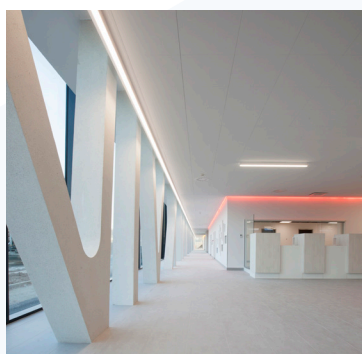




PRESS RELEASE

Friday 31 August 2018 – 7h00 CET
regulated information

First half results 2018





First half results 2018

- **Revenue** : € 1,860.1 million
- **EBITDA** : € 202.1 million
- **EBIT** : € 77.5 million

The Board of Directors of CFE examined and approved the H1 2018 financial statements at its meeting on August 27, 2018.

1. Key figures in the first half of 2018

In million €	1 st semester 2018	1 st semester 2017	Variation
Revenue	1,860.1	1,455.9	+27.8%
Self-financing capacity (EBITDA) (*) % of revenue	202.1 10.9%	226.0 15.5%	-10.6%
Operating income on activities (*) % of revenue	78.7 4.2%	116.3 8.0%	-32.3%
Operating income (EBIT) (*) % of revenue	77.5 4.2%	101.0 6.9%	-23.3%
Net income share of the group % of revenue	51.8 2.8%	67.8 4.7%	-23.6%
Net income share of the group per share (in EUR)	2.05	2.68	-23.5%

In million €	30 June 2018	31 december 2017 (**)	Variation
Equity share of the Group	1,603.6	1,614.4	-0.7%
Net financial debt (*)	649.9	351.9	+84.7%
Order book	4,302.4	4,850.8	-11.3%

(*) The definitions are included in the 'Consolidated financial statements' section of the intermediary report.

(**) Amounts restated in accordance with changes in accounting method linked to the application of accounting standards IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments and the associated amendments.

GENERAL INTRODUCTION

Revenue in the first half of 2018 amounted to € 1,860.1 million, which is up 27.8% compared to the first half of 2017. The three divisions of the group reported a substantial growth in activity.

EBITDA stood at € 202.1 million and EBIT at € 77.5 million euros, compared to € 101.0 million in the first half of 2017. This decrease in EBIT is primarily explained by three factors:

- significant delays in the deployment of new vessels into use at DEME, resulting in considerable extra costs. The new vessels are now fully operational. Therefore there will be no extra cost of late delivery in the second half of the year;
- an unfavourable socioeconomic environment and difficult market conditions in Tunisia that weigh on the figures of the local branch CTE;
- it should be remembered that two exceptional real estate transactions had a very favourable impact on BPI's operating income in the first half of 2017.

The net result, share of the group, came to € 51.8 million. While DEME reported a increase, the net result decreased in Contracting and at BPI.

After taking into account the payment of a dividend of € 60.8 million in respect of the 2017 financial year, the equity share of the Group amounted to € 1,603.6 million at 30 June 2018.

The group's net financial debt amounted to € 649.9 million, compared to € 351.9 million at 31 December 2017. This increase, which is in line with expectations, is explained by the continuation of DEME's investment programme.

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

Dredging, Environmental & Marine Engineering division

KEY FIGURES (*)

In million €	1 st semester 2018	1 st semester 2017	Variation
Revenue	1,329.4	1,097.7	+21.1%
EBITDA (**)	187.1	195.4	-4.2%
Operating income (**)	67.0	72.3	-7.3%
Net income share of the group	48.4	46.1	+5.0%

In million €	30 June 2018	31 December 2017	Variation
Order book	3,100.0	3,520.0	-11.9%
Net financial debt (**)	552.9	285.7	+93.5%

(*) Excluding 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.

(**) The definitions are included in the 'Consolidated financial statements' section of the intermediary report.

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 2018	1 st semester 2017	Variation
Revenue	1,342.9	1,102.9	+21.8%
EBITDA	192.6	194.4	-0.9%
Income from operating activities	67.7	79.8	-15.2%
Net income share of the group	48.4	46.1	+5.0%
Investments	233.1	264.1	-11.8%

REVENUE (ECONOMIC APPROACH)

The first half of 2018 was marked by a solid growth of activity for DEME: +21.8% compared to the first half of 2017. Revenue amounted to €1,342.9 million.

There was an increase in activity across the board, but particularly marked at Tideway, DEME's subsidiary specializing in offshore work, such as the installation of submarine cables and the protection of pipelines. Tideway was involved at the beginning of the year in the installation of the connecting cables for the offshore wind farms Rentel in Belgium, Merkur in Germany, and Hornsea One in the United Kingdom.

GeoSea began installing the foundations and transition pieces for Hornsea One, the world's largest offshore wind farm currently under construction. By 30 June 2018, 60 of the 174 foundations were installed. In Germany, work on the Merkur project has entered its final phase, while the production of the 87 foundations for the Hohe See/Albatros wind farm has been completed and their installation is well underway. In Belgium, more than half of the wind turbines of the Rentel wind farm are operational.

In Singapore, 192 of the 222 caissons weighing 15,000 tonnes each were installed by 30 June 2018. They form the 8.6 km long quay wall of the future container terminal Tuas Terminal Phase 1.

Business was brisk for maintenance dredging on the European and African rivers.

EVOLUTION OF ACTIVITY BY BUSINESS AREA (ECONOMIC APPROACH)

In %	1 st semester 2018	1 st semester 2017
Capital dredging	20%	23%
Maintenance dredging	11%	12%
Fallpipe, landfalls and cables	17%	6%
Environment	7%	8%
Civil works	5%	3%
Marine works	40%	48%
Total	100%	100%

EVOLUTION OF ACTIVITY BY GEOGRAPHICAL AREA (ECONOMIC APPROACH)

In %	1 st semester 2018	1 st semester 2017
Europe (EU)	70%	68%
Europe (non-EU)	3%	3%
Africa	8%	11%
Americas	2%	3%
Asia-Pacific	13%	12%
Middle East	1%	1%
Indian subcontinent	3%	2%
Total	100%	100%

EBITDA AND OPERATING INCOME (ECONOMIC APPROACH)

Despite the increase in revenue, EBITDA fell very slightly relative to the first half of 2017, and amounts to € 192.6 million.

The significant delay in the deployment of the vessels 'Living Stone' and 'Apollo' due to defaulting shipyards was damaging to the company. The substantial extra cost of renting replacement vessels weighed on the half-year results.

ORDER BOOK

The order book amounts to € 3.1 billion, compared to € 3.5 billion at 31 December 2017.

The new orders primarily concern dredging projects in the Middle East, South America, Africa and Australia.

As was already the case at 31 December 2017, the orders for the Fehmarnbelt, Blankenburg, Moray East and Triton Knoll projects are not included in the order book at 30 June 2018 as they are still subject to conditions precedent (award of planning permission and/or financial close).

Similarly, the contract to dredge the 66 km access channel to the port of Szczecin in Poland, which was awarded after 30 June 2018, is not included in the order book.

This means that around two billion euros worth of orders are not yet included in the order book at 30 June 2018.

INVESTMENTS (ECONOMIC APPROACH)

Investments in the first six months amounted to € 233.1 million. They consist essentially of down payments on vessels under construction and capitalized maintenance costs.

The 'Gulliver' (in joint venture), 'Living Stone' and 'Apollo' are now fully operational.

DEME's board of directors approved the construction of four new vessels for a total amount of € 133 million. They include two trailing suction hopper dredgers with a capacity of 2,300 m³ and 8,000 m³ respectively, and two self-propelled barges with a capacity of 3,500 m³ each. They will be built by the IHC shipyard, and are due for completion in 2020.

NET FINANCIAL DEBT (ECONOMIC APPROACH)

The net financial debt amounted to € 559.0 million at 30 June 2018. As was expected, it increased substantially compared to 31 December 2017 (+ € 262.8 million), reflecting the investments during the period and the increase in working capital requirement following the decrease in prepayments on orders.

Contracting division

KEY FIGURES

In million €	1 st semester 2018	1 st semester 2017	Variation
Revenue	468.1	351.2	+33.3%
Operating income (*)	7.2	14.8	-51.4%
Net Income share of the group	4.1	8.8	-53.4%

In million €	30 June 2018	31 December 2017	Variation
Order book	1,144.6	1,229.7	-6.9%
Net Financial debt (*)	-81.3	-90.5	-10.2%

(*) The definitions are included in the 'Consolidated financial statements' section of the intermediary report.

REVENUE

In million €	1 st semester 2018	1 st semester 2017	Variation
Construction	343,3	242,9	+41,3%
<i>Buildings, Belgium</i>	<i>255,9</i>	<i>177,9</i>	+43,8%
<i>Buildings, International</i>	<i>87,4</i>	<i>65,0</i>	+34,5%
Multitechnics	86,2	74,9	+15,1%
Rail Infra & Utility Networks	38,6	33,4	+15,6%
Total Contracting	468,1	351,2	+33,3%

Revenue in the Contracting division showed a substantial increase compared to the first six months of 2017 (+33.3% on an actual basis). It increased by +13.7% on a like-for-like basis.

Business was buoyant in all Contracting segments, particularly at BPC (branch of CFE BBW operating in Brussels and Walloon Brabant) and in Poland.

The Belgian, Luxembourg and Polish markets are currently marked by high volumes of projects being started up, but prices remain highly competitive.

Furthermore, the entities of the Construction segment are confronted with a significant and general increase in the prices of their subcontractors without being able to pass on this increase to the full extent in the sale prices.

OPERATING INCOME

The division's operating income amounted to € 7.2 million in the first half of 2018.

As in 2017, the three segments made a positive contribution to the operating income.

The entities BPC, CFE Polska and Druart (branch specializing in HVAC) increased their operating income.

The Tunisian branch CTE, however, faces difficult market conditions and an unfavourable socioeconomic environment that weigh heavily on its results. As a result of the decision to reduce the activity, turnover fell to € 4.1 million in the first six months of 2018.

ORDER BOOK

In million €	30 June 2018	31 December 2017	Variation
Construction	890.7	978.8	-9.0%
<i>Buildings, Belgium</i>	<i>745.2</i>	<i>767.3</i>	<i>-2.9%</i>
<i>Buildings, International</i>	<i>145.5</i>	<i>211.5</i>	<i>-31.2%</i>
Multitechnics	162.8	152.6	+6.7%
Rail Infra & Utility Networks	91.1	98.3	-7.3%
Total Contracting	1,144.6	1,229.7	-6.9%

The order book came in at € 1,144.6 million on 30 June 2018, compared to € 1,229.7 million at 31 December 2017.

The entities of the Construction segment in Belgium reported a slight decrease in their order book relative to 31 December 2017. While the order book shrank in Wallonia, it grew in Flanders.

In July, the consortium made up of CFE and Cofinimmo won the tender for the NEO 2 project. The call for tenders launched by the City of Brussels and the Brussels-Capital Region in 2013 concerns the design, construction, financing and maintenance (DBFM) of a congress centre and the design, construction and operation of a hotel on the Heysel plateau in the North of Brussels. The contract will be included in the order book at the start of the project, which is scheduled for 2020.

International order intake was lower than in the first half of 2017. Nevertheless, several major contracts should replenish the order book during the second half of 2018. They include the project for the Aurea tower in Luxembourg, for which the contract was signed in July 2018.

NET CASH POSITION

The division's net cash position amounted to € 81.3 million (€ 84.4 million at 30 June 2017).

In connection with the acquisition by CFE of the Van Laere group, it was agreed that in the first half of 2018 Van Laere NV would pay an extraordinary dividend in respect of the 2017 financial year (€7.8 million) to its former shareholder, Ackermans & van Haaren.

VMA CLUSTER

In 2017, all electrical and automation activities of the Contracting division were grouped together in the VMA cluster. In September 2018, Druart will also join the VMA cluster, which will then be able to offer its customers a combined range of services (electricity and HVAC).

In July 2018, the VMA cluster also acquired a small electrotechnics firm based in the Antwerp area (P-Multitech), which will change its company name to VMA Antwerpen.

INTEGRATION OF VAN LAERE

The integration of Van Laere and its subsidiaries in the CFE group is progressing in a positive way as expected.

Real Estate division

KEY FIGURES

In million €	1 st semester 2018	1 st semester 2017	Variation
Revenue	75.5	7.1	+963.4%
Operating income (*)	11.7	19.3	-39.4%
Net income share of the group	7.8	18.8	-58.5%

(*) The definitions are included in the 'Consolidated financial statements' section of the intermediary report.

EVOLUTION OF REAL ESTATE PROJECTS (*)

BREAKDOWN BY STAGE OF PROJECT DEVELOPMENT

In million €	30 June 2018	31 December 2017
Unsold units post completion	10	6
Properties under construction	68	69
Properties in development	59	58
Total capital employed	137	133

(*) Real estate projects is the sum of the equity and net financial debt of the real estate division.

BREAKDOWN BY COUNTRY

In million €	30 June 2018	31 December 2017
Belgium	82	82
Luxembourg	25	20
Poland	30	31
Total	137	133

NEW DEVELOPMENTS

During the first half of 2018, BPI acquired a new building plot in Warsaw (Wola district) on which a mixed residential and retail complex of 10,000 m² above ground will be built ('Ostroroga' project). As planning permission has been granted, marketing and construction will begin in the second half of 2018.

MARKETING

The sales of BPI's residential projects are generally good.

In Belgium, sales of apartments in the 'Ernest The Park' (Ixelles) and 'Voltaire' (Schaerbeek) projects are still going well. In the second quarter of 2018, BPI launched the marketing and construction of the Zen Factory project in Lot-Beersel (86 housing units).

In Luxembourg, BPI continued work on the projects 'Kiem' (Kirchberg Plateau) and 'Fussbann' in Differdange.

In Poland, BPI delivered two major projects in June 2018: the 'Immo Wola' project in Warsaw, and the first phase of the 'Bulwary Kasiazecze' project in Wroclaw. Of the 449 apartments put up for sale, only 24 have found no buyer yet.

NET FINANCIAL DEBT

The Real Estate division's net financial debt amounted to € 70.4 million (€68.8 million at 31 December 2017).

During the first six months, BPI set up € 20 million worth of confirmed bilateral credit lines, of which € 13 million was drawn at 30 June 2018.

NET RESULT SHARE OF THE GROUP

BPI's net result was favourably impacted by, among other things, the capital gain on disposal of the Woodskot project (91 student rooms in Brussels) and the recognition of the margin on the two completed projects in Poland. Unlike under the accounting rules applied in Belgium and in Luxembourg (recognition according to percentage of completion), the margin on the Polish residential projects is only recognized upon delivery according to IFRS rules.

In 2017, the sale of the 'Kons' project in Luxembourg and the 'Oosteroever' project in Ostend made an exceptional contribution to BPI's net result.

Holding, non-transferred activities and inter division eliminations

KEY FIGURES

In million €	1 st semester 2018	1 st semester 2017	Variation
Revenue	-12.9	-0.2	n.s.
Operating income (*)	-5.8	-2.1	n.s.
Net income share of the group	-7.5	-4.9	n.s.

(*) The definitions are included in the 'Consolidated financial statements' section of the intermediary report.

REVENUE

Adjusted for inter-division eliminations (€ -26.7 million), the revenue of the non-transferred activities amounted to € 13.8 million, compared to € 19.3 million in the first half of 2017.

As of 30 June 2018, CFE SA has only one remaining project in progress, the Brussels-South wastewater treatment plant. This project is progressing in line with expectations, and the second phase will be completed by the end of the year as planned. The third and final phase should begin after that and should be completed in 2020.

OPERATING INCOME

The operating loss is primarily attributable to the under-coverage of overhead costs.

NET RESULT SHARE OF THE GROUP

The net result amounted to € -7.5 million, compared to € -4.9 million in the first half of 2017.

BOND REFINANCING

At the end of June 2018, CFE redeemed its € 100 million bond that had reached maturity. Refinancing was done by setting up a total of € 150 million worth of bilateral credit lines (maturing in 2023), of which € 120 million was drawn down at 30 June 2018.

RECEIVABLES ON CHAD

In accordance with the new standard IFRS 9 - Financial Instruments, an impairment loss of € 12 million was recognized on the outstanding receivables on the Chadian government. This was recognized in CFE's opening balance sheet.

Negotiations continued in the first half of 2018 with the Chadian authorities and the Afrexim Bank to refinance the receivables relating to the Grand Hotel.

In July 2018, the Chadian government settled old receivables relating to the Ministry of Finance project and the Grand Hotel.

Accordingly, CFE's exposure to Chad has diminished by € 12 million following the recognition of the partial impairment loss, and by € 7.5 million to the extent that the sums received locally can be converted into euros and transferred to Belgium.

3. An overview of the results

3.A.1 Condensed consolidated statement of income

Year ended at June 30 In thousands €	2018	2017
Revenue	1,860,146	1,455,872
Revenue from auxiliary activities	31,123	57,988
Purchases	(1,117,170)	(809,501)
Wages, salaries & social charges	(334,784)	(281,781)
Other operating charges	(233,825)	(189,435)
Depreciations and amortization	(126,150)	(116,844)
Goodwill Impairment	0	0
Operating income on activities	78,740	116,299
Earnings from associates and joint ventures	(1,211)	(15,284)
Operating income	77,529	101,015
Cost of gross financial debt	(7,091)	(9,427)
Other financial expenses and income	29	(3,867)
Financial result	(7,062)	(13,294)
Result before taxes	70,467	87,721
Income tax expense	(20,199)	(20,926)
Net income for the period	50,268	66,795
Attributable to owner of non-controlling interest	1,581	1,030
Net income share of the group	51,849	67,825

Condensed consolidated statement of comprehensive income

Year ended 30 June In thousands €	2018	2017
Net income for the period – Share of the group	51,849	67,825
Net income for the period	50,268	66,795
Change in fair values related to the hedging instruments	(4,505)	7,227
Currency translation differences	1,904	(19)
Deferred taxes	630	(1,439)
Other elements of the comprehensive income to be reclassified to profit or loss in subsequent period	(1,971)	5,769
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	(1,971)	5,769
Comprehensive income	48,297	72,564
- attributable to the group	50,016	73,656
- attributable to non-controlling interests	(1,719)	(1,092)
Net result share of the group per share (€) (basic and diluted)	2.05	2.68
Comprehensive income per share (€) (basic and diluted)	1.98	2.91

3.A.2 Consolidated statement of financial position

Year ended In thousands €	30 June 2018	31 December 2017 (*)
Intangible assets	90,890	91,343
Goodwill	177,519	184,930
Tangible assets	2,208,024	2,138,208
Associates and joint ventures	138,778	140,510
Other non-current financial assets	154,258	147,719
Non-current derivative instruments	171	921
Other non-current assets	10,416	7,798
Deferred tax assets	99,300	104,022
Total non-current assets	2,879,356	2,815,451
Inventories	107,647	138,965
Trade receivables and other operating receivables	1,330,838	1,120,306
Other current assets	39,608	32,963
Current derivative instruments	1,146	4,156
Current financial assets	19	34
Assets held for sale	0	0
Cash and cash equivalents	428,011	523,018
Total current assets	1,907,269	1,819,442
Total assets	4,786,625	4,634,893
Issued capital	41,330	41,330
Share premium	800,008	800,008
Retained earnings	804,087	812,993
Defined benefits plans	(25,268)	(25,268)
Hedging reserves	(6,332)	(2,457)
Translation differences	(10,210)	(12,252)
Equity – part of the group CFE	1,603,615	1,614,354
Non-controlling interests	12,067	14,421
Equity	1,615,682	1,628,775
Retirement benefit obligations and employee benefits	53,231	53,149
Provisions	34,812	30,183
Other non-current liabilities	3,127	4,497
Bonds	29,531	231,378
Financial debts	694,409	419,093
Non-current derivative instruments	7,858	7,209
Deferred tax liabilities	116,985	126,946
Total non-current liabilities	939,953	872,455
Current provisions	75,454	82,530
Trade & other operating payables	1,345,716	1,295,073
Income tax payable	43,666	43,275
Bonds	201,097	99,959
Current financial debts	152,837	124,497
Current derivative instruments	7,472	7,445
Liabilities held for sale	0	0
Other current liabilities	404,748	480,884
Total current liabilities	2,230,990	2,133,663
Total equity and liabilities	4,786,625	4,634,893

(*) Amounts restated in accordance with changes in accounting method linked to the application of accounting standards IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments and the associated amendments.

3.A.3 Condensed consolidated cash flow statement

Year ended 30 June In thousands €	2018	2017
Cash flows relating to operating activities	9,133	281,205
Cash flows relating to investing activities	-235,832	-269,351
Cash flows relating to financing activities	132,341	-29,950
Net increase/decrease in cash position	-94,358	-18,096

3.A.4 Figures per share

	30 June 2018	30 June 2017
Total number of shares	25,314,482	25,314,482
Operating result after deduction of the net financial charges per share (in €)	2.78	3.46
Net result share of the group per share (in €)	2.05	2.68

4. Information on business trends

DEME expects a higher level of activity in the second half of the year with improved operating margins. The EBITDA margin for the full year 2018 is expected to rise above 16%.

In Contracting, the result is expected to come close to that of last year.

As far as BPI is concerned, most of its result was realized during the first half of 2018.

5. Information related to the share

At 30 June 2018, 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 Degroef and ING Belgium. Banque Degroef has been appointed as the 'Main Paying Agent'.

6. Corporate Governance

Having reached the age limit, Renaud Bentégeat has resigned as managing director with effect from 1 September 2018. This will end the two-headed daily management : Piet Dejonghe, who was already joint managing director since the beginning of 2015, will become the only managing director of the group.

Nevertheless, Renaud Bentégeat will remain as director of CFE. Besides the chairmanship of the board of directors of BPI Real Estate Belgium SA and his director's mandates at DEME NV and Rent-A-Port NV which he will continue, he will also remain in charge of the closure of the non-transferred activities of CFE.

The board of directors thanks Renaud Bentégeat for the work he has done during his 15 years at the head of CFE.

7. Shareholders' agenda

Publication of interim statements	23 November 2018 (before opening of the stock market)
Publication of year results	28 February 2019 (before opening of the stock market)
General meeting	2 May 2019

The auditor, Deloitte Reviseurs d'Entreprises, represented by Michel Denayer and Rik Neckebroek, 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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About CFE

CFE, founded in 1880 is a Belgian industrial group active in three different divisions. The first, Dredging, Environment, Offshore and Infra, is carried out by its wholly owned subsidiary DEME, one of the world leaders in the field. DEME has a modern fleet of multipurpose vessels equipped with the latest technologies. The second, Contracting, encompasses the group's construction, multitechnics and rail activities in Belgium, Luxembourg, Poland and Tunisia. The third, Real Estate Development, covers the real estate projects developed by BPI in Belgium, Luxembourg and Poland.

The CFE group currently employs more than 8,000 people and is active on every continent. 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.

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Note to editors

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