



EXPERIENCE **MATTERS**

**2016**

ANNUAL REPORT

- If the discount rate applied to the cash flow projections changes by +/- 1%, the impact on the impairment if the net investment would be in a range of +/- US\$ 3 million.

Further information about the financial risk management objectives and policies, the carrying amount measurement and hedge accounting of financial derivatives instruments is included in Note 5.3.29 'Financial Instruments – carrying amounts and risk management'. The maximum exposure to credit risk at the reporting date is the carrying amount of the loans to joint ventures and associates taking into account the risk of recoverability. The Company does not hold any collateral as security.

### 5.3.16 DEFERRED TAX ASSETS AND LIABILITIES

The deferred tax assets and liabilities and associated offsets are summarized as follows:

#### Deferred tax positions (summary)

|                                  | 31 December 2016 |             |           | 31 December 2015 |             |           |
|----------------------------------|------------------|-------------|-----------|------------------|-------------|-----------|
|                                  | Assets           | Liabilities | Net       | Assets           | Liabilities | Net       |
| Property, plant and equipment    | 0                | 10          | (9)       | 0                | 3           | (3)       |
| Tax losses                       | 14               | -           | 14        | 23               | -           | 23        |
| R&D credits                      | -                | -           | -         | 4                | -           | 4         |
| Other                            | 15               | -           | 15        | 32               | 0           | 33        |
| <b>Book value at 31 December</b> | <b>29</b>        | <b>10</b>   | <b>19</b> | <b>59</b>        | <b>3</b>    | <b>56</b> |

#### Movements in net deferred tax positions

|   | Note  | 2016        | 2015      |
|---|-------|-------------|-----------|
|   |       | Net         | Net       |
| <b>Deferred tax at 1 January</b>                      |       | <b>56</b>   | <b>52</b> |
| Deferred tax recognised in the income statement       | 5.3.9 | (22)        | 6         |
| Deferred tax recognised in other comprehensive income |       | (14)        | (1)       |
| Foreign currency variations                           |       | 0           | (1)       |
| <b>Total movements</b>                                |       | <b>(37)</b> | <b>4</b>  |
| <b>Deferred tax at 31 December</b>                    |       | <b>19</b>   | <b>56</b> |

Expected realization and settlement of deferred tax positions is within 9 years. The current portion at less than one year of the net deferred tax position as of December 31, 2016 amounts to US\$ 4 million. The deferred tax losses are expected to be recovered, based on the anticipated profit in the applicable jurisdiction. The Company has US\$ 36 million (2015: US\$ 23 million) in deferred tax assets unrecognized in 2016 due to current tax losses not valued.

The non-current portion of deferred tax assets amounts to US\$ 25 million (2015: US\$ 35 million).

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Deferred tax assets per location are as follows:

### Deferred tax positions per location

|                                  | 31 December 2016 |             |           | 31 December 2015 |             |           |
|----------------------------------|------------------|-------------|-----------|------------------|-------------|-----------|
|                                  | Assets           | Liabilities | Net       | Assets           | Liabilities | Net       |
| Switzerland                      | 6                | -           | 6         | 22               | -           | 22        |
| The United States of America     | -                | -           | -         | 13               | 0           | 13        |
| The Netherlands                  | 3                | -           | 3         | 7                | -           | 7         |
| Canada                           | 14               | 10          | 4         | 14               | 3           | 11        |
| Luxembourg                       | -                | -           | -         | 3                | -           | 3         |
| Monaco                           | 6                | -           | 6         | -                | -           | -         |
| Other                            | 1                | -           | 1         | 0                | 0           | -         |
| <b>Book value at 31 December</b> | <b>29</b>        | <b>10</b>   | <b>19</b> | <b>59</b>        | <b>3</b>    | <b>56</b> |

### 5.3.17 INVENTORIES

|                           | 31 December 2016 | 31 December 2015 |
|---------------------------|------------------|------------------|
| Materials and consumables | 5                | 7                |
| Goods for resale          | 1                | 0                |
| <b>Total</b>              | <b>5</b>         | <b>8</b>         |

### 5.3.18 TRADE AND OTHER RECEIVABLES

#### Trade and other receivables (summary)

|  | Note   | 31 December 2016 | 31 December 2015 |
|--|--------|------------------|------------------|
| Trade debtors  |        | 247              | 287              |
| Other receivables  |        | 110              | 87               |
| Other prepayments and accrued income                     |        | 181              | 174              |
| Accrued income in respect of delivered orders            |        | 95               | 74               |
| Taxes and social security                                |        | 23               | 18               |
| Current portion of loan to joint ventures and associates | 5.3.15 | 25               | 66               |
| <b>Total</b>   |        | <b>681</b>       | <b>705</b>       |

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables as mentioned above. The Company does not hold any collateral as security.