PRESS RELEASE
under embargo until 17.40 CET, Friday August 24, 2012

CFE
First half 2012 results

Revenue growth
Lower income
Debt under control
Strong growth in the order book and positive outlook for 2013 and 2014

The board of directors of Compagnie d'Entreprises CFE examined and approved the first-half 2012 financial statements at its meeting on August 23, 2012.

Consolidated **revenue** totalled €906 million, an increase of 4% relative to the first half of 2011 (€870 million), resulting mainly from the increase with 10% of the turnover of DEME.

Operating income fell to €29.4 million (€39.1 million in the first half of 2011) as a result of the lack of activity in the construction division and the lower fleet utilization at DEME during the first quarter.

As a consequence, the **net income** attributable to the group amounted to €13.9 million (€26.2 million in the first half of 2011).

The increase of the **net financial debt** up to €420 million at the end of this first half year mainly results from the execution of the investment program of DEME and of an investment in a real estate project.

The **order book** grew (23%) to €2,935 million (€2,382 million at January 1, 2012). Almost 70% of the order book is related to works to be performed in 2013 and beyond.

Comments by division

Set up of the new Rail-Road division

In early 2012, CFE set up its new Rail-Road division. This division includes the activities of "ENGEMA" (installation of overhead contact lines and rail signalling) and "Louis Stevens & Co" (rail signalling) - previously included in the multitechnics division - along with the road business of "Aannemingen Van Wellen" - previously part of the construction division - and the activity of specialist railway-layer Remacom, which was acquired at the beginning of the year.

Through this new organisation, CFE intends to develop synergies between its rail and road businesses, in order to offer customers a comprehensive solution for the construction and maintenance of transport networks.

The water treatment business has been moved from the construction division to the multitechnics division.

The comments below are based on the new structure. Tables featuring financial data under the old structure are included in the appendix, to ensure comparability of data.

1. Order book, revenue and results by division

Construction division

Revenue in the construction division fell by 2.6% year-on-year to €325 million (€333 million in the first half of 2011).

The decline in revenue was due to the civil engineering business in particular. Major contracts won almost four years ago are gradually coming to an end, and the company is struggling to replenish its civil engineering order book in the currently shrinking market.
Revenue in the building business grew strongly in Benelux, although it fell internationally.
After a growth over last years, business levels have been affected by the economic crisis in Central Europe and particularly in Poland. In the international area, there has been a temporary decline only resulting from decisions to delay the start of certain projects and from the time needed to start-up such projects.

The division made an **operating income** of €-1.7 million (versus €4.4 million at June 30, 2011).

In Benelux, the decline in income was mainly due to a lack of activity in civil engineering -leading to weaker coverage of overhead costs- and the costs of studies related to several major projects.
Negotiations are ongoing regarding compensation for costs arising from a customer's request for major changes to an important project in The Netherlands. This client has finally chosen for arbitration.

In Central Europe, there were losses in Poland. These were the result of lower business levels.

In the international area, delays with starting and ramping up major contracts also dragged down margins.

Difficulties in the construction division have already prompted CFE to take various reorganisation and restructuring measures:

- the building business in Wallonia has been taken over by BPC, which set up local branches,
- the civil engineering business in Belgium has been placed under a single management team that is responsible for monitoring and co-ordinating activity in Flanders, Wallonia and Brussels, and
- in Poland, the company's structure has been adjusted to suit the market, and a restructuring plan is underway.

Net income totalled €-1.7million compared with €3.7 million in June 2011.

The **order book** remained stable, despite tough economic conditions. At July 1, 2012, the order book amounted to €967 million (€983 million at January 1, 2012).

Real Estate Development and Management Services division

The real-estate business remained firm, although sales slowed in some projects. Commercialisation of projects - Lichttoren (Antwerp), Calevoet and Van Maerlant (Brussels) and Château de Beggen (Luxembourg) - are progressing normally.

Operating income rose to €5 million (€3.9 million in June 2011) and **net income** was €2.8 million (€2.7 million in June 2011).

CFE Immo, in partnership with another real-estate developer, acquired the very well located historic Solvay site in Brussels in the second quarter of 2012. The site will be renovated and will be the home of a major real-estate project in the next few years.

Multitechnics division

Revenue in the multitechnics division fell by 4% (12% at constant consolidation area) to €74 million, compared with €77 million in June 2011.

The fall in revenue mainly affected Nizet in the tertiary business and in the photovoltaic business.

The division generated an **operating income** of €-0.1 million, compared with operating income of €1.7 million in the first half of 2011.

This decline in operating income was mainly attributable to the Nizet companies, for reason mentioned above, and to water-treatment specialist CFE EcoTech, because of the delayed start and ramp-up of contracts obtained in Sri Lanka and, more recently, in Vietnam.

However, operating income at the division's main subsidiaries was satisfactory.

The division posted a **net income** of €-0.7 million compared with a profit of €0.8 million in June 2011.

The **order book** grew substantially, by 31% or 22% at constant consolidation area, to €148 million (€113 million at January 1, 2012).

Rail-Road division

Revenue in the rail-road division fell by 4% (8% at constant consolidation area) to €41 million, compared with €43 million in the first half of 2011. This decline is simply the result of project scheduling and is therefore not really meaningful.

Operating income amounts to €1.7 million, compared with €2.6 million in June 2011. In general, the division's various companies posted satisfactory earnings. The fall in operating income arose from a temporary decline in production volumes at coating plants in the roads business.

Net income totalled €1.0 million, compared with €2.0 million in June 2011.

CFE acquired Remacom in the first quarter of 2012. This company, which is based in the Ghent region, specialises in laying rail tracks. The acquisition expanded CFE's activities in the rail industry, joining ENGEMA and Louis Stevens & Co, which specialise in electrification (overhead contact lines) and signalling.

The **order book** grew substantially, by 13% (or 6% at constant consolidation area), reaching almost €86 million (€76 million at January 1, 2012).

Dredging and Environment division

(The amounts stated in this section relating to DEME are at 100%, whereas CFE owns 50% of the company).

DEME's **revenue** rose by 10% year-on-year to €904 million (€825 million in the first half of 2011).

EBITDA(*) increased by 4.6% to €144.6 million, as opposed to €138.2 million in June 2011. **Operating income** is reduced to €51.2 million versus €61.8 million in the first half of 2011. This evolution was due to a higher level of depreciation charges, along with lower fleet utilisation in the first quarter of 2012 - as announced in the May 2012 interim statement - since some dredgers were undergoing major maintenance or repairs.

Net income attributable to the group totalled €27.7 million versus €41.0 million at June 30, 2011.

The **order book** rose further during the period. It grew by 43% to €3,446 million (€2,404 million at January 1, 2011).

DEME won some major orders in the first half of 2012. In Australia, DEME won the contract to dredge the approach channel, the manoeuvring area and the berths for the Wheatstone LNG project. In Qatar, DEME's Medco subsidiary - in which it owns a 44% stake - won the contract to dredge the approach channel for the New Port project. The latter contract includes dredging the basin for the naval base, reclaiming 4.5km^2 of land and building two breakwaters using rock placement techniques. At the end of the period, DEME signed a contract with Northwind to act as main contractor for the construction and installation of foundations for this wind-power project off the Belgian coast.

DEME continued its multi-year investment program. The Neptune jack-up vessel has been operational since March 2012. DEME's new rock-cutter suction dredger, the Ambiorix, was named in May 2012.The construction of the Innovation I platform vessel is nearing completion, and it should be operational in September 2012, bringing the aforementioned investment program to an end.

(*) EBITDA = EBIT + depreciations + other non cash items + share in the result of associated companies.

PPP-Concessions division

Operating income turned positive and amounted to 1.9€ million (a loss of €-1.4 million in June 2011). It was driven by 45%-owned subsidiary Rent-A-Port, whose activities in Vietnam are progressing well. **Net income** amounts to €0.8 million, compared with a loss of €-1.7 million in June 2011.

2. Comments on the condensed statement of financial position, cash flow and CAPEX

Net financial debt(*) at the end of June 2012 stood at €420 million, compared with €351 million at the end of 2011. This figure comprises €456 million of long-term debt and €36 million of net short-term debt.
Cash flow from investing activities amounted to €128 million for the half-year, compared with €84 million in the first half of 2011. Investments mainly arose from DEME's capital investment program.
The €7 million fall in the working capital was the result of measures relating to the management of the current cash position.

After payment of the dividend with respect to 2011 (€15.1 million), shareholders' equity totalled €505.5 million.

CFE has €65 million of confirmed medium-term credit facilities for its general financing needs, which were not utilized at June 30, 2012. DEME’s purchases of dredgers and other maritime equipment are subject to separate financing arrangements linked to these assets.

In late May 2012, CFE issued a 6-year bonds amounting €100,000,000 maturing on June 21, 2018. The bond issue was a success, and was fully subscribed.

3. 2012 outlook

Given the high volume of the order book and the gradual start-up of major contracts mentioned above, business levels will gradually increase in the second half of 2012.
Operating income is likely to improve in the second half in the contracting businesses (construction, multitechnics and rail-road), and at DEME. However, this improvement will not make up entirely for the year-on-year decline seen in June 2012.
The outlook for 2013 and 2014 is positive, due to the quality of the dredging order book.

4. Shareholder base

On August 16, 2012, VINCI Construction informed CFE, in accordance with Article 74 of the Belgian act of April 1, 2007, that there had been no change in the ownership of its capital since the previous notification on August 19, 2009, when it was 46.84%.

(*) Net financial debt does not include the fair value of derivative instruments, which amounts to a debt of €39.4 million.

5. Corporate governance

On August 23, 2012, the board of directors decided to convene a special shareholders' meeting on October 10, 2012, to vote on the change-of-control clause contained in the prospectus relating to the May 29, 2012 bond issue.

6. Significant economic data by division (new structure)

Order book *(in € millions)*	**July 1, 2012**	**January 1,2012**	**July 1, 2011**
Construction	966.5	983.2	984.1
Real estate and associated services	11.7	8.3	9.1
Sub-total	978.2	991.6	993.2
Dredging and environment	1,723.0	1,202.0	1,211.0
Multitechnics	148.1	112.7	93.7
Rail-Road	85.8	76.0	81.5
PPP-Concessions			
Total consolidated	**2,935.1**	**2,382.3**	**2,379.4**

Revenue *(in € millions)*	**June 30, 2012**	**June 30, 2011**	**% change**
Construction	324.6	333.1	-2.6%
Real estate and associated services	16.8	13.8	n.s.
Inventory effect	-6.8	-2.7	n.s.
Sub-total	334.6	344.2	-2.8%
Dredging and environment	452.0	412.7	9.5%
Multitechnics	74.2	76.9	-3.5%
Rail-Road	41.1	42.8	-4.0%
PPP-Concessions	6.5	1.1	n.s.
Inter-divisions eliminations	-2.5	-7.3	n.s.
Total consolidated	**905.9**	**870.4**	**4.1%**

Contribution to operating profit *(In € thousands)*	**June 30, 2012**	**June 30, 2011**	**% change**
Construction	-1,698	4,439	n.s.
Real estate and associated services	5,003	3,898	28.3%
Inventory effect	148	-374	n.s.
Sub-total	3,453	7,963	-56.6%
Dredging and environment(*)	24,866	30,372	-18.1%
Multitechnics	-109	1,662	n.s.
Rail-Road	1,681	2,647	-36.5%
PPP-Concessions	1,885	-1,366	n.s.
Holding co. and misc.	-2,446	-1,575	n.s.
Inventory effect (other)	52	-573	n.s.
Total consolidated	**29,382**	**39,130**	**-24.9%**

Contribution to net profit *(In € thousands)*	**June 30, 2012**	**June 30, 2011**	**% change**
Construction	-1,725	3,738	n.s.
Real estate and associated services	2,778	2,728	1.8%
Inventory effect	12	-259	n.s.
Sub-total	1,065	6,207	-82.8%
Dredging and environment(*)	13,142	19,938	-34.1%
Multitechnics	-727	780	n.s.
Rail-Road	1,034	1,981	-47.8%
PPP-Concessions	823	-1,715	n.s.
Holding	-1,493	-383	n.s.
Inventory effect (other)	52	-573	n.s.
Total consolidated	**13,896**	**26,235**	**-47.0%**

(*) after allocation of corporate costs and other adjustments

7. Condensed consolidated statement of financial position

(In € thousands)	**June 30, 2012**	**December 31, 2011**
Intangible assets	10,950	9,839
Goodwill	32,992	28,725
Property, plant and equipment	970,714	899,618
Property investments	25,745	7,067
Investments in associated companies	15,189	15,128
Other non-current financial assets	46,534	30,631
Non-current derivative instruments	0	0
Other non-current assets	12,089	10,923
Deferred tax assets	18,854	11,412
Total non-current assets	**1,133,067**	**1,013,343**

(In € thousands)	June 30, 2012	December 31, 2011
Inventories	162,410	158,850
Trade and other operating receivables	849,240	761,407
Other current assets	72,261	60,242
Current derivative instruments	147	148
Current financial assets	4,208	1,759
Cash and cash equivalents	206,126	208,347
Total current assets	**1,294,392**	**1,190,753**
Total assets	**2,427,459**	**2,204,096**
Issued capital	21,375	21,375
Share premium	61,463	61,463
Gain on revaluation	1,088	1,088
Hedging instrument reserves	-16,115	-11,646
Retained earnings	424,839	425,999
Currency translation differences	6,209	3,423
Equity attributable to owners of the parent	498,859	501,702
Non-controlling interests	6,644	7,059
Total equity	**505,503**	**508,761**
Pensions and other employee benefits	14,285	14,720
Provisions	10,221	10,613
Other non-current liabilities	108,185	82,833
Financial debts	455,804	434,896
Non-current derivative instruments	30,559	24,694
Deferred tax liabilities	13,608	12,630
Total non-current liabilities	**632,662**	**580,386**
Provisions for termination losses	12,646	16,040
Provisions for other current risks	29,419	31,547
Trade and other operating payables	715,051	635,159
Current tax liabilities	26,794	24,975
Current financial debts	170,727	124,268
Current derivative instruments	8,944	5,646
Other current liabilities	325,713	277,314
Total current liabilities	**1,289,294**	**1,114,949**
Total equity and liabilities	**2,427,459**	**2,204,096**

8. Condensed consolidated statement of comprehensive income

(In € thousands)	June 30, 2012	June 30, 2011
Revenue	**905,910**	**870,388**
Revenue from auxiliary activities	26,310	22,956
Purchases	-547,210	-522,541
Wages, salaries and social benefit charges	-186,102	-168,080
Other operating expenses	-115,890	-114,144
Depreciation and amortisation	-53,636	-49,449
Operating profit	**29,382**	**39,130**
Cost of gross financial debt	-10,100	-6,048
Income from cash investments	3,022	1,788
Other financial expense	-11,109	-13,775
Other financial income	7,621	7,974
Financial income/(expense)	**-10,566**	**-10,061**
Profit for the period before tax	**18,816**	**29,069**
Income tax	-3,164	-6,199
Profit for the period	**15,652**	**22,870**
Profit/(loss) from associated companies	-1,384	245
Profit (including share from non-controlling interests) for the period	**14,268**	**23,115**
Non-controlling interests	-372	3,120
Net profit of the group	**13,896**	**26,235**

Condensed consolidated statement of other elements of comprehensive income

(in € thousands)	**June 30, 2012**	**June 30, 2011**
Profit (including share from non-controlling interests) for the period	**14,268**	**23,115**
Financial instruments: changes in fair value	-5,919	2,823
Currency translation differences	2,791	-2,832
Deferred taxes	1,450	-1,151
Change in consolidation method (net of deferred tax)	-	-
Other elements of comprehensive income	**-1,678**	**-1,160**
Comprehensive income:	**12,590**	**21,955**
- Attributable to the group	12,213	25,196
- Attributable to non-controlling interests	377	-3,241
Net profit of the group per share (€) (basic and diluted)	1.06	2.00
Comprehensive income of the group per share (€) (basic and diluted)	0.93	1.92

9. Key figures per share

	June 30, 2012	**June 30, 2011**
Total number of shares	13,092,260	13,092,260
Operating income after deduction of net financial expense per share	1.44	2.22
Earnings per share (attributable to owners of the parent)	1.06	2.00

10. Share information

At June 30, 2012, there were 13,092,260 shares, each conferring one voting right. No convertible bonds or warrants had been issued.
The financial institutions through whom owners of financial instruments may exercise their financial rights are BNP Paribas Fortis, Banque Degroof and ING Belgique.
Banque Degroof has been designated as the Main Paying Agent.

11. <u>2012 – 2013 calendar</u>

- October 10, 2012: special shareholders' meeting
- November 14, 2012: announcement of results for the second semestre 2012
- Week of February 18 to 22, 2013: publication of full-year 2012 results
- May 2, 2013: ordinary shareholders' meeting.

12. <u>Comments</u>

The notes to the condensed consolidated financial statements were prepared in accordance with IAS 34 and will be published on www.cfe.be after 17.40 CET on Friday, August 24, 2012.

Auditor's report

The Auditor, Deloitte Reviseurs d'Entreprises, represented by Pierre-Hugues Bonnefoy, has confirmed that its limited review, now completed, revealed no material corrections to be made to the accounting information presented in this press release.

CFE is a multidisciplinary group of companies operating in construction and associated services. It is listed on Euronext Brussels and is 47% owned by VINCI. CFE is a major player in Belgium's construction industry, with a presence in the Netherlands, Luxembourg, Central Europe, the Middle East and Africa. CFE owns 50% of DEME, one of the world's leading dredging contractors.

The press release is available on our website at www.cfe.be

<u>For further information</u>

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Appendix 1. Significant economic data by division (new structure)

Order book *(in € millions)*	**July 1, 2012**	**January 1, 2012**	**July 1, 2011**
Construction	1,007.6	1,009.9	1,018.4
Real estate and associated services	11.7	8.4	9.1
Sub-total	1,019.3	1,018.3	1,027.5
Dredging and environment	1,723.0	1,202.0	1,211.0
Multitechnics	192.8	162.0	140.9
PPP-Concessions	0.0	0.0	0.0
Total consolidated	**2,935.1**	**2,382.3**	**2,379.4**

Revenue *(in € millions)*	**June 30, 2012**	**June 30, 2011**	**% change**
Construction	349.7	363.5	-3.8%
Real estate and associated services	16.8	13.8	n.s.
Inventory effect	-6.8	-2.7	n.s.
Sub-total	359.7	374.6	-4.0%
Dredging and environment	452.0	412.7	9.5%
Multitechnics	90.2	87.8	2.7%
PPP-Concessions	6.5	1.1	n.s.
Inter-division eliminations	-2.5	-5.8	n.s.
Total consolidated	**905.9**	**870.4**	**4.1%**

Contribution to operating profit *(in € thousands)*	**June 30, 2012**	**June 30, 2011**	**% change**
Construction	-2,271	5,103	n.s.
Real estate and associated services	5,003	3,898	28.3%
Inventory effect	148	-374	n.s.
Sub-total	2,880	8,627	-66.6%
Dredging and environment(*)	24,866	30,372	-18.1%
Multitechnics	2,145	3,645	-41.1%
PPP-Concessions	1,885	-1,366	n.s.
Holding co. and misc.	-2,446	-1,575	n.s.
Inventory effect (other)	52	-573	n.s.
Total consolidated	**29,382**	**39,130**	**-24.9%**

Contribution to net profit *(in € thousands)*	**June 30, 2012**	**June 30, 2011**	**% change**
Construction	-2,369	4,377	n.s.
Real estate and associated services	2,778	2,728	1.8%
Inventory effect	12	-259	n.s.
Sub-total	421	6,846	-93.9%
Dredging and environment (*)	13,142	19,938	-34.1%
Multitechnics	951	2,122	-55.2%
PPP-Concessions	823	-1,715	n.s.
Holding co.	-1,493	-384	n.s.
Inventory effect (other)	52	-573	n.s.
Total consolidated	**13,896**	**26,235**	**-47.0%**

(*) after allocation of corporate costs and other adjustments