



Press release

HAL

NET INCOME FOR 2017 OF € 391 MILLION (2016: € 871 MILLION)

NET ASSET VALUE DECREASES BY € 353 MILLION

Net income of HAL Holding N.V. for 2017 amounted to € 391 million (€ 4.93 per share) compared with € 871 million (€ 10.99 per share) for 2016. The results for 2016 included a capital gain of € 491 million on the sale of AudioNova International B.V.

The net asset value based on the market value of the quoted companies and the liquid portfolio and on the book value of the unquoted companies, decreased by € 353 million in 2017. This decrease is primarily due to a lower stock market value of Vopak and Safilo.

After taking into account the cash portion of the 2016 dividend (€ 279 million), the net asset value on December 31, 2017, amounted to € 12,122 million (€ 151.45 per share) compared to € 12,754 million (€ 162.46 per share) on December 31, 2016.

The net asset value does not include the positive difference between estimated value and book value of the unquoted companies as of December 31, 2017. This difference is calculated annually and, based on the principles and assumptions set out in the annual report, amounted to € 253 million (€ 3.16 per share) on December 31, 2017, compared with € 228 million (€ 2.91 per share) on December 31, 2016.

Dividend

The dividend policy is, barring unforeseen circumstances and provided sufficient liquid assets, to base the dividend on 4% of the volume weighted average December share price of HAL Trust in the year prior to the year of the dividend payment. Accordingly, the proposed dividend per share over 2017 amounts to € 6.20 (2016: € 7.10) of which 50% will be paid in cash and 50% in shares.

Prospects

During the period from December 31, 2017, through March 23, 2018, the stock market value of the ownership interests in quoted companies and the liquid portfolio decreased by approximately € 920 million



(€ 11.49 per share). In view of the fact that a significant part of the Company's net income is determined by the results of the quoted associates and potential capital gains and losses, we do not express an expectation as to the net income for 2018.

Acquisitions

In March 2017, AN Direct B.V. (82.7% HAL) increased its ownership in MD Hearing from 40% to 100%. MD Hearing sells hearing aids via its web site and call centers in the United States. The company reported 2017 revenues of \$ 23 million.

In July 2017, HAL increased its ownership interest in Coolblue from 20.0% to 30.1% by acquiring existing shares from two of the three founders of the company. Coolblue, located in Rotterdam, is one of the leading online retailers in the Benelux. The company reported 2017 revenues of € 1,193 million (2016: € 857 million).

Also in July 2017, Atlas Professionals B.V. (70% HAL) acquired the international marine activities of Programmed Marine in Houston, Aberdeen, Dubai and Singapore (annual sales of A\$ 45 million).

In November 2017, HAL acquired 25% of the shares of DMF Investment Management B.V., operating under the trade name Dutch Mortgage Funding Company ("DMFCO"). The company is active in the origination and management of Dutch mortgages under the label MUNT Hypotheken which are funded by Dutch pension funds. The company reported revenues of € 26 million in 2017.

In 2017, Auxilium GmbH, a 54% subsidiary of Orthopedie Investments Europe B.V., acquired two German health care companies which manufacture and distribute medical aids. The aggregate 2017 annual sales of these acquisitions were € 16 million.

Optical retail

Revenues for 2017 amounted to € 3,450 million (2016: € 3,316 million), a 4% increase. Excluding the effect of acquisitions and changes in currency exchange rates, revenues increased by 3.5%. The 2017 same store sales increased by 1.8% (2016: 2.2%).

The 2017 operating income (earnings before interest, exceptional and non-recurring items, taxes and amortization of intangible assets, but including amortization of software), amounted to € 415 million (2016: € 410 million).



Unquoted companies

Revenues from the unquoted subsidiaries for 2017 amounted to € 2,160 million (2016: € 2,182 million), representing a decrease of € 22 million (1%). Excluding the effect of acquisitions, divestitures and currency exchange differences, revenues from the unquoted subsidiaries increased by € 90 million (4.1%).

The operating income of the unquoted companies for 2017 amounted to € 150 million (2016: € 157 million). Divestitures, acquisitions and changes in currency exchange rates had a negative effect on operating income of € 1 million .

Quoted minority interests

Net income from quoted minority interests as per the segmentation on page 11 increased by € 87 million to € 146 million. This increase is primarily due to HAL's share of an impairment charge in 2016 at Boskalis of € 840 million (effect € 298 million), partly offset by lower earnings from Vopak and Safilo. The earnings of Vopak in 2016 included exceptional gains of € 287 million relating to the divestment of subsidiaries (primarily in the United Kingdom). HAL's share was € 138 million.

Liquid portfolio

Income from the liquid portfolio increased by € 61 million to € 80 million due to higher capital gains on equities. In 2017, the equity portfolio increased by € 338 million to € 529 million.

Non-recurring items

The pro forma results for 2017 include net exceptional and non-recurring gains (excluding those of the quoted minority interests) of € 23 million (2016: € 553 million). These gains primarily relate to the revaluation of the non-controlling interest in Visilab S.A. prior to acquisition (€ 38 million including currency gains). In addition, goodwill impairment charges were recorded of € 82 million. The results for 2016 included a capital gain of € 491 million on the sale of AudioNova International B.V. and capital gains on the sale of InVesting B.V. and N.V. Nationale Borg-Maatschappij of respectively € 39 and € 30 million.



Financial calendar

The financial calendar is included in the appendix of this press release.

This press release is based on the prepared financial statements for 2017 to be approved by the Annual General Meeting of Shareholders. The external auditor has issued an unqualified auditors' report on the prepared financial statements for 2017. These financial statements will be made available on the Company's web site (www.halholding.com) on April 4, 2018. The printed version will be available by the end of April.

HAL Holding N.V.

March 29, 2018

Financial calendar

Shareholders' meeting HAL Trust and interim statement	May 17, 2018
Ex-dividend date	May 21, 2018
Dividend record date	May 22, 2018
Determination and publication dividend conversion ratio	June 12, 2018 (after close of trading)
Delivery of shares and payment of cash dividend	June 19, 2018
Publication of 2018 half-year results	August 29, 2018
Interim statement	November 21, 2018
Publication of preliminary net asset value	January 23, 2019
Publication of 2018 annual results	March 28, 2019
Shareholders' meeting HAL Trust and interim statement	May 16, 2019

Consolidated Statement of Financial Position

As of December 31

In millions of euro

	2017	2016
Non-current assets		
Property, plant and equipment	5,030.7	5,082.1
Investment properties	6.9	8.3
Intangible assets	2,568.7	2,421.8
Investments in associates and joint arrangements	2,521.6	2,536.0
Other financial assets	752.1	757.1
Derivatives	18.7	101.2
Pension benefits	86.4	72.1
Deferred tax assets	114.0	151.8
<i>Total non-current assets</i>	<u>11,099.1</u>	<u>11,130.4</u>
Current assets		
Other financial assets	40.1	3.6
Inventories	842.7	768.3
Receivables	811.7	845.8
Marketable securities and deposits	584.8	229.9
Derivatives	6.9	43.2
Other current assets	492.0	426.9
Cash and cash equivalents	2,205.0	3,143.6
Assets held for sale	4.4	26.6
<i>Total current assets</i>	<u>4,987.6</u>	<u>5,487.9</u>
Total assets	<u>16,086.7</u>	<u>16,618.3</u>
Equity		
Share capital	1.6	1.6
Other reserves	155.1	322.6
Retained earnings	7,443.1	7,300.5
Equity attributable to owners of parent	<u>7,599.8</u>	<u>7,624.7</u>
Non-controlling interest	<u>2,151.1</u>	<u>2,134.2</u>
Total equity	<u>9,750.9</u>	<u>9,758.9</u>
Non-current liabilities		
Deferred tax liabilities	425.1	450.8
Pension benefits	248.2	285.8
Derivatives	90.7	83.6
Provisions	85.7	53.6
Debt and other financial liabilities	2,607.5	3,128.3
<i>Total non-current liabilities</i>	<u>3,457.2</u>	<u>4,002.1</u>
Current liabilities		
Provisions	79.7	89.1
Accrued expenses	879.8	859.2
Income tax payable	128.3	123.6
Accounts payable	800.1	832.0
Derivatives	25.8	14.1
Debt and other financial liabilities	964.9	939.3
<i>Total current liabilities</i>	<u>2,878.6</u>	<u>2,857.3</u>
Total equity and liabilities	<u>16,086.7</u>	<u>16,618.3</u>

Consolidated Statement of Income

For the year ended December 31

In millions of euro

	2017	2016
Revenues	7,970.3	8,033.1
Income from marketable securities and deposits	79.3	18.5
Share of results from associates and joint ventures	118.6	(119.1)
Income from other financial assets	15.4	16.7
Income from real estate activities	1.2	2.1
Other income	30.1	849.3
<i>Total income</i>	<u>8,214.9</u>	<u>8,800.6</u>
Usage of raw materials, consumables and other inventory	2,232.5	2,171.2
Employee expenses	2,339.8	2,339.8
Depreciation and impairments of property, plant, equipment and investment properties	492.1	486.8
Amortization and impairments of intangible assets	199.8	109.8
Other operating expenses	1,983.5	2,055.4
<i>Total expenses</i>	<u>7,247.7</u>	<u>7,163.0</u>
Operating profit	<u>967.2</u>	<u>1,637.6</u>
Financial expense	(226.4)	(215.5)
Other financial income	39.0	63.6
Profit before income tax	<u>779.8</u>	<u>1,485.7</u>
Income tax expense	(186.5)	(207.9)
Net profit	<u><u>593.3</u></u>	<u><u>1,277.8</u></u>
Attributable to:		
Owners of parent	390.5	871.0
Non-controlling interest	202.8	406.8
	<u><u>593.3</u></u>	<u><u>1,277.8</u></u>
Average number of Shares outstanding (in thousands)	<u><u>79,281</u></u>	<u><u>77,420</u></u>
Earnings per Share for profit attributable to owners of parent during the year (in euro) - basic and diluted	<u><u>4.93</u></u>	<u><u>10.99</u></u>
Dividend per Share(in euro)	<u><u>6.20*</u></u>	<u><u>7.10</u></u>

* Proposed

Supplemental information

General

The consolidated financial statements of HAL Trust include the financial statements of Koninklijke Vopak N.V. ('Vopak') and Safilo Group S.p.A. ('Safilo'). This section provides supplemental information where Vopak and Safilo are accounted for on an unconsolidated basis using the equity method. This was the accounting treatment until the application of IFRS 10, effective January 1, 2014, which requires consolidation of these entities. In all other respects, the accounting policies applied are consistent with those applied to the consolidated financial statements. The inclusion of this information is considered appropriate and useful as the control model of the Company with respect to the entities where the Company's ownership interest exceeds 50% is materially different from the model with respect to Vopak and Safilo. Moreover, the inclusion of Vopak and Safilo in the consolidation has a significant effect on the financial statements. The following supplemental information also preserves comparability with consolidated financial statements prior to 2014.

The following pro forma consolidated statements are included as supplemental information:

- Statement of Financial Position
- Statement of Income
- Segmentation

The pro forma consolidated statement of financial position and income include a bridge from the consolidated financial statements (including consolidation of Vopak and Safilo) to these pro forma statements.

Pro forma Consolidated Statement of Financial Position

As of December 31

<i>In millions of euro</i>	Consolidated 2017	Effect exclusion Vopak/Safilo	Pro forma 2017	Pro forma 2016
Non-current assets				
Property, plant and equipment	5,030.7	(3,703.2)	1,327.5	1,301.5
Investment properties	6.9	-	6.9	8.3
Intangible assets	2,568.7	(392.6)	2,176.1	2,014.2
Investments in associates and joint arrangements	2,521.6	427.5	2,949.1	2,854.1
Other financial assets	752.1	(87.1)	665.0	646.8
Derivatives	18.7	(16.3)	2.4	7.0
Pension benefits	86.4	-	86.4	72.1
Deferred tax assets	114.0	(74.0)	40.0	39.3
<i>Total non-current assets</i>	11,099.1	(3,845.7)	7,253.4	6,943.3
Current assets				
Other financial assets	40.1	(38.8)	1.3	3.6
Inventories	842.7	(238.3)	604.4	521.9
Receivables	811.7	(282.5)	529.2	521.0
Marketable securities and deposits	584.8	-	584.8	229.9
Derivatives	6.9	(2.8)	4.1	5.3
Other current assets	492.0	(222.2)	269.8	241.8
Cash and cash equivalents	2,205.0	(206.2)	1,998.8	2,728.6
Assets held for sale	4.4	(1.2)	3.2	-
<i>Total current assets</i>	4,987.6	(992.0)	3,995.6	4,252.1
Total assets	16,086.7	(4,837.7)	11,249.0	11,195.4
Equity				
Share capital	1.6	-	1.6	1.6
Other reserves	155.1	-	155.1	322.6
Retained earnings	7,443.1	(27.2)	7,415.9	7,275.2
Equity attributable to owners of parent	7,599.8	(27.2)	7,572.6	7,599.4
Non-controlling interest	2,151.1	(1,665.5)	485.6	436.2
Total equity	9,750.9	(1,692.7)	8,058.2	8,035.6
Non-current liabilities				
Deferred tax liabilities	425.1	(242.9)	182.2	161.6
Pension benefits	248.2	(141.1)	107.1	83.9
Derivatives	90.7	(83.8)	6.9	11.9
Provisions	85.7	(56.9)	28.8	18.4
Debt and other financial liabilities	2,607.5	(1,724.6)	882.9	974.4
<i>Total non-current liabilities</i>	3,457.2	(2,249.3)	1,207.9	1,250.2
Current liabilities				
Provisions	79.7	(51.8)	27.9	36.3
Accrued expenses	879.8	(248.5)	631.3	607.1
Income tax payable	128.3	(66.8)	61.5	57.1
Accounts payable	800.1	(331.6)	468.5	470.9
Derivatives	25.8	(17.6)	8.2	1.5
Debt and other financial liabilities	964.9	(179.4)	785.5	736.7
<i>Total current liabilities</i>	2,878.6	(895.7)	1,982.9	1,909.6
Total equity and liabilities	16,086.7	(4,837.7)	11,249.0	11,195.4

Pro forma Consolidated Statement of Income

For the year ended December 31

<i>In millions of euro</i>	Consolidated 2017	Effect exclusion Vopak/Safilo	Pro forma 2017	Pro forma 2016
Revenues	7,970.3	(2,360.8)	5,609.5	5,497.5
Income from marketable securities and deposits	79.3	0.2	79.5	18.5
Share of results from associates and joint ventures	118.6	65.7	184.3	73.7
Income from other financial assets	15.4	(7.9)	7.5	10.2
Income from real estate activities	1.2	-	1.2	2.1
Other income	30.1	(26.0)	4.1	561.7
<i>Total income</i>	8,214.9	(2,328.8)	5,886.1	6,163.7
Usage of raw materials, consumables and other inventory	2,232.5	(307.6)	1,924.9	1,864.9
Employee expenses	2,339.8	(660.1)	1,679.7	1,672.3
Depreciation and impairments of property, plant, equipment and investment properties	492.1	(295.2)	196.9	189.8
Amortization and impairments of intangible assets	199.8	(43.4)	156.4	70.0
Other operating expenses	1,983.5	(708.5)	1,275.0	1,251.1
<i>Total expenses</i>	7,247.7	(2,014.8)	5,232.9	5,048.1
Operating profit	967.2	(314.0)	653.2	1,115.6
Financial expense	(226.4)	176.4	(50.0)	(48.1)
Other financial income	39.0	(32.8)	6.2	16.3
Profit before income tax	779.8	(170.4)	609.4	1,083.8
Income tax expense	(186.5)	49.6	(136.9)	(123.2)
Net profit	593.3	(120.8)	472.5	960.6
Attributable to:				
Owners of parent	390.5	0.7	391.2	870.7
Non-controlling interest	202.8	(121.5)	81.3	89.9
	593.3	(120.8)	472.5	960.6
Average number of Shares outstanding (in thousands)	79,281	-	79,281	77,420
Earnings per Share for profit attributable to owners of parent during the year (in euro)				
- basic and diluted	4.93	-	4.93	10.98
Dividend per Share (in euro)	6.20*	-	6.20*	7.10

* Proposed

Segmentation

The Company's reportable segments are defined as follows:

- Optical retail
- Unquoted
- Quoted minority interests
- Real estate
- Liquid portfolio

Operating income (for the purpose of this press release defined as earnings before interest, exceptional and non-recurring items of the optical retail and unquoted segments, taxes and amortization of intangible assets but including amortization of software) can be detailed as follows. The other reconciling items include corporate general and administrative expenses as well as non-recurring gains and losses.

	2017	2016
Optical retail	415.1	410.3
Unquoted	150.2	156.6
Quoted minority interests	145.9	59.3
Real estate	(0.3)	0.8
Liquid portfolio	79.5	18.5
Total operating income	790.4	645.5
Reconciling items:		
- Amortization and impairment	(156.4)	(70.0)
- Other	19.2	540.1
Operating result as per the pro forma consolidated statement of income	653.2	1,115.6
Financial expense, net	(43.8)	(31.8)
Profit before tax as per the pro forma consolidated statement of income	609.4	1,083.8
