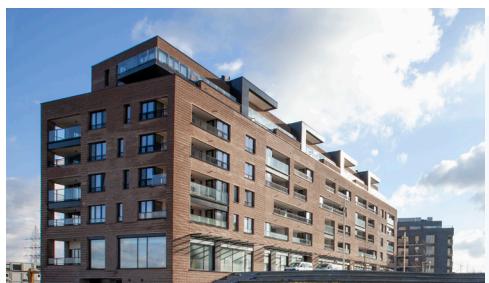


Results of financial year 2018





Results of financial year 2018

- Strong revenue growth in the three divisions
- Good resilience of results at DEME
- Net income, share of the group, remains high despite the absence of non-recurring income in Real Estate Development
- Stable dividend compared to previous financial year : € 2.40 gross per share
- All-time high order book, marked increase for DEME

1. Key figures 2018

In million €	2018	2017	Change 2018/2017
Revenue	3,640.6	3,066.5	+18.7%
Self-financing capacity (EBITDA) (*) % of revenue	488.0 13.4%	500.7 16.3%	-2.5%
Operating income (EBIT) (*) % of revenue	227.2 6.2%	249.4 8.1%	-8.9%
Net income share of the group % of revenue	171.5 4.7%	180.4 5.9%	-4.9%
Earnings per share (in euro) Gross dividend per share (in euro) (**)	6.78 2.40	7.13 2.40	-4.9% 0.0%

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

(**) Amount to be submitted for approval to the annual general meeting of 2 May 2019.

In million €	2018	2017	Change 2018/2017
Equity – share of the group	1,720.9	1,641.9	+4.8%
Net financial debt (*)	648.3	351.9	+84.2%
Order book	5,385.9	4,850.8	+11.0%

General introduction

The CFE group reported a substantial consolidated revenue growth in 2018, increasing by 18.7% to € 3,640.6 million in 2018 compared to € 3,066.5 million in 2017. The three divisions reported a vigorous growth in activity.

EBITDA stood at € 488 million, which is slightly down compared to 2017 (€ 500.7 million).

The net result, share of the group, came to € 171.5 million in 2018, or 4.7% of revenue. Where the net result, share of the group, remained stable at DEME and in Contracting, it decreased, as expected, in Real Estate Development, which in 2017 had recorded two extraordinary gains on disposal.

The equity, share of the group, increased by 4.8% to € 1,720.9 million.

The investments in the renewal and expansion of DEME's fleet increased the net financial debt to € 648.3 million, or 37% of the equity, share of the group.

The order book amply topped € 5 billion, confirming the good commercial positioning of the companies.

2. Analysis by division

Dredging, Environment, Offshore and Infra division

PRESENTATION OF THE RESULTS

Since 2014, DEME's key figures have been presented according to two approaches: the accounting approach according to the applicable IFRS rules, and the economic approach which consisted of the proportional consolidation of the jointly controlled entities (accounting rules applicable before 1 January 2014).

As from the beginning of September 2018, DEME holds 95% of the beneficial rights of the MEDCO company in Qatar (compared to 44.1% previously). As a result the activities of that subsidiary are now fully integrated in the consolidated financial statements of DEME.

Following the change in consolidation method of MEDCO, the economic presentation of the DEME consolidated figures is no longer appropriate. The source of major disparities between the accounting and economic approaches does not exist any longer.

KEY FIGURES

In million €	2018			2017			Change 2018/2017
	DEME	Restatements DEME (*)	Total	DEME	Restatements DEME (*)	Total	
Revenue	2,645.8	0	2,645.8	2,356.0	0	2,356.0	+12.3%
EBITDA (**)	458.9	0	458.9	455.5	0	455.5	+0.7%
Operating income (EBIT) (**)	202.9	-5.3	197.6	217.8	-10.5	207.3	-4.7%
Net income share of the group	155.6	-2.0	153.6	155.1	1.4	156.5	-1.9%
Net financial debt (**)	555.8	0.2	556.0	285.7	2.0	287.7	+93.3%
Order book	4,010.0	0	4,010.0	3,520.0	0	3,520.0	+13.9%

(*) 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 financial report.

REVENUE

The consolidated revenue amounted to € 2,645.8 million, which is up 12.3% compared to the previous year.

As in 2017, business was buoyant in the Offshore segment, which includes GeoSea and Tideway.

In Germany, the teams of GeoSea worked on two EPCI projects: the Merkur project, which was finalized in 2018, and the Hohe See project, for which the production of the monopile foundations and transition pieces is virtually completed, and 63 of the 87 foundations were installed by 31 December 2018.

In the UK, good progress has been made on the Hornsea One offshore wind farm: at the end of 2018, the multipurpose vessel 'Living Stone' finished the installation of the submarine power cable connecting the wind farm and electrical substations to the onshore grid. GeoSea, which is also engaged on this project, has already transported and installed 153 of the 174 monopile foundations.

In Denmark, GeoSea was in charge of the production, transport and installation of the 49 monopile foundations and transition pieces, as well as the installation of the masts and wind turbines for the Horns Rev 3 offshore wind farm. The works are virtually completed.

In the dredging segment, DEME continued work on the TTP1 project (Tuas Terminal - Phase 1), which has entered its final phase, and has just started dredging work to deepen the access channel to the port of Szczecin in Poland. Maintenance dredging activity was primarily concentrated in Belgium, Africa, India and Germany.

DEME's Environment division achieved a revenue increase in 2018. In this activity, there is a dispute with the client Rijkswaterstaat (Netherlands) regarding the execution of the Julianakanaal contract.

DIMCO, the subsidiary specializing in marine civil engineering, reported a substantial growth of business, particularly in the Netherlands where three major projects are in the start-up phase: the RijnlandRoute link, the Terneuzen lock, and the A24-Blankenburg connection.

EVOLUTION OF ACTIVITY BY BUSINESS AREA

In %	2018	2017
Capital dredging	23%	21%
Maintenance dredging	11%	14%
Fallpipe and landfalls	17%	8%
Environment	6%	7%
Civil works	6%	3%
Marine works	37%	47%

EVOLUTION OF ACTIVITY BY GEOGRAPHICAL AREA

In %	2018	2017
Europe (EU)	67%	68%
Europe (non-EU)	2%	2%
Africa	10%	10%
Americas	4%	3%
Asia-Pacific	13%	12%
Middle East	2%	1%
India and Pakistan	2%	4%

EBITDA AND OPERATING INCOME (EXCLUDING RESTATEMENTS)

EBITDA amounted to € 458.9 million, which is slightly up compared to 2017 (€ 455.5 million). The EBITDA margin came to 17.3% of revenue.

Where in the first half of 2018 DEME was confronted with substantial delays in the delivery of two vessels (the 'Apollo' and the 'Living Stone'), affecting its EBITDA margin which decreased to 14.1%, profitability recovered significantly during the second half of the year with an EBITDA margin of 20.6%.

The operating income amounted to € 202.9 million in 2018, or a 6.8% decrease due, among other things, to an increase in depreciation cost as several new vessels were brought into service.

ORDER BOOK

The order book amounted to € 4.01 billion, which is up 13.9% compared to year-end 2017.

Order intake was particularly high in the fourth quarter of 2018, during which DEME won three major contracts worth a total of around € 1.5 billion:

- The EPCI contract for the design, construction, transport and installation of 100 wind turbine foundations and the transport and installation of three electrical substations for the Moray East offshore wind farm in the United Kingdom.
- The EPCI contract for the design, construction, transport and installation of 58 wind turbine foundations, electrical substations and two submarine power cables for the SeaMade offshore wind farm 50 km off the Belgian coast. This order is worth around € 500 million for DEME. Offshore work will start in June 2019 and will finish at the end of 2020. The wind farm will have a capacity of 487 MW.
- The DBFM contract for the Blankenburg connection, for which the financial close was reached on 17 October 2018. The Blankenburg connection involves the design, construction, financing and 20-year maintenance of a three-lane motorway link over a length of 4 km with two tunnels, one of which is a 900-metre immersed tunnel. This project is worth around € 1 billion, just under half of which is for DEME.

As regards the Fehmarnbelt link, which was not yet included in the order book at 31 December 2018 (€ 710 million), the environmental permits on the German side have been granted but are still open to appeal.

INVESTMENTS

Investments amounted to € 441.3 million in 2018, and primarily consist of down payments on the vessels 'Orion' and 'Spartacus', and payment of the remaining balance on the vessels 'Living Stone' and 'Apollo', which became operational in mid-2018.

In the second half of 2018, DEME started 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 8,300 m³ respectively ('River Thames' and 'Meuse River'), and two self-propelled barges with a capacity of 3,500 m³ each ('Bengel' and 'Deugniet'). These four vessels will be built by the IHC shipyard, and are due for completion in 2020.

In addition to investments in its fleet, DEME invested more than € 30 million in its minority interests in offshore wind farm concessions.

Following the change in consolidation method of MEDCO, the fleet of that company, which essentially consists of two cutters, was recognized at fair value in the group's non-current assets for an amount of € 79.6 million.

NET FINANCIAL DEBT

DEME's net financial debt amounted to € 555.8 million at 31 December 2018. This had increased by € 270.1 million in 2018 as a result of the investments in the maintenance, renewal and expansion of the fleet and the increased working capital requirement (decrease in cash advances).

DEME has successfully refinanced its € 200 million bond, which matured on 14 February 2019.

CEO CHANGE AT DEME

Luc Vandenbulcke became the new CEO of DEME with effect from 1 January 2019. He succeeds Alain Bernard, who remains a director of DEME and some of its subsidiaries, as well as chairman of the board of directors of DEME Concessions and GSR.

The boards of directors of DEME and CFE thank Alain Bernard very much for the work he has done over the past 12 years. Under his leadership, DEME became one of the leading Belgian groups with a solid international reputation.

DEME OFFSHORE

As of 2019, the activities of GeoSea, Tideway, A2Sea and EverSea are integrated in DEME's Offshore segment (DEME Offshore).

DEME Offshore offers a comprehensive package of solutions and services to customers in the offshore oil, gas and renewable energy industries.

Contracting division

KEY FIGURES

In million €	2018	2017	Change 2018/2017
Revenue	934.6	717.6	+30.2%
Operating income (EBIT) (*)	22.7	27.2	-16.5%
Net income share of the group	15.2	15.4	-1.3%
Net financial surplus (*)	102.4	90.5	+13.2%
Order book	1,320.3	1,229.7	+7.4%

(*) The definitions are included in the "Consolidated Financial Statements" section of the financial report..

REVENUE

CFE Contracting reported a strong growth in its consolidated revenue: 30.2% on a real basis and 10.2% on a like-for-like basis. The three segments (Construction, Multitechnics and Rail & Utilities) showed a solid growth in 2018.

In Belgium, the revenue of Van Laere and its subsidiaries is consolidated as of 1 January 2018 (€ 139.8 million), and accounts for most of the activity growth in the Construction segment in Belgium.

The main projects in progress in Belgium are the Gare Maritime on the Tour & Taxis site in Brussels, the ZNA hospital in Antwerp, and the residential properties on the Erasmus Gardens site in Anderlecht.

In International Construction, CFE Polska reported an all-time high volume of business. Amongst others, it finished the extension of the Platan shopping centre in Zabrze (southern Poland) in record time. Activity was also buoyant in Luxembourg, whereas the Tunisian branch continued to wind down its operations in a highly unfavourable socioeconomic environment.

In Multitechnics, the integration of the electricity and HVAC activities in the VMA cluster is bearing fruit, with a 9.9% growth of business in 2018.

In Rail & Utilities, activity for the ETCS project (automatic braking system for trains) is in an upward trend, as has the 'catenaries' department, which experienced an increase in revenue.

In million €	2018	2017	Change in %
Construction	692.5	499.8	+38.6%
Belgium	516.4	346.7	+48.9%
International	176.1	153.1	+15.0%
Multitechnics	170.6	155.3	+9.9%
Rail & Utilities	71.5	62.5	+14.4%
Total Contracting	934.6	717.6	+30.2%

OPERATING INCOME

The division's operating income amounted to € 22.7 million, down -16.5% compared to 2017. The volume of business remains high in Construction and Multitechnics, although prices continue to be extremely competitive, whereas the prices of materials and subcontractors show a substantial rise.

Several entities reported a strong growth in operating income, especially CFE Polska and VMA-Druart (entity active in Belgium in the HVAC market). Tunisia, however, weighed heavily on the division's results (around € 6 million loss reported in 2018).

Also worth noting is that the Van Laere group realized an operating income very close to break-even, whereas it still reported heavy losses in 2017 before joining the consolidation scope of CFE Contracting.

NET RESULT

The net result, share of the group, remained virtually stable at € 15.2 million, or 1.6% of revenue.

ORDER BOOK

In million €	31 December 2018	31 December 2017	Change in %
Construction	1,069.1	978.8	+9.2%
Belgium	870.9	767.3	+13.5%
International	198.2	211.5	-6.3%
Multitechnics	168.4	152.6	+10.4%
Rail & Utilities	82.8	98.3	-15.8%
Total Contracting	1,320.3	1,229.7	+7.4%

The order book came in at € 1,320.3 million on 31 December 2018, which is up 7.4%. Both MBG and Van Laere reported a particularly high order intake in Flanders.

In 2018, the group experienced two major commercial successes that were not yet included in the order book at 31 December 2018:

- CFE Contracting and its partners won the contract for the design, modernization, financing, management and 20-year maintenance of the public lighting equipment of the Walloon Region's main road network (Plan Lumière 4.0). Financial close was reached on 13 February 2019. The network modernization works will begin in the summer of 2019.
- In July 2018, 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, once the contract is signed, financial close is reached, and planning permission is obtained.

NET FINANCIAL SURPLUS

The net financial surplus of CFE Contracting increased substantially in 2018 (€ 102.4 million compared to € 90.5 million at year-end 2017), reflecting the solid operating cash flows and the continuous improvement of the working capital requirement.

MOBIX

At year-end 2018, the management of the Rail & Utilities segment presented the new name and logo of the cluster, which from now on will be called MOBIX.

VOLTIS

At the year-end, CFE Contracting sold its stake in Voltis to its management. Voltis specializes in the sale of electrical equipment to private and professional customers, and has three outlets in Walloon Brabant (€ 8.7 million revenue in 2017). The sale had no significant impact on the results of CFE Contracting.

Real Estate Development division

KEY FIGURES

In million €	2018	2017	Change 2018/2017
Revenue	94.7	10.9	n.s.
Operating income (EBIT) (*)	13.2	23.4	-43.6%
Net income share of the group	9.3	22.3	-58.3%
Net financial debt (*)	70.5	68.8	+2.5%

(*) The definitions are included in the "Consolidated Financial Statements" section of the financial report.

EVOLUTION OF THE CAPITAL EMPLOYED (*)

BREAKDOWN BY STAGE OF PROJECT DEVELOPMENT

In million €	31 December 2018	31 December 2017
Unsold units post completion	4	6
Properties under construction	70	69
Properties in development	65	58
Total capital employed	139	133

BREAKDOWN BY COUNTRY

In million €	31 December 2018	31 December 2017
Belgium	89	82
Luxembourg	23	20
Poland	27	31
Total	139	133

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

NEW DEVELOPMENTS

BPI Real Estate Belgium (BPI), which covers the Real Estate division, is currently developing some forty real estate projects totalling 561,000 m² gross floor area above ground (BPI share), of which 142,000 m² are under construction.

In Belgium

BPI sold 259 apartments in 2018. Seven residential projects are currently in the course of construction and marketing:

- Ernest The Park, in Ixelles (Brussels)
- Erasmus Gardens, in Anderlecht (Brussels)
- Les Hauts-Prés, in Uccle (Brussels)

- Voltaire, in Schaerbeek (Brussels)
- Park West, in Brussels
- Zen Factory, in Lot-Beersel (Flanders)
- Godsheide, in Hasselt (Flanders)

Where the five Brussels projects show highly satisfactory take-up rates, sales are slower for the two projects in Flanders.

Besides its residential projects, BPI is also developing, in joint venture, two office projects in Liège, the Grand Poste project and the Renaissance project, on the Val Benoît site, which is already partially let to a public body.

BPI and its partners have filed a planning application for the NEO 1 project, comprising a shopping centre and more than 500 housing units on the Heysel plateau in Brussels.

The first planning applications for the Samaya project in Ottignies and the Bavière project in Liège have also been filed, while those for the Allianz and Key West projects will be filed in the next few months.

At the end of December 2018, BPI agreed with Cofinimmo on the future acquisition (mid-2020) of the property rights of its office buildings on the Serenitas and Moulin à Papier sites in Auderghem (Brussels), with a total floor area of nearly 23,000 m². The transaction amounts to approximately € 27 million. Those buildings will primarily be converted into residential properties, while part of the Serenitas site will accommodate the future head office of CFE.

In Luxembourg

BPI and its partners obtained planning permission for the Livingstone project situated along Route d'Esch in Luxembourg City (35,000 m²). All the apartments of phases 1 and 2, or 247 housing units, have already been taken up, although work on the first phase has only just begun. On the Kirchberg plateau, the Kiem project has entered its final phase, and acceptance of the apartments is scheduled for the spring of 2019.

BPI has also filed a planning application for the Domaine des Vignes project in Mertert.

In Poland

In June 2018, BPI delivered two mixed-use buildings totalling 40,400 m²: the Immo Wola project in Warsaw, and phase 1 of the Bulwary Kasiazece project in Wrocław. Virtually all housing units have been sold.

Four residential projects are currently in the course of construction and marketing, totalling 57,000 m² and situated in three large cities in Poland: Warsaw, Wrocław and Poznań.

BPI also acquired a new building plot in Gdańsk for 240 serviced housing units (Sadowa project).

CAPITAL EMPLOYED

The capital employed of real estate projects increased slightly during 2018 to € 139 million. The stock of unsold units post completion remained very low (less than 3%).

NET FINANCIAL DEBT

After having successfully launched its first private placement at the end of 2017 (€ 30 million), BPI further strengthened its financial structure in 2018 by setting up € 40 million worth of confirmed bilateral credit lines, and a Multi-Term treasury Notes programme of € 40 million.

NET RESULT

The net result, share of the group, amounted to € 9.3 million, and was favourably impacted by, among other things, the result recognized according to percentage of completion of the Ernest The Park, Kiem (Luxembourg) and Erasmus Gardens projects, and by the recognition of the margin on the two completed projects in Poland. Unlike under the accounting rules applied in Belgium and in Luxembourg, the margin on the Polish residential projects is only recognized upon delivery.

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

Holding, non-transferred activities and inter division eliminations

In million €	2018	2017	Change 2018/2017
Revenue	-34.4	-18.1	n.s.
Operating income (EBIT) (*)	-6.4	-8.4	-23.8%
Net income share of the group	-6.5	-13.7	-52.6%
Net financial debt (*)	124.4	85.9	+44.8%

(*) Definitions are listed under sections "Consolidated Financial Statements" of the financial report.

REVENUE

Adjusted for inter-division eliminations (€ -61.5 million), the revenue amounted to € 27.1 million in 2018.

Activity is essentially confined to the Brussels-South wastewater treatment plant project, of which the second of the three phases was completed at the end of 2018 on schedule and to the satisfaction of the customer. Final completion of the project is scheduled for December 2020. It should be remembered that this is the last project in progress of the Holding division.

OPERATING INCOME

The operating loss decreased by 23.8% to € -6.4 million thanks to the positive contributions of Rent-A-Port and Green Offshore.

Rent-A-Port, through its subsidiary Infra Asia Investments (IAI), continued to develop its industrial sites in the port areas of Hai Phong and Quang Ninh, of which approximately 40 hectares were sold in 2018. At the year-end, IAI concluded the sale of 50% of its power distribution operations to the Japanese group TEPCO.

Green Offshore owns two Belgian offshore wind farms, Rentel and SeaMade. The Rentel wind farm began generating electricity in the second half of 2018, while financial close on the SeaMade wind farm project was reached at the beginning of December 2018. The wind farm is expected to be operational by the end of 2020.

NET RESULT

The net result, share of the group, of the Holding division amounted to € -6.5 million, compared to € -13.7 million in 2017.

EVOLUTION ON CHAD

Following payments received in July 2018, the outstanding receivables decreased by € 7.5 million from € 60 million to € 52.5 million (excluding VAT and receivables covered by the Credendo credit insurance). No further payments have been received since July 2018. Moreover, the sums received locally have not yet been converted into euros and transferred to Belgium.

The terms and conditions for the refinancing of the receivables relating to the Grand Hotel have been formally approved by the Chadian authorities, and have yet to be validated by the board of directors of the Afrexim Bank.

NET FINANCIAL DEBT

On 21 June 2018, CFE redeemed its € 100 million bond that had reached maturity. Refinancing was done by setting up a total of €160 million worth of confirmed bilateral credit lines (maturing in 2023), of which € 130 million was drawn down at 31 December 2018. At the year-end, CFE set up a Multi-Term treasury Notes programme of € 50 million. The first issues took place at the beginning of 2019.

The significant increase in net financial debt is explained by the injection of funds into Rent-A-Port and Green Offshore, and by the utilization of provisions for losses to completion and the decrease in working capital requirement.

3. Overview of the financial statements

3.A.1 Consolidated statement of income

Year ended 31 December In thousands €	2018	2017
Revenue	3,640,627	3,066,525
Revenue from auxiliary activities	123,018	116,588
Purchases	-2,147,130	-1,726,761
Remuneration and social security payments	-633,090	-546,699
Other operating charges	-497,748	-404,180
Depreciations and amortization	-272,602	-238,316
Goodwill Impairment	0	0
Income from operating activities	213,075	267,157
Earnings from associates and joint ventures	14,169	-17,710
Operating income	227,244	249,447
Cost of financial debt	-8,433	-14,362
Other financial expenses and income	-55	-7,904
Net financial income/expense	-8,488	-22,266
Pre-tax income	218,756	227,181
Income tax expense	-49,549	-48,430
Net income for the period	169,207	178,751
Attributable to owners of non-controlling interests	2,323	1,691
Net income – share of the group	171,530	180,442
Year ended 31 December In thousands €	2018	2017
Net income for the period	169,207	178,751
Change in fair value related to hedging instruments	-5,498	6,463
Currency translation differences	621	-4,754
Deferred taxes	775	-1,583
Other elements of the comprehensive income to be reclassified to profit or loss in subsequent period	-4,102	126
Remeasurement on defined benefit plans	-1,063	-2,227
Deferred taxes	726	-3,382
Other elements of the comprehensive income not to be reclassified to profit or loss in subsequent period	-337	-5,609
Total elements of the comprehensive income directly accounted in equity	-4,439	-5,483
Comprehensive income	164,768	173,268
- attributable to owners of the parent	167,279	174,771
- attributable to owners of non-controlling interests	-2,511	-1,503
Net income per share (€) (basic and diluted)	6.78	7.13
Comprehensive income per share (€) (basic and diluted)	6.61	6.90
ROE (*)	10.6%	11.9%

(*) Definitions are listed under sections "Consolidated Financial Statements" of the financial report.

3.A.2 Consolidated statement of financial position

Year ended 31 December In thousands €	2018	2017
Intangible assets	89,588	91,343
Goodwill	177,127	184,930
Property, plant and equipment	2,390,236	2,138,208
Investments in associates and joint ventures	155,792	140,510
Other non-current financial assets	171,687	147,719
Non-current derivative instruments	9	921
Other non-current assets	5,501	7,798
Deferred tax assets	99,909	104,022
Total non-current assets	3,089,849	2,815,451
Inventories	128,889	138,965
Trade receivables and other operating receivables	1,261,298	1,098,842
Other operating current assets	67,561	55,712
Other non operating current assets	12,733	10,715
Current derivative instruments	275	4,156
Current financial assets	0	34
Assets held for sale	0	0
Cash and cash equivalents	388,346	523,018
Total current assets	1,859,102	1,831,442
Total assets	4,948,951	4,646,893
Share capital	41,330	41,330
Share premium	800,008	800,008
Retained earnings	923,768	840,543
Defined benefits plans	-25,521	-25,268
Hedging reserves	-7,153	-2,457
Translation differences	-11,554	-12,252
Equity – part of the group CFE	1,720,878	1,641,904
Non-controlling interests	13,973	14,421
Equity	1,734,851	1,656,325
Retirement benefit obligations and employee benefits	57,553	53,149
Provisions	35,172	30,183
Other non-current liabilities	5,725	4,497
Bonds - non current	29,584	231,378
Financial debts	656,788	419,093
Non-current derivative instruments	9,354	7,209
Deferred tax liabilities	119,386	130,023
Total non-current liabilities	913,562	875,532
Current provisions	65,505	82,530
Trade payables & other operating liabilities	1,410,944	1,276,446
Tax liability due for payment	44,543	43,275
Bonds - current	200,221	99,959
Current financial debts	150,075	124,497
Current derivative instruments	10,990	7,445
Liabilities held for sale	0	0
Other operating current liabilities	201,609	95,012
Other non operating current liabilities	216,651	385,872
Total current liabilities	2,300,538	2,115,036
Total equity and liabilities	4,948,951	4,646,893

3.A.3 Consolidated statement of cash flows

For the period ended 31 December In thousands €	2018	2017
Operating activities		
Income from operating activities	213,075	267,157
Depreciation and amortisation of intangible assets, property, plant & equipment and investment property	272,602	238,316
Net provision expense	1,265	4,986
Impairment on current and non-current assets and other non cash items	1,018	-9,725
Sales of non-current assets	-7,530	-9,662
Dividends from associates and Joint Ventures	4,935	6,507
Cash flow from operating activities before changes in working capital	485,365	497,579
Decrease/(increase) in trade receivables and other current and non current receivables	-349,838	107,002
Decrease/(increase) in inventory	6,142	-8,466
Increase/(Decrease) in trade payables and other current and non current payables	141,189	75,012
Income tax paid/received	-58,375	-42,282
Cash flow from operating activities	224,483	628,845
Investing activities		
Sales of non-current assets	15,833	18,322
Purchases of non-current assets	-453,475	-458,210
Acquisition of subsidiaries net of cash acquired	-35	-181,370
Change in percentage held in associates	70,049	0
Capital increase in investments in associates	-8,660	-32,323
Sales of subsidiaries	1,202	574
Loans granted	-41,066	-9,926
Cash flow from investing activities	-416,152	-662,933
Financing activities		
Interests paid	-22,583	-29,347
Interests received	13,697	13,970
Other financial expenses and income	-2,734	-12,218
Borrowings	422,808	240,289
Reimbursements of borrowings	-294,122	-212,271
Dividends paid	-60,755	-54,426
Cash flow from financing activities	56,311	-54,003
Net Increase/(Decrease) in cash position	-135,358	-88,091
Cash and cash equivalents at start of the year	523,018	612,155
Exchange rate effects	686	-1,046
Cash and cash equivalents at end of period	388,346	523,018

3.A.4 Notes to the consolidated financial statements, cash flow and capex tables

The tangible assets amounted to € 2,390.2 million at 31 December 2018, up € 252 million. DEME's investment programme continued in 2018, partly offset by the depreciation during the period.

The consolidated opening equity was restated by € -15.55 million (application of IFRS 15 - EPCI contracts at DEME) and € -12.0 million (application of IFRS 9 - receivables from the Chadian government) respectively.

Taking into account the payment of a dividend of € 60.8 million, the consolidated equity amounted to € 1,734.9 million at 31 December 2018.

The net financial debt breaks down into a short-term and long-term financial debt of € 350.3 million and € 686.4 million respectively, and a positive net cash position of € 388.3 million.

CFE, DEME, CFE Contracting and BPI Real Estate Belgium are all in compliance with the banking covenants.

3.A.5 Consolidated statement of changes in equity as of 31 December 2018

In thousands €	Share capital	Share premium	Retained earnings	Defined benefits plans	Reserves related to hedging instruments	Translation differences	Equity attributable to owners of the parent	Non-controlling interests	Total
31 December 2017	41,330	800,008	840,543	-25,268	-2,457	-12,252	1,641,904	14,421	1,656,325
Restatements IFRS 15 & 9			-27,550				-27,550		-27,550
31 December 2017(*)	41,330	800,008	812,993	-25,268	-2,457	-12,252	1,614,354	14,421	1,628,775
Comprehensive income for the period			171,530	-253	-4,696	698	167,279	-2,511	164,768
Dividends paid to shareholders			-60,755				-60,755		-60,755
Dividends paid to non-controlling interests								-365	-365
Change in consolidation scope and other movements								2,428	2,428
31 December 2018	41,330	800,008	923,768	-25,521	-7,153	-11,554	1,720,878	13,973	1,734,851

(*) 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.6 Key figures per share

	31 December 2018	31 December 2017
Total number of shares	25,314,482	25,314,482
Net result part of the group per share (in €)	6.78	7.13
Equity part of the group per share (in €)	67.98	64.86

3.A.7 Segment information

CONSOLIDATED STATEMENT OF INCOME

	Revenue		Income from operating activities				Operating income (EBIT)				Financial income	
	In thousands €	2018	2017	2018	% Revenue	2017	% Revenue	2018	% Revenue	2017	% Revenue	2018
Dredging and environment	2,645,780	2,356,014	196,012	7.41%	230,507	9.78%	202,940	7.67%	217,775	9.24%	-6,391	-21,117
Correction DEME			-4,589		-5,468		-5,273		-10,510		2,901	4,218
Contracting	934,573	717,649	22,728	2.43%	27,212	3.79%	22,728	2.43%	27,212	3.79%	-2,073	-134
Real Estate	94,696	10,900	10,346	10.93%	21,799	199.99%	13,209	13.95%	23,388	214.5%	-2,832	-902
Holding and non-transferred activities	27,051	34,141	-10,865		-7,704		-5,803		-9,229		-93	-4,331
Eliminations between segments	-61,473	-52,179	-557		811		-557		811			
Total consolidated	3,640,627	3,066,525	213,075	5.85%	267,157	8.71%	227,244	6.24%	249,447	8.13%	-8,488	-22,266

	Taxes		Net income of the group				Non-cash items		EBITDA			
	In thousands €	2018	2017	2018	% Revenue	2017	% Revenue	2018	2017	2018	% Revenue	2017
Dredging and environment	-43,231	-43,269	155,570	5.88%	155,055	6.58%	262,889	224,993	458,901	17.34%	455,500	19.33%
Correction DEME	384	7,739	-1,988		1,448		4,589	5,468				
Contracting	-5,491	-11,726	15,161	1.62%	15,351	2.14%	12,686	406	35,414	3.81%	27,618	3.85%
Real Estate	-1,134	-256	9,321	9.84%	22,255	204.17%	-1,932	1,860	8,414	8.87%	23,659	217.06%
Holding and non-transferred activities	-124	-856	-6,024		-14,416		-3,347	850	-14,212		-6,854	
Eliminations between segments	47	-62	-510		749			-557		811		
Total consolidated	-49,549	-48,430	171,530	4.71%	180,442	5.88%	274,885	233,577	487,960	13.40%	500,734	16.33%

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2018 In thousands €	Dredging and Environment	Contracting	Real Estate	Holding & non-transferred activities	Eliminations between divisions	Consolidated total
ASSETS						
Goodwill	155,567	21,560	0	0	0	177,127
Property, plant and equipment	2,326,304	61,526	928	1,478	0	2,390,236
Non-current loans to consolidated group companies	0	0	0	20,000	-20,000	0
Other non-current financial assets	108,066	0	35,106	28,515	0	171,687
Other non-current assets	274,058	13,217	34,923	1,274,450	-1,245,849	350,799
Inventories	15,244	16,945	94,592	3,733	-1,625	128,889
Cash and cash equivalents	287,394	53,440	9,197	38,315	0	388,346
Internal cash position - cash pooling - assets	0	62,808	2,793	1,889	-67,490	0
Other current assets	914,328	314,783	26,180	96,214	-9,638	1,341,867
Total assets	4,080,961	544,279	203,719	1,464,594	-1,344,602	4,948,951

EQUITY AND LIABILITIES						
Equity	1,646,910	84,781	68,108	1,182,527	-1,247,475	1,734,851
Non-current borrowings from consolidated group companies	0	0	20,000	0	-20,000	0
Bonds - non current	0	0	29,584	0	0	29,584
Non-current financial liabilities	494,796	10,156	21,836	130,000	0	656,788
Other non-current liabilities	179,572	14,712	10,923	21,983	0	227,190
Bonds - current	200,221	0	0	0	0	200,221
Current financial liabilities	148,376	1,699	0	0	0	150,075
Internal cash position - cash pooling - liabilities	0	1,889	11,043	54,558	-67,490	0
Other current liabilities	1,411,086	431,042	42,225	75,526	-9,637	1,950,242
Total equity and liabilities	4,080,961	544,279	203,719	1,464,594	-1,344,602	4,948,951

31 December 2017 In thousands €	Dredging and Environment	Contracting	Real Estate	Holding & non-transferred activities	Eliminations between divisions	Consolidated total
ASSETS						
Goodwill	163,370	21,560	0	0	0	184,930
Property, plant and equipment	2,073,436	63,736	526	510	0	2,138,208
Non-current loans to consolidated group companies	0	0	0	20,000	-20,000	0
Other non-current financial assets	94,138	754	34,981	17,846	0	147,719
Other non-current assets	278,749	10,894	32,889	1,267,880	-1,245,818	344,594
Inventories	15,714	24,020	99,216	1,640	-1,625	138,965
Cash and cash equivalents	434,687	59,234	3,324	25,773	0	523,018
Internal cash position - cash pooling - assets	0	47,985	0	1,928	-49,913	0
Other current assets	727,178	290,454	26,723	136,074	-10,970	1,169,459
Total assets	3,787,272	518,637	197,659	1,471,651	-1,328,326	4,646,893

EQUITY AND LIABILITIES						
Equity	1,570,503	74,226	64,433	1,194,605	-1,247,442	1,656,325
Non-current borrowings from consolidated group companies	0	0	20,000	0	-20,000	0
Bonds - non current	201,900	0	29,478	0	0	231,378
Non-current financial liabilities	401,559	11,134	6,400	0	0	419,093
Other non-current liabilities	177,604	18,241	8,846	20,370	0	225,061
Bonds current	0	0	0	99,959	0	99,959
Current financial liabilities	118,889	5,608	0	0	0	124,497
Internal cash position - cash pooling - liabilities	0	0	16,293	33,620	-49,913	0
Other current liabilities	1,316,817	409,428	52,209	123,097	-10,971	1,890,580
Total equity and liabilities	3,787,272	518,637	197,659	1,471,651	-1,328,326	4,646,893

CONSOLIDATED STATEMENT OF CASH FLOWS

31 December 2018 In thousands €	Dredging and Environment	Contracting	Real Estate	Holding and non-transferred activities	Consolidated total
<i>Cash flow from operating activities before change in working capital</i>	454,987	36,904	10,994	-17,520	485,365
Net cash flow from (used in) operating activities	222,406	20,552	-1,909	-16,566	224,483
Cash flow from (used in) investing activities	-395,432	-6,569	-700	-13,451	-416,152
Cash flow from (used in) financing activities	24,893	-19,684	8,546	42,556	56,311
Net increase/(decrease) in cash position	-148,133	-5,701	5,937	12,539	-135,358

31 December 2017 In thousands €	Dredging and Environment	Contracting	Real Estate	Holding and non-transferred activities	Consolidated total
<i>Cash flow from operating activities before change in working capital</i>	449,832	24,904	29,056	-6,213	497,579
Net cash flow from (used in) operating activities	595,170	44,895	24,272	-35,492	628,845
Cash flow from (used in) investing activities	-632,851	-21,773	-2,583	-5,726	-662,933
Cash flow from (used in) financing activities	-53,178	-8,412	-24,152	31,739	-54,003
Net increase/(decrease) in cash position	-90,859	14,710	-2,463	-9,479	-88,091

3.A.8 Change in the consolidation method of MEDCO

On 3 September 2018, DEME NV acquired additional beneficial rights of Middle East Dredging Company QSC "Medco", increasing the group's shareholding percentage from 44.1% to 95%. This led to a change in the consolidation method of Medco, which was consolidated according to the equity method until the beginning of the third quarter, after which it became fully consolidated.

This acquisition of control meets the definition of a business combination in accordance with the standard IFRS 3 - Business Combinations, which requires the application of the "acquisition method", whereby the identifiable assets and liabilities of Medco must be included at fair value on the acquisition date in CFE's consolidated financial statements. Moreover, according to this method, the historical stake of 44.1% must also be remeasured at fair value through profit and loss. Finally, the total goodwill generated on that transaction results from the difference between the consideration transferred and the fair value of the assets and liabilities of Medco.

The fair value assessment of the identifiable assets and liabilities could be completed within the time limits set by the annual closing. This assessment, which was carried out according to the accounting methods of the CFE group, became final on 31 December 2018.

The fair values assigned to the assets and liabilities that were acquired are summarized as follows:

In thousands €	
Intangible assets	0
Tangible assets	79,636
Trade and other operating receivables	52,925
Cash and cash equivalents	72,454
Retirement benefit obligations and employee benefits	-757
Current and non current financial debts	-35,330
Other current and non current assets and liabilities	-14,829
Trade & other operating payables	-148,776
Net asset acquired share of the group	5,323
Value of historic share of DEME in MEDCO (44.1%)	-10,605
Goodwill	5,282
Purchase price	0

The following valuation methods were applied to determine the fair value of the main identifiable assets and liabilities:

- Property, plant and equipment (primarily the two cutters 'Al Mahaar' and 'Al Jaraff'): the fair value was determined on the basis of a valuation report drawn up by an independent expert;
- Other assets and liabilities: the fair value was based on the market value at which those assets or liabilities may be sold to a non-affiliated third party.

This transaction did not give rise to a cash settlement. As a result of the operation, DEME acquired 50.9% additional cash of Medco, generating a positive net cash flow of € 72.5 million. The remeasurement of the historical stake generated a gain of € 10.6 million. The total unallocated goodwill generated by the transaction amounted to € 5.3 million and was written down at 31 December 2018.

3.A.9 Events after balance sheet date

No significant changes have occurred in the financial and commercial situation of the CFE Group since 31 December 2018.

3.B.1 Profit and loss account of CFE SA (Belgian standards)

In thousands €	2018	2017
Turnover	29,249	29,578
Operating income	-23,944	-31,561
Net financial result excluding non-recurring financial income	62,771	57,681
Non-recurring financial income	63	572
Non-recurring financial charges	-63	0
Result before taxes	38,827	26,692
Taxes	-118	-170
Result of the year	38,709	26,522

The Brussels-South wastewater treatment plant project represents a substantial part of the revenue. This project will take another two years.

As in 2017, the operating income was negatively impacted by increases in the provisions for other liabilities and charges.

The net financial income consists mainly of € 55 million, € 6 million and € 5 million worth of dividends received from DEME, CFE Contracting and BPI Real Estate Belgium respectively.

3.B.2 Balance sheet of CFE SA after appropriation (Belgian standards)

In thousands €	31 December 2018	31 December 2017
Assets		
Fixed assets	1,338,202	1,325,005
Current assets	169,859	155,489
Total assets	1,508,061	1,480,494

In thousands €	31 December 2018	31 December 2017
Equity and liabilities		
Equity	1,141,304	1,163,350
Provisions	95,381	81,998
Non-current liabilities	130,248	248
Current liabilities	141,128	234,898
Total equity and liabilities	1,508,061	1,480,494

The non-current assets consist primarily of the stakes in DEME, CFE Contracting and BPI Real Estate Belgium.

The long-term debts include € 130 million drawn down on the confirmed bilateral credit lines. In 2017, the € 100 million bond was reclassified to short-term debts.

4. Information on business trends

In 2019, DEME is expected to realise a revenue of approximately the same size as that of 2018. The impact of new vessels in the fleet for a full year is expected to be compensated by the scheduled major overhaul of the important installation vessel Innovation. In 2019, the EBITDA margin is again expected to remain within the historical range of 16% to 20% for the entire year.

The revenue of the Contracting division should also be stable in 2019, while its operating income should slightly increase.

The operating income 2019 of the Real Estate Development division should remain at a level close to that of 2018.

5. Dividend

At the general meeting of shareholders on 2 May 2019, the board of directors will propose a gross dividend of € 2.40 per share, or a total distribution of € 60.75 million.

6. Share information

At the end of the financial year, CFE's share capital amounted to €41,329,482.42, divided into 25,314,482 shares, with no declared par value. The Company's shares are registered or in electronic form.

CFE's equity base as of 31 December 2018 was as follows :

Shares with no par value	25,314,482
registered shares	18,572,094
shares in electronic form	6,742,288

Shareholders owning 3% or more of the voting rights relating to the shares they hold:

Ackermans & van Haaren NV
Begijnenvest, 113
B-2000 Antwerp (Belgium) 15,289,521 shares or 60.40%

VINCI Construction SAS
5, cours Ferdinand-de-Lesseps
F-92851 Rueil-Malmaison Cedex (France) 3,066,460 shares or 12.11%

7. Shareholders' agenda

Ordinary shareholders meeting	2 May 2019
Publication of interim statements 2018	23 May 2019 (before opening of the stock market)
Publication of half-year financial statements 2018	30 August 2019 (before opening of the stock market)
Publication of interim statements 2018	22 November 2019 (before opening of the stock market)

The statutory auditor, Deloitte, Reviseurs d'Entreprises, represented by Michel Denayer and Rik Neckebroeck, has confirmed that it has no reservations as to the accounting information reported in this press release and that it is in line with the financial statements as approved by the board of directors. Nevertheless, without qualifying its opinion, the auditor draws attention to the uncertainties as to the payment of the outstanding debts due by the Chadian government and the actions undertaken to facilitate their settlement.

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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 and Poland. The third, Real Estate Development, covers the real estate projects developed by BPI in Belgium, Luxembourg and Poland.

Sustainability and innovation are important themes for which the CFE group is willing to accept responsibility, among other things by the use of digital technology in the areas of productivity, safety, employee well-being and customer satisfaction. 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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