

IFRS – condensed consolidated financial statements (in thousand euro)

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1. Consolidated income statement per segment as of 30.06.2005

	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5			
	Building- dredging- & environmental services	Human resources services	Financial services	Private Equity	AvH & subholdings	Eliminations between segments	30-06-2005 TOTAL	30-06-2004 TOTAL
Gross profit	103.140		72.538	1	2.573	-1.411	176.841	874.997
Other operating income	20		8	5.167	5.558	-203	10.551	8.143
Operating expenses	-99.576		-56.256	-3.160	-5.681	1.411	-163.263	-813.525
Profit(loss) from operating activities	3.584	0	16.290	2.008	2.450	-203	24.129	69.615
Net gain/(loss) on financial assets/liabilities valued at fair value through P&L	0		579	-1.944	-281	0	-1.646	4.500
Net gain/(loss) on disposal of assets	681		2.256	-301	18.766	0	21.402	-36.368
Finance cost	345		5.510	1.177	-3.990	203	3.244	-3.560
Share of profit(loss) from equity accounted investments	10.796		17.280	0	295		28.371	20.800
Other non-operating income	37		1.893	0	173		2.103	320
Other non-operating expenses	0		-2	0	0		-2	-237
Profit(loss) before tax	15.443	0	43.807	939	17.412	0	77.601	55.070
Income tax expense	-1.535		-9.779	193	-379	0	-11.499	-15.313
Profit(loss) after tax from continuing operations	13.908	0	34.028	1.133	17.033	0	66.102	39.757
Profit(loss) after tax from discontinued operations	0	9.314	0	0	0		9.314	-3.013
Profit(loss) of the period	13.908	9.314	34.028	1.133	17.033	0	75.415	36.744
Minority interests	415	5.423	7.069	-281	294		12.920	7.526
Share of the group	13.493	3.891	26.958	1.413	16.740		62.495	29.218

Segment reporting

Segment 1 – Building, dredging & environmental services : DEME (equity method 50%), Van Laere (global integration 100%), NMP (global integration 75%)

Segment 2 – Human resources services : Solvus

As a result of the sale of the stake in Solvus by the end of August, in the framework of the voluntary public offer of USG on Solvus, Solvus is accounted for as “Assets held for sale” – in accordance with IFRS 5. We refer to paragraph 5 “Events after balance sheet date” for further information.

Segment 3 – Financial services : Delen Investments (equity method 75%), Bank J.Van Breda & C° (global integration 75%), Finaxis (global integration 75%), Leasinvest (global integration 100%), BDM-ASCO-BtB (equity method 50%), GIB (equity method 50%)

Segment 4 – Private equity : Sofinim & subholdings (global integration 74%), private equity participations (fair value)

Segment 5 – AvH and subholdings : global integration

We refer to Note 6 for further information regarding the consolidation scope of AvH under IFRS.

2. Consolidated balance sheet per segment as of 30.06.2005

	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5			
	Building- dredging- & environmental services	Human resources services	Financial services	Private Equity	AvH & subholdings	Eliminations between segments	30-06-2005 TOTAL	31-12-2004 TOTAL
I. NON-CURRENT ASSETS	193.603	0	1.419.174	195.817	183.692	-13.900	1.978.386	2.401.994
Intangible assets	0	0	1.008	0	1	0	1.009	15.116
Positive consolidation differences	2.487	0	454	0	116.380	0	119.321	475.700
Tangible assets	34.588	0	17.431	6	2.193	0	54.218	93.298
Investment properties	2.749	0	64.475	0	0	0	67.224	63.431
Financial assets	152.932	0	209.241	195.811	64.204	-13.900	608.288	622.450
Participations accounted for using the equity method	150.680	0	200.746	0	11.702	0	363.128	378.787
Private equity participations	0	0	0	183.719	0	0	183.719	183.103
Shares	792	0	4.369	0	38.359	0	43.519	38.174
Receivables and warranties	1.461	0	4.127	12.092	14.142	-13.900	17.922	22.386
Non-current hedging instruments	0	0	2.873	0	0	0	2.873	2.720
Amounts receivable after one year	847	0	208.975	0	914	0	210.736	249.418
Trade debtors	0	0	0	0	0	0	0	0
Finance lease receivables	0	0	206.996	0	0	0	206.996	213.608
Other receivables	597	0	1.310	0	0	0	1.907	12.744
Deferred tax assets	250	0	669	0	914	0	1.833	23.066
Banks - receivables from credit instit. and clients after one year	0	0	914.717	0	0	0	914.717	879.863
II. CURRENT ASSETS	123.801	788.130	1.743.473	114.497	179.127	-144.906	2.804.121	2.079.691
Assets held for sale	0	788.130	0	0	0	0	788.130	0
Stock and contracts in progress	6.551	0	20.344	0	0	0	26.895	40.704
Investments	0	0	501.460	14.707	150.404	0	666.571	653.576
Current hedge instruments	0	0	650	0	0	0	650	559
Amounts receivable within one year	83.058	0	182.792	97.729	18.664	-144.732	237.511	548.422
Trade debtors	55.962	0	2.373	0	1.643	-923	59.055	337.952
Finance lease receivables	0	0	100.616	0	0	0	100.616	104.635
Other receivables	27.096	0	79.803	97.729	17.021	-143.809	77.840	105.835
Banks - receivables from credit instit. and clients within one year	0	0	1.002.759	0	0	0	1.002.759	624.681
Cash and cash equivalents	33.093	0	10.874	1.658	8.838	0	54.463	183.178
Deferred charges and accrued income	1.100	0	24.594	403	1.221	-174	27.142	28.571
TOTAL ASSETS	317.405	788.130	3.162.647	310.314	362.819	-158.806	4.782.508	4.481.685

	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5			
	Building- dredging- & environmental services	Human resources services	Financial services	Private Equity	AvH & subholdings	Eliminations between segments	30-06-2005 TOTAL	31-12-2004 TOTAL
I. TOTAL EQUITY	205.299	257.544	412.915	309.119	-9.558	0	1.175.318	1.113.928
Equity - group share	196.741	106.779	325.935	239.927	-12.617	0	856.765	801.197
Issued capital	0	0	0	0	113.907	0	113.907	113.907
Consolidated reserves	195.840	106.744	316.828	234.729	-207.657	0	646.483	605.629
Revaluation reserves	901	35	9.107	5.198	83.385	0	98.626	83.913
Treasury shares (-)	0	0	0	0	-2.253	0	-2.253	-2.253
Minority interests	8.558	150.765	86.980	69.192	3.059	0	318.554	312.731
II. PROVISIONS AND DEFERRED TAX LIABILITIES	11.642	0	19.029	110	39.557	0	70.338	83.044
III. LIABILITIES	100.464	530.586	2.730.703	1.085	332.820	-158.806	3.536.852	3.284.714
Amounts payable after one year	24.985	0	777.459	0	36.659	-41.400	797.703	922.506
Financial debts	23.327	0	127.825	0	27.505	-41.400	137.257	235.532
Non-current hedge instruments	0	0	7.595	0	637	0	8.232	4.168
Other amounts payable	1.657	0	8.475	0	8.517	0	18.649	87.123
Banks - debts to credit institutions, clients & securities	0	0	633.564	0	0	0	633.564	595.682
Amounts payable within one year	72.492	530.586	1.932.765	365	295.064	-116.594	2.714.677	2.328.966
Liabilities held for sale	0	530.586	0	0	0	0	530.586	0
Financial debts	4.151	0	72.258	170	213.806	-116.196	174.189	354.464
Current hedge instruments	0	0	3.849	0	0	0	3.849	3.358
Other amounts payable within one year	68.341	0	11.744	195	81.257	-398	161.139	471.465
Banks - debts to credit institutions, clients & securities	0	0	1.844.914	0	0	0	1.844.914	1.499.679
Accrued charges and deferred income	2.987	0	20.479	721	1.097	-812	24.472	33.243
TOTAL LIABILITIES AND EQUITY	317.405	788.130	3.162.647	310.314	362.819	-158.806	4.782.508	4.481.685

3. Consolidated cash flow statement per 30.06.2005

	Segment 1	Segment 2	Segment 3	Segment 4 & 5	Eliminations between segments	TOTAL
	Building- dredging- & environmenta l services	Human resources services	Financial services	AvH, subhold & private equity		
I. CASH AND CASH EQUIVALENTS, BEGINNING BALANCE	29.006	86.454	10.114	57.605	0	183.178
Profit (loss) from operating activities	3.583		16.290	4.458	-203	24.129
Dividends from equity accounted investments	112		11.196	30.725		42.033
Other non-operating income (expenses)	37		1.892	172		2.101
Income tax (expense) income	-1.535		-9.779	-186		-11.499
Non cash adjustments	858		-5	-1.498		-645
CASH FLOW	3.055	0	19.594	33.672	-203	56.119
Decrease (increase) of working capital	4.288		-32.455	-14.034	27.260	-14.940
CASH FLOW FROM OPERATING ACTIVITIES	7.343	0	-12.861	19.638	27.058	41.178
Investments	-962	0	-241.325	-19.772	0	-262.058
Acquisitions of tangible and intangible assets	-601		-2.245	-64		-2.909
Acquisitions of investment properties	0		-2.148	0		-2.148
Acquisitions of financial assets	-361		-366	-11.477		-12.204
Acquisitions of investments	0		-236.566	-8.231		-244.798
Impact consolidation of new companies	0	0	0	0		0
Divestments	1.440	-86.454	241.723	25.722	0	182.431
Disposals of tangible and intangible assets	209		-28	4		184
Disposals of investment properties	0		0	0		0
Disposals of financial assets	662	-86.454	5.764	1.783		-78.246
Reimbursement of amounts receivable and warranties	569		0	1		570
Disposals of investments	0		235.988	23.935		259.923
Impact deconsolidation of companies	-8	0	0	0		-8
CASH FLOW FROM INVESTING ACTIVITIES	470	-86.454	399	5.950	0	-79.635
Financial operations						
Interest received	464		12.902	509	-244	13.631
Interest paid	-345		-3.257	-1.794	447	-4.949
Other financial income (expenses)	227		-787	-1.528		-2.088
(De)increase of financial & investment-debts	-3.618		4.364	-46.589	-27.260	-73.103
Distribution of profits	0		0	-21.773		-21.773
Dividends paid to minority interests	-455		0	-1.521		-1.975
CASH FLOW FROM FINANCIAL ACTIVITIES	-3.727	0	13.223	-72.696	-27.058	-90.257
II NET VARIATION IN CASH AND CASH EQUIVALENTS	4.087	-86.454	761	-47.108	0	-128.714
III. CASH AND CASH EQUIVALENTS, ENDING BALANCE	33.093	0	10.874	10.496	0	54.463

4. Evolution of the consolidated equity

	30-06-2005	30-06-2004
Equity - group share: 1 January	801.197	630.545
Dividends	-21.773	-18.088
Profit/ (loss) of the period	62.495	29.218
Change in revaluation reserves	14.714	8.505
Purchase of treasury shares (-)	0	-389
Other	132	48
Equity - group share: 30 June	856.765	649.839

5. Events after balance sheet date

Solvus

On 14 June 2005, USG announced that it would launch a voluntary public take-over bid on Solvus at € 23 per share. AvH had agreed to sell its shares in the framework of the offer.

In the meantime, USG has confirmed its offer on 19.08.2005 and obtained 95.56% of the Solvus shares.

Consequently, in the consolidated financial statements per 30.06.2005, Solvus is accounted for as "asset held for sale" in accordance with IFRS 5. The assets/liabilities/results of Solvus are reported in short form in the balance sheet and income statement. Details are presented below.

BALANCE SHEET	30.06.2005		30.06.2005
I. NON-CURRENT ASSETS	429.842	I. TOTAL EQUITY	257.544
Intangible assets	13.959	Equity - group share	106.779
Positive consolidation differences	357.273	Issued capital	0
Tangible assets	31.084	Consolidated reserves	106.744
Financial assets	6.422	Revaluation reserves	35
Amounts receivable after one year	21.104	Minority interests	150.765
		II. PROVISIONS AND DEFERRED TAX LIABILITIES	8.858
II. CURRENT ASSETS	358.288	III. LIABILITIES	521.728
Stock and contracts in progress	7	Amounts payable after one year	116.579
Investments	2.537	Financial debts	116.397
Amounts receivable within one year	320.069	Other amounts payable	182
Cash and cash equivalents	28.768	Amounts payable within one year	388.726
Deferred charges and accrued income	6.906	Financial debts	164.332
		Other amounts payable within one year	224.394
		Accrued charges and deferred income	16.423
TOTAL ASSETS	788.130	TOTAL LIABILITIES AND EQUITY	788.130

INCOME STATEMENT	30.06.2005
Operating income	735.664
Operating expenses	-716.113
Profit(loss) from operating activities	19.551
Finance cost	-6.049
Profit(loss) before tax	13.502
Income tax expense	-3.900
Profit(loss) of the period	9.602
Minority interests	5.711
Share of the group	3.891

6. Explanatory notes to the financial statements per 30.06.2005

Basis for the presentation of the financial statements

Ackermans & van Haaren issues its consolidated accounts in accordance with the International Financial Reporting Standards (IFRS) from 2005 onwards. In the annual report 2004, available on the website (www.avh.be), a detailed reconciliation between Belgian GAAP and IFRS has been included, of which the most important differences are presented below.

These interim consolidated financial information is prepared in accordance with the IFRS valuation rules that AvH will apply when preparing the annual financial statements for the period 2005 (available in detail on the website).

There is a possibility that the IFRS recognition and measurement principles applied for the preparation of the interim financial information at June 30, 2005, will change when the annual financial statements as at December 31, 2005 are prepared for the first time in accordance with IFRS.

Transition to IFRS

In accordance with IFRS 1, AvH has applied the following options when preparing the opening balance sheet as of 1 January 2004:

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

1. Change in consolidation scope

Full consolidation

The consolidated financial statements of AvH are most strongly influenced by IAS 27, which results in a change in the consolidation scope & methods. Since 1998, AvH has consolidated its operational subsidiaries, under Belgian GAAP, applying the equity method, and restricted the global integration and proportional consolidation to AvH and its respective subholdings. According to AvH, this presentation increases the transparency of the consolidated accounts by avoiding totalling the assets, liabilities and results of companies active in highly diversified sectors such as the dredging sector, the building sector, human resources services, financial services and private equity, and thus provides more reliable insight into the profitability, the risk position and assets of the group.

IAS 27, however, indicates that the existence of dissimilar business activities is not a reason for not consolidating subsidiaries by the global integration method, since adequate information per business unit is provided via the segment reporting. Consequently, under IFRS, the following are globally integrated : Algemene Aannemingen Van Laere (100%), NMP (75%), Finaxis and Bank J. Van Breda & C° (75%) & Leasinvest (100%).

Jointly controlled companies

IAS 31 provides the option to include jointly controlled participations in the consolidated accounts applying the method of proportional consolidation or the alternative equity method. AvH has opted for the equity method for DEME (50%), Delen Investments (75%), BDM-ASCO-BtB (50%) and GIB (50%).

Private equity

The participations within the framework of the Venture Capitalist activity of AvH, primarily held via Sofinim, are measured at fair value in accordance with IAS 28 and 39. Changes in fair value are recognized in the profit and loss accounts. Consequently, the stakes held by Sofinim as well as the participation in Quick are no longer recorded using the equity method.

2. Post-employment obligations & stock options

For the group's defined benefit pension obligations and the stock option plans the required provisions were set up in accordance with IAS 19 and IFRS 2.

3. Provisions

The derecognition by IFRS of provisions for major repairs and the Finaxis banking funds (Internal Security Fund and Fund for General Banking Risks) results in an increase in equity.

4. Goodwill amortizations

Under IFRS, goodwill is no longer amortized but is submitted to an annual impairment test.

5. Investment property

The leased buildings (mainly Leasinvest) are measured at fair value (in accordance with IAS 40), which best fits the valuation of the buildings in the investment trust Leasinvest Real Estate under Belgian GAAP.

6. Deferred taxes

In the IFRS statements deferred taxes liabilities on various statutory tax-exempt reserves to be realised in the short-term, are recognised.

7. Available for sale portfolio (AFS)

The recognition of the unrealised capital gains on the AFS portfolio (mainly the investment portfolio of AvH, subholdings and the banks), results in a significant increase in consolidated equity.

7. Risk management

Risk management – Ackermans & van Haaren and subholdings

Given the nature of its activities AvH is subject to only limited operational risks : its assets consist mainly of financial fixed assets. Decisions with respect to investments and divestments lie within the competence of the executive committee (within the limits of the daily management) and the board of directors of AvH.

With regard to risk management AvH makes limited use of financial instruments in order to limit the impact of possible interest rate increases. These instruments relate to the financing of short-term credit requirements which are funded by the commercial paper programme.

Risk management – operational subsidiaries

With regard to the interest and exchange risk, the operational subsidiaries apply the following strategy :

- in order to protect the companies against unexpected increases of financial charges due to interest rate increases, and in order to make use of the current low interest rate level, a number of financial instruments (LT hedges, Interest Rate Swaps, etc) are being used.
- the exchange risk, to which the companies are subject due to activities which are paid in foreign currency, is hedged through financial hedges and term contracts.

Bank J.Van Breda & C° and Bank Delen are cautious when acquiring financial instruments for their own account and prudently manage the price risks, credit risks, liquidity risks and cash flow risks.

In areas where the durations of assets and liabilities do not match adequately, Bank J.Van Breda & C° makes use of hedging instruments. The hedging is a combination of interest rate swaps (which convert the variable interest rate commitments into fixed commitments) and options (which provide protection against an increase of interest rates above certain levels). Bank Delen does not make use of any hedging techniques.