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Regulated information*

PRESS RELEASE
embargoed until 17.40 CET on Thursday, August 25, 2011

CFE
First half 2011 results

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Stable revenue
Profit impacted by a specific difficulty in DEME's environmental business
Strong order book growth

Compagnie d'Entreprises CFE's Board of Directors examined and approved the financial statements for the first half of 2011 at its meeting on August 24, 2011.

Consolidated **revenue** for the first half of 2011 amounted to €870 million, similar to that of the first half of 2010.

Operating profit declined with 19% to €39.1 million (compared with €48.4 million for the first half year of 2010). **Net profit** attributable to the group was down 18% due to a specific difficulty in DEME's environmental business and amounts to €26.2 million (compared with €32.1 million for the first half of 2010).

The Group's **order book** rose with 23% to €2,379 million, (compared with €1,939 million at January 1, 2011) of which 60% are realizable after 2011.

1. Order book, revenue and results by division

Construction division

The division's **revenue** amounted to €363 million, representing a 5% increase compared with €345 million for the first half of 2010. This growth is attributable mainly to the consolidation of Group Terryn from the beginning of the year.

Works on the major projects Liefkenshoek railway tunnels and Coentunnel are being carried out as scheduled. Boring of the two Liefkenshoek railway tunnels was successfully completed at the beginning of July and immersion of the elements for the Amsterdam road tunnel took place on schedule in April and May 2011.

Operating profit was €5.1 million, compared with €6 million at June 30, 2010.

Net profit amounted to €4.4 million, compared with €4.9 million at the end of June 2010.

The **order book** at July 1, 2011 amounts to €1,018 million, up 23% compared with €826 million on January 1, 2011. This growth is attributable to a number of significant orders in the building segment booked by BPC (UP-site tower), CFE Brabant (Pole Star tower) and Bageci (Charleroi police headquarters). CFE International, meanwhile, won orders for a hotel and an administrative building in Chad, as well as, in partnership, the construction of a residential tower block in Nigeria for an oil company.

The order book is however decreasing in civil engineering works where the market is subject to strong pricing pressures.

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Real estate development and management services division

Overall, real estate development and management services business remained steady and principally focussed on the residential segment. Commercialisation continued favourably on the projects Bataves (Brussels), Château de Beggen (Luxembourg) and Ocean's Four (Poland). The period also saw the completion of several one-off operations, including the sale of the South Cristal building in Brussels by a company in which CFE owned a minority interest.

During the first half, CFE Immo launched the residential project Brusilia.

Operating profit increased to €3.9 million from €2.6 million at the end of June 2010, and **net profit** was €2.7 million, up from €0.9 million at the end of June 2010.

Multitechnics division

The division's **revenue** rose 28% (26% on a constant consolidation scope basis) to nearly €88 million, compared with €69 million at the end of June 2010.

Operating profit increased appreciably to over €3.6 million, compared with €2.1 million at the end of June 2010. Almost all the division's companies show positive and growing operating results.

Net profit doubled to €2.1 million, compared with €1 million in June 2010.

The **order book** increased with almost 10% (8% on a constant consolidation scope basis) to €141 million, compared with €128 million at January 1, 2011. The strongest growth was recorded by VMA's industry department.

Dredging and environment division

(The figures given below for DEME are at 100%. CFE owns 50% of that company's capital.)

DEME's **revenue** was €825 million, down 7% from €888 million for the first half of 2010 principally as a result of the timing projects are carried out.

Operating profit fell 24% to €61.8 million, compared with €81.3 million at the end of June 2010. As announced in the press release of May 18, 2011, the decline was due to an exceptional loss on the soil sanitation project in Santos, Brazil. The contract was terminated during the second quarter of 2011 and all losses have been recognised in the half-yearly financial statements. DEME's other business activities continued to perform to their usual standard and the company's fleet occupancy rate remained high.

The division's **order book** significantly improved during the first half year and grew with 25% to €2,422 million (€1,935 million at January 1, 2011). DEME won significant orders in the North Sea, United Arab Emirates, Australia, Russia and Malaysia, thereby replenishing its dredging and maritime civil engineering order book.

Considering these favourable perspectives, DEME continued actively to carry out its investment program. The *Congo River*, a 30,000 cubic metre suction hopper dredger, was named in July 2011 and is now operational, as is the *Flintstone*, a fall pipe vessel that will be used for deep sea rock placement projects. Six other units are currently under construction.

Considering the significant demand of offshore windfarms, DEME signed a partnership agreement (50/50) with Hochtief in view of building and operating vessels specialized in installing offshore windfarms. In the frame of this partnership, a lifting vessel, the Innovation I, with a capacity of 8,000 tons will be built by mid-2012.

PPP – Concessions division

The Coentunnel project in Amsterdam and the Liefkenshoek railway tunnel in Antwerp are still under construction. The design studies for the schools in the German-speaking Community of Belgium have started and requests for building permits have been submitted. The first half year was therefore spent on new studies and proposal submissions, with CFE winning the order for the Charleroi police headquarters in June.

In Tunisia, works related to the marina and real estate property development project (Bizerte Cap 3000) had been suspended due to political instability in the country. These works have been resumed during the first half year 2011.

Rent-A-Port continued to develop during the first half year of 2011 its projects in Nigeria and Oman.

The division generated an **operating loss** of €1.4 million, attributable mainly to the cost of studies. It also generated a **net loss** of €1.7 million, compared with a loss of €1.0 million at the end of June 2010.

2. Comments on the condensed consolidated statement of financial position, cash flow and CAPEX

Net financial debt(*) at the end of June 2011 amounts to €336 million, compared with €248 million at the end of 2010. This figure is made up of long-term debt of €312 million and net short-term debt of €24 million.

Cash flows from investing activities amounted to €84 million for the first half of the year, compared with €145 million for the first half of 2010. Most of these investments are related to DEME's investment programme.

The increase in working capital requirement with €69 million is mainly related to dredging activities, as well as to CFE's construction and multitechnics divisions. The Group's cash position should, however, improve slightly during the second half year.

After distribution of the dividend related to the financial year 2010 (€16.4 million), equity amounts to €480.6 million, compared with €475.5 million at the end of 2010.

CFE has confirmed middle-term credit facilities totalling €125 million, of which €85 million were unused at June 30, 2011, for its general financing needs. DEME's investments in dredgers and other marine works equipment are financed in a specific way.

3. 2011 outlook

The turnover of the group should be comparable to the one of 2010. With respect to the net result, the activity during the second half year should be able to recuperate, all or at least a significant part of the observed difference at end of June 2011.

(*) Net financial debt does not include the fair value of derivative instruments, which amounts to €14.9 million.

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4. Shareholder base

In application of the requirements of article 74 of the Belgian law of April 1, 2007 VINCI Construction informed CFE on August 19, 2011 that no changes occurred since the last notification of August 19, 2009 in the number of shares held, still representing 46.84% of the share capital of CFE.

5. Corporate governance

The Ordinary Shareholders' Meeting of May 5, 2011 renewed the appointment of SPRL Ciska Servais, represented by Ms Ciska Servais, as director for a period of four years ending immediately after the Ordinary Shareholders' Meeting in 2015. SPRL Ciska Servais, represented by Ms Ciska Servais, meets the independence criteria defined by Article 526c of the Belgian Company Code and Corporate Governance Code.

Informed of the consequences of the law of December 20, 2010, which was published on April 5, 2011 and will come into force on January 1, 2012, the Board of Directors has decided to convene an Extraordinary Shareholders' Meeting on October 26, 2011 in order to change the company's Articles of Association and bring them into line with the new law.

The agenda will therefore include:

- shareholders' right to put items on the agenda;
- the right to participate and vote in a shareholders' meeting;
- the conditions for being represented at a shareholders' meeting (proxy);
- the possibility of remote attendance at a shareholders' meeting and/or remote voting before the meeting;
- directors and the statutory auditor to answer shareholders' written questions;
- the content of minutes of shareholders' meetings;
- adapting the terminology used and renumbering the Articles.

6. Significant economic data by division

<u>Order book</u> <i>(in € millions)</i>	July 1, 2011	January 1, 2011	% change
Construction	1,018.4	826.4	23.2%
<u>Real estate and associated services</u>	<u>9.1</u>	<u>17.0</u>	<u>-46.5%</u>
Sub-total	1,027.5	843.4	21.8%
Dredging and environment	1,211.0	967.5	25.2%
Multitechnics	140.9	128.2	9.9%
PPP–Concessions	0.0	0.0	n.s.
Total consolidated	2,379.4	1,939.1	22.7%

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Revenue <i>(in € millions)</i>	June 30, 2011	June 30, 2010	% change
Construction	363.5	344.7	5.5%
Real estate and associated services	13.8	10.1	36.6%
<u>Inventory effect</u>	<u>(2.7)</u>	<u>5.0</u>	<u>154%</u>
Sub-total	374.6	359.9	4.1%
Dredging and environment	412.7	443.9	-7.0%
Multitechnics	87.8	68.7	27.8%
PPP–Concessions	1.1	1.2	-9.1%
Inter-division eliminations	(5.8)	(4.2)	-38.1%
Total consolidated	870.4	869.5	0.1%

Contribution to operating profit <i>(in € thousands)</i>	June 30, 2011	June 30, 2010	% change
Construction	5,103	6,038	-15.5%
Real estate and associated services	3,898	2,628	48.3%
<u>Inventory effect</u>	<u>(374)</u>	<u>(274)</u>	<u>36.5%</u>
Sub-total	8,627	8,392	2.8%
Dredging and environment(*)	30,372	40,359	-24.7%
Multitechnics	3,645	2,094	74.1%
PPP–Concessions	(1,366)	(1,609)	-15.1%
Holding co. and misc.	(1,575)	(399)	294.7%
Inventory effect (other)	(573)	(406)	41.0%
Total consolidated	39,130	48,431	-19.2%

Contribution to net profit <i>(in € thousands)</i>	June 30, 2011	June 30, 2010	% change
Construction	4,377	4,925	-11.1%
Real estate and associated services	2,728	902	202.4%
<u>Inventory effect</u>	<u>(259)</u>	<u>(221)</u>	<u>17.2%</u>
Sub-total	6,846	5,606	22.1%
Dredging and environment(*)	19,938	27,524	-27.6%
Multitechnics	2,122	997	112.8%
PPP–Concessions	(1,715)	(1,024)	67.5%
Holding co.	(384)	(555)	-30.8%
Inventory effect (other)	(573)	(406)	41.1%
Total consolidated	26,235	32,142	-18.4%

(*) after allocation of corporate costs and other adjustments

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7. Condensed consolidated statement of financial position

<i>(in € thousands)</i>	June 30, 2011	December 31, 2010
Intangible assets	9,171	8,752
Goodwill	27,836	27,893
Property, plant and equipment	786,164	750,470
Property investments	23,101	10,677
Investments in associated companies	14,558	14,100
Other non-current financial assets	30,380	25,324
Non-current derivative instruments	275	210
Other non-current assets	10,191	9,859
Deferred tax assets	6,523	7,033
Total non-current assets	908,199	854,318
Inventories	130,955	160,566
Trade and other operating receivables	747,458	661,292
Other current assets	37,885	28,978
Current derivative instruments	421	257
Current financial assets	69	55
Cash and cash equivalents	157,653	175,518
Total current assets	1,074,441	1,026,660
Total assets	1,982,640	1,880,984
Issued capital	21,375	21,375
Share premium	61,463	61,463
Gain on revaluation	1,088	1,088
Hedging instrument reserves	(1,296)	(2,968)
Retained earnings	393,153	383,283
Currency translation differences	(891)	1,820
Equity attributable to owners of the parent	474,892	466,061
Non-controlling interests	5,679	9,386
Total equity	480,571	475,446
Pensions and other employee benefits	17,124	17,784
Provisions	11,412	13,545
Other non-current liabilities	55,273	57,998
Financial debts	311,664	284,104
Non-current derivative instruments	13,618	16,560
Deferred tax liabilities	7,797	7,934
Total non-current liabilities	416,888	397,925

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<i>(in € thousands)</i>	June 30, 2011	December 31, 2010
Provisions for termination losses	15,253	17,817
Provisions for other current risks	24,583	26,970
Trade and other operating payables	589,931	543,299
Current tax liabilities	35,542	32,862
Current financial debts	181,570	139,663
Current derivative instruments	2,006	4,787
Other current liabilities	236,296	242,215
Total current liabilities	1,085,181	1,007,613
Total equity and liabilities	1,982,640	1,880,984

8. Condensed consolidated statement of comprehensive income

<i>(in € thousands)</i>	June 30, 2011	June 30, 2010
Revenue	870,388	869,500
Revenue from auxiliary activities	22,956	21,776
Purchases	(522,541)	(525,257)
Wages, salaries and social benefit charges	(168,080)	(161,434)
Other operating expenses	(114,144)	(111,934)
Depreciation and amortisation	(49,449)	(44,220)
Operating profit	39,130	48,431
Cost of gross financial debt	(6,048)	(6,110)
Income from cash investments	1,788	2,975
Other financial expense	(13,775)	(19,763)
Other financial income	7,974	15,951
Financial income/(expense)	(10,061)	(6,947)
Profit for the period before tax	29,069	41,484
Income tax	(6,199)	(8,560)
Profit for the period	22,870	32,924
Profit/(loss) from associated companies	245	(15)
Profit (including share from non-controlling interests) for the period	23,115	32,909
Non-controlling interests	3,120	(767)
Net profit of the group	26,235	32,142

Other elements of comprehensive income

<i>(in € thousands)</i>	June 30, 2011	June 30, 2010
Profit (including share from non-controlling interests) for the period	23,115	32,909
Financial instruments: changes in fair value	2,823	(5,941)
Currency translation differences	(2,832)	9,903
Deferred taxes	-1,151	1,932
Change in consolidation method (net of deferred tax)	-	-
Other elements of comprehensive income	(1,160)	5,894
Comprehensive income:	21,955	38,803
- Attributable to the group	25,196	37,982
- Attributable to non-controlling interests	(3,241)	821
Net profit of the group per share (€) (basic and diluted)	2.00	2.46
Comprehensive income of the group per share (€) (basic and diluted)	1.92	2.90

9. Key figures per share

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
<u>Total number of shares</u>	13,092,260	13,092,260
Operating profit per share (€) after deduction of net financial expenses	2.22	3.17
Net profit of the group per share	2.00	2.46

10. Share information

At June 30, 2011, there were 13,092,260 shares, each conferring one voting right. No convertible bonds or warrants had been issued. The financial institutions through whom owners of financial instruments may exercise their financial rights are BNP Paribas Fortis, Banque Degroof and ING Belgique.
Banque Degroof has been designated "Main Paying Agent".

11. 2011–2012 calendar

- October 26, 2011: Extraordinary Shareholders' Meeting
- November 15, 2011: announcement interim statements of the third quarter 2011
- Week of February 20 to 24, 2012: publication of 2011 annual results
- May 3, 2012: Ordinary Shareholders' Meeting

12. Comments

The notes to the condensed interim consolidated financial statements were prepared in accordance with IAS 34 and will be published on www.cfe.be after 17.40 CET on Thursday, 25 August, 2011.

Auditor's report

The Auditor, Deloitte Reviseurs d'Entreprises, represented by Pierre-Hugues Bonnefoy, has confirmed that its limited audit, now completed, revealed no material corrections to be made to the accounting information presented in this press release.

CFE is a multidisciplinary group of companies operating in construction and associated services. It is listed on Euronext Brussels and is owned 47% by VINCI. CFE is a major player in Belgium's construction industry, with a presence in the Netherlands, Luxembourg, Central Europe, the Middle East and Africa. CFE owns 50% of DEME, one of the world's leading dredging contractors.

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

Further information

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