



The best result in the history of CFE

DEMÉ develops its activities  
on the five continents

Real Estate Development division :  
a promising year

A contracting division has been  
created including the construction,  
multitechnics and rail infra activities

Rent A-Port is continuing  
to develop its activities in Vietnam

# Annual Report

## 2014

*Together shaping  
tomorrow's world*



CFE

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**A new organization has been set up as part of a strategy of targeted strengthening and development.**

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Philippe Delaunois Chairman of the Board of Directors

## EDITORIAL

# The best result in the history of CFE

CFE ended the year with a net result after tax of €160 million, a very strong improvement on the previous financial year. It is the best result so far in the history of CFE, and illustrates perfectly the total success of the strategy that was put in place in 2013 and that led to the full acquisition of DEME instead of 50% previously.

The success that was achieved in 2014 is, above all, that of DEME, which recorded its best year so far in terms of income as well as the low debt level and the intake of major orders in Singapore, Russia, and also in Egypt for the new Suez Canal, in 2014 and at the beginning of 2015.

The successes of DEME have led the management to initiate, in full agreement with the Board of Directors, the construction and acquisition of new vessels as part of the ongoing process of renewing the company's fleet. The investment efforts that have been going on for several years now have made this fleet today one of the most state-of-the-art in the world in the sector of dredging and related services.

CFE's success is also that of the Real Estate Development division, which performed very well this year, even better than in 2013, with a limited number of real estate projects, far lower than a year ago. There was also a very low stock of built and unsold apartments. Our real



Renaud Bentégeat Managing Director



Piet Dejonghe Managing Director

estate operations were also marked this year by the highly successful establishment of CFE in Poland.

The only shadow on the picture is cast by the Contracting division, which could have done a bit better. Even though the result was better than in 2013 in that division, too, it is certain that more could have been expected from the construction and multitechnics activities. However, some difficult sites and the necessary restructuring of certain international locations have led to a negative result for the year.

Priority for this division in 2015 will be the on going recovery of the results by the implementation of a new organizational structure.

More specifically, a distinction will be made between the holding activities and the operating activities, with those of DEME, a 100% subsidiary, retaining a prominent position.

The other activities will be organized in legally distinct divisions: Real Estate Development, Contracting, and PPP-Concessions.

The company CFE SA will focus on its mission as a holding company and will operate with a very small number of staff. As part of this process, a second managing director, Piet Dejonghe, has been hired to oversee the Contracting division.

What counts just as much for the two managing directors is of course performance in the area of safety. The successes achieved in that respect in 2014 are particularly satisfying, and show that the efforts that have been made in the last ten years to ensure safety at the sites are reflected in real achievements in the field.

So with 2014 as the best year in CFE's history, 2015 looks to live up to that standard, as the outlook in dredging augurs well.

# 2014 highlights



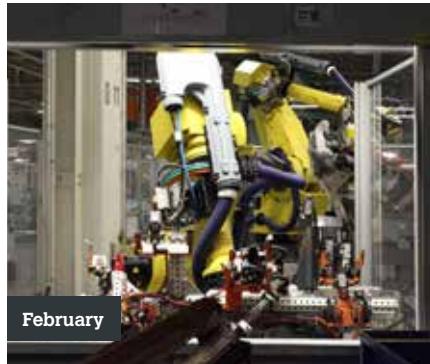
January



March



May



February



April



June

## January

CFE invested €20 million in the PPP project for the Liefkenshoek railway tunnel.

## February

VMA strengthened its position in the automotive industry by winning two important contracts for Audi in Mexico, and for Jaguar and Land Rover in England.

CFE won the first prize 'Safe4Zero' at the Batibouw 'Belgian Building Awards'. This prize is awarded to building firms that set a good example in the area of safety.

## March

BPC Brabant secured the building contract for the new 'Docks Bruxsel' shopping centre.

Rent-A-Port officially signed, in joint venture, the 30-year port concession agreement for the development and operation of the Port of Duqm in Oman.

## April

CFE won, in joint venture, the NEO 1 tender and will develop the Europea project in Brussels. This mixed-use project comprises 590 residential units, two day nurseries, 3,500 m<sup>2</sup> of office space, a retirement home, and an area of 112,000 m<sup>2</sup> dedicated to leisure, retail and restaurants: Mall of Europe.

## May

DEMÉ's Russian subsidiary, MORDRAGA, signed, in joint venture, the contract for the construction of the approach to the canal and port basin of the new LNG terminal on the Yamal Peninsula, and the maritime canal of Ob Bay, 2,500 km northeast of Moscow. It is an export terminal for gas tankers going East and West.

## June

CLi transferred the company owning the 'Galerie Kons' project in Luxembourg to AXA Belgium. The transfer of the project represents a total investment of €150 million.

Start of the second phase of the project for the deepening and widening of the river Soai Rap (Vietnam). This project was realized, in joint venture, by Dredging International.



## September

## July

Official opening of the first Coentunnel in Amsterdam which was being renovated after the opening of the new second tunnel in 2013.

## August

GeoSea successfully installed a new type of foundation – a suction bucket jacket – on the offshore wind farm DONG Energy Borkum Riffgrund 1 off the German coast.

## September

DEMÉ started extension works on its head office in Zwijndrecht. The new office building, which will accommodate 250 new staff members, will be built by MBG.

## October

GeoSea, DEMÉ's specialist firm in offshore construction, announces the acquisition of certain offshore activities of the German company HOCHTIEF, one of the world's largest construction groups. This transaction (2015) will give GeoSea 100% ownership of Innovation I, one of the world's biggest jack-up vessels in the offshore construction industry.

Dredging International won the dredging contract, in joint venture, for the deepening and widening of the western section of the Suez Canal at Great Bitter Lake, Deversoir Reach and Kabreet Reach (lot number 6) for the Suez Canal Authority. Dredging International leads the consortium.

## November

Official opening of the new police headquarters in Charleroi, in the presence of the architects Jean Nouvel and MDW Architecture, among others. This PPP project was completed to the customer's full satisfaction.

## December

As part of its policy of refocusing its activities, CFE signed an agreement with ASWEBO, the road construction subsidiary of the Willems group, for the transfer of its road operations.

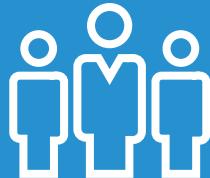
# CFE in figures

# 2015

2015 remains favourable for the  
Dredging and Environment division



**Apollo and Living Stone:**  
2 vessels with a **Green Passport**  
and a **Clean Design** certificate



**700**  
**staff members**

attended the 'Managing Safety'  
campaign



**365**  
**Apartments**  
sold in 2014

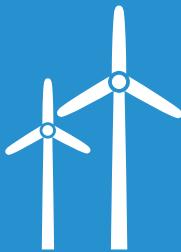
High net income share  
of the group

**160**  
€ million

## Offshore wind farm G.P.

# C-Power

surface



wind turbines  
already built

# Megawatt

## Economic EBITDA of DEME

**501.5**  
€ million

## Substantial decrease in net financial debt

**-426**  
€ million

**-23 %**

DEME : the number of lost time incidents fell by 23% compared to 2013

0

Several companies  
achieved a 'zero  
accident' target in 2014



## STRATEGY

# Making the most of our assets

**A**n organization that strengthens both the autonomy of the subsidiaries and the internal synergies. A development of activities that focuses on the group's strengths in terms of business and geographical location: a clever mix of ambition and realism for a winning strategy.

### **A new internal organization that is closer to the customer**

The new internal organization of the CFE group is designed to maximize efficiency and respond even better to market requirements. The company CFE SA will from now on focus on its pure holding activities with a small number of staff.

The operational activities will be the concern of separate legal structures instead of CFE SA. This is already the case for the dredging operations, which are carried out by DEME, a wholly owned subsidiary of CFE. The same will apply to the other activities, divided

into three independent and eventually self-sufficient operating divisions: Real Estate Development, Contracting, which contains the construction, multitechnics and rail activities, and PPP-Concessions.

### **The issue of internal control**

This new organization does not, however, call into question the synergies that exist between the different entities. On the contrary, it is obvious that, for example, the real estate developers will keep working with the companies of the group. This greater autonomy of the subsidiaries also means greater accountability of their governing bodies and financial managers, and involves stricter monitoring and the implementation of standardized internal reporting procedures.

For DEME, the aim in this respect will be to achieve a better cost control and optimization. The DRIVE and LESS IS MORE programmes have been a success in recent years. They will continue along with the efforts that have already been

made in risk management and regular financial monitoring of projects.

### **Refocusing and development go hand in hand**

CFE is also pursuing a strategy of refocusing on its core activities, such as dredging and construction, the latter in the Benelux area and a small number of other countries. A small number, since the objective is no longer to keep penetrating new markets in every part of the world, but instead to seek out new opportunities in countries where the group is already present and, accordingly, strengthen its operations in Poland, Tunisia or Nigeria, for example. This also means closing down firms in difficulty or with poor growth prospects in other countries. Similarly, our policy is to dispose of operations that do not belong to our core business, which led us to hive off the 'road' activities of Aannemingen Van Wellen, the sale of which took place on 25 February 2015.

## Procedures relating to commitments – risk committees

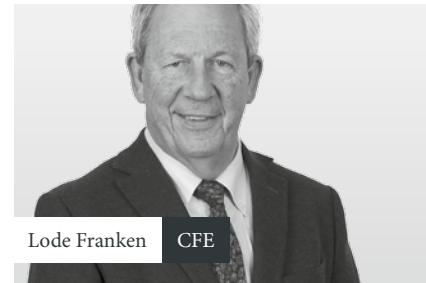
Given the specific nature of the business activities, strict upstream control procedures are applied. All binding offers involving an amount of over €50 million (Construction) or €10 million (Multitechnics and Rail Infra) must be approved by the Risk Committee.

The same is true of any project that requires an unusual level of financial resources from the group (including all PPP-type transactions), involves a new technology or a technology in which the group has insufficient skills, contains unusual workforce-related obligations, or will be performed in a country where the group does not yet operate.

CFE controls its dredging subsidiary primarily through:

- the Technical Committee, which monitors the main projects and pending lawsuits;
- the Risk Committee, which analyzes and approves all binding offers involving an amount of over €100 million (dredging works) or €25 million (non-dredging works);

On those three committees, Lode Franken represents the management of CFE.



Lode Franken CFE

*This new organization does not, however, call into question the synergies that exist between the different entities.*

DEME will consolidate its position in the target countries, which include, besides the European countries, Singapore, India, Qatar, Nigeria, Australia, Russia, and the main Latin American states.

### Banking on our strengths more than ever

This strategy of refocusing obviously does not mean cutting back on our activities! On the contrary, it goes hand in hand with developing those lines of business in which we are strongest.

For that reason we want to further increase DEME's power with the addition of new green vessels for the offshore energy market, such as the multipurpose vessel 'Living Stone' and the self-propelled jack-up vessel 'Apollo', and numerous developments and activities. That is also why we are consolidating our position on the real estate market in Poland and in the Grand Duchy of Luxembourg, two countries offering positive development prospects.

This is testified by the large site that has recently been acquired in Wroclaw in Poland and the procedures that are in progress for the acquisition of new land in the Grand Duchy of Luxembourg.

In the rail activity, for example, where we realized very good results in 2014, we continue to look out for acquisition opportunities that are capable of developing those niche activities that definitely belong to our strengths.

### Dredging-plus activities

DEME is committed to the further development of its niche areas of expertise, which include the extraction of oil and gas, services related to offshore (renewable) energy, underwater foundations, seabed extraction (sand, gravel and minerals), and environmental improvement services (soil, sludge and water). The group will also continue designing new solutions and modern equipment for the construction of offshore networks and the maintenance, renewal and demolition of offshore installations.

Inspired by a powerful and judicious vision and dynamism, CFE and its subsidiaries will optimize their growth in 2015 in a highly invigorating climate of empowerment and synergy.



# Operational Chart

27/02/2015 – main entities



## PPP-CONCESSIONS

## REAL ESTATE DEVELOPMENT

### CFE Infra



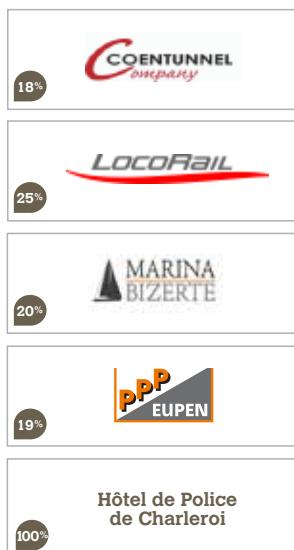
### CFE Bâtiment International



RENT A PORT

RENT A PORT ENERGY

## PARTICIPATIONS



**BPI**

**BPI**  
POLSKA

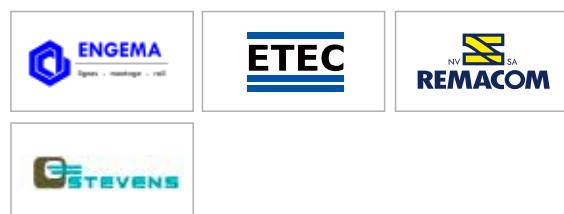
**CLI**

**SOGESMAINT**  
PROPERTY MANAGEMENT

## HVAC



## Rail Infra



# Board of Directors



John-Eric Bertrand

Director - Member of the Audit Committee as from 15 January 2015



Luc Bertrand

Director – Member of the Nomination and Remuneration Committee



Alain Bernard

Director



Renaud Bentégeat

Managing Director



Philippe Delusinne

Independant director – Member of the Audit Committee

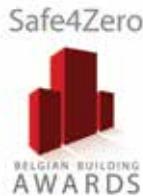


Alfred Bouckaert

SA Consuco, represented by Alfred Bouckaert - Independant director – Member of the Audit Committee - Member of the Nomination and Remuneration Committee



**Several companies  
achieved a 'zero  
accident' target in 2014.**



## SOCIAL RESPONSABILITY

# A social and responsible group

**P**riority for safety and employee development.

CFE is a good company to work for. The group, which is considered by the building industry as an example to be followed in the area of safety, also pursues a proactive training policy and distinguishes itself by its attention to diversity.

## SAFETY FIRST!

### CFE wins the first 'Safe4Zero' Award

In 2014, the Confederation of Construction Industries presented the very first Safe4Zero award. It was won by CFE! The Belgian Building Awards is organized jointly by the Confederation of Construction Industries, 'Je Vais Construire et Rénover', Top

Construction, the Order of Architects and architectura.be, and rewards the achievements of architects, project owners, consulting firms and construction companies.

The Safe4Zero prize is awarded to building firms that set a good example in the area of safety. It is based on a set of criteria established by the Confederation and CNAC Constructiv (health and safety institute of the building industry) and is awarded after a thoroughgoing verification of various indicators such as accident frequency, absenteeism rate connected with work-related accidents, fatal accidents in recent years, as well as investment, training and certification in safety. The award shows that safety is a core concern at CFE, as is evidenced by the 'Gérer la Sécurité' (Managing Safety) campaign, which is highly appreciated by the panel of judges.

### 'Managing Safety': the campaign is stepped up

The 'Managing Safety' campaign, launched in 2013, was extended and even intensified during the past year

This campaign, which centres on behaviour and example-setting by the line management, promotes the development of a mindset that is focused on 'zero accidents'. The training sessions are given by external instructors and are held outside the company premises, but always in the presence of a member of the management staff.

In 2014, the training sessions in Belgium were extended to site supervisors. While maintaining the focus on behaviour and example-setting, the programme was adapted to field practice and also covered the particular aspect of working with



subcontractors. By the end of 2014, some 700 staff members had attended those sessions.

## Safe working rules at DEME

In mid-2014, DEME issued the first version of its 'Safe Working Rules' manual, which centres on high-risk activities and sets criteria which everyone, including subcontractors working under the supervision of DEME, is expected to comply with.

The Safe Working Rules are a cornerstone of the health and safety policy of DEME, which endeavours to ensure a safe and healthy work environment in the belief that all incidents and accidents can be avoided. The purpose of the Safe Working Rules is to stimulate a safety mindset. The fields in which DEME operates will always be exposed to risks; the company

### Safety efforts are bearing fruit!

Several firms achieved a 'zero accident' target in 2014, particularly in the Buildings and Multitechnics divisions. Moreover, accident frequency and seriousness rates at many entities (REMACOM, Procool, Nizet Entreprise, CLE, etc) are well below the industry average, and those efforts have earned them various safety certifications such as VCA \*\*, VCA \*\*\* OHSAS18001, 9001.



Gabriel Marijsse CFE

must therefore make every effort to manage those risks and to prevent them from turning into accidents.

Along with the first edition of this manual, a new training programme was developed focusing on the high-risk activities described in the manual, which is intended for all the staff of DEME. Pilot sessions took place during the fourth quarter, and the whole programme is now in the process of implementation.



Several companies of the group also organized a Safety Day in 2014.

## Safety performance at DEME

Figures show that the efforts that were made in recent years have paid off with yet another improvement in safety performance during 2014. The number of lost time incidents fell by 23% compared to 2013. An overall reduction by 85% has been achieved over the last five years. Any lost time incident is one too many, and DEME is working hard to ensure that lessons are learned from those accidents and repetitions are avoided.

These achievements in the area of safety have been recompensed with several awards. The Australian team on the Wheatstone project won the 'Safety Subcontractor of the Month Award', while the team on the Soai Rap project in Vietnam received this award after working one million hours without accidents with work stoppage. At Doha, in Qatar, the project team was awarded the best 'Contractor Quality Performance' evaluation as part of the New Port

Project in 2014. In Panama, the company was recompensed for its excellent and consistent quality performance on the maintenance dredging project.

## Safety training in all group companies

Numerous safety training sessions are organized within the group companies: specific technical training for machine operators and drivers, electricians, working in confined spaces, working at heights, securing and handling loads, etc.

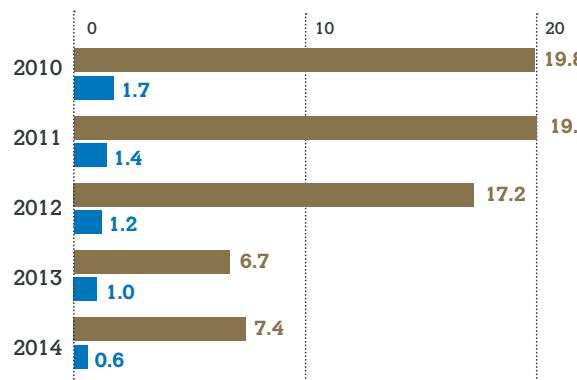
At DEME, this is reflected in the wide range of standard safety training programmes for shore-based staff and for crew members. Those training sessions are designed to raise awareness of safety measures as well as of respect for the environment. Many initiatives have been taken in the last five years that have focused on the new culture of safety and the lessons to be learnt from accidents.

There are also more general training programmes that home in on safety behaviour and mindset. Several group companies also organized a Safety Day. At DEME, another DEME Safety Moment Day took place in 2014, involving all operational staff from around the world. The purpose of this safety day was to raise staff awareness on the issue of hand accidents and injuries. The campaign included toolbox meetings at all the sites, vessels and office buildings, followed by a tour of inspection.

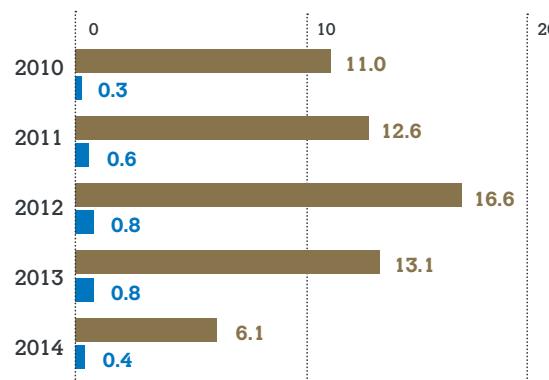


## CHART OF FREQUENCY RATE AND SERIOUSNESS RATE

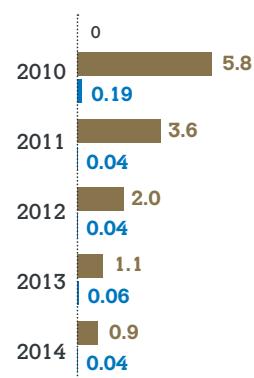
**Construction**



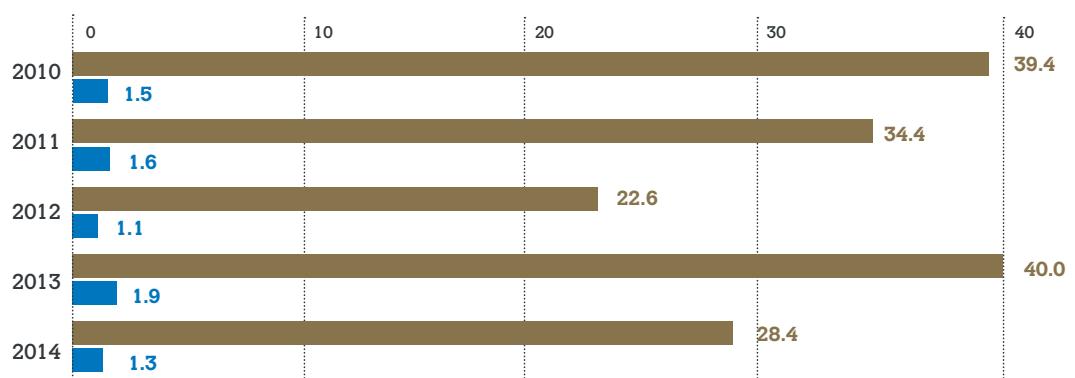
**Multitechnics**



**Dredging and environment**



**Rail infra**



## Social indicators

### Staff by division

	DEME at 100 %	Contracting	Group & Concessions	Immo	Total CFE (DEME at 50 %)	Total
2012	4,080	3,579	88	66	5,773	0
2013	4,370	3,805	91	44	0	8,310
2014	4,264	3,634	78	45	0	8,021

### Staff by category

2014	Labourers	Employees	Total
DEME	2,040	2,224	4,264
Contracting	2,133	1,501	3,634
Group & Concessions	2	76	78
Immo	0	45	45
Total CFE	4,175	3,846	8,021

### Staff by type of contract

	Contract indefinite period	Contract definite period	Work & study	Total
2012	5,313	452	8	5,773
2013	7,194	1,108	8	8,310
2014	6,727	1,285	9	8,021

***Employee training give employees the opportunity to continuously hone their competencies.***

## WIDE RANGE OF TRAINING PROGRAMMES

Employee training and development has always been a priority in the human resources policy of the CFE group. General training programmes such as leadership & coaching for managers, for example, or technical training sessions in various skills give employees the opportunity to continuously hone their competencies. They are also of vital importance to innovation.

### Valuable training for future project leaders

#### Passing on knowledge and sharing experience and knowhow

This training programme, which started in 2013, consists of one session per month for 18 months; at those sessions, several experts pass on their knowledge to young (future) project leaders. It is a great way for former project managers who know all the tricks of the trade to share their knowhow!

Themes include team leadership, planning and performing works, negotiations with

suppliers, the quotation process, formwork materials, legal and contractual aspects, new technologies, etc. 36 young staff members of the CFE group attended this training programme with much enthusiasm.

#### Project management training for DEME staff

DEME's specialized training programme in project management (DEME 2020) continued in 2014. These one-week training courses usually take place three times every two years. As projects become bigger and more complex, high-quality project management is essential to their success.

## Age pyramid

	2012	2013	2014
< 25	410	617	549
26-30	811	1,332	1,159
31-35	832	1,287	1,249
36-40	762	1,154	1,114
41-45	834	1,158	1,083
46-50	785	1,082	1,112
51-55	630	849	834
56-60	534	581	644
> 60	175	250	277

## Seniority

	2012	2013	2014
< 1	975	1,690	982
1-5	1,981	2,719	2,831
6-10	1,029	1,573	1,871
11-15	675	954	903
16-20	354	465	495
21-25	387	479	499
> 25	372	430	440

## Men / Women

	Male employees	Female employees	Male labourers	Female labourers
2012	1,976	635	3,133	29
2013	4,188	886	3,179	57
2014	2,946	900	4,144	31



Those training programmes help to develop the potential of future project leaders in preparation for a career on site.

### Training in Leadership & Coaching

#### The art of leading and coaching a team

The first phase of the training programme took place in 2012 and was aimed at management staff. Each year, it is aimed at employees carrying out other duties. In 2014, the site managers were called upon to complement their technical knowledge with training in the human aspects of team leadership and coaching.

#### Technical training

#### For even better skills

Numerous training programmes are organized for manual workers in the area of safety and the technical aspects directly

connected with their jobs. Those training programmes, organized by CFE, are given by external agencies in cooperation with the 'Fonds de Formation de la Construction' (Training Fund for the Building Industry), which works together with various training centres.

#### Training at DEME: attaining the highest standards

DEME attaches the utmost importance to the personal development and skill building of its employees, in particular through training programmes that enable them to attain and maintain the high standards demanded by the company. A wide range of training modules are available to both newcomers and experienced project managers.

Most of the training modules for crews working on board the dredgers focus on safety, always with respect for all international maritime rules. The programmes are constantly updated.

### New simulator

A key event in 2014 is DEME's investment in a new simulator, specially designed to prepare for working on board dredgers. Based in Zwijndrecht, this simulator is an exact replica of the bridge of a dredger and offers various possibilities to experience working on board for beginners, intermediates and highly experienced staff. The result is that the teams arrive on site already well trained and instructed, which is of course an advantage for the customers. The new simulator joins the ones which DEME already has in Zeebrugge and in Northern France.

Another major event in 2014 is the worldwide launch of training sessions adapted to the latest requirements of the STCW Convention (Standards of Training, Certification and Watchkeeping). Accordingly, all teams – nearly 2,000 people – need to be retrained over the next three years.

## Absenteeism

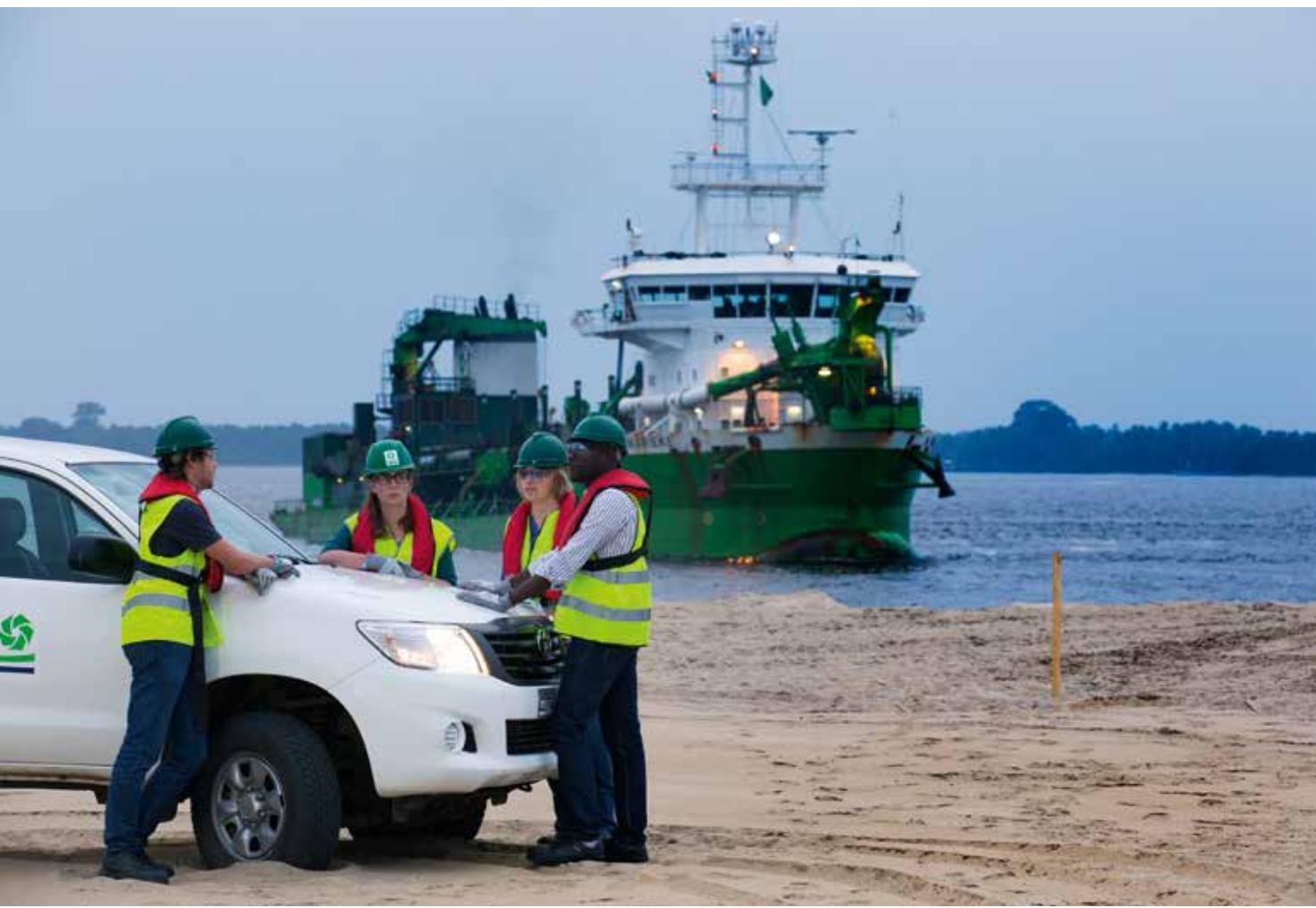
	2012	2013	2014
Number of days absence due to illness	73,136	60,021	75,695
Number of days absence due to work-related accidents	6,300	7,233	4,265
Number of days absence due to travel work/home accident	386	250	129
Number of days absence due to professional illness	0	0	163
Number of days worked	1,627,676	2,427,242	1,967,126
Absenteeism rate	4.9 %	2.78 %	4.08 %

## Training

Number of hours by type of training	Total 2013	Total 2014	Male	Female
Technical	50,070	49,736	47,464	2,272
Hygiene and safety	73,416	59,590	56,982	2,608
Environment	1,829	2,251	2,055	196
Management	7,028	15,574	13,371	2,203
IT	8,139	9,843	6,486	3,357
Admin/account/management/legal	8,104	11,255	6,268	4,987
Languages	2,821	2,584	2,052	532
Diversity	16	18	18	0
Other	6,788	5,970	4,600	1,370
<b>Total</b>	<b>158,211</b>	<b>156,821</b>	<b>139,296</b>	<b>17,525</b>



In 2014, DEME also continued the OPI-TO-certified training modules for offshore projects and training programmes for project management. Training modules on risk management will also be initiated this year. Finally, the company is preparing a specific leadership training programme involving the development of various e-learning modules.



## HEADCOUNT AND RECRUITMENT: GOOD OPPORTUNITIES DESPITE A SLIGHT DECREASE

### Limited headcount growth

#### Overall a slight fall in headcount

In the construction segment, the number of manual workers was down on the previous year, both in the Benelux area and internationally. On the other hand, there was a slight increase in the number of office workers, due primarily to the international activities.

The Multitechnics and Rail Infra companies reported a slight fall in the manual worker and office worker headcount, although here the impact on those figures of the sale of the road activities of Aannemingen Van Wellen should be taken into account.

In the other divisions of the group there was no significant change in headcount.

Overall, based on incoming and outgoing staff numbers (excluding dredging, 136 office workers and 135 manual workers were hired), there was a slight fall in headcount, particularly in terms of manual worker numbers.

## DIVERSITY IS WHAT WE STAND FOR!

### Refusal of discrimination in any form

#### Diversity is not new to CFE and DEME

This is evidenced by the 'Diversity Label' awarded by the Brussels-Capital Region in 2012 and still valid in 2014. Only competence counts in the group's recruitment policy: men and women with equal competence have equal opportunities.

This policy is also apparent in other aspects of diversity, such as access to training, promotion, mobility etc., and towards older workers, immigrants, or persons with a disability.

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**The CFE group has pursued a sustainable development policy for many years now.**

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## **ENVIRONMENTAL RESPONSABILITY**

# **Let's build a long-term sustainable future**

The CFE group has pursued a sustainable development policy for many years now. Its commitment in that respect is reflected in its own processes and in the projects developed by the various entities, in a market divided between long-term ambitions and budgetary constraints.

Although public authorities have become extremely mindful of the sustainable aspect of buildings, they still look for the most attractive offers. This trend can also be seen in the office market: when projects materialize, sustainability requirements (insulation, low energy consumption, etc) are never far away. This is undoubtedly less the case in the residential sector, where for most households budgetary concerns prevail over the

sustainable aspect; this trend is further strengthened by the fall in energy prices. The group's sustainable development policy should therefore keep evolving in line with the long-term trend in demand, while at the same time maintaining the necessary profitability to pursue its activities.

### **CFE reduces its own energy consumption: the group's commitment is also reflected in practice in its own processes**

For this purpose, the sustainable development department has worked out a strategy for a progressive reduction in

### **Charleroi police station: spectacular and passive!**

The splendid round blue tower designed by Jean Nouvel and MDW Architecture was officially opened in November 2014: a prestigious feather in the cap of CFE and its entities BPC Hainaut, CFE Brabant, Druart, Nizet Entreprise and be.Maintenance.

This exceptional structure meets the criteria of the passive sustainable building label. The project also includes, on the same site, the conversion of beautiful old stables into 'very low energy' buildings. The project is part of a PPP agreement awarded to CFE, which also includes the maintenance for a period of 25 years. The overall energy design of the buildings, the estimation of the operating costs over a 25-year period, and support with the coordination of the technical studies were the work of CFE's sustainable development department.





## **DEME mindful of the environment in all its activities**

### **Meeting the global challenges of a sustainable future**

DEME's vision is to create land for a sustainable future and to offer solutions to the global challenges in the world. The group is therefore committed to conducting its business in accordance with the strictest ethical, moral, personal and professional standards, and with observance of all the laws, regulations, policies and procedures in force. In this light, DEME has formulated a set of standards that apply to all its operational entities and subsidiaries across

the world, and also expects its suppliers, subcontractors and partners to uphold those same standards.

### **A properly quantified ecological footprint**

DEME's greenhouse gas emissions are quantified and reported in accordance with the ISO 14064-1 standard; the reports are verified by Lloyd's Register Quality Assurance. They cover DEME's activities in the world and in Belgium and the Netherlands.

### **Numerous energy saving initiatives**

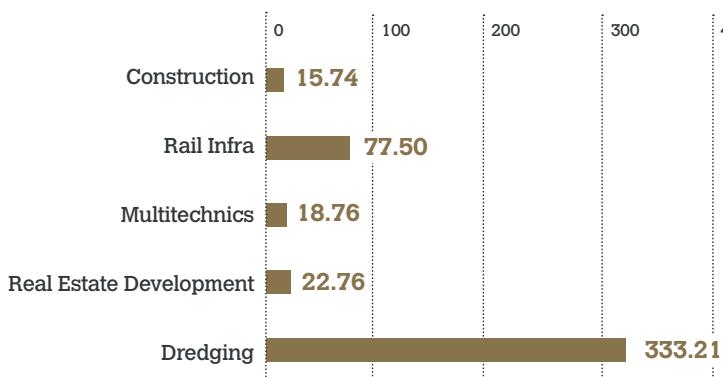
The greenhouse gas and energy programme is translated into improvement



Michel Guillaume CFE

actions emerging from DRIVE (DEME's Resolve on Innovation and Value Engineering) and into innovative fuel-saving solutions developed by the Fuel Efficiency Task Force that was set up in 2012. This task force is constantly searching for

## CO<sub>2</sub> EMISSIONS RELATED TO TURNOVER (GRAM/EURO)



**DEM**E** wants to increase its energy efficiency by 7% in 2022 (compared to 2011).**



innovative ways to save energy and fuel. In 2014, several initiatives were worked out, such as tests with anti-fouling paint, correct fuel consumption measurement, alternative fuels and additives, and reduction of navigation speeds. All those actions are described in DEME's Energy Action Plan.

DEM**E** wants to increase its energy efficiency by 7% in 2022 (compared to 2011). This encompasses its own direct emissions as well as indirect emissions from the consumption of purchased electricity. So far, DEME has succeeded in attaining its annual energy efficiency target of 0.7%.

As for the other indirect emissions from vessels not belonging to or not controlled

by the group, DEME endeavours to achieve a similar improvement in energy efficiency and has initiated two different pilot projects with its entities DBM and GeoSea.

### Innovation and environment go hand in hand!

DEM**E** invests heavily in innovation and has always earmarked resources and enthusiastic people for Research & Development (R&D). Innovation contributes directly to the group's growth and has certainly been the main reason for DEME's worldwide expansion.

R&D is a multidisciplinary field and involves close collaboration not only between the sites, vessels and head office, but

also between the design office, the project teams, the technical departments, and the Research, Methodology, Production and Engineering department. This integrated approach is a structural part of the DEME Central Competence Centre. In the course of 2014, this multidisciplinary R&D approach was reflected in several innovative developments:

- New green vessels: Apollo and Living Stone, the latest vessels commissioned for the offshore energy market, are fitted with solar panels, wind turbines, heat recovery system, and hybrid engines for the lowest possible fuel consumption. Those vessels will be awarded a Green Passport and a Clean Design certificate.

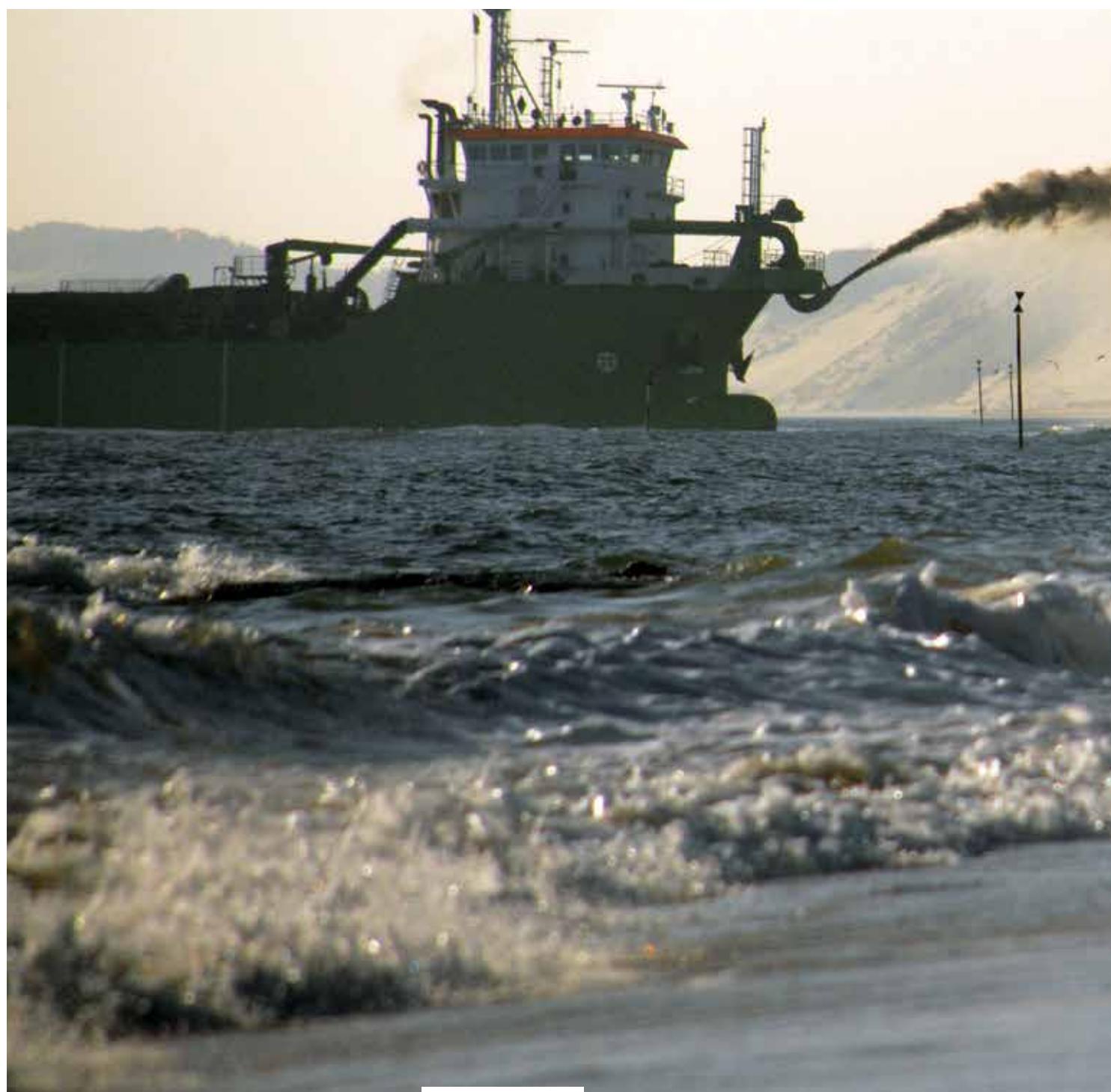


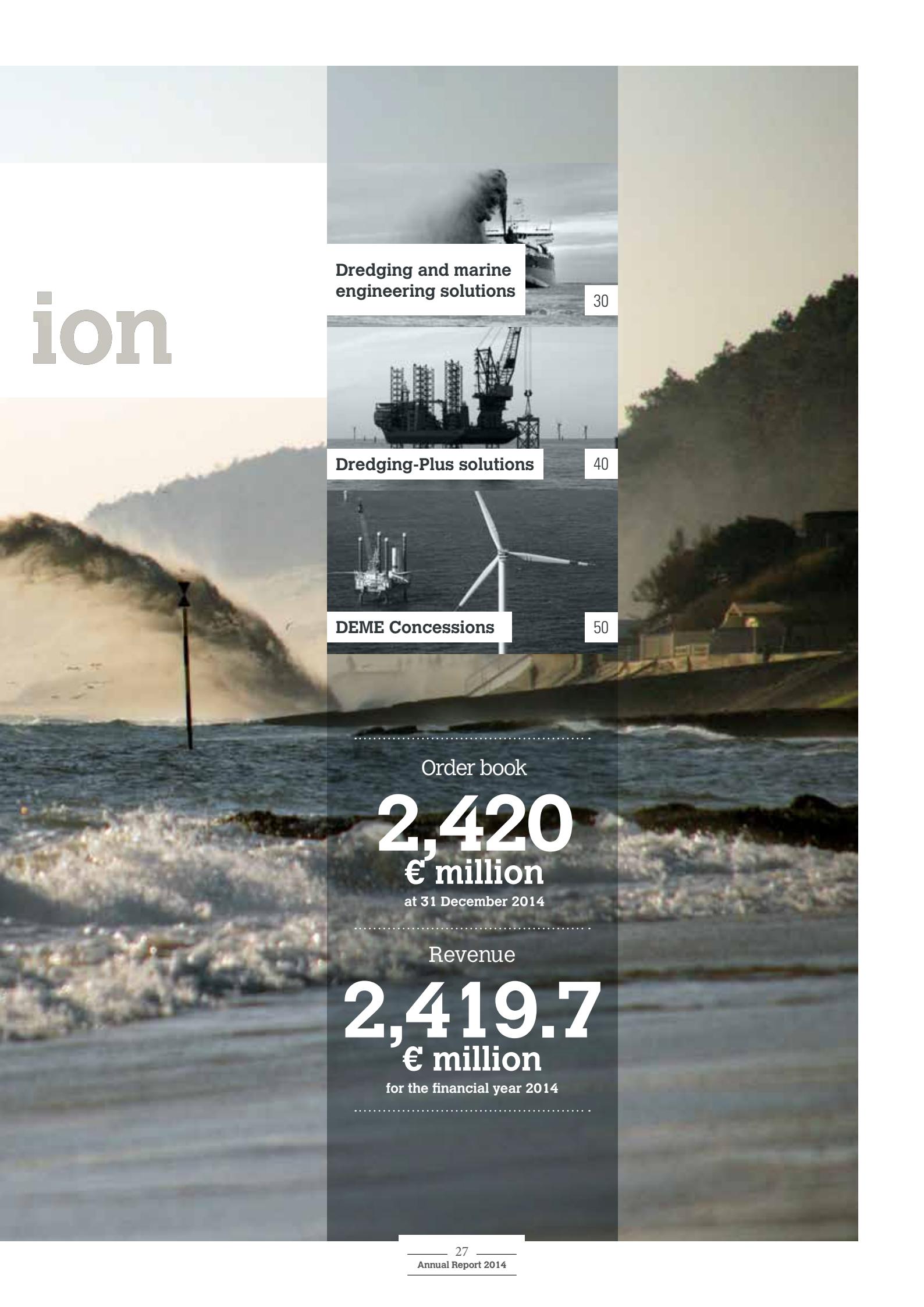
- The Blue Mining project, of which DEME is one of the main industrial partners, aims to develop the best technical solutions for the exploration, evaluation and extraction of deep-sea (to a depth of 6,000 m) minerals in a precise and profitable way.
- The MIDAS project (Managing Impacts of Deep Sea Resource Exploitation), of which DEME is also a partner, brings together experts in marine biology, ecology, oceanography, geology and geochemistry who work together with experts in social sciences, legal experts, representatives of the mining industry, and political decision-makers, to investigate the potential environmental impact of the extraction of deep-sea

resources and to formulate recommendations on the best way to manage those impacts.

- Development and implementation of the EcoPLUME system. With the EcoPLUME system, which was put in place two years ago, dredging operations can be planned from day to day in order to ensure observance of water quality standards at all times.

# Dredging and Environment division





# ion



Dredging and marine engineering solutions

30



Dredging-Plus solutions

40



DEME Concessions

50

Order book

**2,420**  
€ million

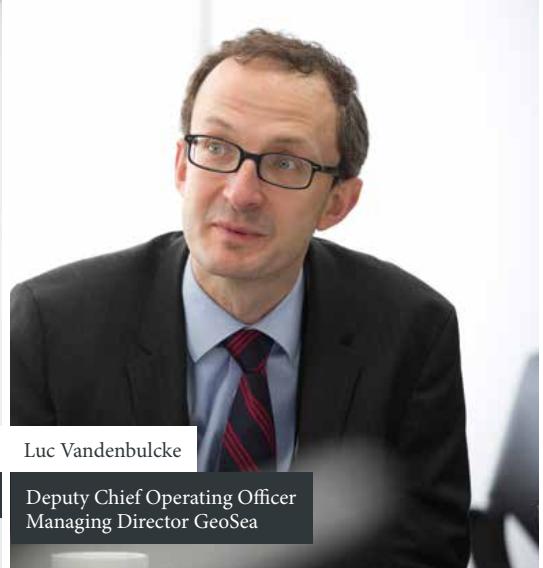
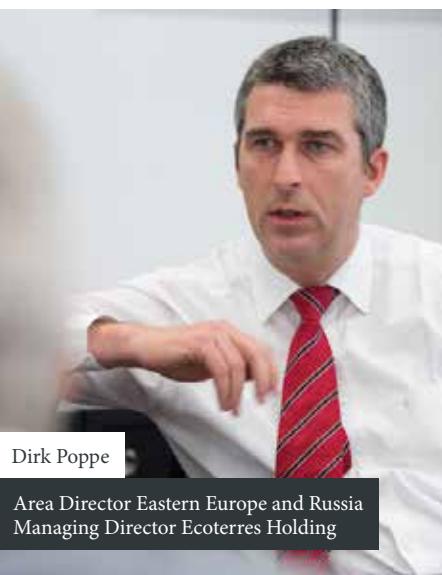
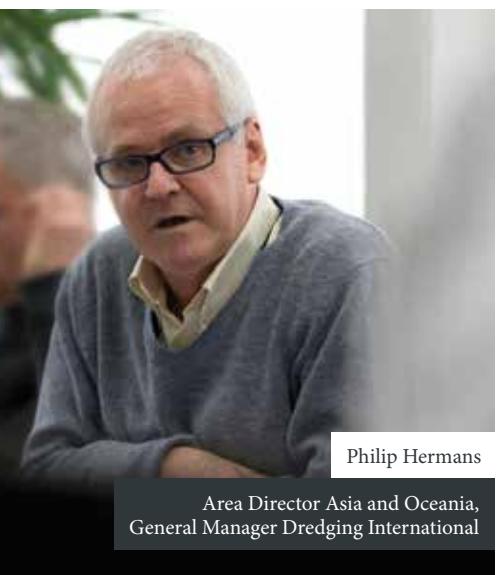
at 31 December 2014

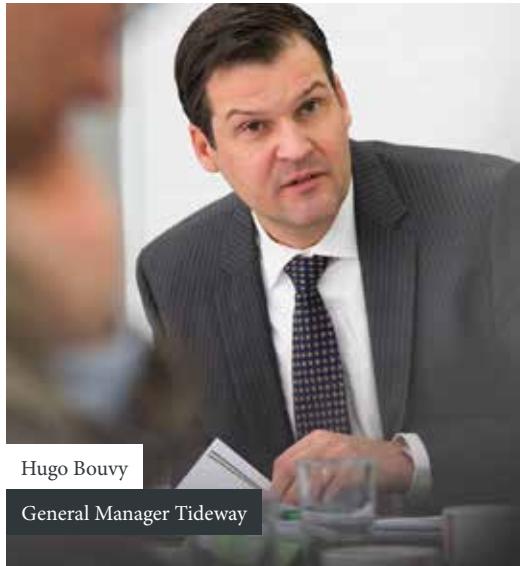
Revenue

**2,419.7**  
€ million

for the financial year 2014

# Management team DEME





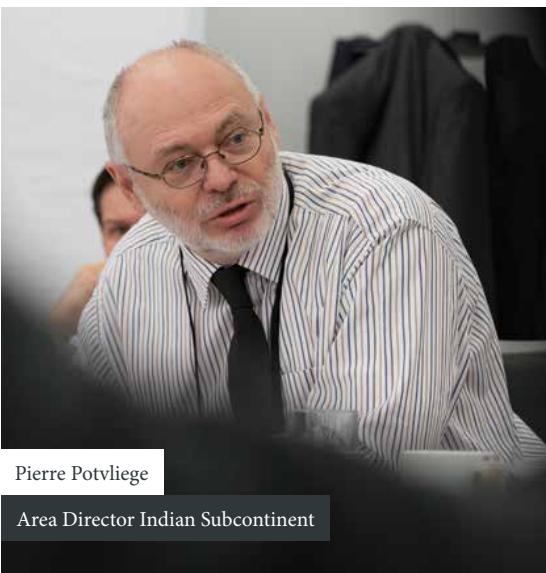
Hugo Bouvy  
General Manager Tideway



Bart Verboomen  
Director Technical Department



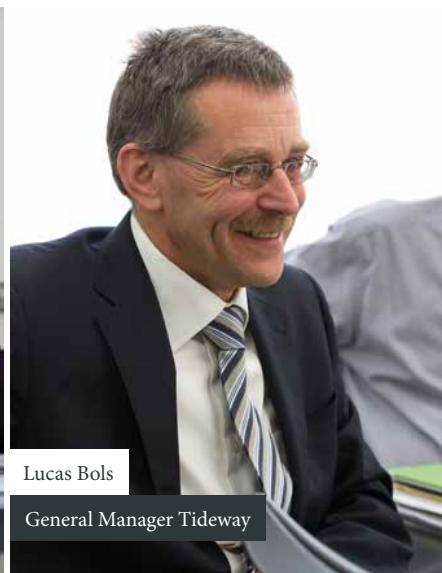
Martin Ockier  
Area Director Benelux



Pierre Potvliege  
Area Director Indian Subcontinent



Theo Van De Kerckhove  
Chief Operating Officer



Lucas Bols  
General Manager Tideway



Lieven Durt  
Director QHSE-S & Communications



Pierre Catteau  
Area Director Mediterranean,  
South and Middle Americas



Bernard Paquot  
Area Director Middle East



# Dredging and marine engineering solutions





## Europe

Several major projects completed or in progress in Belgium and the Netherlands

A number of long-term maintenance contracts and some major dry earth moving contracts have ensured a good level of activity in the Benelux market in 2014. Prospects for the future are looking positive as several major infrastructure projects are expected to get the go-ahead in 2015.

In Belgium, the two long-term maintenance dredging contracts continued, more particularly in the Scheldt and the access channels to the Antwerp locks and in the port of Zeebrugge and the busy shipping lanes along the Belgian coast. Works in Antwerp also continue on the third phase of the renovation works of a 1.3 km long stretch of the PSA container terminal. DEME is protecting the North Sea terminal from erosion, deepening the berth pockets and renovating the quay wall. This project started at the beginning of February 2014 and will end mid-2015.

The rising sea level makes coastal protection undoubtedly a priority. A major

## DEME develops its activities on the five continents

ongoing project is the 290 ha Waterdunen project in Breskens, the Netherlands, involving the improvement of the coastal defence and the development of a new area for nature and recreation. This assignment is due to be finished end 2015. Nearby, DEME is also carrying out an 11 million m<sup>3</sup> reclamation and beach replenishment contract on behalf of the Dutch government. This four-year project is around half way through.

Beach nourishment works also took place in Wenduine, Middelkerke, Knokke-Heist and Ostend, in Belgium. The construction of the large Hedwige polder flood area and nature reserve is firmly on track. This is due to be completed end 2015.

Dredging International (DI), in joint venture (JV) with de Vries & van de Wiel, has also been awarded a design and built contract for shore protection works

at seven locations in the Eastern and Western Scheldt.

In the Port of Antwerp, Dredging International and DEME Environmental Contractors (DEC) continued the operation of 'AMORAS', the large mechanical dewatering plant for dredged material under a 15-year contract.

Through its subsidiary de Vries & van de Wiel - Kust & Oeverwerken (DVW - K&O), works were started under the Design & Build contract for the redevelopment of Juliana canal in the Netherlands. The Botlek Tank Terminal reclamation project in Rotterdam was completed by mid-2014.

DEME also completed a huge, €800 million civil construction contract in Amsterdam for the Dutch government. In a joint venture, the company was responsible for the construction of the tunnel and the trench of the Second Coen Tunnel, a 500 m long tunnel under the North Sea Canal. Additionally, the existing tunnel had to be renovated. The joint venture was also awarded the 30-year maintenance contract. This project included the making of the tunnel



For the new contract in the Suez Canal, six cutter suction dredgers and two hopper dredgers, including some auxiliary vessels were immediately mobilised for the project.

elements in the Rotterdam area and towing them overseas to Amsterdam.

Belgium, DEME's home market, continues to be at the heart of its R&D efforts and the company is currently working on a pioneering, and truly unique initiative, called 'iLand' which would see an 'atoll-shaped' artificial island created off the Belgian coast, used to store and supply renewable energy.

### Good recovery for DEME in the Mediterranean area

Despite the Mediterranean region suffering from an economic dip due to economic and political factors in southern Europe, DEME saw activity in the second half of 2014 pick up substantially.

Undoubtedly, a new contract in the [Suez Canal](#) dominated all the headlines. In mid-October a consortium of DEME's Dredging International and "Great Lakes Dredge & Dock Company", in which DI holds a 75% share - was awarded

the highly prestigious 540 million US Dollar contract to deepen and widen the western branch of the Suez Canal at Great Bitter Lake (Deversoir Reach and Kabreet Reach - Lot No.6) from the Suez Canal Authority. The scope of works includes deepening the Suez Canal to a depth of 24 m over a length of 25km. Six cutter suction dredgers and two hopper dredgers, including some auxiliary vessels were immediately mobilised for the project.

Elsewhere, in Piombino, [Italy](#), a steel mill is expected to be reactivated. The Piombino dredging project started in August and was completed at the end of 2014. In Livorno, undergoing a port expansion, DEME had to install the containing dyke for the port's future backfill zone. Works were completed at the end of 2014. In a joint effort with DEME Environmental Contractors (DEC), SIDRA has executed a maintenance dredging works in Pescara, involving dredging, special reclamation works and treatment of polluted soils.

In [North Africa](#), Dredging International was involved in the final reclamation works in the new Port of Tanger (Tanger Med 2) in Morocco. In Algeria, the company started maintenance dredging works in Annaba in November. The project is expected to be completed early 2015.

### Northern and Eastern Europe: marked presence and good prospects

In [Germany](#), Nordsee Nassbagger-und Tiefbau (Nordsee) has been working on several river maintenance contracts, including a water injection dredging project. At the end of last year, it has been successful tendering for a large maintenance contract along the River Weser.

In a consortium, maintenance works continued using water injection along the River Elbe between Hamburg and Cuxhaven. This is a two-year contract running until May 2015. Meanwhile, Nordsee carried out a deepening project



at the Industriehafen in Bremen. The port was dredged from 10 m to 11m, ensuring it is future proof for the introduction of ever-larger vessels. Starting at the beginning of the year, the project was finalised in August. Then along the River Rhine, Nordsee was busy carrying out maintenance dredging in the first half of the year to ensure the accessibility of its harbours.

Nordsee is delighted to have been awarded a two-year maintenance contract for the River Weser, which is set to start in 2015. This project, operated through a joint venture, is designed to maintain the accessibility of the ports of Bremerhaven and the ports along a 90 km long stretch of the river.

In France, despite the economic downturn, Société de Dragage International (SDI) has been working on several dredging contracts and it has recently been awarded several new contracts for overseas projects on Réunion Island and in the Indian Ocean.

SDI has been very active working in the framework of the River Seine deepening contract (phase 2) for the Port of Rouen. In a first phase during 2012, SDI was involved in the dredging of the estuary to achieve an improved available navigational depth. Within this project, SDI was awarded a second contract to dredge particularly hard gravel around the Courval area. This part of the project finished in December. SDI dredged the gravel and it was stored on land before being sold by the Grand Port Maritime de Rouen on to the civil works sector, a nice example of reuse of dredged materials.

In another maintenance project in Bayonne, SDI is performing two campaigns a year to keep the required navigational depth along the River Adour. The dredged sand was reused for the reinforcement of nearby beaches. This campaign continues in 2015. Meanwhile, in Gravelines, SDI has been making sure the port is accessible with the 'Vlaanderen 1'. In a joint venture with DEC, SDI is carrying out an ongoing

campaign involving the dewatering, dehydration and remediation of polluted sediment for the Port of Dunkirk.

SDI has been awarded a new contract for the extension of Port Est on Réunion Island by the Grand Port Maritime de La Reunion. In this project, the western dock will be extended and deepened. This project is the second phase of the port extension, with SDI also working on the first phase in 2006-2008. Additionally, SDI is involved in the construction of the Nouvelle Route du Littoral, a 12km coastal road.

SDI is also taking a pioneering role in the development of deepsea harvesting, along with OceanfLORE, a joint venture between DEME and IHC Merwede, whereby it is developing a special tool - the Nodulier 2022 - for deepsea harvesting in depths of more than 4000 m. SDI and OceanfLORE have recently been selected for an innovation grant from the French government for the development of this equipment.

***DIAP has been working on Jurong Island reclamation continuously since 1995, starting with their initial amalgamation of natural islands up to its recent Phase 4 and Tuas View B.***



In the United Kingdom, 2014 was very much a milestone year for DEME as the huge, five-year London Gateway container terminal project gradually wound down towards the end of the year.

This 3.5 million TEU facility, which will offer six deep water berths along the River Thames, represents one of the largest European port projects ever built by Dredging International.

The other important UK project Dredging International worked on during the year was the fifth campaign of the Lincshore beach nourishment scheme, south of the Humber Estuary. This part of the project for the Environment Agency was carried out successfully. Certainly, the other major event in the UK was DEME establishing a new UK headquarters in London's famous business district Canary Wharf. This sends out a clear signal that DEME is committed to the UK market.

## **RUSSIA**

### **Heading for the Arctic with a fleet of 19 vessels**

In 2014, Mordraga was awarded a large 4-year contract for the deepening of the approach channel and the harbour basin of the service port of the new LNG terminal in Yamal Peninsula (Northern Siberia, in the Arctic Ocean) and the sea channel in Ob Bay, 2,500 km North East of Moscow.

Works are executed for the account of the Russian construction company OJSC USK MOST and will be performed in different phases over the years 2014 till 2017. This port must serve hyper-modern, icebreaking LNG ships. The gas will be transported from Yamal to European and Asian ports. By the end of July, the dredging fleet - comprising 19 vessels - arrived in Sabetta Port and started the works. Mid - October, the first phase was completed.

Due to the specific sensitivity of the Arctic region, DEME designed an extensive Environmental Management Plan (EMP). Furthermore, an independent Environmental Captain has been on site during the project, in order to follow up and evaluate DEME's environmental performance. As such, the Environmental Captain assessed the full and correct implementation of the EMP, monitored DEME's operational mitigation measures as related to water-sediment quality, the possible presence of marine mammals, the issue of oil spill contingency, etc. and validated the effectiveness of these mitigation actions.

## ASIA

### Network expansion in Indonesia and Vietnam

In 2014, Dredging International Asia Pacific (DIAP) significantly consolidated its position in its Singapore home market, while making further inroads elsewhere in the Asian region.

In **Singapore**, dynamic sand compaction works at Pasir Panjang Container Terminal Phases 3 & 4 were successfully completed in March. Moreover, the Jurong Island Westward Extension project for Jurong Town Corporation, Singapore's biggest industrial landlord, which will increase the size of Jurong Island by 172 hectares upon its completion in 2018 with 26 million m<sup>3</sup> of sand, was brought up to speed. The works, led by DIAP and its joint venture partner Starhigh Asia Pacific, involving long distance sand supply component and 7 million m<sup>3</sup> of channel dredging, and featuring an array of specialist subcontractors, are progressing to schedule and entrenching DEME's high quality

and safety standards in the Singapore market. DIAP has been working on Jurong Island reclamation continuously since the mid-1990s, starting with their initial amalgamation of natural islands up to its recent Phase 4 and Tuas View B reclamation.

In **Vietnam**, Phase 2 of the Soai Rap Channel Dredging Project was inaugurated on 21 June 2014, marking the successful completion of this remarkable project. Using TSHD 'Uilenspiegel' and local clamshell dredgers, the new Soai Rap navigation channel was dredged over a length of 54km to a depth of 9.5 m. Since then, the channel accommodates 30,000 DWT fully loaded vessels and 50,000 DWT partially loaded vessels calling berths at DP World's Saigon Premier Container Terminal in Hiep Phuoc District of Ho Chi Minh City.

DIAP further expanded its network in the region by establishing an office in Jakarta, Indonesia, which will give the company and the DEME Group a permanent presence in this promising growth market.

## INDE & MALDIVES

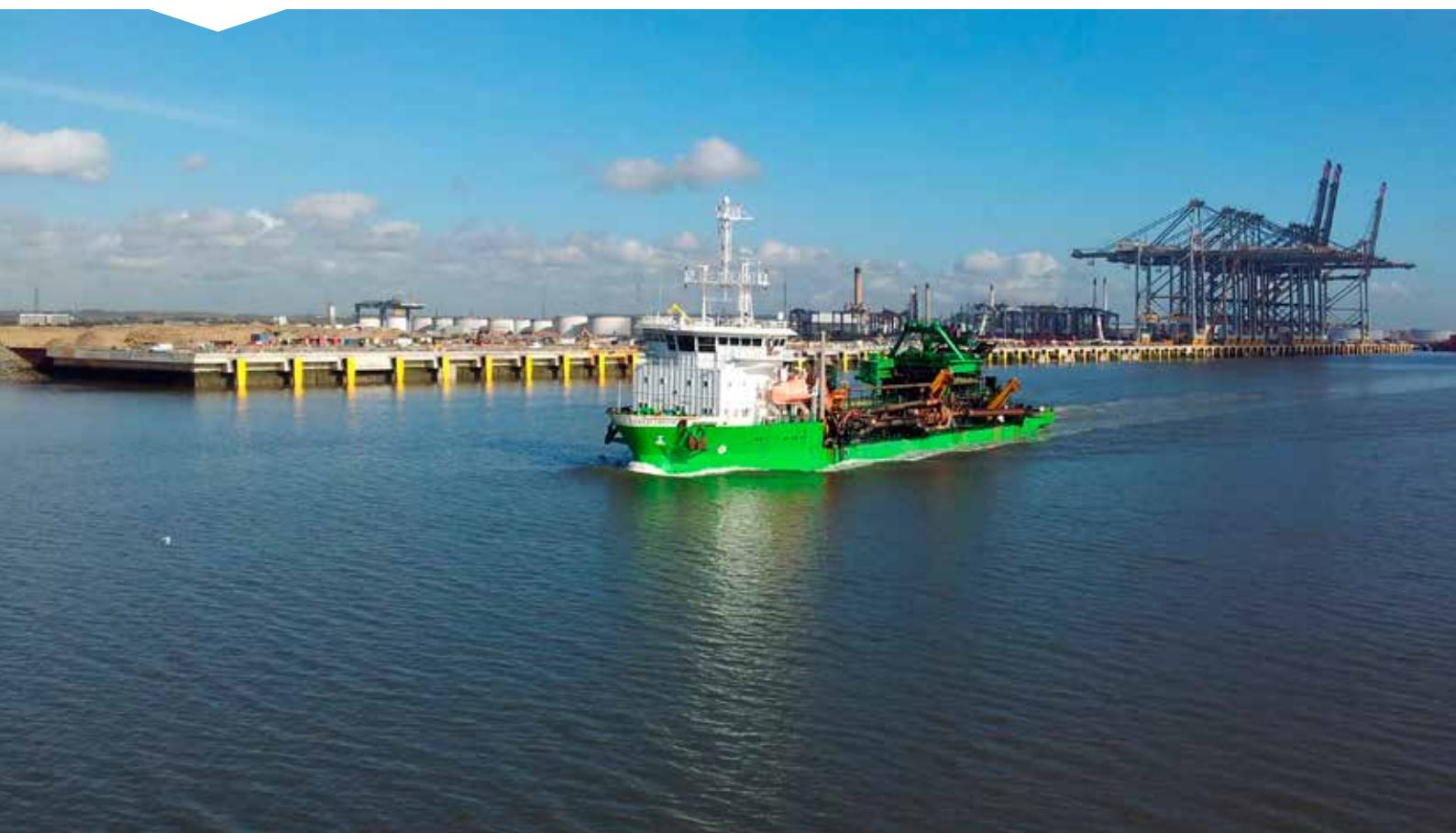
### In India, 2014 has been a rather busy year for ISD.

In continuity, TSHD 'Antigoon' executed successfully the pre- and post-monsoon maintenance campaigns of the Dhamra port and the Kakinada seaport maintenance dredging during the monsoon window.

ISD also executed dredging operations in weathered and blasted rock in the outer harbor of Vizakhapatnam.

In the **Maldives**, a major comeback for the DEME Group has been achieved by obtaining the award for the second phase of the reclamation adding another 244 ha to the surface of the island of Hulhumalé. The satisfactory completion of the first phase, similar in size, by our team during the first half of 2002, has certainly contributed very positively while pursuing this achievement.

2014 was very much a milestone year for DEME as the huge, five-year London Gateway container terminal project gradually wound down towards the end of the year.



**At the peak of these two projects, more than 650 DEME employees were working in Australia.**



Wheatstone LNG - a greenfield LNG export port for offshore gas and its related access channel.

## OCEANIA

### High level of activity for DEME on the Australian market

The Australian market has been keeping DEME very busy in 2014, as two enormous dredging projects – the Wheatstone LNG project in Onslow (Western Australia) and the Western Basin LNG development in Gladstone (Queensland) – continued. At the peak of these two projects, more than 650 DEME employees were working in Australia.

Wheatstone LNG - a greenfield LNG export port for offshore gas and its related access channel - entered its planning and engineering stage in early 2012; dredging began in May 2013 and went on throughout 2014. This is the largest project ever carried out by DEME and is executed by Dredging International Australia (DIAU) in cooperation with Great Lakes Dredge & Dock Company. Bechtel is the EPC contractor for the Chevron facility and DIAU is responsible for the dredging works, which represent

a volume of 27 million m<sup>3</sup>. DIAU's scope encompassed dredging works for the approach channel, manoeuvring area and berths. This mammoth project has seen more than 15 vessels deployed over the course of the works.

DEME employed a vigorous environmental monitoring campaign using an adaptive environmental management plan. Dredging can be adjusted in real time if necessary to avoid potential damage. DEME had a team of 10 specialists working on the environmental aspects alone, and is delighted that both the regulators and client were very happy with the results. DEME is proud that these strenuous environmental efforts led to a stellar environmental and safety record, with no incidents occurring. This achievement was also recognised by the client: DIAU was granted the 'Safety Excellence Subcontractor Award' for achieving 4 million hours without Lost Time Injury. The physical works are now finished, and the Wheatstone LNG complex is expected to be operational in 2016.

Meanwhile, DEME's second massive dredging project in Australia was the Western Basin LNG development in Gladstone (Queensland). This project was successfully completed early 2014 - a year ahead of schedule. It comprised dredging work for an export port and access channels for the berths for three new LNG plants on Curtis Island, being built by Bechtel. Gladstone Port Authority is managing the dredging works and, as such, DIAU's client.

In the Western Province of Papua New Guinea, the Cutter Suction Dredger 'Cap Martin' continued work on a long-term contract to dredge mine-derived sediments from the Fly River produced by the OkTedi gold-copper mine of OTML. The dredging prevents flooding along the Ok Tedi River, which is situated in an environmentally vulnerable floodplain. The dredging operations result in a remarkable improvement in the environmentally sensitive river system downstream of Bige.



The New Port Project in Doha, Qatar, is one of biggest projects undertaken by DEME.

## MIDDLE EAST

### In the Middle East, two enormous projects have ensured a highly productive year.

The New Port Project in Doha, Qatar, is one of biggest projects undertaken by DEME and is being carried out through a local company, the Middle East Dredging Company (MEDCO), in which DEME joined with two local partners, Qatar Holding, the investment branch of the Government of Qatar and United Development Company, a major public listed Developer in Qatar.

A new basin for a harbour for commercial vessels, as well as a naval base and economic zone are being created together with the access channel from the open sea. For this project speed is really of the essence as the new port has to replace as soon as possible the existing one in the heart of the city in view of the upcoming FIFA 2020 World Cup to be organized by the State of Qatar. The first vessel is due to arrive by July 2015, six months earlier

than planned. The scale of the project is fairly mind boggling. It represents dredging some 45 million m<sup>3</sup> of mainly hard material, which will be used for the reclamation of huge areas, such as the new port zone, the economic zone and the naval base, in total an area of 20km x 17km. At the peak some 1,600 people were employed.

In addition dredging of very hard limestone material, which is up to three times the strength of concrete, had to be dealt with. The dredged rock was used to create an artificial island, which will be used for the new base for the Qatar Emiri Navy, as well as new areas for the Qatar Economic Zone. MEDCO is constructing breakwaters south and north of the access channel and placed dam protection.

Environmental issues are high on the agenda. MEDCO had to relocate a number of species including sea grass, being the preferred feeding area for the famous Qatari mammal, the dugong. Additionally, both soft and hard corals and a mangrove swamp had to be

relocated to the north. The naval base and basin were already handed over in 2014.

The other major and complex project in the Middle East, the SARB project in Abu Dhabi, on behalf of ADMA-OPCO (Abu Dhabi Marine Operating Abu Dhabi), was handed over in January 2014.

MEDCO built two offshore artificial energy islands for the development of the Satah Al Razboot (known as SARB) offshore oil field. The construction of these two islands, which will be used as oil production platforms, is a world first both for the client and MEDCO, and was particularly challenging given that the islands are 120km offshore, making logistics planning and preparation crucial to the success of the project. Each island is approximately 600m x 600m and both have a small port.



On the Ivory Coast, DEME, is executing works to build a new fishing port in Abidjan.

## AFRICA

### 2014 was a very busy year for DEME in Africa

2014 was a busy year in Africa with many projects going on simultaneously. Undoubtedly, the demand for more port capacity is the major driver, particularly along the west coast. For decades, many countries have managed with draughts of 8 m in their ports and rivers but with the new generation of vessels, ports have to be more accessible to ensure sustainable economic growth.

Under the umbrella of the Bonny Channel Company, a joint venture with the National Ports Authority of [Nigeria](#), annual maintenance dredging took place in 2014 along the access channel to the LNG terminal in Bonny and towards the ports of Onne and Port Harcourt. This long-term maintenance contract has a broad scope and also includes training local people, salvaging wrecks, maintaining buoys etc.

At Onne, being the biggest oil service port in the world, owned and operated by

Intels, DEME started working on phase IV-b of Intels' ambitious yard expansion programme. The contract for the three-phase reclamation and dredging of these new facilities was signed at the end of 2013. This project is essentially financed through the DEME Export & Project Finance. DEME's affiliated company CTOW carried out the towing services along the new deeper access channel to Onne.

Another highlight in Nigeria is the successful completion of the largest land reclamation works ever performed in Africa: the prestigious development of the EKO Atlantic City project in Lagos in Nigeria - dubbed the 'Manhattan of Africa'. Some 500 hectares have been created so far and work is expected to continue again in the second quarter of 2015. The reclamation works for two more adjacent industrial developments, at the other side of the port entrance, namely for the Sahara Group and Digisteel were started successfully.

In the [Democratic Republic of Congo](#), a PPP agreement has been signed for a 10-year maintenance dredging campaign

on the Congo River. This important strategic contract will ensure that the Congo River is dredged to a depth of at least 8.5 m. Keeping this strategic artery accessible is vital for the Congolese economy. The first campaign will start in 2015 and again this agreement has a broad scope. As well as including maintenance dredging, there is also a large training component.

In Ada, [Ghana](#), DEME is building specially designed underwater breakwaters. On this stretch of coastline, erosion can take place at the staggering rate of 10 to 20 m a year. Representing some 21km of coastal protection works, this is a nice example of providing a sustainable solution to the global challenge of coastal defense due to climate change. Twelve of the innovative breakwaters have been built so far and the construction is continuing in 2015. Next to the breakwater construction, beach nourishment is ongoing to restore the beach lost over time. Additionally, this area is a nesting habitat for three types of turtle, including the enormous leatherback sea turtle. DEME has ensured the safety of more than 50,000 turtles to date. A 'turtle



Dredging works at Porto Sudeste, in Brazil.

patrol' team is employed 24 hours a day. This conservation initiative is leading to a 97% survival rate, rather than the 2% expected normally and combines local employment and nature conservation. Also in Ghana, DEME worked in Sekondi-Takoradi where it is dredging heavy rock, deepening the port from -8 m down to -10 m.

In Cotonou, **Benin**, the port extension and access channel deepening contract in order to provide access to a new container terminal started with Sogea Satom, EMCC and Solétanche in the second quarter of 2014. The project is expected to be completed in May 2015.

In Lomé, **Togo**, DEME deepened the access and new dock of MSC, the dock being delivered at -17 m. DEME Export & Project Finance also arranged the financing.

On the **Ivory Coast**, DEME and a consortium formed by Sogea Satom and EMCC, are executing works to build a new fishing port in Abidjan. The reclamation works have been completed. Dredging of the siltation is due to take place in the first quarter of 2015.

In **Angola**, maintenance dredging in Soyo with a partner has reached its final campaign.

In **Guinea**, dredging started in 2014 for the long-term maintenance contract in Conakry

## LATIN AMERICA

**DEME had a steady year in the Latin American market, with Brazil unsurprisingly being the most active country in the region.**

A year-long dredging project at Porto Sudeste, in **Brazil**, a private terminal dedicated to handling iron ore, is nearing completion. Here, the company has dredged the turning basin and access channel of Porto Sudeste Port in the Sepetiba Bay including some 3.5 million m<sup>3</sup> of silts and clays. Additionally some hard soils had to be removed and the drilling and blasting of 90,000 m<sup>3</sup> of rock, being executed in collaboration with GeoSea. Maintenance dredging in Vale's Port of Tubarão in Brazil began in January 2014. Work finished in March 2014.

In 2013 DEME completed the deepening of the Pacific entrance to the Panama Canal. DEME was subsequently awarded the maintenance dredging campaign. The maintenance contract at the entrance of the Miraflores locks started in November 2014 and was finished early 2015.

In mid-2013, the company signed a major contract with the American company Drummond in **Colombia** for dredging some 14 million m<sup>3</sup> in the turning basin of the new jetty under construction for the export of coal at Santa Marta. The project was completed successfully in just six months.



# Dredging-Plus solutions





## SERVICES OFFSHORE

### Engineering and Construction

2014 was a particularly busy year for GeoSea and Tideway

2014 has been an extremely busy year for DEME in the energy sectors. The group's fleet, especially installation vessels and fallpipe vessels, has been fully occupied for clients in renewables and energy sector.

EPCI contracts are for sure the trend in the industry. DEME expects these type of framework contracts to be the way forward, rather than multi-contracting arrangements.

**Renewable energy: acknowledged competence in offshore wind energy**

DEME's ability to operate as a full Engineering, Procurement, Construction and Installation contractor is highlighted particularly in the offshore wind energy.

On **Borkum Riffgrund 1**, Tideway started as subcontractor the filter layer installation campaign for the wind farm, placing rocks on the seabed for protection.

DEME's core business of dredging and land reclamation is supplemented by diversified activities that address different strategic drivers: hydraulic projects at sea, services to oil and gas firms, the installation of offshore wind farms and environmental activities

Afterwards GeoSea installed 78 foundations with scour protection. Piling began in February and the project went very smoothly thanks to a close collaboration between GeoSea and DONG. One of the foundations installed was a new type of suction bucket jacket. Then, Tideway completed the armour installation campaign during the past year, when larger rocks were placed around the mono-piles for permanent protection.

At the **Northwind** offshore wind farm, GeoSea was an EPCI contractor and in charge of the design, procurement and installation of 73 mono-piles and transition pieces and infield cables. Installation of the mono-piles and transition pieces, including grouting and the turbine installation works were completed in May 2014.

Tideway installed as a subcontractor all 72 infield power cables, including trenching, burial, scour protection and work around the mono-piles.

GeoSea completed the **Westermont** Rough offshore wind farm project on time, on behalf of DONG Energy. This challenging project involved the installation of 35 large foundation piles for the new 6MW Siemens turbines. Besides GeoSea also successfully installed a 100 m met mast at the **West of Duddon Sands** wind farm.

In 2014, GeoSea worked on another major offshore wind design & build project - **Baltic 2** - on behalf of EnBW Erneuerbare Energien GmbH. Baltic 2 offshore wind farm is situated approximately 32 km north of the German island of Rügen. In a joint venture with Hochtief, 80 wind turbines with a capacity of 3.6MW must be installed. The installation of the transition pieces was completed end 2013 and 25 out of 41 jackets were installed in 2014, the remainder, installed early 2015.

Tideway just completed the rock placement works on behalf of RWE on the **Gwynt-y-Mor** offshore wind farm, for the erosion protection of 160 mono-piles. Several members of the DEME Group have worked earlier on the wind farm including Tideway, GeoSea and Scaldis.



At the end of 2013, GeoSea signed a new EPCI contract for the design, supply and installation of 15 wind turbine foundations for the Kentish Flats Extension offshore wind farm from Vattenfall.

DONG Energy, the world's largest operator of offshore wind farms, awarded GeoSea the Transport & Installation contract for the foundations for the **Gode Wind** offshore wind farms, which are located in the German Bight, 45 km from the shore. The contract includes installing the mono-pile foundations, as well as transporting the foundations from the manufacturer to the base port of Eemshaven. Tideway was also awarded the scour protection works a subcontractor. These works will start early 2015.

At the end of 2013, GeoSea signed a new EPCI contract for the design, supply and installation of 15 wind turbine foundations and another contract for the installation of these turbines for the **Kentish**

**Flats Extension** offshore wind farm from Vattenfall, one of the largest operators of offshore wind farms. Kentish Flats is being prepared with offshore installation works due to start in March 2015. Turbine installation is likely to start in September 2015.

GeoSea was also declared the 'exclusive EPCI contractor' for the foundations and 'exclusive T&I contractor' for the substation and turbines on **Neart Na Goithe** (UK), scheduled for 2017-2018.

GeoSea has recently been successful in obtaining another major contract. The company has just been awarded the **Nordsee One** offshore wind farm installation contract from RWE Innogy. The new

wind farm is 40 km north of the island of Juist, **Germany**. This contract involves the installation of 54 mono-piles and work will start in December 2015.

### **Huge projects in oil & gas!**

Tideway continued to work on the rock placement works for protecting pipelines up to 600 m on the Norwegian plateau. This work for Statoil started in 2013 and continues again next year. Fallpipe vessel 'Flintstone' has already proven its excellent workability given the challenging Norwegian seas.

Tideway signed a subcontract with ABB for the rock placement (both pre and post) works on the ENI/Goliath power



Fallpipe vessel 'Flintstone' has already proven its excellent workability given the challenging Norwegian seas.

cable project offshore Norway. Works in the far North Norwegian sector started in September 2014 and were successfully completed in October. This project is bringing green energy in the form of hydropower to the oil platform from the shore.

In northwest Venezuela, near Punto Fijo, a landfall for a pipeline for Saipem was installed by the DEME Group. Cardon IV is developing a gas field 90 km off the coast. Works included dredging a 6.5 km trench at sea and installing a landfall and backfilling the trench. Work was completed early 2014.

The DEME Group also obtained a contract from the Venezuelan state oil company PDVSA. On behalf of Saipem, the DEME Group carried out a landfall on the northern side of the peninsula for the Dragon gas field. This challenging project included dredging a trench, building an artificial stone island, which will be used as a landing base for the pipeline and anchoring it in a rock face.

Tideway Luxemburg will perform rock placement works on the Lower Churchill Project for Nalcor, which is for a huge hydropower project in Muskrat Falls.

The site is situated in Labrador, Canada, on a very remote location, where the company can only work in the spring and summer because of the extremely cold conditions. Three 18 km power cables are being placed there to transport electricity through to Nova Scotia. Tideway Luxemburg has produced 350,000 tonnes of rock during the 2014/15 season, then it has to produce 550,000 tonnes next season, ready for the project to start in 2016.

In China, DEME's fallpipe vessel 'Flintstone' carried out rock placement works for China Offshore Oil Engineering Corporation (CNOOC) at the South China Sea Deep Water Gas Development LW3-A Project.

In another major energy project, the DEME Group companies show the broad scope of their activities. For the new Wheatstone LNG Project for Chevron in Western Australia, DEME is not only executing the dredging works, the group also carried out seabed levelling works and erosion protection. Additionally, for the Wheatstone project, pipe pull operations were performed on behalf of Allseas. For Heerema, DIAU also levelled

the seabed and installed rock, then it ballasted the huge gravity based structure with 82,500 tonnes of iron ore. Works were completed early 2015.

The huge, three-year [Hay Point Coal Terminal](#) project in Western Australia came to an end in 2014. In a joint venture with Mc Connell-Dowell, GeoSea was responsible for the marine works of the large expansion project. This project is the largest GeoSea has ever carried out in terms of resources, with some 1,000 people working on the site at peak times and five jack-ups deployed there. The scope for this challenging and complex project included the construction of a 2km access jetty and a berthing jetty for coking coal supply. The general contractor is Bechtel and the project is being executed on behalf of the BHP-Mitsubishi Alliance (BMA).

In 2013, GeoSea was awarded the 'FEED' contract from the Dutch oil & gas operator [Oranje Nassau Energy](#) (ONE) to design a jacket for its platforms. The engineering stage is finished and basic design is ongoing. Similarly, GeoSea was appointed as single engineering contractor for the Hinkley Point jetty

(UK) to deliver technical and commercial proposals.

GeoSea will further focus on the oil & gas sector. One major development during 2014 was the [creation of a dedicated oil & gas subsidiary, EverSea N.V.](#), which was established in July to operate for the installation and decommissioning of smaller offshore units.

Mid-October 2014, GeoSea announced the acquisition of certain offshore activities of Hochtief, one of Germany's leading international construction groups. Amongst others, GeoSea acquired full ownership of the heavy-lift jack-up vessel 'Innovation'. The transaction will be finalized in the first half of 2015.

#### **High Wind joint venture involved in Flemish innovative programme**

High Wind is a joint venture of GeoSea, Sarens, G&G International, SBE and 'Participatie Maatschappij Vlaanderen' (PMV) set up to develop a tool for

installing offshore wind turbines in stronger wind conditions.

The tool of High Wind was installed early 2015 on the jack-up 'Neptune' and the vessel with the new tool started at the end of March, working on the maintenance of offshore wind farms. She will also be working on the installation activities of Kentish Flats offshore wind farm extension.

This innovative project is a part of the Flemish programme 'TINA' (Transformation, Innovation, Acceleration) for the development of factories for the future. The tool should result in an improved vessel uptime and considerable savings in terms of time and costs.

#### **SCALDIS involved in wide range of projects**

As a specialised contractor for heavy lifting at sea, in which the DEME Group has an interest of nearly 55%, SCALDIS (Scaldis Salvage & Marine Contractors)

participates in a wide range of projects worldwide: civil engineering works, oil & gas projects, renewables and environmental works, decommissioning and deconstruction works and salvage-related works/wreckage removal.

In 2014, SCALDIS carried out a large variety of aforementioned activities. SCALDIS was involved in the lifting and installation of the IKA JZ platform in Croatia, Butendiek en Amrumbank West jacket and topside installation in Germany, L6-B minimum facility installation in the Netherlands, K10-B Platform decommissioning in the Netherlands, Baltic 2 sub-sea jacket installation in Germany and Draugen SPAR buoy decommissioning works in Norway. These works were all executed using the heavy-lift crane vessel 'RAMBIZ 3000' with a lifting capacity of 3,000 tonnes.

A second heavy-lift crane vessel, "RAMBIZ 4000", is being engineered and is expected to be operational in 2017.

For the huge Hay Point Coal Terminal project in Western, GeoSea was responsible for the marine works of the large expansion project : some 1,000 people working on the site at peak times and five jack-ups were deployed.





## DEME expands its fleet

DEME has ordered two new vessels serving the offshore energy market. Contracts have been signed with shipyards La Naval in Spain and Uljanik in Croatia to build respectively the multipurpose vessel "LIVING STONE" and the self-propelled jack-up vessel "APOLLO". Both vessels will be delivered in 2017.

The 'Apollo' is an installation vessel that will provide services to the oil and gas industry with particular focus on the installation, maintenance, rejuvenation and decommissioning of platform facilities.

The multipurpose vessel 'Living Stone' will reinforce DEME's fleet of fall-pipe vessels servicing the offshore energy market. "LIVING STONE" has rock installation capabilities and serves transport- and installation projects as well as offshore power cable and umbilical installation for amongst others, interconnectors for the future European supergrid.

## Offshore maintenance

### Offshore & Wind Assistance (OWA) has the wind in its sails!

Offshore & Wind Assistance (OWA), GeoSea's specialist offshore wind maintenance subsidiary, has had something of a breakthrough in the market with 2014 being the first time the company has had continuous work all year round. And the next few years are also expected to be buoyant.

2014 has been a very dynamic and good year for OWA. Jack-up vessel Neptune completed over 200 days of major component exchanges on wind farms in Belgium, the United Kingdom and Germany.

OWA also continued to play its important role in providing inspection, survey, maintenance and logistic support to C-Power and Senvion on the Thornton Bank Offshore Wind Farm. REBO (Renewable Energy Base Ostend) confirmed its position as OWA's busy

hub with at times up to 7 Fast Crew & Transport Vessels (FCTV) operating simultaneously from this base for various clients on the Belgian offshore wind parks. This included OWA's own multi-purpose FCTV's Aquata and Arista, the latter also operating in Germany and the UK in support of GeoSea and Tideway projects.

OWA is a partner of FLiDAR NV. FLiDAR has developed state-of-the-art measurement equipment powered by its own renewable energy system, comprising solar photovoltaic and wind power technology. FLiDAR's wind measurement equipment is designed to capture wind data in the harshest conditions. The FLiDAR measurement buoy represents a major breakthrough for the offshore wind industry, enabling dramatic cost reductions for offshore wind resource assessments. This equipment has a very promising future, with five devices sold in 2014.



Purazur, DEC's waste water treatment specialist has built a plant at the Terranova site in Ghent.

## ENVIRONNEMENT

**DEME Environmental Contractors (DEC) had an extremely busy year, particularly in its home market.**

### Benelux

The Belgian treatment centers are expected to be operating at near-maximum capacity this year and the years to come following a contract awarded from the Belgian inland waterway authority, 'NV Waterwegen en Zeekanaal'. There is an evident trend to look for more environmentally friendly transport on the waterways as roads are getting more congested.

Increasing activity in 2014 was also due to DEC being much more proactive in the highly specialised Brownfield

**Development sector.** Along with a development partner, DEC identifies old polluted industrial sites and approaches owners regarding the possibility of redeveloping the site into housing and recreational areas.

- DEC, in joint venture with SITA, signed an agreement with EANDIS, the Flemish electricity and gas operator for the takeover of nine contaminated sites. These sites are being remediated and redeveloped into new residential areas. Four sites were remediated in 2014 and work will continue in 2015.
- DEC also signed two new brownfield developments: Bekaert Zwevegem and Bekaert Hemiksem with private developers Van Haerents and Vooruitzicht. The remediation of the Bekaert Zwevegem site will take place in 2015. The remediation of the Hemiksem site was finished in 2014, the development is ongoing.

- A major remediation project was completed in Ghent city center in 2014. The former Elektrion plant at the Nieuwewandeling has been a blot on the landscape for many years. The soil was highly contaminated as a result of the lubrication oils production that took place on the site from 1926 to 2014. DEC carried out works including soil and groundwater remediation, asbestos removal and cleaning the above and underground tanks. Immotriion is now turning the site into an attractive living area.

DEC continues in partnership its operations at the AMORAS facilities. This is a major design, construction and operation contract for sediment treatment and storage in the Port of Antwerp, covering a period of 15 years. Some 860,000 tonnes of sediment have been handled so far, with DEC working 24/7 on the project.



DEC is finishing the remediation works in Valdemarsvik, one of the fjords in Sweden.

Purazur, DEC's waste water treatment specialist has built a plant at the Terranova site in Ghent. Additionally, it has developed a bomb cleaning installation in Zutendaal.

### Elsewhere in Europe

DEC has just opened its first treatment center outside the Benelux, north of Paris. The company is seeking opportunities abroad, in France and the UK and other countries with a dense population and where landfill taxes are increasing.

In the United Kingdom, phase 3 of the remediation project of a 100 ha coking site near Chesterfield is in progress. The Thermal Desorption Unit has just demobilised. The project is on track and due to be completed end 2015. In Colchester, DEC finished the works to install flood

protection at several places on the banks of Abberton Reservoir.

Meanwhile, DEC is finishing the remediation works in Valdemarsvik, one of the fjords in Sweden and a popular tourist destination. This contract involves removing and storing sediments contaminated with chromium and mercury, deposited as a result of industrial processes in one of Scandinavia's largest tanneries between 1873 and 1960. The polluted layers on the bottom of the fjord are up to 2 m deep. DEC is working with extreme caution deploying the very highest standards for limiting turbidity. The dredging zone encompasses 350,000 m<sup>2</sup>. Calculations have shown that 400 tonnes of chromium have to be removed. The dredging and stabilisation works have been completed and DEC has just finished the topside of the landfill.

## OFFSHORE AGGREGATES AND MINERALS

**DEMЕ Building Materials had a very successful year despite the recession in the building industry**

DEMЕ Building Materials (DBM) specialises in the extraction, processing and sale of marine aggregates for the construction industry, originating from its marine sand and gravel concessions, which have a minimum reserve of 300 million tonnes. The company dredges, processes and sells marine aggregate sizes ranging from zero to 100mm.

DBM currently supplies marine aggregates in the harbours of Le Havre,



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## ***The company experienced full occupancy of its two gravel trailers 'Charlemagne' and 'Victor Horta'.***

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Dieppe, Dunkirk and Boulogne-sur-Mer in France, Flushing and Amsterdam in the Netherlands, Ostend in Belgium, Gdansk in Poland and the London UK market. Additionally, DBM has marine aggregate processing installations and distribution platforms in Flushing and Amsterdam in the Netherlands, Boulogne-sur-Mer in France and Ostend in Belgium. The company is also eyeing developments in the German and Scandinavian markets.

In the mid to long-term DBM is expecting demand for marine aggregates to strengthen as tougher European environmental laws impact both traditional quarries and river dredging activities.

Despite the recession in the construction industry in Europe, 2014 was a very successful year for DBM. The company experienced full occupancy of its two state-of-the-art gravel trailers 'Charlemagne' and 'Victor Horta'. The London construction market particularly

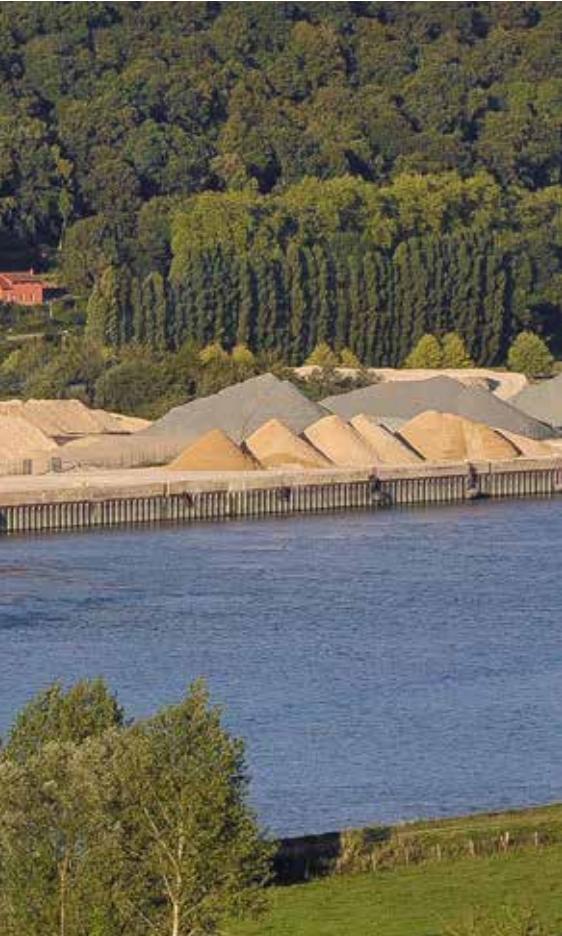
was very strong last year and demand is expected to continue. In the first half, work came to an end on the London Gateway project, which saw the realisation of a major new container terminal. More than 3.5 million tonnes of aggregates were recovered from the dredging project and given added value in the construction industry in the UK and on the continent.

The long-term supply contract with EUROVIA in France for deliveries in Dieppe and Le Havre is ongoing. Additionally in France, in a joint venture DBM constructed a new treatment facility in Boulogne and successful trial runs have taken place. Affiliated company SDI

and DBM were also active on the River Seine in France, where they dredged 350,000 m<sup>3</sup> of material, which was processed and sold onto the market.

Additionally, DBM sold 350,000 tonnes to the Belgian market from its own facility in Ostend. Meanwhile, 'Charlemagne' is currently carrying out its third campaign for a client in Gdansk, Poland.

Another major project last year was work relating to the construction of the new sea lock, 'Waaslandslijn' in the Port of Antwerp. Some 1.3 million tonnes will have been supplied by DBM to make the concrete for the new lock over a two-year period. This lock construction is due to finish in March 2015.



## Good prospects for OceanflORE and its innovative solutions

OceanflORE is a 50/50 joint company between IHC Merwede and DEME focusing on valuable offshore contract mining solutions. OceanflORE introduces state of the art, ground-breaking and innovative solutions to harvest the ocean floor in an efficient, cost effective and sustainable way with a continuous focus on minimizing the impact on the environment.

In 2014, OceanflORE conducted research and design work with regard to excavation of the deposits, vertical transport to the surface, power supply, an on board processing plant, etc. Promising projects have been identified with respect to different kinds of rare minerals and scarce materials. OceanflORE has been engaged in direct discussions with mining groups and government bodies to explore synergies for the exploitation of iron sands, diamonds, seafloor massive sulphides (SMS), manganese nodules and other rare earth minerals.

## MARITIME TERMINAL SERVICES

### CTOW active in world's biggest oil service port

Combined Marine Terminal Operations Worldwide (CTOW) offers a full package of professional assistance for the operation of dedicated maritime terminals and related maritime services.

CTOW is a joint venture company between DEME (nearly 55%) Herbosch-Kiere and Multraship, seeking early involvement and an integrated approach to meet their clients' needs in terms of efficiency and a turnkey approach to the development, management and operation of terminals and ports.

At Onne, Nigeria, being the biggest oil service port in the world, owned and operated by Intels, DEME started working on phase IV-b of Intels' ambitious yard expansion programme. The contract for the three-phase reclamation and dredging of these new facilities was signed at the end of 2013. CTOW carried out the towing services along the new deeper access channel to Onne.

DBM in Flushing, in the [Netherlands](#), also received several orders for very coarse gravel (16mm-64mm) for scour protection works on the Dutch part of the River Scheldt, executed by de Vries & van de Wiel amongst others. While its own Flushing site was very busy processing more than 1.3 million tonnes of aggregates, Amsterdam was less buoyant but DBM is seeing the first signs of recovery in the Netherlands.

Based on the existing fleet capacity, future market demand showing growth, and the need for substitution of river dredged materials by marine aggregates in France and the Netherlands, DBM is considering bringing extra capacity into the fleet, thereby aiming to strengthen its position as one of the major aggregate dredging companies.





# DEME Concessions





## INFRASTRUCTURE

Three major projects in progress

### Coentunnel Company

DEME Concessions Infrastructure holds a minority participation in the second Coentunnel project in Amsterdam. This project was successfully realised mid-2014 and entered its operating phase of 24.5 years.

### Congo Dredging Concession

In the Democratic Republic of Congo, a PPP agreement has been signed with the Congolaise des Voies Martimes for a 10-year dredging concession on the Congo River to maintain a maritime access of 26 feet to the ports of Boma and Matadi.

### Zuiderzeehaven Kampen

The development of Zuiderzee harbour, in the Netherlands, as a second industrial port was realized in a Public Private Partnership. The scope included the technical realization and the construction of the harbor, the construction of the site

DEME Concessions aims to regroup all concessions of the DEME Group in the field of Infrastructure, Renewables and Offshore Resources.

and necessary infrastructure as well as access roads, the sale of the developed areas, the management and the maintenance during 15 years (until 2016).

## RENEWABLES

Within the area of offshore wind energy, DEME Concessions develops initiatives in several European countries.

### C-Power, first offshore wind farm in Belgium

Power@Sea specialises in providing support for environmental permitting, procurement procedures, assistance with regulation, tendering, construction, distribution, operation and life cycle maintenance, and continues to seek early involvement in offshore energy projects in France and Germany and other northern EU countries.

Power@Sea is one of the founding partners of C-Power, the first offshore wind farm in Belgium. This project was delivered in 2013, 2014 being the first full production year of the 325 MW C-Power offshore wind farm. Despite the less windy conditions last year, C-Power delivered 1 billion kWh of green power or 1.3 % of the total Belgian production of electricity.

### OTARY: various Belgian offshore wind concessions

Together with the other shareholders of OTARY, Power@Sea has three concessions for offshore wind farms on three Belgian projects: Rentel, SeaStar and Mermaid. All these wind projects represent an accumulated capacity of over 900 MW. In Poland, Power@Sea has applied for a permit for the development, construction and installation of two offshore wind farms - C-Wind and B-Wind - in the Polish Baltic Sea, and obtained the right to develop these offshore wind parks; The two wind parks are situated offshore the Gdansk area and have a minimum installed capacity of 400 MW.

An optimal tidal turbine design and corresponding installation procedure and maintenance strategy are key to obtaining financially viable projects.



## **DEME Blue Energy, marine energy specialist**

DEME Blue Energy (DBE) focuses mainly on the development of tidal and wave energy projects. DBE is a joint venture company including PMV (Participatie Maatschappij Vlaanderen - 30%) and DEME (70%). DBE closely cooperates with academic centers of knowledge and strategic industry partners to further enhance its position in the emerging ocean energy market.

### **Two tidal energy projects in the UK**

The main focus of DBE during 2014 has been its tidal energy projects. DBE holds 50% of Bluepower (with Nuhma NV holding the other 50%), which together with Irish consenting specialist DP Marine Energy (DPME), are developing two tidal energy projects in the UK through special purpose companies (SPCs). The West Islay project is located in Scotland, while the Fair Head project is situated in Northern Ireland. The SPCs have been granted an Agreement for Lease of 30 MW and 100 MW respectively. Two European grant projects are also linked to the Fair Head project.

DBE's involvement in both projects started in 2012. Environmental consent

for the West Islay project is expected in 2015. Ongoing works relate to onshore consent and grid connection. Consent related works on the Fair Head project in 2014 consisted largely of environmental and resource assessments.

DBE has also been working intensively on the business models of both projects. An optimal tidal turbine design and corresponding installation procedure and maintenance strategy are key to obtaining financially viable projects. In this respect, DBE closely cooperates with DEME subsidiaries GeoSea and Tideway, as well as tidal technology developers.

### **FlanSea, wave energy research project**

DBE was involved in the Flemish research project 'Flanders Electricity from the

Sea' (FlanSea), along with five industrial partners and the coordinator, Ghent University. The main goal of this project was to test theoretical control algorithms for a wave energy converter by creating and using a real life lab. The Wave Pioneer, a floating device generating energy from the swell of the waves, was successfully installed and tested near the port of Ostend. The project concluded in December 2013.

### **REBO at the service of offshore renewable energy**

DBE is also a partner in 'Renewable Energy Base Ostend' (REBO), a special purpose company providing logistic services for offshore renewable energy projects. REBO has a 10 ha concession in Ostend's outer port.



## iLAND, artificial energy storage atoll

DEME is taking part in a consortium 'iLAND', which has submitted a proposal to obtain a concession for Belgium's artificial 'energy storage atoll'. iLAND applied in July 2014. The Belgian government has essentially reserved an offshore area where the atoll can be developed to store energy. This pioneering initiative is a world first. The elliptic shaped atoll is 2.8km x 1.2km and is effectively a large pit, with the floor much lower than the seabed. The atoll will dispose of 550MW of power and provide 2,000 MWh of energy storage capacity. It will be used to balance the transmission grid and involves a very dynamic pumping-turbining regime. If the iLAND consortium is successful in getting the

concession, construction will probably start in 2018 and the project team hopes to get it operational in 2021.

## MARINE RESOURCES

### DEME Building Materials continues to invest

DEME continues, together with DBM, to further invest in new and existing concessions for sand and gravel near-shore, up to 100 m depth, in Belgium, the Netherlands, France, U.K., Germany, Morocco and Poland.

## Global Sea Mineral Resources (GSR) in the Pacific

On 14th of January 2013, the International Seabed Authority (ISA) and Global Sea Mineral Resources (GSR), signed a 15-year contract for prospecting and exploration for polymetallic nodules. Under the contract, GSR will have exclusive rights for exploration for polymetallic nodules over 76,728 square kilometers of the seabed in the eastern part of the CCZ of the Central Pacific Ocean. In 2014, GSR successfully completed its first exploration cruise in the CCZ. Global Sea Mineral Resources is a subsidiary of DEME Concessions.

# Contracting division



Music Chapel Queen Elisabeth - Waterloo

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A Contracting division has been created including the construction, multitechnics and rail infra activities.



Construction

58



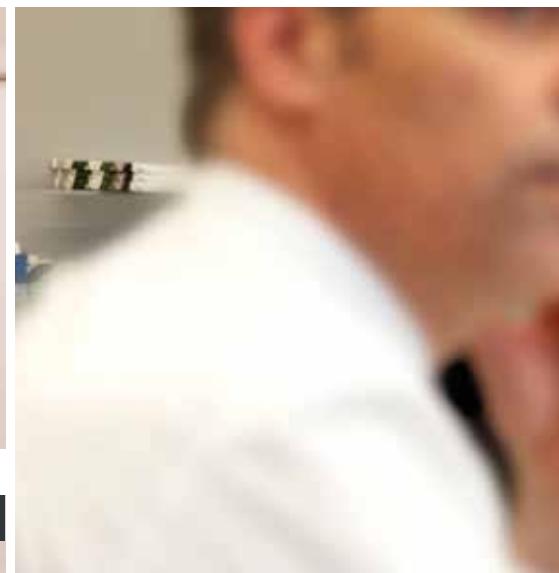
Multitechnics  
& Rail Infra

70

Order book  
**1,127.2**  
€ million  
at 31 December 2014

Revenue  
**1,073.3**  
€ million  
for the financial year 2014

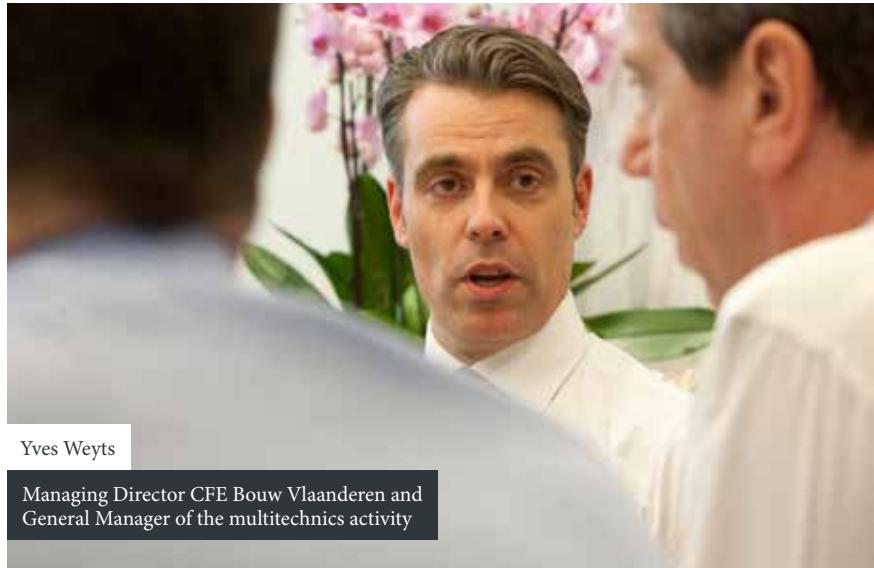
# Steering Committee





Frédéric Claes

Managing Director  
CFE Bâtiment Brabant Wallonie



Yves Weyts

Managing Director CFE Bouw Vlaanderen and  
General Manager of the multitechnics activity



Piet Dejonghe

Managing Director of the CFE group



Fabien De Jonge

Chief Financial Officer of the CFE group



Patrick Verswijvel

Managing Director of CFE Infra



# Construction



## Construction activity

### Order book

**945.3**  
€ million

at 31 December 2014



### Revenue

**805.3**  
€ million

for the financial year 2014

**2014** was a mixed year for construction: it was positive for the Benelux building segment, marked by increased activity and a favourable outlook for 2015. On the other hand, it was a more difficult year for the International building segment and for civil engineering.

### The Engineering department, an invaluable asset in Belgium and internationally

In 2014, the engineering department began to break even, without a fixed contribution from the group's construction division. The challenge of the past year has been more than ever to supply engineering expertise with high added value to projects and contract award services.

Besides working every day on various projects in progress, the engineering team was also involved in the Brussels-South wastewater treatment plant project, the development of the prefab building system for Sint-Maarten Hospital in Mechelen, and in several project tenders such as the Fehmarnbelt tunnel in Denmark.

### BENELMAT reports constant growth in activity

BENELMAT provides technical assistance to the operational teams in the choice, study, supply and selection of the equipment needed on the construction projects.

### A mixed year for the construction activity.



Michel Denayer  
Engineering department CFE Infra

BENELMAT's overall activity level has grown in 2014 compared to 2013, leading the firm to hire more staff for its teams at the end of the year. The hardware resources have also been adapted for bigger units.

The acquisition of a site in Gembloux for the construction of a new plant will allow a better streamlining of BENELMAT's hardware resources.

### Quality

All entities that hold certifications for their management system have maintained or renewed their certification, or have extended their certification by widening the scope of the certification or the field of application, or by enhancing the standards of the systems.

All entities, as part of a policy of continuous improvement (prescriptive requirement of all generic management stand-

ards), are taking action to improve their Quality, Safety, Environment and/or other management systems.

Customers are demanding more and more that projects are executed on the basis of QSSE (Quality, Safety, Security, Environment) management plans specific to the project which are then prepared by the entities of the CFE group.

More and more projects are being carried out with HEQ (High Environmental Quality) and BREEAM (Building Research Establishment Environmental Assessment Methodology) certifications. Those certifications guarantee the sustainability of buildings according to predefined standards relating to the environmental performance of the building and of the construction phase.



Prolongation of the construction of the residential tower blocks 3, 4, 5 and 6 of the Kattendijkdok Westkaai project in Antwerp.



Yves Weyts CFE Bouw Vlaanderen



Luc Stuyck MBG



Walter Leyssens Atro Bouw

## BUILDINGS, INDUSTRIAL CONSTRUCTIONS AND RENOVATION

### Belgium / Flanders

#### MBG: all-time high order book

MBG Building reported a good year in 2014, with an all-time high order book. Several projects in progress are some of the biggest ever carried out by the firm, such as the construction of the new hospital complex AZ Sint-Maarten in Mechelen, and the residential tower blocks 3, 4, 5 and 6 of the Kattendijkdok Westkaai project in Antwerp. Other projects in progress include the Data Center for Ghent University, the residential project 'Oosteroever' in Ostend, the serviced residence 'Keizerhof' in Oudenaarde, the new offices for DEME in Zwijndrecht, along with several new schools for the 'Scholen van Morgen' project, such as the Passive House School GTI in Londerzeel. The activities for major players in the industrial sector are running their course. MBG has finished the hospital complex AZ Alma in Eeklo.

The company has also made significant strategic investments and now uses 'Build-

ing Information Modeling' (BIM), a powerful software tool where all data of a project are incorporated in a 3D model to give a complete picture of the building project.

Following on from last year's success, 2015 definitely looks to be an exceptional year by the high level of activity, with plenty of challenges for the whole team.

#### Atro Bouw continues the construction activity of Aannemingen Van Wellen

At the end of 2014, the CFE group decided to sell Aannemingen Van Wellen NV and its road activities while keeping the Building segment within the group and renaming it Atro Bouw. Atro Bouw ended the year with a growth in net margin.

Atro Bouw can boast several fine projects in 2014, such as 'De Lichttoren', a residential building of which the 148 apartments were completed in record time; the new building for Rode Kruis Vlaanderen in Mechelen, and the extensive refurbishment of the 'Sting' retail outlet on the Meir shopping street in Antwerp. Construction sites in progress include the large-scale residential project 'Oosteroever' in Ostend, the youth hostel in Brasschaat, developed in PPP for Toerisme Vlaanderen, and new schools in Lennik and Bocholt as part of the 'Scholen van Morgen' project.



## Groep Terryn – Great potential for cross laminated timber!

Groep Terryn, specializing in the treatment and processing of wood, encompasses the firms Korlam, Spanbo, Terryn Timber Product in Moorslede, and Lamcol in Marche-en-Famenne. CLT (Cross Laminated Timber) has a strong growth potential and the interest shown in this product is beginning to be reflected in construction projects, even in neighbouring countries like the Netherlands and France. One example is the 'Zero Energy' housing project developed together with the ZEB group. In the industrial construction sector, the group stood its ground very well by essentially focusing on small-scale projects and refurbishment.

The inauguration of the Passive House School GTI in Londerzeel took place on the 1<sup>st</sup> september 2014.

One of the fine projects executed by Atro Bouw, the new building for Rode Kruis Vlaanderen in Mechelen.





The beautiful mixed-used project - retail, nursery and apartments - Toison d'Or in Brussels.



Frédéric Claes  
CFE Bâtiment  
Brabant Wallonie



Alain Hemstedt  
BPC Brabant

## Belgium / Brussels and Brabant

### Autonomy and synergy go hand in hand

The companies active in the construction of buildings in Brussels, Brabant and Wallonia operate autonomously without central services, while taking advantage of the many synergies that exist between the entities. The establishment of coordination committees allows free exchange of good practices and experiences in a non-competitive spirit, each entity having its own market positioning.

### BPC Brabant: growing activity on the market of large private-sector projects

BPC Brabant focuses more than ever on large-scale private-sector projects, a market where it holds a privileged position

with a limited number of prestigious projects. 2014 saw a growth in its activity, coupled with a substantial strengthening of its on-site supervisory staff; no accidents were reported whatsoever!

The firm completed the Up-Site project, the highest residential tower block in Belgium; Belview, a mixed residential and office complex, and the Parklane and Source II projects. BPC Brabant also has several other projects under way, such as the renovation of the former Solvay head office, the Toison d'Or building, the Chambon project and the European History Museum in Brussels, and the construction of a whole quarter on the site of the former Papeteries de Genval. The firm also started work on the construction of the Docks Bruxsel shopping centre at Pont Van Praet.

BPC Brabant ended the year with a positive result and a well-replenished order book. Finally, BPC Brabant has been



awarded, in joint venture, the large-scale Neo 1 project in the Heysel Park in Brussels, for which the developers must first obtain the necessary building permits.

#### Very good year for Amart, which focuses on medium-sized projects

Amart, which focuses on projects ranging from €5 to 20 million, reported a higher level of business in 2014 compared to 2013. Substantial orders were won, including the W34 projects for Cofinimmo and Régent 35, while several other projects have started up, such as a serviced residence in Wervik, in joint venture with Atro Bouw.

The end of the year was marked by one event: the completion of the extension to the prestigious Chapelle Musicale Reine Elisabeth. Several other projects were completed too, such as Capital Construct, ACV and B4 (for BPI).

Amart will definitely continue to grow. 2015 will therefore be a year of consolidation, with an ongoing strengthening of the technical and on-site teams.

#### Zero accidents at CFE Brabant

Focused on public-sector contracts, CFE Brabant builds and renovates hospitals, office buildings, residences, day nurseries and care homes, shopping centres, schools, universities, railway stations, etc.

In 2014, the company reported close to €100 million worth of revenue, yet with a negative result on account of difficulties connected with older projects. With 'Zero Accidents', it can boast a healthy safety record.



Steven Luyckx  
Bernard Palange  
Amart



Igor Laridon  
CFE Brabant



Didier Verstraeten

Leloup Entreprise  
Générale



Michaël Royer

BPC Wallonie



The ultramodern CHIREC on the Delta site will dispose over 544 hospital beds and the latest medical equipments.

The year was marked by the completion of some major projects, such as the Group S building and the building for the European Parliament. Construction work on CHIREC hospital and the extension of AXA's new head office has also begun. The teams were also engaged on several other projects, such as the sports centre in Auderghem, the student residence in Ixelles, the Arts-Loi metro station, the Railway Museum, etc.

The company's management was strengthened during the year, and CFE Brabant hopes to return to profit in 2015. Optimism remains paramount, with several contracts concluded at the end of 2014 starting up in the next few months.

### Year of transition for LELOUP ENTREPRISE GENERALE

LELOUP ENTREPRISE GENERALE specializes in renovation and construction works up to an amount of €5 million, mainly in the private sector. Projects in 2014 included the renovation of Limal railway station, the upgrading of Ecole Ste-Ursule in Forest with a passive building, the construction of a theatre under the Parc Royal, and the conversion of an

Orangery in Auderghem into offices for the Belgian Hockey Federation.

While 2014 was a year of transition marked by a positive result but a rather modest volume of business, the stronger corporate structure should bode well for 2015. The order book is already higher than the revenue realized in 2014.

### Belgium / Wallonia

#### BPC Hainaut – BPC Liège – BPC Namur cover the whole of Wallonia

The year was marked by a vigorous growth in business and order book levels for private and public-sector projects across Wallonia, such as the ongoing construction of BNP Paribas Fortis data centres in Bastogne and Vaux-sur-Sûre, the start of renovation works on the CSC holiday resort in Houffalize, award of the contract for the extension of the Grands Prés shopping centre for City Mall in Mons, the conversion of Banque Delen head office and CHC Mont Légia in joint venture in Liège, and the construction of 150 student residences in Namur. Coupled with recruitment of extra staff, this growth in business

levels resulted in good profitability for the past year and a very favourable outlook.

The main completed projects include Charleroi police station (to the customer's full satisfaction), the Eupen schools project in public-private partnership, CMI's head office in Seraing, the offices at Bierset airport, and the extension of Mont Godinne University Hospital.

### International / Luxembourg

#### CLE reports revenue growth

The solid order book that was filled in the previous year permitted a vigorous revenue growth in 2014, with large-scale projects such as the European Parliament project and the extension for Banque Générale de Luxembourg on the Kirchberg, and CLi's real estate development projects in Beggen and Bettembourg. The mixed-use project Aire-Lavandier for Allfin, the storage and maintenance centre for the Luxembourg national rail company, and the car park in Esch for ENOVOS were successfully completed. In the second half of the year, preliminary work began on the Kons project, the new head office of



The Orange Office Park Amsterdam office building in Cracow.

ING opposite the railway station. Among several other contracts secured in 2014, CLE was awarded the prestigious Royal20 project in Luxembourg City centre by Leasinvest.

What is the outlook for 2015? The order book shows a level of business that is down on 2014 but still better than in 2013, while the forthcoming award of several major contracts promises a return to growth.

## International / Poland

### Good results and promising outlook for CFE Polska

CFE Polska boosted its revenue in 2014, with highly satisfactory margins and cash position. All projects made a positive contribution to CFE Polska's results.

Those projects include the extension of the Galeria Copernicus shopping centre for Atrium Real Estate, two residential projects developed by BPI Polska, Wola Tarasy in Warsaw and Ocean's Four in Gdansk, the Greenwings office building in Warsaw, BREEAM certified with "Very

Good" rating, and now occupied by CFE Polska and BPI Polska, and the Orange Office Park Amsterdam office building in Cracow for East West Development, the first of a complex of four buildings. CFE Polska is also engaged on several projects in different cities.

With contracts in progress, the planned collaboration with BPI Polska on projects in Warsaw and Gdansk, and several contract negotiations that are well under way, CFE Polska can lay the foundations for a successful 2015.



Patrick Van Craen  
Olivier Vanderdeelen

CLE



Bruno Lambrecht CFE Polska

## International / Hungary

### Two completed projects in Budapest

This year, the teams of CFE International and Hungary finished two projects in Budapest: the construction of the Vaci Green office building for Atenor, and the extensive refurbishment of the US embassy for the Hungarian Ministry of Foreign Affairs. Nevertheless, the weak order book suggests a substantial downturn in activity in 2015.



N'Djamena Grand Hotel, key project of the Ministry of Infrastructures, will host the big international meetings that will take place in the capital of Chad.



## ***CFE International continues and expands its operations across the world.***



Patrick Van Craen  
Pascal Bauwens

CTE & CFE Tunisie

### **International / Tunisia**

#### **CTE and CFE Tunisie in a healthy position in an economically recovering Tunisia**

In January 2014, CFE and a Tunisian partner set up Compagnie Tunisienne d'Entreprises (CTE), a Tunisian company that would be able to operate as a contractor for the public authorities and private-sector customers in Tunisia. Substantial recruitment efforts enabled CTE to start work on the new Ritz Carlton Hotel in Carthage and to complete the logistic platform of Maersk in the port of Tunis. At year-end, CTE won the contract for the first phase of the residential project Mena in Tunis. CFE Tunisie also continued construction works in Bizerte Marina, and was awarded the contract for the renova-

tion of the court building and the extension of the prison in Gabes by UNOPS.

Operating in Tunisia during the recent period of upheaval, CFE Tunisie and CTE are now well positioned to take advantage of the economic recovery in the country. The successful democratic transition has encouraged investors to return, and the size of the order book at the beginning of 2015 means that the initial revenue projections are already exceeded.

### **Elsewhere in Africa and Asia**

#### **Algeria**

CFE International completed BNP's head office in Algiers, a very fine structure built close to Algiers international airport.



## Nigeria

Two large projects are in progress in Lagos. Situated on a parcel of land reclaimed from the sea by DEME, the Eko Energy Estate project comprises three 9-storey residential tower blocks. The deep foundation works were started in 2014; construction of the first tower block will begin in 2015, and the entire project is due for completion in 2017. The second project, Eko Tower II, has been developed for Eko Hotels and Total: an ambitious project, of which the hotel part will rise to 120 metres and gives work to no fewer than 2,000 people!

## Chad

N'Djamena Grand Hotel, key project of the Ministry of Infrastructures, will host the big international meetings that will

take place in the capital of Chad. The building work, which began in 2012, is nearing completion. A supply contract for furniture was awarded to CFE, which will allow the hotel to open in 2015 under the management of Radisson.

## Sri Lanka

Two Design & Build projects for water supply systems in Kolonna and Balangoda continued: the civil engineering works for the water pumping and treatment stations are finished, as are the installations for the water distribution networks. The electromechanical installation works are in progress.



Xavier Behets  
Frederik Roman  
Patrick Bonnetain  
Richard Touroude

CFE International



Jean-Charles Vereerstraeten  
Patrick Verswijvel  
Alex Vandemeulebroecke

CFE Infra



Joël Monin

BAGECI



CFE Infra continues the construction of the parking and bypass at Mechelen railway station, adding a road tunnel and viaduct for the high-speed train.



## CIVIL ENGINEERING

### Belgium / Flanders

#### CFE Infra continues to look for synergies within the CFE group

After several very busy years working on large-scale projects such as the Liefkenshoek rail tunnel (Antwerp) and Diabolo (Zaventem), CFE Infra (ex MBG's civil engineering activities) saw a decline in 2013, which continued in 2014. The order book for 2015 remains slim. Current contract award procedures will only begin to generate business in 2016. CFE Infra is therefore seeking to intensify synergies within the CFE Group.

The company also continued the construction of the parking and bypass at Mechelen railway station, adding a road tunnel and viaduct for the high-speed train. The renovation works on the Brussels South

wastewater treatment plant (STEP) were carried out in joint venture with other firms, such as Nizet Entreprise. Other projects in progress include the LNG unloading terminal at Zeebrugge for Fluxys, the installation of storage facilities for Oiltanking in Antwerp, the parking of Gasthuisberg Hospital in Leuven, and the renovation of a bridge in Machelen for Tuc Rail.

### Belgium / Wallonia

#### BAGECI continues work on major projects in Belgium and Luxembourg

Faced with a contracting market, BAGECI is looking for fresh opportunities to generate a sufficient volume of business in the future. In this respect, the contract for the construction of the dam of Kain was timely to help replenish the order book.

In 2014, BAGECI completed the wastewater treatment plants of Bousval, Naninne &

Bricniot, and Sclessin. The refurbishment of the Biéreau tunnel has finished as well, as has the construction of the Auvelais bridge for Infrabel, which also awarded BAGECI the contract for the construction of the Courrière bridge, currently in progress. Two major projects are under way: the Pulvermühle viaduct, a technically highly complex project for the Luxembourg railways, and the water pumping station in Jemeppe, involving excavation works, which were completed this year, to a depth of 32 metres.

### International / Netherlands

#### GEKA very much present in the industrial and maritime sector

Despite the economic downturn in the Netherlands, the company was engaged on several industrial and maritime projects for private-sector customers as well as for the ports of Rotterdam and Amsterdam.



Despite the economic downturn in the Netherlands, GEKA was engaged on several industrial and maritime projects for the ports of Rotterdam and Amsterdam.

GEKA completed an extension to the quay for EBS in Rotterdam Europort. The firm also built a new mooring infrastructure for the Pieter Schelte vessel of All Seas on the Rotterdam Maasvlakte, as well as a new inland shipping quay for Nustar Terminals in Amsterdam. In France, GEKA completed the quay for the new LNG terminal in Dunkirk.

GEKA is expected to consolidate its revenue in 2015. With various contracts signed for Rubis Terminals, the Port of Rotterdam, and ETT, the company's order book is reasonably well filled.

#### **CFE Nederland finished the second Coentunnel in Amsterdam**

CFE Nederland continued or completed several large projects, such as the Spoor & Stad Delft project involving the design and construction of a rail tunnel and an underground station: all the technical

installations of the tunnel and the station have been handed over to Prorail. In Amsterdam, the certificate of completion was delivered for the second Coentunnel; the Coentunnel Company, of which CFE is one of the shareholders, is in charge of its maintenance until 2037. The viaducts over the Roosendaal railway line were also completed in November. The firm is working on the construction of two new viaducts for the N209 over the A13; at the end of the year, it was awarded the contract for the Beverbrug Alkmaar, a moveable bridge over the Alkmaar-Kolhorn canal.

CFE Nederland reported a fall in revenue, pending the delayed start of the 'Kademuur Shtandart' project in Rotterdam, a contract that was awarded to CFE-DEMÉ as the lowest bidder.



Hans Schutte GEKA



Jan Verschueren  
Lode Franken CFE Nederland



# Multitechnics & Rail Infra



## Multitechnics activity

### Order book

**126.3**  
€ million

at 31 December 2014

### Revenue

**162.6**  
€ million

for the financial year 2014



In 2014 the entities of the activities of multitechnics and rail infra were reorganised according to their disciplines into 3 clusters : electro, HVAC and rail infra.

## ELECTRO

### Very successful year for VMA in Belgium and internationally

VMA's Infra segment worked on a large number of projects, primarily in the healthcare and service industries, where the company handled the technical installations. It finished the works at Maria Middelares General Hospital in Ghent and at IBGE in Brussels. In the Netherlands, VMA handled the technical installations of the Delft rail tunnel.

On the highly internationalized automation market, the first projects were completed for Land Rover and Jaguar in Birmingham in the United Kingdom. VMA also worked for Volvo in Sweden and Audi in Bratislava, among other projects. 2014 saw the start of projects that will get fully under way in 2015, such as for Scania in Sweden and Audi in Mexico. VMA also successfully completed the installations for the extension to the Belgomilk plant.

So 2014 was a good year for VMA, and the order book for 2015 is already well filled. Nevertheless, the slowdown in in-

Nevertheless, buoyed by VMA, ENGEMA and Louis Stevens & Co, the Multitechnics & Rail Infra activity turned back to profit.

vestments in the automotive industry and stiff competition from Asia are putting pressure on prices.

### A period of transition for VMA West

VMA West, which is refocusing on its core electricity business, went through a year of transition, which was made difficult by old business affairs that needed to be settled. Many of those issues have now been resolved, and, with the support of VMA, VMA West can get off to a fresh start in 2015.

### Vanderhoydoncks: many small-scale projects

In Limburg, Vanderhoydoncks remains a strong local player. The firm primarily handled installations in office buildings and in the hospital, distribution and manufacturing sectors. Projects completed in 2014 include Shopping 1, renovation of

## Rail Infra activity

### Order book

**55.6**  
€ million

at 31 December 2014

### Revenue

**105.4**  
€ million

for the financial year 2014



Yves Weyts CFE

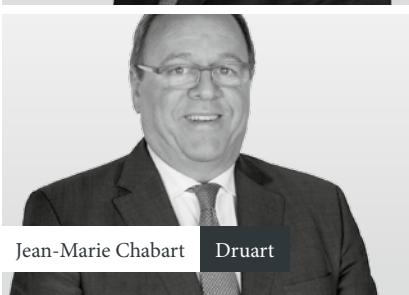


Guy Wynendaele VMA

the medical care unit at ZOL Hospital and the IncubaThor, all three in Genk, several installations for Colruyt in Belgium and Luxembourg, and the Spar distribution centre in Mechelen. In 2015, Ariadne will join up with Vanderhoydoncks. At the end of a very difficult year in 2014, marked by poor results due, above all, to lack of the necessary processes for a proper financial and technical monitoring of projects, Ariadne has gone through several reorganizations that should give it a fresh start.



Hubert Lacroix Nizet Entreprise



Jean-Marie Chabart Druart



After more than two years' work Druart completed one of its large-scale projects in 2014 : Marie-Curie Hospital in Lodelinsart.

## **Nizet Entreprise consolidates its position**

Nizet Entreprise reported a sustained business level in 2014. The tertiary and workshops departments were active in Wallonia and Brussels, while 80% of the infrastructure department's work was international, with activity flourishing in Sri Lanka and Vietnam in particular.

Charleroi police station was one of the projects carried out by the tertiary department. Work is continuing on several sites, such as the SHAPE schools in Mons and the new CHWAPI hospital in Tournai. Business was good for the workshops department for low and medium-voltage cabinets, and several projects were completed for Cofely Fabricom, Brussels Airport, UCB, Electrabel, etc.

## **HVAC**

### **Druart faces new challenges**

Druart's revenue and profit margin were roughly similar to the previous year. 2015 looks to be a year of challenges, particularly with the integration of Brantegem's activities, which should allow the firm to develop its business in the northern part of Belgium in an increasingly competitive market.

Several large HVAC projects were completed, such as Charleroi police station, where Druart carried out ventilation, heating, air conditioning and cold production works. Another large-scale project that was finished after more than two years' work for Druart was Marie-Curie Hospital in Lodelinsart, along with phase II of the UCL Lavoisier project, completed to the full satisfaction of the customer, who promptly placed an order for phase III in 2015, and several assignments for hospitals

and retirement homes. Business levels for industrial cold storage facilities improved on previous years with the addition of new customers, offering real growth potential for Procool.

### **be.Maintenance consolidates and continues its development**

In 2014, in its fourth year, be.Maintenance succeeded in positioning itself in other sectors than the tertiary sector, notably manufacturing, logistics, hotels and schools. To its portfolio of contracts have been added long-term contracts (25-30 years) that guarantee its profitability. The partnership with other branches of the CFE group, more specifically in the Multitechnics division, was further strengthened in various concession projects, such as Charleroi police station and schools in Flanders (Scholen van Morgen).



The very good results of the rail infra activity in 2014 allow to look ahead to 2015 with confidence.

## RAIL INFRA

### Very good results for ENGEMA

The four departments of ENGEMA contributed to the company's excellent results, allowing it to look ahead to 2015 with confidence.

In 2014, the extension by Infrabel of the contract for the installation of ETCS Level 1 rail signalling spawned new projects for ENGEMA Rail Signallisation. ENGEMA Rail Caténaires finished work on the electrification of line 15 Herentals-Mol. Other major projects include the overhaul of the overhead contact lines at Brussels-South railway station (in joint venture) and of the 3KV overhead contact lines at Ostend railway station.

### Louis Stevens & Co consolidates its growth

After three years of growth, 2014 was a year of consolidation for Louis Stevens & Co. This will also be the case in 2015, with an order book that is already well filled. During the past year, the infrastructure department worked on several projects, such as the modernization of the rail sig-

### Aannemingen Van Wellen 'Roads' joins Aswebo

On 1 December 2014, CFE signed an agreement with Aswebo for the sale of Aannemingen Van Wellen NV and its 'Road' activities, while the 'Buildings' segment stays in the group under the name Atro Bouw. The actual sale was finalized at the end of February 2015.

nalling in the Châtelet-Monceau area. The department also installed ETCS signalling for Infrabel.

The telecom & security department had a particularly busy year with contracts for Infrabel, such as ICT cabling including the installation of fibre optic cables and video surveillance systems (CCTV).

### Revenue and headcount growth at Remacom

Remacom made substantial investments in new equipment in 2014, enabling it to boost its revenue in relation to the last three years and to intensify its presence in Wallonia.



Chris Presiaux General Manager of the rail infra activity



Jean-Paul Coch ENGEMA

### ETEC on the good road to recovery

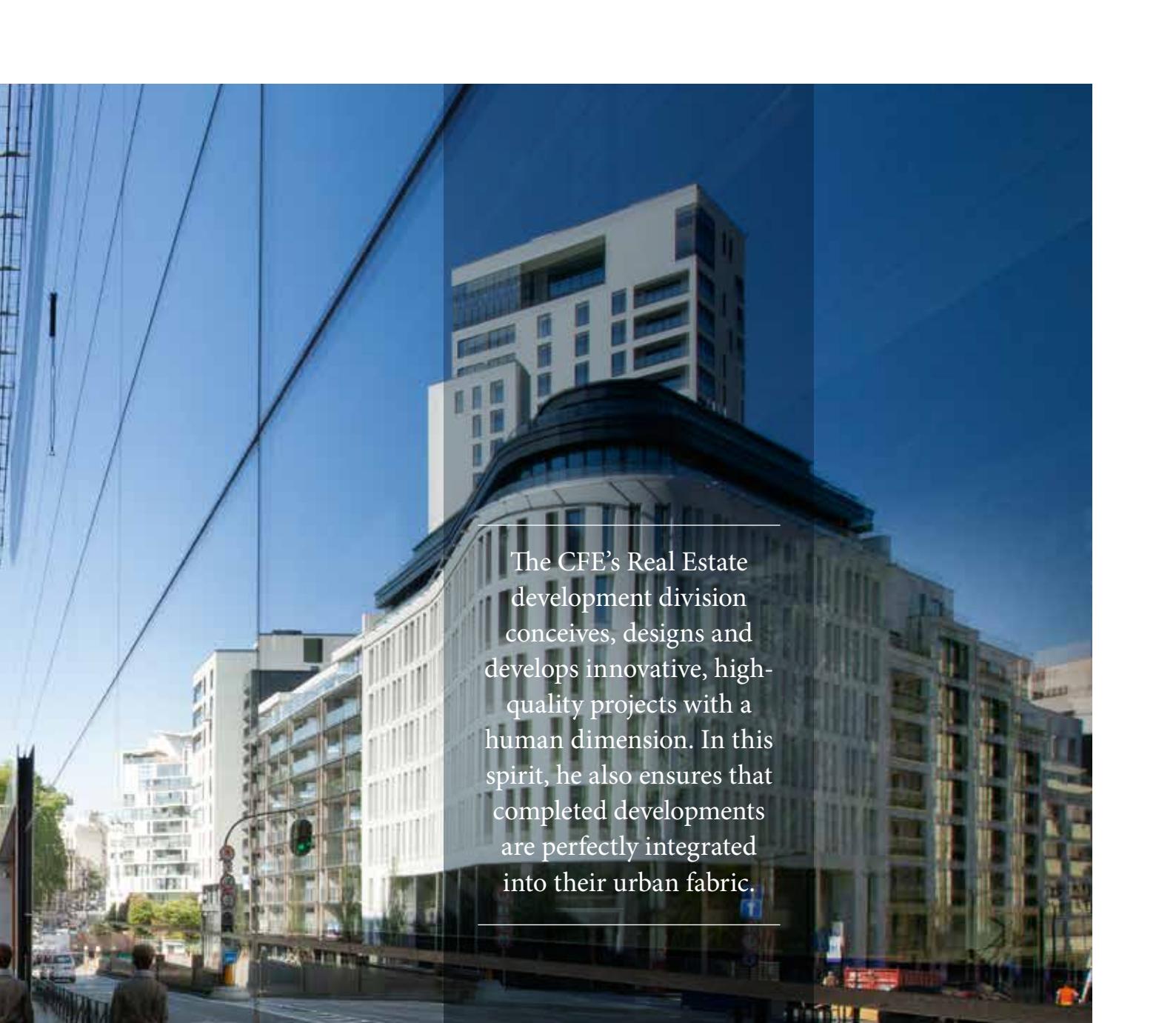
ETEC continued its recovery, backed up by various reorganization measures and a diversification of its activities. This year, the company carried out various projects throughout Wallonia: aboveground low-voltage cables and street lighting, installation of underground electric cables and gas mains, aboveground medium-voltage cables, etc.



# Real Estate Develop



Belview project - Brussels

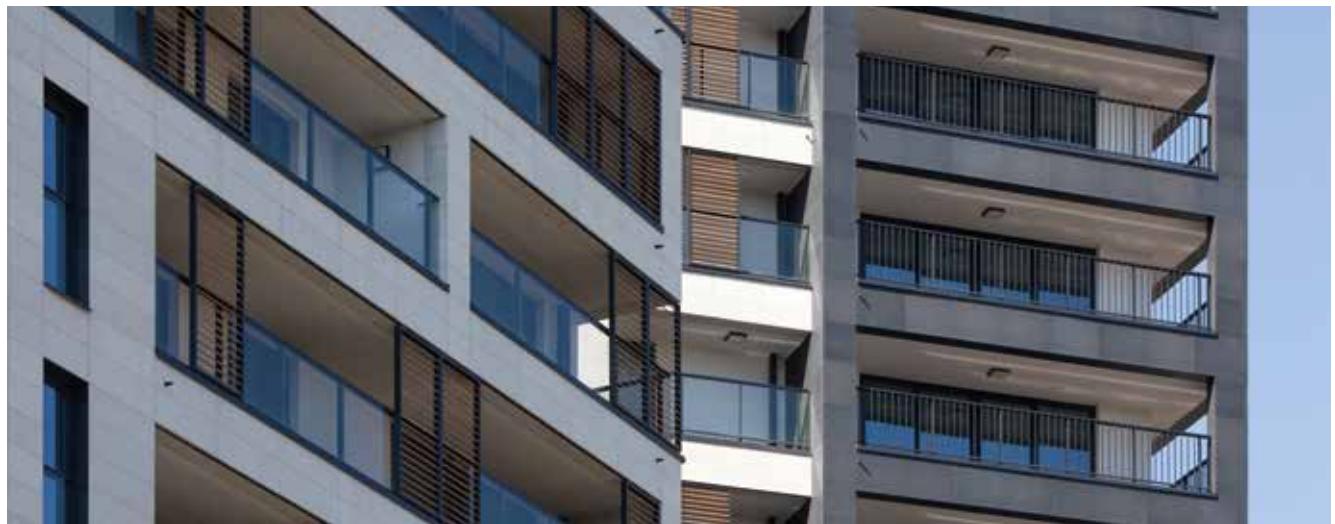


The CFE's Real Estate development division conceives, designs and develops innovative, high-quality projects with a human dimension. In this spirit, he also ensures that completed developments are perfectly integrated into their urban fabric.

# ment

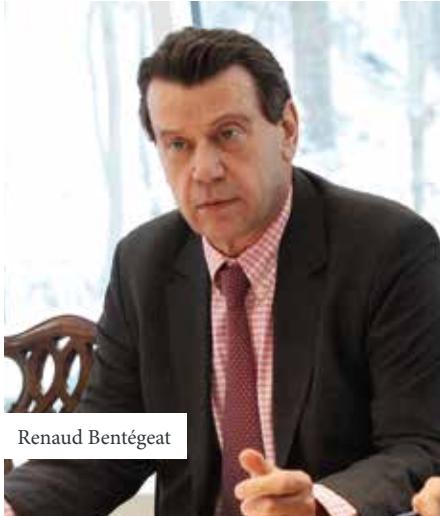


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# Development





Renaud Bentégeat



Jacques Lefèvre



Fabien De Jonge

## A promising year

Primarily active in a residential market, the companies of this division saw their sales efforts rewarded with satisfactory results in 2014 and are not left with unsold stocks. The substantial progress that has been made in the various projects, more specifically as regards allotment and building permits, makes for a confident outlook for the future. The decision to carry out certain divestments has therefore come to an end. The new organization has shown its relevance in the sharing of skills and in the synergies between the three countries.

## Belgium

### BPI refocuses on high-potential large cities

BPI continued in 2014 to refocus its developments on the large cities with high potential for the company. It therefore intends to pay particular attention to the communication and marketing of its projects in order to differentiate itself better from the market.

### Belview and Lichttoren: two high-profile projects completed in 2014

Although BPI is primarily engaged in the residential market, it also has some fine mixed-use projects to its credit. One of those is Belview, located at the bottom of Rue Belliard in Brussels, which obtained the European Property Award for Best

The new organization has shown its relevance in the sharing of skills and in the synergies between the three countries.

Mixed-use Development. The residential part with 279 units has been completed and sold; the office building, presold last year, has in the meantime been rented by the Japanese Embassy and successfully transferred to the investor. The Lichttoren project in Antwerp has also been completed: the 147 residential units have been sold and accepted.

### Construction and/or marketing in progress in Brussels and Ostend

Construction of a large-scale residential development has begun in Ixelles, on the old Ernest Solvay site. The first phase comprises 110 apartments, 95 student rooms, and a retirement home. Sales have started and reached 30% at the year-end. A planning application has been made for 198 apartments and a hotel as part of the second phase of the project.

In Anderlecht, firm allotment permits have been granted for the 'Chaudron' (72 houses) and 'Erasmus' (1,090 apartments) projects. Sales of the 'Chaudron' project have begun successfully, while those for 'Erasmus' will start in the next few months.

The first two phases of the 'Oosteroever' project in Ostend are in progress, and sales have so far reached 75%. Several other



Catherine Vincent  
Peter De Decker  
Jacques Lefèvre  
Eric Van Crombrugge

BPI

projects have made good progress as well, such as 'Les Hauts Prés' in Uccle and the residential projects in Harelbeke and Lot (86 apartments and 9 houses).

### Neo, an ambitious urban redevelopment in the Heysel Park in Brussels

2014 ended on a splendid note: BPI and its partners signed the agreement for the Neo Phase 1 project with the City of Brussels. This large-scale project encompasses 590 housing units, 2 day nurseries, a retirement home, and a 72,000 m<sup>2</sup> area dedicated to retail, leisure facilities and restaurants. Apart from a minority share in the development of the shopping centre, BPI will concentrate on the development of the housing units.



Arnaud Regout CLi

## Luxembourg

### A growth year for CLi

CLi continued the construction and marketing of the Greenhill and Edengreen projects, and initiated building work on two other projects, 'G4S' and 'Galerie Kons'. So 2014 was a year of growth, allowing CLi to look to the future with an easy mind.

### Start of construction work for Kons in Luxembourg and G4S in Gasperich

The 'Kons' project, developed in joint venture, comprises offices, housing units and retail outlets, and is located opposite Luxembourg railway station; the project has entered the construction phase after the plans were finalized in cooperation with ING, which will have its head office there. Sales are running their course, and the company will be transferred to investor AXA at the end of 2016.

The G4S project in Gasperich-Luxembourg encompasses the design stage,

filings of the necessary permits, and the construction of new offices and workshops while maintaining business activity on the site. CLi has sold the operation to investor Intégrale while retaining the development risk. Work started at the beginning of March 2014, and the G4S building is due for completion in June 2015.

### Sales well under way for residential complex Greenhill and serviced residence Edengreen

By year-end 2013, some 90 apartments had been completed of the 174 in the project Greenhill. This year, another 4 buildings with a total of fifty residential units were completed. Sales are drawing to a close with 173 apartments sold of the 174!

The serviced residence Edengreen with 72 apartments and 4 retail outlets under construction in Bettembourg is a great success too: 46 residential units and 2 retail outlets are already sold.

These two green projects meet the sustainability criteria.



The high-profile project Wola Tarasy in Warsaw.



## Poland

### BPI Polska is thriving

The Polish property market has become buoyant again with booming sales and controlled price rises (+ 3 to 4%). BPI Polska develops new medium-range apartments with some retail outlets and markets them to the general public. Highlights of 2014 include the completion of two high-profile projects: Wola Tarasy in Warsaw with 159 apartments, and the second tower block in the 4 Oceans project in Gdańsk with 186 apartments. Those residential buildings were put up by CFE Polska. Sales figures are very favourable.

Planning permission has also been obtained for Wola Libre and for towers 3 and 4 of 4 Oceans. Sales and construction work will begin in 2015. BPI also acquired a site of approximately 1 ha in the centre of Wrocław for a mixed-use residential/retail/office project. Planning permission for the first phase is expected to be given in 2015.

### Positive outlook for 2015

The company will initiate the marketing of three new projects. The stability of the market and the favourable macroeconomic outlook for Poland give BPI Polska confidence in the future.



## Property, Facility and Project Management

### Luxembourg

#### A more aggressive commercial approach

While continuing the existing contracts, Sogesmaint adopted a more aggressive commercial approach in Luxembourg allowing it to grow in all business sectors. The firm became the managing agent of fifteen residential condominiums and was able to increase its added value in the sector of serviced residences.



### Belgium

#### Sogesmaint forges ahead

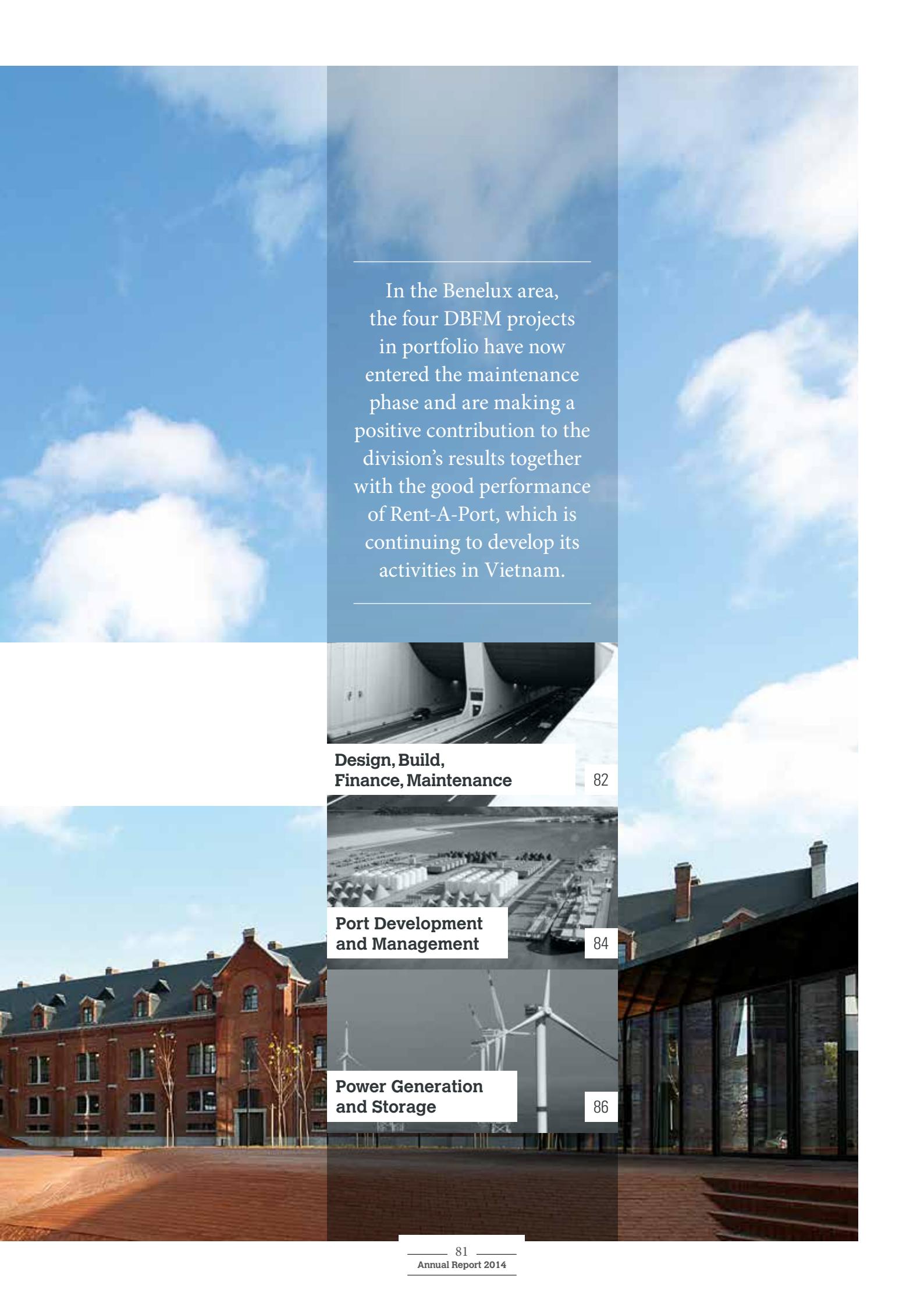
Sogesmaint carried on the property, facility and project management contracts it had taken over in 2013 following the change of ownership. They include contracts for the building at 40/42 Avenue-Herrmann Debroux and for various buildings for BNP Paribas Fortis.



# PPP-Concessions



Police station - Charleroi



In the Benelux area, the four DBFM projects in portfolio have now entered the maintenance phase and are making a positive contribution to the division's results together with the good performance of Rent-A-Port, which is continuing to develop its activities in Vietnam.



**Design, Build,  
Finance, Maintenance**

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**Port Development  
and Management**

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**Power Generation  
and Storage**

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# Design, Build, Finance, Maintenance





## Four major projects in the maintenance phase

The PPP division currently manages four projects in the maintenance phase: two infrastructure projects (the Liefkenshoek rail tunnel in Antwerp and the Coentunnel in Amsterdam, in which DEME is also involved) and two building projects (schools in Eupen and Charleroi police station). This allows it to consolidate its experience in the field of long-term maintenance, including life cycle, in joint venture with the be.Maintenance branch.

## Objective 2015: maintenance optimization

At the transition from the construction phase to the maintenance phase, it is quite natural for the teams to be confronted with teething troubles. It is then a matter of optimizing this maintenance and getting up to cruising speed. That is the objective in 2015 for the various projects.

At the same time, the team of this division will continue to answer calls for tenders, but only in limited numbers in view of the considerable costs involved. The handling of those calls for tenders has been passed on to the operational construction entities, always with the support of the group and the PPP division as regards finance, analysis of the contractual risks, and long-term maintenance.

## Belgium

### Liefkenshoek rail tunnel is operational

In 2014, the Liefkenshoek rail tunnel was brought into commercial use. Once the work of the Locobouw consortium had finished at the beginning of 2013, Infrabel installed the rails, overhead contact lines, signalling and other railway systems. The official opening took place on 9 December, the commercial opening on 14 December. Maintenance operations have continued over the last two years, and Locorail will maintain the civil engineering infrastructures, pumping stations, fire safety systems, ventilation systems, etc for another 36 years.

### Charleroi police station: an exemplary success

This exemplary building was completed to everyone's satisfaction, at the end of a project that was marked by an excellent spirit of collaboration between all those involved. The maintenance team has taken over for a period of 25 years.

In Eupen, where the last schools were handed over to the German-speaking Community, the maintenance phase has also begun for a 25-year period and includes a real-time study of energy consumption with a view to optimization.



Fabien De Jonge      Lionel Van Rillaer      CFE

Also worth noting is the sale by CFE of its stake in Turnhout Parking, which was finalized at the end of the year.

## Netherlands

### Final completion of the Coentunnel

This impressive five-lane road tunnel runs under the North Sea canal, alongside the existing Coentunnel in Amsterdam. It was finally completed during the year and is now in the maintenance phase.



# Port Development and Management





The Dinh Vu port area in the Vietnamese city of Hai Phong attracted a large number of industrial clients.

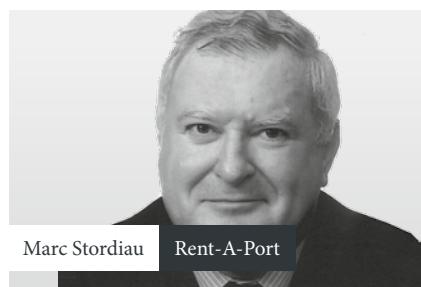
## International

### Rent-A-Port consolidates its presence in Oman and Vietnam

Rent-A-Port focused its activities in 2014 on three countries: Oman, Qatar and Vietnam. In Qatar, the Rent-A-Port teams are still very busy working on several major projects for the design and supervision of industrial installations in the port of Mesaieed. In Oman and Vietnam, the firm continued the development and construction of several port installations and extensions.

Business was marked by some great successes: in Oman, the company officially signed a 30-year port concession, and in Vietnam several extensions of the initial concession.

Due to the solidarity and motivation of the staff, Rent-A-Port can therefore look to the future with confidence: 2015 will be a transitional year in Oman and Vietnam, and annual revenue and profit figures will be up to cruising speed by 2017.

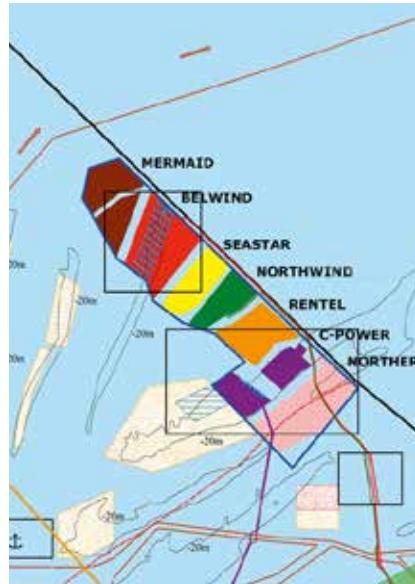


Marc Stordiau      Rent-A-Port



# Power Generation and Storage






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## Every effort will be made by Rent-A-Port Energy to start work on the Rentel wind farm in 2016/2017.

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### Rent-A-Port Energy

During the past year, Rent-A-Port Energy worked at its internal growth in the field of offshore wind energy production and in the sector of electricity storage. To this end, several specialist engineers joined the teams. In 2015, Rent-A-Port Energy will finalize the finance, detailed design and execution of its projects.

### Belgium

#### North Sea wind farms: breaking the deadlock to start up the Rentel wind farm

Rent-A-Port Energy is involved in three major offshore wind projects off the Belgian coast (Rentel, Seastar and Mermaid) with a total capacity of 900 megawatt. Those projects were delayed by complaints that were lodged with the Council of State against the project for a grid connection by a high-voltage power line between Zomergem and Zeebrugge (Stevin project). Those complaints were withdrawn

in 2014. This will (partly) make good the substantial delay in those three projects, and every effort will be made to start work on the Rentel wind farm in 2016/2017.

#### 'Stopcontact op Zee': two offshore high-voltage stations

Also dependent on the execution of the Stevin project, the 'Stopcontact op Zee' or 'Belgian Offshore Grid' project involves the installation and operation of two offshore high-voltage stations. The idea is to concentrate the transport of electricity generated by the wind farms to the coast from those stations in order to avoid a proliferation of submarine cables. Rent-A-Port Energy is in charge of the general coordination of this project with its partners of SA Plug at Sea. For the first wind farm (Rentel), Plug at Sea entrusted

the coordination with Elia to the wind farms, which will take care of this directly. Plug at Sea will be involved later when the next two wind farms (or the wind farms following Rentel) come into play.

#### Several electricity storage projects under investigation

Rent-A-Port Energy also has significant involvement in three hydroelectric power storage projects, two of which are located in Belgium: one in the future outer harbour of Zeebrugge, the other in Luxembourg province (Storage-Lux project).

### Oman

#### Wind power in Duqm

In the port of Duqm – where Rent-A-Port Energy is working on several port installation projects – a new project has been initiated which combines wind power generation with the construction of a water reservoir on top of the cliff at Duqm.

