JDN 2017

financial report

Jan De Nul GROUP

CONTENT

FINANCIAL KEY FIGURES

3,739
Balance sheet total
(million Euro)

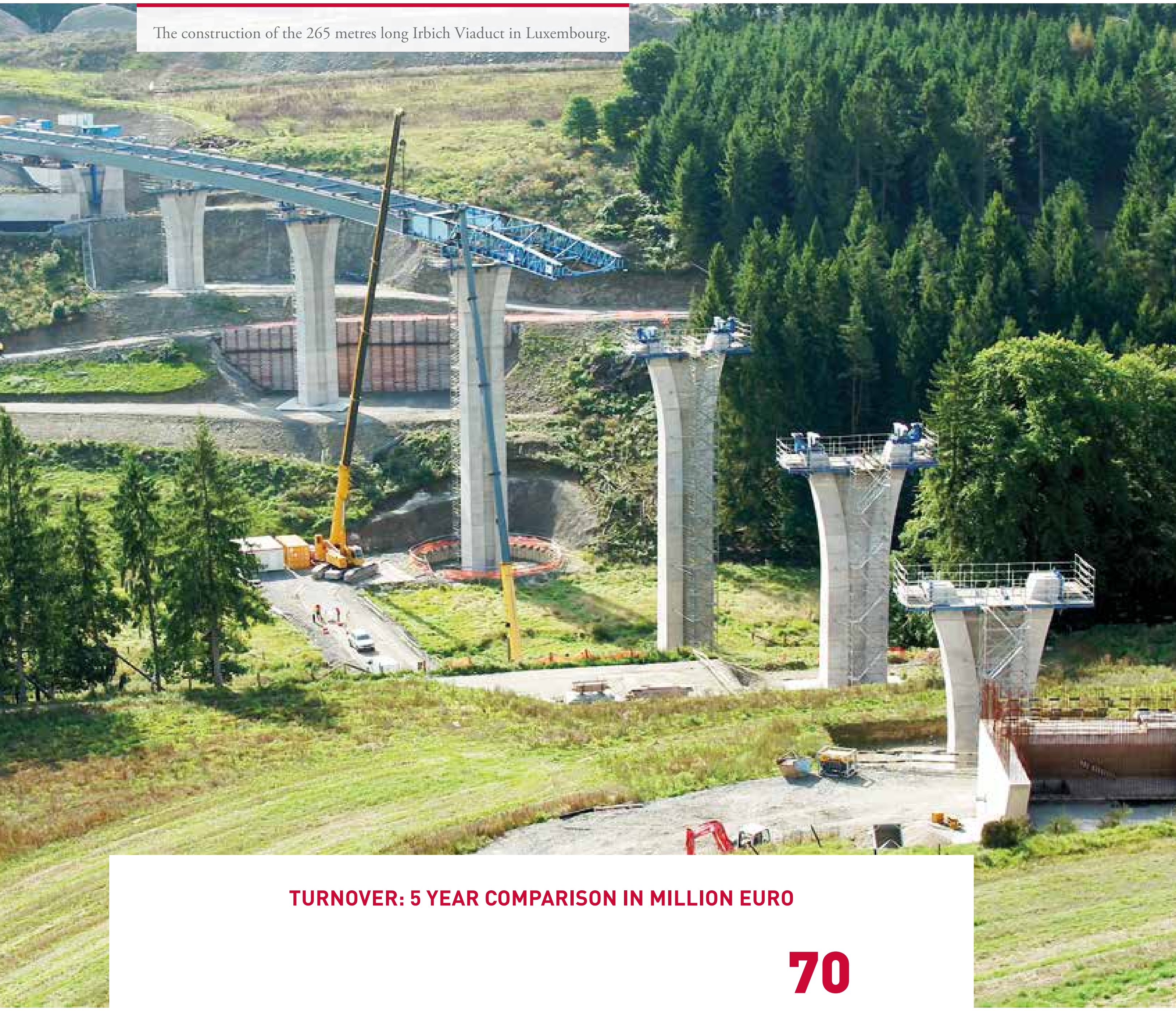
2,823
Equity
(million Euro)

345
Net cash position
(million Euro)

2,112
Fixed assets
(million Euro)

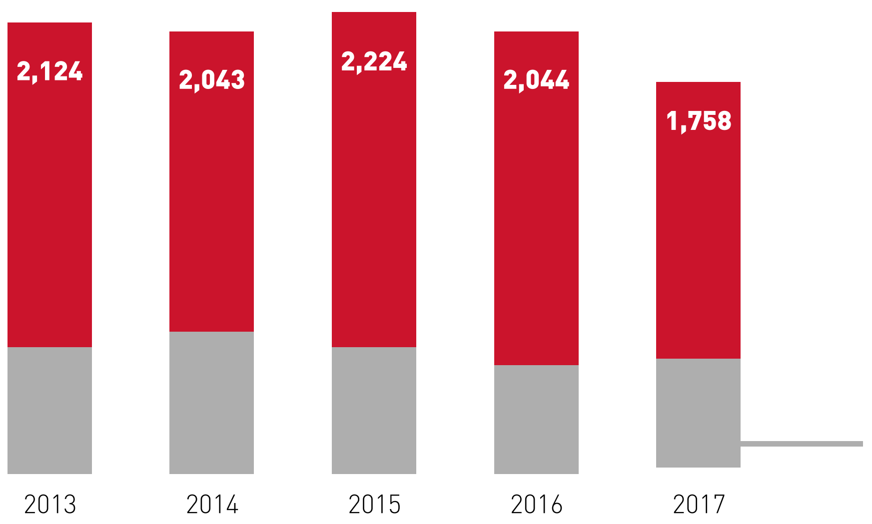
75%
Solvency ratio 2017

EXTREMELY STRONG SOLVENCY-RATIO THANKS TO COMPLETE PROFIT RESERVATION



The construction of the 265 metres long Irbich Viaduct in Luxembourg.

TURNOVER: 5 YEAR COMPARISON IN MILLION EURO



70
Net profit (million Euro)

365
EBITDA (million Euro)

21%
EBITDA margin 2017

PROFIT & LOSS ACCOUNT

In 2017 our markets did not show the recovery we hoped for. The dredging market even showed a decline. Within the oil and gas market, the pressure from low oil and gas prices resulting in reduced investments still exists.

FINANCIAL

However, thanks to the world's growing commitments and awareness for climate change and energy transition, Jan De Nul Group experienced increased activity in the market of Offshore Renewables, in and outside Europe. Furthermore, Jan De Nul Group continues its focused approach in the civil and environmental market.

These evolutions resulted in a turnover of 1,758 million Euro in 2017 (compared to 2,044 million Euro in 2016 following the special purpose consolidated accounts). Even with this lower turnover, the profitability of Jan De Nul Group remained outstanding. EBITDA increased from 339 million Euro in 2016 to 365 million Euro in 2017. This corresponds to an EBITDA-margin of 21% which is in line with the corporate target of Jan De Nul Group. After depreciations, financial costs and taxes, the Group still displays a net profit of 70 million Euro.

Jan De Nul Group continues its focus on its core activities: Maritime, dredging and offshore works, civil works and environmental works. Thanks to an intense cooperation between these competences, the Group succeeds in successfully realising complex projects. Examples of such a multidisciplinary approach in 2017 include the expansion of 6ha of the Principality of Monaco which involves dredging works of polluted and non-polluted sediments, rock installation works and land reclamation works (dredging + offshore + environmental works), and the Design & Build of two gravity based foundations for the offshore windfarm Kriegers Flak in Denmark (offshore and civil works). In order to support these activities, the Group continues to invest in in-house expertise, and in the expansion and renewal of its fleet.

Turnover according to activity

The turnover in 2017 can be subdivided into approximately 72% maritime, dredging and offshore works, 24% civil works, and 4% environmental works. These mutual ratios remained stable compared to 2016. Maritime, dredging and offshore works remain the core activity of Jan De Nul Group.

Regional breakdown of turnover

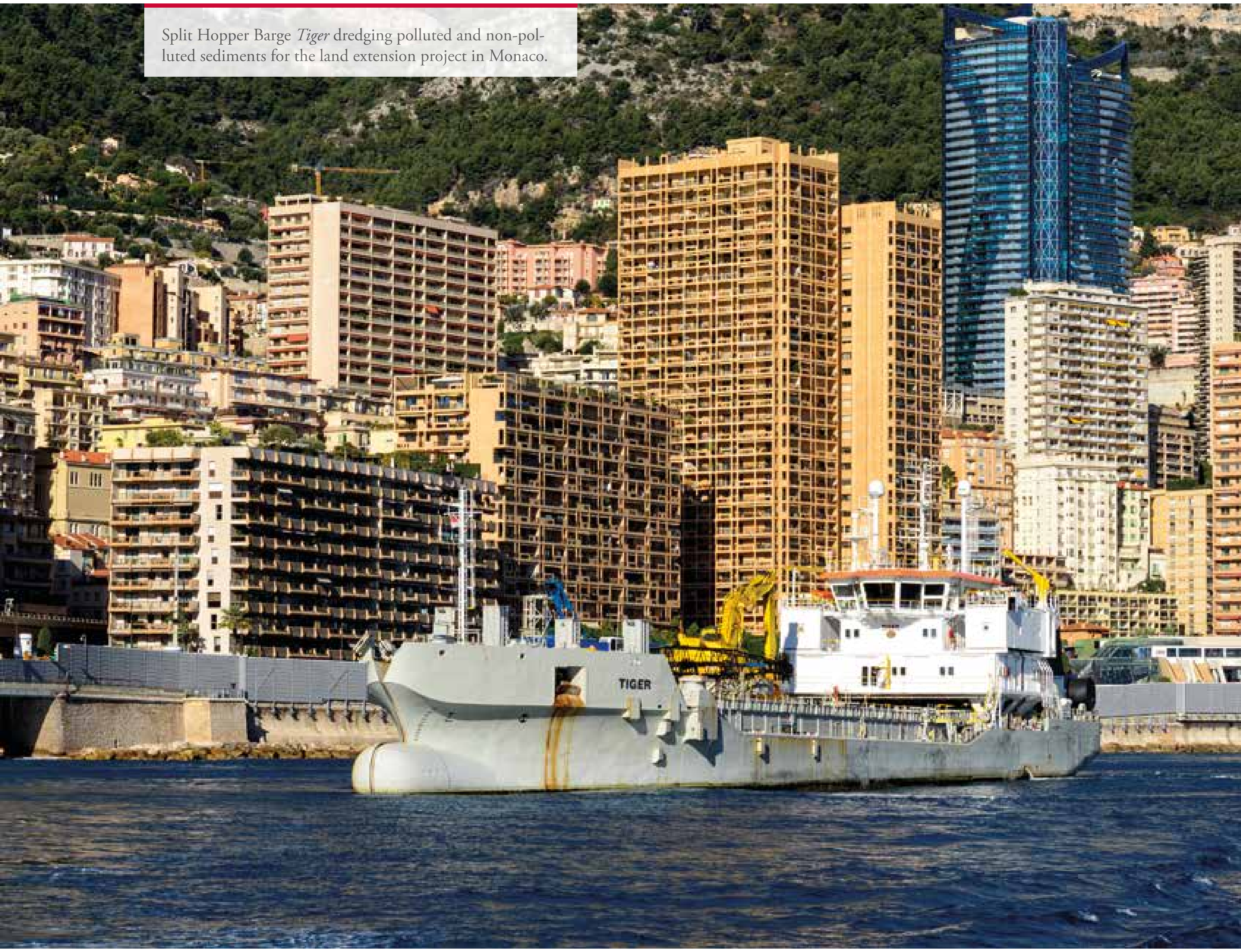
Europe was in 2017 the most important region for the Group with 46% of its turnover, which can be explained by the strong presence in Europe of all divisions of Jan De Nul Group. Projects such as the Nobelwind Offshore Wind Farm in Belgium (offshore), the northern extension of the port of Calais in France (dredging), and the construction of the A11 highway in Belgium (civil) represent only a fraction of the multitude of challenging projects involving Jan De Nul Group in Europe. Apart from this, the environmental division Envisan has 6 soil and sediment treatment centres operational in Europe.

The Americas take second place with a turnover share in 2017 of over 26%. The activities in Latin America mostly feature major maintenance dredging projects, but also important capital dredging works and earthworks for the quay construction for the PSA Panama international container terminal, and for a container terminal in Kingston, Jamaica.

The Americas are followed by Asia and the Middle East, which represent about 16% of our turnover. This includes a/o the deepening of the port of Linkou to allow the entry of larger coal carriers, and whereby the dredged material is immediately used for land extension in the nearby port of Taipei. Other countries in Asia and the Middle East where works were executed include a/o Taiwan, India and Indonesia. Moreover, offshore works are being executed in the United Arab Emirates for the installation of three high voltage cables and ten medium voltage cables for the NASR II project.

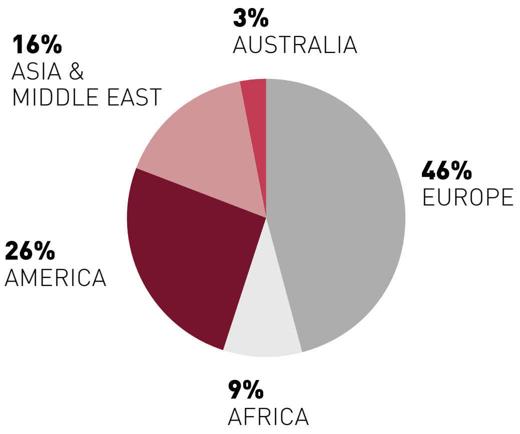
The share of Africa amounted in 2017 to 9% of our turnover. Major projects include the works for the breakwater and port infrastructure in Takoradi (Ghana), the creation of a new port in Nador (Morocco) and Dredging and sand replenishment works for the Lekki project in Lagos (Nigeria).

Finally, the activities of Jan De Nul Group in Australia represented a mere 3% of our 2017 turnover.

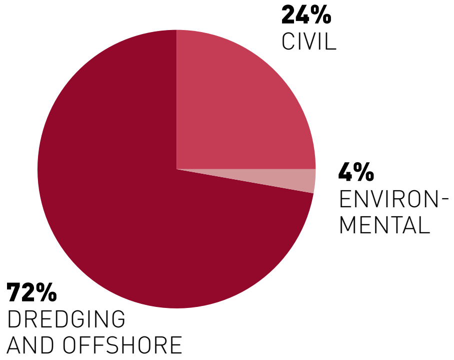


Split Hopper Barge *Tiger* dredging polluted and non-polluted sediments for the land extension project in Monaco.

REGIONAL BREAKDOWN OF TURNOVER

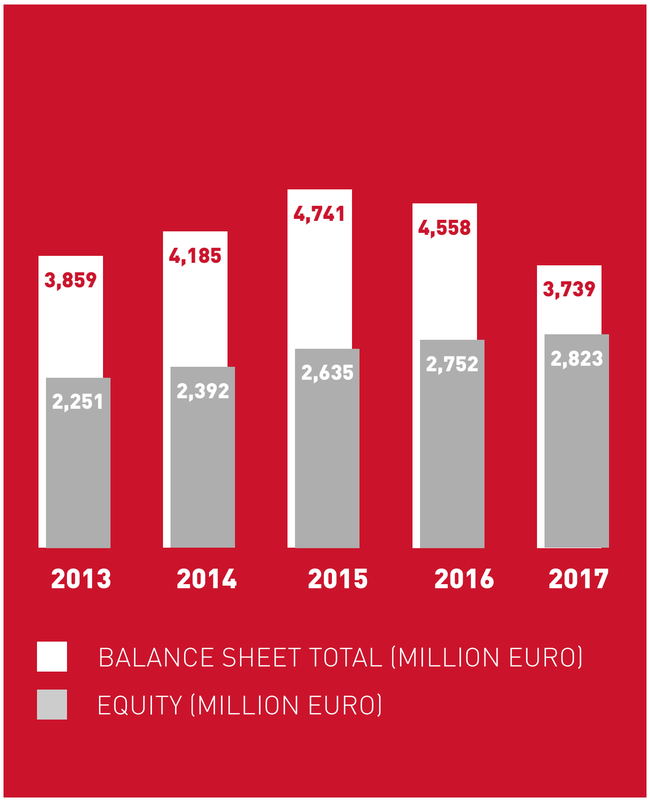


TURNOVER ACCORDING TO ACTIVITY



BALANCE SHEET & KEY RATIOS

In 2017, Jan De Nul Group's balance sheet profile became even stronger than it already was in 2016, with an unprecedented solvency ratio of 75%. The balance sheet also shows that the Group's capital and reserves (2,823 million Euro) exceed the value of its fixed assets (2,112 million Euro), despite the continuous investment policy of the Group. About 74% of the Group fixed assets consist of vessels. Since 2014, Jan De Nul Group is completely net debt-free. The net cash position in 2017 amounted to 345 million Euro. At the end of 2017, the available cash at bank and in hand of the Group amounted to 532 million Euro. This strong balance sheet results largely from the profit margins that are realised by the Group combined with the fact that the profit is completely reserved (no-payment-of-dividends policy). As a result, Jan De Nul Group has a strong financial base for its strategic policies, including its short- and long-term investment decisions.



Trailing Suction Hopper Dredger *Francesco Di Giorgio* transported and discharged 52,000 tons of sand to the beaches of Croisette, Cannes.

ORDER BOOK

Stable order book

Jan De Nul Group's market confidence is supported by its order book, which at the end of 2017 – in spite of a declining market – remained stable at 2.6 billion Euro. Moreover, the prospects for contract awards over the first quarter of 2018 are promising and confirm a rising trend.

The right competences

To anticipate the ever changing market conditions, Jan De Nul Group invests continuously in research and development to build and operate state-of-the-art vessels and equipment using best practice and techniques. Jan De Nul Group also invests in its people, giving them lots of opportunities.

The Group's comprehensive competence convinces clients to award contracts to Jan De Nul. Jan De Nul Group has the in-house knowledge that is required to offer clients an overall solution fulfilling all their needs. An additional asset here is the Group's financial strength and knowledge, which enables it to set up export credit structures and other financing proposals for its clients.

Jan De Nul Group is a leading expert in its business and wishes to develop this position by running its operations as a responsible and reliable company. Jan De Nul Group always shows the right attitude towards clients, society, neighbouring communities and the environment. Jan De Nul Group greatly values respectful entrepreneurship.

Challenging future

The order book of Jan De Nul Group includes some very challenging future projects:

- In Mumbai (India), Jan De Nul Group will in joint venture execute deepening and widening works of the access channel towards Jawaharlal Nehru Port in Mumbai, India. The works have already started in 2017. The areas to be dredged include the 35.5 kilometres long access channel and various turning basins and anchorage areas. In total more than 40,000,000 m^3 of sand, silt, clay and rock will be removed. Jawaharlal Nehru Port is the largest container handling port in the country. Upon completion of the project the port will be able to accommodate larger container vessels.

- In Cotonou (Benin), for the government of Benin, a submarine 4,000-metre breakwater will be constructed for coastal protection purposes.

- In Texel (The Netherlands), The Prins Hendrik dike, which is over three kilometres long, will be strengthened with sand on the sea side, adding some 200 hectares to the island. As from 2018, Jan De Nul will build a dynamic, unique nature reserve with dunes, salt marsh and beach in front of the current dike. The reinforcement of the Prins Hendrik dike forms part of a sizeable dike reinforcement operation in The Netherlands.

- In Germany, Jan De Nul Group will install 32 Wind Turbine Generators (WTG), each with a capacity of 6.33 MW, for the Offshore Wind Farm Trianel Borkum II. The project also includes the offshore mechanical completion works by Jan De Nul. The installation works are planned to start spring-2019. Jan De Nul Group is also in charge of three other German renewables projects at the moment: the installation of the HVAC export cable for Offshore Wind Farm Trianel Borkum II; the installation of the HVAC export cable for the Offshore Wind Farm Borkum Riffgrund II; and the installation of the 36 monopiles and transition pieces for the Offshore Wind Farm Borkum Riffgrund II.

- In Belgium, the Consortium CIRCUL 2020 which includes Jan De Nul, will execute the renovation works in the Leopold II tunnel. It concerns a renovation and maintenance contract for the next 25 years. The preparatory works will start in May 2018. With its 2.5 kilometres, it is the longest and also one of the most complex traffic tunnels in Brussels.

INVESTMENTS

Fleet

Delivery of *Adhémar de Saint-Venant* and *Daniel Bernoulli*

The multi-purpose vessels *Adhémar de Saint-Venant* and *Daniel Bernoulli* started operations during the summer of 2017. The vessels have undertaken subsea rock installation works, installation of mattresses, trenching operations and the ballasting of gravity based foundations, that all illustrate the variety of the work performed and the versatility of these new vessels.

The ordering of two 6,000 m^3 Trailing Suction Hopper Dredgers

In 2017, contracts were signed for the construction of two 6,000 m^3 Trailing Suction Hopper Dredgers (TSHD). The vessels are designed for full diesel-electric operation, equipped with rudder propellers and have a shallow draught.

The design philosophy is similar to that of the 3,500 m^3 TSHDs under construction.

These dredgers will also be equipped with an exhaust gas treatment system, consisting of a catalytic filter and a particle filter. Contaminants in the exhaust gases (NO_x, particulate matter, ...) are significantly reduced and are well below the most stringent requirements for seagoing vessels such as IMO Tier III. These vessels will comply with the future EU Stage V requirements for inland waterway vessels.

The vessels will be built at the Keppel Offshore & Marine shipyard in Singapore and will be delivered in 2019 and early 2020.

The further order of a 18,000 m^3 Trailing Suction Hopper Dredger

During late 2017, an order for an 18,000 m^3 TSHD was placed. This jumbo-sized vessel has a number of advantages compared to the 18,000 m^3 *Gerardus Mercator*, built in 1997:

- It has a very limited draught of only 9.75 m.
- The hopper is subdivided in two parts, making it possible to control the trim of the vessel in all loading conditions.
- The vessel is fully diesel-electric, resulting in improved efficiency and lower fuel consumption.

The gravity based foundations in Kriegers Flak, Denmark, were ballasted using the new multi-purpose vessel *Adhémar de Saint-Venant*.

Just like the smaller TSHDs, this vessel is equipped with an exhaust gas treatment system to lower or even eliminate emissions.

COSCO Shipping Heavy Industry will build the vessel at its yard in Dalian, China, for delivery in 2020.

Ongoing projects

At the Uljanik shipyard in Pula, Croatia, construction and commissioning of the very large cutter suction dredger *Willem van Rubroeck* is proceeding. Construction is delayed due to the difficult financial situation at the shipyard, which is currently being restructured. Delivery is expected in 2018.

Construction of the three 3,500 m^3 TSHDs at the Keppel Singmarine shipyard in Nantong, China is progressing well. The vessels will be named after Portuguese explorers, i.e. *Afonso de Albuquerque*, *Diogo Cão* and *Tristão da Cunha*. The first vessel will be delivered in 2018.

Land Equipment

Jan De Nul Group continuously invests in extending and renewing its equipment for supporting its worldwide operations. In doing so, Jan De Nul Group always goes for the most recent technologies meeting the most stringent environmental requirements. We look for the most suitable machine for every application.

Project-specific equipment

In 2017, Jan de Nul invested in 34 generators, several forklifts and other material handling machines (to support our operations in our warehouses), 4 excavators and 2 dumptrucks. Furthermore we invested in project specific equipment such as 2 laser controlled skidsteer loaders for a parking in Jette to perform underground levelling of the soil, on top of that 3 tower cranes and a hydraulic crawler crane were purchased to be able to support the construction of buildings. To further expand the operations of Soetaert investments have been done for the purchase of 2 new foundation rigs (type Bauer RG 22).

Jan de Nul also invested in a niche market with a sand processing installation, as well as a soil washing plant for Envisan.

EQUIPMENT OF JAN DE NUL GROUP AS AT 31.12.2017

127
dumpers with carrying capacity from 25 to 100 tonnes

158
hydraulic excavators, of weight classification between 8 and 250 tonnes of which 4 were new purchased during 2017

28
tower cranes of which 3 additional purchased during 2017

77
bulldozers

56
wheel loaders
4 bought in 2017

39
crawler cranes
from 50 to 600 tonnes

Compaction control of the land reclamation for the extension of the Port of Calais, France. The technique, vibroflotation, was performed by Soetaert, the foundation specialist of Jan De Nul Group.

48

hydraulic telescopic cranes
1 newly purchased in 2017

41

telescopic handlers
4 acquired in 2017

2

pile drilling machines

2

mobile screening machines
of which 1 new one bought
during 2017

34

new gensets

CONSOLIDATED AUDIT REPORT

Opinion

We have audited the consolidated Financial Statements of JAN DE NUL GROUP*, which comprise the consolidated balance sheet as at December 31, 2017, and the consolidated profit and loss account for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2017, and of the consolidated results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the consolidated Financial Statements.

Basis for Opinion

We conducted our audit in accordance with the Law of July 23, 2016 on the audit profession (Law of July 23, 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under those Law and standards are further described in the « Responsibilities of "Réviseur d'Entreprises Agréé" for the Audit of the consolidated Financial Statements » section of our report. We are also independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated Financial Statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the consolidated management report but does not include the consolidated Financial Statements and our report of "Réviseur d'Entreprises Agréé" thereon.

Our opinion on the consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these consolidated Financial Statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the consolidated Financial Statements, and for such internal control as the Board of Directors determines is necessary to enable the preparation of the consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Responsibility of the Réviseur d'Entreprises Agréé for the audit of the consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of "Réviseur d'Entreprises Agréé" that includes our opinion. Reasonable assurance

*JAN DE NUL GROUP is the trade name for Sofidra S.A.

is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law dated July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Financial Statements.

As part of an audit in accordance with the Law dated July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of "Réviseur d'Entreprises Agréé" to the related disclosures in the consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of "Réviseur d'Entreprises Agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Financial Statements, including the disclosures, and whether the consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

The consolidated management report is consistent with the consolidated Financial Statements and has been prepared in accordance with applicable legal requirements.

Luxembourg, April 27, 2018

Thierry REMACLE
Réviseur d'Entreprises Agréé

Grant Thornton
An instinct for growth™

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2017

Jan De Nul GROUP* Registered office: Luxembourg - R.C.S. Luxembourg: B 73.723

ASSETS	2017	2016
FIXED ASSETS	**2,111,878,146.82**	**2,229,976,639.04**
Intangible assets	**5,366,752.45**	**8,176,320.18**
Concessions, patents, licences, trademarks & similar rights and assets, if they were acquired for valuable consideration and need not be shown under goodwill (Note 4)	709,494.57	978,647.52
Goodwill, to the extent that it was acquired for valuable consideration (Note 5)	4,657,257.88	7,197,672.66
Tangible assets (Note 6)	**2,057,358,729.46**	**2,154,507,574.09**
Land and buildings	95,302,223.85	76,943,084.08
Plant and machinery	1,723,573,918.98	1,843,938,937.23
Other fixtures and fittings, tools and equipment	19,613,288.81	20,234,072.61
Payments on account and tangible assets in the course of construction	218,869,297.82	213,391,480.17
Financial assets (Note 7)	**42,266,532.80**	**66,329,250.11**
Loans to undertakings with which the undertaking is linked by virtue of participating interests	0.00	20,228,881.29
Investments held as fixed assets	1,524,893.66	1,506,041.37
Other loans	40,741,639.14	44,594,327.45
Companies consolidated by net equity method (Note 8)	**6,886,132.11**	**963,494.66**
CURRENT ASSETS	**1,612,948,426.73**	**1,600,364,201.03**
Stocks (Note 9)	**242,572,696.41**	**239,203,685.61**
Raw materials and consumables	197,542,494.49	156,727,832.66
Work in progress	36,176,838.99	71,823,257.29
Finished goods and goods for resale	8,853,362.93	10,652,595.66
Payments on account	0.00	0.00
Debtors	**778,507,090.44**	**794,645,757.36**
Trade debtors (Note 10)	686,155,187.46	697,071,749.91
becoming due and payable within one year	*684,377,187.49*	*695,293,749.90*
becoming due and payable after more than one year	*1,777,999.97*	*1,778,000.01*
Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests (Note 11)	19,790,142.93	33,998,475.31
becoming due and payable within one year	*19,790,142.93*	*33,998,475.31*
Other debtors (Note 12)	72,561,760.05	63,575,532.14
becoming due and payable within one year	*69,274,158.73*	*63,575,532.14*
becoming due and payable after more than one year	*3,287,601.32*	*0.00*
Investments	**60,000,000.00**	**60,000,000.00**
Own shares (Note 13)	60,000,000.00	60,000,000.00
Other investments	0.00	0.00
Cash at bank and in hand	**531,868,639.88**	**506,514,758.06**
PREPAYMENTS	**14,356,200.70**	**6,134,542.21**
TOTAL (ASSETS)	**3,739,182,774.25**	**3,836,475,382.28**

The accompanying notes form an integral part of these consolidated accounts. (Expressed in Euro)

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2017

Jan De Nul GROUP* Registered office: Luxembourg - R.C.S. Luxembourg: B 73.723

CAPITAL, RESERVES AND LIABILITIES	2017	2016
CAPITAL AND RESERVES	**2,687,842,282.78**	**2,636,233,418.60**
Subscribed capital (Note 14)	**538,400,000.00**	**538,400,000.00**
Share premium account (Note 15)	20,343,906.33	20,343,906.33
Reserves	1,532,275.55	(3,501,106.37)
Legal reserve (Note 16)	*47,441,677.53*	*43,804,037.63*
Other reserves, including the fair value reserve (Note 17)	*(45,909,401.98)*	*(47,305,144.00)*
Profit or loss brought forward (Note 18)	2,264,362,824.53	2,163,968,977.17
Profit or loss for the financial year	69,825,612.78	103,932,460.21
Capital investment subsidies	346,510.53	412,978.80
Minority interests	18,451,369.93	17,753,559.86
Translation differences (Note 19)	(225,420,216.87)	(205,077,357.40)
PROVISIONS	**268,176,682.51**	**77,076,727.25**
Provisions for pensions and similar obligations	2,079,047.33	2,814,371.58
Provisions for taxation (Note 20)	36,038,515.07	16,585,361.13
Other provisions (Note 21)	230,059,120.11	57,676,994.54
CREDITORS	**708,601,064.41**	**1,027,632,133.24**
Amounts owed to credit institutions (Note 22)	262,192,666.21	288,278,035.20
becoming due and payable within one year	*117,451,097.75*	*120,418,967.24*
becoming due and payable after more than one year	*144,741,568.46*	*167,859,067.96*
Payments received on accounts of orders as far as they are shown separately as deductions from stocks (Note 23)	51,802,678.81	241,983,537.79
becoming due and payable within one year	*51,802,678.81*	*241,983,537.79*
Trade creditors (Note 24)	229,000,468.14	283,331,260.44
becoming due and payable within one year	*229,000,468.14*	*281,079,117.66*
becoming due and payable after more than one year	*0.00*	*2,252,142.78*
Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	2,937,344.46	3,357,154.34
becoming due and payable within one year	*2,937,344.46*	*3,357,154.34*
Other creditors (Note 25)	162,667,906.79	210,682,145.47
Tax authorities	47,429,778.71	53,962,579.22
Social security authorities	8,931,343.29	9,015,578.42
Other creditors	106,306,784.79	147,703,987.83
becoming due and payable within one year	*46,138,900.79*	*87,536,094.32*
becoming due and payable after more than one year	*60,167,884.00*	*60,167,893.51*
DEFERRED INCOME (NOTE 26)	**74,562,744.55**	**95,533,103.19**
TOTAL (CAPITAL, RESERVES AND LIABILITIES)	**3,739,182,774.25**	**3,836,475,382.28**

The accompanying notes form an integral part of these consolidated accounts. (Expressed in Euro)

*JAN DE NUL GROUP is the trade name for Sofidra S.A.

CONSOLIDATED PROFIT AND LOSS ACCOUNT FROM JANUARY 1, 2017 TO DECEMBER 31, 2017

Jan De Nul GROUP * Registered office: Luxembourg - R.C.S. Luxembourg: B 73.723

	2017	2016
NET OPERATING RESULT	**140,268,197.87**	**(38,771,063.86)**
Net turnover (Note 23 and 27)	1,757,508,623.06	2,538,067,639.73
Variation in stocks of finished goods and in work in progress (Note 9)	(24,582,365.42)	(615,783,997.69)
Work performed by the undertaking for its own purposes and capitalised	21,402,123.99	8,340,073.45
Other operating income (Note 28)	87,288,922.21	112,366,110.10
Raw materials and consumables and other external expenses	(1,047,572,446.63)	(1,472,337,990.83)
Raw materials and consumables	*(523,067,819.38)*	*(773,287,572.12)*
Other external expenses	*(524,504,627.25)*	*(699,050,418.71)*
Staff costs (Note 29)	(361,632,735.58)	(349,761,734.29)
Wages and salaries	*(263,502,401.86)*	*(257,848,956.80)*
Social security costs	*(70,173,407.75)*	*(64,854,602.51)*
Other staff costs	*(27,956,925.97)*	*(27,058,174.98)*
Value adjustments	(225,227,644.07)	(182,462,605.44)
in respect of formation expenses and of tangible and intangible fixed assets (Notes 4, 5 and 6)	*(207,765,177.60)*	*(227,538,340.25)*
in respect of current assets (Note 30)	*(17,462,466.47)*	*45,075,734.81*
Other operating expenses (Note 31)	(66,916,279.69)	(77,198,558.89)
NET FINANCIAL RESULT	**(14,707,828.81)**	**168,376,990.63**
Income from participating interests	10,046,584.98	0.00
derived from affiliated undertakings	*0.00*	*0.00*
other income from participating interests	*10,046,584.98*	*0.00*
Income from other investments and loans forming part of the fixed assets	0.00	0.00
derived from affiliated undertakings	*0.00*	*0.00*
other income	*0.00*	*0.00*
Other interest receivable and similar income (Note 32)	35,863,268.66	265,786,743.16
derived from affiliated undertakings	*0.00*	*0.00*
other interest and similar income	*35,863,268.66*	*265,786,743.16*
Share of profit or loss of undertakings accounted for under the equity method (Note 8)	17,945,022.83	(20,114.03)
Value adjustments in respect of financial assets and of investments held as current assets (Note 7)	(32,401,823.80)	(13,157,088.97)
Interest payable and similar expenses (Note 33)	(46,160,881.48)	(84,232,549.53)
concerning affiliated undertakings	*0.00*	*0.00*
other interest and similar expenses	*(46,160,881.48)*	*(84,232,549.53)*
TAXES AND RESULT OF THE FINANCIAL YEAR		
Tax on profit or loss (Note 34)	(39,605,593.45)	(14,995,949.55)
Profit or loss after taxation	85,954,775.61	114,609,977.22
Other taxes not shown above (Note 35)	(15,282,975.68)	(10,523,376.93)
Profit or loss for the financial year before minority interests	70,671,799.93	104,086,600.29
Minority interests	(846,187.15)	(154,140.08)
PROFIT OR LOSS FOR THE FINANCIAL YEAR	**69,825,612.78**	**103,932,460.21**

The accompanying notes form an integral part of these consolidated accounts.

(Expressed in Euro)

CONSOLIDATED CASH FLOW ANALYSIS

Jan De Nul GROUP * Registered office: Luxembourg - R.C.S. Luxembourg: B 73.723

	2017	2016
CASH AT BANK AND IN HAND & INVESTMENTS AT BEGINNING OF PERIOD	**506,514,758.06**	**917,221,257.97**
+ Operational Cash Flow	330,087,997.77	190,912,332.00
+ Change in Working Capital	(187,955,187.10)	(270,528,383.48)
+ Cash Flow Investments	(137,056,702.40)	(249,401,216.50)
+ Cash Flow Financial Operations	20,277,773.55	(81,689,231.93)
CASH AT BANK AND IN HAND & INVESTMENTS AT END OF PERIOD	**531,868,639.88**	**506,514,758.06**
+ Result of the year	69,825,612.78	103,932,460.21
- Minority Interests	846,187.15	154,140.08
- Share in result of companies consolidated using the equity method	(23,910,434.63)	(4,113.78)
+ Depreciation and amounts written off on intangible and tangible fixed assets	200,968,030.02	227,011,434.52
+ Depreciation and amounts written off on current assets	15,854,982.95	(123,771,461.10)
+ Depreciation and amounts written off on financial assets	32,496,188.58	12,578,412.82
+ Changes in Provisions	34,007,430.92	(28,988,540.75)
OPERATIONAL CASH FLOW	**330,087,997.77**	**190,912,332.00**
+ Change in Short-term Debt	(144,807,448.82)	(135,715,498.20)
+ Change in Deferred income	(20,970,358.64)	(41,647,909.32)
- Change in Short-term Receivables	(3,385,939.15)	(80,251,704.36)
- Change in Deferred Charges	(8,221,658.49)	3,182,770.55
- Change in Stock	(10,569,782.00)	(16,096,042.15)
CHANGE IN WORKING CAPITAL	**(187,955,187.10)**	**(270,528,383.48)**
- Investments in Intangible Fixed Assets	(42,533.70)	(296,869.57)
- Investments in Tangible Fixed Assets	(192,802,861.81)	(242,210,451.63)
+ Disuse of Tangible Fixed Assets & Exchange Rate Differences	54,318,463.05	10,923,113.26
- Change in Financial Assets	1,470,230.06	(17,817,008.56)
- Increase in Participations of Companies consolidated by net Equity method	0.00	0.00
- Acquisition of subsidiaries net of cash acquired	0.00	0.00
- Regularisations and other Transactions	0.00	0.00
CASH FLOW INVESTMENTS	**(137,056,702.40)**	**(249,401,216.50)**
+ Change in Consolidation and Conversion differences	(14,204,726.95)	9,294,434.23
+ Change in Long-term Debt	34,482,500.50	(90,983,666.16)
- Change in Long-term Receivables	0.00	0.00
CASH FLOW FINANCIAL OPERATIONS	**20,277,773.55**	**(81,689,231.93)**

The cashflow analysis is not part of the audited financial statements.
The accompanying notes form an integral part of these consolidated accounts.

(Expressed in Euro)

*JAN DE NUL GROUP is the trade name for Sofidra S.A.

NOTES TO THE CONSOLIDATED ACCOUNTS AS OF DECEMBER 31, 2017

1. Principal activities

JAN DE NUL GROUP* (the Group) is a group of companies active in dredging, civil, environmental and offshore works.

The parent company Sofidra S.A. (the Company) is incorporated as a Société Anonyme on December 29, 1999 for an unlimited period. The Company is registered in Capellen under reference B 73.723.

The Group's financial year starts on January 1 and ends on December 31 of each year.

*JAN DE NUL GROUP is the trade name of Sofidra S.A. registered at the Répertoire Général des Personnes Morales in Luxembourg on March 31, 2002.

2. Group structure & Consolidation area

Jan De Nul GROUP * Registered office: Luxembourg - R.C.S. Luxembourg: B 73.723

THE HOLD INTERESTS OF THE GROUP IN CONSOLIDATED SUBSIDIARIES ARE:	2017	2016
COMPANIES CONSOLIDATED FOLLOWING THE GLOBAL INTEGRATION METHOD		
Jan De Nul Mauritius Ltd, Mauritius	100.00 %	100.00 %
Port Louis Dredging Company Ltd, Mauritius	100.00 %	100.00 %
Jan De Nul Dredging Ltd, Mauritius	100.00 %	100.00 %
Jan De Nul Pacific Ltd, Mauritius	100.00 %	100.00 %
Jan De Nul (Mozambique) Ltda, Mozambique	100.00 %	0.00 %
Jan De Nul Dredging M.E. Ltd, Cyprus	100.00 %	100.00 %
Jan De Nul Indian Ocean Ltd, Seychelles	100.00 %	100.00 %
Barbarons Maritime Ltd., Seychelles	100.00 %	100.00 %
Jan De Nul Central America Ltd., Bahamas	100.00 %	100.00 %
Kina Ltd., Seychelles	100.00 %	100.00 %
Malaysian Marine Services Ltd,	100.00 %	100.00 %
Universal Dredging & Reclamation Corporation Ltd, Mauritius	100.00 %	100.00 %
Jan De Nul Interamerica S.A., Uruguay	100.00 %	100.00 %
Jan De Nul (Mascareignes) Ltd, (formerly Envisan Ltd) Mauritius	100.00 %	100.00 %
Port Louis Maritime Co. Ltd, Mauritius	100.00 %	100.00 %
Jan De Nul NV, Belgium	99.07 %	99.07 %
Jan De Nul (U.K.) Ltd, United Kingdom	99.07 %	99.07 %
Eraerts, Dragages et Entreprises S.A., Belgium	0.00 %	99.07 %
Jan De Nul (Australia) Pty Ltd, Australia	99.07 %	99.07 %
Jan De Nul (Phils.) Inc, Philippines	99.07 %	99.07 %
Mest- en Afvalverwerking N.V., Belgium	99.08 %	99.08 %
Sodraco International S.A.S., France	99.07 %	99.07 %
Terminal Eight Marine Works Ltd, China	99.53 %	99.53 %
Jan De Nul (Italia) S.p.A., Italy	99.08 %	99.08 %
Jan De Nul Saudi Arabia Co. Ltd., Saudi Arabia	99.07 %	99.07 %
Jan De Nul Maritime & Constructions Services Co Ltd, Lybia	99.07 %	99.07 %
Jan De Nul Nassbaggerei und Wasserbau GmbH, Germany	99.07 %	99.07 %
Jan De Nul Ghana Ltd., Ghana	99.07 %	99.07 %
Jan De Nul NV FZE, Nigeria	99.07 %	99.07 %
Vidar Crewing Luxembourg S.A., Luxembourg	99.07 %	99.07 %

Vidar Shipowning Luxembourg S.A., Luxembourg	99.07 %	99.07 %
Algemene Ondernemingen Soetaert N.V., Belgium	99.07 %	99.07 %
Jan De Nul Constructlux S.A., Luxembourg	99.44 %	99.44 %
Travaux Maritimes Nador S.A.R.L., Morocco	99.07 %	99.07 %
Arenas Argentinas Del Parana S.A. , Argentina	99.54 %	99.54 %
Jan De Nul Denizcilik Ve Altyapi Hizmetleri A.S., Turkey	99.07 %	0.00 %
Jan De Nul Kazakhstan LLP, Kazakhstan	99.07 %	0.00 %
Jan De Nul Bénin S.A., Benin	99.07 %	0.00 %
Vasco S.A., Luxembourg	100.00 %	100.00 %
Dragalux S.A., Luxembourg	100.00 %	100.00 %
Letimar S.A. (ex. Caboto S.A.), Luxembourg	100.00 %	100.00 %
Dias S.A., Luxembourg	100.00 %	100.00 %
Dracomar S.A., Luxembourg	100.00 %	100.00 %
Vole au Vent S.A.S. Luxembourg	100.00 %	100.00 %
Adhémar & Bernoulli S.A., Luxembourg	100.00 %	0.00 %
Vlaamse Bagger Maatschappij N.V., Belgium	100.00 %	100.00 %
PSR Brownfield Developpers N.V., Belgium	100.00 %	100.00 %
Lummerzheim & Co. N.V., Belgium	100.00 %	100.00 %
PSR 2830.01 N.V. , Belgium	0.00 %	100.00 %
Cortoria N.V., Belgium	100.00 %	100.00 %
PSR 8870 N.V., Belgium	100.00 %	100.00 %
Liras N.V., Belgium	0.00 %	100.00 %
Zennepoort N.V., Belgium	100.00 %	100.00 %
PSR 1830.01 N.V., Belgium	100.00 %	100.00 %
Decor Oyenbrug B.V.B.A., Belgium	100.00 %	100.00 %
Sportief N.V., Belgium	100.00 %	100.00 %
PSR 2850 N.V., Belgium	100.00 %	100.00 %
Codralux S.A., Luxembourg	100.00 %	100.00 %
Dredging and Contracting Rotterdam B.V., Netherlands	100.00 %	100.00 %
Jan De Nul Ukraine LLC, Ukraine	100.00 %	100.00 %
Biscay Pte Ltd, Singapore	99.99 %	99.99 %
Jan De Nul Guatemala S.A.	100.00 %	100.00 %
Dredging and Maritime Management S.A., Luxembourg	100.00 %	100.00 %
Jan De Nul Dredging N.V., Belgium	100.00 %	100.00 %
Mexicana de Dragados S.A. de C.V., Mexico	99.54 %	99.54 %
Servicios de Dragados S.A. de C.V., Mexico	100.00 %	100.00 %
Dredging and Reclamation Jan De Nul Ltd, Nigeria	100.00 %	100.00 %
Envisan N.V., Belgium	100.00 %	100.00 %
Envisan France S.A.S., France	100.00 %	100.00 %
Envisan International S.A., Belgium	0.00 %	99.61 %
Sol & Val S.A., Belgium	0.00 %	99.61 %
Jan De Nul (Singapore) Pte Ltd, Singapore	100.00 %	100.00 %
Jan De Nul Dredging India Pvt Ltd, India	100.00 %	100.00 %
Compania Chilena de Dragados S.A., Chile	100.00 %	100.00 %
Compania Sud-Americana de Dragados S.A., Argentina	99.91 %	99.91 %
Jan De Nul (Malaysia) Sdn. Bhd, Malaysia	100.00 %	100.00 %

PT Idros Services, Indonesia	100.00 %	100.00 %
Jan De Nul Monaco SAM, Monaco	100.00 %	100.00 %
Jan De Nul Portugal LDA, Portugal	100.00 %	100.00 %
European Dredging Company S.A., Luxembourg	100.00 %	100.00 %
Willem S.A., Luxembourg	100.00 %	100.00 %
Cabarez S.A., Luxembourg	100.00 %(*)	100.00 %(*)
Machiavelli S.A., Luxembourg	100.00 %	100.00 %
Isaac Newton S.A., Luxembourg	100.00 %(*)	100.00 %(*)
Komarine Engineering & Construction Co. Ltd, Korea	100.00 %	100.00 %
Jan De Nul Do Brasil Dragagem Ltda, Brasil	100.00 %	100.00 %
Vitus Bering S.A., Luxembourg	100.00 %	100.00 %
Al-Idrisi S.A., Luxembourg	100.00 %	100.00 %
Magalhaes S.A., Luxembourg	100.00 %(*)	100.00 %(*)
Jan De Nul Dredging Middle East FZE, UAE	100.00 %	100.00 %
Siam Dredging and Reclamation Ltd, Thaïland	100.00 %	100.00 %
Jan De Nul Luxembourg S.A., Luxembourg	100.00 %	100.00 %
Mediudra S.R.L., Romania	100.00 %	100.00 %
Sofidra Shipping S.C.A., Luxembourg	100.00 %	100.00 %
Jan De Nul Panama S.A., Panama	100.00 %	100.00 %
Maritime and Construction Management C.V., Belgium	100.00 %	100.00 %

(*) Per application of the substance over form principle – see note 3.2

COMPANIES CONSOLIDATED FOLLOWING THE PROPORTIONAL INTEGRATION METHOD

Hidrovia S.A., Argentina	49.53 %	49.53 %
Scaldis Salvage & Marine Contractors N.V., Belgium	20.43 %	20.43 %
Terranova N.V., Belgium	49.77 %	49.77 %
Terranova Solar N.V., Belgium	22.40 %	22.40 %
Boskalis Jan De Nul – Dragagens E Afins, Lda, Angola	49.53 %	49.53 %
Grupo Unidos Por El Canal S.A., Panama	0.00 %(**)	14.86 %
Normalux S.A., Luxembourg	0.00 %(**)	37.50 %
Immo Vilvo N.V., Belgium	0.00 %	50.00 %
Zenneveen N.V., Belgium	0.00 %	50.00 %
Zennebroeck N.V., Belgium	0.00 %	50.00 %
Vilvoorde Development N.V., Belgium	0.00 %	50.00 %
Travaux Maritimes Tanger Med S.A.R.L., Morocco	49.53 %	49.53 %
Various Joint ventures	variable	variable

(**) The consolidation method applied to these companies has changed in 2017.

COMPANIES CONSOLIDATED FOLLOWING THE NET EQUITY METHOD

R-1 Consortium Inc, Philippines	39.23 %	39.23 %
Southern Peninsula Dredging Sdn Bhd, Malaysia	30.00 %	30.00 %
Via Brugge N.V., Belgium	0.00 %	38.64 %
Grupo Unidos Por El Canal S.A., Panama	14.86 %(**)	0.00 %
Normalux Maritime S.A., Luxembourg	37.50 %(**)	0.00 %

(**) The consolidation method applied to these companies has changed in 2017.

COMPANIES EXCLUDED FROM THE CONSOLIDATION AREA

One company has been excluded from the consolidation area as the Management considers that it does not exert nor control nor significant influence while it owns more than 20% of the voting shares of this subsidiary. This subsidiary has been kept at historical cost, less impairment. In application of article 1712-20.2° of the Luxembourg Law on Commercial Companies, the information required by article 1712-19.2°.b) have been omitted.

MODIFICATION IN THE CONSOLIDATION AREA – CURRENT YEAR

During the year 2017, the following modifications have been performed in the consolidation area:

- The participation in the entities Via Brugge N.V., Belgium, Zenneveen N.V. , Belgium, Zennebroeck N.V., Belgium, Immo Vilvo N.V., Belgium and Vilvoorde Development N.V., Belgium have been sold to third parties.

- The companies Envisan International S.A., Belgium and Sol & Val S.A., Belgium were absorbed by Envisan N.V., Belgium. The company Eraerts Dragages et Entreprises S.A., Belgium was absorbed by Jan De Nul NV, Belgium. The companies PSR 2830.01 N.V., Belgium and Liras N.V., Belgium were absorbed by PSR Brownfield Developpers N.V., Belgium.

- Adhémar & Bernoulli S.A., Luxembourg, Jan De Nul Denizcilik Ve Altyapi Hizmetleri A.S., Turkey, Jan De Nul Bénin S.A., Benin, Jan De Nul (Mozambique) Ltda, Mozambique and Jan De Nul Kazakhstan LLP, Kazakhstan have been incorporated during the year by group´s subsidiaries.

Also, the method of consolidation of the companies Grupo Unidos Por El Canal S.A., Panama and Normalux Maritime S.A., Luxembourg has been changed from the proportional integration method to the net equity method. The reason for such a change is related to the development of decision-making related to the activities of these entities, over which the Group has no effective control in 2017. This change of method has been applied starting from January 1, 2017 onwards.

MODIFICATION IN THE CONSOLIDATION AREA – PRIOR YEAR

During the year 2016, the following modifications have been performed:

- Cemaco N.V., Belgium, IR Peter Caset B.V.B.A., Belgium and Soetman C.V.B.A., Belgium have been absorbed by Jan De Nul NV, Belgium ;

- Travaux Maritimes Nador S.A.R.L., Morocco, Arenas Argentinas Del Parana S.A., Argentina, Vole au Vent S.A.S., Luxembourg, Jan De Nul Monaco SAM, Monaco and Jan De Nul Portugal LDA, Portugal have been incorporated by a subsidiary of the Group ;

- Bova S.A., Luxembourg has been liquidated during the year. This company is no more consolidated.

3. Summary of significant accounting policies

3.1 Principles of consolidation

The consolidated accounts are prepared in accordance with the Section XVI of the amended Luxembourg law on commercial companies dated August 10, 1915 (the Law). The consolidated accounts are prepared using the going concern principle.

Date of first consolidation

The Company acquired in 2000 Jan De Nul Mauritius Ltd and subsidiaries and in 2001 Jan De Nul N.V., Belgium and subsidiaries. In both operations, ships included under fixed assets were revaluated. The revaluation was based on a valuation report issued by an independent expert. No deferred taxes were accounted for on this reevaluation of assets. These operations restructured the initial Group Jan De Nul N.V. and subsidiairies, Belgium. Date of the first consolidation is fixed at the fiscal year starting January 1st, 2001. The revaluations have been fully depreciated as of December 31, 2017 and 2016.

Companies consolidated following the global integration method

Subsidiaries are in principle all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of voting rights. The existence and effect of potential voting rights currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are consolidated using the global integration method. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date control ceases.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Accounting policies of subsidiaries have been exchanged where necessary to ensure consistency with the policies adopted by the Group.

Minority interests are that portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the parent. Equity attributable to the interest of minority shareholder interests in subsidiaries is shown separately in the consolidated annual accounts.

Companies consolidated following the proportional integration method

Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement. Joint Ventures and Jointly controlled entities are accounted for using the proportional consolidation method.

Unrealized gains on transactions between the Group and its Joint Ventures and jointly controlled entities are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of Joint Ventures and jointly controlled entities have been changed where necessary to ensure consistency with the policies adopted by the Group.

Companies consolidated following the net equity method

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost.

The Group's share of its associates' post acquisition profits is recognized in the profit and loss account under the caption *Share of profit or loss of undertakings accounted for under the equity method*. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group recognizes further losses under the caption *Other provisions*.

Unrealized gains on transactions (disposal of fixed assets or inventory) between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

3.2 Accounting methods

Foreign currencies

- The Company's accounts are kept in Euros (EUR) and the consolidated accounts are expressed in this currency. Transactions in any currency other than the EUR are translated at exchange rates fixed monthly by the Group. At balance sheet date, the translation is done based on the following methods:
  - *Banks* are translated at exchange rates prevailing at the balance sheet date ;
  - For *Debtors* and *Creditors*, realized exchange gains and losses are recorded in the profit and loss account as well as the unrealized exchange losses; unrealized exchange gains are booked in a balance sheet account presented under *Other creditors*;
  - Other accounts are translated at the historical exchange rate.
- The annual accounts of the subsidiaries kept in another currency than EUR are translated – in order to include those in the consolidated annual accounts - as follows :
  - Assets and liabilities other than *Capital and reserves* are translated at the exchange rates prevailing at the balance sheet date ;
  - *Capital and reserves* are translated at rates prevailing at the first consolidation or at historical rates ;
  - Income and charges are translated at the average exchange rate of the year.

Gains and losses resulting from the translation of capital, reserves, income and charges into EUR are accumulated in a separate account under shareholders' equity called *Translation differences*.

Exchange losses and exchange gains resulting from the elimination of intercompany debtors and creditors accounts are recorded in the *Other interest and similar expenses* or *Other interest and similar income* captions respectively.

Acquisition differences

Up to 2012, positive and negative acquisition differences related to the acquisition of subsidiaries are recorded under *Other reserves* in the *Capital and reserves*. Starting from 2013, positive acquisition differences related to the acquisition of subsidiaries are allocated to certain assets and/or liabilities, and for the unallocated portion to *Goodwill* (within the Intangible assets caption); negative acquisition differences are recorded under *Other reserves* in the *Capital and reserves* caption. The *Goodwill* is depreciated over a 5 years period.

Formation expenses

Formation expenses are entirely depreciated during the year of their acquisition.

Intangible and tangible assets

Vessels that were brought in during the first year of consolidation (2001) are recognized at the revaluated acquisition cost, while ships acquired since then are recognized at acquisition cost.

Intangible and other tangible assets are recognized at acquisition cost. Replacement spare parts for vessels, which are constantly being replaced and whose overall value is of secondary importance to the Group are shown under Plant and machinery at a fixed quantity and value, as the quantity, value and composition thereof do not vary materially; further acquisition of spare parts for vessels are booked as charges.

Vessels are depreciated on a linear or degressive method over their expected lifetime or a period of 12 years to 20 years, whichever is the shortest. Intangible and other tangible fixed assets are depreciated using a linear or degressive method over their expected lifetime. Land and assets under construction are not depreciated.

Where the Group considers that an intangible or tangible asset has suffered a durable depreciation in value, an additional write-down is recorded in order to reflect this loss. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Financial assets

Financial assets represent participations in non-consolidated companies, deposits and long-term loans. Shares in participating interests are recognized at purchase price including the expenses incidental thereto. Deposits and long-term loans are recognized at nominal value including the expenses incidental thereto.

In case of a durable depreciation in value according to the opinion of the Board of Directors, value adjustments are made in respect of financial assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Stocks

Stocks represent raw materials, heavy material held for resale, work in progress, finished goods and merchandise.

Stocks of *Raw materials and consumables* are valued at the lower of purchase price or market value.

A value adjustment is recorded where the economic value is below the purchase price. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Heavy material held for resale represent on-shore heavy equipment and steel pipes that are not allocated to a particular site at year end and are available for sale, out of the Group. *Heavy material held for resale* is included under the *Raw materials and consumables* caption. *Heavy material held for resale* is recognized at the net book value valid at the date of transfer from tangible assets (or stock) to stock. A value adjustment is recorded where the economic value is below the purchase price. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Finished goods and goods for resale represent mainly brownfields pieces of land acquired and the related cost for their rehabilitation. The gross book value includes the initial acquisition price paid and the costs directly attributable to the rehabilitation of the land. A value adjustment is recorded where the economic value is below the net book value. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Work and contracts in progress is valued at the lower of production cost including the purchase price of the raw materials and consumables, the costs directly attributable to the project in question and a proportion of the costs indirectly attributable to the product in question, and market value. A value adjustment is recorded where the expected realization value is below the production cost. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Debtors

Debtors are recognized at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Transferable securities

Transferable securities are valued at the lower of purchase cost, including expenses incidental thereto and calculated on the basis of weighted average prices method, expressed in the currency in which the annual accounts are prepared and market value. A value adjustment is recorded where the market value is lower than the purchase cost. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

The market value corresponds to:

- the last available quote on the valuation day for transferable securities listed on a stock exchange or dealt in on another regulated market;
- the probable realisation value estimated with care and in good faith by the Board of Directors
- for transferable securities not listed on a stock exchange or not dealt in on another regulated market and for transferable securities listed on a stock exchange or dealt in on another regulated market where the latest quote is not representative.

Prepayments

This asset item includes expenditure incurred during the financial year but relating to a subsequent financial year.

Provisions

Provisions are intended to cover losses or debts the nature of which is clearly defined and which, at the date of the balance sheet are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

Deferred taxes

Deferred taxes are recognized for temporary differences due to consolidation retreatments that will result in deductible or taxable amounts or from tax losses carried forward. *Deferred tax assets* are fully impaired except if they can be offset against statutory tax accruals and/or deferred tax liabilities.

Debts

Debts are valued at their nominal value.

Deferred income

This liability item includes income received during the financial year or previous years but relating to a subsequent financial year. Among these, Group's technical contribution to some vessels invoiced by the Group to the shipyard in charge of the ship's construction are retreated from the revenues to the deferred income and amortized at the same rate as the related tangible asset.

Deferred income also includes profit on intercompany disposals of inventory and of *Heavy material held for resale* which cannot be individually identified. These positions are recognized in revenues over a 2.5 years period. This method is intended to deal appropriately with profits on intercompany disposals of fixed assets or inventory items that are whether fungible whether difficult to retreat individually over their remaining useful lifetime (among others the stock of pipes).

Net turnover

The *Net turnover* comprises the amounts derived from the sale of products and the provision of services falling within the Group's ordinary activities, after deductions of sales rebates and of value added tax and other taxes directly linked to the turnover.

Derivatives

Unrealized losses and gains on derivatives subscribed for hedging of assets or liabilities that are present in the balance sheet at year end (example: Forex deals hedging trade debtors in foreign currency that are booked at year end and will be collected on next year) are recognized in the profit and loss account concommitently with the revenue/loss recognition of the hedged asset or liability. Unrealized losses and gains on derivatives subscribed for hedging of transactions occurring in the future and – as such - not present in the balance sheet at year end except where they would correct concommitent revenue/loss recognition of the hedged asset or liability (example: Energy swaps in relation with next year's fuel purchases – Forex deals hedging trade debtors not yet booked at year end but expected to be recognized on next year) – these are not accrued but are mentioned in off balance sheet commitments.

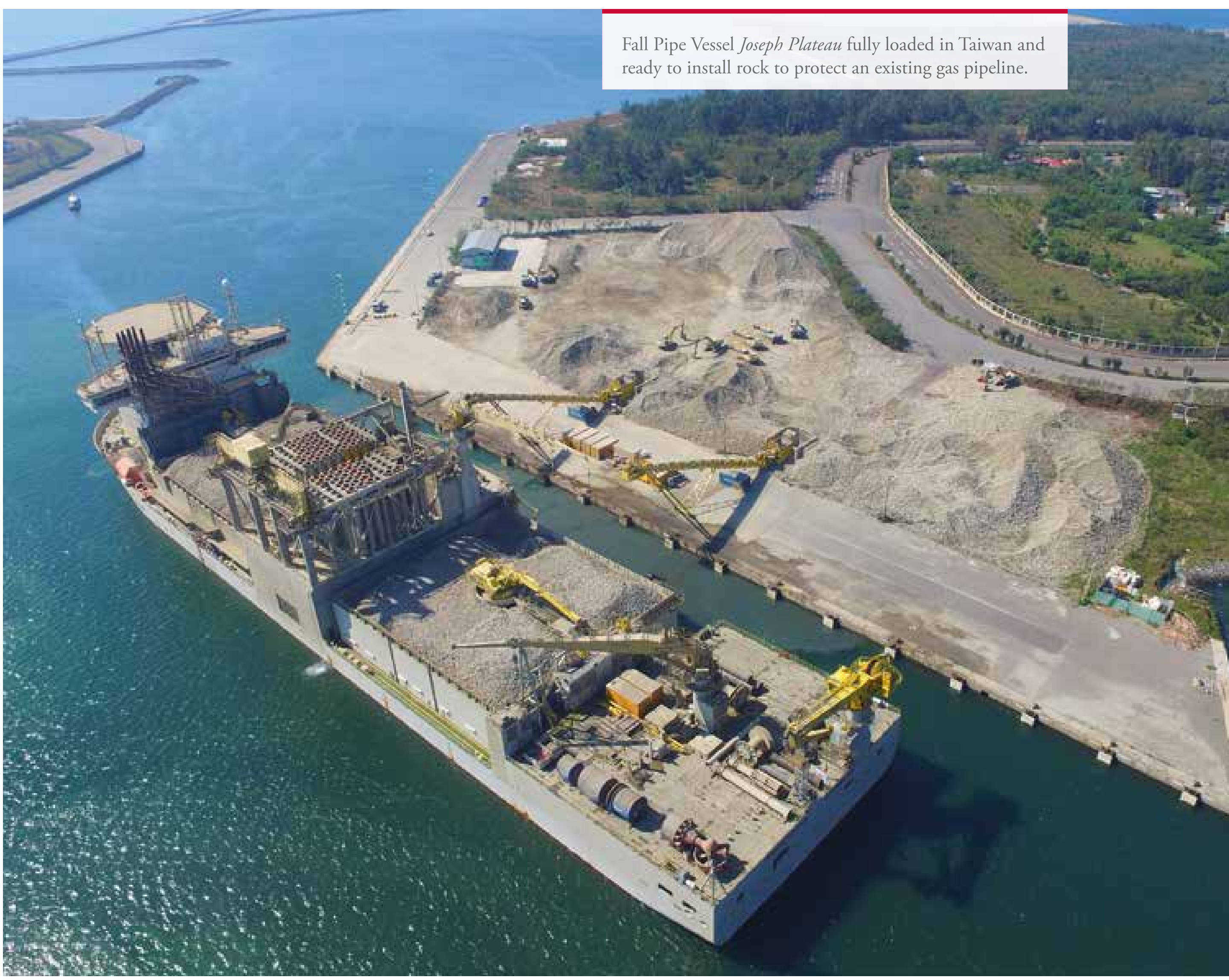
Unrealized losses on derivatives not subscribed for hedging purpose are accrued for and recognized in profit and loss at year end.

Realized losses and gains on derivatives are recognized in profit and loss account during the year of their realization.

Substance over form

The presentation of the amounts recorded on the consolidated balance sheet and consolidated profit and loss account should refer to the substance of the operation rather than its legal form.

This principle has been applied to the consolidation method applied to certain subsidiaries which are – based on the voting rights - controlled by a third party but whose effective control is exercised by the Group.



Fall Pipe Vessel *Joseph Plateau* fully loaded in Taiwan and ready to install rock to protect an existing gas pipeline.

4. Concessions, patents, licences, trademarks & similar rights and assets

THE EVOLUTION OF CONCESSIONS, PATENTS, LICENCES, TRADEMARKS & SIMILAR RIGHTS AND ASSETS IS AS FOLLOWS:	2017	2016
ACQUISITION COST		
Begin of the year	3,582,821.04	3,598,683.05
Impact of foreign exchange	(445,130.37)	(312,731.58)
Change of consolidation perimeter	0.00	0.00
Increase of the year	42,533.70	296,869.57
Decrease of the year	(180,178.06)	0.00
ACQUISITION COST – END OF THE YEAR	**3,000,046.31**	**3,582,821.04**
VALUE CORRECTION		
Begin of the year	(2,604,173.52)	(2,130,986.57)
Impact of foreign exchange	280,586.56	157,555.53
Change of consolidation perimeter	0.00	0.00
Increase of the year	(147,142.84)	(630,742.48)
Decrease of the year	180,178.06	0.00
VALUE CORRECTION – END OF THE YEAR	**(2,290,551.74)**	**(2,604,173.52)**
NET BOOK VALUE – END OF THE YEAR	**709,494.57**	**978,647.52**

5. Goodwill

THE EVOLUTION OF GOODWILL IS AS FOLLOWS:	2017	2016
ACQUISITION COST		
Begin of the year	12,746,053.50	12,746,053.50
Impact of foreign exchange	0.00	0.00
Increase of the year	0.00	0.00
Decrease of the year	0.00	0.00
ACQUISITION COST – END OF THE YEAR	**12,746,053.50**	**12,746,053.50**
VALUE CORRECTION		
Begin of the year	(5,548,380.84)	(3,007,966.06)
Impact of foreign exchange	0.00	0.00
Increase of the year	(2,540,414.78)	(2,540,414.78)
Decrease of the year	0.00	0.00
VALUE CORRECTION – END OF THE YEAR	**(8,088,795.62)**	**(5,548,380.84)**
NET BOOK VALUE – END OF THE YEAR	**4,657,257.88**	**7,197,672.66**

6. Tangible assets

THE EVOLUTION OF TANGIBLE ASSETS IS AS FOLLOWS:	2017	2016
ACQUISITION COST		
Begin of the year	4,448,545,360.58	4,281,640,734.30
Impact of foreign exchange	(18,681,210.11)	1,619,820.85
Change of consolidation perimeter	(58,147,469.98)	0.00
Increase of the year	192,802,861.81	242,210,451.63
Decrease of the year	(100,674,576.39)	(76,925,646.20)
Transfer	(0.62)	0.00
ACQUISITION COST – END OF THE YEAR	**4,463,844,965.29**	**4,448,545,360.58**
VALUE CORRECTION		
Begin of the year	(2,294,037,786.49)	(2,135,175,188.64)
Impact of foreign exchange	12,641,153.13	(1,057,165.82)
Change of consolidation perimeter	26,834,756.38	0.00
Increase of the year	(198,280,472.40)	(223,840,277.26)
Decrease of the year	46,356,113.34	66,034,845.23
Transfer	0.00	0.00
VALUE CORRECTION – END OF THE YEAR	**(2,406,486,235.83)**	**(2,294,037,786.49)**
NET BOOK VALUE – END OF THE YEAR	**2,057,358,729.46**	**2,154,507,574.09**

AMONG THE TANGIBLE FIXED ASSETS, THE EVOLUTION OF LAND & BUILDINGS IS AS FOLLOWS:	2017	2016
ACQUISITION COST		
Begin of the year	131,354,932.82	124,400,663.65
Impact of foreign exchange	(790,532.34)	138,928.70
Change of consolidation perimeter	(2,461,673.62)	0.00
Increase of the year	22,804,726.48	10,203,588.96
Decrease of the year	(491,293.94)	(3,388,248.49)
Transfer	0.00	0,00
ACQUISITION COST – END OF THE YEAR	**150,416,159.40**	**131,354,932.82**
VALUE CORRECTION		
Begin of the year	(54,411,848.74)	(49,487,608.40)
Impact of foreign exchange	247,214.20	(126,452.57)
Change of consolidation perimeter	2,154,148.40	0.00
Increase of the year	(3,437,526.82)	(6,256,017.53)
Decrease of the year	334,077.41	1,458,229.76
Transfer	0.00	0.00
VALUE CORRECTION – END OF THE YEAR	**(55,113,935.55)**	**(54,411,848.74)**
NET BOOK VALUE – END OF THE YEAR	**95,302,223.85**	**76,943,084.08**

AMONG THE TANGIBLE ASSETS, THE EVOLUTION OF PLANT & MACHINERY IS AS FOLLOWS:	2017	2016
ACQUISITION COST		
Begin of the year	4,039,330,258.15	4,015,695,790.08
Impact of foreign exchange	(17,040,249.26)	1,187,051.63
Change of consolidation perimeter	(22,472,083.10)	0.00
Increase of the year	56,992,398.92	71,071,560.15
Decrease of the year	(89,144,548.48)	(64,019,729.92)
Transfer	69,433,450.85	15,395,586.21
ACQUISITION COST – END OF THE YEAR	**4,037,099,227.09**	**4,039,330,258.15**
VALUE CORRECTION		
Begin of the year	(2,195,391,320.92)	(2,039,175,905.42)
Impact of foreign exchange	11,900,033.06	(749,770.28)
Change of consolidation perimeter	16,940,047.91	0.00
Increase of the year	(187,801,464.94)	(211,517,099.19)
Decrease of the year	40,827,396.78	56,051,453.97
Transfer	0.00	0.00
VALUE CORRECTION – END OF THE YEAR	**(2,313,525,308.11)**	**(2,195,391,320.92)**
NET BOOK VALUE – END OF THE YEAR	**1,723,573,918.98**	**1,843,938,937.23**

AMONG THE TANGIBLE ASSETS, THE EVOLUTION OF OTHER FIXTURES AND FITTINGS, TOOLS AND EQUIPMENT IS AS FOLLOWS:	2017	2016
ACQUISITION COST		
Begin of the year	64,468,689.46	66,314,596.37
Impact of foreign exchange	(680,520.45)	233,776.75
Change of consolidation perimeter	(9,214,031.66)	0.00
Increase of the year	9,610,511.41	4,967,984.14
Decrease of the year	(6,724,367.45)	(9,517,667.80)
Transfer	0.00	2,470,000.00
ACQUISITION COST – END OF THE YEAR	**57,460,281.31**	**64,468,689.46**
VALUE CORRECTION		
Begin of the year	(44,234,616.85)	(46,511,674.82)
Impact of foreign exchange	493,905.87	(180,942.99)
Change of consolidation perimeter	7,740,560.08	0.00
Increase of the year	(7,041,480.64)	(6,067,160.55)
Decrease of the year	5,194,639.03	8,525,161.51
Transfer	0.00	0.00
VALUE CORRECTION – END OF THE YEAR	**(37,846,992.51)**	**(44,234,616.85)**
NET BOOK VALUE – END OF THE YEAR	**19,613,288.81**	**20,234,072.61**

AMONG THE TANGIBLE ASSETS, THE EVOLUTION OF PAYMENTS ON ACCOUNT AND TANGIBLE ASSETS IN THE COURSE OF CONSTRUCTION IS AS FOLLOWS:	2017	2016
ACQUISITION COST		
Begin of the year	213,391,480.17	75,229,684.20
Impact of foreign exchange	(169,907.93)	60,063.81
Change of consolidation perimeter	(23,999,681.60)	0.00
Increase of the year	103,395,225.00	155,967,318.37
Decrease of the year	(4,314,366.52)	0.00
Transfer	(69,433,451.29)	(17,865,586.21)
ACQUISITION COST – END OF THE YEAR	**218,869,297.82**	**213,391,480.17**
VALUE CORRECTION		
Begin of the year	0.00	0.00
Impact of foreign exchange	0.00	0.00
Change of consolidation perimeter	0.00	0.00
Increase of the year	0.00	0.00
Decrease of the year	0.00	0.00
Transfer	0.00	0.00
VALUE CORRECTION – END OF THE YEAR	**0.00**	**0.00**
NET BOOK VALUE – END OF THE YEAR	**218,869,297.82**	**213,391,480.17**

AMONG THE PLANT & MACHINERY, THE EVOLUTION OF SHIPS IN SERVICE IS AS FOLLOWS:	2017	2016
ACQUISITION COST		
Begin of the year	3,452,960,914.42	3,453,138,345.27
Impact of foreign exchange	0.00	0.00
Change of consolidation perimeter	0.00	0.00
Increase of the year	0.00	0.00
Decrease of the year	0.00	(177,430.00)
Transfer/Other	69,433,450.99	(0.85)
ACQUISITION COST – END OF THE YEAR	**3,522,394,365.41**	**3,452,960,914.42**
VALUE CORRECTION		
Begin of the year	(1,820,627,202.04)	(1,672,728,847.52)
Impact of foreign exchange	0.00	0.00
Change of consolidation perimeter	0.00	0.00
Increase of the year	(142,489,494.00)	(148,075,778.70)
Decrease of the year	0.00	177,430.00
Transfer/Other	6.10	(5.82)
VALUE CORRECTION – END OF THE YEAR	**(1,963,116,689.94)**	**(1,820,627,202.04)**
NET BOOK VALUE – END OF THE YEAR	**1,559,277,675.47**	**1,632,333,712.38**

In 2017, the vessels *Daniel Bernoulli* and *Adhémar de Saint-Venant* have been commissioned.

7. Financial assets

Loans to undertakings with which the undertaking is linked by virtue of participating interests

THE EVOLUTION OF LOANS TO UNDERTAKINGS WITH WHICH THE UNDERTAKING IS LINKED BY VIRTUE OF PARTICIPATING INTERESTS IS AS FOLLOWS:	2017	2016
ACQUISITION COST		
Begin of the year	20,228,881.29	18,640,665.71
Impact of foreign exchange	0.00	0.00
Variation of consolidation scope	0.00	0.00
Increase of the year	0.00	1,675,403.08
Decrease of the year	(20,228,881.29)	(87,187.50)
Transfer	0.00	0.00
ACQUISITION COST – END OF THE YEAR	**0.00**	**20,228,881.29**
VALUE CORRECTION		
Begin of the year	0.00	0.00
Impact of foreign exchange	0.00	0.00
Variation of consolidation scope	0.00	0.00
Increase of the year	0.00	0.00
Decrease of the year	0.00	0.00
Transfer	0.00	0.00
VALUE CORRECTION – END OF THE YEAR	**0.00**	**0.00**
NET BOOK VALUE – END OF THE YEAR	**0.00**	**20,228,881.29**

In 2017, these amounts represented long term loans to subsidiaries consolidated by net equity or proportional integration method where a participation between 20% and 50% is held.

Investments held as fixed assets

THE EVOLUTION OF INVESTMENTS HELD AS FIXED ASSETS IS AS FOLLOWS:	2017	2016
ACQUISITION COST		
Begin of the year	2,731,041.37	2,749,537.08
Impact of foreign exchange	0.00	0.00
Variation of consolidation scope	0.00	0.00
Increase of the year	18,852.29	13,816.58
Decrease of the year	0.00	(32,312.29)
Transfer	0.00	0.00
ACQUISITION COST – END OF THE YEAR	**2,749,893.66**	**2,731,041.37**
VALUE CORRECTION		
Begin of the year	(1,225,000.00)	(1,225,000.00)
Impact of foreign exchange	0.00	0.00
Variation of consolidation scope	0.00	0.00
Increase of the year	0.00	0.00
Decrease of the year	0.00	0.00
Transfer	0.00	0.00
VALUE CORRECTION – END OF THE YEAR	**(1,225,000.00)**	**(1,225,000.00)**
NET BOOK VALUE – END OF THE YEAR	**1,524,893.66**	**1,506,041.37**

These amounts represent participations held in non-consolidated companies.

Other loans

THE EVOLUTION OF OTHER LOANS IS AS FOLLOWS:	2017	2016
ACQUISITION COST		
Begin of the year	113,606,173.02	95,802,981.04
Net increase of the year	28,643,500.27	17,803,191.98
Net decrease of the year	0.00	0.00
ACQUISITION COST – END OF THE YEAR	**142,249,673.29**	**113,606,173.02**
VALUE CORRECTION		
Begin of the year	(69,011,845.57)	(55,854,756.60)
Net increase of the year	(32,496,188.58)	(13,157,088.97)
Net decrease of the year	0.00	0.00
VALUE CORRECTION – END OF THE YEAR	**(101,508,034.15)**	**(69,011,845.57)**
NET BOOK VALUE – END OF THE YEAR	**40,741,639.14**	**44,594,327.45**

In 2017, these amounts represent deposits, long term loans to non-consolidated entities and a long term shareholder (subordinated) loan to an entity consolidated by net equity method (2016: proportional integration method) named Grupo Unidos Por El Canal S.A., Panama or GUPC where a participation below 20% is held. This shareholder (subordinated) loan is fully depreciated.

8. Companies consolidated by net equity method

	ACQUISITION COST	SHARE IN NET EQUITY
Southern Peninsula Dredging Sdn Bhd	127,871.51	67,013.72
Normalux Maritime S.A., Luxembourg	7,500,000.00	6,802,519.99
Grupo Unidos Por El Canal S.A., Panama	20,756.94	0.00
SAS Van Vreeswijk Maintenance B.V., Belgium	20.00	16,598.40
		6,886,132.11

In 2017, application of net equity method to Grupo Unidos Por El Canal S.A., Panama leads to negative figures; as a consequence, the company's acquisition value has been fully impaired and a provision booked for the resulting negative net equity position of 157,497,623.12 EUR (2016: this subsidiary was consolidated through proportional integration – see Note 2).

In 2016, application of net equity method to Southern Peninsula Dredging Sdn Bhd leads to negative figures; as a consequence, the company's acquisition value has been fully impaired and a provision booked for the resulting negative net equity position of 160,142.83 EUR (2017: it shows positive figures).

In 2017, the evolution of the net equity position (variation of the provision for negative net equity position added to variation of the share in net equity related to positive net equity position) is recognized under the profit and loss caption *Share of profit or loss of undertakings accounted for under the equity method* for an amount of 17,945,022.83 EUR (2016: (20,114.03) EUR).

9. Stocks

In 2017, the *Work and contracts in progress* gross value amounts to 36,176,838.99 EUR (2016: 71,823,257.29 EUR). In 2017 and 2016, no value correction has been deducted to take into account the current loss on certain projects.

10. Trade debtors

THE TRADE DEBTORS ARE COMPOSED AS FOLLOWS:	2017	2016
Customer accounts	432,824,943.64	480,863,878.08
Accruals	286,358,403.64	235,491,047.88
Value corrections	(33,028,159.82)	(19,283,176.05)
	686,155,187.46	**697,071,749.91**

THE TRADE DEBTORS' TERM IS AS FOLLOWS:	2017	2016
Less than one year	684,377,187.49	695,293,749.90
Between one and four years	1,777,999.97	1,778,000.01
Five years and more	0.00	0.00
	686,155,187.46	**697,071,749.91**

11. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests

The *Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests* are mainly composed with current accounts owed by various companies which are consolidated following the proportional integration method.

12. Other debtors

THE OTHER DEBTORS ARE COMPOSED AS FOLLOWS:	2017	2016
Prepayments to creditors	9,987,708.11	6,428,328.69
Accrued income (incl. interests to receive)	1,424,321.48	1,919,676.65
Advance payments to staff	603,955.51	727,888.65
Joint ventures & Partners current accounts	5,452,918.22	5,047,171.25
VAT receivables	18,273,483.09	15,504,740.07
Tax receivables	19,639,211.25	24,377,252.98
Deferred tax assets - net	3,287,601.32	0.00
Others	13,892,561.07	9,570,473.85
	72,561,760.05	**63,575,532.14**

A provision for non-recoverability risks on VAT, income tax and withholding tax debtors amounting to 5,085,768.18 EUR (2016: 4,431,965.68 EUR) has been provided for and is shown under *Other provisions*.

13. Own shares

A Group's subsidiary - consolidated by global integration method - owns 132 shares, with a nominal value of 400,000.00 EUR each, in the Group's mother company SOFIDRA S.A., Luxembourg, representing an acquisition value of 60,000,000.00 EUR and creating a circular relationship. Per application of article 1712-4 (2) of the Law on consolidated annual accounts, these shares are considered as *Own shares* at Group level. There is no unavailable reserve for own shares accounted for.

In 2017 and 2016, there has been no transaction on *Own shares*.

14. Subscribed capital

Subscribed capital

THE EVOLUTION OF SUBSCRIBED CAPITAL IS AS FOLLOWS:	2017	2016
Begin of the year	538,400,000.00	538,400,000.00
Increase of the year	0.00	0.00
Decrease of the year	0.00	0.00
	538,400,000.00	**538,400,000.00**

As at December 31, 2017 and 2016, the *Subscribed capital* amounts to 538,400,000.00 EUR and is divided into 1,346 shares fully paid with a nominal value of 400,000.00 EUR each.

Authorized capital

As at December 31, 2017 and 2016, the authorized capital amounts to 5,000,000,000.00 EUR divided into 12,500 shares with a nominal value of 400,000.00 EUR each. This authorization is valid until 2019. The unused authorized capital amounts to 5,000,000,000.00 EUR as at December 31, 2017 and 2016.

15. Share premium account

THE EVOLUTION OF SHARE PREMIUM ACCOUNT IS AS FOLLOWS:	2017	2016
Begin of the year	20,343,906.33	20,343,906.33
Increase of the year	0.00	0.00
Decrease of the year	0.00	0.00
	20,343,906.33	**20,343,906.33**

16. Legal reserve

THE EVOLUTION OF THE LEGAL RESERVE IS AS FOLLOWS:	2017	2016
Begin of the year	43,804,037.63	42,732,468.63
Allocation from previous year result	3,637,639.90	1,071,569.00
	47,441,677.53	**43,804,037.63**

Luxembourg companies are required to allocate to a Legal reserve a minimum of 5% of the profit of the financial year, until this reserve equals 10% of the Subscribed capital. This reserve may not be distributed. This amount represents the Legal reserve of the Company only.

17. Other reserves

THE EVOLUTION OF OTHER RESERVES IS AS FOLLOWS:	2017	2016
Begin of the year	(47,305,144.00)	(47,800,512.14)
Variation of first consolidation differences	1,395,742.02	495,368.14
	(45,909,401.98)	**(47,305,144.00)**

The variation of *Other reserves* during the year 2017 is mainly due to the disposal of subsidiaries.

18. Profit or loss brought forward

THE EVOLUTION OF THE PROFIT OR LOSS BROUGHT FORWARD IS AS FOLLOWS:	2017	2016
Begin of the year	2,163,968,977.17	1,900,482,029.35
Result for the previous financial year	103,932,460.21	264,537,518.67
Allocation to the legal reserve	(3,637,639.90)	(1,071,569.00)
Other	99,027.05	20,998.15
	2,264,362,824.53	**2,163,968,977.17**

19. Translation differences

THE EVOLUTION OF TRANSLATION DIFFERENCES IS AS FOLLOWS:	2017	2016
Begin of the year	(205,077,357.40)	(214,801,063.81)
Translation variation of the year	(20,342,859.47)	9,723,706.41
	(225,420,216.87)	**(205,077,357.40)**

The *Translation differences* represents gains and losses resulting from the translation into EUR of capital, reserves, income and charges positions of consolidated entities whose accounts are kept in foreign currencies.

20. Provisions for taxation

THE PROVISIONS FOR TAXATION ARE COMPOSED AS FOLLOWS:	2017	2016
Provisions for taxes	36,038,515.07	14,436,909.90
Provisions for deferred taxes	0.00	2,148,451.23
	36,038,515.07	**16,585,361.13**

Provision for taxes include provisions for income corporate taxes and tax risks for the various entities consolidated through global and proportional integration method.

In 2017, the net position of deferred taxes is positive and the resulting net position of deferred tax asset has been recognized under *Other debtors*. In 2016, the net position of deferred taxes was negative and the resulting net position of deferred tax liabilities had been recognized under *Provisions for deferred taxes*.

21. Other provisions

THE OTHER PROVISIONS ARE COMPOSED AS FOLLOWS:	2017	2016
Provisions for future losses	7,052,765.51	1,656,154.10
Provisions for non recoverable VAT & tax debtors	5,085,768.18	4,431,965.68
Provisions for maintenance and repairs	26,735,517.69	28,431,362.11
Provisions for negative net equity method	157,497,623.12	160,142.83
Others	33,687,445.61	22,997,369.82
	230,059,120.11	**57,676,994.54**

Provisions for future losses

The *Provisions for future losses* are intended to cover the expected future losses on non-performing projects. Due to its generally operating nature, the allocations and reversals of this provision are booked in operating result.

Provisions for non recoverable VAT & tax debtors

The Management performs annually an impairment test on the amounts due by tax authorities. Where the Management considers that a position whether cannot be collected nor be offset against current or expected future tax payables, *Provisions for non recoverable VAT & tax debtors* are booked to cover such a recoverability risk. Due to its generally operating nature, the allocations and reversals of this provision are booked in operating result.

Provisions for maintenance and repairs

The *Provisions for maintenance and repairs* are booked to cover future docking costs of the main vessels of the fleet. These docking costs are estimated using a standard maintenance cost determined on a vessel-per-vessel basis. A docking is expected to occur twice over a five years period. Due to its operating nature, the allocations and reversals of this provision are booked in operating result.

Others

These provisions are mainly related to brownfield projects and cover the expected future land rehabilitation costs. Due to its operating nature, the allocations and reversals of this provision are booked in operating result.

Provisions for negative net equity projects

The *Provisions for negative net equity projects* represents the net equity method valuation of these entities where the application of net equity method leads to negative figures (see also Note 8).

THE PROVISIONS FOR NEGATIVE NET EQUITY PROJECTS ARE COMPOSED AS FOLLOWS :	2017	2016
Southern Peninsula Dredging Sdn Bhd	0.00	160,142.83
Grupo Unidos Por El Canal S.A., Panama	157,497,623.12	0.00
	157,497,623.12	**160,142.83**

In 2017, the application of net equity method valuation to Southern Peninsula Dredging Sdn Bhd leads to a positive valuation, shown under the caption *Companies consolidated by net equity method* (see also Note 8).

Grupo Unidos Por El Canal S.A., Panama (hereafter GUPC) is a company incorporated under the laws of the Republic of Panama (deed no 25931, November 23, 2009). GUPC is established for the sole purpose of development, implementing and completion of the works in connection with the contract related with the design and construction of the third set of locks of the Panama Canal. Jan De Nul NV has an economic interest of 15% in the shareholding of GUPC. Until December 31, 2016, GUPC was consolidated through proportional integration method; in 2017, GUPC is consolidated through net equity method (see also Note 2).

Following a by the contractor given notice to suspend by end of the year 2013, negotiations on the different aspects of the completion of the works (financing of cost overruns, completion date, new milestones, etc...), led to the signing of a Memorandum of Understanding (MOU) between the Contractor (GUPC) and the Employer (Autoridad del Canal de Panamá - ACP)addressing these issues as well as the handling of disputes through Dispute Adjudication Board and ICC Arbitration.

During the year 2016, the construction phase of the Panamean project has been completed.

However, at this stage different arbitrations (ICC Miami) as convened in the MOU and variation orders to the contract are still ongoing. It should be noted that since 2014 and as of today GUPC received a total awarded amount of 301.0 million USD. Some awards were granted in 2016 (34.1 million USD) and early 2017 (8.2 milllion USD).

Referring to the MOU agreement and relevant variation orders, the remaining outstanding financial debt of GUPC net after above awards, as of today is as follows:

1. The employer advances amount up to 848 million USD of which:

    - 548 million USD have a due date set at December 31, 2018 ;

    - 300 million USD have a due date set at December 31, 2016, which could be prolonged till December 31, 2018 on the condition that letters of credit are issued with the same end date. As of today this condition has not been fulfilled and the Employer and the Contractor (with its shareholders) are under dispute whether and when these advance payments are to be repaid.

2. The GUPC financing banks have outstanding loans for 254 million USD (compared to the original 2014 amount of 400 million USD).

The financial exposure of the Group in relation to the above is covered by the *Provisions for negative net equity projects*.

22. Amounts owed to credit institutions

THE AMOUNTS OWED TO CREDIT INSTITUTIONS ARE COMPOSED AS FOLLOWS:	2017	2016
Long term loans and financing	122,777,198.68	180,967,139.73
Bank overdraft and short term loans	1,020,337.61	113,392.01
Commercial paper	137,150,000.00	101,250,000.00
Leasing debts	1,245,129.92	0.00
Factoring accounts	0.00	5,947,503.46
	262,192,666.21	**288,278,035.20**

THE AMOUNTS OWED TO CREDIT INSTITUTIONS TERM IS AS FOLLOWS:	2017	2016
Less than one year	117,451,097.75	120,418,967.24
Between one and four years	144,341,568.46	157,188,532.64
Five years and more	400,000.00	10,670,535.32
	262,192,666.21	**288,278,035.20**

In 2017, the *Long term loans and financing* include a subordinated loan for an amount of 75,000,000.00 EUR (2016: 52,500,000.00 EUR), due between one and four years. This loan is granted under a 75,000,000.00 EUR facility agreement.

The Group entered into a factoring system in 2015. The amounts due to factoring third party entities are shown under the *Factoring accounts* caption.

23. Payments received on accounts of orders as far as they are shown separately as deductions from stocks

In 2017, the *Payments received on accounts of orders as far as they are shown separately as deductions from stocks* include prepayments from customers amounting to 50,905,347.70 EUR (2016: 227,380,479.65 EUR).

As part of the 2016 position, an amount of 123,552,928.73 EUR was in relation with the claims on the Panamean project performed by the subsidiary Grupo Unidos Por El Canal S.A., Panama, which was consolidated in 2016 through proportional integration method at 14.86%; these advance payments would be whether reimbursed to the Employer whether kept by the Contractors, depending on the outcome of the arbitration currently in progress. The due date of these advances extended from early 2017 to December 2018 but were presented as due in less than one year as the timing of the arbitration process was unknown. During the year 2016, the construction phase of the Panamean project had been completed and, as a consequence, related prepayments from customer amounting to 517,540,307.26 EUR had been deducted from the creditors and recognized in the profit and loss through the caption *Net turnover* of the year 2016. In 2017, the subsidiary Grupo Unidos Por El Canal S.A., Panama, is consolidated through net equity method and therefore this subsidiary does not contribute anymore to this caption.

24. Trade creditors

THE TRADE CREDITORS ARE COMPOSED AS FOLLOWS:	2017	2016
Supplier accounts	147,776,807.44	195,219,324.21
Accruals	81,223,660.69	88,111,936.23
	229,000,468.14	**283,331,260.44**

THE TRADE CREDITORS TERM IS AS FOLLOWS:	2017	2016
Less than one year	229,000,468.14	281,079,117.66
Between one and four years	0.00	2,252,142.78
Five years and more	0.00	0.00
	229,000,468.14	**283,331,260.44**

25. Other creditors

Tax authorities

THE TAX AUTHORITIES CREDITORS ARE COMPOSED AS FOLLOWS:	2017	2016
Tax on salaries	35,676,080.11	33,662,781.38
VAT payables	3,171,039.81	7,150,010.75
Withholding and other taxes payables	8,582,658.79	13,149,787.09
	47,429,778.71	**53,962,579.22**

Social security authorities

THE SOCIAL SECURITY AUTHORITIES CREDITORS ARE COMPOSED AS FOLLOWS:	2017	2016
Social security creditors	8,931,343.29	9,015,578.42
	8,931,343.29	**9,015,578.42**

Other creditors

THE OTHER CREDITORS ARE COMPOSED AS FOLLOWS:	2017	2016
Wages payables	22,763,883.87	23,533,662.84
Unrealized gains on forex positions	2,236,431.29	4,751,823.24
Interest payables	7,011,998.65	5,565,967.32
Other creditors	14,126,586.98	53,684,640.92
Other financing	60,167,884.00	60,167,893.51
	106,306,784.79	**147,703,987.83**

THE OTHER CREDITORS TERM IS AS FOLLOWS:	2017	2016
Less than one year	46,138,900.79	87,536,103.83
Between one and four years	0.00	0.00
Five years or more	60,167,884.00	60,167,884.00
	106,306,784.79	**147,703,987.83**

In 2016, the *Other creditors* position included, among others, an amount paid by a customer on a claim pending appeal on an arbitration court for 31,638,000.00 EUR. The claim has been definitively settled in 2017 so that this caption decreased in 2017 with the same amount.

In 2017, the *Other financing* position includes subordinated loans for an amount of 60,167,884.00 EUR (2016: 60,167,884.00 EUR). The loan agreement shows no repayment date but the loan is considered as due over five years or more.

26. Deferred income

THE DEFERRED INCOME IS COMPOSED AS FOLLOWS:	2017	2016
Deferred profit on Joint Ventures and projects	20,270,365.21	51,574,261.13
Deferred profit on ODS	11,016,700.25	3,383,407.14
Deferred profit in relation with ships	29,751,426.88	34,014,975.41
Intercompany profit on stock disposals	9,495,482.34	2,748,237.84
Others	4,028,769.87	3,812,221.67
	74,562,744.55	**95,533,103.19**

In 2016, the *Deferred profit on Joint Ventures and projects* was mainly related to the A11 highway construction project in Belgium. In 2017, this income has been recognized as an operating result as the related project has been actually achieved.

The *Deferred profit in relation with ships* is generated by the financing structure put in place by the Group and by indemnities perceived from ship constructors due to delivery delays or non-conformity issues. This income is recognized as operating or financial result on a timely basis (financial structure) or at the amortization rate of the related vessel (indemnities).

The *Intercompany profit on stock disposals* represents eliminated intercompany margin on disposal of assets or inventories when these margins cannot be allocated to a single item (example: pipes). This margin is recognized as operating result over a 2.5 years period. In 2017, gains amounting to 4,900,142.15 EUR (2016: 4,559,755.60 EUR) have been recognized under the profit and loss caption *Other operating income*.

27. Net turnover

NET TURNOVER IS BROKEN DOWN AS FOLLOWS:	2017	2016
Maritime, dredging and offshore works	72.27 %	57.45 %
Civil works	23.71 %	39.75 %
Environmental	4.02 %	2.80 %
	100.00%	**100.00 %**

NET TURNOVER IS BROKEN DOWN AS FOLLOWS:	2017	2016
Africa	9.31 %	18.69 %
America	26.25 %	33.52 %
Australia	2.35 %	2.22 %
Asia & Middle East	15.94 %	9.41 %
Europa	46.15 %	36.16 %
	100.00%	**100.00 %**

Within the *Net turnover* of the year 2016, the recognition of the turnover related to the GUPC project amounted to 494,521,450.14 EUR.

28. Other operating income

OTHER OPERATING INCOME IS BROKEN DOWN AS FOLLOWS:	2017	2016
Insurance indemnification	12,002,831.68	6,562,285.00
Income from Joint Venture	23,159,848.12	11,690,270.75
Reversal of operating provisions	11,866,602.62	44,160,618.49
Deferred income recognition – ships	2,895,756.52	6,870,530.85
Deferred income recognition – interco. disposals	4,976,936.95	4,559,755.61
Gain on disposal of tangible assets	6,062,832.70	4,621,764.42
Other	26,324,113.62	33,900,884.98
	87,288,922.21	**112,366,110.10**

In 2016, *Other operating income – Other* included income from the settlement of arbitration amounting to 11,129,026.00 EUR which was per nature extraordinary. Gain on disposal of tangible assets are to be as well considered as extraordinary income.

29. Staff costs

During the year 2017, average staff employed by Group entities consolidated through the global integration method is 6,125 (2016: 6,948) among these 1,775 (2016: 2,064) are employed through third party crewing agencies.

During the year 2017, average staff employed by Group entities consolidated through the proportional integration method is 684 (2016: 1,004).

30. Value adjustments in respect of current assets

VALUE ADJUSTMENTS IN RESPECT OF CURRENT ASSETS ARE BROKEN DOWN AS FOLLOWS:	2017	2016
Value adjustments on stock	(2,110,834.72)	(9,212,215.18)
Value adjustments on receivables	(15,351,631.75)	54,287,949.99
	(17,462,466.47)	**45,075,734.81**

The *Value adjustments on stocks* represent in 2017 an allocation to the value correction of Work in progress for an amount of 0.00 EUR (2016: 3,676,743.56 EUR) and on *Raw materials and consumables* for an amount of 2,110,834.72 EUR (2016: 5,535,471.62 EUR).

31. Other operating expenses

OTHER OPERATING EXPENSES ARE BROKEN DOWN AS FOLLOWS:	2017	2016
Joint-Venture revenue recognition	0.00	314,913.44
Allocation to operating provisions	26,701,689.18	27,670,161.56
Losses on disposal of tangible assets	4,858,946.58	3,820,638.65
Others	35,355,643.93	45,392,845.24
	66,916,279.69	**77,198,558.89**

The *Net allocation to operating provisions* includes the allocation to the other provisions (including provisions for land depollution and for ships maintenance and repairs) for an amount of 26,701,689.18 EUR (2016: 27,670,161.56 EUR).

In 2016, *Other operating charges – Other* included mainly indirect taxes charges and charges in relation with the settlement of arbitration amounting to 2,259,498.21 EUR, the latest being per nature extraordinary. Losses on disposal of tangible assets are to be as well considered as extraordinary charges.

32. Other interest receivable and similar income

OTHER INTEREST RECEIVABLE AND SIMILAR INCOME IS BROKEN DOWN AS FOLLOWS:	2017	2016
Interest income	26,450,841.76	26,565,145.58
Reversal and use of financial provisions	0.00	115,816,651.88
Income in relation with reversal of creditors	0.00	85,493,829.30
Deferred income recognition	9,412,016.87	37,702,442.54
Other financial income	410.03	208,673.86
	35,863,268.66	**265,786,743.16**

The *Deferred income recognition* is related to the *Deferred profit in relation with ships* (see Note 26). *The Reversal and use of financial provisions* and the *Income in relation with cancellation of creditors* have been made in relation with the project GUPC.

33. Interest payable and similar expenses

INTEREST PAYABLE AND SIMILAR EXPENSES ARE BROKEN DOWN AS FOLLOWS:	2017	2016
Interest charges	7,537,592.30	26,928,476.98
Exchange differences – net	22,118,250.90	40,750,396.72
Allocation to financial provisions	0.00	0.00
Other financial charges	16,505,038.28	16,553,675.83
	46,160,881.48	**84,232,549.53**

34. Tax on profit or loss

TAX ON PROFIT OR LOSS IS BROKEN DOWN AS FOLLOWS:	2017	2016
Income tax	44,761,103.05	14,958,712.35
Deferred taxes	(5,155,509.60)	37,237.20
	39,605,593.45	**14,995,949.55**

35. Other taxes

Other taxes are mainly composed of withholding tax charges.

36. Emoluments granted to the members of the administrative, managerial and supervisory bodies and commitments in respect of retirement pensions

The emoluments granted to the members of the administrative, managerial and supervisory bodies in that capacity and the obligations arising or entered into in respect of retirement pensions for former members of those bodies for the financial year, are broken down as follows:

	2017	2016
Administrative and managerial bodies	2,930,084.00	2,090,304.00
Supervisory bodies	0.00	0.00

37. Audit fees

Audit fees incurred during the year 2017 amount to 1,272,138.00 EUR.

38. Advances and loans granted to the members of the administrative, managerial and supervisory bodies

The advances and loans granted during the financial year to the members of those bodies may be summarized as follows:

	2017	2016
Administrative and managerial bodies	0.00	0.00
Supervisory bodies	0.00	0.00

The Group did not enter in any commitments during the financial year on the behalf of the members of those bodies.

39. Off balance sheet commitments

Guarantees issued for operations

In 2017, the Group has issued guarantees for operations for an amount of 762,270,404.40 EUR (2016: 827,035,016.27 EUR). As at December 31, 2017, the Group had received guarantees for operations for an amount of 283,246,950.79 EUR (2016: 335,793,517.39 EUR).

Hedging derivatives

Mark to Market potential gain on total derivative portfolio as at December 31, 2017 is 9,731,159.07 EUR (2016: a loss of 22,253,650.46 EUR). Based on these, accruals for an amount of 0.00 EUR (2016: 3,913,381.80 EUR) have been included through *Other provisions* or as a deduction from *Trade debtors*.

The Group's commitment in derivatives consists of :

1. Forward exchange contracts on different currencies for a total amount of over 20 million USD (2016: 276 million USD), 11 million AUD (2017: 8 million AUD), 0 million BRL (2016: 67 million BRL), 44,758 million COP (2016: 36,755 million COP), 6,346 million INR (2016: 0 million INR), 0.0 million GBP (2016: 0.7 million GBP), 0 million RON (2016: 25 million RON), 75 million SEK (2016: 131 million SEK), 1,897 million TWD (2016: 1,368 million TWD), 241 million IDR (2016: 0 million IDR), 180 million MXN (2016: 380 million MXN), 3 million TRY (2016: 0 million TRY), 0 million RUB (2016: 1,620 million RUB) and 0 million SGD (2016: 4 million SGD). The term of the forex deals is up to August 2018 (2016: up to January 2018). Mark to Market gain on Forex contracts amounts to 10,701,298.90 EUR (2016: a loss 16,903,583.66 EUR). An amount of 0.00 EUR (2016: 3,913,381.80 EUR) has been deducted from *Trade debtors* to take into account the hedging effect of open positions at year end. No provision has been provided for in connection with hedging contracts on future debtors and creditors positions.
2. Interest Rate Swaps contracts in order to cover its long term funding interest risk. Global notional amounts to 300 million EUR (2016: 389 million EUR). Due dates are up to January 2018 (2016: to February 2025). Mark to Market loss on IRS and IRC contracts amounts to 2,105,027.98 EUR (2016: a loss of 6,676,701.39 EUR). No provision has been provided for in connection with these contracts as they are considered as hedging contracts.
3. Energy Swaps contracts in order to cover the variation of fuel prices. Global notional amounts to 31,091 MT. Their expiration date is up to July 2019. The valuation of these contracts as at December 31, 2017 leads to a potential gain amounting to 1,134,888.05 EUR (in 2016: gain of 1,326,634.58 EUR). As these contracts are hedging purpose, no accrual has been provided for.

Commitments to purchase tangible assets

As at December 31, 2017, commitments related to forward purchases of vessels within *Tangible assets* amount approximately to 159.1 million EUR (2016: 93.7 million EUR).

40. Subsequent events

There is no material subsequent event.

COLOPHON

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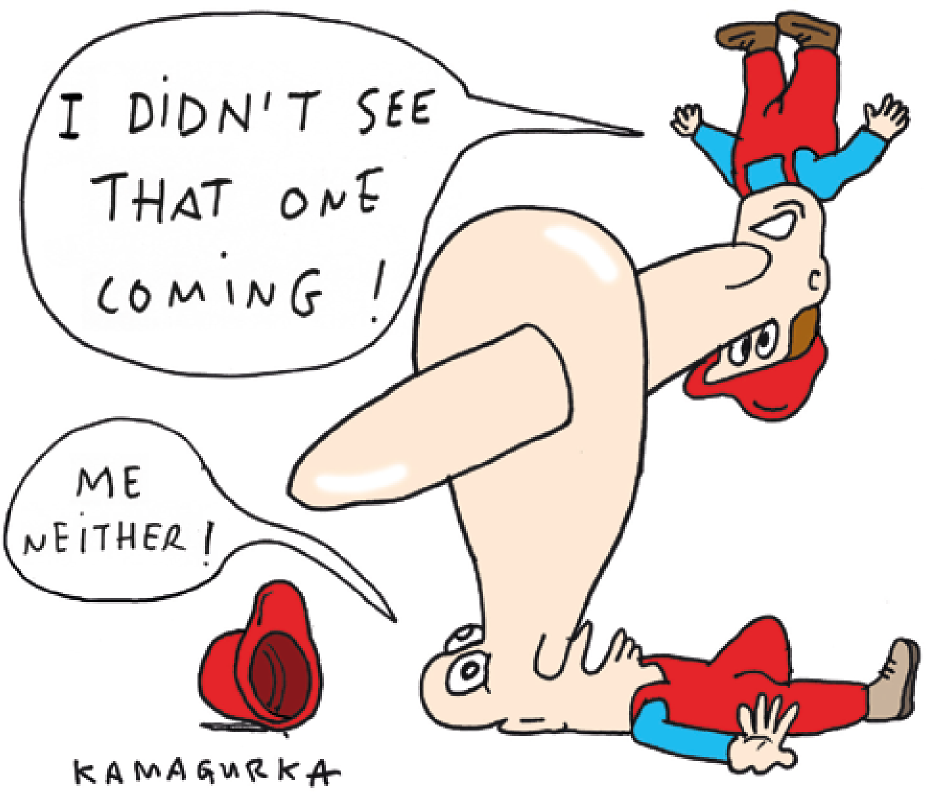
Dit rapport is ook beschikbaar in het Nederlands.
Ce rapport est également disponible en français.
Este informe también está disponible en español.


I DIDN'T SEE THAT ONE COMING !
ME NEITHER !
KAMAGURKA

Jan De Nul
GROUP