



Excellent year for the residential business

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A new division within the CFE group : Rail & Road

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Our staff deserves the best

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The Report



Annual Report 2012 — 132nd corporate financial year — www.cfe.be



▲ Electric works in the chemical industry - Ghent

Strong growth of the order book

+20%

Increase of the revenue

1.898

million euro

Net income part of the group amounted to

81,4

million euro

EBITDA increases with

10%

CFE bolstered its financial position with a €100 million bond issue

DESPITE TOUGH ECONOMIC CONDITIONS IN 2012, CFE'S NET PROFIT OF THE GROUP WAS ALMOST €50 MILLION, WHILE OPERATING INCOME WAS SIMILAR TO THE 2011 FIGURE.

EDITORIAL~ **Renaud Bentégeat** Managing Director
Philippe Delaunois President of the Board of Directors

CFE bolstered its financial position with a €100 million bond issue, which was fully subscribed in less than an hour, showing the level of investor confidence in the group.

The order book remains strong and grew substantially in international markets, offsetting declines in both Western and Eastern Europe. This bodes well for performance in 2013.

The Rail & Road division (created in 2012 following the acquisition of REMACOM) and the Real Estate & Management Services division performed particularly well. The Multitechnics division

added a new skill with the acquisition of Ariadne in Limburg.

The Dredging & Environment division considerably increased its order book. DEME also carried out a significant financial transaction in early 2013, successfully issuing €200 million of 6-year bonds.

The synergies between the CFE group's divisions and the good fit between its various activities proved their worth more than ever in 2012.

This also shows the wisdom of the group's structure and its operating methods, which involve paying particular attention to its staff. It was no accident that the CFE group won two awards for its human resources policy in 2012. It was awarded Diversity accreditation by the Brussels Capital region, and won the 2012

Top Employer award for its conscientious, committed approach to its staff.

This same conscientious, committed mindset also forms the basis of all the work CFE does for its customers, along with its desire to meet their requirements as effectively as possible at all times. By taking this approach, CFE

was able to ensure customer satisfaction in 2012, and will be able to continue doing so in future. This approach has also sustained long-term business relations and will continue to do so, and is leading to new relationships of trust between CFE and clients all around the world. ■



▲ Liefkenshoek railway tunnel - Antwerp

In Belgium, the PPP-Concessions division saw good levels of activity in major project studies, including the A11 motorway in the north of Bruges

As part of these studies, the division's staff seeks to optimise the long-term maintenance of structures and reduce maintenance costs.

DBFM (design, build, finance, maintain) activities

Two major projects at the study stage, including Belgium's largest prison

Prequalified for the new prison complex

1.200
inmates

around
100.000 m²
surface

Belgium's largest prison

the new police station

22
storeys

Jean Nouvel

this project won a Futura Award at the MIPIM 2012

Rent-A-Port-Energy

3
offshore wind projects

900
Megawatt

In 2012, the PPP-Concessions division was involved in the project for a new prison complex due to open in Brussels in late 2016. With 1,200 inmates and around 100,000 m² of space, it will be Belgium's largest prison. The project forms part of a public-private partnership and a DBFM (Design, Build, Finance and Maintain) contract awarded by Régie des Bâtiments (public building authority) in April 2012. As the contracting authority, Régie des Bâtiments is working closely with Belgium's federal justice department, which will operate the complex. The complex will occupy an 18-hectare industrial site in the town of Haren, to the north of Brussels, and will eventually replace the Saint-Gilles, Berkendael and Forêt prisons.

The SPC Brussels Prison consortium, set up especially for this project, was shortlisted on the basis of its first bid, alongside two other consortia. The contracting authority will name the winning consortium in April 2013 based on final technical and financial bids submitted in early 2013. The architectural plan adopted by CFE and its partners is based on a "prison with a human face". Given that spatial configuration has a significant effect on the mental attitude of inmates and prison staff, the prison's environmental concept is like that of a town, with wooded areas and streets linking work areas with accommodation.

The other major project, which concerns the A11 motorway,



▲ PPP Schulen Eupen



▲ Artist impression of the new police station - Charleroi

SEVERAL GREEN ENERGY PROJECTS IN THE NORTH SEA

Rent-A-Port Energy is playing an important role in talks with Elia regarding the "Plug at Sea" project, which involves the engineering and organisation of two major offshore facilities to achieve the most efficient high-voltage subsea cable connection between the offshore farms and the Belgian coast. Belgium will be one of Europe's pioneers in this innovative field involving high-voltage cables and mega-transformers at sea.

Marc Stordiau
CEO Rent-A-Port



is part of the Flanders region's ambitious plan to improve its existing road infrastructure by filling in "Missing Links". In late 2012, a rival consortium was named as preferred bidder by Via-Invest.

Projects underway in Eupen, Charleroi and Antwerp

Major projects are also in the execution phase, such as the project to refurbish and build five schools in Eupen. In December 2010, the German-speaking community signed a DBFM contract with PPP Schulen Eupen SA, a company in which CFE has a 19% stake. The construction work is being done by a 50/50 joint venture between CFE and a German partner. The contract also includes building maintenance and facilities management services. The

project consists of four primary and secondary schools with total space of 64,000 m², including 46,000 m² of new passive buildings. The first building was completed in 2012 and handed over in the presence of Education Minister Olivier Paash. The other buildings will be completed in late 2013.

Charleroi's new police station has already received a lot of media coverage. In 2011, the city of Charleroi awarded a DBFM (design, build, finance and maintain) contract to CFE SA in relation to a new police station in the city and the extension of the Charleroi Danses choreography centre. The police station project includes the refurbishment of both major wings of the former Cavalerie building and the construction of a new passive 22-storey ovoid building, including three basement levels. The

building was designed by Jean Nouvel's practice and executed by MDW Architecture, and the project won a MIPIM 2012 award. Work began in April 2012, and is being performed entirely by CFE group entities: CFE Brabant, BPC Hainaut, Druart SA and Nizet Entreprises SA. Completion is scheduled for late October 2014, after which a 25-year maintenance period will begin. This will be managed by the long-term maintenance section of the PPP-Concessions division, with work outsourced to various group entities.

As part of work on the new Liefkenshoek rail link, being performed by MBG and others, the PPP-Concessions division - also working in partnership - is monitoring the work to ensure that long-term performance obligations can be met.

Port development and management

Port development and management activities are carried out by Rent-A-Port, and take place internationally. It is worth noting the upturn in business in Belgium for Rent-A-Port's sister company Rent-A-Port Energy. This company now has significant involvement in three offshore wind projects off the Belgian coast with total capacity of 900 MW. ■

Excellent year for the residential business

In 2012, the division benefited from very good performance in the Belgian residential market. In Antwerp and Brussels, developments sold very well, undermining claims that Belgian residential real estate is overvalued. As a result, 2012 was an excellent year in terms of residential sales.

In the office sector, the market remained sluggish, but CFE has no completed unsold office property in its portfolio. This sector could see an upturn in 2013, since the ongoing lack of new construction should lead to the return of investors.

Building development and management

In Belgium, development activity continued in Flanders and Brussels. Apartments under construction quickly found buyers, despite tough financing conditions for both professionals and individuals. BPI-CFE Immo also adopted a policy of selling non-strategic projects on which building permits have been obtained.

Residential: new projects to pursue across Belgium

In the Brussels and Brabant region, the third phase of the Les Hauts Prés d'Uccle project was completed, with 85% of the apartments having been sold. Legal action was taken to stop the Belview project in the Léopold district, but work was able to continue and more than a third of the vacant residential units have been sold. An agreement has been reached with an investor as regards government-regulated housing. In Louvain, the final phase of the Barbarahof project, called 't Rood Huys, was completed in 2012, bringing this city-centre refurbishment project to a successful close.

In Antwerp, where the Lichttoren development is almost 100% sold, BPI-CFE Immo continued to look for new projects. This resulted in a partnership to redevelop a city-centre car park into a residential building.

On the Belgian coast, sales of the La Réserve development in Knokke are continuing, but more slowly than expected due to the impact of the economic situation on the second-home market. In Ostend, two building permits were awarded, slightly later than expected, as part of the Oosteroever project. Work on these two phases, which relate to 104 homes, will start in early 2013.

Finally, the company acquired the Bavière site in Liège as part of a partnership, with the aim of building a mixed-use development of almost 100,000m².

Offices and mixed-use projects: breathing new life into several districts of Brussels

BPI-CFE Immo's activities in office and mixed-use projects focused mainly on Brussels in 2012, where several urban development projects are at the planning or execution stage. In the European district, the aforementioned Belview office project is under construction, and a preliminary agreement has been reached with an investment fund. The building permit application process for the large-scale Victor project is ongoing. The impact study ended at the end of 2012, and final permits should be awarded in 2013. This ambitious residential, retail and office project is located at Place Horta, alongside the Gare du Midi TGV station on a site being developed by CFE and Atenor. In Ixelles, the redevelopment of the Solvay site is continuing, and agreements have been signed with a retirement and care home operator. Building permit applications should be submitted in 2013.

The plan for the Sterpenich shopping centre, near Arlon, was refused a building permit. Since the argument for refusing the permit lacked substance, an appeal has been made to Belgium's Conseil d'Etat.

Sogesmaint-CBRE, which operates mainly in buildings management, also has a Project Management unit that serves the entities that use buildings. In 2012, it managed the project to extend Google's head office and install pharma company Ely Lilly in the Marquis building. It is also managing the construction and fit-out of a new head office for Gates in Erembodegem.



▲ Belview - Brussels



▲ Lichttoren - Antwerp



▲ Buildings management for an IT company - Brussels

Positive sales and promising developments

The sales outlook in Belgium remains positive. Sales continued at a good pace in 2012, and BPI-CFE Immo has a large portfolio that is continuing to attract investor interest. In addition, the company is hoping to gain urban development authorisation for several projects at the development stage, which should boost revenue over the next few years.

Buildings management

In 2012, a number of management contracts were renewed with various owners. These renewals covered 175,000 m² of space. This is a record for Sogesmaint-CBRE, which handles this activity within the division. Negotiations covered aspects such as price adjustments, adjustments to the basic package and the provision of new services. New contracts were also signed with Belgian and foreign investors, mainly concerning office buildings (around 100,000 m²). However, the company also operates in other segments: car parks, small shopping centres, residential buildings and logistics buildings. In 2012,

the portfolio included Atenor's mixed-use Up-Site project (100,000 m²), Ghelamco's Vander Elst office and retail project in Louvain (21,000 m²), the Les Hauts Prés d'Uccle retirement home and the Ethias office building in Brussels (17,700 m²).

New departments and services

In 2012, alongside its main buildings management business, Sogesmaint-CBRE focused on growing its company management and lettings co-ordination activities. These new businesses should help boost margins in future. In the fourth quarter, the management department started work on the "Pampering" project, which aims to provide a more attentive service to tenants, and the "Premier Properties" project, which will offer a five-star set of services for buildings and their tenants. ■

482
APARTMENTS
SOLD IN 2012

Jacques Lefèvre
Managing Director BPI
General Manager CFE Immo



**Brussels region
and Brabant**

**the third phase of the
Les Hauts Prés d'Uccle
project was completed**

85%
of the apartments
having been sold

Antwerp

'Lichttoren'
sold for **94%**

Ostend

Oosteroever
two building permits
were awarded

Engineering department working in permanent synergy with group companies

The Construction division's Engineering department has a set of extremely valuable skills, consisting of the Engineering department, Benelmat - which handles logistics and equipment - and quality, health, safety and environment teams.

CFE EcoTech, CFE Brabant, Nizet and VINCI Environnement.

CFE International also used the studies unit, particularly for the stability study relating to the BNP Paribas office building in Algiers, the design of a bridge in Bizerte, Tunisia and other

Benelmat: vital support for group projects

In 2012, Benelmat continued to provide various services in support of the group's construction and civil engineering projects, such as preparing worksites, helping select and supply formwork and providing

Quality, health, safety and environment departments: supporting CFE's quality strategy

The effective assistance provided by the group's quality, health, safety and environment departments helped companies in the Construction, Multitechnics, Rail & Road and Dredging & Environment divisions to obtain and extend numerous certifications.

In the Construction division, for example CFE Brabant and BAGECI obtained OHSAS 18001 certification, while Aannemingen Van Wellen obtained VCA-P certification for its petrochemicals unit and implemented ISO 14001 (environmental management) standards within its buildings unit and head office. Several entities in the Construction division (BAGECI, CFE Brabant, CLE, CFE Nederland, MBG, BENELMAT and BPC) also underwent audits for ISO 14001 certification at the end of 2012, and several of them will obtain it in the near future. Others (BPC and Amart) have begun the implementation process. MBG, Benelmat and BPC renewed their VCA** certifications, and BPC renewed its ISO 9001 certification.

In the Multitechnics division, CFE EcoTech obtained OHSAS 18001 certification and underwent a ISO 14001 audit, while VMA and Nizet made preparations to obtain ISO 9001 certification. Louis Stevens & Co, in the Rail & Road division, has VCA certification. The Dredging and Environment division developed a new management system based on ISO 9001, 14001 and 18001 standards. The whole Dredging International organisation, including subsidiaries, has a multi-site certification from Lloyd's Register Quality Assurance (LRQA), which also audited the whole DEME group in relation to ISO 14064 (greenhouse gas quantification and verification standard). Finally, DEME obtained third-level certification for companies operating in the Netherlands in relation to its CO₂ emissions. ■

Certifications
OHSAS 18001
VCA-P
ISO 14001
VCA**
ISO 9001
ISO 14064

UP-SITE

42
 stories

Belgium's tallest
 residential block

Liefkenshoek
 railway tunnel

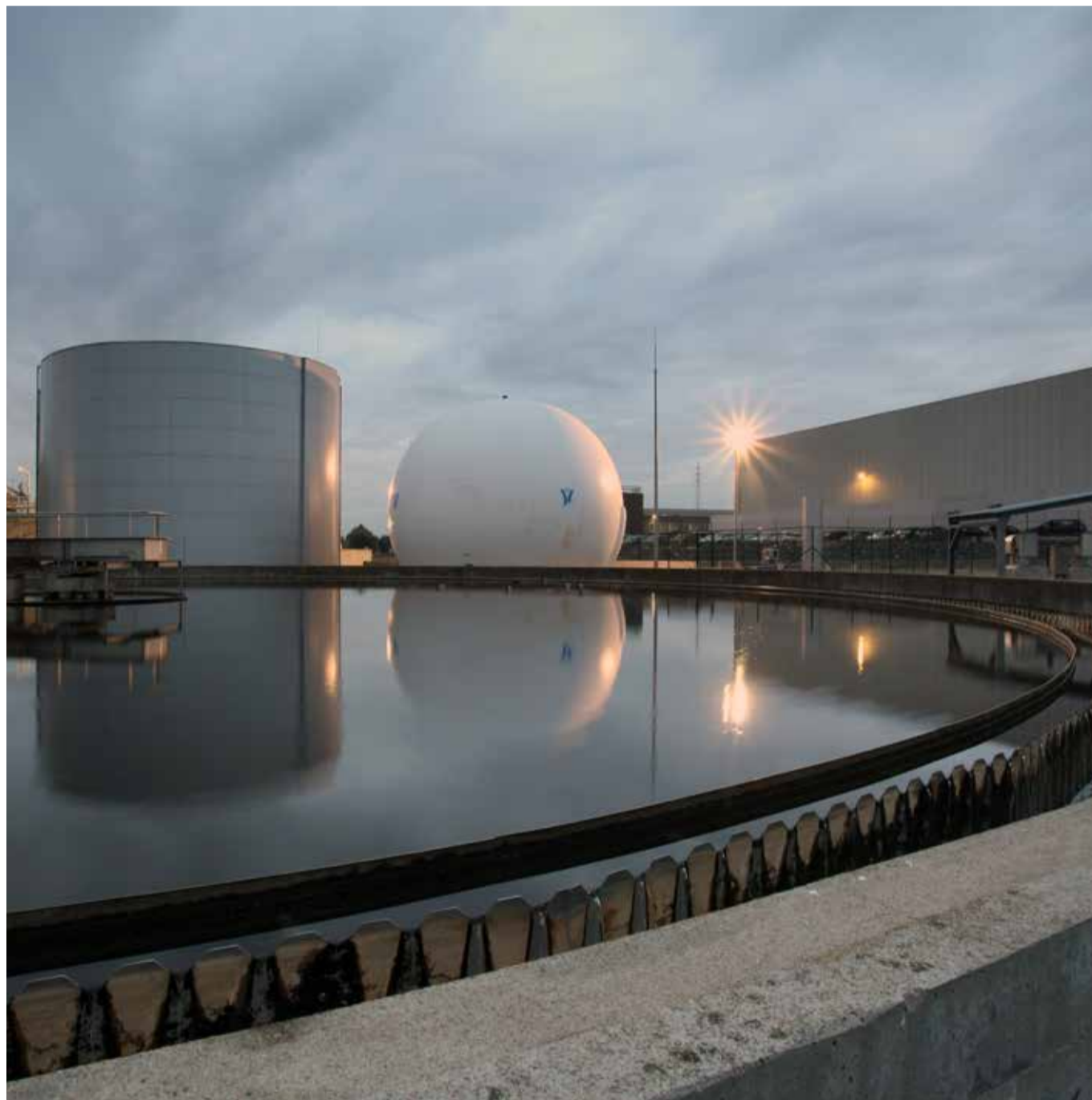
DBFM

construction
 contract

680
 million euro

maintenance
38
 years

16 km
 railway link



▲ Wastewater treatment plant and sludge digestion tank in Mouscron

Engineering department : numerous complex studies in construction and civil engineering

The Engineering department works alongside the day-to-day technical assistance department and the tendering departments of the Construction and Multitechnics divisions, and worked more closely with certain group entities in 2012. For MBG, it carried out a large-scale execution study on the Liefkenshoek rail tunnel and detailed engineering work on the LNG jetty in Zeebrugge. It also took part in tenders for the DBFM contract relating to the A11 motorway in Bruges and the Deurne airport tunnel. For CFE

Brabant, the unit performed an excavation study relating to the Groupe 5 building and detailed engineering work on the Musée du Train. It was also involved in various design-and-build contracts, including the residential project 'Les Capucins', a school in Schaerbeek and the Haren prison complex.

The engineers also worked on wastewater treatment facilities. In 2012, they performed execution studies relating to a sludge digestion tank in Mouscron, the Bricniot and Naninne wastewater treatment plants and the refurbishment (currently at the tender stage) of wastewater treatment facilities in South Brussels, in collaboration with MBG,

projects in Nigeria, Sri Lanka and Vietnam.

As a result, it was a busy year for the team. 2013 is set to be just as intense, since the unit is involved in various early-stage projects, tenders and new infrastructure work. It will expand its skillset by adopting BIM (Building Information Modelling), which introduces a new dimension to the visualisation of construction projects.

assistance with selecting, renting and/or selling equipment. However, its revenue plateaued in 2012 after rising constantly for the previous eight years. Overall, business levels were flat relative to 2011, but export revenue - which makes up more than 10% of the total - increased. Benelmat was also involved in a highly innovative experiment in late November 2012, involving the installation of prototypes for the first low-energy containers at Aannemingen Van Wellen's project for the Red Cross in Malines. The aim is to use this type of container across all worksites.

Increased business levels in the buildings segment

In Belgium, 2012 brought very strong growth in the buildings market, offsetting lower business levels in civil engineering. Civil engineering depends on public-sector orders from the federal government, the regions and local communities, and budget constraints on these bodies affected the order book and business levels in 2012. This situation will remain in place in 2013. Fortunately, this gloomy climate in civil engineering was offset by very firm growth in the buildings sector.

In 2012, the Construction division also benefited from a more streamlined business profile, which resulted in BPC, which already operated in the buildings market in Brussels, moving into Wallonia. This streamlining involved BPC absorbing the buildings activities of BAGECI, and fits with the group's desire to work much more closely with customers at the local level. As a result, 2012 brought the creation of new brand names: BPC Liège, BPC Hainaut and BPC Namur. These three entities, which exist alongside BPC Brabant, represent genuine profit centres in the major cities of Liège, Charleroi and Namur.

The Construction division's activities in Belgium take place through several companies based in the country's various regions. Most of them operate in buildings, industrial constructions and refurbishment. This is the case with Amart, Aannemingen Van Wellen, BPC, CFE Brabant, Leloup Entreprise, MBG and Groupe Terry. Two entities operate in civil engineering: BAGECI and MBG. The division's structure underwent several changes in 2012. As well as BPC taking over BAGECI's buildings business as mentioned above, the roads department of Aannemingen Van Wellen was transferred from the Construction division to the Rail & Road division. Leloup Entreprise Générale also joined the CFE group as part of CFE Brabant.

Buildings, industrial constructions and refurbishment

MBG completed a number of projects in 2012, and its portfolio was very diverse, including projects in the residential, healthcare, culture and leisure, public-use and industrial segments. The order book for 2013 is very strong, and features the same variety.

Major residential projects were completed, including the new

Park View and Waterfront residences in Ghent, which contain 48 and 34 apartments respectively. In Bruges, the innovative residential project initiated by BPI at the former Gouden Boom brewery was also completed. The unusual architecture of this historic site posed a real challenge, but the project was highly successful. It is a prestigious mixed-use project, and one of its unique features is the conversion of a real malting plant from a former brewery. In Blankenberge, MBG and Aannemingen Van Wellen joined forces to complete structural works on the Royal Gardens project, which consists of 93 homes. Several other projects got up to speed in 2013. On the site of the 'Oude Kaars' former banqueting halls in Wijnegem, MBG carried out all works - from demolition to assisting clients and buyers - relating to a new key project comprising 133 homes with underground parking. In Ghent, the mixed-use Lievehof project, consisting of 41 apartments, offices and retail premises, along with the Canal View complex comprising 88 apartments, are progressing well. In Antwerp, MBG continued to build a large development of homes at the site of the former military hospital (Groen Kwartier) and started new projects including the third tower at Kattendijkdok and the Quercus building in Boom, on the site of a former fire station.

In the healthcare sector, MBG built the largest project ever seen in the Eeklo region, i.e. the AZ Alma hospital, which represents a total investment of €220 million including €42 million for MBG. The Mayerhof retirement home is also being built in Antwerp (Mortsel), with electrical work done by VMA from the Multitechnics division. In the leisure sector, the prestigious aquatics, sports and youth centre known as Duinewater in Knokke opened to the public. This turnkey project was completed in June by MBG. It was designed to have minimal environmental impact and features the most environmen-



▲ Grande Poste - Ostend



▲ Up-Site, the tallest residential block in Brussels

tally friendly and sustainable swimming pools in Belgium. In Ostend, the refurbishment and conversion of the former Grande Poste building into a cultural centre took place, combining new building work with preservation of a listed building in a very short timeframe. The largest challenge was to mount the steel pipes above the patio.

MBG also completed two underground car parks (Ganzendries and Wollemarkt in Malines for VINCI Park) and continued to build the highly anticipated Hopmarkt car park in Alost (305 spaces for Interparking). MBG also continued its indus-

trial activities with clients such as BASF, Total, Pfizer, Elia and Ineos.

The buildings department of Aannemingen Van Wellen saw a wide range of projects, doubled its revenue and returned to profit in 2012. This was the result of various measures and decisions taken in previous years, including the adoption of new technical skills, the creation of a studies unit and purchasing centre within the company, improved budget controls, and greater commercial activity, particularly in terms of the company's market profile.

AMART: FOCUSING ON QUALITY

We focus strongly on generating repeat business from clients and/or architects. This means that we are very demanding as regards the quality of our work and aim to give our customers total satisfaction.

Steven Luyckx
Bernard Palange
General Manager



In the residential sector, the company - together with MBG - completed the Royal Gardens complex in Blankenberge and started or continued several projects in Antwerp, including construction work on the Lichttoren project for BPI and its partners, the conversion of a building into apartments (Résidence Diamond) and the Résidence Henri.

Aannemingen Van Wellen also did work in Brussels with the construction of the Clos du Miroir in Jette. In social housing, Aannemingen Van Wellen continued working on the Ruppelstreek Goed Wonen project in Boom and started building a youth centre for the Speth children's home in Kapellen. An office project also got underway, in order to house the Flemish Red Cross in Malines, while construction continued on the Onyx office complex in Antwerp. The company built two schools in Burcht and Zele, a sports complex in Zandhoven and a stand for 3,246 spectators at the Ethias-Arena (Grenslanthalen) in Hasselt. Aannemingen Van Wellen also started a project

to build and refurbish serviced apartments for Onze-Lieve-Vrouw in Antwerp.

In 2012, CFE Brabant was very busy across the various segments of the building sector - including schools, offices, industrial buildings, hospitals, housing, metro stations, retirement homes and museums - for both public- and private-sector customers. Major projects included the fourth European school in Laeken (a 52,000 m² project working alongside VMA on behalf of public building authority Régie des Bâtiments), which was completed in a very short timeframe before the school year started in September. This unprecedented project combined modern architecture with historic buildings (the former military cadet school) to create a harmonious whole. The Urban office project (36,500 m² with BREEAM Very Good certification) in Brussels, on behalf of AG Real Estate, was also completed in record time. Other projects - such as the Singaporean embassy in Brussels and the new Travel Center at the Gare du Nord station, the Rood Huys residential project in



▲ Office buildings Pole Star (left) and North Light (right) - Brussels

Leuven, the Dépôt Communal project in Woluwé-St-Lambert, the refurbishment of the Hemp-tinne barracks in Heverlee, structural works on the Sainte Anne-Saint Rémi clinic for Chirec and structural works on the Villa Napoléon in Uccle - were successfully completed in 2012.

Major projects still underway at end-2012 included the passive tower for the Charleroi police station, designed by architect Jean Nouvel and also involving BPC, Nizet and Druart, along with the Pole Star office block for AG Real Estate, which gained BREEAM Very Good certification. Other projects include the refurbishment of the Arts-Loi metro station for Beliris, the construction of the mixed-use Belview project for Allfin/BPI (alongside BPC), the refurbishment of Coenraets housing units for the Brussels housing fund (Fonds du Logement de Bruxelles), the construction of a retirement home in Heysel for Brussels' public centre for social welfare (CPAS de Bruxelles), a passive administrative building for Elia in Brussels, and the refurbishment of apartment blocks located on the Ilot Louvain for CPAS de Bruxelles.

Several other projects started in 2012, including the construction of two residential buildings for Foyer Laekenois, the refurbishment (alongside BPC) of the Eastman building to house the future Museum of European History, the construction of a new hospital for the Brugmann university hospital, the construction of the Musée du Train in Schaerbeek for Eurostation, and the extension of the Saint Pierre university hospital in

Brussels with Terryn. CFE Brabant worked in synergy with various CFE group companies in 2012.

BPC underwent a major transformation in 2012 when it acquired buildings department BAGECI. The integration of non-manual employees took place officially on 1 July 2012, and the integration of manual workers on 1 January 2013. BPC now covers the whole of Wallonia, along with the Brussels Capital region, and works on both private- and public-sector contracts. It has four regional branches: BPC Brabant, BPC Hainaut, BPC Namur and BPC Liège. In early January 2013, BPC Hainaut and BPC Liège moved into their new premises in Gosselies and Bierset. To promote its new general and local identity, BPC freshened up its image with new logos. Naturally, this effort did not detract from BPC's business, which was particularly busy as part of "bouwteam" joint ventures on major projects. BPC completed several projects 2012: a residential building (Jardins de la Source - phase 1) in Louvain-la-Neuve, a passive apartment block in Ixelles, another in La Sablière (4th building in Uccle Calevoet for BPI), along with Boléro in Bousval, Bricchart and Hélios in Rochefort and social housing projects in Ghlin and La Louvière. It also saw the official inauguration of the Olympic ice rink in Liège (collaboration with Terryn).

Several major projects remain underway, including the Charleroi police station PPP project mentioned above, the Eupen schools PPP project, the mixed-use Belview project for Allfin and BPI (with CFE Brabant) and

CFE BRABANT'S ACQUISITION OF LELOUP ENTREPRISE GÉNÉRALE

In February 2012, CFE Brabant bought the business of Leloup Entreprise Générale, which now supports the development of CFE Brabant's "Small Works" unit. CFE Brabant took on Leloup's teams in order to offer its customers an even more comprehensive range of products. The two companies have a similar spirit and values, and their activities are a good fit, so the combination was a natural one.

Christophe Van Ophem
General Manager CFE Brabant



▲ Wood construction of an art gallery and an indoor swimming pool - Brussels

the Up-Site project in Brussels for Atenor, which includes Belgium's tallest residential block (42 stories). Other projects - such as Brusilia, Congrégations and Shape - also continued

in 2012. Last year also saw the start of several new projects: social housing in Jemeppe, phase 2 of Les Jardins de la Source in Louvain-la Neuve, the Park

Lane residence in Ixelles, Musée de l'Europe (Eastman Institute) in Parc Léopold in Brussels (with CFE Brabant), incubator centres in Tubize, Hôtel Midi in Bruxelles, CMI in Seraing, the Meuse Campus project in Liège, PWTC in Gosselies and the start of refurbishment/reconstruction work on the Chambon project (former CGER head office for Allfin).

Amart saw numerous changes in 2012. The CFE group appointed Amart's managing director Ivan De Wilde to take over the management of the Eupen schools PPP project. Steven Luyckx and Bernard Palange have taken over Amart's general management. Amart saw very strong business levels in 2012 and a sharp rise in revenues, and also moved its offices to Evere.

Projects completed in 2012 included the construction of Faubourg d'Egmont, a prestigious passive residential building on Rue du Pépin in Brussels, and the transformation of a building to be used by disabled people in Lasne (l'Essentiel). Amart also converted a former malting plant into housing for Breevast, fitted out offices for Google, built a mixed-use complex at Fort Jaco in Uccle (Au Petit Village) and converted the Renault site in Drogenbos. Several projects remain underway or are about to start. These include the major Bataves Housing project and a second contract from Redeveco for the redevelopment of its site in Jumet. In Brussels, Amart will work on the Vlerick Business School's new premises in the Manhattan Center. In Ghent, on the Veldstraat, very close to the Glaszwaan project completed for Prowinko, Amart has been

awarded a mixed-use retail and housing project by a private investor. The company also won a contract for Athelean in Liège.



TERRYN: FOCUSING ON HIGH-VALUE-ADDED PROJECTS

The recession in the construction sector has prompted us to take a closer look at our cost base. We have gradually improved profitability, while focusing on high-value-added projects. This is enabling us to capitalise more on the skills of our studies unit and the quality of our specialist machinery.

Stefaan Terryn

Filiep Terryn
Managing Director
Group Terryn



The Terryn group includes Korlam, Spanbo, Ecotimber, Terryn Hout in Moorslede and Lamcol in Marche-en-Famenne. It specialises in wood processing and recovery. In 2012, demand was lacking, both in Belgium and abroad. Its industrial construction business performed better than the wood business. Profitability improved slightly in 2012, and Terryn was involved in some highly prestigious projects such as the roof of the new hall at the Foire de Libramont, and the roof of the Olympic ice rink in Liège. It also took part in building a showroom for CNH (Fiat group) and in the construction of the swimming pool Rozebroeken in Ghent.

2013 outlook in the building sector

Given uncertainties in 2013, CFE's companies are taking various measures. These include focusing more on certain types of project to boost profitability, carrying out internal reorganisation, increasing synergies within the group, delivering high-quality projects on time and on budget, stepping up commercial

efforts in some geographical areas, becoming more flexible and efficient, enhancing customer retention and developing sector-based activities and green projects. Companies are also focusing on safety with a "zero accident" target, on quality and on the environment, with several entities obtaining ISO 14001 certification.

Civil engineering and infrastructure

To maximise synergies, Patrick Verswijvel, assisted by Jean-Pierre Dewulf, has been put in charge of civil engineering activities in Belgium and Luxembourg. Young, motivated staff are in place, and they are being actively coached and supported by their management teams in their worksite management efforts and decision-making.

In 2012, BAGECI's activities focused on two types of contract: firstly, wastewater treatment through the construction of treatment stations, pumping stations, collectors etc.; secondly, the renovation of existing infras-

MBG: FOCUS ON SYNERGIES

Once again, synergies between MBG's civil engineering and industrial buildings and structures divisions contributed to its success in 2012. Our staff have opportunities to work in a range of disciplines, taking into account their wishes, talents and ambitions. Pooled administrative departments and skills- and resource-sharing are boosting synergies. The civil engineering business has been very successful with its mega-projects, while the buildings and industrial structures business has completed an impressive set of various public- and private-sector contracts, ranging from small industrial projects to large residential and public-use complexes.

Patrick Verswijvel
General Manager MBG

Manager Civil Engineering Belgium and Luxembourg



BPC: THE RIGHT PERSON IN THE RIGHT PLACE

More than ever in the current recession, we need to focus and avoid mistakes, putting the right person in the right place at the right time. This means that we need to know our business well, so that everyone can develop and fulfil their aims for the benefit of all. This is why we work hard to integrate our new colleagues. Recessions reveal opportunities and talents, and we need all the talent we can get to remain competitive at a time when the number of major office projects is falling and given the unexciting outlook at the broad economic level. By doing this, we will be able to manage and maintain the strong business growth we saw in 2012.

Frédéric Claes
Managing director BPC



tructure through hydrodemolition and shotcreting, as with the Biereau tunnel. BAGECI also

had the pleasure of seeing the inauguration of the wastewater treatment plant in Sclessin and

of completing the Vortex project in Namur, which treats wastewater before it is released into the Meuse river. The company won several new contracts in these business areas, including the pumping station at Jemeppe, the wastewater treatment plant at Bousval, and the renovation of the River Senne's opening in Brussels.

Projects are also underway in the field of engineering structures. Examples are the Bowstring bridge in Auvélais and the diversion of the Lasne channel in Genval. Numerous tenders have been submitted for the construction of various stormwater basins in Brussels, and BAGECI is still waiting to hear the results.

For MBG's civil engineering department, the Liefkenshoek rail tunnel was the largest project in 2012. This DBFM project started in late 2008, and the works section represents an investment of €680 million. It is scheduled for completion in mid-2013. It will be followed by a 38-year maintenance period. Site teams have been working hard for four years to meet their deadlines, and have succeeded. The second and most important deadline of 21 January 2013, which is when the tunnel was due to be made available to contractors, was met.

This 16km rail link connecting the left and right banks of the river Scheldt involved a number of technical challenges. The greatest of these involved tunnelling under the Scheldt and under the port of Antwerp at a depth of 40m, using two tunnel boring machines. The success of this project resulted partly from the expertise of four partners, including VINCI Construction Grands Projets (VCGP). 2012 also saw the end of the major Diabolo project in Zaventem (€320 million), which

was officially inaugurated in the presence of King Albert II in June 2012. This was another challenging project that was impressively handled by MBG. The construction of the second jetty at the Fluxys site in Zeebrugge was completed in December 2012. The marine works were performed in collaboration with GEKA. The Beersel water tower project also began, with completion scheduled in 2013. In Malines, the first phase of work to develop the area around the train station, including a large underground car park, began in January 2013 (€60 million as part of a temporary consortium).

Civil engineering in 2013: major projects at the study phase and continuation of existing projects

In civil engineering, the main aim is to renew the order book. MBG will focus on study work relating to various projects worth over €100 million, such as the North-South Limburg road link, the second phase of the 'De Leien' project in Antwerp (Brabo 2), the Léopold II tunnel in Brussels and the wastewater treatment plant in South Brussels. Work on most of these projects is not due to start until late 2013 or 2014. ■



▲ Construction of a jetty for Fluxys - Zeebrugge

The Multitechnics division was reorganised in 2012

The Multitechnics division was reorganised in 2012. This involved the acquisition of Ariadne, the transfer of Louis Stevens & Co and ENGEMA to the Rail & Road division, the combination of Vanderhoydoncks and VMA, the integration of ETEC and the development of Brantegem. Other business combinations took place later in the year and their results will be seen in 2013.

Focusing on the integration process and increasing coverage within Belgium

Although 2012 was a difficult year and despite a slight decrease in some entities, the division's overall revenue remained stable and the order book is solid. While some acquisitions are being considered in 2013, the division will focus on integrating its existing companies in order to increase efficiency. Efforts to enhance synergies will also continue, particularly as part of PPP projects. The division will achieve greater coverage of the Belgian market by increasing its presence in regions where it is currently less active.

Multitechnics division companies in 2013

In Belgium, the Multitechnics division now comprises the following companies:

VMA, Nizet Entreprise (working with CFE EcoTech in environmental activities), Vanderhoydoncks, Van De Maele Multi-Techniek and Ariadne, specialising in general electrical and industrial automation work;

Brantegem, Druart and its Prodfroid subsidiary, which specialise in HVAC techniques;

ETEC, specialising in public lighting and the installation of networks;

be.Maintenance, which provides specialist maintenance services;

Voltis, which operates stores that sell lighting, electrical installation equipment, tools, home automation systems, heating and air conditioning equipment and electrical appliances.

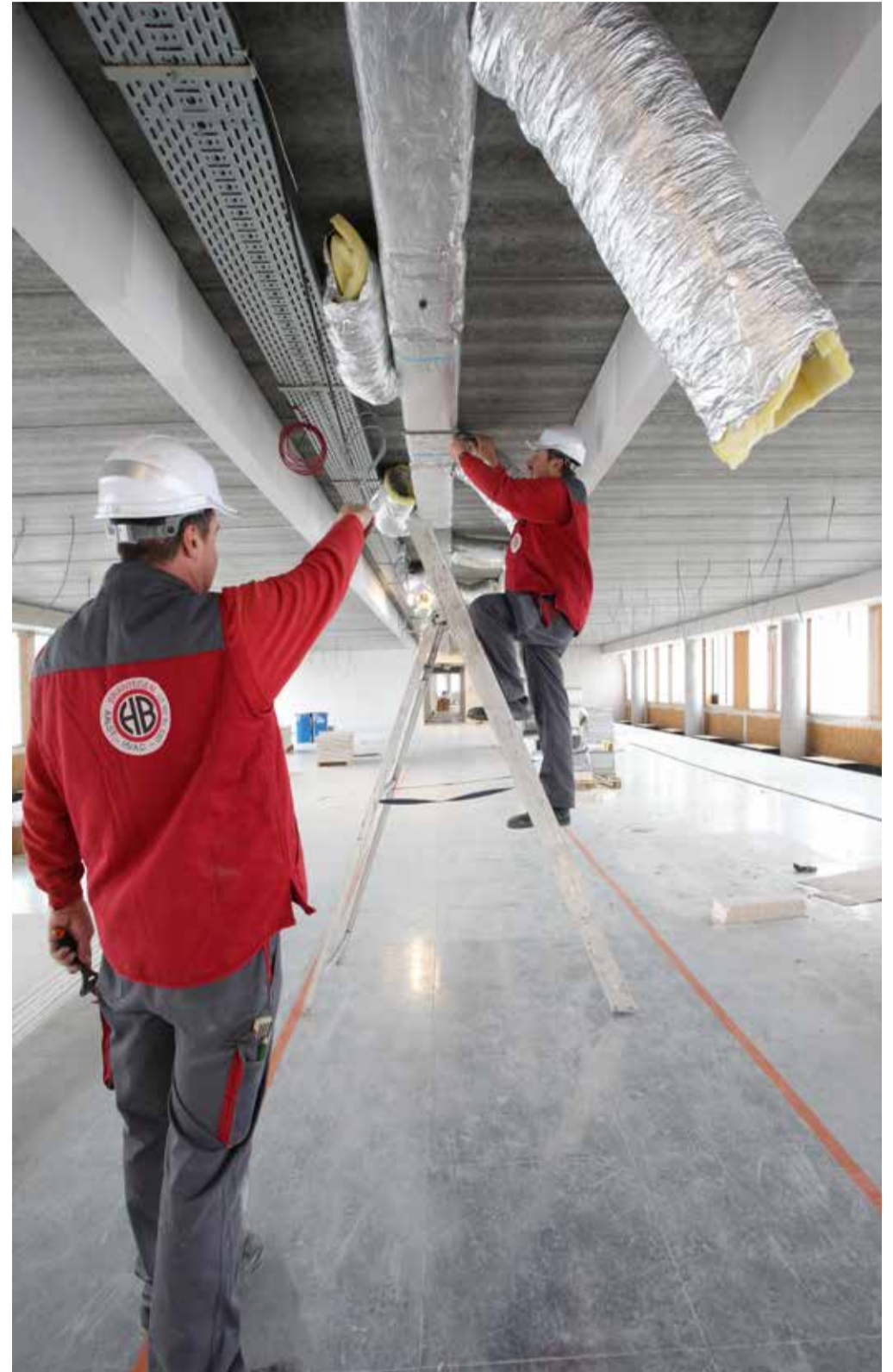
Electricity

The CFE group's expertise in electrical and electrotechnical work was confirmed again in 2012 in a wide range of sectors, including housing, tertiary, hospitals, schools and infrastructure. Synergies within the division and with the group were greater than ever.

In 2012, after a year and a half of preliminary studies and development, VMA's infrastructure department completed its research work on the engineering system for tunnels in Delft, and prepared for the start of work on this 2.2km, €8 million project, which is due to take place in 2013. This is a good example of synergies with CFE Nederland. As well as the KAM office building in Bruges for Eurostation and the Lak-VMM office building in Sint-Denijs-Westrem for Interbuild, the company also completed electrical installation work on the fourth European school, a prestigious project carried out in collaboration with CFE Brabant. Another example of synergies was the Pole Star office building in Brussels, which was completed in conjunction with Nizet and CFE Brabant following work on the North Light project. VMA also worked with Brantegem on the innovative Elia project, and used its VMA Information Control System (VICS), which allows integrated management of all technical equipment in a building, together with very strict monitoring of energy consumption.

VMA also won two large orders in the hospital sector: AZ Jan Palfijn and AZ Maria Middelaersin the Ghent region. These projects represented a real challenge due to their high technical specification, the need to keep the hospitals running during the refurbishment and the very short lead time, especially for the AZ Jan Palfijn hospital. VMA has started 2013 with a full order book. It is aiming to provide a high-quality service and generate good financial results, as well as enhancing safety and working conditions in general, and paying greater attention to international opportunities.

Ariadne was acquired by the CFE group in 2012 to bolster its offering in the electrical sector. It is based in Limburg and specialises in electrical automation. In 2012, it carried out automation work on production lines, machinery



▲ Installations of HVAC - head office Elia - Schaerbeek

and logistics systems in the automotive, food and drink and consumer goods sectors. Ariadne also installed photovoltaic panels and carried out several electrical installations in the paper industry and at producers of building materials. In 2012, the company provided automation solutions to customers including: Norbert Dentressangle (specialising in frozen foods), Limeco Zonhoven (dairy produce) and Lear Corporation Genk (car seat testing facility).

Despite repeated delays to orders from Ford Genk, Ariadne had a good year, since it expanded its market to include sectors other than the auto industry. In the last few years, the need to prefinance increasingly large projects meant that Ariadne needed greater financial resources.

Its acquisition by the CFE group means that Ariadne now benefits from CFE's strength and solid finances, along with synergies within the group's Multitechnics division. This will enable it to focus on its core business and pursue growth again.

A strong presence in the hospital sector

2012 was not an easy year for Nizet, although its revenue was as expected and it made a slight profit. Although the office market was in decline, Nizet's tertiary department carried out electrical installation work at the Braine-l'Alleud academy of music, the Renault showroom in Drogenbos for Amart and the shopping centre in Nivelles. Other projects are underway: schools for the German-spea-

king community in Eupen, the Espace Solvay office building in Liège and the Pole Star building in Brussels (offices for GDF Suez) for the CFE/Interbuild joint venture. Nizet also confirmed its expertise in the hospitals sector. Several projects were completed in 2012: the Jolimont hospital (Block D), the Brugmann trauma care and rehabilitation centre in Brussels, the public centre for social welfare in Tournai and the Louis Caty hospital in Baudour. Work is continuing on the Saint Nicolas project in Eupen, on the Erasme and Saint Jean projects in Brussels and on the regional hospital in Huy. Several major contracts were won for 2013: Shape schools in Mons, the CHWAPI hospital in Tournai, the Charleroi police station and the hospital in Dinant.

Acquisition

ARIADNE

specialised in automation

Wastewater treatment plant Selessin

150.000
population equivalent

Vallée du Hain

90.000
population equivalent

SYNERGIES

within the division and with the group were greater than ever

The photovoltaic business suffered from a lack of investment in the Flanders region and the absence of new contracts starting in Wallonia and Brussels. Some projects were completed, including the MABRU covered market and a sheltered workshop in Brussels, the Catoul food storage warehouse in Liège and Nizet's own head office. The infrastructure department also suffered badly from a lack of new investment. Although revenue was disappointing, the department posted good earnings. Its achievements in 2012 included the electrification of the Vallée du Hain wastewater treatment plant in Braine-le-Château, in association with CFE Brabant, BAGECI, CFE EcoTech and Druart, the pumping station in Tihange and the Vortex project in Namur. The Infrabel project in Liège, in a joint venture with BPC, remains ongoing. The workshops department, which makes medium- and high-voltage electrical cabinets and switchboards, was very busy throughout the year. Customers included the regional hospital in Huy, BNP Fortis in Hareng and the Valdor clinic in Liège.

Limburg-based company Vanderhoydoncks, which has been successfully combined with VMA, carried out electrical installation work in a variety of sectors. Several of its major projects were in the hospital sector: Heilig Hart hospital in Leuven, Block 8 of the Sint-Trudo hospital in Sint-Truiden and the

Heilige Familie hospital in Reet as part of work to renovate the operating wing, along with other hospitals in Antwerp, Genk, Melsbroek and Diest. In the industrial sector, the company carried out electrical installation work on new offices and halls for Roba Metals in Genk, Scania in Opglabbeek, Pietercil in Tessenenderlo, Isola in Tongres and Nike in Laakdal. Vanderhoydoncks teams also performed electrical works on several retail sites for Colruyt, Dreamland and Okay, along with work in the tertiary sector, including offices for De Vijver in Vilvorde and C-Mine CBI&O in Genk. The company also did work in the public sector (Foyer in Genk, Fluxys, Régie des Bâtiments etc.). Vanderhoydoncks is determined to maintain its progress in 2013, and its order book means that it can already expect an increase in revenue.

For Van De Maele Multi-Techniek, the main event in 2012 was CFE's decision to buy all remaining shares it did not already own, i.e. the 35% stake still held by the former owner. The acquisition became effective in January 2013. Van De Maele Multi-Techniek was particularly proud of its work on the Thon Hotel Europe. The company carried out all electrical installation and lighting work on this building, which is in the heart of Brussels' European district and which was completely refurbished and turned into a 4-star hotel that opened on 1 April 2012.

Another major project was the new building for the outpatient surgical centre at the AZ Sint Blasius hospital in Dendermonde. On this project, Van De Maele Multi-Techniek carried out all electrical installation work, including high-voltage installation, normal and security lighting, data and telephone networks, music and call broadcast systems, access control, cameras and interphones. Working with MGB, the company also did electrical installation work on the new cultural centre located in the former "Grote Post" post office in Ostend. Van De Maele Multi-Techniek has a 5-year maintenance contract for electrical installations in all buildings of Ghent university. The Harelbeke project remains ongoing, with the first phase due for completion in 2013 and the second in 2015.

HVAC

The company has been active in the HVAC segment for several years. These activities were previously focused mainly in Brussels and Wallonia, but have increased in Northern Belgium, due in particular to the acquisition of Brantegem, which is based in Alost.

The CFE group's decision to buy into Brantegem and increase its capital gave the company positive momentum and led to growth in 2012. Investments in human resources in 2011

continued and started to pay off, laying the foundations for subsequent development within the group and generating immediate strong growth in revenue. Although margins remain under pressure in this sector, Brantegem operates in a buoyant market segment in which there is sufficient demand for medium-sized installers with engineering capacity. The company completed around 40 HVAC projects, including the Elia head office in Schaerbeek, the Pius X college in Zele, housing on Rue Coenraets in Brussels (a CFE group project), the Bellekouter

cultural centre in Affligem and the Hemptine district (CFE) in Heverlee.

Although Ariadne operates mainly in electricity, it has developed and perfected software dedicated to HVAC techniques, including control and visualisation systems for clean rooms and industrial cooling installations.

Van De Maele Multi-Techniek, based in Meulebeke, Western Flanders, completed several HVAC engineering projects including electrical HVAC controls for the new swimming pool as part of the Duinenwater project in Knokke-Heist, complete regulation work on the phase 2 of the Eurostation project and regulation work on the H&M building in Ghlin. Van De Maele Multi-Techniek is also carrying out regulation work and installing compressed air generators for the Clinique Notre Dame de Lourdes in Waregem. The recently created Ventilation department proved its worth by doing excellent work in its first projects, and has a promising order book. Completed projects include the first phase of the Hof Ter Linden project in Leupegem, which involved installing collective ventilation for 41 apartments, along with the installation of individual D systems in 40 apartments in Lievehof, Ghent, and in 90 apartments as part of the Ter Dompel renovation project in Waregem. The Ventilation department also won a contract to be performed

An increasing focus on export markets is another way of meeting the market's challenges in 2013

The Multitechnics division is set to see growth in 2013 and most entities are justifiably confident, because there are some real opportunities despite tough operating conditions. Strategies adopted by the division's companies include diversifying customer bases and activities, a more focused range of services and efforts to strengthen teams and commercial activities.

Bernard Cols
General Manager of the Multitechnics division



▲ Electricity works - Dreamland - Tongeren

in 2012 for the Regata project in Ostend. In its Mechanical & Piping business, Van De Maele Multi-Techniek completed the first phase of piping work for Pinguin-Lutosa, which is investing in upgrading its production lines. The next phase is due to start in 2013. The company also completed installing compressed air and vacuum ducting for Melexis, while other projects - including HVAC and sanitary work - remain ongoing

Special techniques in support of art and health

For Druart, one of the Group's two entities operating in the Hainaut region of Wallonia, 2012 got off to a difficult start due to the postponement of a few projects. However, business picked up, and order intake totalled €34 million during the year. Druart's activities included technical HVAC work on the Marie Curie university hospital (600 beds) in Lodelinsart for ISPPC, along with the Mons artwork storage facility (for Belgium's French community), the Meiser shopping centre (CAMAX) in collaboration with CFE Brabant, and Reibel's premises in Brussels. Projects in which Druart took part or is still involved included renovation work on the Clinique Notre-Dame de Grâce in Gosseles, the tower for the Charleroi police station in conjunction with several Group companies, and the construction of passive homes in Bousval with BAGECI. Although revenue was slightly lower in 2012 than in 2011, the order book at 31 December 2012 means that Druart is aiming for an increase in revenue in 2013.

The group did some important work in support of the Hainaut region's artistic life: to avoid damage to artworks to be installed in the Palais des Beaux-Arts in Mons, it was in charge of a delicate project to ensure very precise temperature and humidity levels. The quality of its work and leading-edge techniques enabled Prodfroid to win the contract for regulating and supplying coolant gas to the museum's terminal units. The installation was scheduled to come into service in late January 2013. In the pharmaceutical sector, the collaboration between Prodfroid and certain major installers goes from strength to strength, yielding clean room contracts on the basis of initial trials. In 2012, the collaboration scored another success on GSK's Rix 229 project, which includes office air conditioning and battery-powered ventilation systems, along with work on Pfizer's extension in Louvain-la-Neuve, where Prodfroid worked with other companies to install office air conditioning and cooling equipment.

Ongoing projects include IT room air conditioning systems for companies and the Shape G-Wing project, working in synergy with Druart, air conditioning and heating systems for one floor of a building for GSK Rixensart, and a project for InBev in Hoegaarden. Prodfroid expanded its team in 2012 and



▲ Installing compressed air and vacuum ducting - leper

moved its operational head office to BAGECI's premises in Naninne in early 2013. It is also likely to expand in Flanders this year, working with other entities in the Multitechnics division.

Public lighting

Within the Multitechnics division, the group's activities in public lighting and the installation of above-ground and underground networks have since the end of 2011 been performed by ETEC, which also operates in the electricity, water, gas and telecoms sectors. ETEC's work for gas and electricity network operator ORES involved framework contracts for the installation of

underground cables and ducting, the installation of above-ground low- and medium-voltage cables, public lighting and work to connect homes to electricity and gas networks. It also did work on electricity and telecoms outages and gas leaks. Many of these framework contracts end in late 2013. Medium-voltage contracts are performed as part of joint ventures involving companies such as ENGEMA and ETEC. Work for Belgacom related to the framework contract for excavation, cable-laying, installation of ROP computer racks and optical works. ETEC confirmed its skills in fibre optics by winning major installation contracts, and strengthened its presence in copper cable-laying by setting

up a dedicated team. ETEC will continue working on this contract in 2013, and intends to consolidate its position as a major contractor for Belgacom.

ETEC's customers also include utility companies TECTEO and IECBW, and in 2012 the company performed various lighting contracts for Service Public de Wallonie (SPW), on the Mons ring road (Phase 2), the roundabout in Hove and Rési III Tricolore in Mons. Finally, ETEC carried out various public lighting contracts, including on the former sugar factory in Frasnés-Lez-Anvaing, a housing estate in Boum-Walcourt and on Rue Valenciennoise in Mons.

Maintenance and distribution

The group provides maintenance and management services for technical installations within buildings, ranging from simple preventative maintenance to long-term contracts with total performance guarantees. These latter contracts include running, monitoring, repairing and upgrading installations.

This service is provided by be.Maintenance, for which 2012 was its second year of existence. 2012 was an encouraging year, because business went exactly according to the original financial plan. be.Maintenance is growing in a

structured way and its services are developing to meet customer needs. The company is based in Anderlecht, and it opened two regional offices in 2012, in Le Roeulx (Hainaut region) and in Wilrijk. It won some major contracts in 2012. These included specialist maintenance services for the Nysdam building in La Hulpe, together with a total 10-year guarantee (via Sogesmaint-CBRE), technical maintenance and a handyman service for the Dutch Embassy and various related residences, and the complete maintenance of the Polish Embassy on Rue Stevin in Brussels (contract won with the support of CFE Polska). be.Maintenance also made strong progress in the hotel sector with maintenance



▲ Installing public lighting - Mons

contracts for "The Hotel" (formerly the Hilton) and the new Park Inn by Radisson hotel in Louvain. This contract strengthens the group's presence with Radisson, which had already granted maintenance contracts to CFE entities for the Radisson Blu Royal in Brussels and the Radisson Blue Balmoral in Spa.

The group also expanded its maintenance activities in Flanders, where be.Maintenance, working in synergy with VMA, won a major contract for the Flemish government on the Jacob Van Maerlant site in Bruges. In the financial sector, ING awarded a maintenance contract to be.Maintenance for over 40

branches in Brabant and Brussels. In Brussels, the company continued maintenance work on the federal police building and on HVAC and electrical installations at the Méridien and Botanique sites of St Jean hospital.

The group's retail activities consist of two Voltis stores in Louvain-la-Neuve and Waterloo, which sell a wide range of electrical equipment, lighting, air conditioning, home automation systems, tools and electrical appliances to consumers and professionals. The two stores held their traditional "open day" events in September and October, and a new lighting showroom was opened in Louvain-la-Neuve

in May. However, economic conditions had an impact on revenues, which fell slightly relative to 2011. Nevertheless, margins widened due to an improved purchasing and inventory management policy. The 2013 strategy for these stores will consist of operational improvements and efforts to make the stores more attractive.

Environment

The CFE group has developed acknowledged expertise in wastewater treatment, for both public-sector and industrial clients.

This expertise includes anaerobic digestion and energy recovery from liquid organic waste, gas and air treatment and work to enhance and renovate existing facilities. This activity is carried out by CFE EcoTech, which operates in Belgium and abroad. The company, which joined the Multitechnics division in 2012, had a busy year with provisional completions of various projects in Belgium and the commissioning of the complex Vortex project in Namur. In 2012, the company brought into service two large wastewater treatment plants: one in Sclessin (150,000 population equivalent) and one in the Vallée du Hain (90,000 population equivalent). These projects harnessed major synergies within the group, since they

involved CFE Brabant, BAGECI, Nizet and Druart. CFE EcoTech also completed the assembly of electromechanical equipment for the anaerobic sludge digestion plant at the Mouscron wastewater treatment plant, and completed commissioning work at the Vortex project in Namur. The company submitted some major tenders in Belgium, including the upgrading of the wastewater treatment plant in South Brussels, and abroad. The main development for CFE EcoTech in 2012 was the start of export activities, with two contracts underway in Vietnam and Sri Lanka.

2013: positive outlook overall

The Multitechnics division is set to see growth in 2013 and most entities are justifiably confident, because there are some real opportunities despite tough operating conditions. The division is very determined to meet the challenges it faces. In particular, this involves generating synergies. For example, Ariadne is enjoying new opportunities through working with VMA, while VMA is aiming to become more efficient by working more closely with VMA Pologne and several of the division's other companies. Van De Maele Multi-Techniek will also work more closely with VMA (electricity) and Brantegem (ventilation, piping and HVAC), and CFE EcoTech will become part of Nizet's infrastructure department because of the synergies between their highly complementary activities. Several of the division's entities are working, or will soon work, on CFE's PPP projects.

An increasing focus on export markets is another way of meeting the market's challenges in 2013. Examples of international expansion can be found in the Dutch market for Ariadne, Poland, Morocco and Chad for Nizet, and Turkey for VMA.

Strategies adopted by the division's companies include diversifying customer bases and activities (ETEC), a more focused range of services (Brantegem, be.Maintenance etc.) and efforts to strengthen teams and commercial activities. ■

INTERNATIONAL EXPANSION ON THE CARDS

After our successful first year, the Rail & Road division now needs to expand. It has clear ambitions to expand internationally, in line with the CFE group's overall approach. We have all the skills required to fulfil the demands of our clients for rail and road contracts.

Yves Weyts
General Manager of the Rail & Road division



A new division within the CFE group: Rail & Road

The Rail & Road division was created in 2012 and specialises in rail works (overhead contact lines, tracklaying), power transmission (high- and low-voltage lines), infrastructure and road works and asphalt paving. It operates across Belgium. Also in 2012, ENGEMA worked on a one-off project in France in collaboration with VINCI.



▲ Signalisation works - Lokeren

The division consists of four entities: Aannemingen Van Wellen (Roads department), has a wide range of asphalt paving and road works activities and operates two asphalt mixing plants in Schoten and Doel in the Antwerp port area;

ENGEMA and Louis Stevens & Co operate in rail electrification and signalling, power transmission and other activities;

REMACOM, which joined the CFE group in 2012, lays and maintains rail tracks.

Why was the Rail & Road division created?

The CFE group had been planning to create a division combining its rail and road activities for two years. Firstly, these entities show similarities because of their activities: they work on transport networks, using people and machinery, and often at nights and weekends. Secondly, Aannemingen Van Wellen's Roads department was not really at home in the Construction division, and ENGEMA and Stevens were not really at home in the Multitechnics division. As a result, the group decided to combine them in a single division. This move also fits with market trends, since the group is seeing an increasing number of contracts involving both road and

rail work. All that was required to complete the project was to acquire a company specialising in rail tracklaying, which was the only rail-related skill that the CFE group lacked. Contacts were made, and this resulted in the acquisition of REMACOM in February 2012. The Rail & Road division was created shortly afterwards.

A very promising first year

In its first year, the division has scored some major successes, both in terms of revenue and income, and in the integration of its various entities. The four companies have studied several projects together, and this has clarified the potential synergies between them. 2012 was also a year in which the companies' teams got to know each other and identified their skills. The division built a strong order book, and is confident about 2013 despite serious pressure on margins.

Rail works: major projects and synergies

The three companies specialising in rail works have a strong presence throughout Belgium, and particularly in Flanders and the Brussels region.

REMACOM worked on upgrading the Wagelwater bridge over

the Bruges-Ostend canal (rail line 51, between Bruges and Blankenberge) and has renewed major stretches of rail tracks in Northeast Belgium. The work included removing and replacing railway sleepers and rails, carrying out anti-rust treatment, adjusting the tension of rail tracks, carrying out thermite welding work and maintaining speed signals. This was a major project that took place over 550 calendar days. REMACOM also installed a junction on the Blauwe Toren branch line. Another major project involved work on the 51B line between Dudzele and Knokke, including the 81A/81B and 82A/82B points.

In Brussels and the Brabant region, REMACOM worked on upgrading the rail platform at Schaerbeek, replacing and removing rails and track equipment at Beveren station and upgrading rail platforms at Louvain-la-Neuve station. The company also carried out a variety of rail work across Belgium for general contractors (including BAGECI) in charge of building engineering structures. It also completed various rail work for companies including Infrabel, ENGEMA, Louis Stevens & Co and Aannemingen Van Wellen.

These projects show that REMACOM, which joined the CFE group in 2012, is clearly moving towards taking on large projects in an increasingly

competitive market. Its synergies with the group's other companies represent a major advantage.

Among these companies, ENGEMA - and particularly its Rail and Signalling department - has for three years been involved in installing ETCS (European Train Control System) level 1 rail signals as part of a contract with Siemens/Infrabel. This work is due to be completed in 2013. The department is also completing signalling work on the regional express network in South Brussels and the Ottignies-Wavre-Louvain line. In 2012, it began major multi-year projects in Dendermonde, Schellebelle, Lier-Kontich and Gent-Sint-Pieters. ENGEMA won a new order, in association with Louis Stevens & Co, to upgrade Infrabel's rail network in the Northeast district to ETCS level 1 standards. ENGEMA's overhead contact lines department renovated large flexible overhead gantries in Bruxelles Nord station. This department also carried out adjustments to 3kV overhead contact lines in Dudzele, near Zeebrugge, and completed maintenance and adjustment work on 3kV overhead contact lines in Infrabel's Northeast district, mainly in Limburg. Electrification work relating to works packages on the R and G lines at Schaerbeek station in Brussels was completed in 2012. ENGEMA's overhead contact lines division also won two large

orders: the electrification of line 15 between Herentals and Mol and that of the Liefkenshoek tunnel in Antwerp.

Louis Stevens & Co, which has been part of the CFE group since 2008, had a good year, with some growth and healthy margins. The company completed the Diabolo project, on which it carried out all signalling work and some medium-voltage connection work, and it carried out safety work on the Belgian railways by installing ETCS "eurobalises" (electronic beacons). Louis Stevens & Co concentrated signal boxes and carried out various signalling and lighting projects in Denderleeuw, Alost and Schellebelle, as well as in the Northeast-Dendermonde region (Londerzeel, Lokeren, Sint-Niklaas etc.) and the Southeast Charleroi region (Châtelet, Tamines etc.). Louis Stevens & Co also extended existing industrial signalling systems, particularly in Waaslandhaven, Charleroi and Lanaken.

Acquisition

REMACOM
lay and maintenance
rail tracks

E19

22.000
tonnes
asphalt
in 10 days



▲ Upgrading works of the Paleisstraat - Antwerp

Power transmission: diverse range of activities

Power transmission is one of the Rail & Road division's other areas of expertise, particularly within ENGEMA and Louis Stevens & Co.

In 2012, Louis Stevens & Co connected a wind farm to the electrical grid for Limburg Wind. Work at Zaventem airport included connecting a series of buildings to the medium-voltage network.

ENGEMA's Lines department, based in Lavacherie in the Ardennes region, won new framework contracts from Ores, thereby consolidating its positions in traditional markets. In 2012, the department laid underground electrical and fibre-optic cables for Belgacom and Ores. In terms of above-ground work, it installed new supports for 70kV lines in conjunction with another company, and dismantled 15kV lines in the Liège region.

ENGEMA's Assembly department continued maintenance work on above-ground sections of the Fluxys network in Belgium. For Elia, it dismantled the 70kV Malines-Muizen line, replaced a ground cable and equipment on the 70kV Auvélais-Champion line and carried out repair work in the Villeroux district. The Assembly department also diversified by upgrading electricity pylon heads for Infrac in the Limburg region. Working with the VINCI group, it also exported its skills to France, working for Omexom Centre in Chambéry.

Together with its rail activities, these projects meant that ENGEMA had an excellent year and continued the improving trend in its earnings.

Roads and infrastructure: motorways, urban roads and ports

In the roads business, the division mainly operates in Northern Belgium, where it further expanded its geographical coverage in 2012.

Aannemingen Van Wellen's Roads department continued its geographical expansion in 2012, carrying out work in the three major ports of Zeebrugge, Ghent and Antwerp, along with a number of road projects in Western Flanders, Eastern Flanders and Antwerp. These included repairs to the E19 road between Loenhout and the Dutch border, which involved around 22,000 tonnes of asphalt and were completed in 10 calendar days for Agentschap Wegen in Verkeer. The company installed a mobile plant in the Ghent canal zone, strengthening its position in this region. It also did pre-election work for numerous towns (including Aartselaar, Antwerp, Ranst, Hemiksem and Malle), while the Flanders region (Agentschap Maritieme Toegangen) appointed it to repair the Ronselaan road in Zeebrugge. Other projects awarded to Aannemingen Van Wellen included the upgrading of the N106 in Wilrijk and the N474 in Zelzate, as well as quays and private land in the port of Antwerp (for customers including PSA and Katoen Natie), and road works for Gemeentelijk

Havenbedrijf Antwerpen. In Antwerp, the company upgraded several major boulevards, including pavements, including De Bruynlaan, VII-Olympiadelaan and Beatrijslaan. Finally, Aannemingen Van Wellen completed its contribution to the Diabolo project in North Brussels at the end of the year. These activities show that, as well as expanding its geogra-

(in millions EUR)	Order book December 31,		Revenue	
	2012	2011	2012	2011
Rail & Road division	65.8	76.0	99.3	91.8
Aannemingen Van Wellen (Road)	19.4	22.2	52.6	53.5
ENGEMA	26.6	29.6	22.8	20.5
Louis Stevens & Co	15.8	24.2	18.6	17.9
REMACOM	4.1	-	5.3	-
Eliminations intra divisions	-	-	-0.1	-0.1

phical presence, Aannemingen Van Wellen also diversified its customer base in 2012, which now includes towns, the Flanders region, port authorities and private-sector clients. This dual expansion bolstered revenues and laid firm foundations for 2013.

Rail & Road: confident in the future

The division's companies are looking ahead with confidence, despite the tough macroeconomic climate.

At Aannemingen Van Wellen, the promotional campaign inviting non-group companies to buy asphalt from the company's

two production plants should lead to higher production and improved coverage of fixed costs. The company is also through to the final round of several public-sector tender procedures, and is expecting energy costs to fall following various measures taken in 2012. It is hoping to expand its private-sector client base in port activities. Louis Stevens & Co is also planning to expand its business outside of its traditional rail activities. It has already taken initial steps in

the field of renewable energies, site security and power stations. This trend will continue in 2013. Remacom will focus on maintaining market share in the face of ever-tougher competition by providing a top-level service to its customers. ENGEMA had a good year in 2012, and all of its departments are optimistic about 2013.

Site safety is a primary concern for the Rail & Road division

Companies have implemented safety systems at all levels, adjusted equipment, organised safety training for its various road and rail activities and for new recruits, raised awareness of compliance with safety rules, and bought new individual protection equipment. ■

DEME CONTINUES HIS DEVELOPMENT !

In a rapidly changing world, DEME offers global solutions in marine infrastructure, protection against rising sea levels, energy and mining. In 2012, DEME adopted a new quality, health, safety, environment and professional ethics policy, aiming to ensure the sustainability of its future development.

Alain Bernard
CEO DEME



In a rapidly changing world, DEME offers global solutions in marine infrastructure, protection against rising sea levels, energy and mining

CFE owns 50% of DEME, with the rest of DEME's shares owned by Antwerp-based company Ackermans & van Haaren.

Revenues stabilised overall in 2012, with rapid growth in marine and offshore construction.

2012 brought a significant slowdown in economic growth in many areas of the world. DEME showed some resilience to these tough conditions, but saw some major projects either cancelled or shelved in Australia and the Middle East. In 2012, DEME consolidated its position and revenues in its Belgian and international markets. It has a solid order book and a strategy of diversifying geographically, supported by a multidiscipline approach to its markets and clients.

A provider of global solutions

With its multidiscipline activities, its synergies in various projects and its integrated structure, DEME provides global solutions including a range of new services in marine infrastructure, energy and mining, and is developing innovative new solutions that have a bright long-term future. These new activities have excellent long-term prospects, and are generating new opportunities for the group. Companies specialising in marine and offshore construction, like GeoSea and Tideway, saw strong growth in 2012 due to the rapid expansion in the renewable energy market and other trends in the oil and gas sector across several continents. DEME is able to offer global solutions for projects as complex installing wind farms and connecting them to the coast. DEME's activities in wind energy are complemented by its initiatives in Europe in the production of "blue energy", i.e. wave and tidal power. In its core business, however, DEME is seeing increasing competition. It has introduced several action plans aimed at achieving continuous improvement in efficiency and productivity, such as the D.R.I.V.E and LESS IS MORE programmes, in order to meet future challenges in its core business.

Order book pointing to greater geographical diversity

Major projects such as the London Gateway container terminal in the UK and some major offshore wind farms in the North Sea boosted DEME's



▲ Trailing suction hopper dredger Congo River - London Gateway project (UK)

European revenues in 2012. It also won new orders in all other continents. The geographical diversification in the order book and the contributions from all of DEME's specialist businesses bode well for 2013. Outside of its home market of Western Europe, DEME saw strong business levels in Africa, Latin America, the Middle East, the Indian sub-continent and Australia. DEME won some very large contracts in Australia and the Gulf region for port, oil and gas infrastructure. These confirm DEME's pre-eminent position in this market, and result in excellent prospects for the future.

Ongoing strong business levels in environmental remediation

DEME is maintaining its strong presence in environmental decontamination and remediation. DEC-Ecoterres, DEME's environmental unit, was very active in a number of European countries, both in developing new activities and in brownfield remediation, soil and sediment treatment and recycling. This environmental unit includes brownfield development specialist Terrenata, which works in partnership with other companies, and industrial waste treat-

ment company Purazur. With these activities, the unit is laying the foundations for further strategic development in its business.

People and the environment: constant priorities

In 2012, DEME adopted a new quality, health, safety, environment and professional ethics policy, aiming to ensure the sustainability of its future development. It has adopted several charters, which set out DEME's approach and fundamental values, including the Quality Charter, the Health and Safety Charter, the Environment Charter, the Sustainable Development Charter, the Energy Charter and the DEME Integrity Policy.

Safety is a central concern in all operations, and DEME is strongly committed to achieving "zero accident" status for all sites at all times. In 2012, the company focused on raising awareness of risky behaviour, dangerous situations and near-misses. This resulted in a considerable reduction in the lost-time accident frequency rate relative to 2011.

Last year, the board of the IADC (International Association of Dredging Companies) awarded its 2012 Safety Award to DEME

for its new CHILD (Colleagues Help Injuries to Leave DEME) safety awareness programme. This ambitious safety and prevention project aims to raise awareness of risky situations, improve safety behaviour at work, and radically change the company's mentality and culture as regards safety.

DEME also seeks to reduce the environmental impact of its activities as far as possible. In 2012, DEME focused on defining its carbon footprint. The greatest challenge is to reduce the CO₂ emissions of marine installations. DEME's new greenhouse gas (GHG) and energy programme focuses on quantifying and reducing emissions of GHGs, mainly consisting of CO₂ from fuel consumption. After an audit in October 2012, several DEME group companies received Lloyds Register Quality Assurance Level 3 certification, which reflects companies' efforts to reduce emissions of CO₂.

INNOVATION I

crane of
1.500 T

load capacity
8.000 T

Safety Award
IADC

2012
Child
project

Power@Sea

Rental
Seastar
Mermaid

900
Megawatt

Dredging and ground remediation



▲ Dredging works - Tanger (MAR)



▲ Dredging works - Montevideo (URY)



▲ Dredging works - new Cuyutlan LNG carrier terminal (MEX)

Belgium

Business levels in Belgium maintained the growth trend set in previous years.

On the river Scheldt and in the access channels to the Antwerp locks, DEME entered the last year of its seven-year maintenance dredging contract, and continued maintenance works on shipping routes off the Belgian coast and in the ports of Ostend and Blankenberge. In early 2012, this contract was extended by five years. Maintenance dredging work in the port of Brussels was completed, and work on the Ghent-Terneuzen Canal continued, with DEC carrying out treatment work on contaminated sediments. Major dredging and hydraulic works were executed in Antwerp, Kruikeke, Ghent, Ostend, Zeebrugge and Dilsen-Stokkem. In the port of Antwerp, Dredging International (DI) and DEC started exploiting the AMORAS facility, which mechanically dries sediment from dredging activities. Several DEME entities carried out marine construction work on the C-Power offshore wind farm project, which made good progress in 2012. The installation of 30 wind turbines with capacity of 6.15 MW each, along with interconnection cables, was completed. In 2013, the final 18 wind turbines will be installed. Many other projects are underway, including the construction of a 4.5km Sigma dam and the remediation of a large wetland area downstream from Antwerp, work to strengthen quay walls and preloading work as part of the REBO (Renewable Energy Base Ostend) plan, and maintenance dredging on inland waterways in Wallonia.

Europe

Despite the recession and financial crisis in Europe, DEME generated good business volumes in this important market.

In the Netherlands, DEME operates through its subsidiaries de Vries & van de Wiel, de Vries & van de Wiel Kust en Oeverwerken and DI Netherlands. Work on the construction of the second Coentunnel in Amsterdam was completed. In partnership with GEKA Bouw, DEME won a design and build contract for the remediation of a 5-hectare area that will be used to extend the Botlek (BTA) oil depot in the Port of Rotterdam.

Other work underway in the Netherlands includes several dredging and damming projects on inland waterways, along with civil engineering, maintenance dredging (in Eemshaven and in the Wadden Sea), rock placement (on the eastern part of the river Scheldt), decontamination dredging and the provision of sand for new roads.

However, the centre of gravity of DEME's European activities remains the UK, mainly due to the major project relating to the London Gateway container terminal on the banks of the Thames. In Germany, DEME was unable to match its record 2011 revenues. In France, the company saw a slight recovery, although business levels declined in major projects. The French offshore renewable energy market offers good prospects. In Lithuania, DEME completed the second phase of the Palanga project.

Business in the Mediterranean region continued to suffer from the tough economic situation in Southern Europe and political instability in North Africa.

DEME maintained and strengthened its position as a provider of dredging services as part of strategic port expansion projects in Russia. This included major work on the new port construction project at Taman on the Black Sea and in Sochi, where a new ferry and cruise terminal is being built ahead of the 2014 Winter Olympics. In addition, a backhoe dredger was commissioned by DEME in co-ownership with a Russian partner, generating additional growth potential in this region.

Major European projects underway or in the start-up phase include work to deepen the access channel and basin of the oil terminal at Tuapse, Russia. There are also several projects in Italy, including the construction of an enclosed space for the removal of polluted sediment in Livorno, dredging and environmental treatment in Taranto and hydraulic civil engineering work in Molfetta and Cagliari. DEME is also working on expanding the port of Iskenderun in Turkey and building an oil quay in Cyprus. Further north, DEME is carrying out maintenance dredging on the Seine, in the Port of Dunkirk and in Bayonne in France, and on the Medway canal and the Chatham lock in the UK.

In Germany, it is working on the river Elbe and the canal between the Baltic sea and the Rhine, and has completed dredging work for the northern extension of Pier III in Rostock.

Africa

In 2012, DEME had major operations in North Africa, due to its involvement in the new TangerMed II port in Morocco, and in sub-Saharan Africa, where it started several major projects.

In the TangerMed II project, dredging work in a rocky area resulted in the first use of the Ambiorix, a heavy-duty sea-going rock-cutter dredger. In sub-Saharan Africa, DEME carried out major works in several countries, including dredging, maintenance, civil engineering and environmental works. Highlights included the completion of the first two phases of the EKO Atlantic City development in Lagos, Nigeria. In Ghana, DEME did work to prevent coastal erosion along with environmental restoration work. In addition, it signed a major contract to protect a further 10km stretch of coast. In the Democratic Republic of Congo, DEME carried out a second maintenance project on the lower section of the river Congo. Dredging projects to deepen and maintain waterways were also carried out in Nigeria and Ivory Coast. Other projects underway include work to deepen the access to a marine unloading facility in the port of Kamsar in Guinea, and dredging work in Nigeria and Angola.

Latin America

In 2012, DEME maintained its presence in various markets, and redeployed its fleet of vessels.

In Panama, DEME continued dredging works for the Pacific Access Channel to the new set of locks on the Panama Canal, and completed a major dredging project in the Gatun Lake. The client wanted to deepen this section of the Panama Canal to allow the largest vessels to pass between the two oceans. In Brazil, DEME carried out emergency dredging works in Imbituba. Dragabras carried out drilling, blasting and additional dredging work on the shipping channel in the port of Santos. DEME's breakthrough in Mexico in 2011, involving major dredging work on the new Cuyutlan LNG carrier terminal, generated firm business levels requiring a multitude of dredging equipment. In the second half of 2012, DEME won a contract to expand the basin at the port of Lazaro Cardenas. In Uruguay, DEME completed the Montes del Plata project in Rio de la Plata and dredging work at the port of Montevideo in 2012. DEME also moved back into the Colombian market with the Las Brisas project, which involves dredging work on an access channel to the future port.

Middle East

In 2012, the operations of Middle East Dredging Company (MEDCO) - the joint venture between DEME, UDC and Qatar Holding - was boosted by two large complex projects in Abu Dhabi and Qatar.

In Abu Dhabi, the joint venture between Dredging International and MEDCO continued building two artificial islands for ADMA-OPCO, a joint venture between ADNOC (Abu Dhabi National Oil Company), BP, Total and JODCO (Japan Oil Development Company). These islands, situated around 120km off the coast of Abu Dhabi, will support drilling operations and the production, processing and distribution of oil from the Satah Al Razboot offshore oil field. The contract includes the construction of a service harbour in each of the islands.

Another major milestone was reached in Qatar in 2012, when the Qatari government awarded a contract for dredging the access channel to the new port south of Doha, between the city of Al Ouakrah and the industrial oil and gas port of Mesaieed. This project involves more than 40 million m³ of dredging work, along with the remediation of a neighbouring industrial zone and an island close to the coast, where Qatar's new naval base will be located.

Indian subcontinent

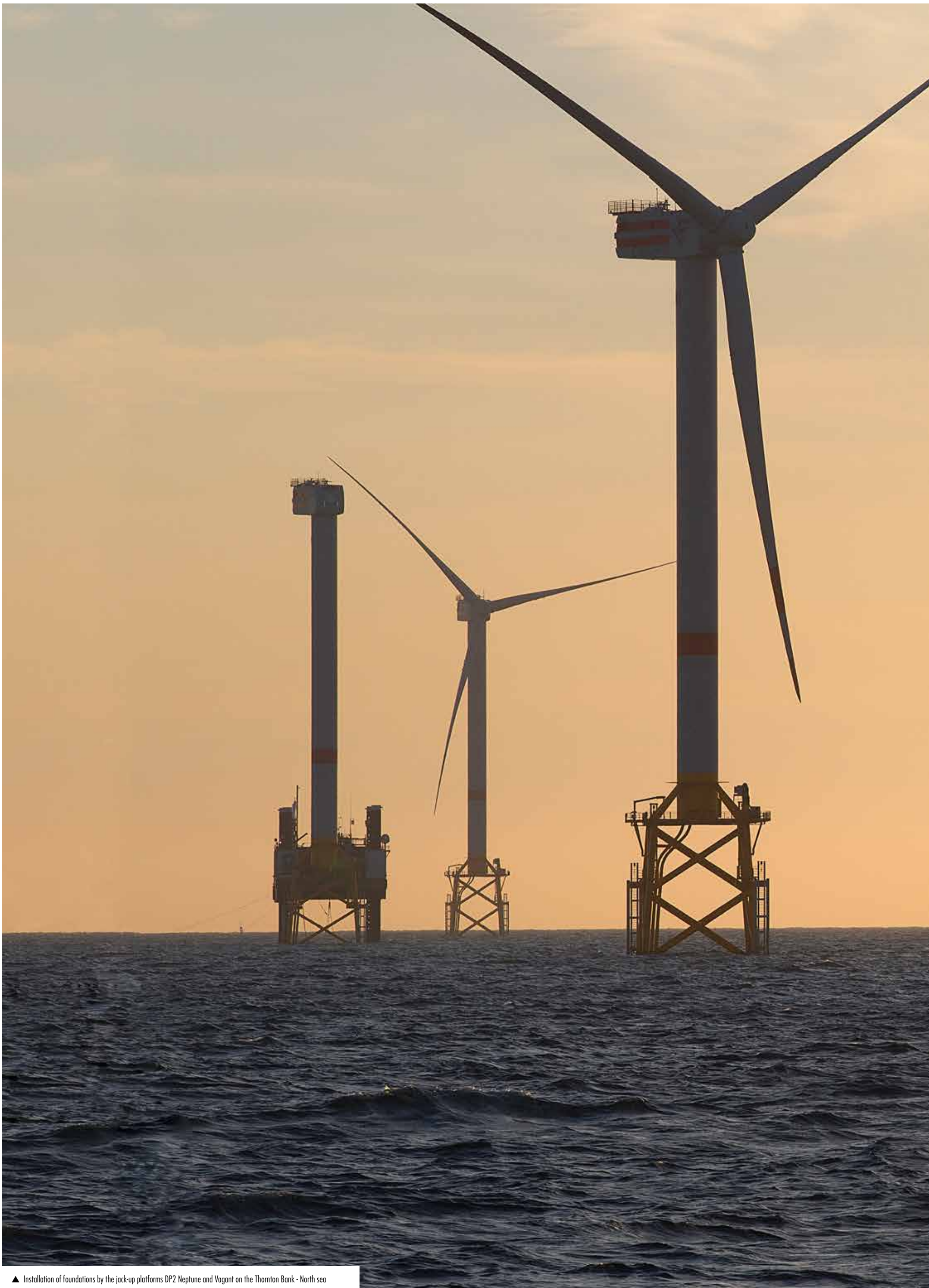
DEME operates as the Chennai based company ISD (International Seaport Dredging).

In India, the new team in Chennai completed major dredging work on the Essar bulk terminal in Salaya and initial maintenance dredging work at the port of Mormugao (Goa). In Colombo, Sri Lanka, DEME extracted sand from the sea and stored it on land. This work forms part of a three-phase project, of which the first two have been completed and the third will start in 2013. In Pakistan, DEME carried out maintenance dredging on a 45km channel in the port of Qasim. This is the sixth time that DEME has performed this annual project.

An ultra-modern and high-performance fleet

DEME completed its ambitious 2008-2012 equipment programme by launching seven large new vessels:

- a backhoe dredger (Peter the Great);
 - a DP2 jack-up vessel (Neptune);
 - the world's most advanced heavy-duty sea-going rock-cutter dredger, with installed power of 28,000 kW (Ambiorix);
 - a high-tech jack-up vessel featuring the world's most sophisticated technology (Innovation I);
 - two rapid auxiliary vessels (Arista and Aquata);
 - a sea-going dredger, with installed power of 12,860 kW (Amazone).
- DEME now has one of the world's most modern, high-performance and versatile fleets. In 2012, a new 4,000-tonne floating crane was ordered on a joint ownership basis. It will join the fleet in 2014.



▲ Installation of foundations by the jack-up platforms DP2 Neptune and Vagant on the Thornton Bank - North sea



Asia and Oceania

DEME continued its operations in Singapore and Malaysia, and considerably strengthened its position in Australia.

Challenges relating to the expansion of the port of Singapore remained in place in 2012, and work on Phase 2012 of the Jurong Island and Tuas B extension continued. In this project, DEME used sand from Singapore waters, along with sand from countries as far away as Cambodia, Vietnam, Myanmar and the Philippines. DEME also won a contract to supply sand for the Pasir Panjang Container Terminal extension works, and launched the Amazone, its new cutter suction dredger. Tideway DI SDN BHD continued its work in Malaysia on the Tanjung Bin project, and carried out dredging and remediation work for Seaport on the PMIP industrial zone project. At the end of the year, Tideway DI SDN BHD won a dredging and sand supply contract. The dredging business also moved back into Vietnam, winning dredging contracts for the Soai Rap project (phase 2), which will improve access to the port of Ho Chi Minh City, and for the new Hiep Phuoc port complex.

DEME took advantage of firm global demand for energy and mineral resources, and considerably strengthened its position in Australia. In Gladstone, Queensland, DI Australia continued the execution of the three main dredging contracts for infrastructure related to the construction of an LNG and coal terminal. In 2012, DEME also obtained the Wheatstone project in Western Australia; a prestigious contract from Chevron/Bechtel for new installations relating to the LNG terminal ("Wheatstone Downstream" project). DEME carried out preliminary environmental and safety work on an unprecedented scale, simulating various combinations of events and their effect on the environment. Once again, group synergies were achieved: a joint venture involving Tideway won ballasting and marine construction work for the "Wheatstone Upstream" project, while GeoSea is working on a contract in Hay Point, Queensland, where two jetties are under construction.

In Papua New Guinea, DEME continued major environmental dredging works along the Fly river near Bige, where it has been operating since 1998.



▲ Dredging works - Gladstone (AUS)

Offshore renewable energies, mining and oil and gas



▲ Fallpipe vessel Flintstone - Norway

Engineering and construction work in the oil and gas and offshore renewable energies sectors was successfully performed in 2012 by various companies, including Tideway, GeoSea and Scaldis Salvage & Marine Contractors, which were joined in 2012 by HGO InfraSea Solutions and the High Wind spin-off.

Tideway specialises in rock dumping, landfill construction and cable laying. Its fallpipe vessels - Seahorse and Flintstone - saw heavy demand as part of European rock dumping projects to protect pipelines and electrical cables, along with stabilisation work for several major offshore pipe-laying companies and oil and gas producers. Customers included Statoil, BP, Shell, Subsea 7/Total, Allseas/Total, RWE, ABB and Cal Dive/Pemex. The Rollingstone fallpipe vessel was used for offshore wind energy projects in the Gulf of Mexico, along with several scour protection projects, including work for Dong and RWE on European wind farms.

In 2012, Tideway won major contracts from Technip/ExxonMobil and ABB/ENI and as part of the Northwind offshore wind farm project. It also performed two sea dredging / landfill construction projects for Allseas (Tamar -Noble field) and for IRPC in Thailand. As part of the Thornton Bank offshore wind project, Tideway installed a 38km 150 kV power cable under the sea bed between the Thornton Bank offshore transformer station (OTS) and Ostend. It also installed 25x33 kV cables under the sea bed to interconnect the foundations of wind turbines in sub-zone A. Another cable installation is scheduled in 2013 between the Q13 platform and beach at Scheveningen in the Netherlands (30 km), while 72 interconnection cables will be installed below the sea bed and fixed as part of the Northwind wind farm project off the Belgian coast. The Rollingstone will return to Mexico to deal with problems arising from a crushed pipeline.

GeoSea saw further substantial growth in 2012, benefiting from interest in offshore wind farms and terminals for exporting minerals. GeoSea specialises in offshore and nearshore construction and foundations, and is a major player in contracts around the world. GeoSea also added two flagships to its fleet in 2012, i.e. the DP2 jack up vessel Neptune and the high-tonnage jack-up vessel Innovation. These will generate competitive advantages due to their size, power and use of innovative technologies. The Innovation is owned jointly with Hochtief Solutions.

In 2012, GeoSea concentrated on designing, installing and maintaining offshore wind farms in Northwest Europe. It won a Deloitte "Technology Fast50 2012" award, recognising its high level of technological skills, and won the "Gazelle" prize for large companies awarded by Trends magazine. GeoSea's achievements included the installation of piles, in difficult winter conditions, at the Borkum Oost offshore wind farm in Northern Germany. Off the coast of Belgium, the company started installing 30 wind turbines for C-Power and its Thornton Bank offshore wind farm project, while the Innovation was used to install 30 tripod foundations weighing more than 800 tonnes in the bay of Helgoland.

GeoSea won another two offshore wind farm projects, in which construction should start in 2013: the Baltic 2 offshore wind farm (80 wind turbines) to the north of the German island of Rügen - a joint project between GeoSea and Hochtief AG - and the Northwind project (Aspiravi/Colruyt) off the Belgian coast. Three offshore geotechnical projects were undertaken in Belgium the UK and near Saint-Brieuc in France, where Iberdrola and RES are building a large offshore wind farm. GeoSea used its Goliath jack-up platform to cope with the difficult operating environment, including a tidal range of up to 13m and extremely strong currents. In the construction of jetties, GeoSea continued drilling and pile construction operations in Hay Point, Queensland, as part of a joint venture. Five jack-up platforms were allocated to this project. The general contractor is Bechtel, and drilling is being performed on behalf of BHP-Mitsubishi Alliance (BMA).

In 2012, HGO InfraSea Solutions - a 50/50 joint venture between Hochtief Solutions and GeoSea - developed its activities as a developer and operator of high-tonnage jack-up vessels for the construction and maintenance of offshore installations. HGO InfraSea Solutions launched the Innovation, a high-tonnage jack-up vessel, which sets a new benchmark due to its exceptional features, including its 1,500-tonne crane and its load capacity of up to 8,000 tonnes.

High Wind is a spin-off company that is developing technology for installing offshore wind turbines in any weather conditions. The aim is to reduce the period during which vessels are required and to achieve considerable improvements in terms of time, cost and reliability for the installation of complete offshore structures. The new system should be completed in 2013.

Scaldis Salvage & Marine Contractors, which is 50%-owned by DEME, specialises in heavy lift operations, and took part in the Thornton Bank wind farm project in 2012. It also handled various structures, barges and other objects in port zones. In early 2012, Scaldis ordered a one-of-a-kind crane vessel, the Rambiz 4000, which has lifting capacity of 4,000 tonnes. The aim is to diversify its range of services further, including the installation of offshore infrastructure and deep-water dismantling projects. On 21 November, the Rambiz heavy-lift vessel lifted and installed a drilling rig on board the sea-going vessel Noble Globetrotter II.

Maintenance activities for the oil and gas industry and the offshore energy sector continued at OWA, which also set up during the summer, in partnership, Flidar.

Maintenance specialist Offshore & Wind Assistance (OWA) took delivery of two rapid vessels - the Aquata and Arista - which were launched in Ostend by Belgian sailing champion Evi Van Acker. Both vessels were used for various tasks on offshore wind farm projects, such as transporting staff, supplying provisions, carrying out measurements and performing underwater exploration. OWA started to provide vessels for transporting staff and provisions, along with vessels for major maintenance and repair work, under a 10-year maintenance contract for REpower on the Thornton Bank project in Belgium. OWA also carried out maintenance work on various offshore wind farms, along with heavy lifting operations involving various turbines in the North Sea and the Irish Sea.

OWA daughter Flidar nv was successfully launched in the summer. Flidar is a 50/50 joint venture between DEME and specialist engineering company 3E. Flidar deployed a Floating Lidar to the Gwynt y Môr wind farm in the Irish Sea. This Floating Lidar will undergo testing as part of an experimental project by the UK Carbon Trust (UK).

Environment (soil, sediment and water)

DEC, de Vries & van de Wiel, Ecoterres and Extract-Ecoterres are part of Ecoterres Holding, DEME's environmental division. In 2011, their business levels were satisfactory given the very tough competitive environment.

DEC-Ecoterres' activities were focused in Europe with an emphasis on the UK and Benelux markets. The company has a number of long-term contracts, which guarantee continuity. TerraSea Environmental Solutions Llc, a joint venture between DEC and GLDD - the USA's largest dredging company - is seeking to develop its activities in the US market.

Belgium

In collaboration with other companies, DI-DEC completed its first year of operating the AMORAS facility, under a 15-year Design-Build-Operate contract for a sediment treatment and storage facility in the port of Antwerp. DEC's soil and sediment recycling centres at Kallo, Brugge, Heusden-Zolder, Zwijndrecht, Ruisbroek, Zeebrugge, Desteldonk and Zwijnaarde performed well.

To the north of Ghent, work continued on the Terranova site, which contains 140 hectares of land that is set to undergo complete redevelopment. This included the excavation and treatment of contaminated soil and the design of facilities for treating water from underground sources. Again, Ecoterres is the partner handling site decontamination work, which it awarded to Terrenata, a company specialising in brownfield development created by BPI (CFE) and Extensa (Ackermans & van Haaren). These two companies acquired a 7-hectare former industrial site in Oisquercq, which will be transformed into an eco-housing area. DEC also signed an agreement with Eandis to handle six large polluted sites, which will be decontaminated and redeveloped by DEC as housing land.

DEC subsidiary Purazur focuses on the high-tech treatment of industrial wastewater. In 2012, Purazur installed the SRC Ruisbroek biological and physical/chemical wastewater treatment plants.

The company also designed and commissioned the microfiltration facility as part of the Hoedhaer wastewater treatment project in Lokeren, and analysed process data relating to the wastewater treatment plant at the AMORAS site.

In 2012, Ecoterres also continued to develop its soil and sediment recycling business in Wallonia. It processed more than 300,000 tonnes of material at its sites in Tubize (Vraimont), Charleroi, Liège (Filterres) and Farciennes (Sedisol), the latter in partnership with Solvay SA. Other projects completed in Belgium in 2012 included the mechanical drying plant for Nyrstar in Balen, the construction of erosion prevention systems in Kruibeke, on-site and off-site decontamination of soil from industrial sites and the construction of a sediment recycling centre in Obourg.

Europe

The expected upturn in the UK market did not materialise. Nevertheless, DEC managed to maintain business at a level similar to that seen in 2011. The Coke Avenue project, near Chesterfield, remains the backbone of the UK business, and will remain so for the next two years. As part of the Abberton Reservoir project, a joint venture involving DEC installed the largest Open Stone Asphalt erosion prevention system ever seen in the UK. The company also completed phase one of a major on-site remediation project in Glasgow. This contract was awarded to it following tests in 2011 on an alternative solution developed by DEC to treat soil impregnated with chrome VI. In Southern Sweden, DEC won a design-build contract to decontaminate the Valdemarsvik fjord, and work began.

In Italy, soil decontamination contracts were won or carried out in Ravenna and Taranto. In the Netherlands, DEC-Ecoterres carried out a number



▲ Redevelopment of the Terranova site - Ghent

of soil and sediment decontamination projects via de Vries & van de Wiel. In France, Extract-Ecoterres continued its growth, and remains the leading player in environmental dredging, treatment of polluted sediment and cleaning of industrial and urban water treatment installations. In 2012, the company treated contaminated sediment from

the port of Paris and carried out several projects to treat soil and ground water, along with environmental dredging and site remediation work, using two sediment recycling centres.

Offshore extraction of aggregates and minerals

Two DEME entities operate in the very specific areas of marine aggregates extraction and offshore mining

DEME Building Materials (DBM) specialises in the extraction, processing and sale of marine aggregates for the construction industry, originating from its marine sand and gravel concessions. In these activities, it uses two leading-edge gravel trailers. In 2012, operations and deliveries took place in several ports in France, the Netherlands, Poland and the UK.

DBM's two main marine aggregates treatment facilities are in Flessingue and Amsterdam. Long-term framework contracts have been formed with major industrial partners in Belgium, the Netherlands, the UK, France

and Germany. The company has large inventories of aggregates (200 million tonnes), which are well spread geographically. In 2012, the Groupement Manche Orientale between SDI, DBM and local gravel suppliers received final authorisation from the French authorities to operate a gravel concession in the eastern part of the English Channel. DBM won the contract for supplying all aggregates for the construction of the new Waaslandsluis maritime lock in the port of Antwerp. DBM also modernised its facilities in Flessingue and invested in a new aggregates processing facility in Amsterdam.



▲ Gravel trailer Victor Horta - London Gateway project (UK)

OceanfLORE is a 50/50 joint venture between IHC Merwede and DEME, focusing on providing solutions for offshore mining activities. The company offers innovative solutions to exploit seabeds in an efficient, profitable and sustainable way, with the emphasis on reducing the environmental footprint.

In 2012, OceanfLORE carried out research and development in several areas including excavation of deposits, transportation of deposits to the surface, power supplies and onboard processing. Promising projects have been identified for various types of rare minerals or minerals present in limited quantities.

OceanfLORE held discussions with mining companies and government organisations to explore synergies relating to the mining of various rare earths and other minerals.

Project and concession development

In 2012, DEME worked hard to get involved in the development of new projects at the upstream stage, by sealing concession and public-private partnership (PPP) agreements.



▲ A high-tech jack-up vessel featuring the world's most sophisticated technology, INNOVATION I

Offshore wind farms

In the offshore wind farm segment, DEME developed initiatives in several European countries through its concession specialist Power@Sea, which is already a partner of the Belgian C-Power project.

In conjunction with other Otary shareholders, Power@Sea won new concessions for three North Sea projects off the coast of Belgium (Rentel, Seastar and Mermaid) with combined capacity of over 900MW. C-Power's Thornton Bank project, off the Belgian coast, made further progress in 2012 and 36 turbines were in service at the end of the year. In a remarkable example of synergies, all work was carried out by DEME companies, including the installation of 30 turbines, the installation of the offshore transformer station (OTS), the laying of the second set of interconnection cables, and the installation of a second cable to connect the OTS with

the grid. The installation of the other 18 turbines will be completed in 2013 as planned.

In Poland, Power@Sea received authorisation to develop the C-Wind offshore wind farm in Polish waters in the Baltic Sea. This farm, off the Polish coast in the Gdansk region, will have installed capacity of at least 200 MW. Power@Sea provides a comprehensive assistance service, helping clients obtain environmental permits and take part in tenders - including legal aspects and submission procedures - and helping with all aspects of construction, distribution, operation and the management of operating cycles. As a result, it is actively seeking opportunities to get involved in the upstream phase of offshore energy projects in France and Germany.

Marine and terminal services

Combined Marine Terminal Operations Worldwide (CTOW) provides integrated professional assistance services for the operation of specialist marine terminals, along with related marine services. CTOW's business commenced with two contracts in Angola, which are laying the foundation for future work.

carried out, in order to define the appropriate specifications of equipment to be installed on the wharf. An in-depth risk assessment was carried out on-site, followed by a training course for AEMR and Sonangol's local staff.

For CTOW - a joint venture with Herbosch-Kiere and Multtraship - 2012 was a solid year. In Angola, it carried out marine engineering work for the installation of a temporary wharf for auxiliary vessels at the gas terminal. To achieve this, CTOW converted a barge in Nigeria to handle with the project's requirements, and towed another two very large barges from Europe to Angola in spring 2012. On-site

adaptation work was carried out and the wharf came into service in November 2012. This project showed the unique synergies between CTOW's owners. A second contract has been signed with Angola Exploration Mining Resources S.A. (AEMR). This contract includes a nautical study aimed at increasing the safety of mooring operations. Based on this study, a detailed analysis of mooring systems was



▲ CTOW barge for Soyo LNG Terminal - Angola

Blue energy and offshore minerals

DBE (DEME Blue Energy) develops tidal energy and wave energy projects, using the most mature technologies.

In tidal energy, DBE is developing sites in conjunction with Irish company DP Marine Energy (DPME). Off the coast of Antrim, in Fair Head, Northern Ireland, the DBE-DPME was awarded an 'Agreement for Lease' by the Crown Estate for a 100 MW tidal energy project. In Islay, Scotland, DBE-DPME obtained an 'Agreement for Lease' a project with total installed capacity of 30 MW. These projects have considerable power-generation potential, and add to the UK's resources in the northern Channel region.

As regards wave energy, DBE is involved in FlanSea, the Flanders region's research project into the conversion of wave energy into electricity. The project involves DBE, the University of Ghent and five local industrial partners (Cloostermans, Spiromatic, Contec, Port of Ostend and Electrawinds). The main aim is to determine the total amount of energy that can be extracted from a moderate sea swell. In 2012, an initial test was carried out with a simplified small-scale model in the Port of Ostend. Sea tests of this small-scale model are vital for the design and construction of the FlanSea wave energy converter.

DBE is also a partner in REBO, which develops logistics services for renewable energy projects at sea. REBO has won a concession in the Ostend outer harbour. DBE is part of the Eleanore co-operation agreement between seven European companies operating in the electricity transmission sector, aimed at developing future offshore grid infrastructure.

Offshore minerals

With DBM, DEME is continuing to develop new and existing concessions for the extraction of sand and gravel near to the coast (up to 100m in depth) in Belgium, the Netherlands, France, the UK, Morocco and Poland.

With Oceanflore, DEME is looking for new opportunities in deep-sea minerals exploration, such as projects to find iron-bearing sands, phosphates, nodules and rare earths. ■

	Order book as of December 31		Revenue	
	2012	2011	2012	2011
(in millions EUR) at 100%				
DEME	3,317	2,404	1,915	1,766

Strong growth in port development and management

Rent-A-Port, which is 45%-owned by CFE, handles port activities and has three departments: port engineering (mainly electromechanical work), investment and initiation of greenfield projects, and port operation and management. The company's financial performance improved sharply in 2012, particularly in port management and the management of industrial zones close to ports.

Flagship project in Vietnam

Rent-A-Port's flagship project in 2012 was Dinh Vu (Hai Phong) in Vietnam. The company was selected by several Japanese investors on the basis of its work to prepare 1-year subsidence forecasts relating to alluvial and swampy land in the Red River delta. Vietnam's planning and foreign investment ministry ranked the area as one of Vietnam's five best industrial zones in 2012.

DVIZ, which is Rent-A-Port's investment vehicle in Vietnam and in which the city of Hai Phong owns a 25.1% stake, is currently negotiating two extensions that, if obtained (in

2013 or 2014) should triple the area of port and industrial zone concessions in Vietnam. In addition, Rent-a-Port has developed a promising collaboration with an Indian group in Hai Phong relating to high-tech utilities in an industrial park near the port.

30-year contract in Oman

In Oman, where the port of Duqm is being managed in association with the Port of Antwerp, several large-scale major port operations were completed in 2012. The training of pilots in Antwerp, and of dockers in Oman, was regarded as a major success by the Omani authorities. In late 2012, the Omani authorities awarded a

2013: A YEAR FULL OF PROMISE

2013 will be a busy year for project studies. By studying and monitoring major projects, the aim of the PPP division is to support the development of numerous group companies in various disciplines: civil engineering, construction, rail and road and multitechnics.

We also want to generate maximum synergies between group entities and develop maintenance activities further over the long term.

Diane Zygas
General Manager of the PPP-Concessions division



▲ Marina of Bizerte - Tunisia

30-year contract to the Antwerp Port CAP consortium (Port of Antwerp and Rent-A-Port) to manage the port. The contract

was signed in the presence of Belgium's deputy prime minister Didier Reynders. The aim of the consortium is to export Belgian

know-how in port management and establish links between the ports of Antwerp and Duqm through common standards. A new refinery, on which work will soon start in Duqm, should give a major boost to a cluster of petrochemicals companies around the new port and generate new port traffic.

Excellent progress in Qatar and Nigeria

In Qatar, Rent-A-Port mainly performs pure engineering activities. There was good progress in contracts for cement- and aggregates-related technical assistance to state-owned company QPMC in 2012, and the company obtained a new consultancy contract in December.

In Nigeria, in the O.K. Free Trade Zone, the Single Point Mooring (facility for unloading oil products) and Tankfarm (fuel storage facility) projects made firm progress in engineering and financial terms, and the financial close should take place in mid-2013.

Tunisia: Bizerte concession

CFE owns 25% of Bizerte Cap 3000, which has a long-term

concession in Bizerte. The aim is to create a marina with more than 700 berths. Work on this marina continued in 2012 and should be completed in 2013.

The Netherlands : Coentunnel

CFE owns 18.5% and DEME owns 5% of the concession company of the Coentunnel beside other French, Belgian and Dutch stakeholders. The construction works on the first tunnel will be finished in April 2013 and will be officially accessible in May 2013. The renovation works on the second tunnel will be completed in 2014. ■

REAL ESTATE & MANAGEMENT SERVICES DIVISION

Main international operations in Luxembourg and Poland

The CFE group also provides real estate and management services internationally, mainly in Luxembourg and Poland. Existing projects are progressing well, and new projects are in plentiful supply. There are no plans for further international expansion at the moment.

In Luxembourg, CLi is developing projects and Sogesmaint-CBRE provides buildings management services. In Poland, the group's development activities are handled by BPI-CFE Immo. The division also operates in North Africa.

Luxembourg

2012 was a very busy year for CLi, and several long-standing projects came to fruition.

In the residential segment, construction began on the Greenhill project developed by CLi and Immoel along with architects firm Bauer et

Associés, which started in March 2011. This relates to a complex of 174 apartments across 14 buildings with low energy consumption certification. Three buildings containing 51 apartments were completed in late 2012. Construction and marketing work began on six further buildings during the year. Overall, 128 of the 164 apartments that have so far been marketed have been reserved or sold. CLi also obtained permits for the construction of the Eden Green serviced residence consisting of 72 apartments in Bettembourg. Work will begin in the first half of 2013 and the residence will have BBB low-energy certification, due



▲ Greenhill - Dommeldange (LU)

to its excellent insulation and double-flow ventilation (architect: R.Bouschet and Beng).

In office and mixed-use projects, Serenity, Luxembourg's first HQE-certified building, was completed in late 2012. This building was developed by CLi for Fidentia Real Estate. The Boulevard Royal project, on which a preliminary permit application had been filed, was sold to Sicafi Leasinvest. CLi also won a tender relating to the sale and leaseback of G4S's offices and workshops in Gasperich. The project involves designing, applying for permission and building new offices, and was sold by CLi to L'Intégrale, although CLi still bears develop-

ment risk. CLi carried out a new study on the Ham site in order to develop a mixed-use retail/office/hotel project of 23,000m² above ground, which should be a better fit with current market demand. In December 2012, CLi, together with two partners, signed a contract for the redevelopment of Galerie Kons opposite the main train station in Luxembourg. A long-term lease was signed with ING, which will install its new Luxembourg head office in this complex. The complex, which was originally built in the 1930s has ground-floor space of 4,400m². Its mixed-use nature - consisting of office, retail, residential and parking space - will be retained following redevelopment.

Poland

In Gdansk, sales relating to the Ocean's Four project, which were good in 2011, slowed in 2012 because of the recession. As a result, BPI Polska completely revised the schedule for the second phase of the project, and work should start in February 2013. As regards the Obozowa project consisting of retail space and 164 homes in Warsaw, pre-marketing started in 2012 after building permits were obtained. Several new projects are on the horizon in 2013, although the year will be neutral overall, with new developments set to have an economic impact from 2014.

North Africa

In Morocco and Tunisia, the Real Estate & Management Services division operates through CME, CMM and CMT. Compagnie Marocaine des Energies (CME), founded in 2010 through a partnership with Belgian renewable energy producer Windvision, is continuing to develop wind projects in Morocco. CME's aim is to research, select and acquire options over land.

Project management is handled by CMM, a consultancy based in Tangiers that provides design, development, management and marketing services for real-estate, tourism and sustainable development projects.

CMT provides similar consultancy services in Tunisia. CMT's headquarters and offices are located in Tunis, and the company is the delegated contracting authority for the whole Bizerte Marina project, which is currently in the construction phase. ■

Constant expansion !

The CFE group has long-standing positions in the Netherlands and Luxembourg, i.e. countries that border Belgium, but also in Central Europe, where it has been present for more than 15 years and operates in Poland, Hungary, Slovakia and Romania. In Romania, the group won a contract to build a hospital in Bucharest in 2012. CFE's strategy is to maintain its presence in these countries, which form part of its core business and where its entities and staff - most of which are local - are fully integrated into the group.

The group also has a stated intention to expand outside of Europe. This expansion has already been underway for several years. In Chad, an initial project was followed by new contracts in 2012 for the construction of a hotel and the country's Finance Ministry building. These contracts will have their full effect in 2013. In Algeria, CFE won a contract to build BNP Paribas' head

office and in Nigeria, it won a major contract from a local developer. As well as Tunisia, therefore, the group is now present in three African countries. The group now intends to build on these isolated contracts, capitalising on the quality of its work to encourage local authorities and investors to award more business to it.



▲ University of Toukra - N'Djamena (TCD)

The Construction division also expanded further in 2012. It moved outside of its traditional markets in Europe and Africa and into Sri Lanka, working on a major project, and Vietnam via CFE EcoTech. The group has high hopes of winning more contracts in these countries in 2013 and 2014.

In Europe, the Construction division operates through CFE Nederland and GEKA Bouw in the Netherlands, CLE in

Luxembourg, CFE Hungary, CFE Romania, CFE Slovakia and CFE Polska.

Outside Europe, CFE International operates through CFE Middle East and in several countries in sub-Saharan Africa and Asia. The division is also present in Tunisia via CFE Tunisie.

(in millions EUR)	Order book as of December 31		Activity	
	2012	2011	2012	2011
Construction division	964.2	983.2	645.2	655.5
Amart	19.7	27.1	31.2	25.4
BAGECI	57.0	100.8	50.4	44.9
BPC	144.5	128.9	89.7	50.1
CFE Brabant	145.4	184.7	114.8	101.7
CFE Hungary	22.9	19.7	12.5	17.9
CFE International	164.4	115.3	52.9	59.7
CFE Nederland	100.6	127.0	51.9	62.1
CFE Polska	17.4	4.9	7.0	30.5
CFE Roumanie	37.8	-	-	-
CFE Tunisie	3.4	2.0	1.2	1.1
CLE	52.6	65.2	38.8	28.4
GEKA	26.7	6.4	31.3	42.3
MBG	119.7	143.7	117.8	148.2
Aannemingen Van Wellen (buildings)	41.9	45.6	28.5	13.8
Groep Terryn	10.2	11.8	24.2	26.3
Others	-	-	-7.0	3.1

Buildings, industrial construction and renovation

Europe

In the Netherlands, CFE Nederland's "buildings and industrial structures" department completed the "Het Hofblad" swimming pool in The Hague on 12 October, having worked alongside VKB. It also completed the MARIN project involving the renovation and adjustment of technical infrastructure for the Institute of Marine Research. The company also renovated a crematorium and built the foundations of the Villa Flora. Given the weak buildings market, CFE Nederland plans to put this business on hold in 2013 in order to concentrate on industrial structures. However, CFE will monitor the market closely via the buildings teams of MBG.

In industrial structures, the group's other Dutch entity GEKA completed a number of projects in 2012, mainly around the Port of Rotterdam, for companies operating in the oil and gas sector. These include the extension of tank terminals for Rubis Terminal and for Koole Pernis. GEKA also carried out major foundation work at Suiker Unie's Dinteloord and Groningen sites. In September, GEKA and CFE Nederland moved into a new shared office building in Dordrecht.

In Luxembourg, 2012 was a year of recovery for CLE, which had a tough 2011. Residential and industrial construction took over from office construction, where activity levels have been low since the financial crisis started. Residential work accounted

for a third of CLE's buildings activity in 2012. The first three residences in the flagship Greenhill project, consisting of 14 residences, were completed. In the office market, CLE completed new offices for the European Court of Auditors in November, and won a new contract for a mixed-use office/residential building at the end of the year. Construction of the park-and-ride car park at Belval train station continued, and various public-sector buildings were completed, including the Centre Polyvalent de l'Enfance and the new European School in Mamer, which was completed in September.

In Poland, where CFE Polska had seen growth in previous years, business levels fell substantially in 2012. This was due to the recession in the construction market and, more particularly, to various customers cancelling or delaying orders. However, CFE Polska completed several projects, including the extension of Saint Gobain Sekurit's 5,000 m² plant in Zary, a logistics centre for Merida in Wroclaw, the 6,500 m² Epsilon office building for Vantage Development in Wroclaw, and a production/storage hall and offices for Belgian company Desotec in Gdansk as part of a design and build contract. Several new contracts were signed, including the construction of an office building for GreenWings Offices in Warsaw and the refurbishment of the Amber Office building in central Gdansk for Domotel. Work is already underway on both of these projects. Other contracts were signed on a design and build basis, relating to a factory and offices for Rector in Mszczonow near Warsaw,

CFE Nederland: staying strong in times of adversity

When we go through a difficult period, it is important to stay strong and continue moving forward. The fact that we are part of a multi-discipline group that operates on an international scale and has a solid financial position gives our staff good morale, and provides us with extra motivation to show that we are smarter than the competition.

Lode Franken
Director CFE Nederland
Deputy General Manager Construction division



along with a car park as the first phase of an extension to the Galeria Copernicus shopping centre in Torun, for Atrium Real Estate.

The recession had an even deeper impact in other Central European countries. However, CFE's local subsidiaries completed some important projects. CFE Hungary completed the Atenor office building, a school in Szigetszentmiklos and the American embassy in Budapest. CFE Slovakia completed the Green Park residential project in Bratislava, but the group had to put the company's operations on hold due to a shortage of orders. At the end of the year, CFE Romania won a contract for a hospital in Bucharest comprising 274 beds and 10 operating theatres.

Africa and Middle East

In Nigeria, the group is working on the Eko Tower project in Lagos via COBEL, a company set up by CFE in association with a local partner. Eko Tower is an ambitious project for oil producer Total, consisting of a 27-storey building incorporating a business centre, a medical centre, leisure facilities and parking.

In Chad, the second phase of the University of Toukra project got underway after CFE Tchad completed the first phase. This is a major project taking place on a site of almost 300 hectares to the south of N'Djamena for the Ministry of Higher Education. CFE Tchad, which also completed the Villa Présidentielle project in 2012, started two other major public-sector projects: the Grand Hôtel, a luxury hotel in central N'Djaména by the Chari river, on which work started in June 2012 and should be completed in October 2014, and a large office complex of more than 35,000 m² that will house the various departments of Chad's Ministry of Finance. Construction of this complex should also be completed by the end of 2014.

In Algeria, CFE International won the contract to build BNP Paribas' head office in Algiers, in the new business district of Bab Ezzouar.

In Tunisia, activity in the real-estate market suffered from the aftermath of the revolution, and investment fell significantly in 2012. CFE Tunisie resumed construction work on the Le Nautilus residential building at the Bizerte Marina. This is an impressive building containing 278 apartments, designed in the shape of a wave and offering an exceptional view of the sea and the port. CFE Tunisie also completed the extension of the science wing of the French school in Tunis.



▲ Construction of the BNP Paribas head office in Algiers

CLE: bright outlook

The Luxembourg real-estate market has started to recover, and so CLE is likely to see slight growth again after three difficult years in which business levels fell sharply. The outlook is starting to brighten. The upturn in the Luxembourg property development market is shown by the Aire mixed-use office/residential project, in which CLE is involved as part of a "bouwteam" joint venture.

Patrick Van Craen
Managing director CLE



A full order book for CFE International

The order book is full for the next two years, and so 2013 is likely to be a better year than 2012. However, the size of our order book means that we must work very hard to hit our targets.

Youssef Merdassi
General Manager CFE International



Civil engineering

Europe

In the Netherlands, CFE Nederland's work on the Tweede Coentunnel in Amsterdam in 2012 related mainly to viaducts, noise screens, groundwork, road-works, signage and technical installations in tunnels. The project was a success in terms of both technical work and deadlines. This was also the case with the company's other major project, the Delft rail tunnel, on which work carrying the greatest technical risk was completed in late 2012. In relation to this project, the Crommelijn group of contractors won the "Foundations 2012" award for the temporary support installed for the famous De Roos windmill while the tunnel was built. The spectacular installation of the 3,000-tonne Uyllander bridge on concrete pillars above the Amsterdam-Rhine canal took place in September, a month before the Wester IJdock project was completed in Amsterdam.

In November, CFE Nederland was awarded the contract to upgrade the N209 road to the north of Rotterdam. These various projects show the ever-greater synergies between GEKA and CFE Nederland. In



▲ Coentunnel - Amsterdam (NL)

2012, the two entities worked together on the Delft rail tunnel, the Coentunnel project, the Uyllander bridge and the Wester IJdock project.

Overall, however, the Dutch construction market became tougher and remains very competitive. Although CFE Nederland was involved in some major infrastructure projects as discussed above, it also had difficulties winning new contracts. The lack of major infrastructure projects means that the company's industrial construction activities are particularly welcome. These are carried out in conjunction with GEKA, and are set to grow in the next few years.

GEKA won its first international contract in 2012, and generally maintained a good level of financial performance despite the general downturn in business levels. In Dunkirk,

northern France, GEKA build a jetty for the new LNG terminal in association with EMMC (a wholly-owned subsidiary of VINCI). It also completed work on the new LNG terminal in Zeebrugge, working alongside MBG, and completed the new jetty and retaining wall in phase 3 of the project to expand the ETT oil terminal in Rotterdam. GEKA won a new contract from Verwater relating to a new inland navigation jetty with retaining walls for Argos Terminal Rotterdam in Hoogvliet. GEKA was also shortlisted for a contract to build a new jetty in Klapeida, Lithuania for a new LNG carrier.

In Luxembourg, CLE completed its remaining work on the Pont d'Alsace and, with BAGECI, is continuing work on the Pulvermühle viaduct. Both of these projects are for the Luxembourg rail company.

Middle East and Asia

CFE International started its first project in Sri Lanka, accompanied by CFE EcoTech. It is a water supply project, consisting of the construction and commissioning of two water treatment facilities in Kolonna and Balangoda in the mountainous region of the country. It involves capturing, treating and distributing water across a network of around 40km to several neighbouring villages.

In Qatar, CFE international subsidiary CFE Middle East completed electricity sub-stations in north Doha for Keppel Seghers, as well as sub-stations in Ezdan and Garafa for ABB. However, very tough competition in Qatar prompted the group to restructure CFE Middle East. ■

Outlook for 2013

In Benelux, increasing pressure on prices is prompting CFE's companies to be more and more selective when choosing contracts, and to maximise synergies within the CFE group, both within the Construction division and with other entities, such as the PPP-Concessions division in DBFM projects. There is also uncertainty about the future volume of major infrastructure work offered by the public authorities. In response, companies like CFE Nederland are looking to expand smaller-scale activities. However, now is no time for defeatism. GEKA has a full order book and is hoping for a positive outcome from various tenders. CLE expects to maintain its business levels in the civil engineering sector.

Outside Europe, CFE Tunisie is seeing a decline in real-estate investment, and so is focusing on developing its business in building logistics warehouses and on winning civil engineering contracts. The group also expects firm business levels and growth in Nigeria and Sri Lanka, where CFE already operates in the buildings sector and where civil engineering opportunities are arising.

In 2012, some of the CFE group's subsidiaries in the Multitechnics division started or stepped up their international development

CFE EcoTech in particular continued its export growth, and CFE EcoTech's integration into Nizet's infrastructure department will also bring Nizet into the international marketplace. VMA - which already serves the automotive industry in Turkey, Slovakia and Hungary, and the electrical cabinets and switchboard market in Poland - will further extend its activities to other countries through its collaboration with Ariadne.

Electricity

The arrival of Ariadne extends the group's activities in the electricity and automation sector to new export markets.

Until recently, CFE's international electrical activities took place almost exclusively through VMA. VMA had already won an international contract to automate assembly lines at Ford Otosan's car plant in Turkey. The initial contract has been

substantially extended, and it is now working on the production of various Ford Transit models. This success is due in particular to the day-to-day on-site involvement of VMA staff, which ensured that the project was a great success despite the different cultural environment.

In Hungary, VMA is working with Audi in Győr. Its work includes the construction of a door production line for the Audi A3, which is a highly complex facility. Overall, this produc-

tion line was automated with no fewer than 150 robots, and VMA was able to comply with a very short lead time. The second phase of the project in 2013 will involve the installation of around 50 more robots.

Ariadne is extending the reach of the group's electrical business to new parts of the world, starting in Sweden, where it has carried out various automation projects for Volvo Cars Torslanda. These include handling solutions for the new fender production line. In Kosovo, Ariadne upgraded an automated galvanisation line, after completely automating the line in 2011. In the Democratic Republic of Congo, work to automate a grinding station is being carried out. A new brewery in Kinshasa. Closer to home, Ariadne proved its expertise in the Netherlands by working on a biogas production facility for Atero in Wijster.



▲ Construction of a drinking water station in the mountains - Kolonna (Sri Lanka)

Environment

The group took its first steps in Asia, where CFE EcoTech started two major projects in 2012.

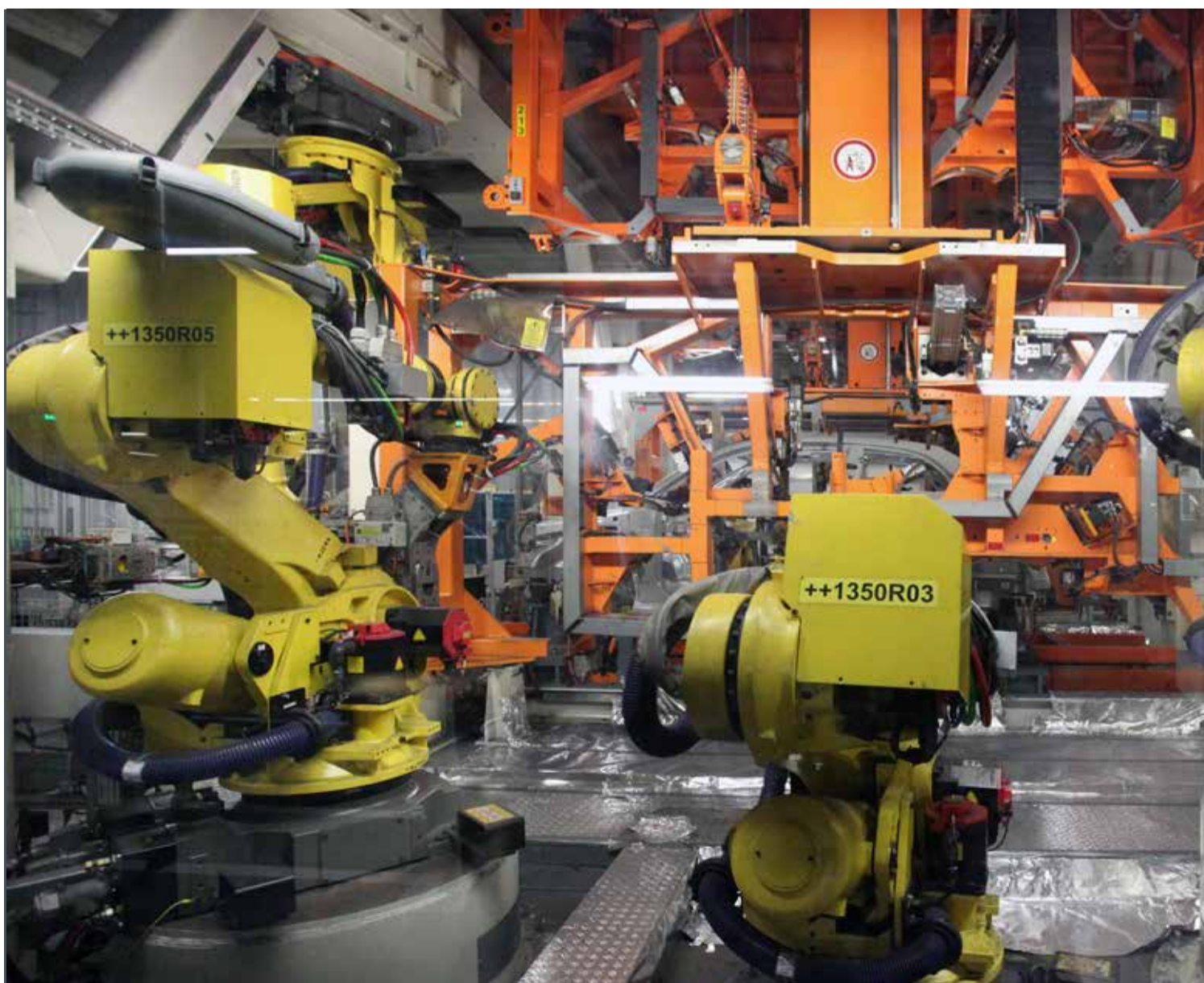
In Sri Lanka, CFE EcoTech - in conjunction with CFE International - won the contract for a water treatment and supply project, involving the installation of two drinking water stations in

the mountains, in Kolonna and Balangoda. The project involves collecting and treating water, and distributing treated water to a number of villages.

In Vietnam, an initial contract has come into force following the signature of a financing agreement in March 2012 as part of Prince Philippe of Belgium's economic mission to the country. The project is intended

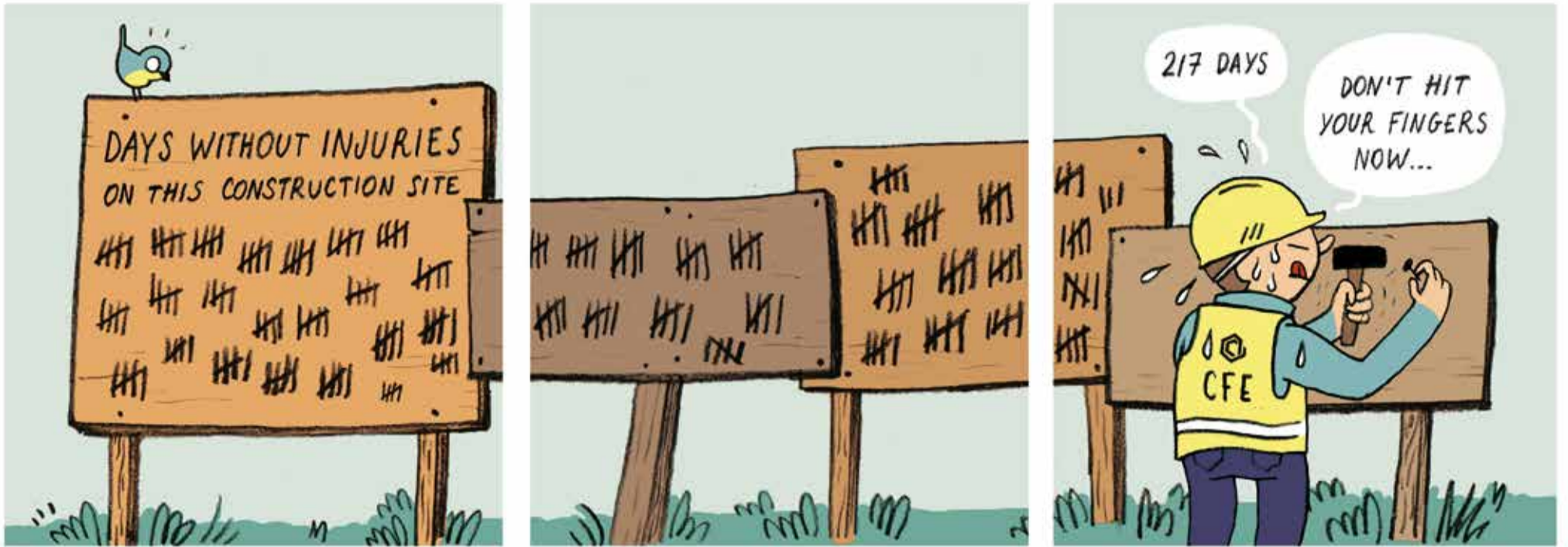
to prevent flooding in the city of Hanoi, and CFE EcoTech is responsible for designing, supplying and supervising the electromechanical equipment of three water pumping stations.

In 2013, the company will continue its international commercial efforts in countries where it is already present (Vietnam and Sri Lanka), as well as in Central Europe, where it is currently establishing contacts.



▲ Automation of an assembly line

(in millions EUR)	Order book December 31		Revenue	
	2012	2011	2012	2011
Multitechnics division	165.6	112.7	156.3	149.8
Ariadne	0.6	-	1.1	-
be.Maintenance	1.2	0.8	4.4	3.6
Brantegem	11.0	7.1	8.5	3.7
CFE EcoTech	19.6	4.5	8.0	11.9
Druart	23.8	9.1	21.3	23.4
ETEC	15.7	15.4	15.8	4.6
Nizet Entreprise	26.2	16.9	28.7	35.7
Profroid	0.5	0.6	1.9	2.0
Van De Maele Multi-Techniek	14.6	19.4	13.9	17.4
Vanderhoydoncks	8.2	5.9	10.6	7.5
VMA	44.2	33.0	37.1	37.9
Volhis	-	-	8.2	8.6
Eliminations intra-division	-	-	-3.2	-7.0



★
Sudoku

Fill the grid in such a way that every row, column and block of 3x3 contains all the numbers from 1 to 9 only once.

		1		7				5
			4	9	3			
	4		2					
		7	1			2	8	5
9			5			4		
		3				1	9	
								6
3					6	7	1	
			4		8			

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Horizontal

1 Norwegian god of thunder (4) 3 a Brazilian dance (5) 6 mausoleum (4) 8 PPP project site for the German-speaking community (5) 9 arrogantly masculine (5) 10 train security system installed by ENGEMA and Stevens (4) 11 location of Salt Lake City (4) 12 systematic (9) 14 loop (4) 16 interpret symbols (4) 19 society within the DEME multitechnics (4) 20 young horse (4) 21 ghostly (5) 24 assets (6) 25 Hôtel de Police in Charleroi architect (6) 26 graceful white waterbird (4) 27 tidings (4) 28 sincere (6) 29 term from the key financial figures (6) 31 DEME shareholder (5) 34 capital of Peru (4) 36 common monetary unit found in the Schengen (4) 38 enthusiastic (4) 39 terminates (4) 40 precision (9) 41 ballerina's costume (4) 42 small peninsula (4) 44 safety programme at DEME (5) 45 South American mountain range (5) 46 sneak (4) 47 perfect (5) 48 activity within the DEME multitechnics (4).

Vertical

1 golf peg (3) 2 consequence (6) 3 nestle (7) 4 follow a curved route (7) 5 female warrior, DEME's new dredger (7) 6 new university in Tchad in the making (6) 7 an exclamation of dismissal (3) 12 organize (11) 13 helpless (11) 14 flat bar of soap (4) 15 oblong (9) 17 height (9) 18 a Barbie, for instance (4) 22 boredom (5) 23 order of Greek architecture (5) 28 handsome man (4) 30 mimics (4) 31 The Four Seasons composer (7) 32 God of the Sea, DEME's new dredger (7) 33 unauthorized (7) 35 persuade (6) 37 delight in (6) 41 match (3) 43 keyboard key (3).

1			2				3		4		5				6			7
			8								9							
10																		11
							12								13			
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38																		
41																		
46																		

The answers are published on the website <http://publications.cfe.be>



CFE WANTS TO EXPAND INTERNATIONALLY

The CFE group recruits people looking for challenges
www.cfe.be

Our staff deserves the best

In 2012, CFE continued its exemplary human resources policy, which has twice been rewarded with the Top Employer award in Belgium, along with Diversity accreditation from the Brussels Capital regional authorities. Although headcount remained stable overall, numerous qualified professionals and young graduates joined the CFE group, making up for those taking retirement and early retirement. New arrivals: a vital asset for today and tomorrow.

CFE group: Top Employer 2012

The title of Top Employer is awarded after an independent jury looks at the following aspects: employment conditions (all monetary and non-monetary benefits and working conditions), training and development opportunities, internal promotion prospects and the corporate culture. The jury described CFE as a conscientious employer that keeps its promises to its staff and provides them with fair remuneration and attractive development opportunities, including at the international level. The jury also commended the group on giving its staff a high level of responsibility.

Stable workforce

In 2012, the workforce was stable, with headcount rising from 3,691 at end-2011 to 3,733 at end-2012. The number of staff with non-manual employee status rose by around 100, and staff with manual worker status fell by a similar amount.

The increase in the number of non-manual employees was due in particular to development in the group's international activities, specifically the start of a project in Sri Lanka and the build-up of construction activities in Algeria and Nigeria, where projects started in 2011 got up to full speed. The greater number of non-manual employees was also due, to a lesser extent, to new companies joining the group.

The fall in the number of manual workers occurred mainly in the Construction division. This was due to a higher proportion of revenue coming from outside Belgium and greater competition between contractors within Belgium, together with the large presence of subcontractors from other European Union countries. In terms of labour relations, the decrease in the number of manual workers took place on satisfactory terms, mainly through workers taking early retirement.

Some of the key events in 2012 had a direct effect on some group staff. These included the transfer of BAGECI's buildings business to BPC and the creation of a Rail & Road division consisting of Louis Stevens & Co, REMACOM, ENGEMA and the roads department of Aannemingen Van Wellen.

Diversity: ability is the only criterion used when recruiting

On 14 December, the CFE group's diversity efforts were rewarded with Diversity accreditation by the Brussels Capital regional authorities. The group places a great deal of importance on diversity.

As regards the ratio of men to women in the workforce, CFE makes ongoing efforts to increase the number of women in operational roles. The group achieved substantial progress in this respect in 2012. It has increasing numbers of female project engineers, project leaders and site managers. The management committees of group companies are including more and more women.

Naturally, CFE applies the same principle - i.e. that ability is the only criterion - with respect to people of foreign origin, who can be found at all levels of the group.

CFE operates in an industry that relies on experience, and is continuing to recruit experienced staff regardless of age. In 2012, the group hired several people aged over 55, who will receive training just like their younger colleagues. In general, recruitment of people aged over 45 increased slightly in 2012. The presence of older people in the workforce is of real importance, because the knowledge of experienced people is a vital resource for younger staff. Older people have experience that cannot be learnt from any book or class. As a result, it is crucial that the younger generation interacts closely with older people.

As regards people with disabilities, an agreement has been signed with the Brussels Capital region and Actiris, which provides support regarding the recruitment of disabled people. Furthermore, CFE has adopted a plan to strengthen its general approach to diversity by working with the Brussels regional authorities and its staff representative bodies, starting in 2013-2014.



Ongoing recruitment in 2012

The group recruited more than 250 people with non-manual employee status in 2012, mainly in the Multitechnics and Construction divisions. In the latter division, most recruitment was in relation to international business.

The internal transfer policy mentioned last year was maintained. This involves first seeing whether an existing employee is interested in changing jobs or moving to a different location. The group still encourages staff to move from Benelux to other countries, thereby spreading the CFE group's culture to its various international entities. The group also actively pursued its internal promotion policy. For example, 16 manual workers were promoted to non-manual employee status in 2012.

Despite the recession, the group continued to hire young engineers who have just graduated, and young people graduating from technical schools. This represents a welcome infusion of new blood to replace the post-war generation that is currently taking retirement or early retirement. These young recruits currently lack on-the-ground experience,

Training: vitally important

Training and development play a major role of the CFE group's HR policy, in various ways. General training is an important way of furthering group strategy. For example, financial training is provided to non-finance staff, and managers receive training in crisis communication, leadership and coaching. This training is organised internally so that staff from various divisions can gain a deeper understanding of each other's work and share their experience. There are also training courses on specific skills such as communication and negotiation.

The group has also organised a broad range of specific technical training sessions in various business areas, along with safety. Individual training may also be recommended as a result of annual appraisals.

All these training efforts are particularly vital given the importance of innovation in CFE's activities. Innovation is naturally crucial at the technical level, but also in terms of the way the company operates. Staff need to consider ways of improving things, of doing them differently, more

Within the group, two types of safety training take place: a) specific technical training, which focuses on constantly improving safety when performing work and b) general training that reminds executives of basic safety principles and the importance of safety, first aid in the event of an accident and how a team should respond to a fire.

As regards technical training, various courses and refresher sessions are provided to staff who operate construction machinery, particularly in the Construction and Rail & Road divisions, i.e.

at companies such as CFE, Aannemingen Van Wellen, ENGEMA and DEME. A number of courses and refresher sessions are also provided in relation to working at height (e.g. on scaffolding) in the Construction, Multitechnics and Rail & Road divisions, and in relation to electrical works at companies including CFE, ENGEMA, Aannemingen Van Wellen and Nizet.



Good opportunities for young graduates to progress

When the group hires a young engineer, for example in the Construction or Multitechnics divisions, he or she starts in the purchase department, or directly on-site as a project engineer. The engineer gains experience by dealing with scheduling, subcontractors and suppliers. When a project engineer is considered to be ready, he or she is put in charge of a small project. Those that do not want to manage a project can, for example, specialise within the methods or studies departments, the tenders department or in the PPP-Concessions division. The next steps are to lead a major project, then become a works manager, then head up a business unit. There is no shortage of development opportunities, either in Belgium or abroad.

and CFE's companies need to teach them everything they are not taught at school. This training effort represents an important investment in the future.

effectively or at lower cost. Training is used to foster this healthy attitude of questioning the status quo. Training also helps CFE to retain staff, since it enables them to enhance their skills, develop and progress, both personally and professionally, within the group on an ongoing basis.

Close monitoring of staff

Although CFE's people have a high level of autonomy, they are also closely monitored. In addition to annual appraisals with line managers, management and human resources teams meet once a year to review each person's skills and potential in a structured manner. In these meetings, the discussion concerns not only each person's performance, but also his or her career ambitions. Where a person shows potential, it is important to give him or her enough opportunities and support.

Safety remains the priority

Safety is a core value throughout the CFE group's organisation. Every two years, the CFE group takes part in the VINCI Innovation Awards, which reward innovation within the VINCI group in areas such as technical methods, safety and equipment. In 2012, CFE won the safety award with a film that dealt with the feelings of people who have suffered a work accident. In 2011, CFE produced a play that also dealt with safety at work. After the performance took place, a series of group discussions took place involving 1,200 staff in all. The aim of these discussions was to examine what the group could change in order to enhance safety. An important aspect of the group's focus on safety is the fact that staff bonuses are partly dependent on safety results.

Social indicators

Staff per division

	Group & Concessions	Construction	Multitechnics	Rail & Road	Real estate	DEME at 100%	Total CFE (DEME at 50%)
2008	71	2,600	910	0	86	3,632	5,483
2009	79	2,299	977	0	84	3,668	5,273
2010	82	2,212	943	0	75	3,824	5,224
2011	84	2,305	1,232	0	70	4,080	5,731
2012	88	1,955	1,036	588	66	4,080	5,773

Staff per trade

2012	Labourers	Employees	Total
Group & Concessions	2	86	88
Construction	1,058	897	1,955
Multitechnics	702	334	1,036
Rail & Road	429	159	588
Real estate	0	66	66
DEME at 100%	1,942	2,138	4,080
Total CFE (DEME at 50%)	3,162	2,611	5,773

Staff per type of contract

	Contract indefinite period	Contract definite period	Work & Study	Total
2008	5,112	366	5	5,483
2009	4,909	361	3	5,273
2010	4,829	389	6	5,224
2011	5,297	427	7	5,731
2012	5,313	452	8	5,773

Age pyramid

	2008	2009	2010	2011	2012
< 25	561	487	438	482	410
26-30	805	761	767	814	811
31-35	758	722	719	803	832
36-40	810	767	735	786	762
41-45	792	777	752	821	834
46-50	629	616	663	754	785
51-55	583	585	577	632	630
56-60	426	422	437	472	534
> 60	119	136	136	167	175

A SOCIAL AND RESPONSIBLE GROUP

The group also undertakes initiatives to raise awareness and promote a responsible approach to safety through "Toolboxmeetings", poster campaigns and other communication methods. Senior management and line managers also carry out frequent unscheduled safety inspections.

In 2012, many companies - including CFE, BPC, ETEC and Stevens - made special efforts to improve individual protection equipment and work clothing. In addition, companies organised one-day or half-day training courses for all staff on specific aspects of safety.



Improving safety further in order to attain the "zero accident" target

These ongoing efforts are paying off. By comparison with the Belgian average in the sector, the CFE group's safety figures are excellent. In the Construction division, the accident frequency rate was 17.23 in 2012 versus the national average of 51.81. In the Multitechnics division, the rate was 16.59 as opposed to the national average of 31.34.

Most group companies have obtained VCA or OHSAS 18001 certification for their safety management system, and those that were already certified had their certification renewed or expanded in 2012. The companies concerned included CFE SA, CFE Nederland, Aannemingen Van Wellen, Stevens, Druart, Ariadne, BENELMAT, and DEME. Internationally, several CFE International subsidiaries obtained OHSAS Quality, Safety and Environment certification in Algeria, Chad and Qatar.

However, the CFE group wants to go further and has set a "zero accident" target. Despite its training efforts and various other measures, its results levelled off in 2012. As a result, in 2013-2014, the group is planning to provide safety management training to around 600 operational staff at all levels, including senior managers, work managers and site managers. This training will be provided by external specialists, and will mainly deal with how operational managers should behave and how they can set an example to those they manage.

Dredging & Environment division rewarded for its CHILD project

DEME won an award from IADC (International Association of Dredging Companies) for its CHILD (Colleagues Help Injuries to Leave DEME) project. This training project consists of a seminar covering various safety aspects, such as accident analysis, case studies, safety awareness and precautions relating specifically to risky situations in DEME's activities. It is an ambitious project that aims to focus attention on potentially dangerous situations, to ensure correct on-site behaviour, to stimulate awareness and safety initiatives and, in general, to foster a genuine culture of safety within DEME.

CHILD
COLLEAGUES, HELP INJURIES TO LEAVE DEME



Seniority

	2008	2009	2010	2011	2012
< 1	988	586	788	807	975
1-5	2,091	2,225	1,936	2,110	1,981
6-10	907	896	870	1,002	1,029
11-15	424	483	556	665	675
16-20	473	441	406	404	354
21-25	189	253	289	352	387
> 25	411	389	379	391	372

Men / Women

	Male employees	Female employees	Male labourers	Female labourers
2008	1,742	519	3,195	27
2009	1,708	532	3,008	25
2010	1,761	549	2,898	16
2011	1,910	599	3,200	22
2012	1,976	635	3,133	29

Training

In numbers of hours by nature of training	Total 2011	Total 2012	Men	Women
Technical	29,792,3	34,440,5	33,002,0	1,438,5
Hygiene and safety	49,722,0	42,432,4	39,705,7	2,726,7
Environment	485,0	1,323,3	1,254,4	68,9
Management	6,412,8	5,930,6	5,332,3	598,3
Information technology	6,077,5	4,353,4	3,297,4	1,056,0
Admin/account/manag./legal	3,494,0	3,474,1	2,332,7	1,141,4
Languages	3,556,3	3,148,1	2,444,1	704,0
Diversity	213,0	44,0	36,0	8,0
Others	3,087,8	5,526,6	4,546,8	979,9
Total	102,840,5	100,673,1	91,951,4	8,721,7

Absenteeism

	2008	2009	2010	2011	2012
Number of days absence due to illness	50,009	49,675	62,108	60,260	73,136
Number of days absence due to industrial accident	8,036	7,585	7,923	7,594	6,300
Number of days absence for acc. related to work/home travel	269	340	611	667	386
Number of days absence due to professional illness	306	0	0	0	0
Number of days worked	1,217,943	1,239,392	1,398,377	1,513,669	1,627,676
Level of absenteeism	4.81%	4.65%	5.05%	4.53%	4.9%



More than 250 people recruited

Despite adverse economic conditions, we recruited more than 250 people with non-manual employee status in 2012, many of whom were hired to meet needs arising from our international expansion. The CFE group remains not only a major provider of jobs, but also a group that is good to work for, as shown by our Top Employer 2012 award.

Gabriel Marijsse,
Human Resources Director



CFE: the VINCI Foundation's partner in Belgium

Supporting social and professional integration

The VINCI Foundation was created by the VINCI Group, which is the major shareholder in the CFE group. In 2012, CFE set up a VINCI Fund for Belgium, operating under the wing of the King Baudouin Foundation. This Fund focuses on supporting integration into the world of work. It aims to help all people find their place in society in two ways: through access to employment and social cohesion.

In Belgium, the Fund supports initiatives undertaken by organisations that pursue these objectives. In terms of access to employment, these initiatives help to integrate excluded people into the world of work, providing them with training, qualifications and the resources to travel. As regards social cohesion, the Foundation supports initiatives aimed at raising awareness of citizenship issues among young people, promoting social integration among the most isolated people, and helping those most deprived to find housing. In 2012, the Foundation received 91 dossiers.

Training for all

Most training consists of business-specific technical training, for executives, non-manual employees and manual workers.

Safety is the second-largest area of training for manual workers and non-manual employees, and the latter are also offered language classes.

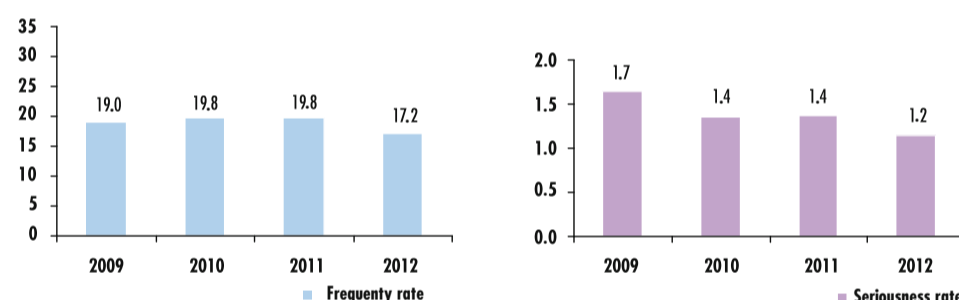
The second-largest category of training for executives receive consists of management, legal, accounting and environmental matters, followed by safety and language training.

In 2013, CFE is planning to offer training specifically to young works managers and project leaders, along with a specific site safety programme for managers.

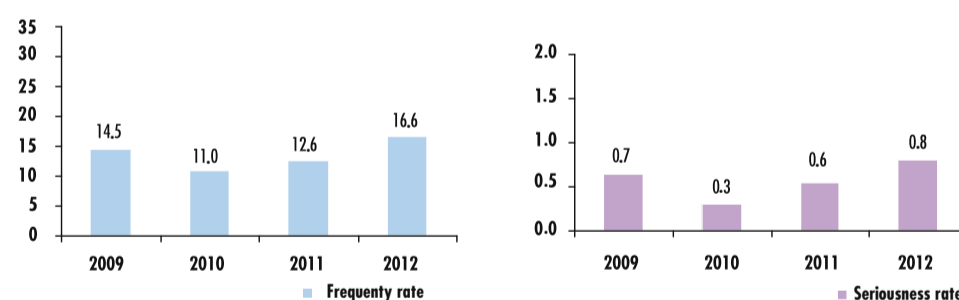


Frequency rate and Seriousness rate

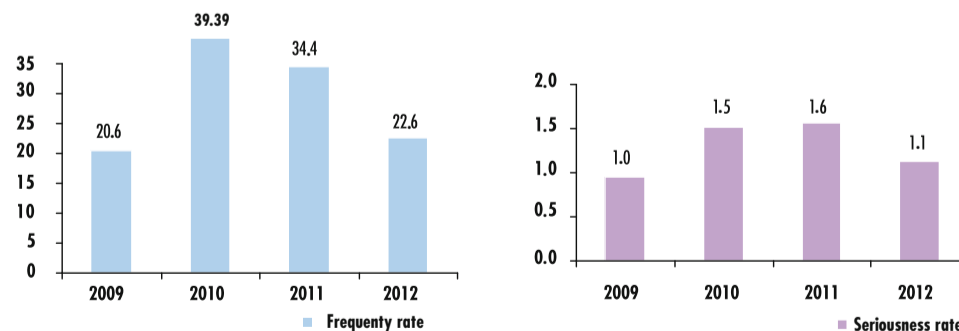
Construction division



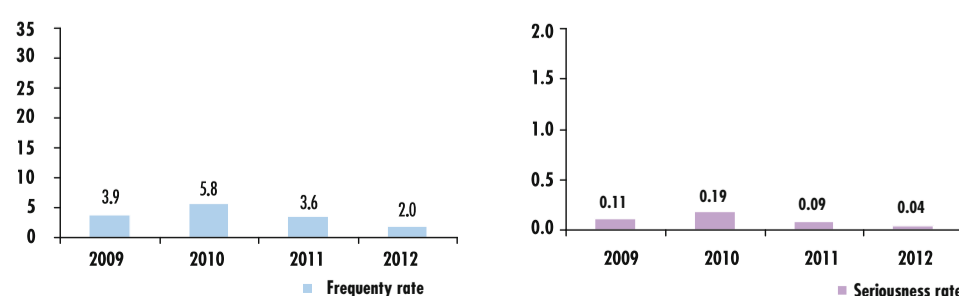
Multitechnics division



Rail & Road division



Dredging and environmental division



The environment: a major issue for CFE

The CFE group is not content just to talk about sustainable development. It has a coherent environmental policy and takes numerous practical measures, going beyond its statutory obligations. Every day, CFE staff look for ever more sustainable solutions for the projects being developed and implemented in the group's various entities.



▲ Wood construction with high energy performance standards for the CPAS of Brussels

Respecting the environment is an integral part of the CFE group's long-term strategy. The group has set up a coherent environmental policy, with five major objectives: ensuring continuous improvement in its environmental performance, measuring the environmental impact of its activities, anticipating developments in eco-construction technology and related solutions in all of its business areas, preventing incidents and accidents, and setting up structures within the group to ensure that the environment is taken into account in all its activities.

This is an impressive programme that has produced a number of practical initiatives, including annual environmental reporting, reductions in energy consumption, the creation of a sustainable development unit and its various activities, training courses, and initiatives relating to sustainable materials.

Knowledge through measurement

The first step to sustainability is to find out the extent of the group's energy and raw materials consumption, and therefore to measure it. Since 2007, the group has carried out annual environmental reporting to measure a number of factors and assess CFE's overall environmental footprint. In addition to measuring consumption of non-renewable electricity, gas and fuel oil and converting this into a CO₂ emissions figure, reporting takes into account the main categories of waste including the proportion of waste that is sorted and recycled, the production of renewable energy within the group (wind, PV solar and pellet-based), various environmental certifications and their coverage, accredited projects, hours of environmental training, hours of environmental research and environmental incidents. The resulting report states that CFE (excluding DEME) spends just under 1% of its revenue on energy of all kinds (i.e. electricity, gas and diesel).

Construction division

	Natural gas kWh	Diesel litre	Electricity kWh	CO ₂ emission by revenue g eq CO ₂ /EUR
2009	7,682,173	4,393,545	12,783,440	17.70
2010	9,555,497	4,168,104	10,458,566	18.70
2011	9,625,822	4,704,162	16,420,395	21.10
2012	9,485,044	4,998,281	16,911,124	21.52

Multitechnics division

	Natural gas kWh	Diesel litre	Electricity kWh	CO ₂ emission by revenue g eq CO ₂ /EUR
2009	863,764	715,128	787,238	20.00
2010	983,324	762,674	853,267	24.30
2011	918,981	732,096	892,022	18.90
2012	1,020,345	663,032	1,142,812	16.50

Rail & Road division

	Natural gas kWh	Diesel litre	Electricity kWh	CO ₂ emission by revenue g eq CO ₂ /EUR
2009	1,994,922	1,271,985	1,301,341	72.20
2010	3,252,631	1,319,122	882,421	85.40
2011	3,044,951	1,328,247	963,576	76.90
2012	2,527,684	1,453,714	1,012,235	76.60

Real estate development and management services division

	Natural gas kWh	Diesel litre	Electricity kWh	CO ₂ emission by revenue g eq CO ₂ /EUR
2009	1,050,898	35,690	1,303,246	31.44
2010	568,431	89,012	90,747	12.15
2011	344,878	130,572	246,797	30.02
2012	839,454	26,036	64,017	24.50

Dredging division

	Natural gas kWh	Diesel litre	Electricité kWh	CO ₂ emission by revenue g eq CO ₂ /EUR
2009	0	9,370,741	5,853,492	758.55
2010	0	6,491,221	4,060,095	481.19
2011	0	1,069,320	4,213,356	476.30
2012	235,808	1,427,815	4,653,842	506.80

Important comment :

In early 2012, CFE set up its new rail & road division. This division includes the activities of ENGEMA (installation of overhead contact lines and rail signalling) and Louis Stevens & Co (rail signalling)- previously included in the multitechnics division- along with the road business of Aannemingen Van Wellen, and the activities of specialist track-layer Remacom, which was acquired at the start of the year. The environmental activities of CFE (CFE EcoTech) have been transferred to the multitechnics division.

'Toward Zero Energy': more relevant than ever

Reducing consumption of non-renewable energy in the projects developed by the group is the main aspect of the advisory work done by the sustainable development department.

Each project has its individual characteristics. This is also true of environmental requirements, which vary between clients and between regions within Belgium. In practical terms, the group needs to anticipate and factor in standards in Belgium - where new buildings must comply with passive building standards in 2015 or 2017 depending on the

region - and in Europe, where new buildings must meet "zero energy" standards, i.e. be self-sufficient in terms of energy, by 2020. The group must also adopt a new approach to designing buildings from the sustainability and economic point of view, propose more sustainable and environmentally friendly materials, prioritise analysis of

technical and energy-intensive work, and take a long-term view by identifying all potential savings. This represents a huge task that goes far beyond statutory requirements. All potential reductions in energy consumption go towards meeting a shared objective entitled "Toward Zero Energy" that was adopted in 2011 and was more relevant than ever in 2012.

measuring energy requirements and long-term energy consumption costs.

CFE stands out through its ability to address the issue of reducing energy requirements, which requires a level of specialist know-how that is rare among contractors, since this work is generally outsourced to specialist consultancies. Another of the group's advantages is its building management database spanning around 20 years, which gives it a valuable edge in

Developing in-house environmental know-how

Environmental training sessions are organised regularly, particularly as part of biannual training sessions for around 180 executives. These sessions explore areas such as new sustainable technologies, passive building construction and BREEAM certification. External speakers sometimes take part in these sessions. This was the case in the most recent "Carrefour Multitechnique" event, an initiative organised by the Multitechnics division every two years for its staff, which is supported by the sustainable development department. Seminars relating to environmental data collection are also held for finance staff. The overall aim of this training is to develop the group's in-house environmental know-how. A large amount of information is also sent out or made available to all group staff through themed memos for worksite teams - relating to issues such as energy, waterproofing of buildings, passive buildings and geothermal technology - and via the intranet.

The importance of choosing the right materials



▲ New Olympic ice rink - Liège (BE)

The CFE seeks to optimise its use of raw materials. The principle is to make the greatest use of recyclable materials, 100% if possible. To achieve this, CFE uses the database produced by NIBE in the Netherlands, which classifies the main materials on an environmental basis, along with the EQUER system developed by Ecoles des Mines Paristech in conjunction with VINCI, which calculates LCA (life cycle analysis) figures for materials. The CFE group also works with the Centre Scientifique et Technique de la Construction (CSTC) to put together a Belgian LCA database consisting of environmental indicators for all materials used in the construction sector throughout the life cycle of buildings, including their toxic emissions into the outside environment.

CFE is a co-founder and director of the Greenwin sustainable development unit in the Wallonia region. This unit brings together universities, research centres and companies to carry out environmental research in the construction sector.

A customised response to each project

To carry out environmental research, reporting and advisory efforts within its various entities, the group has a sustainable development technical unit that works on a number of projects and is probably unique in CFE's industry. This small team, which currently consists of three engineers and an assistant, takes part in various tenders, studies and project development work - such as work on passive housing projects - at the request of entities. It examines specifications, prepares an energy performance report or PHPP (Passive House Planning Package), looks for the best value for money in terms of energy, and makes suggestions relating to aspects such as energy and sustainable materials.

In 2012, the unit took part in a major PPP project to build a prison at Haren. All divisions were involved in this project, as were several consultancies. The unit's contribution consisted of work to reduce power requirements. Over a project involving 110,000 m² of space, cooling-related power requirements were reduced by almost 30% and heating-related requirements by 35%, and overall annual consumption was cut by more than 35%.

Overall, CFE estimates that half of its projects contain optimal energy and/or environmental features. Alternatives energy sources are proposed wherever possible and where the client allows, with examples being biomass heating, thermal and solar panels, geothermal sensors and heat pumps.

Sustainability in CFE's buildings and worksites

Efforts to reduce energy consumption are not restricted to projects, but also concern the group's own buildings and worksite consumption. At the head office in Brussels, energy consumption has been reduced by 50% in the space of five years, without any major investment. The group is also aiming to cut the CO₂ emissions of its car fleet between 2012 and 2014.

As regards worksites, a study was performed by the sustainable development department and Benelmat (equipment department) into fully insulating eight containers and other ways to reduce their energy consumption. The aim was to turn them into passive containers. In late 2012, these containers were being tested at Aannemingen Van Wellen's Rode Kruis worksite in Mechelen: watch this space in 2013!

Highlights

In 2012, there was a major realisation within the group that all public invitations to tender relating to the construction of buildings contained passive or very low-energy requirements. This was not the case two years ago, when such criteria were rarely mentioned. The group has taken on board this shift, and several group companies now have energy specialists. This is a very positive development.

Michel Guillaume,
Director Sustainable Development



Strong focus on sustainability in practice

CFE group companies are increasingly factoring in environmental aspects into projects relating to their own buildings and into their operating methods.

Within the Construction division, several companies obtained ISO 14001 certification in 2012 or early 2013 (Aannemingen Van Wellen, CFE Brabant, MBG, BAGECI, CFE International for Chad and Algeria), while others took steps to obtain it (BPC, CLE, CFE Polska). As a result of an increasing focus on environmental issues, many projects obtained or are about to obtain BREEAM "Very Good" certification. These include the passive tower in the Charleroi police station, which will become a key reference project for CFE Brabant, and the Orban, Pole Star and Elia passive office buildings in Brussels. Other examples are the Lichttoren and Onyx buildings in Antwerp (Aannemingen Van Wellen) Belview in Brussels (BPC-CFE Brabant), and the Green Wings project in Poland, where CFE Polska is also a member of the PLGBC (Polish Green Building Council). Several passive buildings were built in 2012, particularly by Amart, which is also using geothermal technology for the Elimo project. BAGECI is directly helping to improve the environment through its involvement in wastewater treatment and pumping stations.

Across the Construction division, these environmental efforts involve paying closer attention to the sustainability aspects of tenders, along with a series of initiatives such as increased waste sorting (resulting in "superdreckskecht" accreditation for CLE in Luxembourg), a contract to supply green energy and biodegradable oil, efforts to monitor and/or reduce energy consumption, sustainable development training and more sensible use of paper. The two Dutch subsidiaries continued to improve their CO₂ emissions performance, which was already excellent, and both of these companies have level-5 Prorail certification, which is the highest possible.

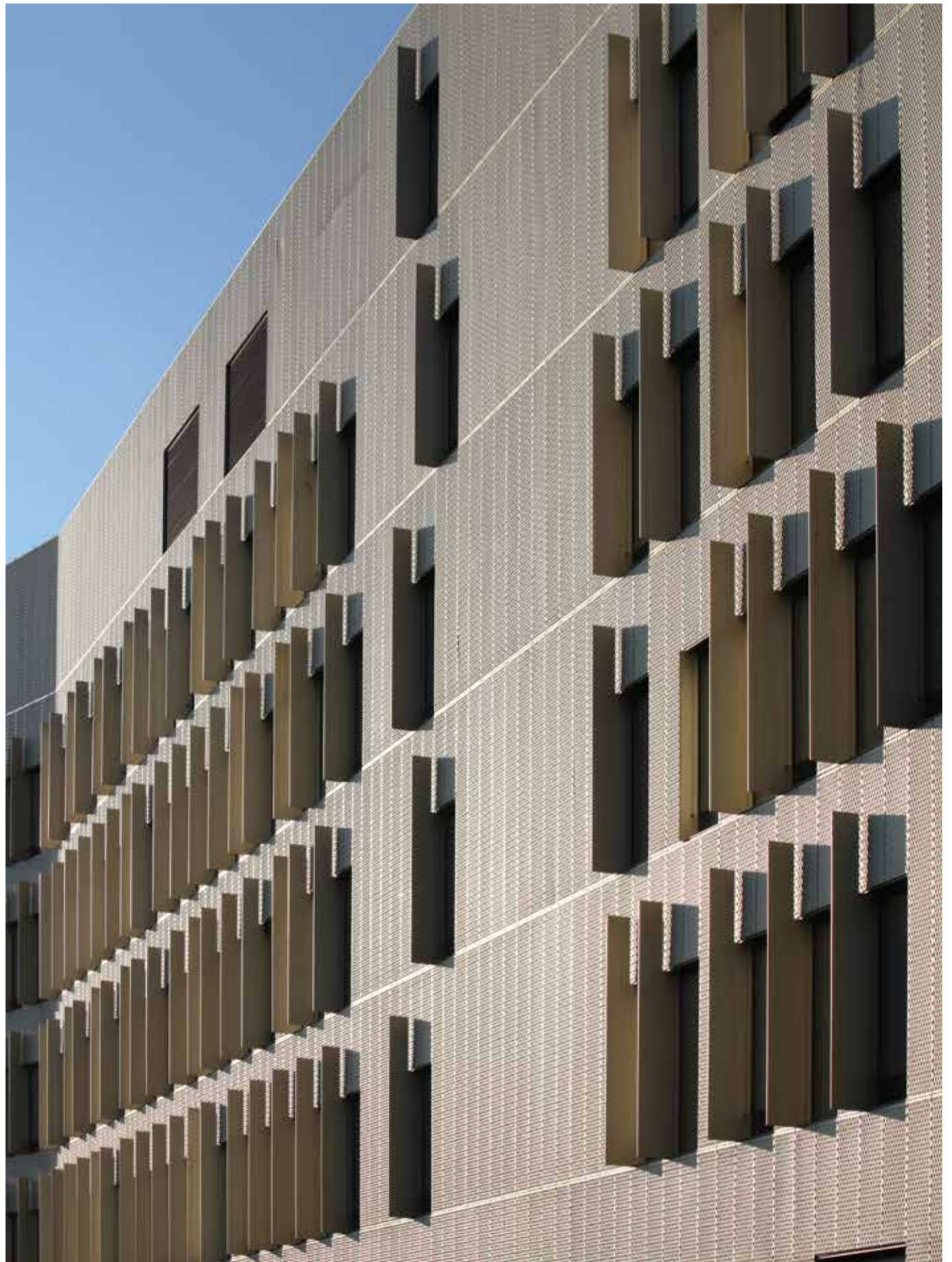
In the Multitechnics division, some entities focus naturally on environmental protection. This is particularly the case for CFE EcoTech, which specialises in wastewater treatment. However, though the various techniques that they use, companies in this division also play a very practical role in reducing consumption of non-renewable energy and/or producing green energy in construction and refurbishment projects.

This is the case for the Charleroi police station and various passive home projects (Druart), the Vlaamse Milieu Maatschappij laboratory and office complex in Ghent and several office buildings in Brussels (VMA). Nizet also performed well in this area in 2012, installing over 1 MW of photovoltaic capacity on various roofs, including its own and that of CFE subsidiary Stevens, as did Ariadne, which handled all electrical aspects of a biogas project in the Netherlands. In addition, be.Maintenance carried out electrical regulation work and raised customer awareness about new technologies, and also acquired environmentally friendly vehicles. In general, companies in this division seek to adopt lower-energy solutions when submitting tenders and carrying out feasibility studies.

Within the Rail & Road division, Aannemingen Van Wellen tested silent road surface technology, with very positive results. The company is also preparing to invest in facilities that will enable it to use natural gas instead of heating oil in the burners at its Doel asphalt unit. This will substantially reduce energy consumption and CO₂ emissions. REMACOM is carrying out a trial to recover old ballast and transport it by boat (via Aannemingen Van Wellen) in order to recycle and reuse it. This will reduce road traffic and lead to lower use of raw materials. Other group companies are also active in this area, working on the electrification of rail lines, performing green energy contracts (ENGEMA), installing solar panels on their own buildings and limiting the CO₂ emissions of their vehicle fleets (Stevens).

The Real Estate & Management Services division has obtained BREEAM Very Good or Excellent certification on several occasions for its passive or very low-energy buildings. Projects also include efforts to minimise long-term energy consumption and building operating costs. Sogesmaint-CBRE is focusing on measuring and reducing its energy consumption.

When submitting tenders, the PPP-Concessions division systematically includes in-depth environmental reports prepared in conjunction with CFE's sustainable development unit. Customers are imposing increa-



▲ Construction of a passive office building - Brussels (BE)

sing numbers of criteria, and the division is also becoming more demanding in order to add more value to projects. In the port development business, there was an upturn in energy-related activity in 2012 for Rent-A-Port Energy. This included involvement in three major offshore wind projects off the Belgian coast and in an innovative Elia project to maximise the efficiency of subsea high-voltage cables between offshore wind farms and the Belgian coast as part of the "Plug at sea" project.

DEME, whose companies make up the Dredging & Environment division, has ISO 14001 certification for all its activities. Its objective is to minimise the impact of its dredging activi-

ties on fauna and flora, and impose strict limits on non-recyclable waste, non-renewable energy consumption and water consumption.

DEME also works actively in the production of renewable energy through its involvement in the construction of wind farms in the North Sea (C-Power) and its development of specific in-house know-how, which has gained international recognition in this field (Power@Sea and DEME Blue Energy). The group also has several companies that specialise in soil decontamination and sediment treatment (DEC-Ecoterres, Terranata, Terra-Nova, Purazur, DBE, Power@Sea, CTOW). ■

COLOPHON

COMPAGNIE D'ENTREPRISES CFE SA
Founded in Brussels on June 21, 1880
Headquarters : 42, avenue Herrmann-Debroux,
1160 Brussels - Belgium
Company number 0400.464.795
RPM Brussels
Telephone: +32 2 661 12 11
Fax: +32 2 660 77 10
E-mail: info@cfe.be

Editor :
Yves Weyts

Editorial Contact :
Ann Vansumere
Tel +32.2.661.13.97
ann_vansumere@cfe.be

Copyright for the photos and images, in
alphabetical order
Ariane Delacre
Ateliers Jean Nouvel - MDW Architecture
DEME
Philippe van Gelooven
Tom D'Haenens

Design and realisation :
Anteno Marketing & Communicatie
Cogels Osylei 19
BE 2600 Berchem

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