

PMV ANNUAL REPORT 2007



PPS en sportinfrastructuur

Paul De Knop (red.)

CARLO VANDECASTEELLE &
CHANTAL BLOCK



MILIEUPROBLEMEN EN -TECHNOLOGIE

LUC DE HAES GROEIEN IN HET BUTTENLAND

LIVING TOMORROW



CLEAN TECHNOLOGY



Stef Proost en Sandra Rousseau

Inleiding tot de milieueconomie

DE CANVASCOLLECTIE Uw kunst in beeld | 2008



Alan Greenspan Een turbulente tijd

Een leven in dienst van de economie

Life sciences



Flanders International Fund



<p>335,36</p> <p>mIn. € Equity</p>	<p>355,32</p> <p>mIn. € Balance sheet total</p>	<p>71,20</p> <p>mIn. € Financial assets</p>
<p>57</p> <p>Number of employ- ees in PMV group</p>	<p>KEY FIGURES 2007</p>	<p>283,27</p> <p>mIn. € Current assets</p>
<p>1,76</p> <p>mIn. € Profit for the financial year</p>	<p>9,1</p> <p>mIn. € Financial income</p>	<p>19,56</p> <p>mIn. € Liabilities</p>

KEY FIGURES (in euros)

	2007	2006	2005	2004
Equity	335.360.270,88	336.355.125,03	333.432.830,95	248.856.518,68
Balance sheet total	355.322.255,14	342.011.799,44	340.877.289,01	270.454.988,72
Financial assets	71.205.630,42	42.847.494,51	21.435.931,09	150.959.840,71
Current assets	283.266.315,08	298.270.913,79	318.646.996,53	118.797.585,38
Liabilities	19.553.546,62	5.229.667,48	7.425.889,77	21.579.901,75
Financial income	9.107.153,68	8.155.860,89	131.486.067,92	2.434.449,57
Profit for the financial year	1.755.045,85	2.922.294,08	118.791.545,80	- 282.970,28
Number of employees in PMV group	57	45	39	36

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MESSAGE FROM THE CHAIRMAN

Choices

The very first principle of economics – at least according to renowned Harvard economist Greg Mankiw – is that of people having to make choices.* For a ship without a clear destination, no wind is the right wind. That truth is indisputable for an investment company such as PMV, and it has been the choices of the founding board of directors that have contributed significantly to the steady growth of our company over the period 2001-2007. Consequently, on behalf of the whole company, I should like to offer my sincere thanks to its members, particularly to retiring members Karel Bogaert and Jan Kerremans, for their tireless input and their loyal support during our monthly meetings.

On 8 May 2007, the new board of directors was expanded from six to nine members. Ms Christine Claus and Messrs Guido Steenkiste, Dirk Van Melkebeke and myself were reappointed. Five new members joined us, these being on the part of the ladies Greta D'hondt, Gwendolyn Rutten and Rosette S'Jegers and, as regards the gentlemen, Luc Jansegers and Raf Suys. As for me, I was re-elected as chairman, a position to which I shall continue to dedicate myself enthusiastically, working in close alliance with my colleagues.

From the outset, this influx of fresh talent has shown vision and decisiveness. For example, on 12 September 2007, the new board of directors organised a strategy meeting under the heading "Horizon 2010". Its intention, both for the company as a whole as well as for the various business units, was to outline a number of clear strategic paths for the future growth of PMV as an independent investment company and to make a number of tangible choices that we could translate into specific plans of action.

Taking a leading role in contributing to the Flemish economy in terms of sustainable development is one of those choices. The social imperative underlying this is more pressing than ever, and opportunities for market players in terms of sustainable development are increasingly coming to the surface. In the past, environmental investments meant additional expenditure for companies. Nowadays, they lead to savings. Along with the business

community, PMV is capitalising on this by linking technological developments to practical applications. That is because new ideas and technology are of value to the economy and society only once they materialise in the form of cost-effective and useful applications.

This was the reason for PMV's decision in 2007 to re-christen its business unit "Milieu & Energie" (Environment & Energy) with the name "Duurzame Ontwikkeling" (Sustainable Development) (abbreviated to *PMV-duon*). The focus of our investment activities within this unit has thus shifted from two important component areas to a more comprehensive vision of our region's future economic development.

Sustainable development also means our economy not only having to provide solutions to the needs of today but, above all, having to confront the needs of those generations who will follow us. As Seneca had it: "Do not so enjoy the pleasures of the present that you harm the pleasures of the future."** *PMV-duon* is pursuing that principle by investing very specifically in the climate and clean technology.

Following from this, PMV has taken up a pioneering role in bringing about the Capricorn Clean Technology Fund, which operates internationally out of Flanders. The fund has now become Europe's largest in relation to clean technology and, thanks to PMV, is significantly focussed on Flanders. This is our way of opening a window on the world, placing our region in the front line with regard to the investigation of new technological developments. This is of value in order to gain a greater understanding of those innovative industries able to strengthen the economic fabric of Flanders. However, its chief importance is also the detection of entrepreneurial initiatives at an early stage.

It was for that reason that we gave our immediate support to the decision of the American Cleantech Network to organise an international conference on clean technology in our capital from 28 to 30 April 2008. During the accompanying gala dinner at the Brussels Stock Exchange, this led, as a start, to a number of interesting contacts being made with leading foreign companies

* N. Gregory Mankiw, *Principles of Economics* (South Western College Publishing, 3rd ed. 2003)

** Sic presentibus utaris voluptatibus, ut futuris non noceas.

involved in this field. By taking this type of pre-emptive approach to initiatives developing in the market, PMV is able to provide the requisite complement to all of the other efforts being made by government to encourage development and investments in clean technology.

Nevertheless, encouraging the market is not sufficient in certain sectors, with government needing to take hold of the reins itself. The vitally urgent reduction of greenhouse gasses is a task that the Flemish government cannot simply leave up to private initiative as a matter of course. Therefore, in consultation with the Flemish government, PMV is participating in two international climate funds for the acquisition of emission allowances from specific projects, and it will also be taking further ancillary initiatives in that regard in 2008. Moreover, PMV has acquired an important task through the new decree concerning brownfield agreements, this being the accelerated elimination of the shortage of industrial parks about which the business community complains so frequently.

PMV-*duon*'s strategy is to create additional space for the future evolution of our business and to make a significant contribution to the well-being and welfare of future generations in Flanders. However, our other business units also have a meaningful role to play in this.

PMV-kmo, for example, as a provider of financial services to small and medium-sized enterprises (in Dutch: kmo's), has the crucial task – in addition to its *straightforward encouragement* of the business community – of steering the economic development of Flanders in the direction of forward-looking sectors. Even now, this business unit is able to provide appropriate financial solutions to each phase of a company's life cycle: from the very beginning all the way to expansion and globalisation. In 2007, PMV-kmo resolutely decided through CultuurInvest to narrow that strategic focus in relation to creative industry, which is capturing an ever-greater share of the modern economy. Furthermore, we extended granting venture capital to include fostering international business with Flemish small and medium-sized enterprises.

PMV-kmo is also providing the necessary oxygen to the life sciences – an area in which Flanders has a distinct competitive advantage. Early investments in the biotech funds Aescap Venture and Vesalius Biocapital will ultimately result in the founding of the holding company inVita, a wholly owned subsidiary of PMV.

Plus, anyone scrutinising the PMV-pps business unit will note how school, sports and road infrastructure head the list of options. In 2007, the activities of the company Via-Zaventem even resulted in receiving a prestigious prize for the funding of public-private partnerships (in Dutch: publiek private samenwerking or pps), which was awarded by the British professional journal *Project Finance Magazine*. Additionally, continuing to work on an adjusted infrastructure is an opportunity that we must certainly not miss out on. This means not only traditional public works, but also that infrastructure which forms the basis of new economic activities, such as communications networks or energy-efficient and environmentally friendly logistical plans.

Finally, PMV-vastgoed (business unit dedicated to property) is making purposeful efforts to get the Flemish civil service in each province to adopt a coordinated approach towards taking up residence in Flemish Administrative Centres (VACs). The focus in that regard is on achieving economies of scale and a sustainable long-term vision that takes the full lifecycle of a building into account. Preparations for this will lead to concrete results in 2008. These experiences will also prove their worth in terms of a well-balanced property policy.

Taking all of these issues together, PMV wishes the concept of sustainability to permeate throughout its entire organisation and investment strategy. This will help us build sound foundations for our economic future. After all, our duty as a public investment company is first and foremost one of achieving financial leverage and providing a vision that is able to put up a resilient defence against the challenges for subsequent generations. It is these decisions and these choices that make growth and perspective possible. If we in Flanders wish to match the growth figures of the past twenty-five years, we shall have to place our full focus on an innovation-led economy.

Choices are not so difficult to make when the going is easy. It is making difficult issues appealing which demands real talent. And that is what we have to do to take the great step forth into the knowledge economy.

Clair Ysebaert
21 May 2008





ORGANISATION

In the period 2001-2007, the members of the first board of directors for PMV played a crucial role in the privatisation and expansion of the company. PMV took its first operational steps under their watchful gaze and commenced its first projects at a time when hardly any staff had yet been employed in the company. As PMV's organisation took shape, that operational involvement decreased with the board of directors' role increasingly becoming that of strategic decision-maker and controlling body. This enabled the previous directors to give the fledgling company dynamism, panache and a bright future.

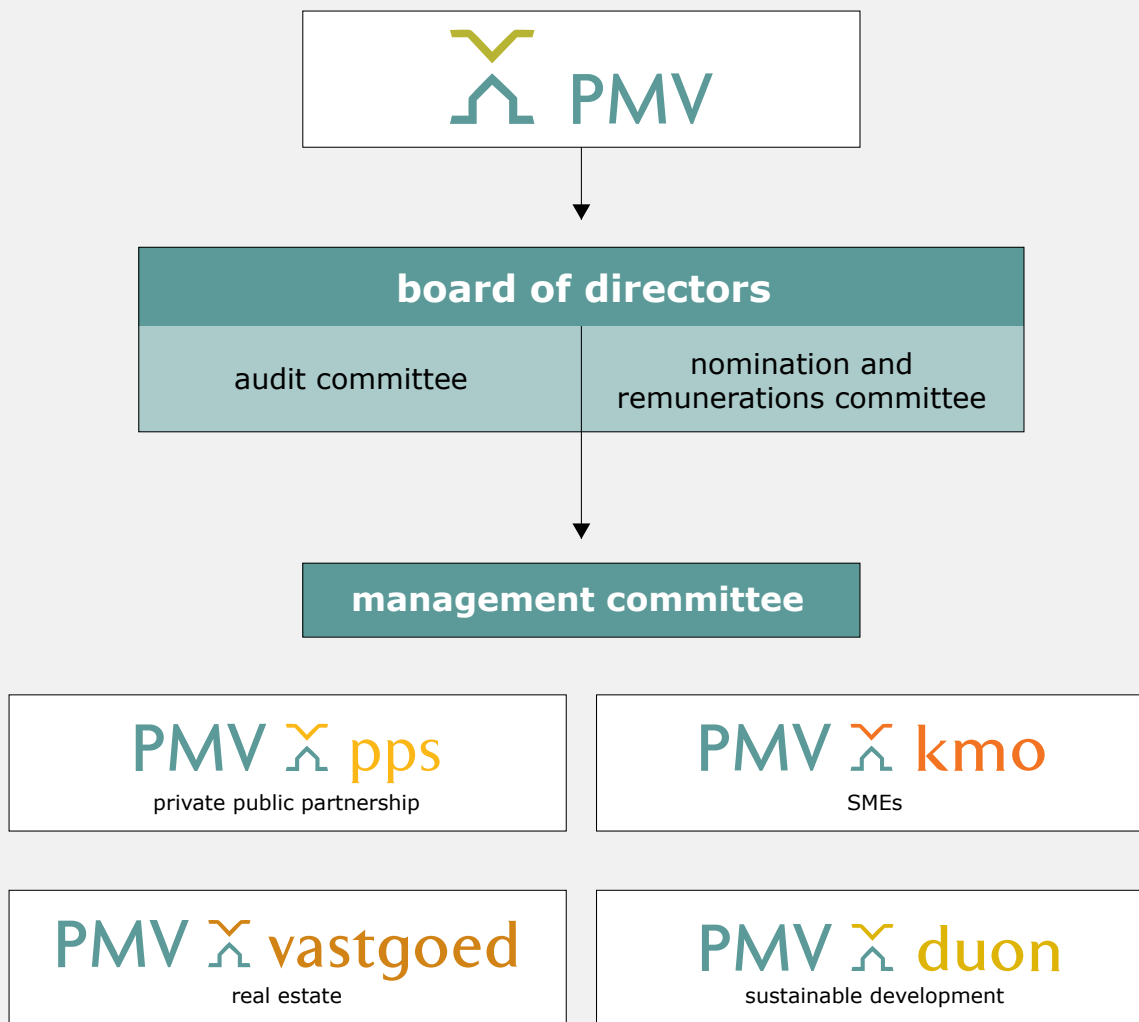
During the general meeting of 8 May 2007, the board of directors was expanded from six members to nine. Four directors were reappointed, these being Ms Christine Claus and Messrs Guido Steenkiste, Dirk Van Melkebeke and Clair Ysebaert. Five new members were also appointed: Ms Greta D'hondt, Ms Gwendolyn Rutten and Ms Rosette S'Jegers, as well as Mr Luc Jansegers and Mr Raf Suys. During the next meeting of the board of directors, Mr Clair Ysebaert was re-elected as chairman. Thanks to the efforts of the previous directors, they have inherited a financially and organisationally healthy company with vast potential. Consequently, the new directors would like to extend express thanks to them for all their work, their critical outlook and their good fellowship.

The board of directors' new line-up also provided the pretext for a change to the audit committee. Ms Claus remained chairwoman and is now supported by Ms Rutten and Ms S'Jegers. The remunerations committee remained unchanged.

When administrative changes occur within an organisation, it is usually not the occasion to implement major changes at the operational level simultaneously. Consequently, it was decided not to do this in 2007.

The management committee continues to be chaired by the general manager, Mr. Marcel Van Handenhoven. Its members are Messrs Karel Bosman, financial controller, Werner Decrem, business unit manager for PMV-pps, Bart De Smet, business unit manager for PMV-kmo and Pieter Marinus, company lawyer. The chairman of the board of directors attends the weekly meetings as an observer with the power of veto.

The above notwithstanding, PMV did not stand still. The number of employees grew to fifty-six by the end of 2007. Standing employment conditions were updated in consultation with the entire group's personnel. A code of conduct and a number of practical guidelines were among its most important new features. Naturally, PMV wishes to ensure that all of its employees subscribe to and exercise the same high standards and values.





Board of directors 2001-2007

From left to right: Christine Claus, Karel Bogaert, Clair Ysebaert, Jan Kerremans, Guido Steenkiste and Dirk van Melkebeke



Board of directors 2007-2013

From left to right: Gwendolyn Rutten, Dirk Van Melkebeke, Christine Claus, Clair Ysebaert, Rosette S'Jegers, Guido Steenkiste, Greta D'hondt, Luc Jansegers and Raf Suys

Corporate governance

On 24 October 2007, the new board of directors discussed PMV's Corporate Governance Charter. This is a tailor-made and comprehensive document containing clear procedures for internal and external monitoring and management.

The fact is that ParticipatieMaatschappij Vlaanderen is in a permanent zone of tension between financial-economic realities and the government. For that reason, the Corporate Governance Charter focuses particular attention on the various guises that the government adopts in its relationship with PMV: those of shareholder, client and legislator.

Another complex and absorbing chapter in PMV's Corporate Governance Charter deals with the monitoring of our company and the way in which that can and must be done without detracting from a company's traditional autonomy.

At the express request of the board of directors, this document is also to contain a code of conduct for the directors. The entire package will then be published on PMV's new website (www.PMV.eu).

In 2008, PMV will be ensuring that the efforts it has made in terms of corporate governance are implemented at the level of its subsidiaries and shareholdings. It will be encouraging debate about this and stimulating initiatives.

NAAL KROKETTEN, VINAIGRETTE
DE CREVETTES, BRUSES, VINAIGRETTE
ROE ZALM "RIPPA ALTA", COMPOT V. TOMAAT,
PRINÉE "RIPPA ALTA", COMPOT DE TOMATE, ART
V. FILET D'ANVERS (PUND), TOAST MET DAD
FILET D'ANVERS (BOEUF), TOAST AU DATTES,
SAINT JACQUES, ASPERGE VERTE A LA
AN VARKEN, SHI TAKE, POLENTA MET PARMEZAN
E PORC, SHI TAKE, POLENTA AU PARMESAN,
EYES, GEBAKKEN NOEDEL, CHUTNEY V. MANGO
YES", NOUILLES SAUTÉES, CHUTNEY DE MAN
(±300gr), FIJNE FRIETES, SALADE MESCUN
(±300gr), POMMES ALUMETTES, SALADE MESCUN
LSTEAK, GEVULTE CHAMPIGNON, TOMPOUCE V.
TRICHE, CHAMPIGNON FARCI, TOMPOUCE DE



ACTIVITIES

PMV duon

On 12 September 2007, the new board of directors tackled the future of PMV during a special meeting under the heading "Horizon 2010". In addition to the mission and objectives of PMV, the regulatory framework, the strategic issues for the company and the tactical choices for each business unit, clear emphasis was also placed on investment and choices of sector.

Consequently, PMV took this opportunity to decide to re-christen its business unit "Milieu & Energie" (Environment & Energy) with the name "Duurzame Ontwikkeling" (Sustainable Development) (abbreviated to PMV-*duon*). This name change is indicative of PMV's new investment focus and its increased interest in the clean technology sector.

Sustainable development means that social developments must accommodate the needs of today without this causing provision for future generations' requirements to suffer. Bringing this about requires long-term vision. PMV has that vision. It is encouraging economic, ecological and socially relevant developments through its investments.

Sustainable development is playing a greater role than ever in supporting economic growth by dealing more scrupulously with resources, including environmental effects in calculations when evaluating financial added value, avoiding waste, reducing waste products and emissions and finding more sustainable sources for the generation of energy.

The principles underlying sustainable development can be applied to many sectors in the economy and to the entire value chain. The emphasis is not only on the development of technology but also on its practical applications. The fact is that, even now, there is a wide selection of technologies that can be used for sustainable development.

Therefore, PMV-*duon* is investing in the development and implementation of environmentally friendly and energy-efficient systems. It is seeking a future for important government companies in the environmental sector and is adopting initiatives to achieve the objectives in the Kyoto Protocol. Together with the private sector, it is investing in projects and businesses that are playing a pioneering role in the field of sustainability. It is doing this in instances where the risks are still high, but where there is also clear potential for returns.

To set the tone, this annual report starts off by being printed on ecological paper: Lessebo Design. This wood-free and unbleached, uncoated offset paper has been certified by the "Programme for the Endorsement of Forest Certification" (www.pefc.org), an international non-governmental organisation dedicated to sustainable forest management. In the future, the printing will also be produced along the same ecologically minded lines.



Holding activities

PMV  duon

Vlaamse Instelling voor Technologisch Onderzoek nv (VITO; Flemish Institute for Technological Research)

The Flemish Institute for Technological Research is able to play a significant role in selecting technologies and applications that will lead

to concrete investment initiatives. As a result, interaction between PMV and VITO is set to increase due to the decision for strategic objectives in terms of sustainability.

Vlaamse Milieuholding nv (VMH)

In 2006, PMV supported Vlaamse Milieuholding in its purchase of shares in Aquafin and its sale of shares in Indaver. VMH increased its Aquafin shareholding from 51% to 100%. Approximately 70% of VMH's shareholding in Indaver was utilised. VMH continues to hold 16.04% of the shares in Indaver and, together with six industrial companies, constitutes a strategic minority, which continues to participate in the company to the extent of 25% plus one share. Both operations ran smoothly, and nothing else stands in the way of integrating the activities of Vlaamse Milieuholding within PMV.

Funds

PMV  duon

Climate funds

The Kyoto Protocol and Europe require our country to reduce its emissions of greenhouse gasses by 7.5% by 2012. In Belgium, a distributive formula has been put in place regarding the efforts to be made by each of the three regions. However, environmental measures in our own country are insufficient for the achievement of these objectives.

That is why ParticipatieMaatschappij Vlaanderen is buying the necessary emission allowances through international climate funds. These funds are key elements in combating climate change, concentrating on the development of emissions markets in countries that are evolving into market economies. These countries account for 35% of all globally marketable emission allowances.

PMV invested € 20 million in the Asia Pacific Carbon Fund (APCF), which is valued at US\$ 151.8 million. The fund is an initiative of the Asian Development Bank (ADB), acquiring greenhouse gas emission allowances arising from Clean Development Mechanism (CDM) projects.

PMV also invested € 22 million in the Multilateral Carbon Credit Fund (MCCF). This is an initiative of the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD). After Spain, PMV is the second largest investor in the MCCF, valued at € 150 million. This fund focuses not only on CDM projects but also on

others, such as Joint Implementation and the European Emission Trading Scheme. The Flemish Region has a pre-emption right to the certificates obtained from these systems.

Through these investments, moreover, PMV is looking globally for technological processes that might be of importance to Flanders and, vice versa, for possible applications of Flemish technology abroad. This allows the Flemish business community to share in the benefits from investments made abroad.

Clean technology

Investing in clean technology means investing in a wide range of products and services that handle natural resources economically, thus finding environmentally friendly or less waste-producing alternatives to the production of goods and services. Those alternatives originate in innovating technologies or applications and provide greater added value compared with traditional solutions.

Clean technology and sustainable solutions are playing an increasingly large role in the development of modern growth economies. They also offer competitive advantages and have innumerable applications with positive environmental effects. Furthermore, sustainable development is a future sector with a high level of social relevance, and the support of private initiatives for the development of new markets and new applications is particularly welcome in that regard.

By adopting strategic initiatives in clean technology, PMV wishes to encourage the regeneration of the Flemish economy and thus fully take its social responsibilities. PMV is doing this with the assistance of active leverage and by providing venture capital itself. This will enable market initiatives to get off the ground more quickly.

Even in 2006, for example, PMV invested € 10 million in the Capricorn Cleantech Fund. PMV's board of directors also decided to take a participating interest in the Capricorn Cleantech Fund's final round of investment for an additional sum of € 5 million. This has enabled the fund to operate with approximately € 100 million, ranking it among the three most important European investment funds in terms of clean technology.

These investments focus chiefly on innovative European companies – both at the early stage as well as in the growth phase – which are developing or implementing revolutionary technology, including in the field of renewable energy, water purification, air and soil clean-up, reducing greenhouse gasses, biochemistry and bio-refineries.

Corporate development

PMV  duon

As a business, PMV focuses a great deal of its attention on economic sectors where the market is still unresponsive but which fit within government policy. This frequently involves complex projects with a multitude of interested parties and uncertain financial returns. Bringing greater structure to such activities makes it easier for private players to make risk-bearing investments in these situations as well.

Energy saving and alternative energy production are at the top of the list in this regard. For example, PMV is working on energy saving programmes for government buildings, on improving access to financing systems for energy savings in SMEs, on wider applications of wind and solar energy, on solar power plants for large buildings and corporate premises, on organic photovoltaic installations, on the energy-efficient production and distribution of hydrogen and on plug-in systems for total energy for the purpose of industrial sites and residential clusters.

By means of the Energy Loan, PMV will be encouraging energy-saving investments in SMEs using an adapted financing mechanism. The loan repayments will be proportional to the savings made and will not signify an additional burden for SMEs. The PMV Energy Loan will be further developed in 2008.

Next year, PMV will also be playing a pioneering role as an initiator, coordinator and financier of joint green energy projects. These are initiatives in which a special projects company (SPV) will manage the joint energy infrastructure of, for example, large residential projects, industrial zones, school communities, rest homes or hospitals.

PMV kmo

In 2007, the PMV-kmo business unit acquired a prominent position in the Flemish market as a provider of financial services to SMEs (in Dutch: kmo's). The range of products now provides an appropriate funding solution for each phase in the lifecycle of a company: from the very start up to growth and globalisation.

For the first time, the seven financing products are active throughout the course of an entire year. They operate on a facilitating basis and – owing to joint ventures with numerous interested parties – make it easier for promising entrepreneurs to obtain funding through private venture capital and credit providers. As a result PMV-kmo has become a market leader in the field of seed capital, the creative industry and the globalisation of Flemish SMEs.

PMV-kmo will be strengthening that position still further over the next few years and wishes to set an example of how a public investment company can encourage the start-up and growth of businesses without having a disruptive effect on the market. In 2007, PMV-kmo also decided to focus clearly on investments in the life sciences.

ARKimedes PMV kmo

The famous Greek scientist from Syracuse needed only one point of support and a means of leverage in order to lift up the world: minor effort but to great effect. The ARKimedes scheme also follows that principle. Give us the leverage and we will lift Flanders for you.

By investing in promising SMEs, ARKimedes is strengthening and elevating the economic fabric of Flanders. After all, fast growing businesses are the driving force behind innovation, employment and quality of life. That is why ARKimedes is freeing up more venture capital for that group of businesses. In Dutch "ARK" stands for **A**ctivering van **R**isico**K**apitaal: the Activation of Venture Capital.

In 2007, ARKimedes began to reach cruising speed. Fifty-seven businesses received start-up or growth financing through the ARKimedes

scheme to a total sum of € 38,576,062.

ARKIVs

Within the context of the ARKimedes scheme an ARKIV is a registered venture capital provider. Registration as an ARKIV provides the pretext for participation in the venture capital provider's capital through the ARKimedes Fund.

In 2007, two additional venture capital funds were registered as ARKIVs by ARKimedes Management nv, a wholly owned subsidiary of PMV. This relates to the ARK-ANGELS FUND and Vesalius Biocapital ARKIV. The first fund was set up in the bosom of the business angel network BAN Flanders. The second invests in the life sciences. Together

Name of the fund	Total extent of the fund	Participation of the ARKimedes Fund
ARKAFUND	20.00	10.00
ARK-ANGELS FUND (*)	5.27	2.59
Baekeland Fund II	11.10	4.00
Big Bang Ventures II	31.27	10.29
Fortis Private Equity ARKimedes	10.00	4.99
FUNDUS II	5.01	2.50
GIMV ARKIV ICT Fund	30.10	15.00
Capital-E Arkiv	30.10	15.00
ING Activator Fund	10.00	5.00
KBC ARKIV	25.00	12.00
KMOFIN (LRM)	25.00	12.25
QAT-ARKIV	16.00	7.84
Vesalius Biocapital ARKIV (*)	10.00	4.99

Figures in millions of euros

(*) ARKimedes Fund investment formalized only at beginning of 2008.

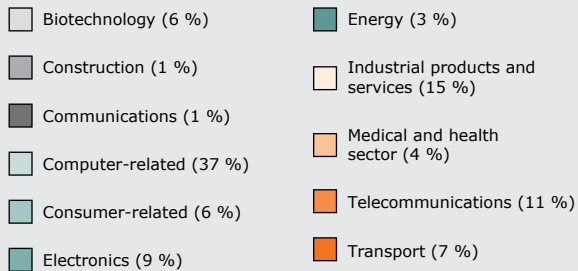
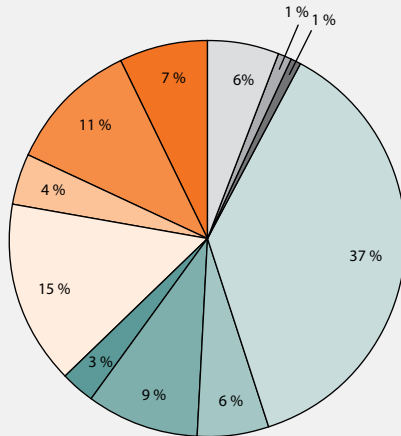
By the end of 2007, the ARKimedes Fund had already committed € 106,435,962 in venture capital to the ARKIVs. Investments in the two new ARKIVs have been included in that amount. This has not yet all been

With the eleven venture capital funds that had already been registered in 2005 and 2006, this brings the total number of ARKIVs to thirteen. Fully paid up: on 31 March 2008, the value of the ARKImedes Fund's fixed asset investments amounted to € 33,112,322.

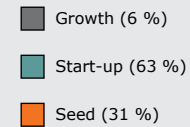
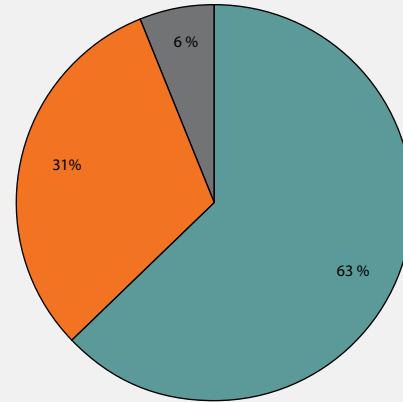
Third parties are also contributing capital to the ARKIVs in addition to the ARKImedes Fund. Thus in the ARKIVs today there is € 228,856,784 of resources available for investment in Flemish SMEs.

ARK investments

Amounts according to sector



Amounts according to investment stage



ARKimedes Fund

ARKimedes-Fonds nv was founded on 8 June 2005. It is a fund for investment in the ARKIVs and is managed by ARKimedes Management nv. The launch capital amounted to € 1,200,250 and was raised by € 75 million on 12 October 2005 following a public issue of shares. On the same date, a public issue of bonds resulted in a further increase of the investment resources by an additional € 35 million.

On 31 December 2007, the interim balance sheet for ARKimedes-Fonds nv showed a total of € 109,535,824*. After deduction of the start-up losses up until that date, equity amounted to € 71,577,643. The interim result after tax amounted to € 2,374,095. Over the first few years, we anticipate that the company will register an end-of-year loss because of the investments yielding a profit only later, while operational costs are being incurred even at this stage.

Balance sheet of the ARKimedes-Fonds nv as of 31-12-2007 (in euros)

Assets	
Fixed assets	33,398,481
Formation expenses	2,602,135
Tangible fixed assets	0
Fixed asset investments	30,796,346
Current assets	76,137,343
Amounts receivable < 1 year	83,576
Investments	74,459,491
Liquid assets	1,165,186
Accruals and deferred income	429,090
Total	109,535,824

Liabilities	
Equity	71,577,643
Issued capital	76,200,250
Result brought forward	-2,248,512
Result 1.4 - 31.12	-2,374,095
Debts > 1 year	37,958,181
Debenture loan	35,000,000
Credit institutions	2,466,948
Debts < 1 year	224,992
Accruals and deferred income	266,241
Total	109,535,824

* The financial year for ARKimedes-Fonds nv ends on the 31 March of each year.

CultuurInvest

PMV  kmo

Since the end of 2006, PMV has had an investment fund at its disposal for culture-related activities and businesses. CultuurInvest was founded because of the lack of private investment in the culture industry. As a result, CultuurInvest is able to invest in the following sectors:

- new media and computer games
- the audiovisual sector and digital design
- the music industry and concerts
- design and designer fashion
- printed media and graphic design
- publishers and booksellers
- musical and stage arts
- distribution within the visual arts

CultuurInvest extends loans to and takes participating interests in businesses. The fund is able to finance projects with a limited duration by means of short-term loans (project financing). In addition, CultuurInvest is able to extend subordinated loans over the longer term. Loans are always provided to businesses and never to natural persons. CultuurInvest does not require any personal surety from the entrepreneurs, in which respect this instrument differs clearly from a bank loan.

In addition to loans, CultuurInvest is also able to invest in businesses' capital. This can be done solely by means of capital injections. Both funding instruments aim to give more breathing space to cultural entrepreneurs.

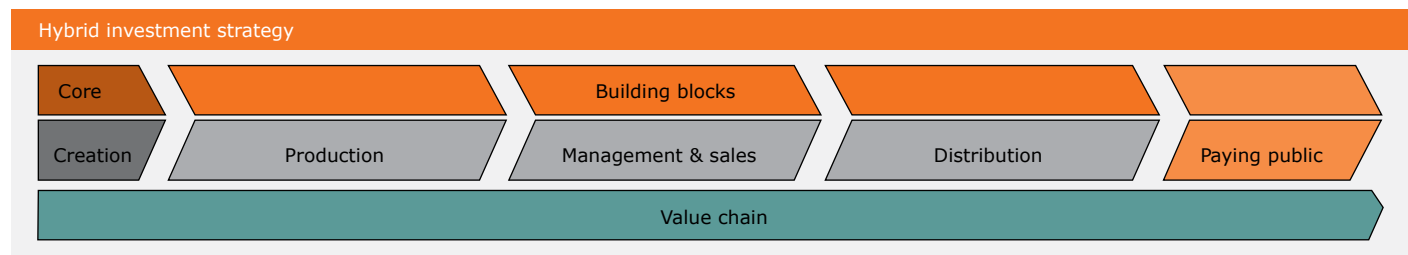
CultuurInvest's integral strategy for selecting projects and target businesses is twofold. First and foremost, CultuurInvest wishes to invest in businesses involved in the creation of artistic products.

In addition, CultuurInvest also wishes to invest in the building blocks for cultural life. This means all of the companies and services that support artists and artistic projects. Included in that regard are businesses able to assist artists in a legal or commercial context, businesses able to facilitate distribution of the artistic product or instruments aiding communications.

The purpose of financing these "building blocks" is to bring the artistic product to a paying public as well and as professionally as possible.

CultuurInvest's financial impact in the market entails both the resources that CultuurInvest itself invests and the resources that other parties make available in collaboration with CultuurInvest. In 2007, CultuurInvest invested € 2.266 million. By the end of March 2008, the total investment sum had already climbed to € 3.7 million. In addition, banks, other investors and the entrepreneurs themselves also contributed a further € 3.6 million. As a result of this, the total impact on the market amounts to € 7.3 million. There were nineteen of these investment projects by the end of 2007. By the end of March 2008, that figure had become some twenty-eight.

CultuurInvest does not have its own legal personality but is managed within PMV as a separate investment fund. PMV has to date set aside € 21.5 million for CultuurInvest. Half of that amount was financed using PMV's own resources, the remainder being provided by seven strategic private partners. To that end, a debenture loan was issued with bullet repayment for ten years. The initial investment pattern is at € 3.5 million a year. Following a positive assessment at the end of 2008, the intention is for the fund to grow towards € 30 million.



CultuurInvest invests in Megadisc

Megadisc nv is an independent signing company from Ghent. This is a type of incubator that recruits musicians at an early stage in their careers, afterwards providing assistance in their progress to the market. CultuurInvest co-invests in the company's capital. Megadisc's jewel in the crown is its long-term contract with Ghent's resident Puerto Rican Gabriel Rios. Consequently, CultuurInvest's investment resources serve principally to finance this artist's global promotion and breakthrough, as well as to develop new musical talent.

"CultuurInvest is Megadisc's ideal partner for funding the future expansion of the company and for achieving its international ambitions. CultuurInvest is a particularly important reference shareholder for Megadisc, having been set under the safe wings of ParticipatieMaatschappij Vlaanderen (PMV) nv, an institution with a very solid reputation. Therefore, CultuurInvest's investment in Megadisc's capital is not only a highly prized symbol of recognition for Megadisc's cultural and commercial achievements, but is also an undeniable assessment of the intrinsic worth of the company by a high-quality team of financial and legal experts."

(Ric Urmel, Megadisc nv)

Latin on the Rocks, a concert with Gabriel Rios in Flagey on 2 October 2007



CultuurInvest invests in Office Baroque

Office Baroque bvba is a promotional gallery for contemporary art in Antwerp. The entrepreneurs have years of experience in the international art scene.

The gallery has an international focus and network and, in addition to its sales function, will also be operating integrated strategies with artists from the top ten segment of the global league table of artists, referred to as the gallery's back-office operation (from cradle to fair). One year on and the business already has specific plans for expansion. CultuurInvest extended a subordinated loan to the bvba (private company with limited liability) for the launch of the gallery.

"Office Baroque required a modest amount of launch capital to enable it to turn a profit in the shortest possible space of time with its initial programme of small-scale exhibitions. Ten months after our start-up and we're still on the up, following an ever-steeper curve. We've just signed a contract for a new space that heralds a significant expansion of our activities. The first exhibition season is upon us. In 2009, we're also planning to take part in three new fairs in Basel, Turin and Miami. In addition to Belgium, Office Baroque has clients worldwide in Denmark, Greece, the United States, Puerto Rico, Italy, Germany and the Netherlands.

CultuurInvest's great advantage is being able to make an accurate assessment of the cultural sphere and the professionalism within it. Banks too often still view the art world and loans as making uncomfortable bedfellows. That distrust can be deadly, particularly when starting up business. In the beginning, cash was the only means by which we could actually put our plans and ideas into action: a minor basic investment had to be made to enable us to achieve personal revenue in the short term. We've done well on that score to the extent that, right now, we rank CultuurInvest's flexibility as an even greater quality than the initial confidence that existed right from the start. Following the first financial injection, we've got our gallery firmly on track. Our requirements are changing; thus we now have greater need of a funding channel that takes longer-term objectives and investments into account."

(Wim Peeters, Office Baroque bvba)



CultuurInvest invests in Music Hall

Music Hall Promotions nv produces the musicals for Music Hall Group. CultuurInvest pre-financing three musicals: Cyrano de Bergerac, Suske & Wiske: De Circusbaron and Peter Pan. Repayment of the loan for Cyrano de Bergerac is based on returns from ticket sales. Regarding the two other musicals, CultuurInvest is acting in a facilitating role through a bridging loan with repayment guarantees. The total investment means leverage for the Music Hall nv production budget. Furthermore, the company allocates these resources to make musicals more profitable by expanding the market in the direction of the Netherlands.

"Without CultuurInvest, Cyrano de Bergerac wouldn't have got off the ground. Support for the export of our shows to the Netherlands also deserves a mention. I feel that CultuurInvest looked into our affairs in an extremely well-balanced manner, taking a realistic approach, having plenty of factual knowledge and with risk limitation in mind while, at the same time, showing a sufficient acceptance of risk. The perfect balance!"

(Dries Herpoelaert, Music Hall nv)



Flanders International Fund

PMV  kmo

Flanders International Fund (Fonds Vlaanderen-Internationaal (FVI)) helps Flemish SMEs to advance beyond international frontiers. Since 26 October 2006 it has been an active part of PMV-kmo. In 2007, the fund took its first steps across the national border, and five investment projects were approved to a total sum of € 2,150,000. This involves projects in Bulgaria, China, Hungary, Russia and the United States.

Risk-bearing participation in Flemish SMEs' foreign investment projects contributes to the growth of those businesses. After all, traditional exports no longer suffice in safeguarding their continuation. Exports have to go hand-in-hand with other types of international business, including foreign investment. The fact is that globalisation means companies more than ever having to develop elsewhere in order to face up to the competition. Foreign investment projects can strengthen the competitive position of Flemish businesses by opening up new markets, by serving their customers on more of a global scale or by optimising and diversifying their production units.

Studies reveal that the private sector market fails to offer sufficient finance to SMEs wanting to invest internationally.* Flanders International Fund reduces the harmful financial consequences of that market failure.

Investment by Flanders International Fund occurs in principle at the level of the foreign entity and may consist of a participating interest or what is referred to as a participating loan. The latter is a loan under which the interest due depends in part on the project's results. Flanders International Fund always invests jointly with the Flemish parent company. The fund has also concluded a structural cooperative agreement with the Belgian Corporation for International Investment (BMI). In 2007, the BMI contributed to three of the five projects that were approved.

Flanders International Fund does not have its own legal personality, but is managed within PMV-kmo as a separate investment fund. The Flemish government has committed € 25 million to the Flanders International Fund. By means of capital increases, it has already contributed € 15 million of this to PMV.

* Vlerick Leuven Gent Management School

Septentrio gets off to a flying start in California



Septentrio nv was founded in Leuven in 2000. The company is a spin-off of IMEC, Europe's leading, independent laboratory researching and developing micro-electronics. It markets satellite navigation that IMEC has developed for the European Space Agency (ESA).

The company is involved in the field of global navigation satellite systems (GNSS) and makes receivers for professional navigation, positioning and timing applications. It supplies core modules for the manufacturers of end-products who use high-precision positioning and timing techniques, such as the manufacturers of land surveying equipment.

"This investment project is important to the economy in our region, because the market for Septentrio products is expanding in the United States. The California office is set to increase the export of products produced in Flanders and strengthen the position of the Flemish parent company on the world stage."

(Peter Grogard, Septentrio nv)

To date, Septentrio's turnover has been largely achieved in Europe, but the USA has also been beckoning. After all, the United States is the most important market for professional satellite navigation. A business serious about growth has to have a presence there. Therefore, Septentrio took the decision in 2007 to set up its subsidiary Septentrio Inc. in California. The specific reason for that decision was a cooperative agreement with Altus Positioning Systems Inc., a supplier of land surveying instruments: the most developed professional GNSS market. Altus ensures there are significant potential basic volumes for Septentrio's products in the United States. Nevertheless, Septentrio Inc. also wishes to develop turnover in other market segments.

The manufacture of receiver cards will remain in Europe. Thus the total investment for the start-up of Septentrio Inc. consisted of equipment and operating capital. Septentrio nv is contributing half of the capital required for investment in its American subsidiary. The other half is being supplied by Flanders International Fund and the Belgian Corporation for International Investment (BMI). This is being done partly through a subordinated loan and partly through a participating interest.

Vanreusel Snacks starting up a second production unit in Hungary



with demand and open up new markets.

That is the reason for the foundation of the subsidiary Flema Snacks Kft in Mórahalom in southeastern Hungary. Land was purchased there for a new factory planned chiefly to produce kebab products. That production is intended for pre-existing and new, local markets.

"The factory in Mórahalom will have a positive effect on employment in Flanders. After all, planned international growth will make additional employment possible in Hamont, partly due to the cross-selling of a number of products."

(Paul-Emmanuel Vanreusel, Vanreusel Snacks nv)

Therefore, Flanders International Fund and the Belgian Corporation for International Investment (BMI) decided to co-support this project through a competitive subordinated loan to the Hungarian subsidiary. Since the company has by this means been able to build up a strong quasi-equity, this removed the barriers to local banks for additional loans. These loans provide Flema Snacks Kft with sufficient breathing space for a healthy start-up in Hungary and thus contribute to the future European development of Vanreusel Snacks nv.

Vanreusel Snacks nv is a Flemish family company that has been producing a wide range of meat products since 1953. In recent years, the company has produced an increasing amount of deep-frozen meat-product snacks (hamburgers, mince-meat hot dogs, saveloys, kebab, etc.). Annually, Vanreusel sells approximately two hundred million units of these items, principally to wholesalers and chip shops. The company is the market leader in Belgium and ranks third in the Netherlands.

Vanreusel is based in Hamont (Limburg) and employs 140 people in production premises measuring 10,000 m². However, production capacity came under pressure despite additional investment to the sum of € 11 million between 2004 and 2006. The new European member states in Central and Eastern Europe – with their strong meat-eating culture – provided interesting market perspectives for Vanreusel. Therefore, the company's wish since 2005 has been to start up a second production unit in order to meet

NRC Fund

PMV  kmo

The NRC Fund provides long-term funding for innovative projects on the part of hi-tech companies under conditions in line with the market. In 2007, it was decided to finance three projects for a total sum of € 8,018,526. One of these, Barco nv, has already received the resources promised. The other two are in the final negotiating phase.

These innovative projects are necessary to the development of products for which there is either a specific demand or for which it is reasonably certain that customers will be found. In the short term, they entail high investment costs that can be recompensed on in the long term depending on product sales. The NRC Fund helps businesses to finance these types of project. "NRC" stands for "non-recurring costs": the non-recurring high costs that the funds finances.

Vinnof

PMV  kmo

The Flemish Innovation Fund (Vinnof) commenced its investment activities in the spring of 2006. The fund was founded on 5 July 2005 as a partnership limited by shares (Comm.VA). ParticipatieMaatschappij Vlaanderen is one share short of whole ownership of the company and is the statutory business manager. Vinnof's authorised capital amounts to € 75 million. This is in line with the sum that PMV has reserved for the funding of innovative businesses in Flanders. The company's registered capital currently amounts to € 20 million.

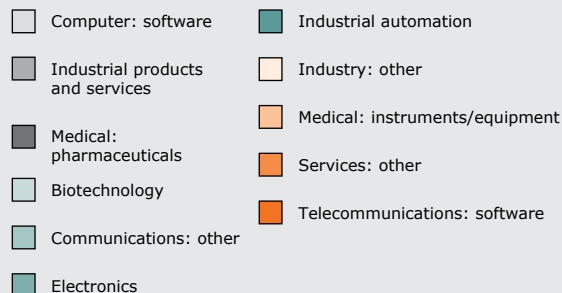
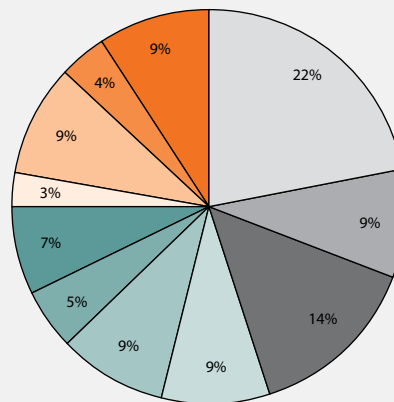
At the end of 2007, Vinnof had already made venture capital available to 86 innovative businesses for a total sum of € 14,134,000. Vinnof is offering three financing products: seed capital, incubation financing and project financing.

Seed capital is the main product. Vinnof uses this for risk-bearing investments in the start-up and initial growth of a business. This usually occurs in the shape of a participating interest in its capital, but

convertible subordinated loans or loans with warrants are also possible types of investment.

Seed capital investments account for 40% of Vinnof's total amount invested and 21% of the number of approved files. With an average investment sum of € 320,000 for each business, they constitute the most important group of portfolio companies. The principal sectors in which Vinnof invested using seed capital are the software industry, the industrial goods and services sector and the pharmaceuticals industry.

Seed capital: amount according to sector



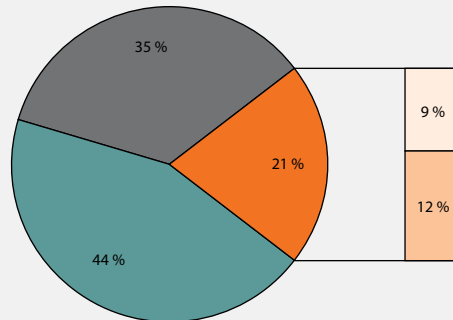
The added value of Vinnof seed capital

Vinnof's active follow-up policy allows Flemish starters to fulfil their ambitions within a reasonable period of time through the introduction of new applications and products that have a clear and lasting competitive edge. Further to this, Vinnof not only provides much-needed financial elbowroom but also provides professional guidance throughout a business's various phases of growth. For example, Vinnof assists in finding a balanced shareholder structure and a balanced composition for the board of management, in bringing about a product strategy, in drawing up a realistic financial plan, in protecting technology and products and in adjusting the business models.

Product	Investment sum granted as of 31-12-2007 (expressed in thousands of euros)	Number
Seed capital	5,879	18
Incubation financing	1,701	30
Project financing	6,554	38
Total	14,134	86

Breakdown of Vinnof portfolio according to number of financing deals

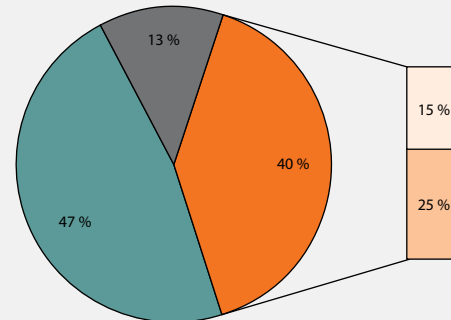
Overview per product expressed in number of financing deals



- Incubation financing
- Project financing
- Seed capital through partner fund
- Direct seed capital

Breakdown of Vinnof portfolio according to amount

Overview per product expressed in amounts



- Incubation financing
- Project financing
- Seed capital through partner fund
- Direct seed capital

Vinnof also provides incubation financing. This provides (pre-)starters with the opportunity to consider whether and how they can achieve an innovative idea and convert it into an economic activity. This is done in the form of a subordinated loan. It can be allocated to businesses in receipt of a grant for an SME innovation study from the Institute for the Promotion of Innovation through Science and Technology in Flanders (IWT).

Finally, Vinnof also provides project financing. Its intention is to finance SMEs' innovation projects as a supplement to an IWT subsidy, awarded within the context of an SME innovation project or a business project for research and development. At Vinnof, project financing is also done in the form of a subordinated loan.

Incubation and project financing make up the greater part of Vinnof's investment portfolio both in terms of numbers as well as in terms of the sum involved. Since incubation financing is used solely for innovation studies, this involves minor amounts in each case: approximately € 56,000. By contrast, project financing serves for the actual implementation of an innovation project following completion of the study phase. Therefore, the average amount per case is significantly higher at € 172,000.

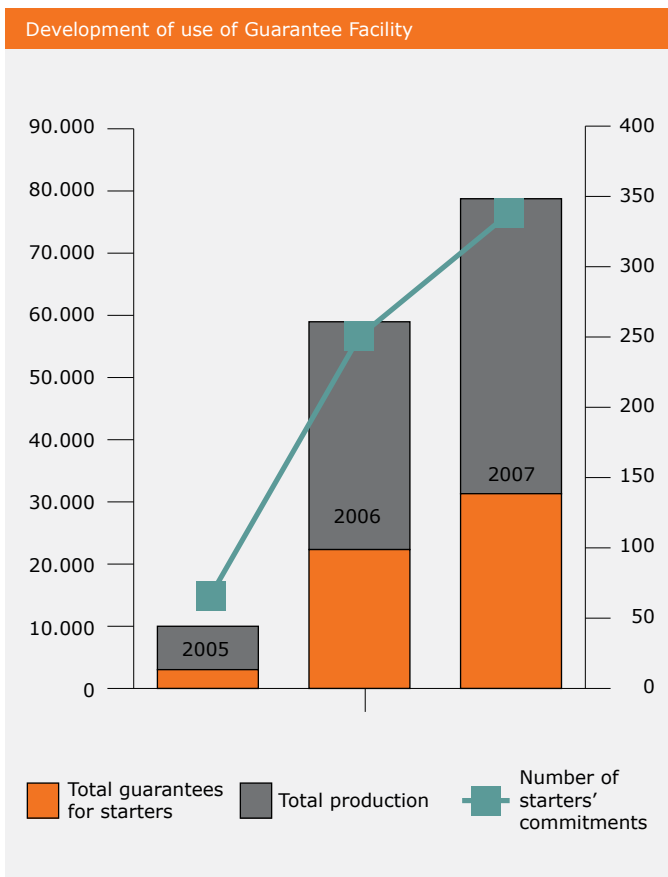
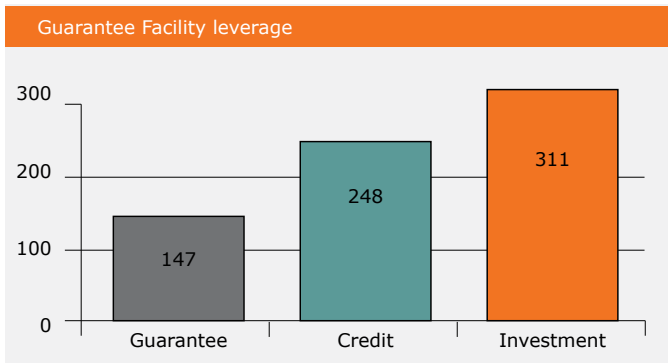
Guarantee Facility

PMV  kmo

The Guarantee Facility ("Waarborgregeling") offers greater security to the bank or credit provider if a business is seeking credit for investment but is unable to present adequate guarantees.

At the end of 2007, some 1,717 businesses were already enjoying the Guarantee Facility to a total sum of € 147,441,908. Thanks to this guarantee, they were able to obtain bank credit to a total of € 248,174,783. There is no doubt that without that guarantee they would have never succeeded in securing that credit. For many of these managers, it would have otherwise been practically impossible to start up their business or to make further growth.

In turn, the credit extended thanks to the Guarantee Facility made investments possible close to € 311 million. This means that for each euro guaranteed, more than two euros of investment were achieved.



This points to the considerable leverage effected by the Guarantee Facility.

Over half of the guarantees were issued in 2007. This was the second full calendar year in which SMEs were able to rely on the new Guarantee Facility, which was introduced in July 2005. This means that use of the Guarantee Facility increased last year by 32%.

Waarborgbeheer nv, a wholly owned subsidiary of PMV, is concerned with management of the Guarantee Facility. In 2007, the company received 691 SME files. Small traders and hotel and restaurant businesses each accounted for a fifth of the applications. The transport sector accounted for 14%. Management and consultancy agencies represented 12% of the files. Industry, the construction industry and wholesalers each accounted for 10%.

As many as half of the application files came from starters, accounting for 40% of the total guarantee sum used. This represents an increase in numbers by roughly a third. In financial terms the share of starters

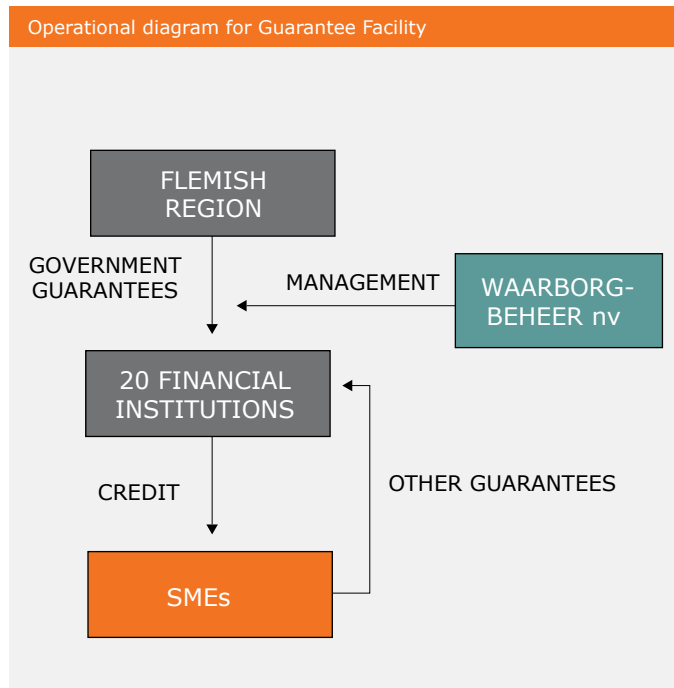
was in line with the percentage for 2006. This indicates that increasing numbers of starters are reaching for the Guarantee Facility as a resource to help them obtain an initial loan, even for minor amounts of money.

With twenty participating financial institutions, virtually all of the SMEs in Flanders are able to approach their personal bankers if they wish to rely on the Guarantee Facility. The banks can decide for themselves whether credit qualifies for a guarantee through PMV. The conditions that have to be fulfilled are laid down in a framework agreement between Waarborgbeheer nv and each of the participating banks. If a credit application meets the conditions, the bank has only to report the case. In other words, it is no longer necessary to wait for approval of the case by Waarborgbeheer nv.

In 2007, Waarborgbeheer nv received € 2,527,764 in premiums. The guarantee was called for in 25 cases. In response to this, € 1,139,145 was paid out in provisions. It is anticipated that the number of demands and the provisions paid will increase the longer that the facility remains in effect.

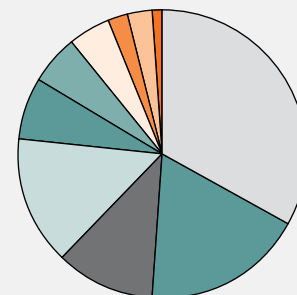
In 2007, it was no longer possible to request new guarantees within the context of the former Guarantee Facility. However, a further € 2,838,140 was paid out in provisions in 286 cases that had been previously guaranteed. Moreover, Waarborgbeheer nv recuperated € 3,375,414 from 3,130 files for which a provision had been paid out previously.

Since the arrival of ARKImedes, no new guarantees are possible any longer within the context of the Guarantee Facility for Venture Capital. However, € 464,512 was paid out in provisions in two files in 2007. There were no recuperations in files for which payments had already occurred previously. At the end of 2007, the real commitments within the context of the Guarantee Facility for Venture Capital then amounted to € 2,514,201.

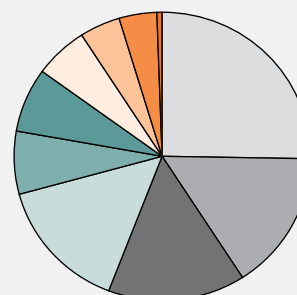


Guarantee Scheme – Participating financial institutions
Antwerps Beroepskrediet
Bank J. Van Breda & Co
BKCP-Noord
Brabants Beroepskrediet
Delta Lloyd
Dexia Bank
Ethias Bank
Federale Kas voor het Beroepskrediet
Fortis Bank
Hefboom
ING Belgium
KBC Bank
Lanbokas
Maatschappij voor Onderlinge Borgstelling voor Kredieten aan de Middenstand te Zele
Netwerk Rentevrij
Onderling Beroepskrediet
Onderlinge Borgstelling voor Zelfstandigen
Société de Caution Mutuelle des Entreprises
Triodos Bank
West-Vlaamse Bank

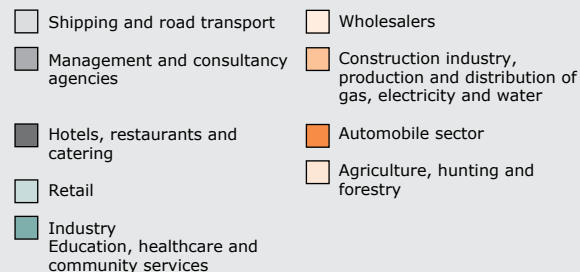
Operational diagram for Guarantee Facility



Sector-based distribution in terms of guarantee sum



Sector-based distribution in terms of commitments



Win-win Loan

PMV  kmo

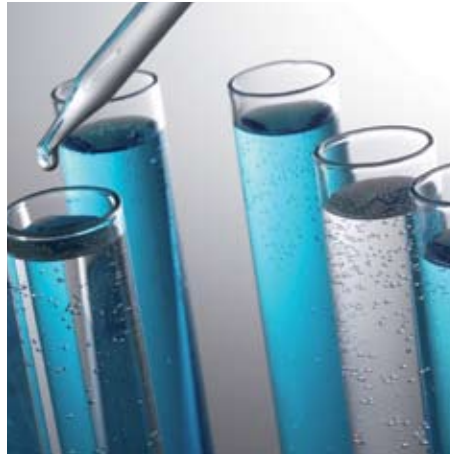
By the end of 2007, 458 businesses in Flanders had already taken out a Win-win Loan to a total sum of € 11,995,803. Since the Win-win Loan was included in PMV-kmo's range of products only on 1 September 2006, this amounts to almost two winners a day!

And everybody is a winner with it: anyone extending a Win-win Loan to a starting business, whether a friend, acquaintance or relative, receives an annual tax discount of 2.5% of the amount loaned. This makes it easier for young entrepreneurs to obtain starting capital in their immediate environment.

The Win-win Loan is a subordinated loan up to a maximum of € 50,000. It must run for eight years, and the amount must be repaid in one lump sum. If the company cannot ultimately repay the subordinated loan, the investor recovers 30% of the sum not repaid through a non-recurring tax rebate.

The procedure for taking out a Win-win Loan is very straightforward. The lender and borrower sign the agreement found on the website www.winwinlening.be. They submit one signed copy of that model form to PMV, which verifies whether all of the conditions have been met.

If so, PMV registers the Win-win Loan and notifies the lender about this in writing. To obtain the annual tax rebate of 2.5%, the lender must attach that letter to his personal tax return.



sciences, entail research into and the production of diagnostics, vaccines and therapeutics. The green life sciences, agrifood, use biotechnology in research and production in agriculture, the livestock industry and the food and luxury foods industry. Finally, the white life sciences are home to research into and the production of business-to-business products used in a variety of industrial sectors. The life sciences sector is one of the Flemish economy's trump cards.

That is why PMV has invested € 10 million of its own resources in Vesalius Biocapital sa SICAR. This is a venture capital fund for investments in the life sciences which was founded on 5 October 2007.

PMV also invested € 5 million of its own resources in Aescap Venture, a venture capital provider that invests in European companies involved in diagnosing or combating human diseases. A further € 5 million was contributed through Vesalius Biocapital ARKIV.

In 2007, PMV also decided to set up inVita, a wholly owned subsidiary of ParticipatieMaatschappij Vlaanderen. This subsidiary will be capitalised in stages. It is involved in investments in life sciences, and it is PMV's intention to place all of its investments in the life sciences under inVita over the long term.

Life sciences

PMV  kmo

The life sciences involve a dynamic field of science and technology that conducts research into and develops techniques for analysing types of biological life and using these for (new) products and production processes in all manner of applications (OESO, 2007). Conventionally, this is classified into three areas. Pharmaceuticals and health, the red life

PMV pps

On 21 March 2007, the PMV-pps business unit organised a symposium on public-private partnership in De Montil in Affligem. At this gathering, national and international experts discussed their constructive quest for what unites the government and the private sector in public-private partnership. The results from this were published under the title "It Takes Two to Tango".*

It is the case that PMV has been assigned to realise private-public partnership initiatives in all of the Flemish government's areas of authority.

It does this as a *centre of excellence* and co-investor in projects. As a *centre of excellence*, it performs preparatory work for projects – usually together with a public initiator. It conducts negotiations with private market players and gives concrete shape to partnerships with public parties. As a co-investor, it adopts a structural approach in order to utilise part of the huge investment potential of public-private partnership initiatives to its shareholder's benefit.

PMV also closely monitors international developments in terms of public-private partnerships. However, it never slavishly copies examples from abroad. Instead, it takes the specific context in Flanders into account for each project. PMV also focuses particular attention on the familiarity and standardisation of the market approach and the implementation of good practice.

The PMV-pps business unit now has seven specialists involved in public-private partnership and project financing. They prepare a number of major PPP initiatives, such as the catch-up manoeuvres in schools construction, sports infrastructure and

Via-Invest. Moreover, the first PPP project – Via-Zaventem – has been in progress since October 2007.

In March 2008, the British professional journal Project Finance Magazine voted the Via-Zaventem public-private partnership project "European Transport PPP Deal of the Year 2007". The award took place at the prestigious location of "The Brewery" in London. This gave international recognition to the public-private partnership projects of ParticipatieMaatschappij Vlaanderen (PMV) nv.



Code for good practice

PMV  pps

To a great extent, the way in which PPP projects are brought about determines the final result. PMV is convinced that good PPP practice is a precondition to the creation of added value for all of the parties involved.

On 17 January 2007, the first version of the PMV code for good practice was presented to the Vlaams Bouwoverlegcomité (VBOC; Flemish Construction Consultation Committee). It faces the concerns of the construction sector concerning public-private partnership. It also expresses recommendations on which consensus has been reached between the construction sector and government.

However, the code is not a finishing point. After all, PPP initiatives that are still in the pipeline provide a pretext for new points of view. Consequently, PMV will be regularly adjusting and publishing its code through www.pmv.eu/pmv/view/nl/PPS/Publicaties/Brochures. To that end, PMV is in continual consultation with public and private players, thus keeping its finger on the pulse for the on-going improvement of PPP projects in Flanders.

* www.pmv.eu/pmv/view/nl/PPS/Publicaties/Brochures

Antwerp Airport

PMV  pps

The International Civil Aviation Organisation (ICAO) is a specialist United Nations organisation that establishes principles and standards for international civil aviation. New ICAO regulations on safety zones oblige Antwerp Airport to construct safety zones in the continuation of take-off and landing runways. Since the Krijgsbaan constitutes an obstacle to this, it will have to be tunnelled.

To enable this, PMV has developed a PPP plan together with public and private sector players in the region in which the necessary infrastructural works are linked to the airport's profitability. Further to this, part of the airport would be developed as a business park.

The Flemish government approved the plan in June 2003. In August of the same year, a negotiations procedure was initiated in order to choose a private partner. At the end of 2004, this resulted in the selection of a consortium with which future negotiations were exclusively to be made. That procedure was suspended at the beginning of 2005, because an environmental effects report had to provide a definitive answer beforehand concerning possible alternatives to tunnelling. The Flemish government approved the environmental effects report in May 2007 and decided on a definitive groundplan on that basis. Negotiations with the elected consortium were resumed shortly afterwards. At the end of 2007, this resulted in an updated business plan that took the changed circumstances into account. The complex mobility and environmental effects of that plan are still being evaluated in more detail.

Nautinvest

PMV  pps

The holding and investment company Nautinvest Vlaanderen nv was brought into being on 3 May 2005. It is a subsidiary of PMV with registered capital of € 500,000.

Nautinvest makes shipping-related investments, including those through public-private partnerships. In consultation with Maritieme Dienstverlening en Kust (MDK; Maritime Services and Coast), Nautinvest prepares a number of investment and joint-venture projects to safeguard

and improve the competitive position of our ports and the Flemish maritime sector. Nautinvest's market-oriented approach in the financing, structuring and management of MDK's assets is an innovative move in Flanders.

In 2007, Nautinvest concentrated on renovating the Flemish pilotage fleet. This project fits in with a cooperative agreement with the Dutch Scheldt pilotage service to develop a joint fleet and thus serve the Scheldt estuary and Flemish coast more efficiently. The preference is for a financing format that keeps the investment off the government balance sheet.

When Nautinvest established that a DBFM format (Design, Build, Finance, Maintain) would not result in a good cost-value ratio, it initiated a new procedure that was based on the concept better known in the maritime sector as the "bareboat charter". That term refers to the chartering of a ship without any further assistance during the charter period. The owner simply hands the ship over. On expiry, the charterer hands it back again and is personally responsible for the ship and the crew. He also decides his own sailing schedule. The definitive award is anticipated to come in the summer of 2008.

Nautinvest also organised a market consultation to gauge interest from the public and private sector for setting up a PPP structure for the protected training ship Mercator. The results were announced to the Flemish government in January 2007.

Schools Infrastructure

PMV  pps

Flanders is faced with a lack of high-quality infrastructure for schools. Moreover, energy bills for its ageing buildings are excessively high. The standard investment budget for school buildings of € 150 million a year is insufficient to eliminate the present arrears. Therefore, the Flemish government decided on 11 October 2005 to organise a root and branch catch-up strategy through alternative financing. Its investment volume amounts to over € 1 billion.

The new projects will be designed, built, financed and maintained (DBFM) by a company that has yet to be selected. It will provide

long-term availability of these buildings to the organising authorities (in Dutch: inrichtende machten) who will pay a performance-related availability fee for this throughout the duration of the contracts. These authorities will receive government intervention for this from the Vlaams Agentschap voor Infrastructuur in Onderwijs (AGION; Flemish Agency for Infrastructure in Education).

PMV will take a 50% interest in the subsidiary to be set up by AGION. In its turn, that company will take a 25% interest in the capital of the DBFM company. In January 2007, negotiation procedures commenced for the selection of a private financier.

Sports Infrastructure

PMV  pps

The Flemish Government approved a sports infrastructure plan on 30 June 2006 owing to the fact that adequate, high-quality sports infrastructure is a sticking point for the many hundreds of thousands of sports enthusiasts in Flanders. The intention of that plan is to reduce existing arrears by over 35% within a few years.

For that reason, PMV, together with the department Cultuur, Jeugd, Sport & Media (CJSM; Culture, Youth, Sport and Media) drew up an implementation plan. The Flemish government approved this in July 2007. The project provides for the setting up of a "sports facilitator". This is a joint venture between ParticipatieMaatschappij Vlaanderen, the Sports office, the CJSM department and the PPP centre of expertise. The sports facilitator also works in close partnership with the Agency for the Advancement of Physical Development, Sport and Outdoor Recreation (Bloso). The intention is for this partnership to prepare, manage and follow up the various projects. It will also act on behalf of the Flemish Community as the authorised representative of all of the local authorities concerned in order to give concrete shape to this partnership with private partners.

The total investment in new sports infrastructure amounts to no less than € 225 million. That money will be used first and foremost to lay artificial grass pitches and to build sports centres, swimming pools and multifunctional sports-infrastructure projects.

One hundred and seventy projects have now already been identified. A selection and advisory committee will select some one hundred and twenty projects from these. Invitations to tender for this will be made in a grouped fashion according to the component field.

Via-Invest

PMV  pps

Via-Invest nv was founded on 12 October 2006. The company is a joint venture between the Flemish Region (49%) and PMV (51%). Its objective is to realise, through public-private partnerships, a catch-up manoeuvre in the field of public works by means of the accelerated incorporation of a number of important missing links in the chain that makes up the Flemish road network.

The following projects are at the top of Via-Invest's agenda:

- the northern access road from Zaventem airport;
- the Kempen north-south connection;
- remodelling the AX harbour ring-road South to Zeebrugge (Westkapelle – N49 junction, Blauwe Toren);
- completion of the southern branch of the R4 in Merelbeke;
- the Helchteren/Houthalen north-south connection;
- the N60 ring-road in Renaix.

Via-Invest's aim is for an optimum cost-value ratio for each of these initiatives. The preparatory phase and costs will also be reduced on both the private and public side. Moreover, Via-Invest guarantees optimum competition within the Flemish construction sector, encouraging both this and innovation. Via-Invest has also developed a number of standards for the sector for the purpose of the on-going improvement of PPP projects for public works.

Via-Invest is bringing these projects to market along established lines. This is important, because the best PPP projects are brought about in a properly developed PPP market. This can be done only once the business community has a perspective on a sufficiently large number of projects based on recognisable principles.

Therefore, PMV has developed standards to serve as the foundation for all future projects. They constitute the basis of good PPP practice. After

all, by always applying the same tried and tested principles, there is less need for experimentation and transaction costs are reduced.

The majority of PPP projects have an estimated building cost of € 40 to € 100 million. Because of that scope, placing the design, building, financing and maintenance (DBFM) in the market in an integrated manner is not seen as ideal. Attracting the financing separately allows bid costs to be reduced and gives competition a free hand. This applies as much to the component concerned with the execution of the work (DBM) as it does to the financing component (F).

Via-Invest's first project, the northern access road from Zaventem is now being undertaken by the project company Via-Zaventem. It was founded on 11 October 2007. The plan has been integrated within the Diabolo railways project, although both are being financed separately using private resources. Via-Zaventem and Diabolo are in fact two independent projects that are being realised at the same time and in the same area. It was the environmental effects report which noted that a joint execution would significantly limit the nuisance to both people and the surroundings. Furthermore, this approach is also cost-effective because of the way it optimises execution of the projects.

The total financing requirement for the northern access road from Zaventem amounts to approximately € 60 million for a total duration of 34 years. Via-Invest awarded its financing to Fortis on 28 September 2007. This major bank is extending a long-term loan and is taking on 51% of Via-Zaventem's equity. The remaining 49% is in Via-Invest's own

hands. The work is being carried out by a combination of contractors consisting of CFE, CEI, Wayss & Freytag and Vinci & Smet Tunneling.

Although the initiators, Infrabel and the Flemish Region, wanted to have the project financed privately, the premise taken by each of them was different. Infrabel required a financing structure in which the demand risk – the number of passengers making effective use of the Diabolo route – would be transferred to the private investors. The Flemish government, on the other hand, placed its emphasis on the availability of the infrastructure above the number of cars that would use it. From the point of view of investment, this meant that the two projects had completely different risk profiles. Consequently, separate financing structures were set up for the two projects.

VRT transmitter site

PMV  pps

In Flanders, the transmission over the air of analogue television is to be consigned definitively to the past at the end of 2008. Digitally transmitted television is the alternative. Its advantages are legion. For example, it allows for better sound and picture quality. Moreover, the narrow frequency spectrum can be much more efficiently managed, and a greater range of television channels and broadcasting stations will become possible. Digital television also allows for all manner of new applications, such as mobile television.

To that end, the Flemish government decided on 27 October 2006 to privatise the transmitter site of the VRT (Flemish Public Broadcasting Company). As an initial phase, PMV investigated its feasibility and drafted a business plan. The VRT is now in the midst of preparations for digital changeover and for privatisation and is seeking an interested industrial partner in that regard. Already shortlisted are Belgacom, France's TDF, Telenet and Mobistar. The choice will come in the summer of 2008.

In a subsequent phase, the VRT will withdraw from the transmitter site. PMV will then take a strategic minority interest of 25% plus one share in the privatised company.

The British professional journal Project Finance Magazine voted Via-Zaventem "European Transport PPP Deal of the Year 2007."

"The Diabolo rail project and the Via-Zaventem road project... set an unusual PPP template: a single construction tender for both projects and two separate tenders for investors in each project... The deals also featured a novel fusion of debt and equity roles with the awarding Fortis and HSH Nordbank acting as both investor and lead arranger on Zaventem and Diabolo respectively. ...The rationale for the two-in-one template is that the rail project has significant interface with the road scheme and procurement on one construction contract would create significant cost savings. ... though the two projects share similar features, the Diabolo rail project has some traffic risk, whereas repayment on Via-Zaventem is based purely on availability."

Source: "Diabolo and Via-Zaventem: Twin template", in ProjectFinance Magazine, March 2008, no. 288, p. 56 - www.projectfinancemagazine.com

From left to right: Franky De Wispelaere (Fortis), Werner Decrem (PMV-pps), Benoit Samyn (NautaDutilh), Benoit Theys (Fortis), Geert Schoukens (PMV-pps), Ann Blaton (NautaDutilh), Dirk Baai (RebelGroup) and Yves Brosens (DLA Piper) during the awards ceremony at the Project Finance Awards in London.



PMV vastgoed

The PMV-vastgoed business unit acts as an investor, director or project manager of yield-focused property operations with manageable project risks. It works in close alliance with co-investors and partners according to the "in it together" principle. This is how PMV finances the property policy for the Flemish government. Moreover, it ensures that private partners in property projects are able to concentrate on their core activities as entrepreneurs or service providers.

In 2007, the PMV-vastgoed business unit brought structure and focus to the many projects pertaining to one of the thirteen policy areas of the Flemish government. PMV summarised these within six categories: brownfield development, economy and entrepreneurship, heritage and culture, urban and regional development, property for Flanders and the welfare and housing sector.

Brownfield development

PMV vastgoed

Brownfield sites are neglected, contaminated or underused plots of land that have been affected to such an extent that their re-use is possible only through the adoption of structural measures. In contrast to green field sites – plots of land wholly ready for development – brownfield sites firstly require drastic intervention, such as decontamination or the demolition of disused buildings.

The brownfields agreement decree of 30 March 2007 expressly assigned the role of investor to ParticipatieMaatschappij Vlaanderen (PMV) nv. Parties submitting an application to the Flemish Agency for Entrepreneurs (Vlaao) for such an agreement can present their project to PMV as an investment proposal. However, PMV has an autonomous decision on any participation in such projects. If it considers it to be expedient, it can also take up the reins itself.

The investment framework for PMV's brownfield activities focuses on projects with sufficient yield and with an importance that goes beyond the local. PMV can either supervise these cases from a very practical standpoint or assume the role of facilitating investor.

Novovil nv, for example, is the subsidiary of PMV in charge of developing the Watersite in Vilvoorde. The site is part of the heavily contaminated former industrial zone of Machelen-Vilvoorde, which is approximately two hundred hectares in size. In 2007, the company continued the restructuring activities in Vilvoorde. One of the sites purchased is being completely decontaminated and made ready for redevelopment. Novovil also acquired land positions and concluded cooperation agreements for the "De Molens" project. This is a constituent project at the Vilvoorde Watersite which has now been recognised as an urban renewal project.

On 21 December 2007, together with its property holding PMV re Vinci nv, PMV founded the project company GO IPZ nv. This cryptic name stands for "Gebiedsontwikkeling Investeringszone Petroleum Zuid" (Regional Development of the Petroleum Zuid Investment Zone). This seriously contaminated industrial site is to the south of the city of Antwerp. The public partners of the Petroleum Zuid Investment Zone (IPZ), particularly the city of Antwerp, the Autonomous Municipal Port Authority of Antwerp, the public limited company Waterwegen & Zeekanaal, the Fund for Railways Infrastructure (FSI), AG Vespa and the Flemish government, are now investigating the redevelopment of this area together with PMV. The project company is now working on a coordinated soil survey and a spatial planning plan. The intention in 2008 is for this to result in a thorough business plan for the entire site that takes into account the concerns of all of the parties concerned relating to the cleaning up and redevelopment of Petroleum Zuid.

Economy and entrepreneurship

PMV vastgoed

Property is a significant component for the purpose of supporting entrepreneurship and the economy. Industrial parks, business centres, multi-tenanted complexes and redeveloped brownfield sites are important foundations for a flourishing business community. Therefore, PMV is also participating in property that is forming the cornerstone for future economic development in our region.

Together with the Institute for Broadband Technology (IBBT) and the



Petroleum Zuid Investment Zone



Kolonie Merksplas (farmstead)



iCubes



Kolonie Merksplas (chapel)

Provincial Development Company (POM) East Flanders, PMV re Vinci set up the public limited company IBBT Incubator on 9 March 2007. This is a specialist centre in Ghent for young growth companies involved in information and communications technology. October 2007 saw the celebratory re-christening of the project as iCUBES, which was immediately able to show an 87% occupancy rate.

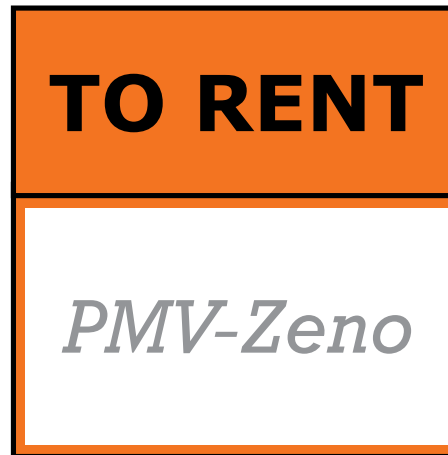
Heritage and culture

PMV  vastgoed

Historic and cultural Flemish properties require a specialist approach to investment. Atypical solutions are usually needed to bring these cases to a satisfactory conclusion. ParticipatieMaatschappij Vlaanderen has the expertise to achieve this in house and, in 2007, discussed a new investment framework with Flemish Vice-Minister-President Van Mechelen for listed buildings and heritage.

On 21 November 2007, PMV produced a preparatory feasibility study for the former Rijkswelddadigheidskolonie in Merksplas that constitutes the basis for future arrangements between all of the parties involved. Together with the municipality of Merksplas, PMV will now be seeking a redesignation for two constituent sites of approximately 40 hectares in size containing the former prison chapel and the large farmstead.

ParticipatieMaatschappij Vlaanderen is launching a trial project there for the modernised government funding of listed buildings and heritage sites. PMV is conducting financial and technical feasibility studies to provide structure for these projects in the preparatory phase. Subsequently, PMV will be able to play a steering role as an investor with a long-term vision together with public and private parties. This enables PMV to complement traditional channels of subsidisation for listed buildings and heritage sites.



Urban and regional development

PMV  vastgoed

There are still many sites in Flanders that can be developed or redeveloped. This often involves extensive and complex projects both within and outside of urban areas. ParticipatieMaatschappij Vlaanderen is acting as an investor, facilitator or PPP developer (PPP: public-private partnerships) for urban and regional developments important to our region.

Regional development surrounding the planned VAC and the station vicinity of Ghent St. Pieters entails approximately 70,000 m² of office space, approximately 30,000 m² of homes, recreational facilities with an area of approximately 10,000 m² and an underground car park for approximately 2,800 vehicles. PMV wishes to approach the site as a whole and thus achieve a coherent and sustainable project. This high-profile and high-quality urban development will have a major impact on the Ghent property market.

Property for
Flanders

PMV  vastgoed

The PMV-vastgoed business unit works in partnership with government, which activates, finances and (co-)manages the property of and for Flanders. This enables government to concentrate more on its core role as a public service provider. In each instance, PMV-vastgoed is responsible for a tailor-made solution and optimising both the financial and social added value of a project.

In June 2006, PMV was assigned with the creation of three Flemish Administrative Centres (VACs) in Bruges, Ghent and Leuven. Together with the Agentschap Facilitair Management and the Vlaamse Bouwmeester,

PMV sought out the best price-quality ratio for the Flemish government's housing. The positioning of these VACs no more than 750 metres from a train station has makes it easier for Flemish civil servants to concentrate around one, easily accessible location within each province.

PMV's approach is innovative from more than one point of view. For example, the total lifecycle cost is the most important financial parameter and no longer the rental per square metre. PMV also uses what is referred to as the "Bluebook". This is a new manual from the Flemish government that assigns an objective evaluation figure to a building's sustainability. These two innovations have led jointly to a more objective price-quality ratio for the Flemish government's future housing.

Welfare and housing sector

PMV  vastgoed

To organise a catch-up manoeuvre in the welfare sector and social housing through alternative financing, ParticipatieMaatsschappij Vlaanderen is working on the launch of adjusted investment products. In particular, this involves the foundation of specialist investment companies. These tools connect seamlessly with PMV's financial interests and social ambitions.

For example, in 2007, PMV was working on "Zeno": an initiative to encourage the private rentals market in Flanders. The business plan provides for a number of innovative strategies that will be tested out in the market first. In a subsequent phase, research will be carried out into the way in which PMV can also achieve a catch-up manoeuvre in social housing.









PORTFOLIO

(investments to 31-12-07)

A. PMV participations amount: € 146,968,012.27

1. Aescap Venture I cv – 09-07-2007

invests venture capital in medical companies
www.aescap.com

2. Anygma bvba – 17-12-2007

develops multimedia software
www.anygma.com

3. Any Media nv – 28-09-2007

develops new television formats
www.zuiderkroon.be

4. ARKimedex Fonds nv – 08-06-2005

invests venture capital in registered investment funds (ARKIVs)
www.arkimedex.be

5. ARKimedex Management nv – 12-02-2004

manages the ARKimedex Fund
www.arkimedex.be

6. Barco nv * - 28-06-2007

designs and develops visualisation products
www.barco.com

7. Bestuursmaatschappij Antwerpen Mobiel - nv 22-07-2003

executes Antwerp's mobility plan
www.bamnv.be

8. Capricorn Cleantech Fund nv – 09-11-2006

invests in clean technology
www.capricorn.be

9. Cargo B Airlines nv – 25-05-2007

is a new company involved in air freight
www.cargob.com

10. Eco Projects nv –13-10-2004

builds bio-gas installations
www.ecoflanders.be

11. GO IPZ nv – 21-12-2007

is redeveloping the Petroleum Zuid site in Antwerp
www.pmv.eu

12. NautInvest Vlaanderen nv – 03-05-2005

invests in nautical and water-related projects
www.nautinvest.be

13. Novovil nv – 16-10-2003

develops and decontaminates sites in the Vilvoorde region
www.novovil.be

14. Omroepgebouw Flagey nv – 30-10-2003

manages the Flagey building
www.flagey.be

15. Reproductiefonds Vlaamse Musea nv – 14-10-2005

manages images of the cultural heritage of Flanders
www.lukasweb.be

16. PMV re Vinci nv – 31-08-2006

invests in property
www.pmv.eu

17. Textiel Vlaanderen nv – 19-12-2001

invests in the Flemish textile industry
info: +32 (0)2 229 37 57

18. Vesalius Biocapital I sicar – 31-10-2007

provides venture capital to young companies in life sciences
www.vesaliusbiocapital.com

19. Via-Invest Vlaanderen nv – 12-10-2006

eliminates missing links in Flanders' road infrastructure
www.via-invest.be

* Barco is an NRC Fund investment

20. VITO nv – 10-06-2005

researches and develops innovative products and processes
www.vito.be

21. Vlaams Innovatiefonds Comm. VA – 05-07-2005

provides venture capital to innovative businesses
www.vinnof.be

22. Waarborgbeheer nv – 12-02-2004

manages the Guarantee Scheme for SMEs
www.waarborgregeling.be

B. Participations in management amount: € 53,987,790.81

1. Bedrijvencentrum Waasland nv – 17-04-1985

provides offices and services to starting companies
www.bcwaasland.be

2. Biotech Fonds Vlaanderen nv – 28-12-1994

provides venture capital to businesses in the biotechnology sector
www.gimv.be/03_01.asp

3. Blairon nv – 12-11-1998

manages the Blairon business and office campus
www.blairon.net

4. Reproductiefonds Vlaamse Musea nv – 04-10-1999

manages images of the cultural heritage of Flanders
www.lukasweb.be

5. Technopolis nv – 05-09-1997

is the activity centre for science and technology
www.technopolis.be

6. T-groep nv – 25-01-2007

is a trusted name in the temporary staffing and
 human resources sector
www.t-groep.be

7. Trividend cvba – 18-12-2001

invests venture capital in the social and added value economy
www.trividend.be

8. VETC nv – 28-09-2001

manages Flanders Drive, a centre for suppliers
 in the automobile industry
www.flandersdrive.be

C. ARKImedes Fund investments amount: € 106,431,000

1. Arkafund – 11-01-2006

invests in media, information, communications and telecommunications
www.arkafund.be

2. ARK-ANGELS FUND – 19-11-2007

invests in all sectors as a co-investment fund with business angels
website under construction

3. Baekeland Fund II – 11-01-2006

invests in spin-offs from research laboratories
www.baekelandfonds.be

4. Big Bang Ventures ARKIV – 09-03-2006

invests in ICT businesses
www.bbv.be

5. Capital-E ARKIV – 11-01-2006

invests in micro-electronics-related sectors
www.capital-e.be

6. Fortis Private Equity Arkimedes – 10-01-2006

invests in businesses with solid growth profiles
www.merchantbanking.fortis.com

7. Fundus II – 10-01-2006

invests in companies with European growth potential
www.fundus.be

8. GIMV ARKIV ICT Fund – 18-01-2006

invests in ICT businesses
www.gimv.be

9. ING-Activator Fund – 10-01-2006

invests in the service or industrial sectors
www.ing.be

10. KBC ARKIV – 09-01-2006

invests in well-performing, promising SMEs
www.kbcpe.be

11. KMOFIN – 09-01-2006

invests in economic development and employment
in and surrounding the province of Limburg
www.lrm-kmo.be

12. QAT ARKIV – 22-05-2006

invests in the environment, renewable energy, healthcare, ageing and
ICT
www.qatinvestments.com

13. Vesalius Biocapital ARKIV – 21-12-2007

invests in life science companies
www.vesaliusbiocapital.com

D. ARK investments amount: € 42,154,296

1. 24access Solutions – 05-02-2007

connects PCs to mobile telephones
www.24access.nl

2. 3P Air Freighters – 08-02-2007

leases aeroplanes for freight
website under construction

3. ActoGeniX – 31-01-2007

develops pharmaceutical products for intestinal diseases
www.actogenix.com

4. AlgoNomics – 09-06-2007

develops software to screen bio-pharmaceuticals
for immunogenicity
www.algonomics.com

5. Applied Development – 24-07-2007

performs offshore software development
www.appdev.be

6. Asic Ahead – 06-11-2006

markets reconfigurable radio IC technology
www.asicahead.com

7. Aventiv – 23-03-2007

markets Nomadisk (exchange of digital documents)
www.aventiv.com

8. Avinity Systems – 30-01-2007

puts interactive TV applications on pay-TV
www.avinity.net

9. Becona – 15-12-2006

supplies innovative shuttering systems for the construction sector
www.becona.be

10. Bettonville Integrated Solutions – 17-04-2007

develops lasers for the diamond trade
website under construction

11. Biofer – 19-04-2007

is developing a biomass fermentation installation
www.biofer.be

12. Carbonics – 04-12-2006

markets electronic power components based
on synthetic diamonds
website under construction

13. Cargo B Airlines – 25-05-2007

is an air freight company
www.cargob.com

14. Cercle d'O – 29-12-2006

supplies luxury clothing for pregnant women
www.cercledo.com

15. City Live – 31-01-2007

software applications for PDAs
www.citylive.be

16. Clear2Pay – 30-06-2006

develops software applications for fast and safe payment transactions
www.clear2pay.com

17. Cmosis – 16-11-2007

develops CMOS image sensors
www.cmosis.com

18. CommArt International – 20-09-2007

develops language software for Guided Independent Learning
www.commart.be

19. Country Chef Belgium – 10-11-2006

prepares mass-produced meals
www.countrychef.be

20. CV Warehouse – 04-04-2007

develops recruitment software
www.cvwarehouse.com

21. Elytra – 31-08-2007

develops sandwich panels with steel cladding
www.elytra.be

22. Entelec Control Systems – 08-11-2005

supplies open integration platforms for the management of large infrastructure complexes
www.entelec.be

23. Excico Group – 25-07-2007

is developing a semiconductor application
www.excico.com

24. Gemidis – 30-05-2007

develops display screens and driving electronics
www.gemidis.be

25. Genano Benelux – 21-12-2007

develops air cleaning products
www.genano.be

26. Green Peak Technologies – 02-07-2007

develops chips for wireless communication (logistics, property) www.xanadu-wireless.com

27. Ideaxis – 27-03-2006

supplies e-mail marketing, internet services and tailor-made websites
www.ideaxis.com

28. iNEWiT – 27-02-2007

provides mobile communications for audio, video and data
www.inewit.be

29. Intek – 29-06-2006

produces advanced electronic access hardware and software
www.inteknv.com

30. LightBlueOptics – 01-10-2007

develops laser projection technology
www.lightblueoptics.com

31. Meucci Solutions – 06-11-2007

maps out telephone traffic and behaviour
www.meucci-solutions.com

32. Mifratel – 21-12-2007

is an outbound contact centre
website under construction

33. MIR – 02-11-2006

produces fire-resistant roller shutters
www.mirbvba.be

34. MOSTforWATER – 20-12-2006

provides simulation software and advice to safeguard water quality
www.mostforwater.com

35. MUBio – 20-09-2007

is developing a vaccine against CMV and lung cancer
www.mubio.com

36. Multi Media Services – 28-03-2007

is a wholesaler of multimedia products
www.multimediaservices.be

37. Netmedia Europe – 22-03-2007

provides tailor-made advertising through the Internet
www.netmedia-europe.com

38. Netmining – 29-01-2007

develops software to detect leads in on-line visits
www.netmining.com

39. PeopleCube – 20-09-2007

develops facilities software (rooms, cars catering, etc.)
www.peoplecube.com

40. PharmaDiagnostics – 16-04-2007

performs detection of bio-pharmacological parameters
www.pharmadiagnostics.com

41. PharmaNeuroBoost – 11-12-2006

develops antidepressants
website under construction

42. Postron – 27-10-2005

automates the hotel and catering industry and retailers
www.postron.be

43. Pronota – 31-07-2006

is creating the foundations for a new generation of molecular diagnostics
www.pronota.com

44. Qlayer – 23-05-2006

provides commercial data centres with virtual management software
www.qlayer.com

45. Quick Sensor – 13-02-2007

develops sensors for cinema seats and hospital beds
www.quicksensor.com

46. RMONI Wireless – 22-09-2006

develops hardware and software for industrial wireless networks of sensors
www.rmoni.com

47. Silicon Line – 19-12-2007

builds chips for short connections in wireless equipment
www.silicon-line.com

48. Syntegro – 09-07-2007

develops systems for access verification and time registration
www.syntegro.com

49. Tigenix – 03-11-2006

develops products to repair cartilage injuries
www.tigenix.com

50. TINC Associates – 27-02-2007

provides mobile communications for audio, video and data
www.tinc.be

51. TML group – 19-07-2006

is involved in logistics and transport
www.tailormade-logistics.com

52. Trinean – 05-10-2007

develops instruments for the life sciences market
www.trinean.com

53. Visys – 10-11-2005

develops systems for visual inspection and sorting based on laser technology
www.visysglobal.com

54. Yuntaa – 19-12-2007

develops web 2.0 back-up solutions
www.yuntaa.com

55. Zappware – 27-10-2006

develops and markets software and services for digital television and media
www.zappware.be

E. Vinnof investments amount: € 12,000,286

1. 3WIN – 07-05-2007

develops innovative implant technology
www.3win.be

2. AdValvas Software Group – 18-09-2006

is a pioneer in electronic invoicing systems
www.advalvas-group.com

3. Anubex – 07-07-2006

migrates useful software to new hardware
www.anubex.com

4. Becona - 12-12-2006

supplies the construction sector with innovative shuttering systems
www.becona.be

5. Big Tyre Recycling Corporation – 24-10-2007

cleans steel surfaces
www.btrc.be

6. Brocap – 07-11-2006

redevelops seriously contaminated sites and urban eyesores
www.brocap.be

7. Care For Life – 04-05-2007

supplies innovative residential care in Flanders
jo.robrechts@AAAGroup.eu

8. Citymesh – 29-05-2007

supplies micro-electronics and systems, incl. for wireless networks
www.citymesh.be

9. Commsquare – 21-06-2007

supplies micro-electronics and systems, incl. for wireless networks
www.commsquare.com

10. Demetra – 10-12-2007

develops and sells food recipients for inductive heating
www.demetra.be

11. Eclipse International – 24-04-2007

supplies software for digital services
www.eclipseinternational.eu

12. EconCore – 28-11-2006

supplies technology for the production of paper and thermoplastic honeycomb
www.econcore.com

13. Esqual.com – 20-07-2006

makes environmentally friendly lightweight aircraft
www.esqual.com

14. Excelligent – 04-09-2006

develops financial, administrative and accounting software
www.excelligent.be

15. Excico Group – 25-07-2007

develops, produces and sells lasers for specific applications in the semiconductor industry
www.excico.com

16. Formac Pharmaceuticals – 05-11-2007

improves the oral administration of medicines
www.formacpharma.com

17. ICMS – 07-03-2007

supplies software and services for information and knowledge solutions
www.icms.be

18. Innoceutics – 08-12-2006

produces and markets food supplements
www.innoceutics.com

19. iNEWiT – 14-09-2006

provides mobile communications for audio, video and data
www.inewit.be

20. Inuron – 24-04-2007

supplies software and services for managing and sharing digital data
www.inuron.com

21. Kingfisher Healthcare – 24-04-2007

supplies electrotherapy equipment for medicine
www.kfhealth.com

22. Language & Computing – 17-10-2007

supplies language technology to medical information science
www.landcglobal.com

23. Leuven Air Bearings – 20-01-2007

designs and produces air bearings
www.leuvenairbearings.com

24. Life!tv – 13-07-2006

supplies interactive service television and information
www.lifetv.be

25. LIN.K – 11-06-2007

is a management consultant for information and communications
technology
www.lin-k.net

26. Mephisto Design Automation – 19-07-2006

supplies software and advice for the design of micro-electronics
www.mephisto-da.com

27. Mobiya – 04-09-2007

is a mobile media platform
www.mobiya.be

28. MOSTforWATER – 21-12-2006

provides simulation software and advice to safeguard
water quality
www.mostforwater.com

29. Networkmining – 16-06-2006

supplies software for the telecommunications sector
www.networkmining.com

30. NMDG Engineering – 27-09-2007

develops software for measuring instruments
www.nmdg.be

31. ONEA – 14-02-2007

is a consultant involved with electronic document processing
www.onea.be

32. Ontrack Navigation – 31-10-2006

sells digital walking and cycling routes online
www.ontracknavigation.com

33. Percussa – 26-11-2007

supplies musical equipment
www.percussa.be

34. Pharma Diagnostics – 25-05-2007

supplies technology for the more efficient screening of candidate
molecules in the development of medicines
www.pharmadiagnostics.com

35. Profon – 26-11-2007

supplies access systems based on biometrics and motion detection
security
www.profon.be

36. Qlayer – 10-02-2007

supplies software management systems
www.qlayer.be

37. Quick Sensor – 13-02-2007

supplies reservation and control systems through sensors in seats
www.quicksensor.com

38. Rederij Ishtar/Brevisco – 30-11-2007

builds and renovates ships
willy@versluys.net

39. ReGenius – 07-11-2006

invests in the redevelopment of risk property in the wider Benelux region

www.regenius.be

40. Reverse Logistic Solutions (RLS) – 17-02-2007

transports interchangeable wooden europallets

www.rlseurope.com

41. Sapac – 04-09-2006

makes industrial packaging machinery

www.sapac.be

42. SBAE Industries – 15-02-2007

produces and markets micro-algae

www.sbae.be

43. Silicos – 16-03-2007

uses innovative software algorithms to screen and develop new medicines

www.silicos.com

44. SMO – 07-07-2006

automates businesses and builds machines to order

www.smo-bvba.be

45. Solifort – 06-10-2006

optimises the energy consumption, comfort and environmental friendliness of buildings

www.solifort.be

46. TriPhase – 11-12-2006

concentrates on the fast prototyping of power electronics

www.triphase.com

47. Ubiwave – 24-10-2006

makes modules for the wireless communication of sensors

www.ubiwave.com

48. UL Power Aero Engines – 07-02-2007

develops, produces and sells electronic motors for light aircraft

www.ulpower.com

49. Vinventive – 07-11-2006

makes systems for storing wine and supplies wine accessories

www.vinventive.com

50. Visys – 27-12-2006

develops systems for visual inspection and sorting based on laser technology

www.visysglobal.com

51. Vodtec – 11-06-2007

supplies software for online and mobile video

www.vodtec.com

52. WM tracking – 29-09-2006

provides total solutions for tracking and tracing

www.wm-tracking.com

53. Xenit Solutions – 04-09-2007

supplies software for management systems

www.xenit.eu

54. Zenso – 26-11-2007

makes innovative micro-electronics

www.zenso.be

F. CultuurInvest investments amount: € 2,265,637

1. Absynthe Minded bvba – 17-08-07

finances the international breakthrough of Absynthe Minded
www.absyntheminded.be

2. Any Media nv – 28-09-07

develops new television formats
www.zuiderkroon.be

3. Axevent nv – 05-07-07

is producing the stage productions of Primavera, Prince of Africa,
Studio 54 and the Laura Lynn 2008 Summer Tour
www.zuiderkroon.be

4. Blue Flame bvba – 12-09-07

is producing My Tribute to the Diva with Leah Thys as Marlène Dietrich
www.blueflame.be

5. Dallas-Vegas bvba – 13-11-07

develops, produces and markets
designer bags and accessories
www.dallasvegas.com

6. EuroClassic Productions – 14-12-07

produces Best of Opera for a broad international audience
peterpenning@splservices.be

7. Judas Theaterproducties vzw – 26-10-07

produces the play 'The Last Five Years' with Jan Schepens
and Ann Van den Broeck
www.judastheaterproducties.netfirms.com

8. Kabron bvba – 18-08-07

finances the international breakthrough of Sioen
www.keremos.be

9. Megadisc nv – 02-10-07

finances the international breakthrough of Gabriel Rios and
other young talent
www.megadisk.be

10. Music Hall Promotions nv – 09-07-07

produces the musicals Cyrano de Bergerac,
Suske & Wiske – De Circusbaron and Peter Pan – The Musical
www.musichall.be

11. Nazooka nv – 17-12-07

develops interactive three-dimensional animation software
www.nazooka.com

12. Office Baroque Gallery bvba – 26-06-07

promotes contemporary art
www.officebaroque.com

13. Tale of Tales – 05-11-07

develops and markets the computer game The Path
www.tale-of-tales.com

14. Transposia bvba – 25-10-07

produces the educational computer game Symfollies
www.transposia.be

c yellow

80 middle chrome

110 spectrum orange



p vermilion

200 crimson lake

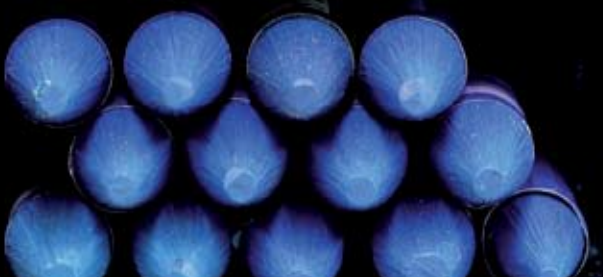
220 magenta



rk violet

290 ultramarine

330 light blue





PMV IN THE PRESS

Press articles from 2007

Press articles		
Publication	Date	Title
De Tijd	03-01-07	CultuurInvest participating in Megadisc
De Tijd	06-01-07	Banks pump 10 million into CultuurInvest
De Standaard	06-01-07	CultuurInvest sprinting away from the starting blocks
De Standaard	10-01-07	Culture industry with the wind in its sails
De Tijd	26-01-07	Bank must better promote Guarantee Scheme for starters
Trends	22-03-07	PMV's projects
Trends	22-03-07	Government and private sector working together: are we getting value for money?
De Tijd	28-03-07	GIMV ARKIV ICT Fund investing in IT company Aventiv
De Tijd	11-04-07	MMS krijgt 0,5 miljoen MMS gets € 0.5 million in Arkimedes cash
Trends	26-04-07	Diary of a venture capitalist
De Tijd	29-05-07	Flanders takes action on cleaning up industrial sites
De Tijd	07-06-07	PMV puts in extra capital of 231 million
De Tijd	14-06-07	Air freight tempts Belgian investors
Trends	21-06-07	Long live the new realism
De Tijd	27-06-07	Arkimedes sets up eleven Arkivs in first year
De Morgen	27-06-07	Arkimedes has already invested nearly 100 million
De Standaard	27-06-07	Arkimedes investing in 51 Flemish SMEs
De Tijd	06-07-07	CultuurInvest hands out first cash
De Tijd	13-07-07	CultuurInvest able to take festivals to a higher level
De Tijd	11-08-07	Arkimedes already investing 19 million in SMEs
De Tijd	31-08-07	Arkimedes settles into its stride at last
De Tijd	21-09-07	Cyrano the first test for CultuurInvest
De Tijd	12-10-07	Arkivs may invest more per company
De Standaard	15-11-07	CultuurInvest not saying no to books sector
De Tijd	21-11-07	Arkimedes investing 5 million in new Arkiv
De Standaard	30-11-07	Arkimedes up to cruising speed
De Tijd	13-12-07	ARKimedes and business angels set up Arkiv
Trends	13-12-07	Ark-Angels Fund up and running
De Standaard	13-12-07	BAN initiating new Arkimedes Fund

De Tijd

Banks pump 10 million into CultuurInves

Trends

PMV's projects

De Standaard

CultuurInvest not saying no to books sector

Trends

Diary of a venture capitalist

Trends

ARKimedes up to cruising speed

De Standaard

Arkimedes in

Flemish in

De Tijd

Bank must better promote Guarantee Scheme for starters

From March, Participatiemaatschappij Vlaanderen (PMV) conducting promotional campaign for Flemish Guarantee Scheme.

De Tijd

CultuurInvest able to take festivals to a higher level.

Not a single summer festival has come forward for support from the new culture bank.

De Tijd

Flanders takes action on

Participatiemaatschappij Vlaanderen (PMV) to play

Ark

Since
million

De Standaard

Culture industry with the wind in its sails

Now that the government has made the first few million available

Investing in 51 Flemish SMEs

medes starting to get up to speed.

Tijd

PMV puts in extra capital of 231 million

Participatiemaatschappij Vlaanderen (PMV) planning capital growth of € 231 million in three years.

medes has already invested nearly 100 million

its foundation, the Flemish government's Arkimedes Fund has invested € 98.5 million in 11 Arkivs.

in cleaning up industrial sites

and contaminated sites.

ts sails.

e, the culture industry can set off.



ANNUAL ACCOUNTS

BALANCE SHEET AS OF 31.12.2007 (in euros)

ASSETS	Financial Year 2007	Financial Year 2006
FIXED ASSETS	72,055,940	43,740,885
II. Intangible fixed assets	337,839	216,863
III. Tangible fixed assets	512,470	676,528
C. Furniture and vehicles	351,854	275,537
E. Other tangible fixed assets	160,616	400,991
IV. Fixed asset investments	71,205,631	42,847,494
A. Associated companies	52,300,788	32,140,381
1. Participations	52,300,788	32,140,381
B. Companies linked by participating interests	16,523,034	9,936,900
1. Participations	16,418,034	9,936,900
2. Amounts receivable	105,000	
C. Other fixed asset investments	2,381,809	770,213
1. Shares	2,212,596	601,000
2. Amounts receivable and cash guarantees	169,213	169,213
CURRENT ASSETS	283,266,315	298,270,914
V. Amounts receivable after more than one year	3,515,306	
B. Other amounts receivable	3,515,306	
VI. Stock and orders in progress	1,116,502	
A. Stock	1,116,502	
4. Goods for resale	1,116,502	
VII. Amounts receivable within one year	2,492,809	75,216,380
A. Trade accounts receivable	1,723,083	737,331
B. Other amounts receivable	769,726	74,479,049
VIII. Investments	271,027,690	221,077,669
B. Other investments	271,027,690	221,077,669
IX. Liquid assets	2,859,198	397,169
X. Accruals and deferred income	2,254,810	1,579,696
TOTAL ASSETS	355,322,255	342,011,799

LIABILITIES	Financial Year 2007	Financial Year 2006
EQUITY	335,360,271	336,355,125
I. Capital	231,268,469	234,018,369
A. Issued capital	231,268,469	234,018,369
II. Share premiums	23,964	23,964
IV. Reserves	5,211,871	5,124,119
A. Statutory reserve	5,211,871	5,124,119
V. Profit brought forward	98,855,967	97,188,673
PROVISIONS AND DEFERRED TAXES	408,439	427,007
VII. A. Provisions for risks and expenses	408,439	427,007
3. Major repairs and maintenance		18,568
4. Other risks and costs	408,439	408,439
LIABILITIES	19,553,545	5,229,667
VIII. Amounts payable at more than one year	11,500,000	
Financial debts	11,500,000	
Unsubordinated debentures	11,500,000	
IX. Amounts payable within one year	7,859,694	5,213,702
B. Financial debts	989,606	
1. Credit institutions	989,606	
C. Trade accounts payable	511,426	406,771
1. Suppliers	511,426	406,771
E. Liabilities for taxes, salaries and social security	799,824	1,627,291
1. Taxes	197,239	1,283,474
2. Salaries and social security	602,585	343,817
F. Other amounts payable	5,558,838	3,179,640
X. Accruals and deferred income	193,851	15,965
TOTAL LIABILITIES	355,322,255	342,011,799

PROFIT AND LOSS ACCOUNT (in euros)

	Financial Year 2007	Financial Year 2006
I. OPERATING INCOME	3,062,872	2,363,645
A. Turnover	1,817,636	1,285,366
D. Other operating income	1,245,236	1,078,279
II. OPERATING COSTS	6,407,089	4,765,815
A. Raw materials, consumables and goods for resale		
Purchases	1,116,502	
Stock: decrease	-1,116,502	
B. Services and other goods	2,195,544	1,625,651
C. Salaries, social security costs and pensions	3,746,540	2,303,553
D. Depreciation and amounts written off formation expenses, intangible and tangible fixed assets	288,048	211,947
F. Provisions for risks and expenses	-18,568	497,719
G. Other operating costs	195,525	126,945
III. OPERATING LOSS	-3,344,217	-2,402,170
IV. FINANCIAL INCOME	9,107,153	8,155,861
A. Income from fixed asset investments	8,430	
B. Income from current assets	7,875,466	7,906,456
C. Other financial income	1,223,257	249,405
V. FINANCIAL COSTS	2,250,787	744,844
A. Interest payable and similar charges	231,550	569
B. Amounts written off current assets other than stock, orders in progress and trade accounts receivable	1,876,038	496,231
C. Other financial costs	143,199	248,044
VI. PROFIT ON ORDINARY ACTIVITIES BEFORE TAX	3,512,149	5,008,847

	Financial Year 2007	Financial Year 2006
VIII. EXCEPTIONAL COSTS	1,779,659	2,103,718
A. Extraordinary depreciation and amounts written off formation expenses, intangible and tangible fixed assets	160,616	404,089
B. Amounts written off fixed asset investments	1,619,043	1,699,629
IX. PROFIT FOR THE FINANCIAL YEAR BEFORE TAX	1,732,490	2,905,129
X. INCOME TAXES	22,556	17,165
B. Regularisation of taxes and reversal of provisions for taxes	22,556	17,165
XI. PROFIT FOR THE FINANCIAL YEAR	1,755,046	2,922,294
XIII. PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR APPROPRIATION	1,755,046	2,922,294
APPROPRIATION ACCOUNT (in euros)		
A. PROFIT FOR APPROPRIATION	98,943,719	97,334,788
1. Profit for the financial year available for appropriation	1,755,046	2,922,294
2. Profit brought forward	97,188,673	94,412,494
C. TRANSFER TO EQUITY	87,752	146,115
2. To the statutory reserve	87,752	146,115
D. PROFIT TO BE CARRIED FORWARD	98,855,967	97,188,673

Board of director's report to the general meeting of shareholders

We release this report on the activities of our company for the financial year of 2007 in accordance with the provisions in the articles of association. To complement the board of director's report, a comprehensive overview has been prepared explaining the activities of the company in greater detail.

1. Commentary on the annual accounts

ASSETS

Fixed asset investments

PMV re Vinci nv, a wholly owned subsidiary of PMV, is involved in property projects insofar as they relate to Flanders. The company is able to fulfil a variety of roles in that context, such as that of holding or investment company, property developer, construction manager, project manager, property and portfolio manager or consultant.

PMV re Vinci was founded on 31 August 2006 with registered capital of € 62,200. On 22 December 2006, the registered capital was raised to € 15 million followed by a capital increase of € 13.7 million on 21 December 2007. Subscribed capital amounts to € 28.7 million, € 8.7 million of which has yet to be fully paid.

PMV re Vinci is responsible for acquiring the partly renovated, partly new office complex known as "Kartuizershof". Kartuizershof will be used in part as a service centre for the PMV group's subsidiaries and project companies.

On 9 March 2007, PMV re Vinci jointly initiated IBBT-Incubator nv under the trading name of iCUBES. This incubation and business centre is established in Ghent and, in addition to a comprehensive framework, offers ICT and broadband-oriented starters and businesses a real community due to the proximity of the Institute for Broadband Technology

(IBBT) and a variety of research groups from Ghent University. PMV re Vinci has a € 201,000 participation, equivalent to 25% of the shares. IBBT and the East Flanders Provincial Development Company (POM) are co-founders.

Together with PMV re Vinci, ParticipatieMaatschappij Vlaanderen (PMV) nv has founded a project company called **GO IPZ nv** with starting capital of € 62,500. In the initial phase, this company is responsible for the preparatory studies concerning the redevelopment of the 'Petroleum Zuid Investment Zone' brownfield project in Antwerp. The business plan that is to be drawn up may give rise to a change in GO IPZ's shareholding with a view to the execution of the project.

The first extended financial year for PMV re Vinci nv ended as of 31 December 2007 with a loss of € 43,453; equity amounts to € 19,956,547.

On 12 October 2006, **Via-Invest Vlaanderen nv** was founded by the Flemish Region and PMV. The registered capital was set at € 5,000,000 and was subscribed by PMV to the sum of € 2,550,000 and by the Flemish Region to the sum of € 2,450,000. Consequently, PMV has a 51% participation in that company.

The statutory objective of Via-Invest Vlaanderen is to realise and facilitate public-private partnership projects (PPPs) in the field of public works, these being on the instructions of the Flemish Region.

To achieve its objectives, the registered capital for Via-Invest Vlaanderen was raised from € 5,000,000 to € 25,000,000 on 3 May 2007 and fully paid up. The shareholding ratios remained unchanged.

On 11 October 2007, Fortis Bank and Via-Invest Vlaanderen founded the project company **Via-Zaventem nv**. This has the following object: the realisation and keeping open of the northern access road from Zaventem airport (Brussels Airport).

Via-Invest Vlaanderen nv closed its first extended financial year with a loss of € 1,687,782. That loss arose chiefly as a result of the start-up costs relating to various projects under examination. As these projects progress, and according to the assumptions in the financial plan, these losses will increase considerably in subsequent financial years. Positive

cash flow will arise after the investment period.

The Vlaams Innovatiefonds Comm. VA (abbreviated to "Vinnof")

– founded on 5 July 2005 – showed strong onward development during the 2007 financial year which provided the pretext for a whole range of undertakings taking the form of subordinated loans and participating interests. On 26 June 2007, to support the growth of Vinnof, the registered capital was raised by € 15,000,000, € 3,750,000 of which was paid up. The registered capital now amounts to € 20,000,000, € 9,999,925 of which has been paid up.

As a precautionary measure and based on the risk profile for Vinnof's activities, it was decided by analogy with the previous financial year to enter a capital depreciation of PMV's participation in this company. Last year, this capital depreciation was set at € 1,125,000. This year, a supplementary capital depreciation was entered for the sum of € 1,270,974. The intention is to have the sum of the accumulated capital depreciations reach an amount to be invested annually in the form of shareholding and/or extended (subordinated) loans, which does not preclude these capital depreciations being adjusted upwards or downwards in the event of Vinnof changing its activities. Vinnof ended its financial year with a loss of € 1,795,774 against a loss of € 1,706,660 in the previous year. In addition to the company's start-up and operational costs, this was due to the entered capital depreciations on subscribed participations and shares and on extended (debenture) loans. Accumulated losses rose to € 3,502,434, which has reduced the company's equity to € 6,497,491.

Nautinvest Vlaanderen nv, involved in nautical and water-related investment, PPP and other joint-venture projects for the purpose of executing initiatives approved by the Flemish government, carried out its activities unchanged over the course of 2007. PMV is a majority shareholder with a 50.02% interest, while the Flemish Region retains a 49.98% interest.

Nautinvest nv ended its financial year with a profit of € 26,960. Nautinvest's equity amounts to € 548,758.

Supplementary funding to the sum of € 150,000 was made available to **Reproductiefonds Vlaamse Musea nv** within the context of the concluded loan agreement. Full provision was made for this

supplementary funding in PMV's accounts because of serious doubts concerning the company's repayment capacity.

Reproductiefonds Vlaamse Musea nv ended its financial year of 2007 with a loss of € 362,279 compared with a loss of € 274,752 in the previous financial year. As a result of this, equity fell to € -152,477. Consequently the company has come under the provisions of the Sections 633 and 634 of the Companies Code.

Despite PMV's financial efforts, including the extension of funds by means of a participating interest and permitting a subordinated loan, **Reproductiefonds Vlaamse Musea nv** has failed to realise its objectives. Turnover remains below expectations and operational costs are mounting.

The board of directors for Reproductiefonds Vlaamse Musea nv advanced a proposal for liquidation and dissolution. Both shareholders have decided as of 22 April 2008 to acquiesce with the board of directors' proposal.

In comparison with the previous financial year, there were no changes worthy of note in the cases of **Waarborgbeheer nv** and **ARKimedes Management nv**. Both companies are fulfilling their statutory objectives: the management of the Guarantee Scheme for SMEs and the ARKimedes Fund, respectively.

For the financial year of 2007, Waarborgbeheer nv achieved a turnover of € 1,806,000 and recorded a profit of € 172,297. Following profit appropriation, equity has risen to € 1,356,989.

ARKimedes Management nv ended its financial year with a profit of € 346,773. Therefore, its start-up losses have been eliminated completely. Equity for ARKimedes Management amounts to € 2,012,518.

Shareholding in **Textiel Vlaanderen nv** remained unchanged compared with the previous financial year. Textiel Vlaanderen continues to hold one important participating interest, i.e. in Utexbel nv. Textiel Vlaanderen no longer has any other activities. The financial year of 2007 ended with a loss of € 17,475 compared with € 63,906 from last year. This required slight adjustments to be made to the capital depreciation entered for Textiel Vlaanderen. Equity for Textiel Vlaanderen nv amounts to € 3,010,867.

Novovil nv is continuing to fulfil its restructuring assignment in the Vilvoorde region and, to that end, has investigated a number of property projects over the course of the financial year of 2007. In addition to the acquisition of the Sibelgas site, Novovil has taken a 40% participating interest in the project company Immo Vilvo nv. Novovil also remains a proactive and dynamic partner in the development of the Watersite zone alongside the canal zone in Vilvoorde.

Novovil ended its financial year with a loss of € 139,688 against a loss of € 93,326 in 2006. As a result, equity has fallen to € 6,164,420.

On 10 June 2005, PMV became a shareholder in the **Vlaamse Instelling voor Technologisch Onderzoek nv** (VITO; Flemish Institute for Technological Research) in Mol. PMV has a 24.99% participating interest in VITO. That participating interest remained unchanged throughout the 2007 financial year.

VITO ended the financial year of 2007 with a profit of € 539,881 against a profit of € 3,005,412 in the previous financial year. The registered capital for VITO remains unchanged at € 29,747,900.

On 6 November 2006, PMV adopted a minority interest in **Capricorn Cleantech Fund nv**. This venture capital fund, the management of which is undertaken by Capricorn Venture Partners, has registered capital of € 46,543,762. PMV has entered into an engagement of € 10,000,000, € 2,500,000 of which was immediately paid up. The fund's first financial year (covering an 18-month period) ended with a loss of € 904,788, which is usual during the start-up of such funds.

The fund will provide venture capital to businesses involved in the fields of clean or sustainable technology. The fund was already investing in a number of target businesses.

On 25 May 2007, PMV took up a participating interest in **Cargo B Airlines nv**. PMV contributed € 5 million, partially paid up. Investment in Cargo B Airlines nv is within the context of the "Flanders Airport Region" public-private initiative to promote the region surrounding Zaventem as a logistical gateway and premier location for the international business community.

PMV engaged itself to the sum of € 10 million in **Vesalius Biocapital I** sa sicar. 25% of this was paid up. The fund will be making investments in life science companies.

PMV invested in **Aescap Venture I cv**. Aescap stands for "Accelerating European Science Companies and Products". Aescap is a European venture capital fund investing in private European biomedical companies that focus on treating human diseases. To date, Aescap has invested in some seven European businesses to the sum of approximately € 10 million. PMV's engagement in Aescap's capital amounted to € 5 million, € 1,115,809 of which was paid up.

PMV also invested in **Any Media nv** and, together with Vinnof, in **Anygma nv**. A subordinated loan of € 150,000 was also extended to Any Media. Both investments were made from CultuurInvest, which focuses on businesses belonging among what are referred to as Flanders' cultural industries.

Participation in **Beheersmaatschappij Antwerpen Mobiel nv (BAM)** and **Eco Flanders nv** (dilution to 8.25%) was left unchanged.

On 12 July 2007, the registered capital for BAM was raised by the sum of € 129 million, bringing it to € 690.3 million from € 561.3 million. On the same day, and under the suspensive condition of subscription to the new shares on offer, the registered capital was once again raised by € 131,935,000. The Flemish Region subscribed only to this capital increase. PMV withdrew its preferential rights and remains in ownership of one (symbolic) share.

As the result of a share purchase, PMV has increased its shareholding in **Omroepgebouw Flagey nv** from 2.33% to 4.66%. Consequently, PMV has become one of the most important shareholders in this prestigious project situated near the Ixelles ponds.

Total fixed asset investments rose from € 42,847,495 to € 71,205,630. In the case of investments in associated companies there has been a rise of € 20,160,406, and in the case of companies linked by participating interests there has been a rise of € 6,586,134. Finally, the other fixed asset investments rose from € 770,213 to € 2,381,810.

Amounts receivable after more than one year

A loan was extended to Barco nv for € 3,175,115. (Subordinated) loans were extended to a variety of players involved in the cultural sector for a total sum of € 1,007,828 within the context of CultuurInvest. This also follows the principle that the necessary provisions must be in place to cover future write-downs or capital losses.

A part of these receivables expiring within the year were transferred to the category of amounts receivable within one year.

Stock

Over the course of 2007, PMV entered into commitments for subscription to two climate funds with a view to the acquisition of emission allowances. This involves a European fund, the Multilateral Carbon Credit Fund or MCCF, from the European Investment Bank and the European Bank for Reconstruction and Development and an Asian fund, the Asia Pacific Carbon Fund or APCF, from the Asian Development Bank. The total commitment amounts to € 22 million for the MCCF and US\$ 26.8 million for the APCF.

Over the course of 2007, a total sum of € 1,116,502 was paid as an investment in the start-up costs for both funds.

Given that the sole objective of PMV's acquisition of emission allowances is to sell them either to countries or regions, or else to businesses, and that PMV is thus acting as an intermediary, these allowances and costs must be entered as goods for resale (merchandise) under the category of Stock. At the end of each financial year, the acquisition value has to be taken into consideration compared with the evolution of the market value.

Amounts receivable within one year

Outstanding trade accounts receivable amount to € 1,723,083. This chiefly concerns outstanding invoices charged to the Flemish Region and PMV's subsidiaries.

The other receivables amount to € 769,726. This relates to temporarily outstanding amounts receivable from subsidiaries, (subordinated) loans extended to companies within the context of CultuurInvest's operations and an outstanding debt for taxes that are to be repaid. The outstanding debt as of the end of the previous financial year from Vlaamse

Milieuholding nv to the sum of € 60,325,350 was repaid in full. This was also the case regarding the outstanding debt from the Flemish Region for € 12,858,565 which arose from the Volvo-Sidoco project.

Investments and liquid assets

This category rose from € 221,474,838 at the end of 2006 to € 273,886,887 at the end of 2007. The explanation for this increase is the aforementioned repayment by Vlaamse Milieuholding of its outstanding debt.

Investments consist of a mixture of products incorporating a portfolio of fixed-interest securities, both under discretionary and in-house management, subscription to capital funds, commercial paper and a variety of savings products, such as traditional savings accounts and fixed deposit accounts.

A sum of € 48 million was invested in commercial paper. Given that this involves relatively stable issuers of such commercial schemes, PMV has taken a limited (debtor) investment risk. This risk is further diminished due to diversification and restrictions to the subscribed amount for each subscription. Commercial papers remain valued at their nominal value.

PMV invested € 96.7 million through a discretionary mandate. The underlying assets are chiefly a portfolio of funds with fixed-interest securities and funds with a mixed composition of fixed-interest securities and a limited proportion of shares. The objective with regard to the majority of mandates is for a formal capital guarantee, or else the insertion of a Constant Proportion Portfolio Insurance (CPPI) clause, which results in capital protection. This capital protection is effected through a management strategy in which risk-bearing and risk-poor assets are constantly weighed up on a discretionary basis. That management strategy amounts to the value of the portfolio being continually compared with the value of the linear bond zero coupon with approximately the same expiry date as that of the current mandate. Discretionary mandates remain valued at nominal value, unless the underlying circumstances taken as a whole indicate that PMV should prematurely liquidate these resources. If these underlying circumstances arise, these products will be valued at the market price. In the case of mandates for straight-line investments, write-downs are entered to bring the accounting value into line with the market price.

€ 68 million under in-house management was invested in fixed-interest securities. Not only have the successive rises in interest rates by the European Central Bank had an effect on the evolution of these securities' book values, but the crisis in the financial markets has also been responsible for significant write-downs. The result of this has been a fall in potential appreciations in value; however, write-downs have also had to be entered in order to bring the acquisition value of the fixed-interest securities in line with the realisation value as of the end of the financial year. Naturally, that valuation is a random indication, and effective realisation will differ from those book values.

Investment was made in securitised paper in the KBC Bank CDOs (Collateralized Debt Obligation), particularly the Oxford Street, Pembroke Square, Baker Street, Fulham Road and Dorset Street tranches. Investment was made in a variety of tranches within these schemes which acquired various ratings from A to AAA. A CDO is in fact a bond issued by a securitisation vehicle within which a portfolio of assets is vested and in which the underlying assets act as collateral security.

In July 2007, the American mortgages and credit market entered into a major crisis; the chief cause of this crisis was that of problems in the American subprime market and an oversupply in the USA of extremely large leveraged private equity and investment deals. PMV does not have any investments in such American subprime credits held in portfolio; neither does it have any investment product with an increased level of default.

Because of the total illiquidity dominating the financial markets for CDOs – supply and demand being out of balance – these products are undergoing a relatively sharp devaluation. The fact that these various tranches are being underpinned by corporate credit from solvent multinational businesses, conglomerates and holding companies does not detract from the abovementioned issue of valuation. Given that such products are valued at market value, PMV has had to enter a write-down of € 1 million against its investments in the aforementioned CDOs. This amounts to 0.36% of total financial resources. PMV entered additional write-downs on fixed-interest securities to the sum of € 568,029. The accumulated write-downs on the total portfolio amount to € 2,144,516.

The sum of € 22.5 million was invested in specific investment products with capital guarantees, and € 13.5 million was invested in classic

insurance products. These products remain valued at their nominal value.

The balance for the investments and liquid assets can be found in fixed deposit and current accounts. These also remain valued at their nominal value.

LIABILITIES

Equity

At the end of the previous financial year, issued capital amounted to € 234,018,369, represented by 10,866 no par value registered shares. The Flemish Region is PMV's sole shareholder.

On 16 April 2007, the registered capital was raised by the sum of € 10,250,100, bringing it from € 234,018,369 to € 244,268,469 without the issue of new shares. This capital increase was fully paid up by the shareholder. Subsequently on 8 June 2007, the shareholder decided to reduce the registered capital by the sum of € 13 million without affecting the number of shares. The registered capital was brought to € 231,268,469. The shareholder used the sum of this capital reduction to clear an outstanding debt in respect of PMV.

Due to the profit appropriation for the financial year of 2007, the statutory reserve grew to € 5,211,871, and the transferred profits amounted to € 98,855,967 as of the balance sheet date.

At the end of the financial year of 2007, equity amounted to € 335,360,271 against € 336,355,125 as of the end of the previous financial year. This amounts to 94.4% compared with the balance sheet total, which represents a slight fall in relation to the 98.3% from the previous financial year.

Amounts payable at more than one year

Over the course of the financial year, financial resources were raised through a private placing. Subscription to a debenture loan by eight – principally financial – partners was immediate, this being for a total sum of € 11,500,000. 1,150 nominative bonds were issued. The duration of this debenture loan amounts to 10 years and the funds serve to support and finance CultuurInvest.

Amounts payable within one year

Amounts payable to credit institutions relate to a repurchase transaction with a financial institution. A sum was borrowed using a linear bond as security, and the sum loaned was used immediately to purchase another position in commercial paper. This debtor had a lower rating than that of a linear bond; the debtor risk incurred was relatively minor.

Trade accounts payable and debts due to taxes and social security contributions displayed a normal progression. The necessary provisions were put in place for holiday allowances and other social debts.

Reference should be made to the balance of the Flemish Region's revolving fund for current expenditure. The revolving fund for current expenditure ended with a credit balance of € 207,340. The revolving fund for participations produced a balance of € 4,855,711. The latter balance rose in relation to the previous year, partly as a result of entering the selling price received for the Flanders Expo nv shares and due to receipt of a liquidation advance for the liquidation of Demico nv. The Flemish Region has freedom of control over these accounts.

2. PROFIT and loss account

Operating income

Turnover for the financial year amounted to € 1,817,635 against € 1,285,366 from the previous year. Turnover represents services for a variety of assignments or project revenue, such as in relation to the VRT transmitter site, Via-Invest Vlaanderen, CultuurInvest, the Win-win Loan, Sports Infrastructure and Nautinvest.

Other operating income remained at the same level, which was € 1,245,236 for the financial year of 2007 as opposed to € 1,078,279 in 2006. This income derived principally from intra-group invoicing for services provided to the subsidiaries. Also included under this was the onward invoicing of costs for fees and advice for certain projects, which are charged to third parties.

Operating costs

The purchase of services and miscellaneous goods rose from € 1,625,651 to € 2,195,544. The majority of costs displayed a normal progression and coincided with the budget estimates.

The cost of salaries, social security and pensions emerged at € 3,746,540 compared with € 2,303,553 previously. Scheduled acquisitions were largely accomplished, which was also reflected through growth in the number of full-time equivalents.

Depreciation of intangible and tangible fixed assets displayed a normal progression. The majority of these write-downs affect intangible fixed assets and the furnishing expenses for rented buildings.

The other operating costs chiefly involve non-deductible VAT pursuant to the statute for mixed registrations for VAT. In specific terms, this means that PMV can charge for only a proportion of the deductible VAT.

Financial income

The income from current assets amounted to € 9,107,154 compared with € 8,155,861 in the previous year. That income consists of a mixture of interest received from bond portfolios, commercial paper, current accounts and fixed deposit accounts. The explanation for this increase in relation to the previous year was because of prematurely pulling out of certain funds, providing the pretext for entering an appreciation in value, but was also because of the rise in interest revenues, especially during the last months of the financial year.

The paid matured interest on the purchase of fixed-interest securities has been deducted directly from the financial income in accordance with the valuation rules. This is also the case for the pro rata reversals if fixed-interest securities are purchased at a premium.

Financial costs

Write downs were entered on the portfolio for fixed-interest securities to the sum of € 1,573,689. These write-downs are the result of falling market valuations in the financial markets.

Write-downs to the sum of € 302,348 were also entered for the (debenture) loans extended by PMV to companies with business in the cultural sphere within the context of CultuurInvest.

Bonds were sold at short value from the portfolio of fixed-interest securities. This amounted to € 83,120. The other financial costs are chiefly management fees paid for discretionary management and other banking charges.

The interest that has to be paid on the PMV debenture loan was also included in the financial costs.

Current result

The current result for the financial year amounted to € 3,512,149 against € 5,008,847 from the previous financial year. This reduction in comparison with the previous financial year can be explained by the increase in operating costs on the one hand and by capital depreciation entries on the other.

Exceptional costs

Exceptional costs relate on the one hand to additional write-downs on furnishing expenses for rented buildings and, on the other, to capital depreciation of fixed asset investments. This capital depreciation amounts to € 1,619,043 and relates to the downward valuation of shareholdings, including Vinnof Comm.VA, Textiel Vlaanderen nv and Reproductiefonds Vlaamse Musea nv.

Profit for the financial year

In 2007, the result before tax came to € 1,732,490 against € 2,905,129 for the financial year of 2006. Given that, among its options, PMV is able to take advantage of notional interest deduction, corporation tax does not have to be paid. The entry for the regularisation of tax relates to an adjustment to the tax payable on profits for the financial year of 2006.

The profit to be appropriated for the financial year after tax amounted to € 1,755,046.

3. PROFIT appropriation

The financial year of 2007 ended with profits to be appropriated of € 1,755,046.

The board of directors proposed to the annual meeting that the profit balance to be appropriated be accounted for as follows:

- an allocation to the statutory reserve for the sum of € 87,752 and
- a carry-over to the next financial year for the sum of € 1,667,294.

4. Summary of important agreements and commitments

On 28 February 2007, the board of directors approved the drafted cooperation agreement with the Flemish Region and the federal government concerning the acquisition of Kyoto units through participation in the Multilateral Carbon Credit Fund of the European Bank for Reconstruction and Development and the European Investment Bank. A similar agreement was drafted for the participation of PMV in the Asian Pacific Carbon Fund. PMV's total engagement is thus for € 22 million and US\$ 26.8 million, respectively.

On 27 June 2007, the board also sanctioned the decision of the NRC Funds credit committee to extend an NRC loan of € 3,175,115 to Barco nv to finance the non-recurring costs of an innovation project.

On 29 September 2007, PMV issued the CultuurInvest debenture loan at a total sum of € 11.5 million. Financial institutions were the chief subscribers to this.

5. Social balance sheet

At the end of 2006 there were 24 members of staff in employment of whom 16 were men and eight were women.

13 members of staff were recruited over the course of 2007: eight men and five women. All of the recruited staff have a university degree. Investment managers were hired in the main, in addition to an administrative clerk and a bookkeeper.

There were no departures by members of staff from PMV during the past financial year.

Consequently, at the end of 2007, PMV employed 37 members of staff of whom 24 were men and 13 were women. Two members of staff work 4 days in a week, and one works on a half-time hourly basis.

Staffing at PMV's subsidiaries should also be noted: there are 13 members of staff at Waarborgbeheer nv; Vinnof Comm.VA. has three members of staff, and one member of staff is registered at ARKimedees Management nv. Two people work at Novovil nv.

At the end of 2007, there was a total of 56 employees in the PMV group of whom 33 were men and 23 were women.

Employees are paid competitive salaries that include fringe benefits, such as a group insurance policy, hospitalisation insurance and meal vouchers. A comparative market survey is performed every two years, and its results are presented to the remunerations committee and to the board of directors. Depending on the results from this survey, proposals are put in place to refine the conditions of employment policy. PMV has a budget for training and courses at its disposal for each member of staff. This allows a member of staff to follow a training programme for several days each year. In addition, there is also a special budget for long-term training programmes. In line with job specifications and career planning, PMV wishes to encourage its employees to follow long-term training programmes by subsidising their cost.

Finally, an additional note should be made of the amended version of the standing employment conditions that were drawn up for PMV and its subsidiaries. The statutory procedure for their deposition commenced during the course of March 2007. This procedure has been completed, and the new standing employment conditions have come into effect.

On 21 November 2007, an initial memorandum was presented to the board of directors, the subject of which was the organisation of the 2008 social elections within the context of forming a Committee for Prevention and Protection at Work.

6. Participations in management for the Flemish Region

PMV is responsible for pursuing participations on behalf of the Flemish Region. This involves administrative management given that the Flemish Region is the legal owner of the shares.

The **Bedrijvencentrum Waasland nv** business centre ended its financial year with a profit of € 6,395 against a profit in the previous year of € 37,136. Issued capital amounted to € 620,000, and equity amounted to € 964,336. Turnover for the financial year of 2007 fell slightly in comparison with the turnover realised during the financial year of 2006. This fall in turnover was also expressed through average occupancy rates for the offices, market halls and warehouses. In 2007, average occupancy was at 89.9% against 91.4% in 2006. Over the course of 2007, construction work commenced on additional offices and, subject to everything going to plan, this additional component should become available for leasing towards the end of 2008.

During the financial year of 2007, **Biotechfonds Vlaanderen nv** made follow-up investments in Ablynx, Actogenix, Diatos and Movetis. Talks on relocation were entered into at Thrombogenics. Regarding exits, an additional group of shares was sold at a significant increase in value from DeVGen. Due to a fall in share prices, capital depreciation had to be entered for two companies.

Profit for the financial year of 2007 came to € 5,592,782. Equity amounted to € 51,131,666 after appropriation of profit. Issued capital remained unchanged at € 24,640,696.

Technopolis nv realised a turnover of € 2,610,488 against € 2,692,053 in the previous year. Other operating income also remained in line with the previous financial year. However, operating costs and write-downs rose slightly, resulting in a loss of € 823,835 against a profit in the previous financial year of € 185,135. Cash flow remained positive, but equity fell from € 5,429,582 to € 4,605,747 after profit appropriation.

As previously mentioned when discussing fixed asset investments, PMV is also a direct shareholder of **Reproductiefonds Vlaamse Musea nv**. In addition to PMV's own shareholding, PMV also manages the Flemish Region's component.

The **Vlaams Engineering & Testcentrum nv**, abbreviated to "VETC", is an initiative of the Flanders Drive vzw with the support of the Flemish government. Once again, VETC nv underwent a difficult financial year. Turnover remained at the same level as in the previous financial year, the current result amounted to € 503,671 against € 275,290 for the previous financial year.

As a result of accumulated losses, equity decreased to € 7,461,296 against € 8,388,365 in the previous year.

The activities of **Blairon nv**, being the running of a conference centre in Turnhout, carried on unchanged. Both operating income and operating costs were at the same level as for the previous financial year, which resulted in an operating loss of € 554,669 against € 585,404 in the previous financial year. An exceptional loss was incurred during the financial year in the shape of a downward valuation of the shareholding Europeion nv to the sum of € 1,158,684. Loss for the financial year comes out on balance at € 1,523,983 against € 374,230 in 2006. Equity fell from € 4,756,618 to € 3,042,998.

Following extended negotiations, and on the Flemish government's instructions, PMV sold the **Flanders Expo nv** shares. The selling price was exclusively to the benefit of the Flemish Region.

Closing the file for **Demico nv in liquidation** can now be fully implemented. In the interim, the Belgian State has paid Demico the necessary compensation. The customary formalities for liquidation have still to be concluded, after which Demico will be definitively folded up. Meantime, Demico has paid the Flemish Region a significant advance for settlement.

7. Corporate governance

On 31 January 2007, the board of directors took cognizance of the integral internal audit and the action undertaken within that context by the management of PMV nv. The same board meeting approved the composition of the investment committee for CultuurInvest.

On 28 March 2007, the board of directors explicitly assigned a delegation of power to the credit committee of the NRC Fund for decisions on credit up to a sum not exceeding € 5 million.

Over the course of 2007, the remunerations committee, the members of which are Messrs Dirk Van Melkebeke, chairman, Clair Ysebaert and Guido Steenkiste, tackled matters such as employment conditions policy, the personnel budget for 2007 and personnel assessments.

It also established the variable remuneration for 2006 to be paid in 2007. The remunerations committee discussed the training programme costs scheme and tackled the reimbursements awarded to directors or members of the subsidiaries and subordinate committees.

On 30 May 2007, the board of directors decided, in response to the board of directors' changed composition, to compose the audit committee as follows: Christine Claus (chairwoman), Rosette S'Jegers and Gwendolyn Rutten. During 2007, and in addition to its normal activities concerning the annual accounts and the budget, the audit committee also inspected the results of the internal audit for 2007 and the action taken subsequent to the integral audit of 2006. In 2007, matters that qualified for auditing were: the audit of the wages and salaries calculations for PMV and its subsidiaries; verification of the publication and use of the delegation and decisions by PMV and its subsidiaries granting representative authority and finally the drafting of, registration of and signature to contracts at the subsidiaries. This internal audit gave rise to a number of recommendations which, following advice from the audit committee, were discussed extensively at a full meeting of the board of directors on 12 December 2007.

A special meeting of the board of directors was convened on 12 September 2007 in order to clarify PMV's strategic options through "Horizon 2010".

The board of directors approved the updated corporate governance charter in principle on 24 October 2007. In addition to this, an internal audit charter and a professional code of conduct for directors are to be drafted.

8. Amendment to the articles of association

As of the balance sheet date, the registered capital amounted to € 231,268,469, represented by 10,866 shares. The Flemish Region is PMV's sole shareholder.

There were no amendments to the articles of association during the financial year of 2007 with the exception of adjustments within the context of capital increase and reduction.

9. Conflicts of interest (Section 523, Companies Code)

Section 523 of the Companies Code provides that if a director has an interest of a proprietary nature that is in conflict, either directly or indirectly, with a decision or activity pertaining to the powers of the board of directors, he must notify the other directors about this before the board of directors makes a decision.

During the financial year of 2007, no situations arose that required this provision to be applied.

10. (Re-)appointment of directors and the supervisory director

During the annual meeting of 8 May 2007, the following persons were reappointed for a period of six years until the annual meeting of 2013:

Ms Christine Claus and Messrs Clair Ysebaert, Dirk Van Melkebeke and Guido Steenkiste.

The following directors were appointed for a period of six years until the annual meeting of 2013:

Ms Rosette S'Jegers, Ms Gwendolyn Rutten and Ms Greta D'hondt, as well as Mr Raf Suys and Mr Luc Jansegers.

Mr Clair Ysebaert was unanimously re-elected as chairman of the board of directors.

As a result of the composition of the new board of directors, an additional meeting of the board of directors took place on 22 May 2007 to explain PMV's operations and, above all, to give new members of the board the opportunity to put questions to the members of the management committee regarding the structure and operation of PMV.

The supervisory director, namely Ernst & Young Bedrijfsrevisoren with Mr Jan De Landsheer as its statutory representative, was reappointed for a period of three years, i.e. until the annual meeting of 2010.

Ernst & Young's statutory representative, Mr De Landsheer was replaced by Mr Ronald Van Den Ecker on 26 October 2007.

11. Important events since the balance sheet date

We should like to notify you as follows concerning the most important facts or events to have occurred since the balance sheet date:

Participations under in-house management

On 27 February 2008, it was decided to raise the registered capital for Via-Invest Vlaanderen nv by € 18,100,000, of which PMV is to take 51% or € 9,231,000.

On 19 March 2008, the board of directors also agreed to invest an additional tranche in Capricorn Cleantech Fund nv under carefully considered conditions.

Capital increase in PMV nv

On 26 March 2008, the registered capital for PMV nv was raised by the sum of € 5 million, taking it from € 231,268,469 to € 236,268,469 without the issue of new shares. This capital increase was fully paid up by the shareholder.

Participations in management for the Flemish Region

The extraordinary general meeting of VETC nv on 16 April 2008 approved the merger proposal in which a merger by takeover is to occur through "Flanders Drive", a cooperative company with limited liability (CVBA) with a social agenda, and this is to be done retroactively from 1 January 2008. This means the disappearance of VETC nv from the Flemish Region's portfolio, but the Flemish Region becoming the principal shareholder of the CVBA "Flanders Drive".

Impact of the crisis in the financial markets on the commercial paper portfolio

Write-downs on the retained CDOs held in portfolio increased from 0.36% against total commercial paper at the end of December 2007 to 0.54% at the end of January 2008 and continued to rise to 0.90% by the end of March 2008. In the event of a continuing crisis and unchanged circumstances, PMV might have to take further devaluations into account regarding this securitised paper.

The board of directors requests the annual meeting to grant discharge to the directors and to the supervisory director for the exercise of their mandate throughout the past financial year.

Made and signed in Brussels on 30 April 2008.

The board of directors.

12. Miscellaneous matters

There are no activities relating to research and development. There is no further information to report concerning circumstances that might have a significant impact on the company's development. The company does not have any branch offices either in Belgium or abroad.

Since the balance sheet date, no other important events have arisen, nor have there been any circumstances other than those referred to above, that might have a significant impact on the company's development. The company does not have any on-going schemes for the repurchase of own shares.

There are no other pending risks or uncertainties other than those included in the annual accounts or mentioned in the annual report.

The board of directors wishes to express its recognition and thanks to the retiring directors Jan Kerremans and Karel Bogaert for the efforts that they made in the fulfilment of their positions and as members of our company's audit committee.

Colophon

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Photographs of the board of directors (pages 2, 3, 10)
Photographs of the events (pages 42, 43)

This annual report can be viewed in both Dutch and English at the website: www.pmv.eu