

PRESS RELEASE

Embargoed until Friday, 16 May 2014 - 7H00 CET

CFE

Quarterly information at 31 March 2014

- **Revenue for the first three months of 2014: €818 million (+16.0%)**
- **Order book: €4,042 million at 31 March 2014 (-7.9% compared with 31 December 2013)**
- **Net financial debt at 31 March 2014: €660 million**
- **Confirmed positive outlook in 2014 for the Dredging and Environment division .**

Preliminary note

From 1 January 2014, DEME's revenue has been included at 100% in CFE's consolidated financial statements. For ease of comparison, DEME's revenue in the first quarter of 2013 has also been included at 100%.

Consolidated revenue at March 31 by division

<i>(in € millions)</i>	March 31		% change
	2014	2013(**)	
Dredging and Environment (*)	549.0	496.7	+10.5%
Contracting	272.6	203.5	+34.0%
- Construction	207.5	147.2	+41.0%
- Rail-Road	21.9	15.0	+46.0%
- Multitechnics	43.2	41.3	+4.6%
Real Estate Development and Management Services	1.0	5.2	n.s.
PPP – Concessions	0.0	0.0	n.s.
Adjustments and consolidation	-4.2	-0.3	n.s.
Total	818.4	705.1	+16.0%

(*) DEME at 100%. including in the first quarter of 2013.

(**) Amounts adjusted in accordance with the change in accounting principle arising from the application of IFRS 10, Consolidated financial statements and IFRS 11, Joint arrangements.

Consolidated revenue was €818 million in the first quarter of 2014 - representing a 16.0% increase year-on-year basis.

Dredging & Environment revenue rose by 10.5% to €549 million (€600.5 million based on accounting principles applied before 1 January 2014).

**embargoed until Friday 16 May 2014 - 7H00 CET - 2
regulated information**

Contracting revenue rose by 34% to €273 million, including €208 million from Construction, €22 million from Rail & Road and €43 million from Multitechnics. The change in accounting principle had no significant impact on Contracting revenue.

Consolidated order book by division

<i>(in € millions) (*)</i>	March 31, 2014	December 31, 2013	March 31, 2013(**)
Dredging and Environment	2,810.5	3,049.0	3,186.0
Contracting	1,200.3	1,310.3	1,208.6
- Construction	973.9	1,077.4	961.9
- Rail-Road	88.4	80.3	86.5
- Multitechnics	138.0	152.6	160.2
Real Estate Development and Management Services	30.8	28.6	16.9
Total	4,041.6	4,387.9	4,411.5

(*) Amounts also include orders relating to companies integrated by equity method as from 1 January 2014 following the application of IFRS 11, Joint arrangements.

(**) DEME at 100%, at 31 March 2013.

The **order book** was €4,042 million at end-March 2014, lower than the figure at 31 December 2013. The decrease was mainly due to the Dredging & Environment and Construction divisions.

Consolidated net financial debt amounted to €660 million compared to €781 million at 31 December 2013.

Segment analysis of first-quarter activity of 2014

Dredging & Environment division

DEME generated revenue of €549 million in the first three months of the year, up 10.5% relative to the year-earlier period.

Revenue by business area

%	1st quarter 2014	1st quarter 2013 (*)
Capital dredging	46%	46%
Maintenance dredging	12%	12%
Fallpipe et landfalls	9%	7%
Environment	7%	8%
Marine works	26%	27%
Total (in million €)	549	497

(*) DEME at 100%

Revenue by geographical area :

%	1st quarter 2014	1st quarter 2013 (*)
Europe (EU)	42%	50%
Europe (non EU)	0%	0%
Africa	11%	11%
Americas	9%	5%
Asia-Pacific	29%	32%
Middle East	8%	1%
India and Pakistan	1%	1%
Total (in million €)	549	497

(*) DEME at 100%

In the first quarter of 2014, DEME's business levels were very strong, driven in particular by the major New Doha Port (Qatar) and Wheatstone (Australia) projects.

In Singapore, DEME started the execution of the Jurong Island Westward Extension project.

In renewable energies, GeoSea continued offshore wind turbine installation work in Germany (Baltic 2 and Borkum Riffgrund projects) and in the UK (Westermost Rough project).

Given rapid progress with the two major projects mentioned above, the order book totalled €2,810.5 million, down 7.8% relative to 31 December 2013. DEME remains positive on the fact that new orders will be obtained.

Construction division

Revenue in the Construction division was €272.6 million, up 34% relative to the first quarter of 2013.

Business levels varied :

- Decline in civil engineering activity. The trend seen in 2013 continued in the first quarter of 2014.
- Buildings business activity achieved strong growth, mainly in Belgium, Luxembourg, Chad and Poland.

The order book totalled €973.9 million at end-March, down 9.6% relative to 31 December 2013. Market conditions remain extremely tough in civil engineering, and replenishing the order book is difficult.

The order book also contracted in buildings activity, mainly following the sale of the Toukra II (Chad) contract to CFE's local partner. The objective of CFE is to prevent having a too significant exposure in this country.

Rail & Road division

The Rail & Road division generated revenue of €21.9 million, up 46% year-on-year. Business levels in the first quarter of 2013 had been adversely affected by harsh weather conditions.

The order book totalled €88.4 million at end-March, a slight increase compared to 31 December 2013.

Multitechnics division

Revenue totalled €43.2 million and the order book ended the quarter at €138 million. VMA saw firm business levels in the first quarter, and the international outlook remains positive.

Real Estate & Management Services division

Evolution of the real-estate portfolio

<i>(in € millions)</i>	March 31, 2014	December 31, 2013(*)
Properties at marketing stage	16	18
Properties at construction stage	57	61
Properties at development stage	78	77
Total	151	156

(*) Amounts adjusted in accordance with the change in accounting principle arising from the application of IFRS 10, Consolidated financial statements and IFRS 11, Joint arrangements.

The change in accounting principle had a very limited impact (decrease with €4 million) on the real-estate portfolio, which was down slightly relative to 31 December 2013.

Marketing has recently started on the first phase of the former Solvay site in Ixelles. Sales have been particularly strong for the Belview (Brussels), Ocean's Four and Obosowa (Poland) projects.

The office building forming part of the Belview project was sold to an investor in April 2014. The building has been fully let to the Japanese embassy.

PPP-Concessions division

The last schools for the German-speaking community and the city of Eupen were delivered in April 2014. The project has now entered the maintenance phase, under a contract lasting 25 years.

Financial information

Net financial debt(*) totalled €781 million at 31 December 2013. The change in accounting principle (in view of complying with IFRS 11) reduced the end-2013 figure by €176 million to €605 million. Almost all of the impact of the restatement was in the Dredging and Environment division.

Under the new accounting principle, net financial debt amounted to €660 million at 31 March 2014, up €55 million relative to 31 December 2013. This figure breaks down into long-term debt of €745 million (including €300 million of bonds issue), offset by net cash of €85 million.

The increase in debt is mainly the result of:

- the shareholders contribution into the company holding the concession for the Liefkenshoek in Antwerp;
- prefinancing relating to the construction phase of the Charleroi police station project, completion of which is expected in the second half of 2014.

CFE also has €100 million of long-term credit facilities for its general financing needs. At 31 March 2014, utilisation of these facilities amounted to €30 million. DEME's investments in dredgers and other specific marine equipment are subject to separate financing arrangements secured on those assets.

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

Corporate governance

Result of the mandatory public offer

When AvH's mandatory public offer for CFE shares closed on 5 March 2014, 859 shares had been tendered to the offer. After the takeover was completed on 12 March 2014, AvH owned 15,289,521 CFE shares, representing 60.40% of the capital.

End of the action-in-concert agreement

On 7 March 2014, CFE was informed by VINCI SA, VINCI Construction SAS and Ackermans & van Haaren NV that those companies' agreement to act in concert had come to an end.

Bonds issue

In accordance with rights conferred to bondholders by the prospectus in the event of a change of control in CFE, 41 bonds were redeemed early on 17 April 2014, representing 0.041% of the bond issue.

Renewal of two directors' terms of office

The ordinary general meeting of shareholders of 30 April 2014 reappointed C.G.O. SA, represented by Philippe Delaunois, and Consuco SA, represented by Alfred Bouckaert, as directors for a two-year term expiring at the end of the general meeting of shareholders held in May 2016.

Renewal of the authorisation to increase the share capital

The extraordinary general meeting of shareholders resolved to renew the Board of Directors' power, for a five-year period, to increase the share capital by a maximum amount of €2,500,000.

For more details, we refer to our website (www.cfe.be).

Renewal of the authorisation to acquire own shares

The extraordinary general meeting of shareholders resolved to renew the authorisation granted to the Board of Directors by the extraordinary general meeting of shareholders of 7 May 2009 to buy and sell own shares.

For more details, we refer to our website (www.cfe.be).

Amendment of the articles of association

The extraordinary general meeting of shareholders resolved to amend certain provisions of CFE's articles of association. These amendments were mainly intended to adjust the articles of association in accordance with recent changes in legislation.

For more details, we refer to our website (www.cfe.be).

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CFE is an industrial Belgian Group active in six different activities : Dredging and Maritime Engineering, Construction, Rail and Road, Multitechnics, Real Estate Development and Management Services and Public-Private Partnership and Concessions.

Based in Belgium, the group is worldwide very active. His first activity, dredging and maritime engineering, is executed by DEME, one of the world's leading dredging contractors. The Group CFE is listed on Euronext Brussels and 60.40% owned by Ackermans & van Haaren.

This press release is also available on www.cfe.be.

More info

For further information, please feel free to contact:

- *Renaud Bentégeat, Managing Director, tel. +32 2 661 13 27 - Mobile +32 497 514 445 - rbentégeat@cfe.be. ou*
- *Fabien De Jonge, Chief Financial Officer, tel. +32 2 661 13 12 - Mobile +32 497 514 406 - fabien_de_jonge@cfe.be.*