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PRESS RELEASE

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CFE

Quarterly information

In the first quarter of 2012, CFE generated revenue of €417 million, an increase of 6% relative to the year-earlier figure of €394 million.

The order book grew strongly (+23%) to a record level of €2,931 million, up from €2,382 million at January 1, 2012. Almost 60% of the order book is to be performed in 2013 and beyond.

Comments by division

Preliminary note

In early 2012, CFE set up its new rail-road division. This division includes the activities of ENGEMA (installation of overhead contact lines and rail signalling) and Louis Stevens & Co (rail signalling) - previously included in the multitechnics division - along with the road business of Aannemingen Van Wellen, which was previously part of the construction division.

Through this new organisation, CFE intends to develop synergies between its rail and road businesses, in order to offer customers a comprehensive solution for the construction and maintenance of transport networks.

The water treatment business has been moved from the construction division to the multitechnics division.

The comments below are based on the new structure. Tables featuring financial data under the old structure are included in the appendix, to ensure comparability of data.

Construction division

Revenue in the construction division fell by 7% to €142 million, from €152 million in the first quarter of 2011. The decline in revenue took place in the civil engineering activity. Early 2011, revenue was boosted by a large amount of work on the Liefkenshoeks rail tunnel in Antwerp, the Coentunnel in Amsterdam and the Diabolo project in Zaventem. "Diabolo" has been completed in early 2012. The building business saw growth.

Negotiations are ongoing regarding compensation for costs arising from a customer's request for major changes to an important project in The Netherlands.

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The order book in the construction division rose slightly to almost €1 billion versus €983 million at January 1, 2012.

The division won some large orders in the first quarter of 2012, including the Eeklo hospital (MBG) and the head office of an international bank in Algiers (CFE International). In April, CFE won the order for a drinking water treatment plant in Sri Lanka. This project is financed by a buyer credit and covered by the Belgian export credit agency Office National du Dueroire.

Rail-Road division

Revenue in this newly created division totalled €20 million, versus €16 million in the year-earlier period. The increase was exclusively coming from the road activities of the Aannemingen Van Wellen businesses, since the rail business remained stable. The order book grew by more than 10% to over €84 million (€76 million at January 1, 2012). Orders rose mainly in the road business, while the order books of companies specialising in rail electrification and signalling remained stable.

CFE acquired Remacom in the first quarter. This company, which is based in the Ghent region, specialises in laying rail tracks. In the last few years, it has generated annual revenue of around €4 million. Its order book (not yet included in the aforementioned figure) is currently €4.9 million. The acquisition expands CFE's activities in the rail industry, joining ENGEMA and Louis Stevens & Co, specialised in electrification (overhead contact lines) and signalling.

Real Estate Development and Management Services division

The real estate division put in another firm performance, and commercialisation activities are progressing well.

Multitechnics division

Revenue grew by 27% to €35 million, compared to €27 million in the first quarter of 2011. Organic growth was 17%, with the remainder coming from ETEC, a company specialising in public lighting that was acquired last year.

The order book grew by 35% to €152 million, up from €113 million at January 1, 2012. The increase was mainly due to the addition of ETEC.

PPP-Concessions division

In the first quarter, CFE pre-qualified as part of a consortium for the Haaren prison project. CFE submitted its final bid for the Deurne-Wommelgem tram line project.

Dredging and Environment division

(the amounts stated in this section relating to DEME are at 100%, whereas CFE owns 50% of the company)

DEME's revenue rose by 12% to €432 million, from €386 million in the first quarter of 2011. Growth was driven by Australia, the Middle East and Africa, while business levels reduced in Europe.

A large amount of maintenance and repair work was done on dredging vessels in early 2012, leading to reduced lower utilisation of the fleet.

The order book surged by 40% to €3,365 million, versus €2,404 million at January 1, 2012. Almost 70% of the order book is to be performed in 2013 and beyond. DEME won two major orders in the first quarter. In Australia, it won the contract to dredge the approach channel, the manoeuvring area and the berths for the "Wheatstone LNG" project. In Qatar, DEME's Medco subsidiary - in which it owns a 44% stake - won the contract to dredge the approach channel for the "New Port" project. The latter contract includes the dredging of the basin for the naval base, reclaiming 4.5km² of land and building two breakwaters using rock.

DEME continued its multi-year investment programme with the Neptune "jack-up" vessel which has been operational since March 2012.

Cash position - Investments

Net financial debt (*) at end-March 2012 amounted to €405 million, as opposed to €351 million at end-2011, the investments for this term amounts to €75 million. This figure comprises €413 million of long-term debt, mainly relating to the dredging business, and a net short-term cash position of €8 million.

This development is as expected, since some large payments relating to the dredging investment programme fell due in the first quarter.

CFE has €68 million of medium-term credit facilities for its general financing needs, of which €45 million are unused. DEME's investments in dredgers and other marine equipment are subject to separate financing arrangements secured on those assets.

(*) Net financial debt does not include the fair value of derivative instruments.

Outlook

Despite strong growth in the order book, full-year 2012 revenue is only likely to see moderate growth, since major new dredging orders are due to be performed between 2013 and 2015. Taken into account the evolution to the activity in the first quarter of 2012 and the work planning related to major projects, full-year earnings are likely to approach those of 2011. The outlook for 2013 and 2014 remains very bright, supported by the dredging and real-estate development businesses.

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Corporate Governance

In the first quarter, CFE's board of directors authorised the creation of two new foreign branches, one in Algeria and one in Sri Lanka. These branches were set up to handle two construction contracts in these countries.

Key figures by division (*)

Order book	April 1, 2011	January 1, 2012	April 1, 2012
(in € millions)			
Construction	846.6	983.2	999.5
Real estate development and management services	7.7	8.4	12.6
Rail-Road	81.7	76.0	84.1
Dredging and environmental (50%)	1,193.5	1,202.0	1,682.5
Multitechnics	91.7	112.7	152.1
Total consolidated	2,221.2	2,382.3	2,930.8

Revenue	1st quarter 2011	1st quarter 2012
(in € millions)		
Construction	152.4	141.7
Real estate development and management services	10.8	5.8
<u>Inventory effect</u>	<u>-3.0</u>	<u>-2.8</u>
Sub-total	160.2	144.7
Rail-Road	16.0	20.3
Dredging and environmental (50%)	193.2	216.1
Multitechnics	27.4	34.8
PPP-Concessions	0.5	1.8
Inter division eliminations	-3.5	-0.2
Total consolidated	393.8	417.5

(*) Unaudited data

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Enclosure: key figures by division following the previous structure

Order book (in € millions)	April 1, 2011	January 1, 2012	April 1, 2012
Construction	892.4	1,009.9	1,044.7
Real estate development and management services	7.7	8.4	12.6
Dredging and environmental (50%)	1,193.5	1,202.0	1,682.5
Multitechnics	127.6	162.0	191.0
Total consolidated	2,221.2	2,382.3	2,930.8

Revenue (in € millions)	1st quarter 2011	1st quarter 2012
Construction	162.8	156.8
Real estate development and management services	10.8	5.8
<u>Inventory effect</u>	<u>-3.0</u>	<u>-2.8</u>
Sub-total	170.6	159.8
Dredging and environmental (50%)	193.2	216.1
Multitechnics	33.0	40.8
PPP–Concessions	0.5	1.8
Inter division eliminations	-3.5	-1.0
Total consolidated	393.8	417.5

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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, Luxemburg, Central Europe, the Middle East and Africa. CFE owns 50% of DEME, one of the world's leading dredging contractors.

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

For further information

- *Renaud Bentégeat, Managing Director, tel: +32 2 661 13 27, mobile: +32 497 514 445, rbentégeat@cfe.be or*
- *Jacques Ninanne, Deputy General Manager Corporate – Chief Financial Officer, tel: +32 2 661 17 28, jninanne@cfe.be*