

- CFE**
- . Increase of turnover (+14 %)
  - . Sensible increase of operational result (+36 %) and the net profit (+17 %)
  - . Gross dividend : 10,5 euros (+24 %)

The Board of Directors of the Compagnie d'Entreprises CFE examined and closed the accounts of the 2005 financial year in its session of 13 March 2006.

### **I. Overview of the financial year**

The consolidated turnover of the group reached 975.4 million euro, which is a growth of 14.2% compared with the previous year. This is mainly attributed to the area of dredging, with the contribution of DEME to the turnover totalling 422.6 million (+33.6%).

The operational profit increased to 52.2 million against 38.4 million in 2004, representing an increase of 35.8%. The net profit of the group is 25.5 million euro against 21.8 million euro in 2004. Due to the impact from the dredging activity, the order book amounts to 1,272 million euro (compared to 1,051 million at 1st January 2005), which is an increase of 21% in 12 months.

Sales, results and order book of the activities by zone

#### **Construction segment**

Annual sales increased by more than 9% reaching 489.6 million euro (compared to 447.7 million euro in 2004). This growth has been driven from the beginning of the year by the presence in the consolidation arena of Bâtiments et Ponts Construction Ltd, who achieved an outstanding level of activity (129.3 million euro in 2005 against 69.8 million in 2004 (9 months), as well as the outstanding sales of Van Wellen Ltd and by a revival of activity in Central Europe. Sales of other branches or subsidiaries are in slight retreat. In civil engineering in Flanders and The Netherlands, MBG and CFE Nederland Ltd were affected by the absence of large infrastructure orders, the large sites such as the Deurgangdock and HSL4 having been completed.

The level of activity of CFE Brabant slightly decreased. It remains important in Luxembourg where earlier this year CLE Ltd obtained the orders, in partnership, for the new EBI headquarters. Bageci continued to have weak sales seeing the completion of the sites, Tunnel de Soumagne and Gare des Guillemins.

Moreover, the net result of the segment amounts to 5.0 million euro (5.8 million euro in 2004) and includes the results of Bâtiments et Ponts Construction Ltd and Van Wellen Ltd. The results of CFE Nederland Ltd and MBG remain positively influenced by the large civil engineering projects that are nearing completion. It is also worth noting the negative impact on the results for MBG arising from the cost of studies in progress and also suffering from the negative effect of building projects in deficit. Bageci and CFE Brabant are suffering from insufficient activity. Finally, in Luxembourg, the difficulties encountered on two projects led the group to anticipate losses on completion. In Central Europe, the results are back in balance and CFE started an office project in Slovakia.

The segment order book amounts to 529.3 million euro (compared to 507.4 million euro in 2004). The order books of CFE Brabant, Luxembourg and Van Wellen Ltd are high even though they are suffering from the lack of large public orders in Flanders and The Netherlands. MBG is however pre-qualified for adjudications of several large projects that would be submitted in 2006. The orders from Bâtiments et Ponts Construction Ltd decreased due to major projects such as the Dexia head office in Rogier. This company remains commercially well positioned to increase orders. Finally, the order book in Central Europe has been improved and diversified geographically.

The order book benefited (+37.8 million euro) from the increase of the participation of CFE in the group Van Wellen from 50% to 100%. CFE reinforced its position in Flanders and in the road-building sector.

#### **Promotion and Real Estate segment**

The decrease in sales (22.8 million euro in 2005 against 54.8 million euro in 2004) is explained by the absence of any significant building transactions. However, the group successfully pursued the commercialisation of its accommodation projects (Jardins de la Couronne accommodations, Jardins de Jette) and the sale of the office building, Drapiers. Several projects are in the course of construction (Dôme), in the start-up phase (rue des Sables, Les Hirondelles project rue de Laeken), in development (renovation of the old Red Cross headquarter in place Brugmann, the accommodation programme in Kirchberg in Luxembourg) or in progress in terms of commercialisation (Jardin de la Couronne offices). In Belgium, at the end of the year, Bâtiment Immobilier (BPI) Ltd acquired a participation in the project, Mediacité in Liège.

In Luxembourg, the Group acquired a company that owned a building and land that allowed CLE to dispose of a new headquarter and for the promotion subsidiary in Luxembourg (CLI) to develop an accommodation programme.

The reduction of the net result (3.1 million euro in 2005 against 3.9 in 2004) is explained by the decline of activity while at the same time, and according to the rules of prudence, the segment recognised the cost of financing the work in progress.

### **Dredging and environment segment**

*(All information related to this segment is in shares CFE, which holds 50% of DEME.)*

Segment sales increased by 34% to reach 422.6 million euro (316.2 in 2004). This development is due to a strong occupation rate of the dredges and a slight increase in the segment's net result (17.4 million euro against 11.2 million euro). The order book of DEME progressed by more than 39% to reach 695.0 million euro (500.4 million euro in 2004). It includes new contracts concluded both in Europe (Italy, Norway, France, Spain, Belgium), the Far East (Korea, Australia, India, China) as well as in the Middle East.

The new cutter (38.000 CV) "d'Artagan" has been operational since the end of the year. Two midsize suction hopper dredges (type "Pallietter") are currently in the course of construction and will be delivered in 2006 and 2007. At the beginning of this year, DEME ordered two dredges of medium capacity.

### **Multi-technical segment**

Sales increased by 10% to reach 45.6 million euro (against 41.3 million euro in 2004). The result benefited from the strong performances of Nizet Ltd and Engema Ltd and exceeded one million euro. Vanderhoydoncks Ltd ended the year in deficit but the result of the second semester is closed to the balance thanks to reorganisation measures.

The order books of Nizet Ltd and Engema Ltd are outstanding while Vanderhoydoncks, due to an order received from the port of Zeebrugge, is showing the first signs of recovery.

### **Comments on the balance sheet, cash flow and capital expenditure**

At the end of December 2005, equity increased by 21.1 million euro compared to end December 2004 and amounts to 199.1 million euros, which corresponds to 19% of total assets.

Cash flows from investment operations amount to 95.8 million euro in 2005 compared to 27.3 million euro in 2004. This evolution can be explained by the DEME investments in new dredges.

Working capital increased by 40.2 million euro against a decrease of 19.0 million euro in 2004. This variation can be explained by the increase of work in progress of the Promotion and Real Estate segment and a working capital growth for the dredging and environment segment.

Net financial debt increased by 72.5 million euro compared to end December 2004 to reach 174.5 million (102 million in 2004), which represents 88% of equity.

### **Outlook 2006**

Based on the currently known elements, the outlook for 2006 is favorable and should lead to a new progression of the activity and the operational result.

### **Significant economic information of activities by segment :**

(in million euro)

	2019	2018
Income	100	100
Cost of sales	(80)	(80)
Gross profit	20	20
Operating expenses	(10)	(10)
Operating income	10	10
Other income	5	5
Income before taxes	15	15
Taxes	(3)	(3)
Income after taxes	12	12
Other adjustments	(2)	(2)
Net income	10	10

(\*) After appropriation of quote-part central costs

## II. Summary of results

### II.A.1. Consolidated results account (in accordance with IFRS)

<b>For the year ended 31 December (in thousand euros)</b>	<b>2005</b>	<b>2004</b>
<b>Revenue</b>	<b>975,406</b>	<b>854,073</b>
Revenue from auxiliary activities	30,296	30,649
Purchases	(580,351)	(489,109)
Wages, salaries & social charges	(185,460)	(180,419)
Other operating charges	(144,954)	(132,958)
Depreciations	(42,755)	(43,813)
<b>Operating result</b>	<b>52,182</b>	<b>38,423</b>
Net finance cost	(7,967)	(8,397)
Other financial charges and income	(4,284)	(1,486)
<b>Financial result</b>	<b>(12,251)</b>	<b>(9,883)</b>
<b>Profit before taxes for the period</b>	<b>39,931</b>	<b>28,540</b>
Income tax expense	(13,377)	(7,474)
<b>Result of the year</b>	<b>26,554</b>	<b>21,066</b>
Share in the result of associated companies	329	(71)
<b>Profit (including minority interests) for the period</b>	<b>26,883</b>	<b>20,995</b>
Minority interests	(1,381)	805
<b>Net profit</b>	<b>25,502</b>	<b>21,800</b>
Net profit per share (EUR)	43,8	37,5

## II.A.2. Consolidated balance (in accordance with IFRS)

OPERATING	100	100
INVESTING	100	100
FINANCING	100	100
NET CHANGE	100	100

OPERATING	100	100
INVESTING	100	100
FINANCING	100	100
NET CHANGE	100	100

**II.A.3. Condensed consolidated cash flow statement**

Net Income	2005	2004
Net Income	3,614	3,023

## II.A.4. Statement of changes in equity

For the year ended 31 December 2005

Net Income

Net Income

## II.A.5. Data per share

## II.B.1. Results CFE SA (in accordance with Belgian GAAP)

(in thousand euro)	2005	2004
Sales and services	252.982	310.094
Turnover	227.016	264.307
Operating profits	2.266	-6.443
Net financial profits	12.553	7.708
Current profits	14.818	1.265
Exceptional revenue	11	2
Exceptional expenses	-914	-9
Profits before tax	13.915	1.258
Taxes	245	-68
<b>Results</b>	<b>14.161</b>	<b>1.190</b>

## II.B.2. Balance sheet CFE SA after profit attribution (in accordance with Belgian GAAP)

(in thousand euro)	31.12.2005	31.12.2004
<b>Assets</b>		
Fixed assets	182.041	171.247
Current assets	190.523	201.624
<b>Total assets</b>	<b>372.564</b>	<b>372.871</b>
<b>Liabilities</b>		
Shareholders' equity	88.194	80.143
Provisions for risk and expenses	34.256	42.515
Long-term debts	561	1.587
Short-term debts	249.553	248.626
<b>Total liabilities</b>	<b>372.564</b>	<b>372.871</b>

## III. Earnings from capital

At the general meeting of 4th May 2006, the Board of Directors of CFE proposes to allocate a gross dividend per share of 10.50 euro (against 8.50 euro 2004) corresponding to 7.87 euro net (against 6.37 euro in 2004), namely a distribution of 6,109,729 euro. After distribution, the profit carried forward amounts to 17,346,429 euro.

## IV. Data concerning shares

On 31 December 2005, there were 581.879 shares. Each share holds one voting right. There has been no issue of bonds or warrants. Financial instrument bearers may exercise their financial rights at the following financial institutions : Banque Degroof, Fortis Banque and ING Belgium.

## V. Shareholders agenda

- General Meeting of Shareholders : 4 May 2006
- Date of the dividend payment (coupon 121) : 30 May 2006
- Date of publication of the half-yearly results : week of 11 to 15 September 2006

**The auditor Deloitte, public accountant, represented by Rik Neckebroeck, confirmed that the statutory financial information included in this release is not subject to any reserve and is in accordance with the financial statements approved by the board of directors.**

CFE is a group of companies dealing with construction and associated services, quoted on Euronext in Brussels and of which VINCI holds 45% of the capital. CFE is at the forefront of the construction trade in Belgium and is also very active in the Netherlands, Luxembourg and in Central Europe. CFE is a shareholder in DEME, one of the primary entrepreneurs in the field of dredging globally.

## More info :

Renaud Bentégeat, Managing Director	Jacques Ninanne, Chief Financial Officer
Tel. : +32.2.661.13.27	+32.2.661.17.28,

	: rbentegeat@cfe.be	jninanne@cfe.be
--	---------------------	-----------------