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PRESS RELEASE

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CFE

H1 2013 results

- **Revenue for the first half of 2013**: €1,083 million (+19.5%)
- **EBITDA**: €86.5 million (+18.3%)
- **Operating income:** €19.4 million (€29.3 million at June 30, 2012)
- **Net income attributable to the Group:** €0.2 million versus €14 million in H1 2012
- **Order book:** €2,734 million at July 1, 2013 (-4.7% on January 1, 2013)

2013 key figures

in € millions	H1 2013	H1 2012	2013/2012 change
Revenue	1,082.8	905.9	+19.5%
EBITDA	86.5	73.1	+18.3%
As % of revenue	8%	8.1%	
Operating income	19.4	29.3	-33.8%
As % of revenue	1.8%	3.2%	
Net income attributable to the Group	0.2	14.0	n.s.
As % of revenue	0%	1.6%	
Earnings per share (in €)	0.02	1.07	
Net financial debt	525	420	+24.9%
Order book at June 30	2,734.1	2,935.1	-6.8%

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The Board of Directors of CFE examined and approved the H1 2013 financial statements at its meeting on August 27, 2013.

1. Key figures in the first half of 2013

Consolidated revenue at June 30 by division

	At June 30		% change
in € millions	**2013**	**2012**	
Contracting	**463.0**	**439.9**	**+5.3%**
-Construction	*341.1*	*324.6*	*+5.1%*
-Rail-Road	*44.2*	*41.1*	*+7.5%*
-Multitechnics	*77.7*	*74.2*	*+4.7%*
Real Estate Development and Management Services	**6.7**	**16.8**	**n.s.**
Dredging and Environment	**603.5**	**452.0**	**+33.5%**
PPP - Concessions	**2.9**	**6.5**	n.s.
Holding company and consolidation adjustments	**6.8**	**-9.3**	n.s.
Total	**1,082.8**	**905.9**	**+19.5%**

Operating income by division

	At June 30		% change
in € thousands	**2013**	**2012**	
Contracting	**-11,928**	**-126**	n.s.
-Construction	*-7,246*	*-1,698*	*n.s.*
- Rail-Road	*1,403*	*1,681*	*-16.5%*
-Multitechnics	*-6,085*	*-109*	*n.s.*
Real Estate Development and Management Services	**1,171**	**5,003**	n.s.
Dredging and Environment	**35,193**	**24,866**	+41.5%
PPP - Concessions	**-106**	**1,885**	n.s.
Holding company and consolidation adjustments	**-3,281**	**-2,363**	n.s.
Goodwill amortisation	**-1,660**	**-**	n.s.
Total	**19,389**	**29,265**	-33.7%

Net income attributable to the Group by division

	At June 30		% change
in € thousands	**2013**	**2012**	
Contracting	**-15,107**	**-1,418**	n.s.
-Construction	*-8,972*	*-1,725*	*n.s.*
- Rail-Road	*799*	*1,034*	*-22.7%*
-Multitechnics	*-6,934*	*-727*	*n.s.*
Real Estate Development and Management Services	**17**	**2,778**	**n.s.**
Dredging and Environment	**16,437**	**13,142**	**+25.1%**
PPP - Concessions	**2,091**	**823**	**n.s.**
Holding company and consolidation adjustments	**-1,560**	**-1,282**	**n.s.**
Goodwill amortisation	**-1,660**	**-**	**n.s.**
Total	**218**	**14,043**	**n.s.**

Consolidated order book by division

in € millions	June 30, 2013	December 31, 2012	% change
Contracting	**1,236.6**	**1,195.6**	+3.4%
-Construction	*992.1*	*964.2*	*+2.9%*
- Rail-Road	*81.8*	*65.8*	*+24.3%*
-Multitechnics	*162.7*	*165.6*	*-1.8%*
Real Estate Development and Management Services	**20.5**	**14.1**	n.s.
Dredging and Environment	**1,477.0**	**1,658.5**	-10.9%
PPP - Concessions	-	-	-
Holding company and consolidation adjustments	-	-	-
Total	**2,734.1**	**2,868.2**	-4.7%

CFE's consolidated revenue at June 30, 2013 totalled €1,082.8 million, i.e. grew 19.5% from June 30, 2012 (19.3% at constant consolidation area).

Revenue in the Contracting business line rose 5.3% (4.8% at constant consolidation area) up to €463 million, including the Construction division (€341.1 million), the Rail-Road division (€44.2 million) and the Multitechnics division (€77.7 million).

Revenue contracted at Real Estate Development and Management Services but not to a significant extent, because the level of business and commercialisation remained satisfactory.

Revenue at Dredging and Environment grew 33.5% and climbed to (CFE share) €603.5 million.

Operating income amounted to €19.4 million, down 33.7% from June 30, 2012. The decline was mainly due to construction and Multitechnics operations. PPP - Concessions and Rail-Road delivered good results, while the dredging business, after a tough first half, grew after large contracts in Qatar and Australia did not start up until the end of the first half of 2013.

Net income attributable to the Group totalled €0.2 million versus €14.0 million at June 30, 2012.

Year-to-date order intake at June 30, 2013 totalled €949 million, including €504 million in Contracting and €422 million in Dredging and Environment.

The **order book** came in at €2,734.1 million, down 4.7% from December 31, 2012. The decline was accounted for by Dredging and Environment where order intake dropped 10.9%.

2. Analysis income by division, revenue and order book

Construction division

Revenue

in € millions	H1 2013	H1 2012	% change
Civil engineering	**68.8**	**77.7**	**-11.5%**
Buildings, Benelux	**222.5**	**215.8**	**+3.1%**
Buildings, International	**49.8**	**31.1**	**+60.1%**
Total	**341.1**	**324.6**	**+5.1%**

H1 revenue rose slightly. Within the business line, however, there were significant differences in revenue:

- Revenue declined in civil engineering in Benelux, as the trend witnessed for more than a year persisted, as the market remains under pressure;
- Revenue fell in Buildings in Benelux in most subsidiaries, due to the exceptionally bad weather conditions during the winter but business picked up at BPC and MBG;
- Buildings revenue rebounded in Poland;
- Buildings revenue grew outside Europe.
  This growth, nonetheless, was lower than expected owing to the delayed launch of a project in Chad.

Operating income

The business line's operating income contracted sharply and a €7.2 million loss was recorded. This loss was accounted for by:

- The exceptional weather conditions that prevailed at the start of the year that led to direct losses on building sites and overheads not being covered;
- A substantial loss incurred on a site, in Eastern Belgium;
- A lack of business in civil engineering;
- The postponement of projects in Chad and the delays recorded in waiting for contract amendments to be approved.

In the Netherlands, with respect to a large project in Amsterdam, the negotiations begun in early 2013 with the customer, in order to find a balanced and definitive solution, led to an agreement between all the parties involved.

Net income attributable to the Group

The net income was negative (a €9.0 million loss to be compared with a €1.7 million loss in the first half of 2012).

Order book

in € millions	At June 30, 2013	Au December 31, 2012	% change
Civil engineering	**186.1**	**190.6**	**-2.4%**
Buildings, Benelux	**550.4**	**527.8**	**+4.3%**
Buildings, International	**255.6**	**245.8**	**+4%**
Total	**992.1**	**964.2**	**+2.9%**

Noteworthy major trends are as follows:

- Problems are being met in terms of renewing the order book in civil engineering in a contracting market. The situation has stabilised in Flanders and the Netherlands;
- The order book was boosted at BPC resulting from a significant contract won in Brussels ("Le Toison d'Or" building) and order intake improved in renovation at Amart, while it sagged at the other Belgian subsidiaries.
  In the Grand Duchy of Luxembourg, after a few lean years, CLE's order book renewed with a satisfactory level;
- The order book was significantly renewed in Poland after business contracted markedly in 2011 and 2012;
- The order book grew at Buildings, international.
  CFE International booked a major order in Chad during the first half (university of Toukra – phase 2).

Rail-Road division

Revenue

The Rail-Road division's revenue grew 7.5% and climbed to €44.2 million. The rail business enjoyed an increase, while business in the roads component decreased slightly due to the harsh winter conditions.

Operating income

Operating income came in at €1.4 million versus €1.7 million in the first half of 2012, i.e. contracted 16.5%. Generally speaking, income was satisfactory in the rail business, while the road business was impacted for its part by the harsh winter.

Net income attributable to the Group

Net income climbed to €0.8 million from €1.0 million in the first half of 2012.

Order book

The order book totalled €81.8 million, i.e. grew 24.3% from December 31, 2012. This increase was mainly accounted for by roads and rail signalling.

The current outlook remains upbeat, as major calls for tenders are under way in the rail business.

Multitechnics division

Revenue

Revenue at the Multitechnics division totalled €77.7 million, i.e. up 4.7% relative to the previous year (2.2% at constant consolidation area). Revenue in international operations, driven by VMA that won contracts in Turkey, Poland and Hungary from major car manufacturers, enjoyed growth while some subsidiaries recorded a sag in revenue in Belgium.

Operating income

An operating loss of €6.1 million was recorded (to be compared with the €0.1 million operating loss in the first half of 2012). This loss was mainly attributable to a subsidiary located in Western Flanders which has undergone restructuration.

This situation led CFE to totally write off this company's goodwill (a €1.7 million loss).

Net income attributable to the Group

Net income attributable to the Group, for its part, consisted in a €6.9 million loss to be compared with a €0.7 million loss in the first half of 2012. This loss does not include the impairment of the goodwill.

Order book

The order book amounted to €162.7 million at June 30, in other words decreased 1.8% in comparison with December 31, 2012. A similar trend as in revenue was witnessed.

Real Estate Development and Management Services

In a somewhat calmer although still steady residential market, numerous projects have just been launched in Uccle (Ilya project), in the Grand Duchy of Luxembourg (serviceflats in Bettembourg) and in Poland (Obosowa project in Warsaw).

Real estate portfolio decreased slightly despite the launch of the afore-mentioned sites, while marketing of residential projects under way (Belview in Brussels, Gdansk in Poland) continued at a sustained pace. Properties at marketing stage remained low (15%), and the increase resulted from the delivery of a building during the first half (Brusilia).

Properties at development stage decreased, while simultaneously CFE acquired a 33% stake in the Kons Gallery project in Luxembourg. Construction works are scheduled to start on this project, in which a significant portion of the office space has been rented to a well-known bank, in early 2014.

Change in value of real estate projects

in € millions	At June 30, 2013	At December 31, 2012
Properties at marketing stage	**24**	**19**
Properties at construction stage	**46**	**45**
Properties at development stage	**95**	**102**
Total	**165**	**166**

Operating income

The fact that some transactions were postponed to the second half of 2013 temporarily weighed on operating income. It totalled €1.2 million versus €5 million in the first half of 2012.

Net income attributable to the Group

Net income was slightly positive while it amounted to €2.8 million at June 30, 2012.

The major development in the first half of 2013 was the disposal to CB-Richard Ellis of the (66%) stake held by CFE in Sogesmaint-CB Richard Ellis, a "Facility and Property management" company.

This divestment did not have a material impact in terms of revenue and income.

At the same time, CFE decided to develop, under the name of Sogesmaint, an integrated Facility, Property & Project Management business in synergy with the Group's sectors of activity. Sogesmaint's business will be focused on sustainable development, and will offer customers the various services provided by the Group in the fields of renovation and energy optimisation.

Dredging and Environment division

(The figures shown below for DEME, which is owned 50% by CFE, are at 100%)

Revenue

DEME's revenue amounted to €1,207 million, i.e. up 33.5% relative to the previous year (€904 million).

At the end of the first quarter 2013, the major projects in Qatar and Australia were launched at last while the installation of foundations for offshore wind turbines in the North Sea for C-Power was completed at the end of the first half.

Changes in revenue by business line

As %	H1 2013	H1 2012
Capital dredging	52%	48%
Maintenance dredging	10%	17%
Fallpipe and landfalls	7%	13%
Environment	6%	9%
Marine works	25%	13%
Total (€ millions)	1,207.0	904.1

Changes in revenue by geographical area

As %	H1 2013	H1 2012
Europe (EU)	44%	49%
Europe (non EU)	1%	4%
Africa	10%	14%
Americas	3%	6%
Asia and Oceania	30%	17%
Middle East	11%	6%
India and Pakistan	1%	4%
Total (€ millions)	1,207.0	904.1

Operating income

The first half of 2013 was impacted by tough weather conditions and by the fact that the fleet was less occupied while waiting for the launch of major projects in Qatar and Australia.

EBITDA increased, nevertheless, by 26.3% in the first half and reached €181.1 million versus €144.6 million in the first half of 2012.

Operating income grew at a strong pace and totalled €71.9 million (€51.2 million in the first half of 2012).

Net income attributable to the Group

Net income increased 24% and totalled €34.4 million versus €27.7 million in the first half of 2012.

The 2008-2012 investment plan has been completed. DEME's net financial debt at June 30, 2013, impacted by the payment of substantial maturities related to the afore-mentioned plan, totalled €822 million, versus €742 million at December 31, 2012.

In early 2013, DEME issued a bond for €200 million. This bond is aimed at refinancing part of the existing debt, while ensuring diversity of financing sources as well as extending the maturity of debt, enjoyed a noteworthy success since the bond was entirely subscribed.

Order book

DEME's order book contracted (-10.9%). It totalled €2,954 million (versus €3,317 million at December 31, 2012). Given the exceptional orders booked in the previous period (Wheatstone and Doha Port) this decline is logical and was expected.

In the first half, GeoSea pressed ahead with its development in the field of renewable energies by winning a contract, in the United Kingdom, for the installation of 35 foundations for windmills and in Germany for the installation of 77 foundations with scour protection.

In early July, DEME was awarded €250 million in orders for energy-related fields. Around €100 million is already included in the afore-mentioned order book.

PPP – Concessions division

The PPP – Concessions division, driven by Rent-A-Port, reported satisfactory results. Net income attributable to the Group improved and amounted to €2.1 million (versus €0.8 million in the first half of 2012).

CFE-specific business has focused on new studies, as the bid for the Haren jail failed.

3. Summary of results

3.A.1 Condensed statement of consolidated comprehensive income

Year ended at June 30 (€ thousands)	2013	2012
Revenue	**1,082,781**	**905,910**
Revenue from auxiliary activities	39,903	26,310
Purchases	-708,418	-547,210
Remuneration and social security payments	-205,582	-186,219
Other operating expenses	-125,491	-115,890
Depreciation and amortization	-62,144	-53,636
Goodwill impairment	-1,660	0
Operating income	**19,389**	**29,265**
Cost of Gross financial debt	-12,907	-10,100
Financial income from cash investments	2,545	3,022
Other financial expenses	-11,954	-11,109
Other financial income	5,767	7,885
Net financial income/expense	**-16,549**	**-10,302**
Pre-tax income for the period	**2,840**	18,963
Income tax expense	-6,873	-3,164
Net income for the period	**-4,033**	**15,799**
Share in the result of associated companies	4,031	-1,384
Net income (including income attributable to owners of non-controlling interests)	**-2**	**14,415**
Attributable to owners of non-controlling interests	220	-372
Net income of the group	**218**	**14,043**

Condensed statement of items of other consolidated comprehensive income

Year ended at June 30 (€ thousands)	2013	2012
Net income (including income attributable to owners of non-controlling interests)	**-2**	**14,415**
Changes in fair value related to hedging instruments	6,108	-5,919
Currency translation differences	-1,703	2,791
Deferred taxes	-1,769	1,450
Change in consolidation method (net of deferred taxes)	0	0
Remeasurement on defined benefit plans	0	-3,078
Other elements of the comprehensive income directly accounted in equity	**2,636**	**-4,756**
Comprehensive income	**2,634**	**9,659**
-Attributable to owners of the parent	3,053	9,282
-Attributable to owners of non-controlling interests	-4.9	377
Net income attributable to owners of the parent per share (EUR) (diluted and basic)	0.02	1.07
Basic (diluted) comprehensive income per share (€)	0.23	0.71

3.A. 2 Condensed consolidated statement of financial position

Period ended (€ thousands)	June 30, 2013	December 31, 2012
Intangible assets	11,993	12,651
Goodwill	31,740	33,401
Property, plant and equipment	958,727	980,434
Investment property	2,372	2,056
Investments in associated companies	23,840	18,364
Other non current financial assets	73,041	56,586
Derivative instruments - Non-current assets	0	0
Other non current assets	6,075	9,283
Deferred tax assets	32,020	22,787
Total non current assets	**1,139,808**	**1,135,562**
Inventories	194,325	186,534
Trade and other operating receivables	845,068	732,466
Other current assets	84,952	84,240
Derivative instruments - Current assets	0	0
Current financial assets	208	153
Cash and cash equivalents	221,941	260,602
Total current assets	**1,346,494**	**1,263,995**
Total assets	**2,486,302**	**2,399,557**

Share capital	21,375	21,375
Share premium	61,463	61,463
Revaluation surplus	1,088	1,088
Consolidated reserves and reserve related to hedging instruments	-13,334	-17,673
Retained earnings	437,367	452,205
Currency translation differences	3,781	6,154
Equity attributable to owners of the parent	511,740	524,612
Equity attributable to non-controlling interests	3,587	6,227
Equity	**515,327**	**530,839**
Retirement benefit obligations and employee benefits	21,451	21,239
Provisions	11,245	10,679
Other non current liabilities	58,141	70,745
Bond	199,831	100,000
Financial liabilities	384,135	379,120
Derivative instruments – Non current liabilities	26,914	32,853
Deferred tax liabilities	13,791	13,789
Total non current liabilities	**715,508**	**628,425**
Provisions for onerous contracts	12,377	11,652
Provisions for other current risks	21,383	24,168
Trade & other operating payables	648,252	689,475
Income tax payable	33,588	21,579
Current financial liabilities	162,650	181,474
Derivative instruments - Current liabilities	5,758	4,201
Other current liabilities	371,459	307,744
Total current liabilities	**1,255,467**	**1,240,293**
Total equity and liabilities	**2,486,302**	**2,399,557**

3.A.3 Comments consolidated statement of financial position, cash flow and investments

Net financial debt[(*)] amounted to €524.7 million, versus €420 million at June 30, 2012 and €400 million at December 31, 2012. This debt breaks down into, first, long-term debt of €584 million made up mainly of the bond issued by CFE (€100 million), the bond issued by DEME (€200 million or €100 million with respect to CFE's share), loans covering the acquisition of DEME ships, and on the other hand, a positive net cash position of €59 million. Cash flow from investments amount to €39 million for the year, to be compared with €128 million in the first half of 2012. These investments mainly concern DEME's investment programme.

The €127 million increase in working capital requirements is explained by:

- Substantial payments by DEME, during the first half, in respect of acquisitions of dredgers;
- The acquisition of the Kons Gallery property in Luxembourg;
- The pre-financing of the "Charleroi police headquarters" and "Tritomas" construction projects during the construction period;
- The impact of the harsh winter;
- A lengthening in customers' payment delays.

Equity, after paying out the dividend for the 2012 period (€15.1 million), amounted to €515 million.

CFE has, for its part, confirmed long-term credit facilities for its general financing needs totalling €100 million, of which €75 million had not been drawn down at June 30, 2013. The funding of PPP – Concessions projects is covered by specific loans and are without recourse against the company. DEME's acquisitions of dredgers and other marine equipment are subject to separate financing arrangements secured on those assets.

(*)Net financial debt does not include the fair value of derivative instruments that at June 30, 2013 amounted to a liability of €32 million.

Period ended at June 30 (€ thousands)	2013	2012
Cash flow from operating activities	-65,127	62,930
Cash flow from investing activities	-38,995	-127,605
Cash flow from financing activities	67,354	60,122
Net increase/(decrease) in cash position	-36,768	-4,553
Equity excluding non-controlling interests at opening at December 31	524,612	501,702
Equity excluding non-controlling interests at closing at June 30	511,740	498,859
Net income attributable to the Group in H1	218	14,043
ROE	**0.0%**	**2.8%**

3.A.4 Data per share

	June 30, 2013	June 30, 2012
Total number of shares	13,092,260	13,092,260
Operating income after deduction of net financial expenses, per share	0.22	1.45
Net income attributable to the Group per share	0.02	1.07

4. Main trends

The first half was particularly demanding in the Construction and Multitechnics divisions.

Accordingly, the full-year 2013 revenue should grow but in view of the foregoing comments about the Construction and Multitechnics divisions, the expected full-year income will be lower than in the previous year.

The outlook for the other business lines, by contrast, remains favorable in particular in the dredging division.

5. Share information

At December 31, 2012, CFE's share capital consisted in 13,092,260 shares.

Each share confers one voting right. No convertible bonds or warrants were 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.

6. Shareholding

On August 12, 2013, Vinci Construction informed CFE, in compliance with the provisions of Article 74 of the Belgian law of April 1, 2007, that no change had occurred in its equity interest since the previous notification on August 16, 2012, when its stake in CFE stood at 46.84%.

7. Corporate governance

The Ordinary Shareholders' Meeting held on May 2, 2013 renewed the terms of office of the following Directors: Ph. Delusinne, J. Steyaert (both are independent Directors), the terms of office of R. Francioli, Ch. Labeyrie (Directors) and R. Bentégeat (Managing Director).

8. Shareholder agenda

- November 15, 2013: publication of interim results;
- February 27, 2014: publication of 2013 annual results, after market close;
- April 30, 2014: ordinary shareholders' meeting.

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 disclosed in this press release.

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

This press release is available on www.cfe.be.

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More info

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