

PRESS RELEASE

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CFE

Intermediary report, 30 September 2013

- **Revenues in the first nine months of 2013: €1,689 million (+24.7%)**
- **Order book: €2,645 million at 30 September 2013 (-7.8% compared with 31 December 2012)**
- **Net financial debt remains stable at 30 September 2013: €526 million**

Consolidated revenue at 30 September by division

	As at 30 September	% change
€ million		
Contracting	712.8	648.0
- Construction	521.3	471.7
- Rail & Road	68.0	66.4
- Multitechnics	123.5	109.9
Real Estate & Management Services	12.7	23.4
Dredging & Environment (*)	951.6	679.4
PPP - Concessions	2.9	10.4
Adjustments and consolidation	8.9	-6.5
Total	1,688.9	1,354.7
		+24.7%

(*) CFE share (50%)

Consolidated revenue was €1,688.9 million at 30 September 2013, representing a 24.7% increase year-on-year.

Contracting revenue rose by 10% to €713 million, with €521 million from Construction, €68 million from Rail & Road and €124 million from Multitechnics.

Revenue from Real Estate & Management Services fell, but the decline was not material.

Dredging & Environment revenue rose by 40% to €951.6 million (CFE share).

Consolidated order book by division

€ million	September 30, 2013	December 31, 2012	September 30, 2012
Contracting	1,316.8	1,195.6	1,182.9
- Construction	1,074.3	964.2	942.8
- Rail & Road	75.4	65.8	79.3
- Multitechnics	167.1	165.6	160.8
Real Estate & Management Services	20.7	14.1	10.4
Dredging & Environment	1,307.5	1,658.5	1,649.1
Total	2,645.0	2,868.2	2,842.4

Order intake at 30 September 2013 totalled €1,466 million, including €834 million in Contracting and €601 million in Dredging & Environment.

The **order book** was €2,645 million, slightly lower than the figure at 31 December 2012. The decline was due to the Dredging & Environment division.

Consolidated net financial debt amounted to €526 million versus €400 million at 31 December 2012. This increase is the direct result of payments relating to recent investment by DEME, an increase in the operational working capital requirement, and financing relating to the Charleroi police station project. This debt has however stabilized during the third quarter.

Analysis by division of the first 9-month revenues 2013

Construction division

Revenues in the Construction division

€ million	As at 30 September		% change
	2013	2012	
Civil Engineering	108.2	102.6	+5.5%
Buildings, Benelux	329.4	331.0	-0.5%
Buildings, International	83.7	38.1	+119.7%
Total	521.3	471.7	+10.5%

In Civil Engineering, the decline seen in 2012 and the first six months of 2013 came to a halt, and a slight recovery took place in the third quarter.

Revenues in the Buildings, Benelux business were stable, although there were some large variations, including strong growth at MBG and BPC and a decline at CFE Brabant. In Luxembourg, there were further signs of recovery.

Revenues in the Buildings, International business rose sharply. Growth was particularly rapid in Poland. In the rest of the International business, revenues increased, but growth was weaker than expected. Delays with payments and invoice approvals are having a negative impact on project completion.

Order book in the Construction division

€ million	September 30, 2013	December 31, 2012	September 30, 2012
Civil Engineering	214.4	190.6	184.2
Buildings, Benelux	614.9	527.8	537.2
Buildings, International	245.0	245.8	221.4
Total	1,074.3	964.2	942.8

In Civil Engineering, the order book grew slightly, with MBG winning orders to renovate the Brussels South wastewater treatment plant and build a landing stage in Zeebrugge.

The order book in the Benelux Buildings business increased sharply. In the third quarter, MBG won some large orders, including the construction of a new building at AZ Sint-Maarten hospital in Louvain and three high-rise buildings at Kattendijkdok in Antwerp.

In the International Buildings business, the order book was stable. In early November, however, CFE International won a large order in Nigeria, subject to the set-up of the financing structure.

Rail & Road division

The Rail & Road division generated revenue of €68 million, up 2.4% relative to the previous year.

The order book totalled €75.4 million, an increase of 14.6% relative to December 31, 2012. Growth took place mainly in the roads business. The outlook in the Rail & Road division remains positive, since some large rail contracts are currently out to tender.

Multitechnics division

The Multitechnics division generated revenue of €123.5 million, representing organic growth of 12.4% relative to same period in 2012.

Almost all companies achieved growth, although revenues fell at ETEC and VMA West (formerly Elektro Van De Maele). At VMA West, problems that occurred in the first half of 2013 have not yet been fully resolved. The company is now under the direct control of VMA.

The order book remained firm, ending at €167.1 million versus €165.6 million at end-2012. Orders mainly relate to VMA, which is maintaining its international growth.

Real Estate & Management Services division

The value of real-estate projects in progress fell slightly in the third quarter, since several projects are in the construction phase: Belview in Brussels, Bettembourg (serviced residence in Luxembourg), Gdansk and Obosowa in Poland.

The value of properties at the marketing stage remains low and is falling, with sales continuing at a normal level on the Brusilia project.

The value of properties at the development stage remains stable, since CFE made no acquisitions during the quarter. However, good progress is being made on the Oosteroever (Ostend) and Solvay (Brussels) projects.

Value of real-estate projects

€ million	September 30, 2013	June 30, 2013	December 31, 2012
Properties at the marketing stage	20	24	19
Properties at the construction stage	47	46	45
Properties at the development stage	95	95	102
Total	162	165	166

Dredging & Environment division

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

DEME generated revenues of €1,903 million in the first nine months of the year, up 40% relative to the year-earlier period.

The sharp year-on-year increase in revenues is due to the performance of major projects (Gladstone and Wheatstone in Australia, New Doha Port in Qatar), along with wind-power projects by GeoSea.

Revenues by business area

%	H3 2013	H3 2012
Capital dredging	51%	50%
Maintenance dredging	10%	15%
Fallpipe and landfalls	8%	12%
Environment	7%	9%
Marine works	24%	14%
Total (€ million)	100%	100%

Revenues by geographical area

%	H3 2013	H3 2012
Europe (EU)	44%	47%
Europe (non-EU)	1%	4%
Africa	10%	14%
Americas	4%	7%
Asia-Pacific	29%	19%
Middle-East	11%	6%
India and Pakistan	1%	3%
Total (€ million)	100%	100%

DEME's order book totalled €2,615 million, down 21% relative to 31 December 2012. During the third quarter, DEME won various orders in Colombia, Venezuela and Nigeria. However, these orders did not offset the decline resulting from two major projects currently in progress and won in 2012.

PPP-Concessions division

Rent-A-Port's business levels were normal. In Tunisia, work on the Bizerte marina resumed at a moderate pace.

In Belgium, activity focused on new studies.

Financial information

Net financial debt^(*) at end-September 2013 amounted to €526 million, as opposed to €525 million at June 30, 2013 and €400 million at December 31, 2012. The figure includes long-term debt of €587 million, mainly comprising the proceeds from the CFE bond issue (€100 million), the DEME bond issue (€200 million, CFE share €100 million) and loans covering the purchase of vessels at DEME. It also reflects a short-term cash position of €61 million.

The increase in net financial debt was due to three factors:

- large payment by DEME in early 2013 relating to dredger investments, already in service;
- the acquisition of land relating to the Kons Gallery project in Luxembourg, along with the pre-financing of the construction phase of Charleroi police station project; and
- an increase in the working capital requirement in the contracting business.

CFE also has €100 million of long-term credit facilities for its general financing needs. At September 30, 2013, utilisation of these facilities amounted to €25 million. DEME's investments in dredgers and other specific marine equipment are subject to separate financing arrangements secured on those assets.

^(*) Net financial debt does not include the fair value of derivative instruments.

2013 outlook

In terms of business levels, first-half trends remain in place, and full-year revenues will be higher than the 2012 figure.

As announced in late June 2013, full-year earnings will be lower than in 2012.

Additional problems encountered during the third quarter in the Contracting business, in particular by a subsidiary located in Western Flanders in the Multitechnics division, will have a negative impact on the guidance.

Corporate governance

On 19 September 2013, CFE was informed by VINCI SA and Ackermans & van Haaren SA (AvH) that they had agreed a new industrial strategy for CFE, enabling CFE to acquire sole control of Dredging, Environmental & Marine Engineering (DEME).

According to the agreement between AvH and VINCI, the board of directors of CFE is invited to convene an extraordinary shareholders' meeting to entitle AvH to contribute its 50% shareholding in DEME to CFE, in consideration for 12,222,222 newly issued CFE shares at a price of 45 euros per share. Simultaneously, VINCI will sell half of its stake in CFE, i.e. 23.2% (before capital increase), to AvH at the same price of 45 euros per share.

After the related transactions, CFE will be the sole owner of DEME, AvH will own 60.39% of CFE and VINCI will have a 12.1% stake in CFE.

These transactions are subject to certain conditions precedent, in particular:

- i. Approval of the capital increase by the extraordinary shareholders' meeting of CFE, and
- ii. Clearance of the transaction by the European Commission.

After completion of both transactions, AvH shall, as a result of having crossed the 30% threshold in the voting rights of CFE, launch a mandatory public offer on all CFE shares held by the public. The public offer will be launched at the same price as the issue price of the capital increase of CFE, i.e. 45 euros per share.

In its meeting on Thursday 3 October 2013, CFE's board of directors decided to convene an extraordinary shareholders' meeting on 13 November in order to propose a capital increase via a contribution in kind. This would involve AvH contributing 2,256,450 registered DEME shares in return for 12,222,222 newly issued CFE shares with a subscription price of €45 per share.

The contribution in kind forms part of the overall transaction described above and detailed in AvH and VINCI's joint press release of 19 September 2013. The agenda of the shareholders' meeting, special reports by the board of directors and by the auditors in accordance with article 602(1) of the Belgian Companies Code, along with ING's fairness opinion, are available on the www.cfe.be website.

The shareholders' meeting that took place on 13 November 2013 approved the capital increase via a contribution in kind, involving AvH contributing 2,256,450 registered shares in DEME in return for 12,222,222 newly issued CFE shares with a subscription price of €45 per share, subject to the following conditions precedent:

- i. The approval by the European Commission, pursuant to the Regulation n.139/2004 dated 20 January 2004 and, when appropriate, by any other authority being competent pursuant to any other applicable law – it being understood that the capital increase referred to above cannot validly be carried out without this approval –, of the AvH's acquisition control over CFE, which shall

result from the completion of the capital increase referred to above and from the transfer from the company VINCI to AvH of 3,066,440 CFE shares, which shall be followed by a mandatory takeover bid.

- ii. The Bel20 index has not fallen, at the date of the day preceding the completion of the capital increase, by 25% or more from its closing value at 19 September 2013 (being 2,841.3 points), the absence of such fall being assessed on the basis of the closing value at the said date.

The 13 November 2013 shareholders' meeting also noted the resignation of Bernard Huvelin, Richard Francioli and Jean Rossi as directors and the appointment of Luc Bertrand, Jan Suykens, Piet Dejonghe, Koen Janssen, John-Eric Bertrand and Alain Bernard as directors for a term ending at the end of the shareholders' meeting convened to vote on the full-year financial statements relating to the 2016 accounting period.

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CFE is a multidisciplinary group of companies operating in construction and associated services. It is listed on Euronext Brussels and, subject to the conditions precedent set out above, will be 60.39%-owned by AvH. CFE is a major player in Belgium's construction industry, with a presence in the Netherlands, Luxembourg, Central Europe and Africa. Subject to the conditions precedent set out above, CFE will own 100% of DEME, one of the world's leading dredging contractors.

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

Note to editors

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