals'.

The contributions of DEME (45.1 million euros) and Delen Investments (36.7 million euros) explain around 70% of the share of the profit. Moreover, Sipef (6.8 million euros), GIB (5.6 million euros), the subsidiaries of Extensa (5.8 million euros), Henschel (4.2 million euros) and Financière Flo (3.2 million euros) made the most important contributions to the profits of the companies to which the equity method is applied.

The income from the sale of Quick in 2006 was paid out to the shareholders by GIB in mid 2007 (198 million euros dividend - AvH share), which explains the exceptional amount of 207 million euros for 'impact dividends paid by holdings'.

The impact of the first consolidation of Sipef and Henschel Engineering accounts for 23.5 million euros in the 'other increase (decrease)' section.

## Note 11: Financial assets

### 1. FINANCIAL ASSETS AND LIABILITIES PER CATEGORY

| (€ 1,000)   | Fair value    |               | Book value    |               |
|---|---------------|---------------|---------------|---------------|
|   | 2007          | 2006          | 2007          | 2006          |
| <b>FINANCIAL ASSETS</b>   |               |               |               |               |
| <b>Financial assets designated at FV through P/L</b>                  |               |               |               |               |
| Private equity participations   | 344,692       | 162,117       | 344,692       | 162,117       |
| <b>Financial assets held for trading</b>                              |               |               |               |               |
| Financial assets of the trading portfolio                             | 961           | 20,807        | 961           | 20,807        |
| <b>Available for sales financial assets</b>                           |               |               |               |               |
| Non-current financial assets available for sale                       | 20,088        | 52,694        | 20,088        | 52,694        |
| Investments available for sale  | 612,208       | 814,994       | 612,208       | 814,994       |
| <b>Receivables and cash</b>   |               |               |               |               |
| Receivables and securities  | 40,681        | 10,466        | 40,681        | 10,466        |
| Finance lease receivables   | 114,363       | 100,148       | 112,209       | 99,471        |
| Other receivables   | 35,884        | 78,656        | 35,861        | 78,625        |
| Trade debtors   | 55,451        | 89,029        | 55,451        | 89,029        |
| Time deposits for less than three months                              | 192,475       | 177,512       | 192,475       | 177,512       |
| Cash  | 33,072        | 37,265        | 33,072        | 37,265        |
| Banks – receivables from credit institutions & clients                | 2,087,282     | 1,836,224     | 2,054,449     | 1,817,465     |
| <b>Hedging instruments</b>  | <b>16,949</b> | <b>15,603</b> | <b>16,949</b> | <b>15,603</b> |
| <b>FINANCIAL LIABILITIES</b>  |               |               |               |               |
| <b>Financial assets valued at amortised cost</b>                      |               |               |               |               |
| <i>Financial debts</i>  |               |               |               |               |
| Loans from banks  | 144,101       | 162,765       | 144,735       | 162,766       |
| Subordinated loans  | 76,784        | 64,319        | 75,552        | 62,830        |
| Finance leases  | 59            | 24            | 59            | 25            |
| Other financial debts   | 181,897       | 206,768       | 181,897       | 206,768       |
| <i>Other debts</i>  |               |               |               |               |
| Trade payables  | 51,681        | 77,698        | 51,681        | 77,698        |
| Advances received on construction contracts                           | 633           | 1,020         | 633           | 1,020         |
| Amounts payable regarding remuneration and social security            | 15,733        | 14,806        | 15,733        | 14,806        |
| Other amounts payable   | 22,812        | 22,878        | 22,812        | 22,878        |
| <i>Banks – debts to credit institutions, clients &amp; securities</i> | 2,309,534     | 2,258,171     | 2,310,491     | 2,261,136     |
| <b>Hedging instruments</b>  | <b>5,996</b>  | <b>5,590</b>  | <b>5,996</b>  | <b>5,590</b>  |

The fair value of the credits and receivables of Bank J.Van Breda & C° has been defined based on the current swap interest rate + margin. The applied margin is the one used for the last transactions of the bank in the related market. Where the fair value could not be defined exactly, the most reliable value has been presented.

| (€ 1,000)                                     | Realised gains (losses) | Interest income (expense) | Realised gains (losses) | Interest income (expense) |
|---|-------------------------|---------------------------|-------------------------|---------------------------|
|   | 2007                    | 2007                      | 2006                    | 2006                      |
| Financial assets designated at FV through P/L | 24,417                  |                           | 8,111                   |                           |
| Financial assets held for trading             | 90                      | 524                       |                         | 739                       |
| Available for sale financial assets           | 39,530                  | 17,203                    | 22,545                  | 19,349                    |
| Receivables and cash                          |                         | 17,505                    |                         | 16,369                    |
| Financial assets valued at amortised cost     |                         | -20,372                   |                         | -9,083                    |

## 2. CREDIT RISK

The credit risk of SNTC is hedged by the conclusion of long term contracts whereby the pipeline network is made available to third parties for transport of their products. As all clients of SNTC are large national and international corporations, the risk for discontinuing income is estimated to be rather low.

Leasinvest Real Estate aims at a better spread both in terms of the number of tenants and the sectors in which these tenants are active in order to limit the number of bad debts and bankruptcies by tenants. In addition, the company looks for creditworthy tenants and the signing of long-term lease agreements to ensure the recurrent rental income flow and therefore increase the duration of the lease agreements.

Extensa Group is a company active, directly or indirectly (through participations) in real estate investments and projects. The tenant risk within the current real estate portfolio is managed by concluding long term leases with creditworthy tenants active in a wide range of economic markets. Prior to the signing of a new development project, an extensive analysis of the related technical, legal and financial risks is made.

For the credit risk regarding the leasing portfolio of Bank J.Van Breda & C° we refer to the credit policy as described in Note 12.

The private equity segment and AvH and subholdings invest for the long term in a limited number of companies with international growth potential. The diversified character of these investments contributes to a balanced spread of the economic and financial risks. Furthermore, AvH usually finances these investments with shareholders' equity.

| (€ 1,000)                                     | TOTAAL  | Not expired | Expired < 30 days | Expired < 60 days | Expired < 120 days | Expired > 120 days |
|---|---------|-------------|-------------------|-------------------|--------------------|--------------------|
| <b>EXPIRY BALANCE SHEET 2006</b>              |         |             |                   |                   |                    |                    |
| Financial assets designated at FV through P/L | 162,117 | 162,117     |                   |                   |                    |                    |
| Financial assets held for trading             | 20,807  | 20,807      |                   |                   |                    |                    |
| Available for sale financial assets           | 867,688 | 867,688     |                   |                   |                    |                    |
| Receivables and cash                          | 277,591 | 246,802     | 18,242            | 5,367             | 6,641              | 540                |
| <b>EXPIRY BALANCE SHEET 2007</b>              |         |             |                   |                   |                    |                    |
| Financial assets designated at FV through P/L | 344,692 | 344,692     |                   |                   |                    |                    |
| Financial assets held for trading             | 961     | 961         |                   |                   |                    |                    |
| Available for sale financial assets           | 632,296 | 632,296     |                   |                   |                    |                    |
| Receivables and cash                          | 244,202 | 225,685     | 10,974            | 2,029             | 5,212              | 302                |

The expired receivables relate to construction contracts of Van Laere and the leasing portfolio of Bank J.Van Breda & C°. Overdue receivables usually relate to disagreements between the builder and the contractor Van Laere. The appointment of experts and the reception of their report can take months and often results, in the meantime, in payment suspensions.

Expected losses on construction sites are adequately foreseen through impairments on construction sites, recorded in the balance sheet item 'construction contracts' (Note 13). These losses take into account possible impairments on trade receivables, which explains the low accumulated impairments on trade receivables.

| (x € 1,000)  | Financial assets designated at FV through P/L | Financial assets held for trading | Available for sale financial assets | Receivables and cash |
|--|---|-----------------------------------|-------------------------------------|----------------------|
| <b>FINANCIAL YEAR 2006</b>   |   |                                   |                                     |                      |
| <b>Accumulated impairments – opening balance</b>                             | <b>-13,613</b>                                |                                   | <b>-29,585</b>                      | <b>-59,799</b>       |
| Impairments recorded during the financial year                               | -5,000  |                                   | -497                                | -2,396               |
| Impairments written back during the financial year                           |   |                                   | 230                                 | 2,552                |
| Impairments cancelled owing to sales and disposals during the financial year | 1,827   |                                   | 2,498                               | 35,417               |
| <b>Accumulated impairments – ending balance</b>                              | <b>-16,786</b>                                | <b>0</b>                          | <b>-27,353</b>                      | <b>-24,226</b>       |
| <b>FINANCIAL YEAR 2007</b>   |   |                                   |                                     |                      |
| <b>Accumulated impairments – opening balance</b>                             | <b>-16,786</b>                                | <b>0</b>                          | <b>-27,353</b>                      | <b>-24,226</b>       |
| Impairments recorded during the financial year                               | -379  |                                   | -3,211                              | -663                 |
| Impairments written back during the financial year                           | 289   |                                   | 115                                 | 1,422                |
| Impairments cancelled owing to sales and disposals during the financial year |   |                                   | 3,167                               | 2,305                |
| <b>Accumulated impairments – ending balance</b>                              | <b>-16,875</b>                                | <b>0</b>                          | <b>-27,282</b>                      | <b>-21,163</b>       |

The impairments on financial assets designated at FV through P/L can be found entirely in the Private Equity segment, which comprises a number of old investments, written down in the past, namely Brepols, Lamitref, Alupa written down in 2006 and Arcomet Beheer.

The available for sales financial assets show an accumulated impairment of 27 million euros, mainly attributable to the segment AvH and subholdings and linked to old investment files: Belcadi (-13.9 mio), All Equity (-3.3 mio), BMH (-2.1 mio). The impairment of 3.2 million euros of the financial year is attributable for an amount of 2.8 million euros to write-backs on securities in the investment portfolio.

| (€ 1,000)   | Financial assets designated at FV through P/L | Financial assets held for trading | Available for sales financial assets | Receivables and cash |
|---|---|-----------------------------------|--------------------------------------|----------------------|
| <b>FINANCIAL YEAR 2006</b>  |   |                                   |                                      |                      |
| Amount of personal guarantees, given or irrevocably promised by the enterprises included in the consolidation, as security for third parties' debts or commitments  | 18  |                                   | 68                                   |                      |
| Amount of real guarantees, given or irrevocably promised by the enterprises included in the consolidation on their own assets, as security for debts and commitments of enterprises included in the consolidation |   |                                   |                                      |                      |
| Commitments to acquire fixed assets   | 1,866   |                                   |                                      |                      |
| Commitments to dispose of fixed assets  | 46,560  |                                   | 1,575                                |                      |
| <b>FINANCIAL YEAR 2007</b>  |   |                                   |                                      |                      |
| Amount of personal guarantees, given or irrevocably promised by the enterprises included in the consolidation, as security for third parties' debts or commitments  | 3,247   |                                   | 68                                   |                      |
| Amount of real guarantees, given or irrevocably promised by the enterprises included in the consolidation on their own assets, as security for debts and commitments of enterprises included in the consolidation |   |                                   |                                      |                      |
| Commitments to acquire fixed assets   | 5,698   |                                   |                                      |                      |
| Commitments to dispose of fixed assets  | 136,634                                       |                                   | 1,658                                |                      |

We refer to Note 21 'Rights and commitments not reflected in the balance sheet' for more details.

### 3. EXCHANGE RATE RISK

The exchange rate risk of Bank J.Van Breda & C° is limited, as the bank only operates in Belgium and the nature of its clients is such that it does not hold any of its own currency positions.

The other fully consolidated participations are also not subject to an exchange rate risk, as they are primarily active in the euro zone.

#### 4. PRIVATE EQUITY PARTICIPATIONS

| (€ 1,000)   | 2007           | 2006           |
|---|----------------|----------------|
| <b>PRIVATE EQUITY PARTICIPATIONS – FAIR VALUE</b>   |                |                |
| Private equity participations: opening balance  | 162,117        | 123,869        |
| Additions   | 166,697        | 44,559         |
| Disposals (-)   | -27,058        | -17,950        |
| Profit (loss) on private equity participations designated at fair value through profit and loss | 45,248         | 11,639         |
| Other increase (decrease)   | -2,312         |                |
| <b>Private equity participations: ending balance</b>  | <b>344,692</b> | <b>162,117</b> |

In accordance with IAS 31 and IAS 28 the jointly controlled subsidiaries and associated participating interests, held by Sofinim, the private equity player from the AvH group, are valued at fair value, whereby changes in value are recorded in the income statement (IAS 39).

The private equity participations contribute to the result through changes in fair value and cash income from distribution of dividends.

| (€ 1,000)  | Shareholders' % | Fair value change | Cash income  | Total         | Group share 2007 | Group share 2006 |
|--|-----------------|-------------------|--------------|---------------|------------------|------------------|
| Alupa  | 100.00%         | 1,008             |              | 1,008         | 746              | -3,700           |
| Alural   | 60.00%          | -548              |              | -548          | -406             | -178             |
| Arcomet Beheer   | 10.00%          | 567               |              | 567           | 419              | 197              |
| Atenor   | 12.01%          | 3,544             | 786          | 4,330         | 3,204            | 1,835            |
| Axe Investments  | 48.34%          | 202               | 177          | 378           | 280              | 489              |
| Blomhof  | 20.54%          | -134              | 208          | 74            | 55               | 237              |
| Corn, Van Loocke (gm to sale)                                    | 45.00%          | 510               |              | 510           | 377              | 169              |
| Cindu  | 50.00%          | 1,757             | 904          | 2,661         | 1,969            | 1,482            |
| Distriplus (6m)  | 50.00%          | 640               |              | 640           | 474              | -                |
| De Steeg   | 50.00%          | -379              |              | -379          | -280             | 0                |
| Egemin Int   | 28.91%          | -1,111            |              | -1,111        | -822             | -72              |
| Euro Media Group   | 22.00%          | 321               |              | 321           | 237              | -                |
| Engelhardt   | 97.50%          | 362               |              | 362           | 268              | 527              |
| Hertel Holding   | 36.00%          | 6,673             | 1,223        | 7,896         | 5,843            | 2,903            |
| IDIM   | 37.47%          | -247              |              | -247          | -182             | 4                |
| IRIS   | 6.12%           | 822               |              | 822           | 608              | -                |
| Manuchar (6m)  | 20.00%          | 447               |              | 447           | 331              | -                |
| NMC  | 28.42%          | 2,432             | 1,015        | 3,446         | 2,550            | 2,130            |
| Oleon Holding  | 37.07%          | 7,812             |              | 7,812         | 5,781            | 3,116            |
| Oleon Biodiesel <sup>(1)</sup>                                   | 22.23%          | 563               |              | 563           | 417              | -219             |
| Spano Invest   | 72.92%          | 12,545            |              | 12,545        | 9,283            | -                |
| Synvest - Corelio  | 48.34%          | 586               | 483          | 1,069         | 791              | 1,180            |
| Turbo's Hoet   | 50.00%          | 5,739             |              | 5,739         | 4,246            | 1,173            |
| UBF (gm)   | 47.30%          | 1,138             |              | 1,138         | 842              | 968              |
| <b>Contributions Sofinim participations</b>                      |                 | <b>45,248</b>     | <b>4,796</b> | <b>50,044</b> | <b>37,031</b>    | <b>12,243</b>    |
| Quick <sup>(2)</sup>   | 0.00%           |                   |              |               | -                | 7,693            |
| Financière Flo - Groupe Flo (equity method)                      | 33.00%          |                   |              | 0             | 3,180            | 3,611            |
| Financière Trasys - Trasys (equity method)                       | 45.97%          |                   |              | 0             | 828              | 668              |
| <b>Contributions private equity participations<sup>(3)</sup></b> |                 |                   |              |               | <b>41,039</b>    | <b>24,215</b>    |

(1) Only direct stake of Sofinim. Total shareholders' % including participating interest via Oleon Holding: 40.77%.

(2) Quick Restaurants contributed only for 9 months to the current result of AvH, as the participation was sold in the fourth quarter of 2006.

(3) See separate enclosure 'Key Figures' - consolidated group result.

#### Comments to the private equity participations at fair value

The private equity participations contribute in 2007 to the group result for 41.0 million euros. This is an increase of 69.5% compared to the contribution of 24.2 million euros in 2006, despite the leaving out of the contribution of Quick which has been sold. Almost all participations have presented favourable results. The negative value adjustments are limited.

The contribution of UBF (47.3% Sofinim) into the French group Euromedia Télévision resulted in the creation of the new Euro Media Group. The participation in Corn. Van Loocke was sold to Umicore. Both transactions took place in September 2007.

The private equity segment has a shareholders' equity (including minority interests) of 451.8 million euros on 31 december. The part of the participations held through GIB (Groupe Flo and Trasys) represents 36.8 million euros of this amount.

For the listed companies, Groupe Flo and Atenor, the stock market value, based on the stock prices as at 31 December 2007, is 26.9 million euros higher than their balance sheet value on 31 December 2007.

## 5. AVAILABLE FOR SALE FINANCIAL ASSETS

| (€ 1,000)   | Financial<br>fixed assets | Investments    |
|---|---------------------------|----------------|
| <b>AVAILABLE FOR SALE FINANCIAL ASSETS – FINANCIAL YEAR 2006</b>          |                           |                |
| <b>Available for sale financial assets: opening balance at fair value</b> | <b>42,595</b>             | <b>689,393</b> |
| Available for sale financial assets - carrying amount                     | 35,675                    | 558,401        |
| Available for sale financial assets - adjustment to fair value            | 6,920                     | 130,992        |
| Additions   | 8,156                     | 1,016,922      |
| Actuarial return  |                           | -2,304         |
| Disposals (-)   | -21,857                   | -911,457       |
| Increase (decrease) through changes in fair value                         | 24,341                    | 21,596         |
| Impairment losses recognised in the income statement (-)                  | -236                      |                |
| Increase (decrease) changes in exchange rate                              |                           | 6              |
| Reclassifications (to) from other items                                   | -21                       | 100            |
| Other increase (decrease)   | -285                      | 739            |
| <b>Available for sale financial assets: ending balance at fair value</b>  | <b>52,694</b>             | <b>814,994</b> |
| Available for sale financial assets - carrying amount                     | 33,635                    | 666,120        |
| Available for sale financial assets - adjustment to fair value            | 19,059                    | 148,873        |
| <b>AVAILABLE FOR SALE FINANCIAL ASSETS – FINANCIAL YEAR 2007</b>          |                           |                |
| <b>Available for sale financial assets: opening balance at fair value</b> | <b>52,694</b>             | <b>814,994</b> |
| Available for sale financial assets - carrying amount                     | 33,635                    | 666,120        |
| Available for sale financial assets - adjustment to fair value            | 19,059                    | 148,873        |
| Additions   | 11,055                    | 232,736        |
| Actuarial return  |                           | -1,637         |
| Disposals (-)   | -2,619                    | -420,908       |
| Disposals through business divestiture (-)                                |                           | -1,079         |
| Increase (decrease) through changes in fair value                         |                           | -8,997         |
| Impairment losses recognised in the income statement (-)                  | -319                      | -2,790         |
| Increase (decrease) changes in exchange rate                              |                           |                |
| Reclassifications (to) from other items                                   |                           | -83            |
| Other increase (decrease)   | -40,723                   | -27            |
| <b>Available for sale financial assets: ending balance at fair value</b>  | <b>20,088</b>             | <b>612,208</b> |
| Available for sale financial assets - carrying amount                     | 20,088                    | 492,469        |
| Available for sale financial assets - adjustment to fair value            | 0                         | 119,740        |

The **financial fixed assets** consist of the following items:

| (€ 1,000)                       | 2007          | 2006          |
|---------------------------------|---------------|---------------|
| Sipef                           |               | 39,190        |
| Extensa - Top Development       | 4,589         |               |
| Brand Strat Consulting Pvt, Ltd | 4,467         |               |
| Belfimas                        | 4,174         | 5,963         |
| Asco Leven                      | 2,652         | 2,021         |
| Henschel Engineering            |               | 1,502         |
| Partanea & Associés             | 400           |               |
| Tikehau SS Fund Ltd             | 375           |               |
| IBF                             | 372           | 372           |
| Other                           | 3,059         | 3,646         |
| <b>Total</b>                    | <b>20,088</b> | <b>52,694</b> |

Extensa invested in Slovakia through a 50% participation in Extensa Top Development. In the fourth quarter AvH has acquired 100% of the capital of an Indian company Brand Strat Consulting Pvt. Ltd, of which the name has in the meanwhile been changed into AvH Resources India Pvt. Ltd. In 2007 Sipef en Henschel Engineering have been consolidated for the first time. Consequently, these assets are no longer recorded in this category. Furthermore, the stake in Belfimas has been partly sold in 2007.

The **investments** consist of:

| (€ 1,000)                              | Number of shares | Fair value     |
|--|------------------|----------------|
| OLO-portfolio of Bank J.Van Breda & C° |                  | 379,521        |
| KBC                                    | 1,417,527        | 136,396        |
| Fortis                                 | 2,782,844        | 50,147         |
| SES Global                             | 1,200,000        | 21,600         |
| Telenet                                | 315,378          | 6,284          |
| CNP                                    | 95,044           | 4,679          |
| Extensa - Retail Estates               | 173,072          | 6,836          |
| Other                                  |                  | 6,744          |
| <b>Total</b>                           |                  | <b>612,208</b> |

The fair value of 612 million euros includes the unrealised capital gains amounting to 119.7 million euros (group share: 118.3 million euros), which in the event of realisation will still be recorded in the profit and loss account.

The break down per segment of the fair value of the investments is as follows:

| (€ 1,000)   | Fair value     |
|---|----------------|
| Financial services (mainly Bank J.Van Breda & C°) | 379,521        |
| AvH & subholdings                                 | 199,759        |
| Private equity                                    | 26,091         |
| Real estate and related services                  | 6,837          |
| <b>Total</b>                                      | <b>612,208</b> |

#### CREDIT RISK OF THE INVESTMENT PORTFOLIO

##### Bank J.Van Breda & C°

The credit profile of the investment portfolio is deliberately kept very low. The bank invests only in bonds, 88% of which are issued by governments.

The investment framework submitted annually to the board of directors for approval defines what can be invested in and what limits apply. The table below gives the composition of the investment portfolio according to rating, sector, currency and final maturity.

##### Composition of the investment portfolio 31/12/07

| Sector             |     | Rating |     | Final maturity |     | Currency |      |
|--------------------|-----|--------|-----|----------------|-----|----------|------|
| public authorities | 88% | Aaa    | 28% | 2008-2010      | 22% | EUR      | 100% |
| financial          | 12% | Aa1    | 58% | 2011-2013      | 44% |          |      |
| others             | 0%  | Aa2    | 9%  | 2014-2017      | 34% |          |      |
|                    |     | Aa3    | 1%  |                |     |          |      |
|                    |     | A1     | 4%  |                |     |          |      |

##### AvH, subholdings and private equity

AvH invests in liquid shares, of which the most important are mentioned above. The unrealised capital gains on the investment portfolio AvH and Private Equity amount to 130 million euros (126 million euros – group share).

## Note 12: Banks – Receivables from credit institutions and clients

| (€ 1,000)   | Fair value       |                  | Book value       |                  |
|---|------------------|------------------|------------------|------------------|
|   | 2007             | 2006             | 2007             | 2006             |
| <b>I. CLAIMS ON CREDIT INSTITUTIONS</b>                       |                  |                  |                  |                  |
| Domestic credit institutions                                  | 117,727          | 80,189           | 117,727          | 80,189           |
| Foreign credit institutions                                   | 4,115            | 58,941           | 4,115            | 58,941           |
| <b>Total credit institutions</b>                              | <b>121,842</b>   | <b>139,130</b>   | <b>121,842</b>   | <b>139,130</b>   |
| <b>II. LOANS AND ADVANCES TO CLIENTS</b>                      |                  |                  |                  |                  |
| Bills and own acceptances                                     | 1,380            | 1,969            | 1,377            | 1,964            |
| Investment credits and financing                              | 1,235,842        | 1,009,812        | 1,208,329        | 993,565          |
| Mortgage loans  | 319,019          | 284,785          | 315,971          | 283,305          |
| Term loans / straight loans                                   | 339,486          | 321,087          | 337,217          | 320,060          |
| Current accounts  | 60,701           | 54,830           | 60,701           | 54,830           |
| Other   | 9,012            | 24,611           | 9,012            | 24,611           |
| <b>Total clients</b>  | <b>1,965,440</b> | <b>1,697,094</b> | <b>1,932,607</b> | <b>1,678,335</b> |
| <b>TOTAL RECEIVABLES FROM CREDIT INSTITUTIONS AND CLIENTS</b> | <b>2,087,282</b> | <b>1,836,224</b> | <b>2,054,449</b> | <b>1,817,465</b> |

The full consolidation of Bank J. Van Breda & C° results in the inclusion of the specific banking receivables and debts in the balance sheet of AvH. These items have been centralised in order to keep the balance sheet as transparent as possible.

The loans and advances to clients consist of the following, a.o.:

- the loans granted to entrepreneurs and to self-employed business persons;
- car financing provided by Van Breda Car Finance, which is a 100% subsidiary of the bank.

The loans to clients increase by approximately 100 million euros following the acquisition of the client portfolio of inland shipment entrepreneurs of Ethias Bank. Excluding this acquisition the autonomous growth amounts to 9%.

### Credit risk

The credit portfolio of Bank J. Van Breda & C° is very widely spread throughout the local economic fabric of family businesses and the self-employed business persons. The bank applies concentration limits per sector and maximum credit amounts per client. The credit portfolio is divided into five risk categories, each of which is monitored in its own specific way. The board of directors receives a two-yearly report on credit facilities in the highest risk category, 'uncertain development'.

In the context of Basel II, Bank J. Van Breda & C° has opted for the standardised approach and preparations are being made for a changeover to the internal rating based approach. For this purpose, a rating model is being developed that can be used to divide credit facilities into risk categories on the basis of financial parameters and payment experience.

Debts which become doubtful are transferred to the Litigation department. There are specific criteria for mandatory transfer when specific events arise with our clients, borrowers or guarantors. Write-downs are entered in the accounts for credit facilities in the highest risk category and debts that become doubtful.

| (€ 1,000)                             | TOTAL            | Not expired      | Expired        | Expired                | Expired                 | Expired      | cx           |
|---------------------------------------|------------------|------------------|----------------|------------------------|-------------------------|--------------|--------------|
|                                       |                  |                  | < 30 days      | > 30 days<br>< 60 days | > 60 days<br>< 120 days | > 120 days   |              |
| <b>EXPIRY DATE BALANCE SHEET 2007</b> |                  |                  |                |                        |                         |              |              |
| Domestic banks                        | 117,727          | 117,727          |                |                        |                         |              |              |
| Foreign banks                         | 4,115            | 4,115            |                |                        |                         |              |              |
| <b>Total credit institutions</b>      | <b>121,842</b>   | <b>121,842</b>   | <b>0</b>       | <b>0</b>               | <b>0</b>                | <b>0</b>     | <b>0</b>     |
| Bills and own acceptances             | 1,377            | 569              | 275            | 533                    |                         |              |              |
| Investment credits and financing      | 1,208,329        | 1,079,242        | 117,860        | 6,770                  | 300                     | 1,807        | 2,350        |
| Mortgage loans                        | 315,971          | 275,185          | 37,197         | 2,528                  | 676                     |              | 385          |
| Term loans / straight loans           | 337,217          | 313,693          | 17,975         | 3,801                  | 1,538                   | 210          |              |
| Current accounts                      | 60,701           | 47,839           | 11,212         | 756                    | 520                     | 374          |              |
| Other                                 | 9,012            | 9,012            |                |                        |                         |              |              |
| <b>Total clients</b>                  | <b>1,932,607</b> | <b>1,725,540</b> | <b>184,519</b> | <b>14,388</b>          | <b>3,034</b>            | <b>2,391</b> | <b>2,735</b> |

There are no comparative figures for 2006.

## Note 13: Inventories and construction contracts

| (€ 1,000)  | 2007           | 2006           |
|--|----------------|----------------|
| <b>I. INVENTORIES, NET AMOUNT</b>  | <b>31,825</b>  | <b>34,625</b>  |
| <b>Gross carrying amounts:</b>   | <b>35,608</b>  | <b>34,625</b>  |
| Raw materials and consumables  | 1,197          | 1,226          |
| Immovable property acquired or constructed for resale                    | 34,411         | 33,399         |
| <b>Depreciation and impairments (-)</b>                                  | <b>-3,783</b>  | <b>0</b>       |
| Immovable property acquired or constructed for resale                    | -3,783         |                |
| <b>II. CONSTRUCTION CONTRACTS</b>  |                |                |
| <b>Amounts due from (to) customers under construction contracts, net</b> | <b>352</b>     | <b>-3,926</b>  |
| Amount due from customers under construction contracts                   | 7,554          | 2,260          |
| Amount due to customers under construction contracts (-)                 | -7,202         | -6,185         |
| <b>Revenue from construction contracts</b>                               | <b>132,380</b> | <b>201,182</b> |
| <b>Construction contracts on closing date</b>                            |                |                |
| Amount of contract costs incurred and recognised profits less losses     | -111,135       | -149,656       |
| Amount of contract revenue   | 110,783        | 153,581        |

The immovable property acquired or constructed for resale comes from the segment 'real estate and related services'. It consists of the land portfolio of Extensa (approximately 200 ha) which is recorded at acquisition cost (18.9 million euros) and the land of the Kinesis development project in Evere.

Under construction contracts of Algemene Aannemingen Van Laere and Extensa are valued according to the 'Percentage of Completion'-method, whereby results are only recognised in accordance with the progress of the work. Expected losses are immediately recognised as an expense though.

The progress of the work is defined based on the expenditure versus the estimated sales price of the entire project. During the start-up phase no results are recorded.

## Note 14: Lease

| (€ 1,000)   | Remaining term |                       |           | TOTAL<br>2007 | Remaining term |                       |           | TOTAL<br>2006 |
|---|----------------|-----------------------|-----------|---------------|----------------|-----------------------|-----------|---------------|
|   | < 1 year       | > 1 year<br>< 5 years | > 5 years |               | < 1 year       | > 1 year<br>< 5 years | > 5 years |               |
| <b>I. LESSOR – Finance lease</b>                                    |                |                       |           |               |                |                       |           |               |
| Total gross investment  | 36,094         | 80,257                | 12,848    | 129,199       | 32,851         | 68,223                | 14,040    | 115,114       |
| Present value of minimum lease payment receivables                  | 30,027         | 71,149                | 8,993     | 110,169       | 27,897         | 60,562                | 9,709     | 98,168        |
| Unearned finance income   |                |                       |           | 19,030        |                |                       |           | 16,946        |
| Accumulated allowance for uncollectible minimum lease payments      |                |                       |           | 10,124        |                |                       |           | 11,783        |
| Lease debtors   | 2,040          |                       |           | 2,040         | 1,303          |                       |           | 1,303         |
| <b>II. LESSOR - Operating lease</b>                                 |                |                       |           |               |                |                       |           |               |
| Future minimum lease payments under non-cancelable operating leases | 980            | 1,536                 | 245       | 2,761         | 949            | 2,190                 | 257       | 3,396         |
| <b>III. LESSEE - Finance lease</b>                                  |                |                       |           |               |                |                       |           |               |
| Minimum lease payments payable - gross                              | 17             | 45                    | 3         | 65            | 6              | 18                    | 3         | 27            |
| Minimum lease payments payable - interest (-)                       | -2             | -3                    |           | -5            | -1             | -2                    |           | -3            |
| <b>Present value of minimum lease payments payable</b>              | <b>14</b>      | <b>42</b>             | <b>3</b>  | <b>59</b>     | <b>5</b>       | <b>17</b>             | <b>3</b>  | <b>25</b>     |
| <b>Lease-payments payable for each class of tangible assets:</b>    |                |                       |           |               |                |                       |           |               |
| Plant, machinery and equipment                                      |                |                       | 59        |               |                |                       |           | 25            |
| <b>IV. LESSEE – Operating lease</b>                                 |                |                       |           |               |                |                       |           |               |
| Future minimum lease payments under non-cancelable operating leases | 30             | 72                    | 10        | 111           | 122            | 141                   | 9         | 272           |
| Contingent rents recognized in income                               |                |                       |           | 1,520         |                |                       |           | 1,411         |

The lease debts are reported in the Note 'Financial debts' (p. 120).

## Note 15: Provisions

| (€ 1,000)                                    | Warranty provisions | Restructuring provisions | Legal proceeding provisions | Onerous contracts provisions | Environmental provisions | Other provisions | TOTAL         |
|--|---------------------|--------------------------|-----------------------------|------------------------------|--------------------------|------------------|---------------|
| <b>PROVISIONS – FINANCIAL YEAR 2006</b>      |                     |                          |                             |                              |                          |                  |               |
| <b>Provisions, opening balance</b>           | <b>27,178</b>       | <b>0</b>                 | <b>1,004</b>                | <b>0</b>                     | <b>167</b>               | <b>11,182</b>    | <b>39,531</b> |
| Additional provisions                        |                     |                          |                             |                              |                          | 746              | 746           |
| Increase of existing provisions              | 115                 |                          | 70                          |                              |                          | 234              | 419           |
| Amounts of provisions used (-)               | -1,812              |                          | -90                         |                              |                          | -5,426           | -7,328        |
| Reversal of unused amounts of provisions (-) | -3,517              |                          | -187                        |                              |                          | -4,120           | -7,824        |
| Other increase (decrease)                    |                     |                          |                             |                              |                          | 27               | 27            |
| <b>Provisions, ending balance</b>            | <b>21,964</b>       | <b>0</b>                 | <b>797</b>                  | <b>0</b>                     | <b>167</b>               | <b>2,643</b>     | <b>25,571</b> |
| <b>PROVISIONS - FINANCIAL YEAR 2007</b>      |                     |                          |                             |                              |                          |                  |               |
| <b>Provisions, opening balance</b>           | <b>21,964</b>       | <b>0</b>                 | <b>797</b>                  | <b>0</b>                     | <b>167</b>               | <b>2,643</b>     | <b>25,571</b> |
| Additional provisions                        | 1,725               |                          | 8                           | 165                          |                          |                  | 1,898         |
| Increase of existing provisions              | 115                 |                          | 2                           |                              |                          |                  | 117           |
| Increase through business combinations       | 156                 |                          |                             |                              |                          |                  | 156           |
| Amounts of provisions used (-)               | -162                |                          |                             |                              |                          | -559             | -721          |
| Reversal of unused amounts of provisions (-) | -19,298             |                          | -759                        |                              |                          | -4               | -20,060       |
| <b>Provisions, ending balance</b>            | <b>4,500</b>        | <b>0</b>                 | <b>48</b>                   | <b>165</b>                   | <b>167</b>               | <b>2,080</b>     | <b>6,960</b>  |

The reversal of unused amounts of provisions corresponds to the provisions created at the moment of the acquisition of GIB in 2002. The risks concerned do no longer exist due to the expiry of the warranty periods granted by GIB in the contract. 2.4 million euros of the provisions of 6.9 million euros relate to rental guarantees provided by the real estate segment.

## Note 16: Financial debts

| (€ 1,000)                 | Remaining term |                    |               | TOTAL 2007     | Remaining term |                    |               | TOTAL 2006     |
|---------------------------|----------------|--------------------|---------------|----------------|----------------|--------------------|---------------|----------------|
|                           | < 1 year       | > 1 year < 5 years | > 5 years     |                | < 1 year       | > 1 year < 5 years | > 5 years     |                |
| <b>I. FINANCIAL DEBTS</b> |                |                    |               |                |                |                    |               |                |
| Bank loans                | 30,429         | 53,927             | 60,380        | 144,735        | 3,085          | 111,479            | 48,201        | 162,765        |
| Subordinated loans        | 1,703          | 45,987             | 27,862        | 75,552         | 233            | 31,938             | 30,659        | 62,830         |
| Finance leases            | 14             | 45                 |               | 59             | 5              | 17                 | 3             | 24             |
| Other financial debts     | 181,897        |                    |               | 181,897        | 206,768        |                    |               | 206,768        |
| <b>Total</b>              | <b>214,043</b> | <b>99,959</b>      | <b>88,242</b> | <b>402,243</b> | <b>210,090</b> | <b>143,434</b>     | <b>78,863</b> | <b>432,387</b> |

### Liquidity risk

The financial debts relate to the following segments:

|                                     | ST             | LT             |
|-------------------------------------|----------------|----------------|
| Contracting, dredging & concessions | 1,722          | 18,073         |
| Real estate and related services    | 167,019        | 96,236         |
| Financial services                  | 1,703          | 73,849         |
| Private Equity                      | 0              | 0              |
| AvH and subholdings                 | 43,598         | 42             |
|                                     | <b>214,043</b> | <b>188,200</b> |

The debts taken on by SNTC to finance the construction of pipelines (17.2 million euros) make the biggest contribution to the 'Construction, dredging & concessions' financial payables. The entire capital and interest charges are passed on to the pipeline user when the pipelines are made available to third parties.

Leasinvest Real Estate and Extensa Group have the necessary long term credit facilities and backup lines with their banks to cover the existing and future investment needs for their commercial paper lines. The financing risk is covered by these credit facilities and backup lines. The liquidity risk is limited by spreading the financing over a number of banks and by diversifying the maturity dates of the credit facilities.

The 'financial services' financial payables include a few subordinated loans from Bank J.Van Breda & C°. The specific banking borrowings are contained in Note 17.

Practically all of the 'AvH and subholdings' financial payables correspond to the commercial paper issued by AvH Coordination Centre, for which backup lines have also been agreed, largely superior to the commercial paper liabilities.

| (€ 1,000)   | 2007          | 2006          |
|---|---------------|---------------|
| <b>II. AMOUNTS PAYABLE (OR THE PORTION THEREOF), WHICH GUARANTEED BY REAL GUARANTEES GIVEN OR IRREVOCABLY PROMISED ON THE ASSETS OF THE ENTERPRISES INCLUDED IN THE CONSOLIDATION</b> |               |               |
| Bank loans  | 47,925        | 46,819        |
| <b>Total</b>  | <b>47,925</b> | <b>46,819</b> |

### Note 17: Banks – Debts to credit institutions, clients and securities

| (€ 1,000)   | Fair value       |                  | Book value       |                  |
|---|------------------|------------------|------------------|------------------|
|   | 2007             | 2006             | 2007             | 2006             |
| <b>I. DEBTS TO CREDIT INSTITUTIONS</b>                            |                  |                  |                  |                  |
| Current accounts / overnight deposits                             | 716              | 539              | 716              | 539              |
| Deposits with agreed maturity                                     | 168,803          | 150,673          | 168,768          | 150,671          |
| Other deposits  | 118,264          | 221,525          | 118,069          | 221,613          |
| <b>Total</b>  | <b>287,783</b>   | <b>372,737</b>   | <b>287,553</b>   | <b>372,823</b>   |
| <b>II. DEBTS TO CLIENTS</b>                                       |                  |                  |                  |                  |
| Current accounts / overnight deposits                             | 579,431          | 537,902          | 579,431          | 537,902          |
| Deposits with agreed maturity                                     | 824,721          | 520,769          | 824,817          | 521,764          |
| Other deposits  |                  |                  |                  |                  |
| • special deposits  | 15,099           | 11,797           | 15,099           | 11,797           |
| • regulated deposits  | 330,340          | 436,982          | 330,340          | 436,982          |
| • other deposits  | 45,663           | 49,281           | 45,663           | 49,281           |
| • deposit guarantee system  | 1,103            | 1,103            | 1,103            | 1,103            |
| <b>Total</b>  | <b>1,796,357</b> | <b>1,557,834</b> | <b>1,796,453</b> | <b>1,558,829</b> |
| <b>III. SECURITIES INCLUDING BONDS</b>                            |                  |                  |                  |                  |
| Certificates of deposits  | 204,310          | 302,141          | 204,871          | 303,235          |
| Customer saving certificates                                      | 13,931           | 18,642           | 14,080           | 18,930           |
| Non-convertible securities  | 7,153            | 6,817            | 7,535            | 7,318            |
| <b>Total</b>  | <b>225,394</b>   | <b>327,600</b>   | <b>226,486</b>   | <b>329,483</b>   |
| <b>TOTAL DEBTS TO CREDIT INSTITUTIONS, CLIENTS AND SECURITIES</b> | <b>2,309,534</b> | <b>2,258,171</b> | <b>2,310,491</b> | <b>2,261,136</b> |

The full consolidation of Bank J. Van Breda & C° results in the recording of specific bank receivables and debts in the balance sheet of AvH. These items were centralised for maximum transparency of the balance sheet.

Given the liquidity position of the bank, a syndicated loan of approx. 100 million euros was paid back early and it was decided not to extend a number of debt certificates on the maturity date, which resulted in a decrease of:

- Payables with credit institutions
- Debt certificates

As a result of a shift to other deposits and investment products, current deposits fell by approx. 107 million euros.

#### Liquidity risk

The bank's liquidity risk is monitored constantly by means of pro-active treasury management, within the lines defined by Asset & Liability Management.

In 2007, as in 2006, the bank's liquidity position was amply sufficient and characterised by treasury surpluses.

For the purpose of liquidity management, the bank uses, among other things, liquidity reports, ratio analysis and volume prognoses in the short and long term. The bank also uses an internal liquidity ratio that contrasts the liquid assets and available liquidity from the investment portfolio with the short-term commitments. In 2007 the ratios confirmed the comfortable liquidity position.

The table below gives the assets and liabilities grouped together per period of maturity.

#### Liquidity gap

| (€ mio)         | ≤ 1 month   | 1-3 months  | 3-12 months | 1-5 years  | 5-10 years | > 10 years | Undefined   | Total    |
|-----------------|-------------|-------------|-------------|------------|------------|------------|-------------|----------|
| <b>31/12/07</b> |             |             |             |            |            |            |             |          |
| Assets          | 277         | 194         | 364         | 911        | 581        | 199        | 105         | 2,631    |
| Liabilities     | 896         | 362         | 395         | 542        | 57         | 2          | 377         | 2,631    |
| <b>Gap</b>      | <b>-619</b> | <b>-168</b> | <b>-32</b>  | <b>370</b> | <b>524</b> | <b>197</b> | <b>-272</b> | <b>0</b> |

The table takes the assumptions made for products without maturity (for instance current and savings accounts) into account. The bank adopts conservative assumptions for these products without maturity.

External institutional financing concerns just 16% of the balance sheet total, and less than half of this has a duration of less than one year. The bank's clients are its main source of financing: many thousands of business people and professionals use Bank J. Van Breda & C° for their day-to-day activities. This ensures the bank a stable source of financing, with volumes spread over a large group of clients.

Moreover, the bank has a substantial portfolio of high-quality bonds that can be used as a buffer to absorb liquidity fluctuations in the treasury position. At the end of 2007 this portfolio amounted to 376 million euros.

## Note 18: Financial instruments

### Interest rate risk

The bank adopts a cautious policy regarding the interest rate risk, well within the standards set by the CBFA (Banking, Finance and Insurance Commission). In areas where the durations of assets and liabilities do not match sufficiently, the bank introduces hedging instruments to correct the balance. This is done with a combination of rate swaps (which convert the variable interest rate commitments into fixed commitments) and options (which provide protection against a rise in interest rates above given levels).

The interest rate risk is measured, among other things, using the Basis Point Value methodology. This reflects the change – as a result of a parallel rise in the entire rate curve of one basis point or 0.01% - in the interest rate result, the value fluctuations of the financial instruments in the dealing portfolio and the change in the revaluation reserve in the equity. The bank also carries out a detailed interest rate gap analysis and a scenario analysis (with parallel and non-parallel interest rate movements) that can be used to analyse the impact of stress scenarios.

### Basis Point Value interest rate risk

| (€)             | Basis Point Value<br>interest rate result | Basis Point Value<br>Financial instruments<br>in the dealing portfolio | Basis Point Value<br>Revaluation reserve<br>in the equity |
|-----------------|---|--|---|
| <b>31/12/07</b> | <b>-45,112</b>                            | <b>31,190</b>  | <b>-88,263</b>  |
| Average 2007    | -36,041                                   | 8,834  | -105,679  |
| <b>31/12/06</b> | <b>-27,229</b>                            | <b>948</b>   | <b>-124,991</b>   |

The table above gives the value changes if the interest rate curve rises by one basis point or 0.01%.

### Interest risk other fully consolidated participations

SNTC is not subject to any interest risk as the interest charges are passed on in full to the users when the pipelines are made available to third parties.

The hedging policy of Leasinvest Real Estate is geared to securing the interest risk for around 80% of the financial payables. As the debt financing of Leasinvest Real Estate is based on a floating interest rate, there is a risk that financing costs will rise with an interest rate increase. This interest risk is covered by financial instruments such as spot & forward interest collars and interest rate swaps.

The maturity dates of the interest hedges are between 2008 and 2013. The fixed interest rates of the interest rate swaps are between 3.15% and 3.87%, not including credit margin.

The operations of Extensa are primarily financed on the basis of a short term floating interest rate. In order to protect against any interest increases, interest collars and interest rate swaps have been taken with a horizon of 3 to 5 years.

The variable interest rate loans are 50% covered by these financial instruments.

Practically all of the financial payables of the private equity and AvH & subholdings segments correspond to the commercial paper issued by the AvH Coordination Centre. The risk of an increase in short term interest rates on the total issued commercial paper of 43.3 million euros has been left almost uncovered on account of the positive net treasury position of 363.3 million euros (see p. 102 segment cash flow statement). The remaining hedging contract, with a nominal amount of 10 million euros at the end of 2007, lapses in mid-February 2008.

#### Sensitivity analysis for the interest risk

If Euribor rises by 1%, this will mean an interest charge increase of 0.5 million euros (Extensa), 0.4 million euros (Leasinvest Real Estate) and 0.4 million euros (AvH and subholdings).

| (€ 1,000)  | Notional amount 2007                     | Book value 2007  | Notional amount 2006 | Book value 2006  |
|--|--|------------------|----------------------|------------------|
| <b>PORTFOLIO HEDGE OF INTEREST RATE RISK</b>                         |  |                  |                      |                  |
| <b>ASSETS</b>  |  |                  |                      |                  |
| Cash flow hedges   | 445,584                                  | 6,813            | 504,209              | 7,312            |
| < 1 year   |  | 152              |                      | 242              |
| > 1 year   |  | 6,661            |                      | 7,070            |
| <b>LIABILITIES</b>   |  |                  |                      |                  |
| Cash flow hedges   | 67,273                                   | 366              | 53,995               | 190              |
| < 1 year   |  |                  |                      | 174              |
| > 1 year   |  | 366              |                      | 16               |
|  | <b>Profit 2007</b>                       | <b>Loss 2007</b> | <b>Profit 2006</b>   | <b>Loss 2006</b> |
| <b>FAIR VALUE ADJUSTMENTS IN HEDGE ACCOUNTING</b>                    |  |                  |                      |                  |
| <b>CASH FLOW HEDGE OF INTEREST RATE RISK</b>                         |  |                  |                      |                  |
| Fair value changes of the hedging instrument - ineffective portion   | 247                                      | -23              | 54                   | -967             |
|  | <b>Accounted in shareholders' equity</b> |                  |                      |                  |
| Fair value changes of the hedging instrument - effective portion     | -608                                     |                  |                      |                  |
| Discontinuation of hedge accounting in the case of a cash flow hedge | 599                                      | -12              | 0                    | -147             |

| By nature   | By type                                    | Book value     |                     | Notional amount                |                                     | Book value     |                     | Notional amount                |                                     |
|---|--|----------------|---------------------|--------------------------------|-------------------------------------|----------------|---------------------|--------------------------------|-------------------------------------|
|   |  | Assets<br>2007 | Liabilities<br>2007 | To receive<br>(assets)<br>2007 | To deliver<br>(liabilities)<br>2007 | Assets<br>2006 | Liabilities<br>2006 | To receive<br>(assets)<br>2006 | To deliver<br>(liabilities)<br>2006 |
| (€ 1,000)   |  |                |                     |                                |                                     |                |                     |                                |                                     |
| <b>DERIVATIVE FINANCIAL INSTRUMENTS FOR TRADING</b> |  |                |                     |                                |                                     |                |                     |                                |                                     |
| Interest  | Option<br>Cap/Floor/<br>Collar<br>Swaption | 1,429          | 44                  | 135,000                        |                                     | 1,111          | 81                  | 135,000                        |                                     |
|   | IRS  | 4,494          | 1,383               | 229,473                        | 62,000                              | 2,648          | 615                 | 208,500                        | 49,500                              |
|   | FRA  |                | 7                   |                                | 20,000                              |                |                     |                                |                                     |
|   | Other                                      | 695            |                     | 611                            |                                     | 20,807         |                     |                                |                                     |
| Shares  | Equity forward                             | 3,234          | 3,441               | 8,408                          | 8,946                               | 4,170          | 4,219               | 8,843                          | 8,946                               |
| Currency<br>(FX)                                    | FX forward                                 | 979            | 755                 | 23,960                         | 21,325                              | 361            | 271                 | 17,618                         | 13,902                              |
| Other   |  | 266            |                     |                                |                                     |                |                     |                                |                                     |
| <b>Total</b>  |  | <b>11,097</b>  | <b>5,630</b>        | <b>397,452</b>                 | <b>112,271</b>                      | <b>29,097</b>  | <b>5,400</b>        | <b>369,961</b>                 | <b>82,348</b>                       |
|   | < 1 year                                   | 1,213          | 821                 |                                |                                     | 654            | 438                 |                                |                                     |
|   | > 1 year                                   | 8,923          | 4,809               |                                |                                     | 7,636          | 4,962               |                                |                                     |
|   | Bonds<br>in trading                        | 695            |                     |                                |                                     | 20,807         |                     |                                |                                     |
|   | Shares<br>in trading                       | 266            |                     |                                |                                     |                |                     |                                |                                     |

This item comprises the hedging instruments, used by **Bank J. Van Breda & C<sup>o</sup>**, **Extensa Group** and **Leasinvest Real Estate**, which do not correspond to the criteria for hedging.

## Note 19: Taxes

| (€ 1,000)  | Assets<br>2007 | Liabilities<br>2007 | NET<br>2007    | Assets<br>2006 | Liabilities<br>2006 | NET<br>2006    |
|--|----------------|---------------------|----------------|----------------|---------------------|----------------|
| <b>I. RECOGNISED DEFERRED TAX ASSETS AND LIABILITIES</b> |                |                     |                |                |                     |                |
| Intangible assets  | -32            |                     | -32            |                |                     | 0              |
| Tangible assets  | 71             | 2,095               | -2,024         |                | 1,832               | -1,832         |
| Investment property                                      |                | 3,034               | -3,034         |                | 2,390               | -2,390         |
| Financial derivative instruments                         | -2,346         | 24                  | -2,370         | -24            | 2,461               | -2,485         |
| Inventory and construction contracts                     |                | 4,274               | -4,274         |                | 4,220               | -4,220         |
| Non-current receivables                                  |                | 669                 | -669           |                | 441                 | -441           |
| Investments  | 4,004          |                     | 4,004          |                | -2,403              | 2,403          |
| Other assets   | 32             | 8,765               | -8,733         |                | 8,161               | -8,161         |
| Provisions   | 29             | 3,584               | -3,555         | 34             | 3,278               | -3,245         |
| Non-current debts  |                |                     | 0              | 200            |                     | 200            |
| Pension liabilities                                      | 32             | 245                 | -213           | 38             | 254                 | -215           |
| Capital grants   | -445           |                     | -445           |                | 454                 | -454           |
| Other liabilities  | 260            | 2,845               | -2,585         | 100            | 4,551               | -4,451         |
| Tax losses   | 7,321          |                     | 7,321          | 5,231          | -194                | 5,425          |
| Tax receivables  | -809           | -809                | 0              |                |                     | 0              |
| <b>TOTAL</b>   | <b>8,118</b>   | <b>24,727</b>       | <b>-16,609</b> | <b>5,579</b>   | <b>25,444</b>       | <b>-20,065</b> |
| <b>II. UNRECOGNISED DEFERRED TAX ASSETS</b>              |                |                     |                |                |                     |                |
| Unrecognised deferred tax losses                         | 4,334          |                     | 4,334          | 4,156          |                     | 4,156          |
| Other unrecognised deferred tax assets                   | 2,029          |                     | 2,029          | 1,921          |                     | 1,921          |
| <b>TOTAL</b>   | <b>6,363</b>   | <b>0</b>            | <b>6,363</b>   | <b>6,077</b>   | <b>0</b>            | <b>6,077</b>   |

The evolution of the net deferred tax assets and liabilities was registered through the income statement for 2.3 million euros. The other evolution is mainly attributable to the evolution of deferred taxes on revaluation reserves 'Securities available for sale' and tax losses.

| (€ 1,000)   | 2007           | 2006           |
|---|----------------|----------------|
| <b>III. INCOME TAX EXPENSE (INCOME)</b>                                   |                |                |
| <b>Current income tax expense, net</b>                                    |                |                |
| Current period tax expense  | -14,543        | -12,957        |
| Adjustments to current tax of prior period                                | 81             | 170            |
| <b>TOTAL</b>  | <b>-14,462</b> | <b>-12,787</b> |
| <b>Deferred taxes, net</b>  |                |                |
| Origination and reversal of temporary differences                         | -15            | 578            |
| Additions (use) of tax losses   | 1,535          | -231           |
| Other deferred taxes  | 809            | -507           |
| <b>TOTAL</b>  | <b>2,330</b>   | <b>-160</b>    |
| <b>Total current and deferred tax expenses (income)</b>                   | <b>-12,132</b> | <b>-12,947</b> |
| <b>IV. RECONCILIATION OF STATUTORY TAX TO EFFECTIVE TAX</b>               |                |                |
| Profit (loss) before taxes  | 315,518        | 342,081        |
| Profit (loss) of participations accounted for using the equity method (-) | -113,291       | -237,728       |
|   | 202,227        | 104,353        |
| Statutory tax rate (%)  | 33.99%         | 33.99%         |
| <b>Tax expense using the statutory tax rate</b>                           | <b>-68,737</b> | <b>-35,470</b> |
| Tax effect of rates in other jurisdictions                                | 90             | -5             |
| Tax effect of tax exempt revenues   | 56,483         | 39,442         |
| Tax effect of non-deductible expenses                                     | -3,680         | -15,259        |
| Tax effect of tax losses (utilised) reversed                              | -230           | -2,216         |
| Tax effect of change in tax rates   | 209            | 161            |
| Tax effect from under or over provisions in prior periods                 | -79            | 122            |
| Other increase (decrease)   | 3,812          | 278            |
| <b>Tax expense using the effective tax rate</b>                           | <b>-12,132</b> | <b>-12,947</b> |
| Profit (loss) before taxes  | 315,518        | 342,081        |
| Profit (loss) of participations accounted for using the equity method (-) | -113,291       | -237,728       |
|   | 202,227        | 104,353        |
| <b>Effective tax rate (%)</b>   | <b>6.00%</b>   | <b>12.41%</b>  |

## Note 20: Share based payment

### 1. Equity settled stock option plan AvH as of 31 December 2007

| Grant date | Number options granted | Number options exercised | Number options expired | Balance        | Exercise price (€) | Exercise period         |
|------------|------------------------|--------------------------|------------------------|----------------|--------------------|-------------------------|
| 1999       | 10,650                 | -9,750                   | -900                   | 0              | 30.00              | 01/01/2003 - 25/03/2010 |
| 2000       | 15,650                 | -12,850                  | -1,000                 | 1,800          | 28.26              | 01/01/2004 - 12/01/2011 |
| 2001       | 109,500                | -27,500                  | -10,500                | 71,500         | 32.33              | 01/01/2005 - 07/02/2012 |
| 2002       | 1,000                  | -1,000                   |                        | 0              | 30.65              | 01/01/2006 - 06/02/2013 |
| 2003       | 38,500                 | -10,500                  | -3,500                 | 24,500         | 15.98              | 01/01/2007 - 31/01/2011 |
| 2004       | 32,500                 |                          |                        | 32,500         | 19.02              | 01/01/2008 - 26/01/2012 |
| 2005       | 44,500                 |                          |                        | 44,500         | 27.08              | 01/01/2009 - 24/01/2013 |
| 2006       | 46,000                 |                          |                        | 46,000         | 46.09              | 01/01/2010 - 03/01/2014 |
| 2007       | 45,000                 |                          |                        | 45,000         | 62.12              | 01/01/2011 - 08/01/2015 |
|            | <b>343,300</b>         | <b>-61,600</b>           | <b>-15,900</b>         | <b>265,800</b> |                    |                         |

AvH's stock option plan, which was approved in 1999, is intended to provide long-term motivation for executive directors, members of the executive committee, executives and consultants whose activities are essential to the success of the group. The options give them the right to acquire as many shares in Ackermans & van Haaren.

The remuneration committee is responsible for monitoring this plan and selecting the beneficiaries. The options are provided free of charge and their period is 8 years.

The company has made use of the possibility provided by the programme law of 24 December 2002 to extend the period of all options outstanding before 2003 with another three years.

IFRS 2 has been applied to the stock options granted after 7 November 2002.

The fair value as of 31 December 2007 of the outstanding options of 2003-2007 (included) amounts to 1.9 million euros and is calculated by an external party according to the Monte Carlo model.



| Year | Share price | Dividend yield | Volatility | Interest rate | Fair Value | Estimated expected lifetime | Black & Scholes Value | Beneficiaries Turnover |
|------|-------------|----------------|------------|---------------|------------|-----------------------------|-----------------------|------------------------|
| 2003 | 15.75       | 3.24%          | 38.11%     | 3.46%         | 4.96       | 6.70                        | 5.18                  | 1.33%                  |
| 2004 | 22.2        | 2.30%          | 28.09%     | 3.69%         | 7.10       | 6.10                        | 7.67                  | 1.33%                  |
| 2005 | 28.06       | 1.92%          | 20.36%     | 3.16%         | 6.16       | 6.24                        | 6.79                  | 1.33%                  |
| 2006 | 47.6        | 1.37%          | 18.10%     | 3.23%         | 10.22      | 5.95                        | 11.94                 | 1.33%                  |
| 2007 | 66.9        | 1.35%          | 22.05%     | 4.04%         | 18.43      | 5.75                        | 21.74                 | 1.33%                  |

In 2007, 45,000 new stock options were granted with an exercise price of 62.12 euros per share.

The fair value when granted was fixed at 0.8 million euros and is recorded in the profit and loss account over the vesting period of 4 years.

To cover the outstanding option obligations, AvH has a total of 292,852 treasury shares in its portfolio, already anticipating the options granted in the beginning of 2008.

## 2. Cash settled stock option and warrant plans at consolidated subsidiaries of AvH

The beneficiaries of the option plans of AA Van Laere, Bank Delen, Bank J. Van Breda & C° and Extensa have a put option on the respective parent companies Anfima, Delen Investments, Finaxis and NIM (these companies have call options and a pre-emption right to prevent the shares from being transferred to third parties).

These option plans concern shares which are not listed on a stock exchange and whose value is determined in the option plan. The valuation of the option price is (depending on the option plan) based on the growth of the equity, a multiple on the growth of the consolidated profit or a market valuation of the company.

The valuation of the warrants granted to the beneficiaries of DEME is based on a multiple of the consolidated cash flow.

In conformity with IFRS 2, the impact of these option and warrant plans are included in the debts based on the best possible assessment. These debts are reviewed as a result of an exercise, a re-granting or modification of the parameters. These increases or decreases of the debts result respectively in a loss or profit in the income statement.

The total debt of the option and warrant plans of the fully consolidated subsidiaries as of 31 December 2007 amounts to 4.6 million euros and decreased compared to last year due to exercised options.

## 3. Treasury shares

As part of AvH's aforementioned stock option plan, 38,458 treasury shares were redeemed and 11,500 were sold in 2007 as a result of the exercises that occurred in 2007.

The total number of treasury shares as of the end of December 2007 was 292,852.

## Note 21: Rights and commitments not reflected in the balance sheet

| (€ 1,000)   | 2007    | 2006    |
|---|---------|---------|
| Amount of personal guarantees, given or irrevocably promised by the enterprises included in the consolidation, as security for third parties' debts or commitments  | 48,853  | 80,843  |
| Amount of real guarantees, given or irrevocably promised by the enterprises included in the consolidation on their own assets, as security for debts and commitments of enterprises included in the consolidation | 25,943  | 22,162  |
| Commitments to acquire fixed assets   | 17,009  | 18,366  |
| Commitments to dispose of fixed assets  | 306,463 | 106,308 |
| Rights and commitments not reflected in the balance sheet of banks (Bank J, Van Breda & C°)   |         |         |
| • loan commitments  | 233,323 | 197,618 |
| • financial guarantees  | 50,863  | 46,255  |
| • repo transactions + collateral  | 50,590  | 50,490  |

The personal guarantees in the 'AvH and subholdings' segment have decreased from 32.2 million euros in 2006 to 7.0 million euros in 2007 due to the expiry of the liabilities and warranties granted by GIB within the framework of the sale of subsidiaries from before the acquisition of GIB. In the Contracting, dredging & concessions segment, 35.9 million euros of construction site guarantees have been provided by Algemene Aannemingen Van Laere. The balance of this section, 5.9 million euros, is to the charge of Extensa.

The commitments to acquire fixed assets are entirely at the expense of the 'AvH and subholdings' segment. This section includes the put options relating to stock-option plans or private equity shareholders' agreements.

The commitments to dispose of fixed assets have increased substantially with regard to 2006. This increase is the result of the call options that were set out or were modified in the shareholders' agreements of participations that were acquired or changed in 2007. The call options on the assets of the 'AvH and subholdings' segment amount to 215.9 million euros. The allocated call options for operational leasing contracts and property investments at Extensa Group and Leasinvest Real Estate explain the remaining 87.7 million euro.

Within the framework of the sale of certain participations 'AvH and subholdings' have set out traditional warranties and statements which could, in principle, amount to 33.7 million euros.

## Note 22: Employment

|   | 2007           | 2006           |
|---|----------------|----------------|
| <b>I. AVERAGE NUMBER OF PERSONS EMPLOYED</b>                      |                |                |
| Employees and management personnel                                | 824            | 593            |
| Workers   | 169            | 451            |
| <b>II. PERSONNEL CHARGES (€ 1,000)</b>                            |                |                |
| Remuneration and social charges                                   | -56,487        | -56,635        |
| Pension expenses (defined contribution and defined benefit plans) | -2,151         | -1,751         |
| Share based payment   | -1,247         | -858           |
| <b>Total</b>  | <b>-59,885</b> | <b>-59,244</b> |

At the headquarters of Ackermans & van Haaren about 40 persons are employed.

## Note 23: Pension liabilities

| (€ 1,000)   | 2007         | 2006         |
|---|--------------|--------------|
| Defined Benefit Pension plans                                       | 471          | 443          |
| Other pension obligations (early retirement)                        | 1,425        | 1,125        |
| <b>Total pension obligations</b>                                    | <b>1,896</b> | <b>1,568</b> |
| <b>Total pension assets</b>   | <b>1,012</b> | <b>978</b>   |
| <b>I. DEFINED BENEFIT PENSION PLANS</b>                             |              |              |
| <b>1. Components of defined benefit plan assets and liabilities</b> |              |              |
| Net funded defined benefit plan obligation (asset)                  | -709         | -341         |
| Present value of wholly or partially funded obligation              | 2,298        | 2,224        |
| Fair value of plan assets (-)                                       | -3,007       | -2,566       |
| Unrecognised actuarial gains (losses)                               | 168          | -194         |
| <b>Defined benefit plan obligation (asset), total</b>               | <b>-541</b>  | <b>-535</b>  |
| Liabilities   | 471          | 443          |
| Assets (-)  | -1,012       | -978         |
| <b>2. Expense recognised in the income statement</b>                |              |              |
| Current service cost  | 250          | 203          |
| Interest cost   | 107          | 94           |
| Expected return on plan assets (-)                                  | -138         | -124         |
| Net actuarial (gain) loss   | -30          | 0            |
| <b>3. Movements in defined benefit plan obligations (asset)</b>     |              |              |
| Defined benefit plan obligation, <b>opening balance</b>             | -535         | -564         |
| Contributions paid (-)  | -165         | -144         |
| Expense recognised  | 188          | 173          |
| Decrease through business divestiture                               |              |              |
| Other increase (decrease)   | -29          |              |
| Defined benefit plan obligation, <b>closing balance</b>             | <b>-541</b>  | <b>-535</b>  |
| <b>4. Principal actuarial assumptions</b>                           |              |              |
| Discount rate used  | 5.00%-5.25%  | 4.00%-4.50%  |
| Expected return on plan assets                                      | 4.75%-5.00%  | 4.00%-4.75%  |
| Expected rate of salary increase                                    | 2.00%-3.50%  | 2.00%-3.50%  |
| Medical cost trend rate   | 2.00%        | 2.00%        |
| <b>II. DEFINED CONTRIBUTION PENSION PLANS</b>                       |              |              |
| Total charges recognised in the income statement                    | -1,114       | -1,020       |

The defined contribution plans concern mainly the plans of AvH and subholdings.

## Note 24: Discontinued operations

In 2007 and 2006 there were no discontinued operations. In 2005 the fully consolidated group Solvus was sold to USG. For more information, we refer to the annual report of 2005.

## Note 25: Related parties

| (€ 1,000)   | Financial year 2007 |                               |                           |                       |                | Financial year 2006 |                               |                           |                       |                |
|---|---------------------|-------------------------------|---------------------------|-----------------------|----------------|---------------------|-------------------------------|---------------------------|-----------------------|----------------|
|   | Subsidiaries        | Private equity participations | Associated participations | Other related parties | TOTAL 2007     | Subsidiaries        | Private equity participations | Associated participations | Other related parties | TOTAL 2006     |
| <b>I. ASSETS WITH RELATED PARTIES</b>                                 |                     |                               |                           |                       |                |                     |                               |                           |                       |                |
| <b>Financial fixed assets</b>   | <b>4,913</b>        | <b>18,306</b>                 | <b>20</b>                 |                       | <b>23,238</b>  | <b>4,513</b>        | <b>2,706</b>                  | <b>2,014</b>              |                       | <b>9,233</b>   |
| Receivables and warranties: gross amount                              | 4,913               | 18,306                        | 20                        |                       | 23,238         | 4,513               | 2,706                         | 2,014                     |                       | 9,233          |
| <b>Amounts receivable</b>   | <b>3,350</b>        | <b>18,528</b>                 | <b>6,530</b>              |                       | <b>28,407</b>  | <b>39,049</b>       | <b>6,168</b>                  | <b>2,652</b>              |                       | <b>47,869</b>  |
| Trade receivables   | 247                 |                               | 4                         |                       | 251            | 36                  |                               | 25                        |                       | 61             |
| Other receivables - gross amount                                      | 3,670               | 18,528                        | 6,526                     |                       | 28,724         | 39,558              | 6,168                         | 2,627                     |                       | 48,353         |
| Other receivables – impairment  | -567                |                               |                           |                       | -567           | -545                |                               |                           |                       | -545           |
| <b>Banks - receivables from credit instit. &amp; clients</b>          | <b>9</b>            |                               | <b>2,030</b>              | <b>0</b>              | <b>2,039</b>   | <b>19</b>           |                               | <b>4,638</b>              |                       | <b>4,657</b>   |
| <b>Deferred charges &amp; accrued income</b>                          | <b>1,356</b>        | <b>349</b>                    | <b>28</b>                 | <b>0</b>              | <b>1,733</b>   | <b>1,592</b>        | <b>145</b>                    | <b>107</b>                |                       | <b>1,844</b>   |
| <b>TOTAL</b>  | <b>9,628</b>        | <b>37,183</b>                 | <b>8,608</b>              | <b>0</b>              | <b>55,418</b>  | <b>45,173</b>       | <b>9,019</b>                  | <b>9,411</b>              |                       | <b>63,603</b>  |
| <b>II. LIABILITIES WITH RELATED PARTIES</b>                           |                     |                               |                           |                       |                |                     |                               |                           |                       |                |
| <b>Financial debts</b>  | <b>260</b>          |                               |                           | <b>7,000</b>          | <b>7,260</b>   | <b>260</b>          |                               |                           |                       | <b>260</b>     |
| Subordinated loans  |                     |                               |                           | 7,000                 | 7,000          |                     |                               |                           |                       |                |
| Other financial debts   | 260                 |                               |                           |                       | 260            | 260                 |                               |                           |                       | 260            |
| <b>Other debts</b>  | <b>433</b>          |                               | <b>2,303</b>              |                       | <b>2,736</b>   | <b>370</b>          |                               | <b>2,249</b>              |                       | <b>2,619</b>   |
| Trade payables  |                     |                               | 144                       |                       | 144            |                     |                               | 143                       |                       | 143            |
| Other amounts payable   | 433                 |                               | 2,159                     |                       | 2,592          | 370                 |                               | 2,106                     |                       | 2,476          |
| <b>Banks - debts to credit institutions, clients &amp; securities</b> | <b>147,716</b>      |                               | <b>864</b>                |                       | <b>148,580</b> | <b>138,133</b>      |                               | <b>895</b>                |                       | <b>139,028</b> |
| <b>Accrued charges and deferred income</b>                            | <b>1,370</b>        |                               | <b>10</b>                 |                       | <b>1,380</b>   | <b>425</b>          |                               | <b>21</b>                 |                       | <b>446</b>     |
| <b>TOTAL</b>  | <b>149,779</b>      |                               | <b>3,177</b>              | <b>7,000</b>          | <b>159,956</b> | <b>139,188</b>      |                               | <b>3,165</b>              |                       | <b>142,353</b> |

| (€ 1,000)   | Financial year 2007 |                               |                           |                       |               | Financial year 2006 |                               |                           |                       |               |
|---|---------------------|-------------------------------|---------------------------|-----------------------|---------------|---------------------|-------------------------------|---------------------------|-----------------------|---------------|
|   | Subsidiaries        | Private equity participations | Associated participations | Other related parties | TOTAL 2007    | Subsidiaries        | Private equity participations | Associated participations | Other related parties | TOTAL 2006    |
| <b>III. TRANSACTIONS WITH RELATED PARTIES</b>                 |                     |                               |                           |                       |               |                     |                               |                           |                       |               |
| <b>Revenue</b>  | <b>13,092</b>       | <b>114</b>                    | <b>172</b>                |                       | <b>13,378</b> | <b>9,714</b>        | <b>283</b>                    | <b>488</b>                |                       | <b>10,485</b> |
| Rendering of services   | 1,674               | 68                            | 7                         |                       | 1,749         | 1,804               | 236                           |                           |                       | 2,040         |
| Leasing revenue   |                     |                               | 3                         |                       | 3             |                     |                               | 3                         |                       | 3             |
| Interest income banking activities of banking activities      | 6                   |                               | 159                       |                       | 165           | 5                   |                               | 383                       |                       | 388           |
| Commissions receivable  | 11,392              |                               |                           |                       | 11,392        | 7,830               |                               |                           |                       | 7,830         |
| Other operating revenue                                       | 20                  | 45                            | 4                         |                       | 69            | 75                  | 47                            | 102                       |                       | 224           |
| <b>Other operating income</b>                                 | <b>597</b>          | <b>6,201</b>                  | <b>92</b>                 |                       | <b>6,889</b>  | <b>351</b>          | <b>5,098</b>                  | <b>303</b>                |                       | <b>5,752</b>  |
| Interest on financial fixed assets - receivables              | 551                 | 1,352                         |                           |                       | 1,902         | 296                 | 142                           | 82                        |                       | 520           |
| Dividends   |                     | 4,796                         | 92                        |                       | 4,888         | 50                  | 4,906                         | 221                       |                       | 5,177         |
| Other operating income  | 46                  | 53                            |                           |                       | 99            | 5                   | 50                            |                           |                       | 55            |
| <b>Operating expenses (-)</b>                                 | <b>-6,653</b>       | <b>-379</b>                   | <b>-2,044</b>             | <b>0</b>              | <b>-9,076</b> | <b>-4,372</b>       | <b>2,170</b>                  | <b>-2,068</b>             | <b>0</b>              | <b>-4,270</b> |
| Interest expenses   |                     |                               |                           |                       |               |                     |                               |                           |                       |               |
| Bank J. Van Breda & C° (-)                                    | -6,296              |                               | -37                       |                       | -6,333        | -3,988              |                               | -120                      |                       | -4,108        |
| Impairment losses (-)   | -274                | -379                          |                           |                       | -653          | -217                | 2,170                         | 63                        |                       | 2,016         |
| Other operating expenses (-)                                  | -83                 |                               | -2,007                    |                       | -2,090        | -167                |                               | -2,011                    |                       | -2,178        |
| <b>Finance income</b>   | <b>337</b>          | <b>421</b>                    | <b>344</b>                |                       | <b>1,103</b>  | <b>1,526</b>        | <b>177</b>                    | <b>384</b>                |                       | <b>2,087</b>  |
| Interest income   | 334                 | 421                           |                           |                       | 756           | 1,525               | 177                           |                           |                       | 1,702         |
| Other finance income  | 3                   |                               | 344                       |                       | 347           | 1                   |                               | 384                       |                       | 385           |
| <b>Finance costs (-)</b>                                      | <b>-91</b>          | <b>-971</b>                   | <b>-90</b>                | <b>-181</b>           | <b>-1,333</b> | <b>-33</b>          |                               | <b>-65</b>                |                       | <b>-98</b>    |
| Interest expenses   | -91                 | -971                          |                           | -181                  | -1,243        | -33                 |                               |                           |                       | -33           |
| Other finance costs   |                     |                               | -90                       |                       | -90           |                     |                               | -65                       |                       | -65           |
| <b>IV. REMUNERATION KEY MANAGEMENT</b>                        |                     |                               |                           |                       |               |                     |                               |                           |                       |               |
| <b>Remuneration of the directors</b>                          |                     |                               |                           |                       |               |                     |                               |                           |                       |               |
| Tantièmes at the expense of AvH                               |                     |                               |                           |                       | 205           |                     |                               |                           |                       | 162           |
| <b>Remuneration of the members of the executive committee</b> |                     |                               |                           |                       |               |                     |                               |                           |                       |               |
| Fixed remuneration  |                     |                               |                           |                       | 2,044         |                     |                               |                           |                       | 1,637         |
| Bonus   |                     |                               |                           |                       | 1,786         |                     |                               |                           |                       | 2,496         |
| Group and hospitalisation insurance                           |                     |                               |                           |                       | 99            |                     |                               |                           |                       | 98            |

The members of the executive committee, by exercising their stock options, could acquire at the end of 2007 an aggregate of 204,800 shares of AvH.

#### V. THE AUDITOR ERNST & YOUNG RECEIVED FOLLOWING FEES RELATED TO:

| (€ 1,000)             | AvH                | Subsidiaries <sup>(1)</sup> | Total 2007   | AvH        | Subsidiaries <sup>(1)</sup> | Totaal 2006  |
|-----------------------|--------------------|-----------------------------|--------------|------------|-----------------------------|--------------|
| The statutory mandate | 35                 | 918                         | 953          | 34         | 914                         | 948          |
| Other services        | 428 <sup>(2)</sup> | 339                         | 767          | 81         | 279                         | 360          |
| <b>Total</b>          | <b>464</b>         | <b>1,257</b>                | <b>1,720</b> | <b>115</b> | <b>1,193</b>                | <b>1,308</b> |

(1) Including jointly controlled subsidiaries accounted for using the equity method.

(2) A remuneration of 8,300 euros (excl. VAT) was paid to Ernst & Young Tax Consultants CV for tax advice. Furthermore an amount of 420,205 euros (excl. VAT) was paid to Ernst & Young Advisory (France) as a remuneration for due diligence activities.

## Note 26: Earnings per share

|   | 2007        | 2006        |
|---|-------------|-------------|
| <b>I. CONTINUED AND DISCONTINUED OPERATIONS</b>                                 |             |             |
| Net consolidated profit, share of the group (€ 1,000)                           | 241,390     | 307,600     |
| Weighted average number of shares <sup>(1)</sup>                                | 33,204,052  | 33,231,010  |
| <b>Basic earnings per share (€)</b>   | <b>7.27</b> | <b>9.26</b> |
| Net consolidated profit, share of the group (€ 1,000)                           | 241,390     | 307,600     |
| Weighted average number of shares <sup>(1)</sup>                                | 33,204,052  | 33,231,010  |
| Impact stock options  | 115,402     | 99,707      |
| Adjusted weighted average number of shares                                      | 33,319,454  | 33,330,717  |
| <b>Diluted earnings per share (€)</b>   | <b>7.24</b> | <b>9.23</b> |
| <b>II. CONTINUED ACTIVITIES</b>   |             |             |
| Net consolidated profit from continued activities, share of the group (€ 1,000) | 241,390     | 307,600     |
| Weighted average number of shares <sup>(1)</sup>                                | 33,204,052  | 33,231,010  |
| <b>Basic earnings per share (€)</b>   | <b>7.27</b> | <b>9.26</b> |
| Net consolidated profit from continued activities, share of the group (€ 1,000) | 241,390     | 307,600     |
| Weighted average number of shares <sup>(1)</sup>                                | 33,204,052  | 33,231,010  |
| Impact stock options  | 115,402     | 99,707      |
| Adjusted weighted average number of shares                                      | 33,319,454  | 33,330,717  |
| <b>Diluted earnings per share (€)</b>   | <b>7.24</b> | <b>9.23</b> |

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

## Note 27: Proposed and distributed dividends

| (€ 1,000)   | 2007    | 2006    |
|---|---------|---------|
| <b>I. DETERMINED AND PAID OUT DURING THE YEAR</b>                               |         |         |
| Dividend on ordinary shares:  |         |         |
| • final dividend 2006: 1.15 euro per share (2005: 0.90 euro per share)          | -38,216 | -29,993 |
| <b>II. PROPOSED FOR APPROVAL BY THE GENERAL MEETING</b>                         |         |         |
| Dividend on ordinary shares:  |         |         |
| • final dividend 2007: 1.39 euro per share (dividends treasury shares excluded) | -46,154 |         |
| <b>III. DIVIDEND PER SHARE</b>  |         |         |
| Gross   | 1.3900  | 1.1500  |
| Net   | 1.0425  | 0.8625  |
| With VVPR Strip   |         |         |
| Net   | 1.1815  | 0.9775  |

## Statutory auditor's report

STATUTORY AUDITOR'S REPORT TO THE GENERAL MEETING OF SHAREHOLDERS OF ACKERMANS & VAN HAAREN NV ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

In accordance with the legal requirements, we report to you on the performance of our mandate of statutory auditor. This report contains our opinion on the consolidated financial statements as well as the required additional comments.

### Unqualified opinion on the consolidated financial statements

We have audited the consolidated financial statements of Ackermans & van Haaren NV and its subsidiaries (collectively referred to as 'the Group') for the year ended 31 december 2007, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European union, and with the legal and regulatory requirements applicable in Belgium. These consolidated financial statements comprise the consolidated balance sheet as at 31 december 2007, and the consolidated statements of income, changes in equity and cash flows for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated balance sheet shows total assets of 4,887,954 (000) euro and the consolidated statement of income shows a profit for the year, share of the Group, of 241,390 (000) euro.

### Responsibility of the board of directors for the preparation and fair presentation of the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Responsibility of the statutory auditor

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the legal requirements and the auditing standards applicable in Belgium, as issued by the Institute of Registered Auditors (Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren). Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

In accordance with these standards, we have performed procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making

those risk assessments, we have considered internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. We have evaluated the appropriateness of accounting policies used, the reasonableness of significant accounting estimates made by the Group and the presentation of the consolidated financial statements, taken as a whole. Finally, we have obtained from the board of directors and the Group's officials the explanations and information necessary for executing our audit procedures. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Opinion

In our opinion, the consolidated financial statements for the year ended 31 december 2007 give a true and fair view of the Group's financial position as at 31 december 2007 and of the results of its operations and its cash flows in accordance with IFRS as adopted by the European union, and with the legal and regulatory requirements applicable in Belgium.

### Additional comments

The preparation and the assessment of the information that should be included in the directors' report on the consolidated financial statements are the responsibility of the board of directors.

Our responsibility is to include in our report the following additional comments, which do not modify the scope of our opinion on the consolidated financial statements:

- The directors' report on the consolidated financial statements deals with the information required by law and is consistent with the consolidated financial statements. We are, however, unable to comment on the description of the principal risks and uncertainties which the entities included in the consolidation are facing, and on their financial situation, their foreseeable evolution or the significant influence of certain facts on their future development. We can nevertheless confirm that the matters disclosed do not present any obvious inconsistencies with the information that we became aware of during the performance of our mandate.

Antwerp, 16 April 2008

Ernst & young Réviseurs d'Entreprises SCCRL  
Statutory auditor  
represented by

Christel Weymeersch  
Partner

Patrick Rottiers  
Partner

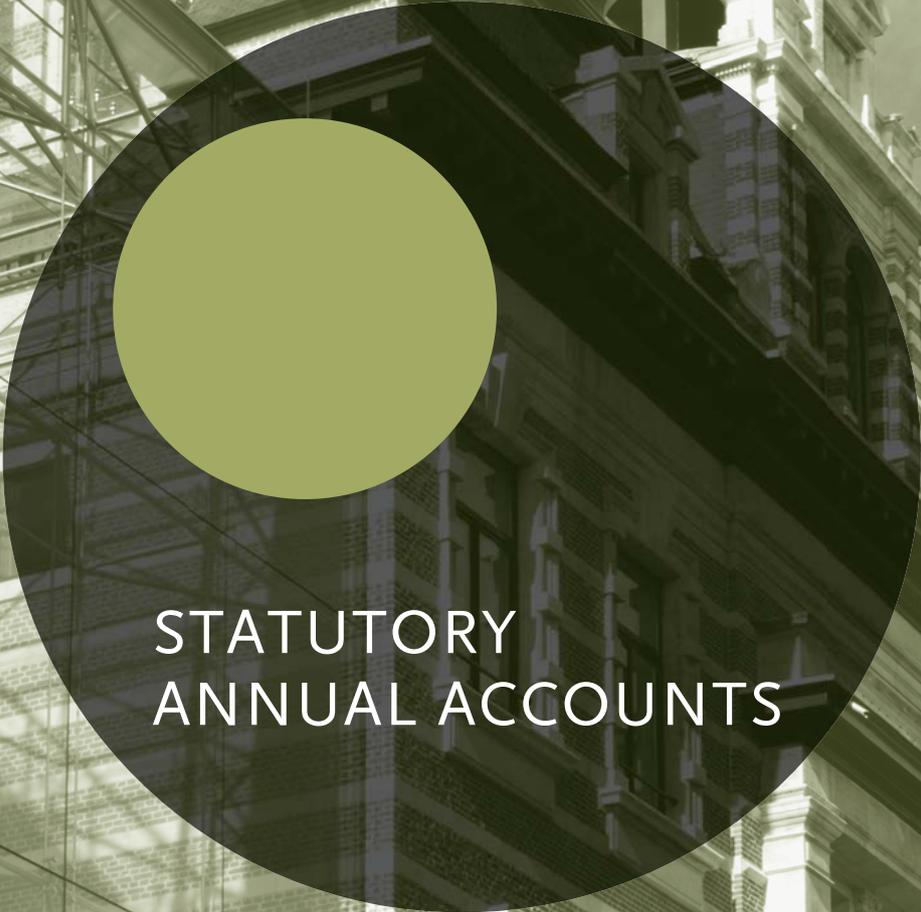


In accordance with article 105 of the Company Law, the statutory annual accounts of Ackermans & van Haaren NV, are presented in short form. In accordance with article 98 and 100 of the Company Law, the full annual accounts, the annual report of the board of directors and the report of the statutory auditor are filed with the National Bank of Belgium.

The Statutory Auditor has given an unqualified opinion regarding the statutory accounts. The annual accounts, the annual report of the board of directors and the report of the statutory auditor are available at the registered office of the company upon simple request.

The statutory annual accounts are prepared in accordance with the Belgian General Accounting Principles.

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# STATUTORY ANNUAL ACCOUNTS

## BALANCE SHEET

| (€ 1,000)  | Note | 2007             | 2006             | 2005             |
|--|------|------------------|------------------|------------------|
| <b>ASSETS</b>  |      |                  |                  |                  |
| <b>FIXED ASSETS</b>                                      |      | <b>1,303,967</b> | <b>1,265,207</b> | <b>1,242,325</b> |
| <b>I. Formation expenses</b>                             |      |                  |                  |                  |
| <b>II. Intangible assets</b>                             |      | <b>1</b>         | <b>45</b>        | <b>0</b>         |
| <b>III. Tangible assets</b>                              |      | <b>2</b>         | <b>14,063</b>    | <b>9,869</b>     |
| A. Land and buildings                                    |      |                  | 11,380           | 804              |
| C. Furniture and vehicles                                |      |                  | 973              | 262              |
| D. Leasing and other similar rights                      |      |                  | 56               | 21               |
| F. Assets under construction and advanced payments       |      |                  | 1,654            | 8,782            |
| <b>IV. Financial assets</b>                              |      | <b>3</b>         | <b>1,289,859</b> | <b>1,255,338</b> |
| A. Affiliated enterprises                                |      |                  | 1,164,097        | 1,126,913        |
| I. Participating interests                               |      |                  | 1,138,585        | 1,122,400        |
| 2. Amounts receivable                                    |      |                  | 25,512           | 4,513            |
| B. Other enterprises linked by participating interests   |      |                  | 33,689           | 11,400           |
| I. Participating interests                               |      |                  | 33,689           | 11,400           |
| C. Other financial assets                                |      |                  | 92,073           | 117,025          |
| I. Shares  |      |                  | 92,071           | 117,021          |
| 2. Amounts receivable and cash guarantees                |      |                  | 2                | 4                |
| <b>CURRENT ASSETS</b>                                    |      |                  | <b>77,615</b>    | <b>100,660</b>   |
| <b>V. Amounts receivable after more than one year</b>    |      |                  |                  |                  |
| A. Trade receivables                                     |      |                  |                  |                  |
| B. Other amounts receivable                              |      |                  |                  |                  |
| <b>VI. Stocks and contracts in progress</b>              |      |                  |                  |                  |
| A. Stocks  |      |                  |                  |                  |
| 1. Raw materials and consumables                         |      |                  |                  |                  |
| 2. Work in progress                                      |      |                  |                  |                  |
| 3. Finished goods  |      |                  |                  |                  |
| 4. Goods purchased for sale                              |      |                  |                  |                  |
| 5. Immovable property acquired or constructed for resale |      |                  |                  |                  |
| 6. Advance payments                                      |      |                  |                  |                  |
| B. Contracts in progress                                 |      |                  |                  |                  |
| <b>VII. Amounts receivable within one year</b>           |      | <b>4</b>         | <b>3,791</b>     | <b>40,173</b>    |
| A. Trade receivables                                     |      |                  | 2,199            | 1,812            |
| B. Other amounts receivable                              |      |                  | 1,592            | 38,361           |
| <b>VIII. Investments</b>                                 |      |                  | <b>70,509</b>    | <b>58,007</b>    |
| A. Own shares  |      | <b>5</b>         | 12,281           | 10,332           |
| B. Other investments and deposits                        |      |                  | 58,228           | 47,675           |
| <b>IX. Cash at bank and in hand</b>                      |      |                  | <b>1,934</b>     | <b>1,027</b>     |
| <b>X. Deferred charges and accrued income</b>            |      |                  | <b>1,381</b>     | <b>1,453</b>     |
| <b>TOTAL ASSETS</b>                                      |      |                  | <b>1,381,582</b> | <b>1,365,867</b> |
|  |      |                  |                  | <b>1,293,519</b> |

## BALANCE SHEET

| (€ 1,000)  | Note     | 2007             | 2006             | 2005             |
|--|----------|------------------|------------------|------------------|
| <b>LIABILITIES</b>   |          |                  |                  |                  |
| <b>CAPITAL AND RESERVES</b>                                    | <b>6</b> | <b>703,994</b>   | <b>544,507</b>   | <b>572,765</b>   |
| <b>I. Capital</b>  |          | <b>2,295</b>     | <b>2,295</b>     | <b>2,295</b>     |
| A. Issued capital  |          | 2,295            | 2,295            | 2,295            |
| B. Uncalled capital (-)  |          |                  |                  |                  |
| <b>II. Share premium account</b>                               |          | <b>111,612</b>   | <b>111,612</b>   | <b>111,612</b>   |
| <b>III. Revaluation surplus</b>                                |          |                  |                  |                  |
| <b>IV. Reserves</b>  |          | <b>48,520</b>    | <b>46,005</b>    | <b>36,477</b>    |
| A. Legal reserve   |          | 248              | 248              | 248              |
| B. Reserves not available for distribution                     |          | 12,315           | 10,367           | 2,008            |
| 1. Own shares  |          | 12,281           | 10,332           | 1,973            |
| 2. Other   |          | 34               | 35               | 35               |
| C. Untaxed reserves  |          |                  |                  |                  |
| D. Reserves available for distribution                         |          | 35,957           | 35,390           | 34,221           |
| <b>V. Profit carried forward</b>                               |          | <b>541,567</b>   | <b>384,595</b>   | <b>422,381</b>   |
| Loss carried forward (-)                                       |          |                  |                  |                  |
| <b>VI. Investment grants</b>                                   |          |                  |                  |                  |
| <b>PROVISION AND DEFERRED TAXATION</b>                         |          |                  |                  |                  |
| <b>VII. A. Provisions for liabilities and charges</b>          |          | <b>0</b>         | <b>0</b>         | <b>2,938</b>     |
| 1. Pensions and similiar obligations                           |          |                  |                  |                  |
| 2. Taxation  |          |                  |                  |                  |
| 3. Major repairs and maintenance                               |          |                  |                  |                  |
| 4. Other liabilities and charges                               |          | 0                | 0                | 2.938            |
| B. Deferred taxation   |          |                  |                  |                  |
| <b>CREDITORS</b>   |          |                  |                  |                  |
| <b>VIII. Amounts payable after more than one year</b>          | <b>7</b> | <b>42</b>        | <b>17</b>        | <b>0</b>         |
| A. Financial debts   |          | 42               | 17               |                  |
| B. Trade debts   |          |                  |                  |                  |
| C. Advances received on contracts in progress                  |          |                  |                  |                  |
| D. Other amounts payable                                       |          |                  |                  |                  |
| <b>IX. Amounts payable within one year</b>                     |          | <b>677,077</b>   | <b>819,407</b>   | <b>716,833</b>   |
| A. Current portion of amounts payable after more than one year | <b>7</b> | 14               | 5                | 68,005           |
| B. Financial debts   | <b>8</b> | 623,192          | 776,194          | 609,885          |
| 1. Credit institutions   |          |                  |                  |                  |
| 2. Other loans   |          | 623,192          | 776,194          | 609,885          |
| C. Trade debts   |          | 740              | 874              | 671              |
| 1. Suppliers   |          | 740              | 874              | 671              |
| E. Taxes, remuneration and social security                     |          | 2,552            | 3,112            | 252              |
| 1. Taxes   |          | 393              | 747              | 252              |
| 2. Remuneration and social security                            |          | 2,159            | 2,365            |                  |
| F. Other amounts payable                                       | <b>9</b> | 50,579           | 39,222           | 38,020           |
| <b>X. Accrued charges and deferred income</b>                  |          | <b>469</b>       | <b>1,936</b>     | <b>983</b>       |
| <b>TOTAL LIABILITIES</b>                                       |          | <b>1,381,582</b> | <b>1,365,867</b> | <b>1,293,519</b> |

## INCOME STATEMENT

| (€ 1,000)  | Note | 2007           | 2006           | 2005           |
|--|------|----------------|----------------|----------------|
| <b>CHARGES</b>   |      |                |                |                |
| A. Interests and other debt charges  | 10   | 30,023         | 25,052         | 19,894         |
| B. Other financial charges   |      | 750            | 937            | 2,206          |
| C. Services and other goods  |      | 7,097          | 8,195          | 5,079          |
| D. Remuneration, social security costs and pensions  |      | 962            | 932            | 615            |
| E. Other operating charges   |      | 38             | 144            | 87             |
| F. Depreciation of and other amounts written off on formation expenses, intangible and tangible assets |      | 465            | 99             | 155            |
| G. Amounts written off   |      | 11,340         | 533            | 118            |
| 1. Financial assets  |      | 252            | 497            | 2              |
| 2. Current assets  |      | 11,088         | 36             | 116            |
| H. Provisions for liabilities and charges  |      | 0              | -2,938         | 2,938          |
| I. Loss on disposal of   |      | 374            | 1,143          | 35,625         |
| 1. Intangible and tangible assets  |      | 4              |                |                |
| 2. Financial assets  |      | 0              | 941            | 35,613         |
| 3. Current assets  |      | 370            | 202            | 12             |
| J. Extraordinary charges   |      | 0              | 0              | 1,417          |
| K. Income taxes  |      |                |                |                |
| L. Profit for the period   |      | 206,253        | 10,425         | 19,718         |
| M. Transfer to the untaxed reserves  |      |                |                |                |
| N. Profit for the period available for approbation   |      | 206,253        | 10,425         | 19,718         |
| <b>APPROPRIATION ACCOUNT</b>   |      |                |                |                |
| A. Profit to be appropriated   |      | 590,848        | 432,806        | 453,226        |
| 1. Profit for the period available for appropriation   |      | 206,253        | 10,425         | 19,718         |
| 2. Profit brought forward  |      | 384,595        | 422,381        | 433,508        |
| <b>Total</b>   |      | <b>590,848</b> | <b>432,806</b> | <b>453,226</b> |

## INCOME STATEMENT

| (€ 1,000)   | Note      | 2007           | 2006           | 2005           |
|---|-----------|----------------|----------------|----------------|
| <b>INCOME</b>   |           |                |                |                |
| <b>A. Income from financial assets</b>  | <b>11</b> | <b>235,635</b> | <b>35,696</b>  | <b>57,993</b>  |
| 1. Dividends  |           | 233,615        | 34,898         | 57,389         |
| 2. Interests  |           | 1,000          | 296            |                |
| 3. Tantièmes  |           | 1,020          | 502            | 604            |
| <b>B. Income from current assets</b>  | <b>12</b> | <b>3,643</b>   | <b>1,487</b>   | <b>2,725</b>   |
| <b>C. Other financial income</b>  |           | <b>213</b>     | <b>1</b>       | <b>1</b>       |
| <b>D. Income from services rendered</b>   |           | <b>3,485</b>   | <b>4,007</b>   | <b>4,169</b>   |
| <b>E. Other operating income</b>  |           | <b>175</b>     | <b>295</b>     | <b>367</b>     |
| <b>F. Write back to depreciation of and to other amounts written off intangible and tangible assets</b> |           |                |                |                |
| <b>G. Write back to amounts written off</b>   |           | <b>22</b>      | <b>1,006</b>   | <b>8,810</b>   |
| 1. Financial assets   |           | 0              | 941            | 3,292          |
| 2. Current assets   |           | 22             | 65             | 5,518          |
| <b>H. Write back to provisions for liabilities and charges</b>  |           |                |                |                |
| <b>I. Gain on disposal of</b>   |           | <b>14,129</b>  | <b>2,030</b>   | <b>13,787</b>  |
| 1. Tangible and intangible assets   |           | 12             | 2              | 4              |
| 2. Financial assets   |           | 14,117         | 7              | 13,602         |
| 3. Current assets   | <b>13</b> |                | 2,021          | 181            |
| <b>J. Extraordinary income</b>  |           |                |                |                |
| <b>K. Regularisation of income taxes and write back to tax provisions</b>                               |           |                |                |                |
| <b>L. Loss for the period</b>   |           |                |                |                |
| <b>M. Transfer from untaxed reserves</b>  |           |                |                |                |
| <b>N. Loss for the period available for appropriation</b>   |           |                |                |                |
| <b>APPROPRIATION ACCOUNT (CONTINUED)</b>  |           |                |                |                |
| <b>C. Transfers to capital and reserves</b>   |           | <b>2,515</b>   | <b>9,528</b>   | <b>556</b>     |
| 3. To other reserves  |           | 2,515          | 9,528          | 556            |
| <b>D. Result to be carried forward</b>  |           | <b>541,567</b> | <b>384,595</b> | <b>422,381</b> |
| 1. Profit to be carried forward   |           | 541,567        | 384,595        | 422,381        |
| <b>F. Distribution of profit</b>  |           | <b>46,766</b>  | <b>38,683</b>  | <b>30,289</b>  |
| 1. Dividends  |           | 46,561         | 38,521         | 30,147         |
| 2. Tantièmes  |           | 205            | 162            | 142            |
| <b>Total</b>  |           | <b>590,848</b> | <b>432,806</b> | <b>453,226</b> |

### BALANCE SHEET

#### Assets

1. Intangible fixed assets: new consolidation software was purchased in 2007.
2. Tangible fixed assets: primarily relate to the land and buildings located at Begijnenvest No. 105 and 113 and at Schermersstraat No. 42-44. After thorough modification and renovation works, the offices and registered office of Ackermans & van Haaren are again located in the Begijnenvest since February 2007. Leasinvest Real Estate moved into the building located in the Schermersstraat on 1 January 2008.
3. Financial fixed assets: the main extensions of the Ackermans & van Haaren portfolio in 2007 were the acquisition of 20.8% of Groupe Financière Duval, the purchase of 30,236 Leasinvest Real Estate shares, a capital increase in Rent-A-Port (45% Ackermans & van Haaren, set up in December 2006). AvH granted a subordinated loan of 21 million euros to Finaxis for the capital increase in Delen Investments in relation to the acquisition of Capital & Finance. In 2007, Ackermans & van Haaren sold 100,000 KBC shares.
4. Amounts receivable within one year: In 2006, Ackermans en van Haaren granted a short term loan to GIB for the purpose of financing its investment in Groupe Flo. This loan was repaid in full in 2007.
5. Own shares: the 'own shares' item was increased by the net purchase of 26,958 of own shares in 2007 to hedge the stock-option plan.

#### Liabilities

6. Capital and reserves: amount to 704.0 million euros after the appropriation of profits. Subject to the approval of the general meeting of shareholders, the board of directors proposes paying a gross dividend of 1.39 euro per share (+21% with regard to 2006).
7. Amounts payable after more than one year: Ackermans & van Haaren has no appreciable long term debt.
8. Short term financial debts: the short term financial payables fell from 776.2 million euros in 2006 to 623.2 million euros in 2007. The debt position was reduced as a result of the dividend of 198 million euros that Ackermans & van Haaren received in 2007 from GIB as a distribution of profit after the sale of Quick. The financial debt has been contracted for the entire amount with the group company, AvH Coordination Centre.
9. Other amounts payables: these already take into account the dividend payment of 46.6 million euros, proposed to the general meeting of shareholders of 26 May 2008 for approval.

### INCOME STATEMENT

#### Charges

10. Financial costs: the increase in financial costs is explained by the increase in interest rates and by the fact that the average debt position (solely with regard to the group company, AvH Coordination Centre) was higher in 2007 than in 2006.

#### Revenues

11. Income from financial fixed assets: the increase in 2007 with regard to 2006 is explained by the significant dividend that Ackermans & van Haaren received from GIB further to the appropriation of profit after the sale of Quick. The most important dividends, alongside the GIB dividend, came from Protalux, Sofinim and KBC. In this item, it should also be noted that not all participations of the group are directly held by Ackermans & van Haaren. Some participations have been taken through subsidiaries such as Anfima, Sofinim or Nationale Investeringsmaatschappij. This means that not all the dividends received by the group are shown in the statutory accounts of Ackermans & van Haaren and that the dividends recorded for Ackermans & van Haaren do not necessarily correspond to the results of the participations as reported in the consolidated accounts.
12. Income from current assets: mainly concerns dividend income from the investment portfolio.
13. Gains on disposal of fixed assets: primarily contains the gain realised on the internal sale of Sipef shares to Nationale Investeringsmaatschappij (subsidiary of Ackermans & van Haaren) and the external sale of 100,000 KBC shares.

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Deze brochure is ook verkrijgbaar in het Nederlands.  
Cette brochure est également disponible en français.  
The Dutch version of this annual report should be considered as the official version.



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