

PRESS RELEASE

embargoed until Friday 28 August 2015 – 7:00 CET

CFE

Solid results

- **Revenue for the first half of 2015** : € 1,643.5 million (-7.3%)
- **Operating income** : € 152.7 million (+55.6%)
- **Net income share of the Group** : € 110.9 million versus € 64.3 million in 1H 2014
- **Net financial debt** : € 412.1 million at 30 June 2015
- **Strong growth in order book** : € 4,455.2 million at 30 June 2015
- **Favourable outlook for Dredging and Environment and Real Estate Development divisions**
- **Negative result for Contracting in 2015**

The Board of Directors of CFE examined and approved the H1 2015 financial statements at its meeting on August 25, 2015.

1. Key figures in the first half of 2015

In million €	1 st semester 2015	1 st semester 2014 (*)	Variation 2014/2015
Revenue	1,643.5	1,773.5	-7.3%
Self-financing capacity (EBITDA) % of revenue	276.0 16.8%	206.3 11.6%	+33.8%
Operating income on activities % of revenue	143.0 8.7%	92.3 5.2%	+55.0%
Operating income (including earnings from associates and joint ventures) (EBIT) % of revenue	152.7 9.3%	98.1 5.5%	+55.6%
Net income share of the group % of revenue	110.9 6.7%	64.3 3.6%	+72.3%
Net income share of the group per share (in EUR)	4.38	2.54	+72.3%

(*) 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.

In million €	30 June 2015	31 December 2014	Variation 2014/2015
Equity Group	1,369.5	1,313.6	+4.3%
Net financial debt	412.1	188.1	+119.1%
Order book	4,455.2	3,565.8	+24.9%

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

Dredging & Environment division

Key figures

In million €	1 st semester 2015			1 st semester 2014			Variation 2015/2014
	DEME	Restatements	Total	DEME	Restatements (**)	Total	
Revenue	1,171.0	0	1,171.0	1,212.3	0	1,212.3	-3.4%
EBITDA	276.3	0	276.3	191.7	-0.4	191.3	+44.4%
Operating income (*)	180.3	-3.8	176.5	100.5	-5.4	95.1	+85.6%
Net income share of the group	119.8	1.0	120.8	62.6	0.4	63.0	+91.7%

(*) Including results of associated companies and joint ventures.

(**) 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.

In million €	30 June 2015			31 December 2014			Variation 2015/2014
	DEME	Restatements	Total	DEME	Restatements	Total	
Order book	3,362.0	0	3,362.0	2,420.0	0	2,420.0	+38.9%
Net financial debt	337.0	6.3	343.3	126.8	7.3	134.1	+156.1%

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 2015	1 st semester 2014	Variation 2015/2014
Revenue	1,218.7	1,305.6	-6.7%
EBITDA	302.6	215.4	+40.5%
Income from operating activities	183.8	104.0	+76.7%
Net income share of the group	119.8	62.6	+91.4%

Revenue

Although slightly down, DEME reported a sustained level of activity in the first half of 2015. This was particularly the case in Africa where the widening and deepening of the Suez Canal was completed in record time to the satisfaction of the customer, the Suez Canal Authority.

DEME, which had deployed a large fleet on this project, succeeded in carrying out the works within the agreed timeframe and budget.

The Geosea subsidiary completed the wind farm project Northwind in Belgium and continues amongst other works on the site Godewind in the German territorial waters of the North Sea. This project, on which the vessel 'Innovation' is deployed, involves the installation of 97 wind turbines.

In the United Kingdom, the Kentish Flats project was completed (installation of 15 wind turbines).

**embargoed until Friday 28 August 2015 – 7:00 CET - 3
regulated information**

Evolution of activity by business area (economic approach)

In %	1 st semester 2015	1 st semester 2014
Capital dredging	55%	50%
Maintenance dredging	10%	11%
Fallpipe and landfalls	5%	8%
Environment	9%	7%
Marine works	21%	24%
Total	100%	100%

Evolution of activity by geographical area (economic approach)

En %	1 st semester 2015	1 st semester 2014
Europe (EU)	33%	39%
Europe (non-EU)	0%	0%
Africa	40%	12%
Americas	6%	7%
Asia-Pacific	11%	30%
Middle East	6%	11%
India and Pakistan	4%	1%
Total	100%	100%

EDITDA and operating income

The works on the Suez Canal and New Doha Port as well as the completion of the Wheatstone and Hay Point projects in Australia and Northwind in Belgium have contributed substantially to the strong growth in operating income during the first six months.

Order book

DEME won approximately € 1,6 billion worth of new orders during the first half of 2015. Those contracts are primarily for phase 1 of the Tuas terminal in Singapore, maintenance dredging of the river Scheldt in Belgium, extension of the EKO Atlantic peninsula in Nigeria, and several contracts in India and La Réunion.

In July, GeoSea, in partnership with Alstom, won the order for the supply and installation of 66 wind turbines in one of Germany's biggest wind farms, the Merkur Offshore wind farm in the North Sea. Through DEME Concessions, DEME is also a minority shareholder in the project company holding the concession. This order, which is scheduled to commence in 2016, is not included in the order book at 30 June 2015.

Investments and net financial debt

On 13 May 2015, GeoSea acquired the offshore assets of the German company Hochtief. Those assets include the pontoons 'Wismar', 'Bremen' and 'Stralsund', the jack-up vessel 'Thor', and 50% of the shares of HGO Infra Sea, thereby increasing its stake from 50% to 100%. HGO Infra Sea owns the jack-up vessel 'Innovation'.

The acquisition of the offshore assets of Hochtief had an impact of €227 million on the net financial debt of DEME. HGO, which was integrated using the equity method at 31 December 2014, was fully consolidated at 30 June 2015. According to the economic approach, the impact amounts to €165.6 million.

DEME has made the first down payments for the construction of the self-propelled jack-up vessel Apollo, the self-propelled crane ship Rambiz 4000, the multifunction vessel Living Stone and the two suction hopper dredgers Scheldt River and Minerva.

Given the disposal of some of the older vessels, the other investments in the first half of 2015 amounted to €91.9 million (€105.6 million according to the economic approach).

The above mentioned investments (partially compensated by a high operating cash flow) explain the increase in DEME's net financial debt, which went from €126.8 million to €337.0 million (excluding restatements).

According to the economic approach, DEME's net financial debt would have stood at €351 million, or €138.2 million up on year-end 2014.

Contracting division

Key figures

In million €	1 st semester 2015	1 st semester 2014	Variation 2014/2015
Revenue	463.7	564.6	-17.9%
Operating income (*)	-23.3	5.8	-
Net Income share of the group	-18.9	2.2	-

(*) Including results of associated companies and joint ventures.

Revenue

Revenue in this division amounted to €463.7 million (-17.9% compared to the first half of 2014). The decrease is explained by the sale of the road-building operations at the beginning of the financial year and by the ongoing process of refocusing activities outside Benelux.

In million €	1 st semester 2015	1 st semester 2014	Variation in %
Construction	366.9	427.3	-14.1%
<i>Civil Engineering</i>	44.1	59.3	-25.6%
<i>Buildings, Benelux</i>	250.7	275.9	-9.1%
<i>Buildings, International</i>	72.1	92.1	-21.7%
Multitechnics and Rail infra	96.8	137.3	-29.5%
Total Contracting	463.7	564.6	-17.9%

Operating income

The division's operating income amounted to €-23.3 million (€+5.8 million at 30 June 2014). The loss is primarily attributable to:

- Several loss making projects in Brussels, both in Civil Engineering and in Buildings;
- Under-coverage of overhead costs of several entities, mainly those of the Civil Engineering division, and
- Restructuring costs of some entities outside Benelux.

The other segments, Rail Infra, Multitechnics (in particular VMA that shows good performance) and Buildings Flanders, made a positive contribution to the division's results.

Those results prove the necessity of the actions taken to improve operational excellence and to refocus activities.

Order book

In million €	30 June 2015	31 December 2014	Variation in %
Construction	892.0	945.4	-5.6%
<i>Civil Engineering</i>	149.1	169.3	-11.9%
<i>Buildings, Benelux</i>	578.7	651.0	-11.1%
<i>Buildings, International</i>	164.2	125.1	+31.3%
Multitechnics and Rail infra	188.5	181.8	+3.7%
Total Contracting	1,080.5	1,127.2	-4.1%

The Buildings segment in Flanders and Wallonia reported a sustained order intake. By contrast, the order book in Brussels has shrunk at 30 June 2015. It should be noted that CFE Brabant and BPC Brabant are working to win substantial orders that are expected to be finalized in the coming months.

Outside Benelux, CFE won a major private order in Nigeria for the supply of materials and equipment for the construction of three residential tower blocks.

Risk on Chad

CFE is involved in two projects in Chad. One project is the construction of the Grand Hotel, which is almost completed; the other is the building for the Ministry of Finance, realized in joint venture, work which was suspended on 30 June 2015. In both cases, the customer is the Chadian government, whose budget is considerably affected by the fall in oil prices. This tricky situation is reflected in significant delays in payment. CFE's exposure is slightly under €70 million.

CFE, in close consultation with the Chadian authorities, is looking for a way to resolve the issue of funding for the works. The risk of non-payment will be re-examined at the end of 2015.

Real Estate division

Key figures

In million €	1 st semester 2015	1 st semester 2014	Variation 2015/2014
Revenue	13.4	3.9	+243.6%
Operating income (*)	2.7	0.7	+285.7%
Net income share of the group	1.4	-0.1	-

(*) Including results of associated companies and joint ventures.

Evolution of real estate projects

In million €	30 June 2015	31 December 2014
Unsold units post completion	12	16
Properties under construction	52	57
Properties in development	67	61
Total	131	134

Real Estate projects

The value of real estate portfolio is slightly down at €131 million.

In the first half of 2015, BPI took a stake in the project 'Les Rives' in Brussels. At the same time, it concluded the sale of several land plots in Harelbeke and Anderlecht, as well as the off-plan sale of a rest home in Ixelles.

In Luxembourg, CLi acquired a plot of land on Route d'Esch in Luxembourg City in July 2015, which is not included in the project portfolio at 30 June 2015.

In Poland, BPI started the marketing and construction of two residential projects in Gdansk and Warsaw.

Net result share part of the group

The division's result is favourably influenced by the sales related to the projects 'Edengreen' in Luxembourg, 'Ernest' in Brussels and 'Oosteroever' in Ostend, as well as by the sale of the land plots referred to earlier.

PPP-Concessions division

Key figures

In million €	1 st semester 2015	1 st semester 2014	Variation 2014/2013
Revenue	0.7	0.3	n.s.
Operating income (*)	-1.7	-1.2	-41.7%
Net income share of the group	1.9	0.0	-

(*) Including results from associated companies and joint ventures

Net operating income share of the group

Both Rent-A-Port and the DBFM projects made a positive contribution to the net result of the division.

Holding

The net result (group share) includes the capital gain on the sale of the road-building activity at the beginning of the financial year (€8,7 million).

3. An overview of the results

3.A.1 Condensed consolidated statement of income

Year ended at June 30 (in thousands €)	2015	2014 (*)
Revenue	1,643,545	1,773,475
Revenue from auxiliary activities	63,755	31,175
Purchases	-871,528	-1,069,593
Wages, salaries & social charges	-299,650	-308,095
Other operating charges	-262,744	-222,429
Depreciations and amortization	-130,353	-112,271
Goodwill Impairment	0	0
Operating income on activities	143,025	92,262
Earnings from associates and joint ventures	9,674	5,861
Operating income	152,699	98,123
Cost gross financial debt	-13,692	-13,189
Other financial expenses and income	5,078	6,716
Financial result	-8,614	-6,473
Result before taxes	144,085	91,650
Income tax expense	-35,804	-27,455
Net income for the period	108,281	64,195
Attributable to owner of non-controlling interest	2,569	128
Net income share of the group	110,850	64,323

Condensed consolidated statement of comprehensive income

Year ended 30 June (in thousands €)	2015	2014 (*)
Net income for the period – Share of the group	110,850	64,323
Net income for the period	108,281	64,195
Change in fair values related to the hedging instruments	-178	-4,948
Currency translation differences	1,145	3,863
Deferred taxes	60	1,682
Other elements of the comprehensive income to be reclassified to profit or loss in subsequent period	1,027	597
Remeasurement on defined benefit plans	0	-5,326
Deferred taxes	0	1,785
Other elements of the comprehensive income not to be reclassified to profit or loss in subsequent period	0	-3,541
Total elements of the comprehensive income directly accounted in equity	1,027	-2,944
Comprehensive income	109,308	61,251
- attributable to the group	111,794	61,448
- attributable to non-controlling interests	-2,486	-197
Net result share of the group per share (€) (basic and diluted)	4.38	2.54
Comprehensive income per share (€) (basic and diluted)	4.42	2.43

(*) 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.

3.A.2 Consolidated statement of financial position

Year ended (in thousands €)	30 June 2015	31 December 2014
Intangible assets	104,620	98,491
Goodwill	179,857	177,082
Tangible assets	1,755,345	1,503,275
Property investments	0	0
Associates and joint ventures	142,488	159,290
Other non-current financial assets	133,809	109,341
Non-current derivative instruments	640	674
Other non-current assets	17,609	20,006
Deferred tax assets	108,457	115,322
Total non-current assets	2,442,825	2,183,481
Inventories	101,530	105,278
Trade receivables and other operating receivable	1,201,324	1,082,504
Other current assets	107,741	104,554
Current derivative instruments	3,275	0
Current financial assets	446	4,687
Assets held for sale	0	31,447
Cash and cash equivalents	393,873	703,501
Total current assets	1,808,189	2,031,971
Total assets	4,251,014	4,215,452
Issued capital	41,330	41,330
Share premium	800,008	800,008
Retained earnings	543,819	488,890
Defined benefits plans	-8,350	-8,350
Hedging reserves	-6,244	-6,127
Translation differences	-1,063	-2,124
Equity – part of the group CFE	1,369,500	1,313,627
Non-controlling interests	7,841	7,238
Equity	1,377,341	1,320,865
Retirement benefit obligations and employee benefits	41,098	41,806
Provisions	42,231	40,676
Other non-current liabilities	67,127	80,665
Bonds	306,055	306,895
Financial debts	379,576	378,065
Non-current derivative instruments	21,049	12,922
Deferred tax liabilities	151,766	139,039
Total non-current liabilities	1,008,902	1,000,068
Current provisions	58,097	48,447
Trade & other operating payables	1,189,744	1,099,309
Income tax payable	73,544	80,264
Current financial debts	120,352	206,671
Current derivative instruments	26,799	24,948
Liability related to assets held for sale	0	19,164
Other current liabilities	396,235	415,716
Total current liabilities	1,864,771	1,894,519
Total equity and liabilities	4,251,014	4,215,452

3.A.3 Condensed consolidated cash flow statement

Year ended 30 June (in thousands €)	2015	2014 (*)
Cash flows relating to operating activities	149,085	116,538
Cash flows relating to investing activities	-134,380	-45,612
Cash flows relating to financing activities	-327,377	-82,917
Net increase/decrease in cash position	-312,672	-11,991

(*) 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.

3.A.4 Figures per share

	30 June 2015	30 June 2014 (*)
Total number of shares	25,314,482	25,314,482
Operating result after deduction of the net financial charges per share (in €)	5.69	3.62
Net result share of the group per share (in €)	4.38	2.54

(*) 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.

4. Information on business trends

The Outlook for the Dredging and Environment division remains favourable. Barring unforeseen circumstances, the net result (group share) of DEME is expected to be significantly up compared with 2014.

The Real Estate division will substantially increase its positive contribution to the net result during the second half of 2015.

The recovery and activity refocusing process in Contracting will continue over the coming months. The return to break-even is not expected before 2016.

5. Information related to the share

At 30 June 2015, 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 Degroof and ING Belgium. Banque Degroof has been appointed as the 'Main Paying Agent'.

6. Corporate governance

The annual general meeting renewed the director's mandate of SPRL Ciska Servais, represented by Ciska Servais, for a period of four years, ending after the annual general meeting of May 2019. Ciska Servais SPRL, represented by Ciska Servais, meets the independence criteria defined in Article 526c of the Companies Code and in the 2009 Belgian Corporate Governance Code.

7. Shareholders' agenda

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| - Publication of interim statements | 20 November 2015 <i>(before opening of the stock market)</i> |
| - Publication of annual financial statements | 26 February 2016 <i>(before opening of the stock market)</i> |
| - Ordinary shareholders' meeting | 5 May 2016 |

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

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***embargoed until Friday 28 August 2015 – 7:00 CET - 13
regulated information***

CFE is a Belgian industrial group active in four different areas: Dredging and Environment, Contracting, Real Estate Development and PPP-Concessions.

The group is active worldwide, primarily through its dredging and environment operations carried out by DEME, a wholly-owned subsidiary, and one of the world's leading dredging contractors. 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

Note to editors

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