

## PRESS RELEASE

### CFE

#### Quarterly information at 30 September 2017

- **14.3% growth in revenue**
- **Order book at 30 September 2017 exceeds €5 billion**
- **Net financial debt under control taking into account investments by DEME**
- **Outlook confirmed for 2017**

### 1. Key figures

Revenue In million €	30/09/2017	30/09/2016	Change
<b>Dredging and Environment</b>	<b>1,739.3</b>	1,358.0	+28.1%
<b>Contracting</b>	<b>512.8</b>	580.2	-11.6%
<b>Other divisions and eliminations</b>	<b>-1.4</b>	30.5	n.s.
<b>Total</b>	<b>2,250.7</b>	1,968.7	+14.3%

Order book In million €	30/09/2017	31/12/2016	30/09/2016
<b>Dredging and Environment</b>	<b>3,980.0</b>	3,800.0	3,855.0
<b>Contracting</b>	<b>980.1</b>	850.5	841.2
<b>Other divisions</b>	<b>107.5</b>	106.2	110.4
<b>Total</b>	<b>5,067.6</b>	4,756.7	4,806.6

Net financial debt In million €	30/09/2017	31/12/2016	30/09/2016
<b>Dredging and Environment including restatements (*)</b>	<b>452.2</b>	155.0	269.3
<b>Other divisions &amp; Holding</b>	<b>46.0</b>	58.1	73.8
<b>Total</b>	<b>498.2</b>	213.1	343.1

(\*) Including 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.

## 2. Analysis by division

### Dredging, Environment, Offshore and Infra division

#### Key figures

In million €	30/09/2017	31/12/2016	30/09/2016
<b>Revenue</b>	<b>1,739.3</b>	1,978.2	1,358.0
<b>Economic revenue (*)</b>	<b>1,746.7</b>	1,978.2	1,369.1
<b>Net financial debt (**)</b>	<b>449.7</b>	151.2	265.1
<b>Net economical financial debt (*)(**)</b>	<b>458.2</b>	154.6	266.2
<b>Order book</b>	<b>3,980.0</b>	3,800.0	3,855.0

(\*) The economic approach consists in proportionally consolidating the jointly controlled companies (accounting rules applicable before 1 January 2014).

(\*\*) Excluding 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.

#### Revenue (economic approach)

Revenue for the first nine months of the year amounted to € 1,746.7 million, which is up by 27.6 %.

GeoSea reported a particularly high level of activity. In the third quarter of 2017, the Innovation, flagship of GeoSea's fleet, finished the installation of 42 monopiles for the Rentel wind farm off the Belgian coast, and is now working on the Horns Rev 3 project in Denmark where 49 monopiles are being installed.

In Germany, GeoSea continued work on the Merkur and Hohe See/Albatross EPCI contracts.

In the dredging segment, activity in the third quarter of 2017 was similar to the same period in 2016. In Singapore, DEME has just passed the halfway stage of its TTP1 project (Tuas Terminal - Phase 1).

#### Order book

The order book grew in 2017 to nearly €4 billion.

Several substantial orders were won during the third quarter of 2017:

- Contract worth €130 million for the supply, installation and maintenance of three subsea cables: the first two, each 39 km long, will connect the MOG (*Modular Offshore Grid*, an offshore platform that will be connected to four Belgian wind farms) to the onshore grid, while the third cable will connect the MOG to the first of the four wind farms;
- Contracts worth €170 million for the redevelopment of the old port of Doha in Qatar, and the extension of Jurong Island in Singapore (Ayer Merbau project - Phase 2);
- Contract for the design, construction and maintenance for two years of the new Terneuzen lock in the Netherlands. This civil engineering and dredging project will be carried out over a five-year period.

It should be pointed out that four major contracts are not included in the order book at 30 September 2017:

- Design and construction of the Fehmarnbelt Link, the tunnel linking Denmark and Germany. Work on this project, worth an estimated €700 million (DEME share), will only begin once the German authorities have delivered the necessary planning permissions.
- Provisional award of the contract for the design, construction, financing and 20-year maintenance of the A24 Blankenburg link between the A20 and A15 motorways in the Netherlands.
- EPCI contract for the design, construction, transportation and installation of 100 wind turbine foundations and the transportation and installation of three electrical substations for the future Moray East offshore wind farm in the United Kingdom. The contract is conditional upon the financial close, which is expected in 2018.
- Contract for the transportation and installation of 90 wind turbines for the Triton Knoll offshore wind farm, also situated in the United Kingdom, and conditional upon the financial close, which is expected in 2018.

#### Capital expenditure and net financial debt (economic approach)

Investments in the first nine months of 2017 amounted to €584.6 million, and primarily consist of down payments on the vessels under construction, the capitalization of maintenance costs, and the acquisition of the company A2SEA.

On 31 August 2017, DEME closed the acquisition of A2SEA (Danish company owning two vessels equipped with the latest technologies, Sea Installer and Sea Challenger). The impact of this acquisition on DEME's net financial debt amounted to €166.9 million.

At the end of September 2017, the dredger Scheldt River, with a capacity of 8,400 m<sup>3</sup>, was ceremonially launched in Antwerp. Like the dredger Minerva, which was launched in June 2017, the Scheldt River can run on LNG (Liquefied Natural Gas), thereby substantially reducing the emission of greenhouse gases.

Despite the very high level of investment, DEME's net financial debt remains below €500 million thanks to its operating cash flow and improved working capital requirement (mainly at GeoSea).

#### Outlook for 2017

DEME's revenue is expected to amount to approximately €2.5 billion. The EBITDA margin is expected to remain close to the historical average (between 16% and 20%).

## Contracting division

### Key figures

In million €	30/09/2017	31/12/2016	30/09/2016
<b>Revenue</b>	<b>512.8</b>	770.5	580.2
<b>Order book</b>	<b>980.1</b>	850.5	841.2

### Revenue

In million €	30/09/2017	30/09/2016
<b>Construction</b>	<b>355.3</b>	<b>418.7</b>
<i>Buildings, Belgium</i>	245.6	313.9
<i>Buildings, International</i>	109.7	104.8
<b>Multitechnics</b>	<b>111.8</b>	<b>115.5</b>
<b>Rail Infra &amp; Utility Networks</b>	<b>45.7</b>	<b>46.0</b>
<b>Total Contracting</b>	<b>512.8</b>	<b>580.2</b>

The division's revenue for the first nine months of 2017 decreased by 11.6% to €512.8 million.

The decrease is almost entirely attributable to the Buildings segment in Belgium, due to the delayed start of several contracts.

The main projects under construction include the Lycée Français in Luxembourg, the real estate complex AGORA in Louvain-la-Neuve (Belgium), and the ZNA hospital in Antwerp (Belgium).

The other segments reported overall stable revenue.

### Order book

In million €	30/09/2017	31/12/2016
<b>Construction</b>	<b>741.7</b>	<b>648.7</b>
<i>Buildings, Belgium</i>	521.7	505.0
<i>Buildings, International</i>	220.0	143.7
<b>Multitechnics</b>	<b>163.8</b>	<b>143.4</b>
<b>Rail Infra &amp; Utility Networks</b>	<b>74.6</b>	<b>58.4</b>
<b>Total Contracting</b>	<b>980.1</b>	<b>850.5</b>

The order book came to €980.1 million, up 15.2%.

All segments of the Contracting division contributed to the growth of the order book; this was particularly significant at CFE Polska, which reported numerous commercial successes in the last few months.

Order intake in the third quarter of 2017 was particularly high at VMA and in the Rail Infra & Utility Networks segment. In Luxembourg, CLE won a substantial contract for the construction of a residential complex for BPI Luxembourg (Kiem project).

### Acquisition of Van Laere

Following the decision of the board of directors to examine the combination of the activities of Van Laere group and CFE Contracting under CFE, the following steps were taken:

- Appointment of a committee of independent directors, who appointed an expert to assist them in their task;
- Performance of a thoroughgoing due diligence audit on the accounts of Algemene Aannemingen Van Laere NV and its subsidiaries at 30 June 2017. The results of this due diligence audit were presented to the committee of independent directors in mid-October 2017;
- Valuation of Van Laere group and structuring of the transaction, which will involve the sale by Ackermans & van Haaren, of 100% of the shares of Algemene Aannemingen Van Laere NV to CFE Contracting SA.

The final stage, which is currently in progress, is the drafting and finalization of the sales contract and the compilation of the report of the committee of independent directors.

The board of directors of CFE will make its final decision on the basis of those two documents.

The objective is to complete the transaction before the end of the 2017 financial year.

### Outlook for 2017

Revenue for the Contracting division will be lower than in 2016. Despite this expected decrease, the operating income will show a marked improvement compared to 2016.

## Real Estate division

### Evolution of real estate projects

In million €	30/09/2017	31/12/2016
Properties being marketed	9	17
Properties under construction	38	35
Properties in development	64	78
<b>Total</b>	<b>111</b>	<b>130</b>

During the first nine months of the year, BPI, the leading company of CFE's real estate division, sold three major stakes, which it held in the Kons (Luxembourg), Oosteroever (Ostend, Belgium) and Ronndriesch (Luxembourg) projects. The first two sales took place in the first half of 2017, the third in the third quarter of 2017.

Those transactions and the high level of sales of residential projects account for the decrease in real estate projects.

During the third quarter of 2017, BPI, through its Polish branch, acquired a majority stake in a company owning a building plot in Poznan on which a residential property of 13,000 m<sup>2</sup> above ground (Vilda Park project) will be built. A second acquisition is planned in the coming months in Warsaw (Ostroroga project) after the site has been decontaminated by the seller.

### Outlook for 2017

The division's net profit will reach an all-time high, slightly up compared to 30 June 2017.

## Holding, Non-transferred Operations, Interdivision Eliminations

The latest projects in progress internationally in buildings and in civil engineering in Belgium are being finalized, except for the Brussels-South wastewater treatment plant project, where the completion is scheduled over a longer period.

### Receivables from Chad

Our receivables from the Chadian government remain unchanged since 31 December 2016. Negotiations continue with the Chadian authorities and financial institutions to refinance the outstanding receivables on the Grand Hotel.

## Perspectives

CFE confirmed that its 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 and in Contracting.

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.

### 3. Shareholders' agenda

Publication of financial statements 2017	28 February 2018 <i>(before opening of the stock market)</i>
Ordinary General Shareholders meeting	3 May 2018
Publication of interim statements 2018	25 May 2018 <i>(before opening of the stock market)</i>
Publication of half-year financial statements 2018	31 August 2018 <i>(before opening of the stock market)</i>
Publication of interim statements 2018	23 November 2018 <i>(before opening of the stock market)</i>

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#### **About CFE**

CFE, founded in 1880 is a Belgian industrial group active in three different divisions. The first, Dredging, Environment, Offshore and Infra, is carried out by its wholly owned subsidiary DEME, one of the world leaders in the field. DEME has a modern fleet of multipurpose vessels equipped with the latest technologies. The second, Contracting, encompasses the group's construction, multitechnics and rail activities in Belgium, Luxembourg, Poland and Tunisia. The third, Real Estate Development, covers the real estate projects developed by BPI in Belgium, Luxembourg and Poland.

The CFE group currently employs more than 7,000 people and is active on every continent. 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](http://www.cfe.be).

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#### **Note to editors**

*For further information, please contact, at CFE:*

- *Renaud Bentégeat, Chief Executive Officer, tel.: +32 2 661 13 27, mobile: +32 497 514 445, [rbentégeat@cfe.be](mailto:rbentégeat@cfe.be); or*
- *Fabien De Jonge, Chief Financial Officer, tel. +32 2 661 13 12 - mobile +32 497 514 406 - [fabien\\_de\\_jonge@cfe.be](mailto:fabien_de_jonge@cfe.be)*