PRESS RELEASE

Embargoed until Thursday, 28 August 2014 – 7h00 CET

CFE

H1 2014 results

- **Revenue for the first half of 2014:** €1,773.5 million (+12.4%*)
- **Operating income:** €103.1 million (+90.9%*)
- **Net income share of the Group:** €63.6 million versus €17.4* million in 1H 2013
- **Net financial debt:** €552.6 million, decrease of 8.7% compared to 31 December 2013
- **Order book:** €3,921 million at 1 July 2014
- **Favourable outlook for the Dredging and Environment division**
- **Recovery of the Construction and Multitechnics divisions**

The Board of Directors of CFE examined and approved the H1 2014 financial statements at its meeting on August 27, 2014.

2014 key figures

Preliminary remark

The financial statements for the first half of 2013 have been restated to take account of changes in accounting methods linked to the implementation of IFRS 10 and 11. Following that restatement, DEME was consolidated using the equity method at 30 June 2013, at which time CFE owned 50% of its dredging entity. For the sake of readability, a *pro forma 1H 2013* column shows the key figures of DEME at 100% for the first half of 2013.

In million Euro	1st semester 2014	1er semester 2013 (**)	Pro forma 1er semester 2013 (**)	Change 2014/2013 proforma
	DEME at 100%	DEME at 50%	DEME at 100%	
Revenue	**1,773.5**	**471.7**	**1,578.3**	**12.4%**
Self-financing capacity (EBITDA)	**206.3**	**-7.1**	**191.4**	**7.8%**
% of revenue	11.6%	-1.5%	12.1%	
Operating income on activities	**96.8**	**-15.9**	**87.2**	**11.0%**
% of revenue	5.5%	-3.4%	5.5%	
Operating income (including earnings from associates and joint ventures)	**103.1**	**2.7**	**54.0**	**90.9%**
% of revenue	5.8%	0.6%	3.4%	
Net income share of the group	**63.6**	**0.2**	**17.4**	**265.5%**
% of revenue	3.6%	0.0%	1.1%	
Net income per share (in EUR)	**2.51**	**0.02**		

(*) Amount and percentage in relation to the pro forma consolidated financial statements for the first half of 2013
(*) Amounts restated in accordance with changes in accounting methods linked to the implementation of IFRS 10 (Consolidated financial statements) and IFRS 11 (Partnerships).

1. Key figures in the first half of 2014

Consolidated revenue by division

In million euro	1st semester 2014	1st semester 2013 (*)	Pro forma 1st semester 2013 (*)	Change 2014/2013 proforma
	DEME at 100%	DEME at 50%	DEME at 100%	
Dredging and Environment	**1,212.3**	**0**	**1,106.7**	**9.5%**
Contracting	**564.6**	**459.6**	**459.6**	**22.8%**
Construction	**427.3**	**337.7**	**337.7**	**26.5%**
Rail & Road	**51.1**	**44.2**	**44.2**	**15.6%**
Multitechnics	**86.2**	**77.7**	**77.7**	**10.9%**
Real Estate & Management Services	**3.9**	**3.7**	**3.7**	**n.s.**
PPP-Concessions	**0.3**	**0.6**	**0.6**	**n.s.**
Holding and consolidation adjustements	**-7.6**	**7.8**	**7.8**	**n.s.**
Total	**1,773.5**	**471.7**	**1,578.3**	**12.4%**

(*) Amounts restated in accordance with changes in accounting methods linked to the implementation of IFRS 10 (Consolidated financial statements) and IFRS 11 (Partnerships).

Consolidated operating income (including earnings from associates and joint ventures)

In millions Euro	1st semester 2014	1st semester 2013(*)	Pro forma 1st semester 2013 (*)	Change 2014/2013 pro forma
	DEME at 100%	DEME at 50%	DEME at 100%	
Dredging and Environment	**100.5**	**17.2**	**68.5**	**46.7%**
Contracting	**5.8**	**-12.2**	**-12.2**	**147.5%**
Construction	**1.7**	**-7.5**	**-7.5**	**122.7%**
Rail & Road	**2.2**	**1.4**	**1.4**	**57.1%**
Multitechnics	**1.9**	**-6.1**	**-6.1**	**131.1%**
Real Estate & Management Services	**0.7**	**1.3**	**1.3**	**n.s.**
PPP-Concessions	**-1.2**	**2.1**	**2.1**	**n.s.**
Holding and consolidation adjustements	**-2.7**	**-4,1**	**-4.1**	**n.s.**
Depreciation goodwill	**0.0**	**-1,6**	**-1.6**	**n.s.**
Total	**103.1**	**2.7**	**54.0**	**90.9%**

(*) Amounts restated in accordance with changes in accounting methods linked to the implementation of IFRS 10 (Consolidated financial statements) and IFRS 11 (Partnerships).

Net income share of the Group by division

In million euro	1st semester 2014	1st semester 2013(*)	Pro forma 1st semester 2013 (*)	Change 2014/2013 pro forma
	DEME at 100%	DEME at 50%	DEME at 100%	
Dredging and Environment	**62.7**	**17.2**	**34.4**	**82.3%**
Contracting	**2.2**	**-15.1**	**-15.1**	**114.6%**
Construction	**0.1**	**-9.0**	**-9.0**	**101.1%**
Rail & Road	**1.2**	**0.8**	**0.8**	**50.0%**
Multitechnics	**0.9**	**-6.9**	**-6.9**	**113.0%**
Real Estate & Management Services	**-0.1**	**0.0**	**0.0**	**n.s.**
PPP-Concessions	**0.0**	**2.1**	**2.1**	**n.s.**
Holding and consolidation adjustements	**-1.2**	**-2.4**	**-2.4**	**n.s.**
Depreciation goodwill	**0.0**	**-1.6**	**-1.6**	**n.s.**
Total	**63.6**	**0.2**	**17.4**	**265.5%**

(*) Amounts restated in accordance with changes in accounting methods linked to the implementation of IFRS 10 (Consolidated financial statements) and IFRS 11 (Partnerships).

Consolidated order book by division (*)

In million euro	30 June 2014	31 december 2013	
	DEME at 100%	DEME at 100%	
Dredging and Environment	**2,805.5**	**3,049.0**	**-8.00%**
Contracting	**1,085.6**	**1,310.3**	**-17.10%**
Construction	**876.6**	**1,077.4**	**-18.60%**
Rail & Roads	**79.6**	**86.9**	**-8.40%**
Multitechnics	**129.4**	**146.0**	**-11.40%**
Real Estate & Management Services	**30.0**	**28.6**	**n.s.**
PPP-Concessions	**-**	**-**	**-**
Holding and consolidation adjustments	**-**	**-**	**-**
Total	**3,921.1**	**4,387.9**	**-10.60%**

(*) Amounts also including the order book of equity accounted companies as of 1 January 2014 following the implementation of accounting standard IFRS 11.

CFE's consolidated revenue at 30 June 2014 totalled €1,773.5 million, or a 12.4% increase on 30 June 2013 *(pro forma financial statements)*.

Operating income amounted to €103.1 million, up 90.9% on 30 June 2013 *(pro forma financial statements)*. This significant increase is mainly attributable to DEME, which reported a significant growth in results, while Contracting operations recovered and returned to profitability with an operating income of €5.8 million.

The **order book** came in at €3,921.1 million, down 10.6% from 31 December 2013. The order book has shrunk in all divisions, but the decline is most marked in the Construction division.

2. Analysis of the results and the order book by division

Dredging & Environment division

Figures shown in this section for DEME are given at 100%; CFE owned 50% of this company at 30 June 2013 as against 100% at 30 June 2014)

Revenue

DEME's revenue amounted to €1,212.3 million, i.e. up 9.5% on the previous year. According to the accounting rules that applied before 1 January 2014 (economic approach whereby the jointly controlled companies are proportionally consolidated), the revenue would have been €1,305.6 million (+ 8.2%).

Major projects in Qatar and Australia progressed in a satisfactory manner, while activity in East Africa was particularly buoyant.

In the North Sea, GeoSea completed the installation of several dozens of foundations for offshore wind turbines in the United Kingdom (*Westermost Rough*) and Germany (*Borkum Riffgrund*), to the satisfaction of customers. Work on the Baltic II project (80 wind turbines) went ahead according to plan.

Tideway, the division specialized in submarine cable laying and rock dumping, also reported a good first six months with sustained activity in Venezuela and Australia.

Evolution of activity by business area

%	H1 2014	H1 2013
Capital dredging	50%	52%
Maintenance dredging	11%	10%
Fallpipe and landfalls	8%	7%
Environment	7%	6%
Marine works	24%	25%
Totaal	100%	100%

Evolution of activity by geographical area

%	H1 2014	H1 2013
Europe (EU)	39%	44%
Europe (non-EU)	0%	1%
Africa	12%	10%
Americas	7%	3%
Asia-Pacific	30%	30%
Middle East	11%	11%
India and Pakistan	1%	1%
Total	100%	100%

EBITDA and operating income

EBITDA for the first six months of 2014 was down -3.8% to €191.7 million from €199.3 million in the first half of 2013. According to the accounting rules that applied before 1 January 2014 (economic approach), EBITDA was up 18.9% from €181.1 million to €215.4 million, representing respectively 15.0% and 16.5% of economic revenue.

The operating income, buoyed by a high fleet occupancy rate, grew vigorously to €100.5 million (€68.5 million in the first half of 2013).

Order book

Although DEME's order book contracted (-8.0%), it still remains very substantial (€2,805.5 million).
This decrease was expected given the high level of activity during the first six months.

DEME has won more than €600 million worth of new orders during the second quarter of 2014, in particular the deepening works of the port of Sepetiba (Rio de Janeiro, Brasil), maintenance dredging works in Panama, India and Ghana as well as the construction of the approach to the access channel and port basin of the Sabetta LNG terminal on the Yamal peninsula in northern Russia.

Investments and net financial debt

Investments in the first six months were markedly down on the previous years (€44.9 million), since the large-scale fleet expansion programme was completed in 2013.

This low level of investment, coupled with a sizeable operating cash flow, helped to decrease net financial debt (€-416 million versus €-541 million at 31 December 2013).

Despite the new investment plans that are currently being investigated at DEME, the net financial debt at the end of the year is expected to be lower than that at 31 December 2013.

Construction division

Revenue

In million €	H1 2014	H1 2013 (*)	Variation in %
Civil engineering	**59.3**	**68.8**	**-13.8%**
Buildings - Benelux	**275.9**	**222.5**	**+24.0%**
Buildings - International	**92.1**	**46.4**	**+98.5%**
Total	**427.3**	**337.7**	**+26.5%**

(*) Amounts restated in accordance with changes in accounting methods linked to the implementation of IFRS 10 (Consolidated financial statements) and IFRS 11 (Partnerships).

Revenue saw a marked increase in the first half of 2014. Within the division, however, there were significant differences:

- Revenue declined in civil engineering in the Benelux area, as the trend witnessed for more than a year persisted;
- Buildings revenue in the Benelux area increased at most subsidiaries, in particular CLE, BPC Brabant, and BPC Wallonia;
- Growth of activity in Poland and Chad.

Operating income

The division's operating income (€1.7 million versus €-7.5 million for the first half of 2013) made a substantial recovery and returned to the black, despite problems encountered on a Nigerian site.
It should be noted that the first half of 2013 was marked by a substantial loss on the Eupen school project. The project is currently being delivered.

Order book

In million €	June 30, 2014	December 31, 2013	Variation in %
Civil engineering	**163**	**200**	**-18.5%**
Buildings - Benelux	**584**	**640**	**-8.7%**
Buildings - International	**130**	**237**	**-45.1%**
Total	**877**	**1.077**	**-18.6%**

The main trends observed are as follows:

- Difficulty renewing the order book in civil engineering considering the shrinking market.
- Contracting order book in Buildings Benelux after an all-time high in 2013. This decline is due to greater selectivity in the choice of projects and to difficult market conditions. Nevertheless, the order book of BPC Brabant is holding out well, having won the contract for the "Docks Bruxsel" shopping centre in partnership with another firm;
- Substantial decrease in the order book for Africa following the transfer of the Toukra II (Chad) contract to our local partner.

Rail & Road division

Revenue

Rail & Road revenue grew to €51.1 million (+15.6%). The increase is exclusively due to the transfer of an entity from the Multitechnics division. On a like-for-like basis, revenue remained stable.

Operating income

Operating income came in at €2.2 million versus €1.4 million in the first half of 2013, up 57.1%. The Rail companies reported a growth in operating income.

Order book

The order book came in at €79.6 million, down 8.4% from 31 December 2013.

Despite this slight decrease, the current outlook remains upbeat, with significant calls for tenders under way in the Rail segment.

Multitechnics division

Revenue

Revenue in the Multitechnics division totalled €86.2 million, i.e. up 10.9% on the previous year (+19.5% on a like-for-like basis). Revenue in international operations saw vigorous growth at CFE EcoTech, active in Vietnam and Sri Lanka, and at VMA (contracts for the automotive industry in Sweden, the UK and Central Europe).

Operating income

Operating income rose substantially to €1.9 million (€-6.1 million in the first half of 2013). Restructuring and reorganization measures in that division are beginning to bear fruit.

Order book

The order book amounted to €129.4 million, down 11.4% from 31 December 2013 following a voluntary reduction in orders taken by certain entities with low profitability.

Real Estate & Management services division

The sale of the office building in the Belview project and the ongoing sales of residential projects led to a 6% reduction in real estate portfolio.

Properties at development stage decreased following the launch of the first phases of the Solvay project in Ixelles.

In the first half of 2014, allotment permits were obtained for the Erasmus Gardens project in Brussels, a property development with more than 1,000 residential units.

In July 2014, CFE and its co-developer partners announced the transfer of the Luxembourg project 'Galerie Kons' to an institutional investor. The transfer has no impact on the 2014 income statement as it is conditional upon the delivery of the building, scheduled for 2016.

Evolution of real estate projects

In million €	June 30, 2014	December 31, 2013(*)
Properties at the marketing stage	**17**	**18**
Properties at the construction stage	**62**	**61**
Properties at the development stage	**68**	**77**
Total	**147**	**156**

(*) Amounts restated in accordance with changes in accounting methods linked to the implementation of IFRS 10 (Consolidated financial statements) and IFRS 11 (Partnerships).

Operating income

The recognition of an impairment on a property in the Grand Duchy of Luxembourg weighed on the operating income for the first half of 2014.

PPP-Concessions division

The PPP - Concessions division, reported a break-even net income share of the Group (€2.1 million in the first half of 2013).

Rent-A-Port continued to develop its activities in Vietnam and Oman.

CFE-specific business focused on the study of several PPPs in Belgium and the Netherlands, while the DBFM projects Ecoles d'Eupen and Coentunnel have entered the maintenance phase.

3. An overview of the results

3.A.1 Condensed consolidated statement of income

Year ended at June 30 (€ thousands)	**2014** DEME at 100%	**2013(*)** DEME at 50%
Revenue	**1,773,475**	**471,662**
Revenue from auxiliary activities	31,175	34,183
Purchases	-1,069,593	-363,336
Remuneration and social security payments	-308,095	-106,499
Other operating expenses	-222,429	-42,991
Depreciation and amortization	-107,739	-7,299
Goodwill impairment	0	-1,660
Income from operating activities	**96,794**	**-15,940**
Earnings from associates and joint venture	6,350	18,689
Operating income	**103,144**	**2,749**
Cost of Gross financial debt	-13,189	1,131
Other financial expenses and income	446	-1,291
Net financial income/expense	**-12,743**	**-160**
Pre-tax income	**90,401**	**2,589**
Income tax expense	-26,956	-2,267
Net income for the period	**63,445**	**322**
Attributable to owners of non-controlling interests	128	-104
Net income share of the group	**63,573**	**218**

Condensed consolidated statement of income of other elements

Year ended at June 30 (€ thousands)	**2014** **DEME at 100%**	**2013(*)** **DEME at 50%**
Net income for the period	**63,445**	**322**
Changes in fair value related to hedging instruments	967	6,108
Currency translation differences	3,863	-1,479
Deferred taxes	-421	-1,769
Remeasurement on defined benefit plans	-3,541	0
Total Other elements of the comprehensive income directly accounted in equity	**868**	**2,860**
Comprehensive income	**64,314**	**3,182**
-Attributable to owners of the parent	64,511	3,053
-Attributable to owners of non-controlling interests	-197	129
Net income attributable to owners of the parent per share (EUR) (diluted and basic)	2.55	0.23

3.A.2 Condensed consolidated statement of financial position

Year ended (€ thousands)	June 30, 2014 DEME at 100%	December 31, 2013(*) DEME at 100%
Intangible assets	9,448	12,973
Goodwill	289,349	291,915
Property, plant and equipment	1,458,846	1,512,875
Investment property	0	0
Investments in associates and joint ventures	132,479	132,952
Other non-current financial assets	89,333	115,396
Derivative instruments – non-current assets	63	612
Other non-current assets	23,881	10,725
Deferred tax assets	117,664	117,374
Total non-current assets	**2,121,063**	**2,194,822**
Inventories	123,353	116,012
Trade and other operating receivables	1,194,308	1,106,034
Other current assets	108,698	100,781
Derivative instruments – current assets	3,251	5,853
Current financial assets	54,025	594
Cash and cash equivalents	427,762	437,334
Total current assets	**1,911,397**	**1,766,608**
Total assets	**4,032,460**	**3,961,430**
Share capital	41,330	41,330
Share premium	800,008	800,008
Defined benefit pension plans	-9,249	-5,782
Hedging reserves	195	-351
Retained earnings	392,585	358,124
Currency translation differences	3,683	-176
Equity attributable to owners of the parent	**1,228,552**	**1,193,153**
Non-controlling interests	8,389	8,064
Equity	**1,236,941**	**1,201,217**
Retirement benefit obligations and employee benefits	44,720	40,542
Provisions	34,420	25,655
Other non-current liabilities	81,230	92,898
Bonds	299,631	199,639
Financial liabilities	357,069	496,654
Derivative instruments – non-current liabilities	15,723	16,352
Deferred tax liabilities	92,625	99,418
Total non-current liabilities	**925,418**	**971,158**
Current provisions	48,442	48,181
Trade & other operating payables	1,019,649	983,806
Income tax payable	96,247	65,855
Current financial liabilities	323,664	346,118
Derivative instruments – current liabilities	16,124	16,499
Other current liabilities	365,975	328,596
Total current liabilities	**1,870,101**	**1,789,055**
Total equity and liabilities	**4,032,460**	**3,961,430**

(*) Amounts restated in accordance with changes in accounting methods linked to the implementation of IFRS 10 (Consolidated financial statements) and IFRS 11 (Partnerships).

3.A.3 Notes to the consolidated financial statements, cash flow and capex tables

Following changes in accounting methods linked to the implementation of IFRS 10 and 11, the net financial debt(*) at 31 December 2013 fell from €781 million to €605 million (or a €176 million decrease). The impact of the restatement is almost entirely situated in the Dredging and Environment division.

The net financial debt(*) amounted to €552.6 million at 30 June 2014 or, on a like-for-like basis, down €52.5 million on 31 December 2013. This debt breaks down into, on the one hand, long-term debt of €656,7 million consisting mainly of bonds (€299.6 million) and, on the other hand, a positive net cash position of €104.1 million.

The decrease in net financial debt is primarily explained by:

- A cash flow of €185.4 million from operating activities at DEME;
- A level of investment limited to €55.6 million in the first six months.

This is partly offset by:

- The injection of quasi-equity into the company holding the concession for the Liefkenshoek railway Tunnel in Antwerp;
- The pre-financing of the Charleroi police headquarters project, the receivables of which will be sold to a financial institution before the end of the year;
- The increased working capital in the contracting division

Equity, after payment of the dividend for the 2013 period (€29.1 million), amounted to €1,236.9 million.

CFE has, for its part, confirmed medium-term credit facilities for its general financing needs totalling €100 million, of which €65 million had not been drawn down at 30 June 2014.

(*) Net financial debt does not include the fair value of derivative instruments which at 30 June 2014 amounted to a liability of €28.5 million.

Year ended at June 30 (€ thousands)	**2014** **DEME at 100%**	**2013(*)** **DEME at 50%**
Cash flow from operating activities	116,538	-62,400
Cash flow from investing activities	-45,612	-4,226
Cash flow from financing activities	-82,917	-22,801
Net increase/(decrease) in cash position	-11,991	-89,427
Equity excluding non-controlling interests at opening at December 31	1,193,153	524,612
Equity excluding non-controlling interests at closing at June 30	1,228,552	511,740
Net income attributable to the Group in H1	63,573	218

(*) Amounts restated in accordance with changes in accounting methods linked to the implementation of IFRS 10 (Consolidated financial statements) and IFRS 11 (Partnerships).

3.A.4 Key figures per share (EUR)

	June 30, 2014	June 30, 2013 (*)
Total number of shares	25,314,482	13,092,260
Operating income after deduction of net financial expenses, per share	3.57	0.20
Net income attributable to the Group per share	2.51	0.02

(*) Amounts restated in accordance with changes in accounting methods linked to the implementation of IFRS 10 (Consolidated financial statements) and IFRS 11 (Partnerships).

4. Information on business trends

Outlook for the Dredging and Environment division remains favourable. Recovery of the Construction and Multitechnics divisions is being confirmed. Real Estate Development division will contribute positively to the net result during the second half year 2014.

5. Information related to the share

At 31 December 2013, CFE's share capital was divided into 25,314,482 shares.

Each share confers one vote. No convertible bonds or warrants were issued. The financial institutions through which owners of financial instruments may exercise their financial rights are: BNP Paribas Fortis, Banque Degroof and ING Belgium.
Banque Degroof has been designated as Main Paying Agent.

6. Shareholding and Corporate governance

<u>Result of the mandatory public bid</u>
At the closure on 5 March 2014 of the mandatory public bid launched by AvH for the shares of CFE, 859 shares were contributed. Following the final closing of the bid on 12 March 2014, AvH holds 15,289,521 CFE shares, or 60.40% of the capital.

<u>Termination of the concerted action agreement</u>
On 7 March 2014, CFE was informed by VINCI SA, VINCI Construction SAS, and Ackermans & van Haaren NV of the termination of the concerted action agreement between them.

<u>Bond loan</u>
In accordance with the rights conferred by the prospectus to bondholders in case of a change of control over CFE, 41 bonds were redeemed early on 17 April 2014, representing 0.041% of the total bond loan.

<u>Reappointment of two directors</u>
The ordinary general meeting of 30 April 2014 decided to renew the terms of office of SA C.G.O., represented by Mr Philippe Delaunois, and of Consuco SA, represented by Mr Alfred Bouckaert, for a period of two years ending after the general meeting of May 2016.

<u>Renewal of the authorization to increase the capital in the context of the authorized capital</u>
The extraordinary general meeting decided to renew, for a period of five years, the power of the board of directors to increase the share capital by a maximum amount of €2,500,000.
For more details, see our website www.cfe.be.

<u>Renewal of the authorization to acquire treasury shares</u>
The extraordinary general meeting decided to renew the authorization given to the board of directors by the extraordinary general meeting of 7 May 2009 to buy and sell treasury shares. For more details, see our website www.cfe.be.

<u>Amendment of the articles of association</u>
The extraordinary general meeting decided to amend certain provisions of CFE's articles of association. Those amendments are essentially meant to bring the articles in line with recent changes in the law.
For more details, see our website www.cfe.be.

7. Shareholders agenda

- publication of interim statements:	18 November 2014, before opening of the stock market
- publication of financial statements 2014:	27 February 2015, before opening of the stock market
- ordinary shareholders meeting:	7 May 2015

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 an industrial Belgian Group active in six different activities : Dredging and Maritime Engineering, Construction, Rail and Road, Multitechnics, Real Estate Development and Management Services and Public-Private Partnership and Concessions.

Based in Belgium, the group has worldwide activities. His first activity, dredging and maritime engineering, is executed by DEME, one of the world's leading dredging contractors. The Group. CFE is listed on Euronext Brussels and 60.40% of its shares are owned by Ackermans & van Haaren.

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

<u>Note to editors</u>

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