

PRESS RELEASE

embargoed until Tuesday 30 August 2016 – 7:00 CET

CFE

- **Revenue :** €1,224.5 million
- **Operating income :** € 75.5 million
- **Net income share of the Group :** € 53.0 million
- **Net financial debt :** € 365.2 million
- **Order book :** € 4,472.4 million

The Board of Directors of CFE examined and approved the H1 2016 financial statements at its meeting on August 25, 2016

1. Key figures in the first half of 2016

In million €	1 st semester 2016	1 st semester 2015	Variation
Revenue	1,224.5	1,643.5	-25.5%
Self-financing capacity (EBITDA) % of revenue	182.2 14.9%	276.0 16.8%	-34.0%
Operating income on activities % of revenue	70.5 5.8%	143.0 8.7%	-50.7%
Operating income (*) (EBIT) % of revenue	75.5 6.2%	152.7 9.3%	-50.6%
Net income share of the group % of revenue	53.0 4.3%	110.9 6.7%	-52.2%
Net income share of the group per share (in EUR)	2.10	4.38	-52.1%

(*) including earnings from associates and joint ventures.

In million €	30 June 2016	31 December 2015	Variation
Equity share of the Group	1,416.7	1,423.3	-0.5%
Net financial debt	365.2	322.7	+13.2%
Order book	4,472.4	4,160.3	+7.5%

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

Dredging & Environment division

Key figures (*)

In million €	1 st semester 2016	1 st semester 2015	Variation
Revenue	802.1	1,171.0	-31.5%
EBITDA	185.3	276.3	-32.9%
Operating income (**)	78.3	176.5	-55.6%
Net income share of the group	54.1	120.8	-55.2%

(*) Amounts restated to take account of the recognition at fair value of the identifiable assets and liabilities of DEME following the acquisition of an additional 50% of the DEME shares on 24 December 2013.

(**) Including results of associated companies and joint ventures.

In million €	30 June 2016	31 December 2015	Variation
Order book	3,625.0	3,185.0	13.8%
Net financial debt	329.6	275.0	19.9%

Key figures according to the economic approach

The key figures shown below are presented according to the economic approach whereby the jointly controlled companies are proportionally consolidated (accounting rules applicable before 1 January 2014).

In million € (Excluding restatements for DEME)	1 st semester 2016	1 st semester 2015	Variation
Revenue	803.1	1,218.7	-34.1%
EBITDA	195.2	302.6	-35.5%
Income from operating activities	84.7	183.8	-53.9%
Net income share of the group	54.0	119.8	-54.9%
Investments	112.6	291.9	-61.4%

Revenue

DEME realized a turnover of €803.1 million, or less than in the first half of 2015, which was marked by an exceptionally high level of activity, particularly in Egypt (widening of the Suez Canal).

The delayed start of certain major projects weighed on the fleet occupancy level.

In Singapore, the Jurong Island Westward Extension (JIWE) and Tuas Terminal Phase 1 projects are progressing according to schedule. DEME was also actively engaged in Panama (widening of the access to the Canal on the Pacific side), Africa, India and Europe.

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In the North Sea, GeoSea finished the transport and installation of the monopile foundations for 54 wind turbines of the German Nordsee One wind farm ahead of schedule.

In the United Kingdom, the Galloper and Race Bank projects were started up. Those two projects will represent a substantial volume of activity in the second half of 2016.

Evolution of activity by business area (economic approach)

In %	1 st semester 2016	1 st semester 2015
Capital dredging	44%	55%
Maintenance dredging	14%	10%
Fallpipe and landfalls	4%	5%
Environment	13%	9%
Civil works	3%	0%
Marine works	22%	21%
Total	100%	100%

Evolution of activity by geographical area (economic approach)

En %	1 st semester 2016	1 st semester 2015
Europe (EU)	50%	33%
Europe (non-EU)	2%	0%
Africa	15%	40%
Americas	7%	6%
Asia-Pacific	16%	11%
Middle East	4%	6%
India and Pakistan	6%	4%
Total	100%	100%

EDITDA and operating income

DEME's EBITDA amounted to €195.2 million in the first six months of 2016, or 24.3% of the revenue. Despite the temporary decrease in activity, DEME was able to maintain a high level of profitability partly thanks to the successful completion of several projects.

Order book

The order book increased by 13.8% to a record level of €3,625 million during the first six months of 2016.

GeoSea won a contract worth €650 million for the construction of the Merkur wind farm with its 66 wind turbines of 6 MW; the financial close of this contract has been confirmed. Completion is due in March 2019. GeoSea will also be responsible for maintaining the foundations of the wind turbines for a 10-year period. Through its subsidiary DEME Concessions Wind, DEME holds a minority stake (12.5%) in the capital of the company operating the wind farm.

GeoSea also concluded an EPCI contract for the design, construction and installation of 71 monopiles for the Hohe See offshore wind farm situated approximately 90 km north of Borkum Island (Germany) in the North Sea. This contract is not yet included in the order book as at June 30, 2016.

DEME's subsidiary Tideway also won a major Design & Build contract from DONG Energy for the dredging and laying of high-voltage power cables using the new multipurpose vessel 'Living Stone' as part of the HornSea One project (1200 MW), the world's largest offshore wind farm, in the United Kingdom. This contract is not yet included in the order book as at June 30, 2016.

On May 30, the consortium Femern Link Contractors, which includes namely CFE and DEME as partners, signed conditional contracts with the Danish government for the design and construction of the world's longest road tunnel (18 km), the Fehmarnbelt link between Denmark and Germany. This project, worth an estimated €700 million for DEME/CFE, will only begin once the German authorities have delivered the necessary building permits. This contract is not yet included in the order book as at June 30, 2016.

Investments and net financial debt

The investments during the period amounted to €112.6 million. This figure primarily consists of the capitalized maintenance costs in pursuance of IAS 16 and down payments (€32 million) on the six vessels under construction : the self-propelled jack-up vessel 'Apollo', the multipurpose vessel 'Living Stone', the crane ship 'DP2 Gulliver' (in joint venture), and three trailing suction hopper dredgers ('Bonny River', 'Scheldt River' and 'Minerva'). Those vessels, worth a total of €500 million, will join DEME's fleet in 2017 and 2018.

The net financial debt amounted to €334.2 million (economic approach), an increase of €67.5 million.

Contracting division

Key figures

In million €	1 st semester 2016	1 st semester 2015 (*)	Variation
Revenue	400.5	332.7	+20.4 %
Operating income (**)	7.6	-4.6	-
Net Income share of the group	4.1	0.7	+485.7%

(*) Pro forma figures according to the new definition of the segment applicable at 1st of January, 2016.

(**) Including results of associated companies and joint ventures.

Revenue

Revenue amounted to €400.5 million, or 20.4% up on the first six months of 2015.

Most entities of the Contracting division reported an increase in revenue, particularly in the international operations, with CFE Polska and CLE in Luxembourg recording a high level of activity.

Construction activity in Belgium, which represents just over half the division's revenue, is growing primarily in Flanders, buoyed by the 'Schools of Tomorrow' programme and several major projects such as AZ Sint-Maarten hospital in Mechelen and the Exxon industrial site in Antwerp. In Brussels, work on the 'Docks' shopping centre has entered the final stages, while the 'Grands Prés' project in Mons was completed in June 2016.

In million €	1 st semester 2016	1 st semester 2015 (*)	Variation
Construction	293.5	236.1	+24.3%
<i>Buildings, Belgium</i>	226.6	194.7	+16.4%
<i>Buildings, International (**)</i>	66.9	41.4	+61.6%
Multitechnics	76.2	66.5	+14.6%
Rail infra	30.8	30.1	+2.3%
Total Contracting	400.5	332.7	+20.4%

(*) Pro forma figures according to the new definition of the segment applicable at 1st of January, 2016.

(**) Exclusively Luxembourg, Poland and Tunisia.

Operating income

CFE Contracting reported an operating income of €7.6 million, compared to €-4.6 million at June 30, 2015.

The three segments (Construction, Multitechnics and Rail Infra) made a positive contribution to the division's operating income.

The contribution of CFE Bouw Vlaanderen and CFE Polska to the division's operating income increased considerably compared to the first six months of 2015.

The operating margin as a percentage of revenue improved significantly to nearly 2%.

Order book

In million €	30 June 2016	31 December 2015 (*)	Variation
Construction	571.6	671.2	-14.8%
<i>Buildings, Belgium</i>	415.0	494.6	-16.1%
<i>Buildings, International (**)</i>	156.6	176.6	-11.3%
Multitechnics	120.5	115.8	+4.1%
Rail infra	46.7	49.3	-5.3%
Total Contracting	738.8	836.3	-11.7%

(*) Pro forma figures according to the new definition of the segment applicable at 1st of January, 2016.

(**) Exclusively Luxemburg, Poland and Tunisia.

The order book of Contracting amounted to €738.8 million, which is €97.5 million down on January 1, 2016.

Market conditions in Belgium and a greater selectivity in the intake of new contracts weighed on the order intake of CFE Bâtiment Brabant Wallonie and CFE Bouw Vlaanderen. Nevertheless, both CFE Bouw Vlaanderen and CFE Polska were able to win some major new contracts in July 2016.

Cash flow

Due to a favourable evolution of the working capital requirement, the division's net cash position stood at €98.2 million, which is €23.4 million up on year-end 2015.

Real Estate division

Key figures

In million €	1 st semester 2016	1 st semester 2015	Variation
Revenue	7.6	13.4	-43.3%
Operating income (*)	0.5	2.7	-81.5%
Net income share of the group	-0.8	1.4	-

(*) Including results of associated companies and joint ventures.

Evolution of real estate projects

In million €	30 June 2016	31 December 2015
Unsold units post completion	16	14
Properties under construction	32	34
Properties in development	75	71
Total	123	119

Real Estate projects

The book value of real estate projects stood at €122.8 million at June 30, 2016, which is a 3.4% increase.

In Belgium, BPI successfully continued the marketing of residential units in the projects 'Erasmus Gardens' (Anderlecht), 'Ernest' (Ixelles) and 'Oosteroever' (Ostend). In the European district of Brussels, BPI finalized the acquisition of a land plot at the beginning of July for the development of 5,400 m² residential units.

In Luxemburg, satisfactory progress was made with the construction of the real estate complex 'Kons'; completion and transfer of the project to an institutional investor is scheduled for the end of the year.

In Poland, BPI Polska acquired a new plot of land in Warsaw (residential project of 3,500 m²). The construction and marketing of phases 3 and 4 of the residential project 'Ocean Four' in Gdansk continued at a steady pace.

Net result share part of the group

In the absence of major transactions during the six-month period under review, the net income of the division amounted to €-0.8 million (compared to €+1.4 million in the first six months of 2015). This figure does not reflect the division's expected performance over the whole year.

Holding, non-transferred activities and inter division eliminations

Key figures

In million €	1st semester 2016	1st semester 2015 (*)	Variation
Revenue	14.4	126.4	-88.6%
Operating income (**)	-10.9	-21.9	+50.2%
Net operating income share of the group	-4.3	-12.2	+64.8%

(*) Pro forma figures according to the new definition of the segment applicable at 1st of January 2016

(**) Including results of associated companies and joint ventures.

Revenue

Revenue amounted to €29.5 million for the non-transferred operations of CFE SA (€131.6 million in the first half of 2015) and €-15.1 million for interdivisional eliminations.

The substantial decrease in revenue is explained by the transfer of the marine civil engineering operations to DEME at year-end 2015 and by a sharply reduced level of activity in Africa following the completion in 2015 of several large-scale projects, more specifically in Algeria and Chad.

Operating income

The operating income (€-10.9 million) was adversely affected by the recognition of additional losses on the Brussels-South wastewater treatment plant project, of which the first of three phases was completed in July 2016.

Net result

The division's net result amounted to €-4.3 million (€-12.2 million in the first half of 2015).

The operating loss was partly offset by the capital gain realized on the disposal of CFE's stake in Locorail NV, the company responsible for maintaining and financing the Liefkenshoek rail tunnel in Antwerp.

In the first half of 2015, the net result had been favourably influenced by the sale of the road-building activity.

Order book

In million €	30 June 2016	31 December 2015	Variation
Order book	101.6	132.3	-23.2%

The main projects in progress are the Brussels-South wastewater treatment plant and the supply contract for three residential tower blocks in Lagos, Nigeria.

Receivables from Chad

The Chadian government received a proposal during the second quarter for a conditional refinancing of the outstanding receivables relating to the Grand Hotel in N'Djamena. This proposal is currently being examined by the Chadian authorities.

The exposure to this country remains unchanged at €60 million.

3. An overview of the results

3.A.1 Condensed consolidated statement of income

Year ended at June 30 (in thousands €)	2016	2015
Revenue	1,224,532	1,643,545
Revenue from auxiliary activities	31,227	63,755
Purchases	-591,732	-871,528
Wages, salaries & social charges	-291,942	-299,650
Other operating charges	-189,388	-262,744
Depreciations and amortization	-112,178	-130,353
Goodwill Impairment	0	0
Operating income on activities	70,519	143,025
Earnings from associates and joint ventures	4,938	9,674
Operating income	75,457	152,699
Cost gross financial debt	-13,265	-13,692
Other financial expenses and income	1,428	5,078
Financial result	-11,837	-8,614
Result before taxes	63,620	144,085
Income tax expense	-11,373	-35,804
Net income for the period	52,247	108,281
Attributable to owner of non-controlling interest	799	2,569
Net income share of the group	53,046	110,850

Condensed consolidated statement of comprehensive income

Year ended 30 June (in thousands €)	2016	2015
Net income for the period – Share of the group	53,046	110,850
Net income for the period	52,247	108,281
Change in fair values related to the hedging instruments	-5,253	-178
Currency translation differences	4,581	1,145
Deferred taxes	1,859	60
Other elements of the comprehensive income to be reclassified to profit or loss in subsequent period	1,187	1,027
Remeasurement on defined benefit plans	0	0
Deferred taxes	0	0
Other elements of the comprehensive income not to be reclassified to profit or loss in subsequent period	0	0
Total elements of the comprehensive income directly accounted in equity	1,187	1,027
Comprehensive income	53,434	109,308
- attributable to the group	54,294	111,794
- attributable to non-controlling interests	-860	-2,486
Net result share of the group per share (€) (basic and diluted)	2.10	4.38
Comprehensive income per share (€) (basic and diluted)	2.14	4.42

3.A.2 Consolidated statement of financial position

Year ended (in thousands €)	30 June 2016	31 December 2015
Intangible assets	97,556	97,886
Goodwill	175,169	175,222
Tangible assets	1,728,040	1,727,679
Associates and joint ventures	152,908	151,377
Other non-current financial assets	106,244	129,501
Non-current derivative instruments	2,190	1,381
Other non-current assets	18,566	19,280
Deferred tax assets	109,225	103,345
Total non-current assets	2,389,898	2,405,671
Inventories	98,524	77,946
Trade receivables and other operating receivable	1,135,129	1,192,977
Other current assets	74,871	125,029
Current derivative instruments	1,330	8,514
Current financial assets	56	70
Cash and cash equivalents	454,556	491,952
Total current assets	1,764,466	1,896,488
Total assets	4,154,364	4,302,159
Issued capital	41,330	41,330
Share premium	800,008	800,008
Retained earnings	599,162	607,012
Defined benefits plans	-7,448	-7,448
Hedging reserves	-14,104	-10,710
Translation differences	-2,273	-6,915
Equity – part of the group CFE	1,416,675	1,423,277
Non-controlling interests	9,927	11,123
Equity	1,426,602	1,434,400
Retirement benefit obligations and employee benefits	41,187	41,054
Provisions	38,694	44,854
Other non-current liabilities	6,296	17,145
Bonds	304,376	305,216
Financial debts	343,869	398,897
Non-current derivative instruments	28,941	33,359
Deferred tax liabilities	142,706	150,053
Total non-current liabilities	906,069	990,578
Current provisions	66,243	64,820
Trade & other operating payables	1,093,451	1,184,886
Income tax payable	53,809	88,215
Current financial debts	171,511	110,558
Current derivative instruments	34,077	35,146
Other current liabilities	402,602	393,556
Total current liabilities	1,821,693	1,877,181
Total equity and liabilities	4,154,364	4,302,159

3.A.3 Condensed consolidated cash flow statement

Year ended 30 June (in thousands €)	2016	2015
Cash flows relating to operating activities	133,719	149,085
Cash flows relating to investing activities	-114,983	-134,380
Cash flows relating to financing activities	-54,794	-327,377
Net increase/decrease in cash position	-36,058	-312,672

3.A.4 Figures per share

	30 June 2016	30 June 2015
Total number of shares	25,314,482	25,314,482
Operating result after deduction of the net financial charges per share (in €)	2.51	5.69
Net result share of the group per share (in €)	2.10	4.38

4. Information on business trends

Delayed phasing of several major projects will weigh on DEME's revenue in 2016, which will be down on 2015 despite the prospect of a high level of activity in the second half of the year, particularly in offshore wind. Nevertheless, the EBITDA margin as a percentage of revenue is expected to remain above the historical average.

The Contracting division is expected to report an increase in revenue and operating income in 2016.

5. Information related to the share

At 30 June 2016, CFE's share capital was divided into 25,314,482 shares.

Each share confers one vote. There has been no issue of convertible bonds or warrants. Financial institutions with which holders of financial instruments may exercise their financial rights are: BNP Paribas Fortis, Banque Degroof and ING Belgium. Banque Degroof has been appointed as the 'Main Paying Agent'.

6. Corporate governance

The annual general meeting renewed the director's mandate of Philippe Delusinne for a period of four years, ending after the annual general meeting of May 2020. Philippe Delusinne meets the independence criteria defined in Article 526c of the Companies Code and in the 2009 Belgian Corporate Governance Code.

The annual general meeting renewed the director's mandate of Christian Labeyrie for a period of four years, ending after the annual general meeting of May 2020. Christian Labeyrie does not meet the independence criteria defined in Article 526c of the Companies Code and in the 2009 Belgian Corporate Governance Code.

The general meeting appointed Leen Geirnaerdt as director for a period of four years, ending after the general meeting of May 2020. Leen Geirnaerdt meets the independence criteria defined in Article 526c of the Companies Code and in the 2009 Belgian Corporate Governance Code.

The general meeting renewed the auditor's mandate of Deloitte, Reviseurs d'Entreprises, SC s.f.d. SCRL, represented by Michel Denayer and Rik Neckebroeck, for a period of three years, ending after the annual general meeting of 2019.

Luc Bertrand was appointed chairman of the board of directors of CFE with effect from 5 May 2016.

7. Shareholders' agenda

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|-------------------------------------|--|
| - Publication of interim statements | 22/11/2016 <i>(before opening of the stock market)</i> |
| - Publication of year results | 28/02/2017 <i>(before opening of the stock market)</i> |
| - General meeting | 04/05/2017 |

The auditor, Deloitte Reviseurs d'Entreprises, represented by Michel Denayer and Rik Neckebroeck, has confirmed that its limited review revealed no material corrections to be made to the accounting information disclosed in this press release. Without modifying the unqualified opinion expressed above, the auditor draws the attention to the uncertainties regarding the amount due by the State of Chad and the undertaken actions in order to facilitate its payment.

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CFE is a Belgian industrial group active in 3 different areas: Dredging, Marine Engineering and Environment, Contracting and Real Estate Development.

The group is active worldwide, primarily through its dredging and marine activities executed by DEME, a 100% owned subsidiary, one of the world's leading dredging contractors. CFE is listed on Euronext Brussels and is 60.40% owned by Ackermans & van Haaren.

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

Note to editors

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