

PRESS RELEASE

CFE

- **18.9 % growth in revenue**
- **33.8% growth in operating income**
- **Increase of 3.5% of the order book**

The Board of Directors of CFE examined and approved the H1 2017 financial statements at its meeting on August 25, 2017.

1. Key figures in the first half of 2017

In million €	1 st semester 2017	1 st semester 2016	Variation
Revenue	1,455.9	1,224.5	18.9%
Self-financing capacity (EBITDA) (*) % of revenue	226.0 15.5%	182.2 14.9%	24.0%
Operating income on activities (*) % of revenue	116.3 8.0%	70.5 5.8%	65.0%
Operating income (EBIT) (*) % of revenue	101.0 6.9%	75.5 6.2%	33.8%
Net income share of the group % of revenue	67.8 4.7%	53.0 4.3%	27.9%
Net income share of the group per share (in EUR)	2.68	2.10	27.6%

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

In million €	30 June 2017	31 December 2016	Variation
Equity share of the Group	1,540.8	1,521.6	1.3%
Net financial debt	275.8	213.1	29.4%
Order book	4,923.1	4,756.7	3.5%

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

Dredging, Environmental & Marine Engineering division

Key figures (*)

In million €	1 st semester 2017	1 st semester 2016	Variation
Revenue	1,097.7	802.1	36.8%
EBITDA (**)	195,4	185.3	5.4%
Operating income (**)	69,1	78.3	-11.7%
Net income share of the group	45,1	54.1	-16.6%

(*) 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 intermediary report.

In million €	30 June 2017	31 December 2016	Variation
Order book	3,845.0	3,800.0	1.2%
Net financial debt	232.9	155.0	50.3%

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 2017	1 st semester 2016	Variation
Revenue	1,102.9	803.1	37.3%
EBITDA	194.4	195.2	-0.4%
Income from operating activities	79.8	84.7	-5.8%
Net income share of the group	46.1	54.0	-14.6%
Investments	264.1	112.6	134.6%

Revenue (economic approach)

DEME's revenue amounted to €1,102.9 million (€803.1 million in the first half of 2016).

GeoSea (DEME's subsidiary specializing in complex offshore projects) reported a high level of activity, generated mainly by four major projects: Rentel, Merkur, Hohe See and Galloper.

Off the German North Sea coast, GeoSea completed the installation of the 66 monopiles for the Merkur wind farm at the beginning of July, while construction of the foundations for the Hohe See project (and its extension Albatross) has begun.

Off the Belgian coast, the 'Innovation', flagship of GeoSea's fleet, started work in July on the installation of the 42 monopiles for the Rentel wind farm. Activity during the first six months of 2017 focused on the design and manufacture of the monopiles and transition pieces.

In the UK, the Galloper project, situated 27 km off the Suffolk coast, is virtually finished: the 56 foundations have been installed, and ancillary works are nearing completion.

Business for the dredging division was not so brisk during the first half of 2017 compared with the first half of 2016, due to delays in the start-up and award of several projects in the Middle East and Asia. This situation is reflected in a lower occupancy of the fleet, which weighed on DEME's results.

During the first six months, DEME continued works on its two major projects in Singapore: the extension of Jurong Island (JIWE), and the Tuas Terminal - Phase 1 (TTP1) project. DEME also finished a port extension project at Port Louis (Mauritius) within the appointed deadline. Maintenance dredging activity was buoyant, particularly in Belgium, Germany and Africa.

Evolution of activity by business area (economic approach)

In %	1 st semester 2017	1 st semester 2016
Capital dredging	23%	44%
Maintenance dredging	12%	14%
Fallpipe and landfalls	6%	4%
Environment	8%	13%
Civil works	3%	3%
Marine works	48%	22%
Total	100%	100%

Evolution of activity by geographical area (economic approach)

In %	1 st semester 2017	1 st semester 2016
Europe (EU)	68%	50%
Europe (non-EU)	3%	2%
Africa	11%	15%
Americas	3%	7%
Asia-Pacific	12%	16%
Middle East	1%	4%
India and Pakistan	2%	6%
Total	100%	100%

EDITDA and operating income (economic approach)

As projected, the EBITDA margin, expressed as a percentage of revenue, came to 17.6%, which is close to the historical average.

Order book

DEME's order book grew by 1.2% to €3,845 million at 30 June 2017.

Several substantial orders were won during the first half of 2017:

- In January, DEME landed several dredging contracts in India and the Maldives worth a total of around €100 million.
- DEME also won the DBM contract for the design, construction and 15-year maintenance of the first section of the RijnlandRoute in the Netherlands. The project, which will be realized by DIMCO (DEME's subsidiary specializing in civil engineering works) and its partners, involves the construction of a 2.2 km bored tunnel, building a new 4 km road, and widening 12 km of motorway.
- On 21 February 2017, the Hohe See EPCI contract came into effect after the financial close was reached. The contract involves the design, construction, transport and installation of the 71 monopile foundations for the Hohe See offshore wind farm, situated around 90 km north of the Borkum island in the German North Sea. At the end of June 2017, GeoSea won an additional contract for the manufacture and installation of 16 monopile foundations and a conversion module for the offshore wind farm Albatross, which adjoins the Hohe See wind farm and is built for the same customer.
- In April, DEME's German branch landed a contract for maintenance dredging of the river Elbe. This contract was awarded for a two-year period and covers a stretch of 116 km between Hamburg and the North Sea.
- In May, DEME won several contracts in Africa worth a total of €125 million, primarily a five-year maintenance dredging contract for the access channel to the Soyo gas terminal in Angola, and a coastal protection contract at Cotonou in Benin.

Investments

Investments in the first six months of 2017 amounted to €264.1 million according to the economic approach, a sharp rise compared with the first six months of 2016 (€112.6 million) as the investment programme was stepped up.

In February 2017, DEME confirmed an order for two additional vessels with an overall budget of around €500 million:

- 'SPARTACUS', a cutter suction dredger with a total power of 44,180 kW; it will be the world's most powerful and most state-of-the-art vessel in its class, and will be particularly suited for dredging works on rocky beds and in the hardest types of soil, including for offshore work ('Smart Mega Cutter Suction Dredger').
- 'ORION', a dynamic positioning crane vessel with a total power of 44,180 kW; with a lifting capacity of 5,000 tonnes up to a height of more than 50 metres, it will be deployed on offshore construction work, such as for the construction of the largest offshore wind farms, offshore services for customers in the oil and gas industry, and the dismantling of old offshore structures.

The dredger 'Minerva', with a capacity of 3,500 m³, was ceremonially launched in Zeebrugge on 23 June 2017.

In July 2017, GeoSea announced it had concluded an agreement with DONG Energy and Siemens on the acquisition of the company A2SEA during the second half of 2017. The transaction is expected to be finalized very shortly, and will have an estimated impact of €170 million on DEME's net financial debt.

The company A2SEA, based in Fredericia, Denmark, and owned by DONG Energy and Siemens, has branches in Germany and the United Kingdom. In recent months, A2SEA restructured its operations, making major cutbacks in its workforce and selling off part of its fleet and its division specializing in laying subsea cables. It means that GeoSea will be acquiring a financially sound structure.

A2SEA specializes in the installation of wind towers and turbines in Western Europe. It has a workforce of around 160 highly qualified and specialized employees. At 30 June 2017, its order book was worth €141 million. A2SEA owns two vessels equipped with the latest technologies, built in 2012 and 2014 (Sea Installer and Sea Challenger).

With this acquisition, GeoSea completes its range of services by acquiring the market leader in the installation of wind towers and turbines in Europe.

Net financial debt

DEME's net financial debt amounted to €232.9 million at 30 June 2017 (€235.2 million according to the economic approach).

Despite the substantial increase in capital expenditure, the net financial debt rose by just €77.9 million during the first six months of 2017 thanks to the cash flow from operating activities and the improvement in working capital requirement.

Contracting division

Key figures

In million €	1 st semester 2017	1 st semester 2016	Variation
Revenue	351.2	400.5	-12.3%
Operating income (*)	14.8	7.6	94.7%
Net Income share of the group	8.8	4.1	114.6%

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

In million €	30 June 2017	31 December 2016	Variation
Order book	960.6	850.5	12.9%
Net Financial debt	-84.4	-92.0	-8.3%

Revenue

In million €	1 st semester 2017	1 st semester 2016 (*)	Variation
Construction	242.9	293.5	-17.2%
<i>Buildings, Belgium</i>	177.9	226.6	-21.4%
<i>Buildings, International</i>	65.0	66.9	-2.8%
Multitechnics	74.9	76.2	-1.7%
Rail infra & Utility Networks	33.4	30.8	8.4%
Total Contracting	351.2	400.5	-12.3%

Revenue in the Contracting division amounted to €351.2 million, down 12.3% on the first half of 2016.

The drop in activity primarily affected the Belgian entities of the Construction segment: several of their large projects were completed in the second half of 2016 (more particularly the Docks shopping centre), while the new large-scale projects do not yet generate significant activity. In Flanders, the final projects that are part of the Public Private Partnership 'Schools of Tomorrow' are in the course of completion.

Activity in Luxembourg remains busy. Delivery of the real estate project 'Kons' was accepted in March 2017, while construction of the Lycée Français progressed according to schedule.

Operating income

CFE Contracting reported an operating income of €14.8 million, up 94.7% on the first six months of 2016.

All segments made a positive contribution to the division's operating income.

This positive trend is essentially attributable to the Construction segment.

In Multitechnics, VMA reported an increase in both revenue and profit, while the entities of the Rail infra & Utility Networks segment generally increased their contribution to the division's operating income.

Order book

In million €	30 June 2017	31 December 2016	Variation
Construction	737.5	648.7	13.7%
<i>Buildings, Belgium</i>	520.3	505.0	3.0%
<i>Buildings, International</i>	217.2	143.7	51.1%
Multitechnics	155.9	143.4	8.7%
Rail infra & Utility Networks	67.2	58.4	15.1%
Total Contracting	960.6	850.5	12.9%

The order book grew by 12.9% during the first six months of 2017.

Order intake was high for most entities of the division, particularly in Brussels and in Poland, where CFE Polska landed two major contracts, one in Gdansk (residential project) and the other in Zabrze, Southern Poland (extension of a shopping centre). In Luxembourg, CLE won the contract for the Naos project (mixed office/retail building).

Net cash position

The Contracting division's net cash position stood at €84.4 million (€92.0 million at 31 December 2016).

Van Laere

The boards of directors of Ackermans & van Haaren and CFE examine the combination of the activities of Van Laere group and CFE Contracting under CFE.

Van Laere group, a leading general contractor in Belgium, realised a turnover of €195 million in 2016. It is fully owned by Ackermans & van Haaren. The main entities of the Van Laere group are Algemene Aannemingen Van Laere NV, Groupe Thiran SA and Arthur Vandendorpe NV.

Even though the transaction does not fall within the scope of article 524 of the Companies Code, the board of directors of CFE decided on June 23, 2017 to appoint a committee of independent directors. The committee is composed of Ciska Servais SPRL, represented by Mrs Ciska Servais, by Pas de Mots SPRL, represented by Mrs Leen Geirnaerd, and by Mr Philippe Delusinne. This committee will describe the nature and terms of this transaction, evaluate the pro's and con's for CFE and its shareholders and evaluate the financial consequences, to allow the board of directors of CFE to take a final decision.

The transaction could take place in the course of the fourth quarter of 2017, after the realization of a due diligence, which has started.

The interest of this transaction for CFE Contracting is twofold:

- Strengthen its presence in Flanders and take advantage of the volume of business generated by the real estate entities of the Ackermans & van Haaren group;
- Take advantage of economies of scale, synergies and sharing of good practices.

Real Estate division

Key figures

In million €	1 st semester 2017	1 st semester 2016	Variation
Revenue	7.1	7.6	-6.6%
Operating income (*)	19.3	0.5	n.s.
Net income share of the group	18.8	-0.8	n.s.

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

Evolution of real estate projects (*)

In million €	30 June 2017	31 December 2016
Unsold units post completion	12	17
Properties under construction	32	35
Properties in development	71	78
Total capital employed	115	130
Net financial debt	53	88

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

Belgium

In the Brussels area, BPI and its partners continued the marketing and construction of residential units in the projects 'Erasmus Gardens' in Anderlecht, 'Les Hauts-Prés' in Uccle, and 'Ernest The Park' in Ixelles.

In Liège, BPI and its partner will start the construction of a 12,500 m² office building near Guillemins railway station (Val Benoît site). A long-term lease has been concluded with Forem for 5,500 m² office space.

Luxembourg

BPI Luxembourg won the tender launched by the City of Differdange for the development of a mixed-use real estate complex with a total gross floor area of 25,500 m² ('Entrée de ville' project).

Work on the residential project 'Kiem' (Kirchberg-Plateau) has begun, and virtually all apartments have already been sold.

Poland

BPI Polska continued developing the projects 'Wola Libre' (Warsaw) and 'Bulwary Ksiazece' (Wroclaw). In Gdansk, the last tower block of the 'Ocean Four' project was completed in July 2017, and 98% has been sold.

Two new acquisitions were recently finalized: a building plot in Poznan on which a residential property of approximately 13,000 m² will be built, and a building plot adjoining the 'Wola Libre' project in Warsaw. The second acquisition (also a residential project) is conditional upon the decontamination of the site by the seller.

Net income share of the group

BPI reported an all-time high after tax profit, which is explained by two major transactions that were finalized during the first half of 2017:

- The sale to an institutional investor of its stake in the 'Kons' building situated opposite Luxembourg City railway station;
- The sale to its partner of its stake in the residential project 'Oosteroever' in Ostend, Belgium.

Holding, non-transferred activities and inter division eliminations

Key figures

In million €	1 st semester 2017	1 st semester 2016	Variation
Revenue	-0.2	14.4	-101.4%
Operating income (*)	-2.1	-10.9	-80.7%
Net income share of the group	-4.9	-4.3	13.9%

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

Revenue

Revenue includes €-19.5 million inter-division eliminations. Adjusted for this item, the revenue of the non-transferred activities amounted to €19.3 million (as against €29.5 million in the first half of 2016). This figure mostly represents the activity generated by the last civil engineering projects in Belgium that were not transferred to DEME in 2015. The main one is the Brussels-South wastewater treatment plant project, which is progressing according to plan.

Operating income

The division's operating income was adversely affected by an under-recovery of overhead costs, agency fees and maintenance costs of the Grand Hotel in Chad, and the negative contribution of Rent-A-Port (in Vietnam, there were no significant sales of industrial land during the first six months of 2017).

Net income share of the group

The division's net income, share of the group, amounted to €-4.9 million (€-4.3 million in the first half of 2016).

In the first half of 2016, the net result, share of the group, of the Holding division was favourably influenced by the capital gain realized on the disposal of CFE's stake in Locorail, the company operating the Liefkenshoek rail tunnel in Antwerp.

Receivables from Chad

The operational management and maintenance of the Grand Hotel were transferred in June 2017 to the hotel operator appointed by the Chadian government. The Grand Hotel was officially opened on 1 July 2017.

The receivables on Chad remain unchanged. Negotiations to refinance our receivables are progressing more slowly than expected.

3. An overview of the results

3.A.1 Condensed consolidated statement of income

Year ended at June 30 (in thousands €)	2017	2016
Revenue	1,455,872	1,224,532
Revenue from auxiliary activities	57,988	31,227
Purchases	-809,501	-591,732
Wages, salaries & social charges	-281,781	-291,942
Other operating charges	-189,435	-189,388
Depreciations and amortization	-116,844	-112,178
Goodwill Impairment	0	0
Operating income on activities	116,299	70,519
Earnings from associates and joint ventures	-15,284	4,938
Operating income	101,015	75,457
Cost gross financial debt	-9,427	-13,265
Other financial expenses and income	-3,867	1,428
Financial result	-13,294	-11,837
Result before taxes	87,721	63,620
Income tax expense	-20,926	-11,373
Net income for the period	66,795	52,247
Attributable to owner of non-controlling interest	1,030	799
Net income share of the group	67,825	53,046

Condensed consolidated statement of comprehensive income

Year ended 30 June (in thousands €)	2017	2016
Net income for the period – Share of the group	67,825	53,046
Net income for the period	66,795	52,247
Change in fair values related to the hedging instruments	7,227	-5,253
Currency translation differences	-19	4,581
Deferred taxes	-1,439	1,859
Other elements of the comprehensive income to be reclassified to profit or loss in subsequent period	5,769	1,187
Remeasurement on defined benefit plans	0	0
Deferred taxes	0	0
Other elements of the comprehensive income not to be reclassified to profit or loss in subsequent period	0	0
Total elements of the comprehensive income directly accounted in equity	5,769	1,187
Comprehensive income	72,564	53,434
- attributable to the group	73,656	54,294
- attributable to non-controlling interests	-1,092	-860
Net result share of the group per share (€) (basic and diluted)	2.68	2.10
Comprehensive income per share (€) (basic and diluted)	2.91	2.14

3.A.2 Consolidated statement of financial position

Year ended (in thousands €)	30 June 2017	31 December 2016
Intangible assets	92,449	95,441
Goodwill	175,169	175,169
Tangible assets	1,832,355	1,683,304
Associates and joint ventures	121,544	141,355
Other non-current financial assets	151,928	153,976
Non-current derivative instruments	1,333	510
Other non-current assets	21,138	23,518
Deferred tax assets	111,636	126,944
Total non-current assets	2,507,552	2,400,217
Inventories	92,093	94,836
Trade receivables and other operating receivable	1,150,131	1,160,306
Other current assets	39,796	38,430
Current derivative instruments	8,961	2,311
Current financial assets	33	48
Assets held for sale	19,916	19,916
Cash and cash equivalents	592,953	612,155
Total current assets	1,903,883	1,928,002
Total assets	4,411,435	4,328,219
Issued capital	41,330	41,330
Share premium	800,008	800,008
Retained earnings	727,926	714,527
Defined benefits plans	-19,464	-19,464
Hedging reserves	-1,549	-7,337
Translation differences	-7,462	-7,505
Equity – part of the group CFE	1,540,789	1,521,559
Non-controlling interests	13,334	14,918
Equity	1,554,123	1,536,477
Retirement benefit obligations and employee benefits	51,362	51,215
Provisions	35,588	43,085
Other non-current liabilities	944	5,645
Bonds	202,739	303,537
Financial debts	443,690	367,147
Non-current derivative instruments	12,838	18,475
Deferred tax liabilities	136,256	151,970
Total non-current liabilities	883,417	941,074
Current provisions	70,507	65,113
Trade & other operating payables	1,214,193	1,138,288
Income tax payable	33,930	69,398
Bonds	99,959	0
Current financial debts	122,390	154,522
Current derivative instruments	15,354	23,515
Liabilities held for sale	6,032	6,004
Other current liabilities	411,560	393,828
Total current liabilities	1,973,895	1,850,668
Total equity and liabilities	4,411,435	4,328,219

3.A.3 Condensed consolidated cash flow statement

Year ended 30 June (in thousands €)	2017	2016 (*)
Cash flows relating to operating activities	281,205	161,458
Cash flows relating to investing activities	-269,351	-114,983
Cash flows relating to financing activities	-29,950	-82,533
Net increase/decrease in cash position	-18,096	-36,058

(*) Amounts restated in accordance with changes in the accounting presentation related to the consolidated cash flow statement which is applied by the group since January 1st, 2017 and detailed in the note 3.2. of the intermediary report.

3.A.4 Figures per share

	30 June 2017	30 June 2016
Total number of shares	25,314,482	25,314,482
Operating result after deduction of the net financial charges per share (in €)	3.46	2.51
Net result share of the group per share (in €)	2.68	2.10

4. Information on business trends

CFE's consolidated revenue will increase significantly in 2017, albeit to a lesser degree than initially expected due to delays in the start-up and award of new projects at DEME.

Excluding potential non-recurring items, the Group's net result, share of the group, for 2017 is expected to be in line with last year.

5. Information related to the share

At 30 June 2017, 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 general meeting of 4 May 2017 renewed the director's mandates of Luc Bertrand, John-Eric Bertrand, Piet Dejonghe, Jan Suykens, Alain Bernard and Koen Janssen for a period of four years. Luc Bertrand was reappointed as chairman of the board of directors.

The general meeting also renewed the director's mandate of Renaud Bentégeat for a period of three years. He and Piet Dejonghe were both reappointed as managing directors.

Finally, the general meeting approved the appointment of Pas de Mots SPRL, having as its permanent representative Leen Geirnaerd, for a period of three years. Pas de Mots SPRL and its permanent representative, Leen Geirnaerd, meet the independence criteria defined in Article 526c of the Companies Code and in the 2009 Belgian Corporate Governance Code.

7. Shareholders' agenda

- Publication of interim statements 22/11/2017 *(before opening of the stock market)*
- Publication of year results 28/02/2018 *(before opening of the stock market)*
- General meeting 03/05/2018

The auditor, Deloitte Reviseurs d'Entreprises, represented by Michel Denayer and Rik Neckebroeck, has confirmed that its limited review revealed no material corrections to be made to the accounting information disclosed in this press release. Without modifying the unqualified opinion expressed above, the auditor draws the attention to the uncertainties regarding the amount due by the State of Chad and the undertaken actions in order to facilitate its payment.

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CFE is a Belgian industrial group active in 3 different areas: i) Dredging, Environmental & Marine Engineering, ii) Contracting and iii) Real Estate Development.

The group is active worldwide, primarily through its dredging, environmental and marine engineering activities executed by DEME, a 100% owned subsidiary, 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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