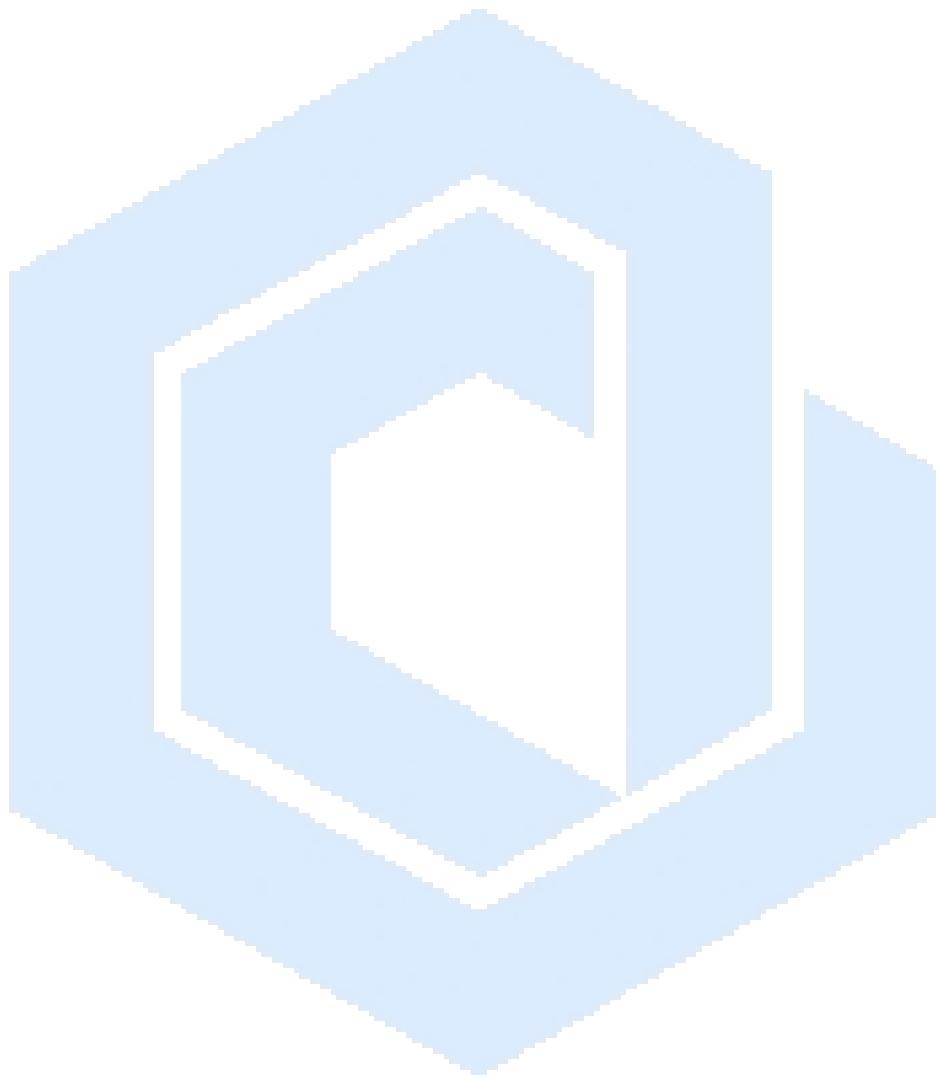


Intermediary Report

As of June 30, 2015



Intermediary report of the group CFE

Table of contents

[MANAGEMENT REPORT OF THE BOARD OF DIRECTORS](#)

[INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND NOTES](#)

[DEFINITIONS](#)

[Condensed consolidated statement of income](#)

[Condensed consolidated statement of comprehensive income](#)

[Condensed consolidated statement of financial position](#)

[Condensed consolidated statement of cash flow](#)

[Condensed consolidated statement of changes in equity](#)

[Notes to the interim condensed consolidated financial statements for the period ended June 30, 2015](#)

[Auditor's report](#)

Management report of board of directors

The management report should be read together with the interim condensed consolidated financial statements of the group CFE.

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

1. Summary of the 1st semester

Key figures in the first half of 2015

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

(*) Amounts restated to take account of the recognition at fair value of the identifiable assets and liabilities of DEME following the acquisition of an additional 50% of the DEME shares on 24 December 2013.

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

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

Dredging & Environment division

Key figures

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

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

(**) Amounts restated to take account of the recognition at fair value of the identifiable assets and liabilities of DEME following the acquisition of an additional 50% of the DEME shares on 24 December 2013.

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

Key figures according to the economic approach

The key figures shown below are presented according to the economic approach whereby the jointly controlled companies are proportionally consolidated (accounting rules applicable before 1 January 2014).

In million € (Excluding restatements for DEME)	1 st semester 2015	1 st semester 2014	Variation 2015/2014
Revenue	1,218.7	1,305.6	-6.7%
EBITDA	302.6	215.4	+40.5%
Income from operating activities	183.8	104.0	+76.7%
Net income share of the group	119.8	62.6	+91.4%

Revenue

Although slightly down, DEME reported a sustained level of activity in the first half of 2015. This was particularly the case in Africa where the widening and deepening of the Suez Canal was completed in record time to the satisfaction of the customer, the Suez Canal Authority. DEME, which had deployed a large fleet on this project, succeeded in carrying out the works within the agreed timeframe and budget.

The Geosea subsidiary completed the wind farm project Northwind in Belgium and continues amongst other works on the site Godewind in the German territorial waters of the North Sea. This project, on which the vessel 'Innovation' is deployed, involves the installation of 97 wind turbines. In the United Kingdom, the Kentish Flats project was completed (installation of 15 wind turbines).

Evolution of activity by business area (economic approach)

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

Evolution of activity by geographical area (economic approach)

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

EDITDA and operating income

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

Order book

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

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

Investments and net financial debt

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

The acquisition of the offshore assets of Hochtief had an impact of €27 million on the net financial debt of DEME. HGO, which was integrated using the equity method at 31 December 2014, was fully consolidated at 30 June 2015. According to the economic approach, the impact amounts to €165.6 million.

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

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

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

According to the economic approach, DEME's net financial debt would have stood at €51 million, or €38.2 million up on year-end 2014.

Contracting division

Key figures

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

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

Revenue

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

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

Operating income

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

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

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

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

Order book

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

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

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

Risk on Chad

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

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

Real Estate division

Key figures

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

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

Evolution of real estate projects

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

Real Estate projects

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

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

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

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

Net result share part of the group

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

PPP-Concessions division

Key figures

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

(*) Including results from associated companies and joint ventures

Net operating income share of the group

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

Holding

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

3. An overview of the results

Condensed consolidated statement of income

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

Condensed consolidated statement of comprehensive income

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

(*) Amounts restated to take account of the recognition at fair value of the identifiable assets and liabilities of DEME following the acquisition of an additional 50% of the DEME shares on 24 December 2013.

Consolidated statement of financial position

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

Condensed consolidated cash flow statement

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

(*) Amounts restated to take account of the recognition at fair value of the identifiable assets and liabilities of DEME following the acquisition of an additional 50% of the DEME shares on 24 December 2013.

Figures per share

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

(*) Amounts restated to take account of the recognition at fair value of the identifiable assets and liabilities of DEME following the acquisition of an additional 50% of the DEME shares on 24 December 2013.

4. Information on business trends

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

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

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

5. Information related to the share

At 30 June 2015, CFE's share capital was divided into 25,314,482 shares.

Each share confers one vote. There has been no issue of convertible bonds or warrants. Financial institutions with which holders of financial instruments may exercise their financial rights are: BNP Paribas Fortis, Banque Degroof and ING Belgium. Banque Degroof has been appointed as the 'Main Paying Agent'.

6. Risks and uncertainties

Risks related to the sector of activity described in the annual report 2014 are still applicable during the second halfyear 2015.

7. Transactions with related parties

In the first half year of 2015, there was no significant variation in the nature of transactions with related parties compared to December, 31 2014.

8. Corporate governance

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

Interim condensed consolidated financial statements and notes

DEFINITIONS

Capital employed	Intangible assets + goodwill + property, plant and equipment + working capital
Working capital	Inventories + trade receivables and other operating receivables + other current assets + non-current assets held for sale - other current provisions - trade payables and other operating liabilities - tax payables - other current liabilities
Income from operating activities	Turnover + revenue from auxiliary activities + purchases + wages, salaries and social charges + other operational charges and depreciation and goodwill depreciation
Operating income (EBIT)	Income from operating activities + earnings from associates and joint venture
EBITDA	Income from operating activities + amortisation and depreciation + other non-cash items

CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the period from January, 1 st to June, 30 th (In thousand Euro)	Note	June 2015	June 2014 (*)
Revenue		1,643,545	1,773,475
Revenue from auxiliary activities	6	63,755	31,175
Purchases		(871,528)	(1,069,593)
Remuneration and social security payments		(299,650)	(308,095)
Other operating expenses		(262,744)	(222,429)
Depreciation and amortization		(130,353)	(112,271)
Goodwill impairment		0	0
Income from operating activities		143,025	92,262
Earnings from associates and joint venture		9,674	5,861
Operating income		152,699	98,123
Cost of gross financial debt	7	(13,692)	(13,189)
Other financial expenses & income	7	5,078	6,716
Net financial income/expense		(8,614)	(6,473)
Pre-tax income		144,085	91,650
Income tax expense	9	(35,804)	(27,455)
Net income for the period		108,281	64,195
Attributable to owners of non-controlling interests	8	2,569	128
Net income share of the group		110,850	64,323
Net income of the group per share (EUR) (diluted and basic)		4.38	2.54

(*) Amounts adjusted in accordance with the accounting at fair value of DEME's assets and liabilities after the acquisition of an additional 50% stake in DEME on December 24th, 2013 (restatements described in disclosure 3.2).

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period from January, 1 st to June, 30 th (In thousand Euro)	Note	June 2015	June 2014 (*)
Net income share of the group		110,850	64,323
Net income for the period		108,281	64,195
Changes in fair value related to hedging instruments		(178)	(4,948)
Currency translation differences		1,145	3,863
Deferred taxes		60	1,682
Other elements of the comprehensive income to be reclassified to profit or loss in subsequent periods		1,027	597
Re-measurement on defined benefit plans		0	(5,326)
Deferred taxes		0	1,785
Other elements of the comprehensive income not to be reclassified to profit or loss in subsequent periods		0	(3,541)
Other elements of the comprehensive income directly accounted in equity		1,027	(2,944)
Comprehensive income:		109,308	61,251
- Attributable to owners of the parent		111,794	61,448
- Attributable to owners of non-controlling interests		(2,486)	(197)
Net income attributable to owners of the parent per share (EUR) (diluted and basic)		4.42	2.43

(*) Amounts adjusted in accordance with the accounting at fair value of DEME's assets and liabilities after the acquisition of an additional 50% stake in DEME on December 24th, 2013 (restatements described in disclosure 3.2).

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the period ended to (In thousand Euro)	Note	June 2015	December 2014
Intangible assets		104,620	98,491
Goodwill		179,857	177,082
Property, plant and equipment	10	1,755,345	1,503,275
Investments in associates and joint ventures	11	142,488	159,290
Other non-current financial assets		133,809	109,341
Derivative instruments – Non-current assets		640	674
Other non-current assets		17,609	20,006
Deferred tax assets		108,457	115,322
Total non-current assets		2,442,825	2,183,481
Inventories	12	101,530	105,278
Trade and other operating receivables	13	1,201,324	1,082,504
Other current assets		107,741	104,554
Derivative instruments – Current assets		3,275	0
Current financial assets		446	4,687
Assets held for sale		0	31,447
Cash and cash equivalents	17	393,873	703,501
Total current assets		1,808,189	2,031,971
Total assets		4,251,014	4,215,452
Share capital		41,330	41,330
Share premium		800,008	800,008
Retained earnings		543,819	488,890
Defined benefits pension plans		(8,350)	(8,350)
Hedging reserves		(6,244)	(6,127)
Currency translation differences		(1,063)	(2,124)
Equity attributable to owners of the parent		1,369,500	1,313,627
Non-controlling interests	8	7,841	7,238
Equity		1,377,341	1,320,865
Retirement benefit obligations and employee benefits		41,098	41,806
Provisions	14	42,231	40,676
Other non-current liabilities		67,127	80,665
Bonds	17	306,055	306,895
Financial liabilities	17	379,576	378,065
Derivative instruments – Non-current liabilities		21,049	12,922
Deferred tax liabilities		151,766	139,039
Total non-current liabilities		1,008,902	1,000,068
Current provisions	14	58,097	48,447
Trade & other operating payables		1,189,744	1,099,309
Income tax payable		73,544	80,264
Current financial liabilities	17	120,352	206,671
Derivative instruments – Current liabilities		26,799	24,948
Liabilities held for sale		0	19,164
Other current liabilities		396,235	415,716
Total current liabilities		1,864,771	1,894,519
Total equity and liabilities		4,251,014	4,215,452

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

For the period from January,1 st to June,30 th (In thousand Euro)	Note	June 2015	June 2014 (*)
Operating activities			
Net income share of the group		110,850	64,323
Depreciation and amortization of intangible assets, property, plant & equipment and investment property		130,353	112,271
Net provision expense		11,294	2,104
Impairment on current and non-current assets		(8,654)	(322)
Unrealized foreign exchange (gains)/losses		5,532	(13,549)
Interest income & income from financial assets		(15,289)	(5,648)
Interest expense		18,533	17,960
Change in fair value of derivative instruments		(3,144)	3,097
Income/(losses) from sales of property, plant & equipment		(13,052)	(3,873)
Tax expense		35,804	27,455
Income attributable to non-controlling interests		(2,569)	(128)
Earnings from associates and joint venture		(9,674)	(5,861)
Cash flow from operating activities before changes in working capital		259,984	197,829
Decrease/(increase) in trade receivables and other current and non-current receivables		(133,960)	(138,333)
Decrease/(increase) in inventories		2,891	(3,338)
Increase/(decrease) in trade payables and other current and non-current payables		39,051	85,235
Cash flow from operating activities		167,966	141,393
Interest paid		(18,532)	(19,308)
Interest received		3,509	5,648
Income tax paid/received		(3,858)	(11,195)
<u>Net cash flow from operating activities</u>		<u>149,085</u>	<u>116,538</u>
Investing activities			
Sales of non-current assets		21,868	6,027
Purchases of non-current assets		(133,049)	(51,639)
Change in percentage held in associates	5	(23,414)	0
Capital increase in investments in associates		(11,735)	0
Sale of subsidiaries	5	19,860	0
Loans granted		(7,910)	0
<u>Cash flow from investing activities</u>		<u>(134,380)</u>	<u>(45,612)</u>
Financing activities			
Borrowings		64,897	112,779
Reimbursements of borrowings		(341,645)	(166,584)
Dividends paid		(50,629)	(29,112)
<u>Cash flow from financing activities</u>		<u>(327,377)</u>	<u>(82,917)</u>
Net Increase/(Decrease) in cash position		(312,672)	(11,991)
Cash and cash equivalents at start of the year		703,501	437,334
Exchange rate effects		3,044	2,419
Cash and cash equivalents at end of period		393,873	427,762

(*) Amounts adjusted in accordance with the accounting at fair value of DEME's assets and liabilities after the acquisition of an additional 50% stake in DEME on December 24th, 2013 (restatements described in disclosure 3.2).

Purchases and sales of subsidiaries net of cash acquired do not include entities that are not a business combination (segment real estate and concessions-PPP). They are not considered as investment operations and are directly reflected in cash flows from operating activities.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2015

(thousand Euro)	Share Capital	Share premium	Retained earnings	Defined benefits pension plans	Hedging reserves	Currency Translation differences	Equity attributable to owners of the parent	Non-controlling interests	Total
December 2014	41,330	800,008	488,890	(8,350)	(6,127)	(2,124)	1,313,627	7,238	1,320,865
Comprehensive income for the period			110,850		(117)	1,061	111,794	(2,486)	109,308
Dividends paid to shareholders			(50,629)				(50,629)		(50,629)
Dividends from non-controlling interests								(2,203)	(2,203)
Other movements			(5,292)				(5,292)	5,292	0
June 2015	41,330	800,008	543,819	(8,350)	(6,244)	(1,063)	1,369,500	7,841	1,377,341

For the year ended June 30, 2014 (*)

(thousand Euro)	Share Capital	Share premium	Retained earnings	Defined benefits pension plans	Hedging reserves	Currency Translation differences	Equity attributable to owners of the parent	Non-controlling interests	Total
December 2013	41,330	800,008	358,124	(5,782)	(351)	(176)	1,193,153	8,064	1,201,217
Comprehensive income for the period			64,323	(3,467)	(3,266)	3,858	61,448	(197)	61,251
Dividends paid to shareholders			(29,112)				(29,112)		(29,112)
Dividends from non-controlling interests								(1,474)	(1,474)
Change in consolidation scope								1,996	1,996
June 2014 (*)	41,330	800,008	393,335	(9,249)	(3,617)	3,682	1,225,489	8,389	1,233,878

(*) Amounts adjusted in accordance with the accounting at fair value of DEME's assets and liabilities after the acquisition of an additional 50% stake in DEME on December 24th, 2013 (restatements described in disclosure 3.2).

CAPITAL AND RESERVES

The share capital on 30 June 2015 is represented by 25,314,482 ordinary shares. These shares are without any nominal value. The shareholders of ordinary shares have the right to receive dividends and the right of one vote per share at the General Shareholders' Meeting.

On February 26, 2015 the Board of Directors proposed a dividend of 50,629 thousand Euro, corresponding to 2 euro gross per share. The proposal has been approved by the General Shareholders Meeting on May 7, 2015. The dividend has been paid.

The basic income per share is the same as the diluted income per share due to the absence of potential dilutive ordinary shares in circulation.

It is calculated as follows :

NET RESULT PER SHARE (In thousand Euro)	2015	2014 (*)
Net income attributable to shareholders	110,850	64,323
Comprehensive income attributable to owners of the parent	111,794	61,448
Number of ordinary shares at closing date	25,314,482	25,314,482
Basic (diluted) income by share in Euro	4.38	2.54
Comprehensive income attributable to owners of parent by share in Euro	4.42	2.43

(*) Amounts adjusted in accordance with the accounting at fair value of DEME's assets and liabilities after the acquisition of an additional 50% stake in DEME on December 24th, 2013 (restatements described in disclosure 3.2).

- 1. GENERAL POLICIES**
- 2. CONSOLIDATION METHODS**
 - 2.1. SCOPE OF CONSOLIDATION
 - 2.2. INTRAGROUP TRANSACTIONS
 - 2.3. TRANSLATION OF THE FINANCIAL STATEMENTS OF FOREIGN COMPANIES AND ESTABLISHMENT.
 - 2.4. FOREIGN CURRENCIES TRANSACTIONS
- 3. RULES AND EVALUATION METHODS**
 - 3.1. RECOURSE TO ESTIMATES
 - 3.2. AMOUNTS RESTATED ACCORDING TO THE ACCOUNTING OF DEME ASSETS AND LIABILITIES AT FAIR VALUE FOLLOWING THE ACQUISITION OF AN ADDITIONAL 50% STAKE ON DECEMBER 24TH 2013
- 4. SEGMENT REPORTING**
 - 4.1. CONDENSED CONSOLIDATED STATEMENT OF INCOME HIGHLIGHTS
 - 4.2. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 - 4.3. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
 - 4.4. OTHER INFORMATION
 - 4.5. GEOGRAPHICAL SECTOR
- 5. ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES**
- 6. REVENUE FROM AUXILIARY ACTIVITIES**
- 7. NET FINANCIAL INCOME/EXPENSE**
- 8. NON-CONTROLLING INTERESTS**
- 9. INCOME TAX**
- 10. PROPERTY, PLANT & EQUIPMENT**
- 11. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE**
- 12. INVENTORIES**
- 13. TRADE AND OTHER RECEIVABLES**
- 14. PROVISIONS OTHER THAN THOSE RELATING TO RETIREMENT BENEFIT OBLIGATIONS AND NON- CURRENT EMPLOYEE BENEFITS**
- 15. CONTINGENT ASSETS AND LIABILITIES**
- 16. FINANCIAL INSTRUMENTS**
- 17. NET FINANCIAL DEBT**
 - 17.1. THE NET FINANCIAL DEBT
 - 17.2. DEBT MATURITY SCHEDULE
 - 17.3. CREDIT FACILITIES AND LONG TERM BANK LOANS
 - 17.4. FINANCIAL COVENANTS
- 18. FINANCIAL RISK MANAGEMENT**
 - 18.1. INTEREST RATE RISK
 - 18.2. LONG TERM FINANCIAL DEBTS BY CURRENCY
 - 18.3. BOOK VALUE AND FAIR VALUE BY ACCOUNTING CATEGORY
- 19. OTHER COMMITMENTS GIVEN**
- 20. OTHER COMMITMENTS RECEIVED**
- 21. LITIGATION**
- 22. RELATED PARTIES**
- 23. SUBSEQUENT EVENTS**
- 24. IMPACT OF FOREIGN CURRENCIES**
- 25. RESEARCH AND DEVELOPMENT**
- 26. SEASONAL NATURE OF THE BUSINESS**
- 27. STATUTORY AUDITORS REPORT**

Preamble

The Board of Directors authorized the issue of the interim condensed consolidated financial statements on August 28, 2015.

MAIN TRANSACTIONS FOR THE FIRST SIX MONTHS OF 2015 AND THE FIRST SIX MONTHS OF 2014 WITH EFFECT ON THE SCOPE OF THE GROUP CFE

TRANSACTIONS FOR THE FIRST MONTHS OF 2015

1. Dredging and environment segment

During the first half year 2015, DEME acquired :

- A 100% stake in the newly created companies DEME Cyprus Ltd which is fully consolidated;
- A 25% stake in the company Merkur Offshore GmbH which is integrated under the equity method;
- Since May 13th 2015, an additional 50% stake in the company HGO InfraSea Solutions GmbH & Co increasing its stake from 50% to 100%. HGO InfraSea Solutions GmbH & Co is now fully consolidated.

2. Contracting segment

On March 2nd 2015, the subsidiary IFCC SA was renamed CFE Contracting SA. In the near future, this company will become the leading company of the Contracting Division.

Construction:

On February 10th 2015, the company BPC Design & Engineering (“BDE”) was created. This company is owned by CFE Bâtiment Brabant Wallonie – CFE BBW SA (99%) and CFE Bouw Vlaanderen NV (1%). CFE group has a 100% stake in both companies. BDE is fully consolidated.

On April 16th 2015, CFE Contracting SA, subsidiary of CFE group, acquired a 100% stake in the newly created company CFE Infra NV. This company is fully consolidated.

On June 30th 2015, CFE acquired a 50% stake of the non-controlling interests of the group Terryn at December 2014. The stake of CFE group increases therefore from 55.04% to 77.51%.

Multitechnics:

On June 12th 2015, VMA NV, a 100% subsidiary of CFE group, acquired 100% of the newly created company VMA Midlands Limited. This company is fully consolidated.

Rail:

On February 25th 2015, the sale of the road activity in Aannemingen Van Wellen NV was finalised and the stake (100%) is fully transferred to Aswebo, subsidiary of Group Willemen.

On March 25th 2015, the company “Société de Gestion de Chantiers” (SOGECH SA), subsidiary of CFE group at 100% is dissolved.

3. Real estate segment

Given that BPI will become the leading company of the Real Estate Division, during the first semester of 2015, the stakes in the group real estate companies and the real estate assets owned by CFE Immo, branch of CFE SA are progressively transferred to BPI SA. For this purpose, the share capital of BPI was increased on June 25th 2015.

On March 31st 2015, through its subsidiaries BPI and Espace Midi, CFE group sold its stake in the company South City Hotel (20%). This company was integrated under the equity method.

On May 22nd 2015, BPI, subsidiary of CFE group, acquired a 31.2% stake in the company Goodways BVBA with the purpose to develop a real estate project in Anderlecht. This entity is integrated under the equity method.

On June 25th 2015, BPI, subsidiary of CFE group, acquired 50% of the newly created companies in Luxemburg M1 SA and M7 SA. These companies are integrated under the equity method.

4. PPP-Concessions segment

During the first six month of 2015, the stake of PPP Branch in Bizerte Cap 3000 SA was diluted from 25% to 20.01%.

TRANSACTIONS FOR THE FIRST SIX MONTHS OF 2014

1. Dredging and environment segment

During the first half year 2014, DEME acquired :

- A complementary stake in the company Fasiver, increasing its percentage of interests from 37.45% to 74.90%. Fasiver is therefore fully consolidated, and;
- A 100% stake in the newly created company DEME Concessions Wind and DEME Concessions Infrastructure which are fully consolidated.

Finally, the entity Dalian Soil remediation owned by 50% by DEME was dissolved during the 1er semester 2014.

2. Contracting

Construction:

None.

Multitechnics:

The activity of Entreprise de Travaux d'Electricité et de Canalisations SA ("ETEC") formerly disclosed in the Multitechnics division is consolidated in the Rail & Road division from 2014.

Rail:

In the beginning of year 2014, the company "EETEC", specialised in public lighting and the laying of underground networks, joins the Rail & Road division. Its activity is, indeed, complementary to the other businesses of the entities of Rail & Road segment – e.g. Engema.

3. Real estate and associated services segment

On 28 February 2014, the company Project RK Brugmann, hold by 50% by the subsidiary Batipont Immobilier ("BPI"), is dissolved.

On 5 March 2014, the company BPI, subsidiary of CFE group, acquired a 100% stake in the polish entity Immo Wola recently created and having as social purpose the development of real estate projects in Poland. This entity is fully consolidated.

On 23 April 2014, the entities VM Property I and VM Property II, owned by 40% by CFE group, sold the entire participation (100%) of company VM Office.

On 20 June 2014, the company Investment Léopold, owned at 24.14% by CFE group, acquired all shares of Promotion Léopold. This entity is integrated under equity method.

On 27 June 2014, the Compagnie Luxembourgeoise Immobilière ("CLI"), subsidiary of CFE group, sold its shares (20%) of the Compagnie Marocaine des Energies ("CME").

4. PPP-Concessions segment

None.

ACCOUNTING PRINCIPLES AND EVALUATION METHOD

1. GENERAL POLICIES

IFRS AS ADOPTED BY THE EUROPEAN UNION

The retained accounting principles are the same that the principles used for the yearly consolidated financial statement at December 31, 2014.

STANDARDS AND INTERPRETATIONS APPLICABLE FOR THE ANNUAL PERIOD BEGINNING ON 1 JANUARY 2015

- Improvements to IFRS (2011-2013) (applicable to yearly periods after January 1st 2015)
- IFRIC 21 Levies (applicable to yearly periods after June 17th 2014)

STANDARDS AND INTERPRETATIONS PUBLISHED, BUT NOT YET APPLICABLE FOR THE ANNUAL PERIOD BEGINNING ON 1 JANUARY 2015

The Company decided not to anticipate the application standards and interpretations here below that are not mandatory on June 30, 2015:

- IFRS 9 Financial Instruments and related amendments (applicable to yearly periods after January 1st 2018, not yet adopted at European level)
- IFRS 14 Regulatory Deferral accounts (applicable to yearly periods after January 1st 2016, not yet adopted at European level)
- IFRS 15 Revenues from contracts with customers (applicable to yearly periods after January 1st 2017, not yet adopted at European level)
- Improvements to IFRS (2010-2012) (applicable to yearly periods after February 1st 2015)
- Improvements to IFRS (2012-2014) (applicable to periods after January 1st 2016, not yet adopted at European level)
- Amendments to IFRS 10, IFRS 12 and IAS 28 Investments in associates and joint ventures: Application of consolidation exception (applicable to yearly periods after January 1st 2016, not yet adopted at European level)
- Amendments to IFRS 10 and IAS 28 Sale or contribution of assets between an investor and its associate and joint venture (applicable to yearly periods after January 1st 2016, not yet adopted at European level)
- Amendments to IFRS 11 Joint arrangements – Accounting for acquisition of interests in joint operations (applicable to yearly periods after January 1st 2016, not yet adopted at European level)
- Amendments to IAS 1 Presentation of Financial Statements – Disclosure initiative (applicable to yearly periods after January 1st 2016, not yet adopted at European level)
- Amendments to IAS 16 and IAS 38 Tangible and intangible assets – Clarification of acceptable methods of depreciation and amortisation (applicable to yearly periods after January 1st 2016, not yet adopted at European level)
- Amendments to IAS 19 Employee benefits – Employees contributions (applicable to yearly periods after February 1st 2015)
- Amendments to IAS 27 Separate financial statements – Equity method (applicable to yearly periods after January 1st 2016, not yet adopted at European level)

The potential impacts of these standards and interpretations on the group's consolidated financial statements are being determined. The group does not expect any material changes resulting from the application of the standards and interpretations except for IFRS 9 and IFRS 15.

2. CONSOLIDATION METHODS

2.1. SCOPE OF CONSOLIDATION

Companies in which the Group holds, whether directly or indirectly, the majority of voting rights enabling control to be exercised, are fully consolidated. Companies over which the Group exercises a significant influence and the companies over which the group exercises a joint control with others shareholders are integrated under equity method.

Evolution of the consolidation scope

Number of entities	June 2015	December 2014
Full consolidation	172	164
Equity method	113	110
Total	285	274

2.2. INTRAGROUP TRANSACTIONS

Reciprocal operations and transactions relating to assets and liabilities and income and expenses between companies that are consolidated are eliminated in the consolidated financial statements. This is done:

- for the full amount if the transaction is between two controlled subsidiaries;
- applying the percentage owned of a company accounted for under the equity method with respect to internal profits or losses between a fully consolidated company and a company accounted for under the equity method.

2.3. TRANSLATION OF THE FINANCIAL STATEMENTS OF FOREIGN COMPANIES AND ESTABLISHMENT.

In main cases, the functional currency of companies and establishments correspond to the currency of the related country.

Financial statements of foreign companies whereas the functional currency is different from the consolidated accounts reporting currency of the group are translated at the closing rate for the balance sheet elements, and at the average rate of the period for the results elements. Exchange differences are recorded in "translation differences" in the consolidated reserves.

Goodwill related to foreign companies is considered to be included in the acquired assets and liabilities and are therefore translated at the closing rate.

2.4. FOREIGN CURRENCIES TRANSACTIONS

Foreign currencies transactions are converted into Euro using the conversion rate at the date of the operation. At closing period, the financial assets and monetary liabilities denominated in foreign currencies are converted into Euro at the exchange closing rate of the period. The exchange losses and gains coming from these operations are recognized in the section "exchange result" and are presented in other financial revenues and other financial expenses in the income statement.

The exchange gains and losses on loans denominated in foreign currencies or on exchange derivative instruments used for hedging investments in foreign subsidiaries are recorded under translation differences in equity.

3. RULES AND EVALUATION METHODS

3.1. RECOURSE TO ESTIMATES

The preparation of financial statements under IFRSs requires estimates to be used and assumptions to be made that affect the amounts shown in those financial statements, particularly with regards the following items:

- the period over which non-current assets are depreciated or amortized;
- the measurement of provisions and pension obligations;
- the measurement of income or losses on construction contracts using the percentage of completion method;
- estimates used in impairment tests;
- the measurement of financial instruments at fair value;
- the assessment of control;
- the qualification of a company acquisition as a business combination or as an acquisition of assets; and
- the qualification, when a partnership enters into force, of the Joint Arrangement into a joint venture or a joint operation.

These estimates assume the operation is a going concern and are made on the basis of the information available at the time. Estimates may be revised if the circumstances on which they were based alter or if new information becomes available. Actual results may be different from these estimates.

3.2. AMOUNTS RESTATED ACCORDING TO THE ACCOUNTING OF DEME ASSETS AND LIABILITIES AT FAIR VALUE FOLLOWING THE ACQUISITION OF AN ADDITIONAL 50% STAKE ON DECEMBER 24TH 2013

On December 24th 2013, CFE group acquired an additional 50% stake in DEME, increasing its stake from 50% to 100%. At the publication date of the intermediary report closed at June 30th 2014, the valorisation exercise of DEME's assets and liabilities at fair value had not yet been finished. This exercise was finished for the publication of the annual financial statements closed at December 31st 2014. As a consequence, the intermediary consolidated financial statements closed at June 30th 2014 was restated to show the impact of the valorisation exercise to the fair value applied on DEME's assets and liabilities.

The consolidated statement of financial position for the period ended on June 30th 2014, the consolidated condensed income statement, the comprehensive income and the consolidated statement of cash-flows have been restated as follows:

CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the period ended June 30 (In thousand Euro)	June 2014 Published	Impact PPA DEME	June 2014, after restatement
Revenue	1,773,475	0	1,773,475
Revenue from auxiliary activities	31,175	0	31,175
Purchases	(1,069,593)	0	(1,069,593)
Remuneration and social security payments	(308,095)	0	(308,095)
Other operating expenses	(222,429)	0	(222,429)
Depreciation and amortization	(107,739)	(4,532)	(112,271)
Goodwill impairment	0	0	0
Income from operating activities	96,794	(4,532)	92,262
Earnings from associates and joint venture	6,350	(489)	5,861
Operating income	103,144	(5,021)	98,123
Cost of gross financial debt	(13,189)	0	(13,189)
Other financial expenses & income	446	6,270	6,716
Net financial income/expense	(12,743)	6,270	(6,473)
Pre-tax income	90,401	1,249	91,650
Income tax expense	(26,956)	(499)	(27,455)
Net income for the period	63,445	750	64,195
Attributable to owners of non-controlling interests	128	0	128
Net income share of the group	63,573	750	64,323
Net income of the group per share (EUR) (diluted and basic)	2.51		2.54

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended June 30 (In thousand Euro)	June 2014 Published	Impact PPA DEME	June 2014, after restatement
Net income of the group	63,573	750	64,323
Net income (including income attributable to owners of non-controlling interests)	63,445	750	64,195
Changes in fair value related to hedging instruments	967	(5,915)	(4,948)
Currency translation differences	3,863	0	3,863
Deferred taxes	(421)	2,103	1,682
Other elements of the comprehensive income to be reclassified to profit or loss in subsequent periods	4,409	(3,812)	597
Remeasurement on defined benefit plans	(5,326)	0	(5,326)
Deferred taxes	1,785	0	1,785
Other elements of the comprehensive income not to be reclassified to profit or loss in subsequent periods	(3,541)	0	(3,541)
Other elements of the comprehensive income	868	(3,812)	(2,944)
Comprehensive income:	64,314	(3,063)	61,251
- Attributable to owners of the parent	64,511	(3,063)	61,448
- Attributable to owners of non-controlling interests	(197)	0	(197)
Net income attributable to owners of the parent per share (EUR) (diluted and basic)	2.55		2.43

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the period ended June 30 (In thousand Euro)	June 2014 Published	Impact PPA DEME	June 2014, after restatement
Intangible assets	9,448	90,289	99,737
Goodwill	289,349	(111,535)	177,814
Property, plant and equipment	1,458,846	48,182	1,507,028
Investments in associates and joint ventures	132,479	19,059	151,538
Other non-current financial assets	89,333	0	89,333
Derivative instruments – Non-current assets	63	0	63
Other non-current assets	23,881	0	23,881
Deferred tax assets	117,664	2,756	120,420
Total non-current assets	2,121,063	48,751	2,169,814
Inventories	123,353	0	123,353
Trade and other operating receivables	1,194,308	0	1,194,308
Other current assets	108,698	0	108,698
Derivative instruments – Current assets	3,251	0	3,251
Current financial assets	54,025	0	54,025
Cash and cash equivalents	427,762	0	427,762
Total current assets	1,911,397	0	1,911,397
Total assets	4,032,460	48,751	4,081,211
Share capital	41,330	0	41,330
Share premium	800,008	0	800,008
Retained earnings	392,585	750	393,335
Defined benefit pension plans	(9,249)	0	(9,249)
Hedging reserves	195	(3,812)	(3,617)
Currency translation differences	3,683	(1)	3,682
Equity attributable to owners of the parent	1,228,552	(3,063)	1,225,489
Non-controlling interests	8,389	0	8,389
Equity	1,236,941	(3,063)	1,233,878
Retirement benefit obligations and employee benefits	44,720	0	44,720
Provisions	34,420	0	34,420
Other non-current liabilities	81,230	0	81,230
Bonds	299,631	8,106	307,737
Financial liabilities	357,069	0	357,069
Derivative instruments – Non-current liabilities	15,723	0	15,723
Deferred tax liabilities	92,625	43,708	136,333
Total non-current liabilities	925,418	51,814	977,232
Current provisions	48,442	0	48,442
Trade & other operating payables	1,019,649	0	1,019,649
Income tax payable	96,247	0	96,247
Current financial liabilities	323,664	0	323,664
Derivative instruments – Current liabilities	16,124	0	16,124
Other current liabilities	365,975	0	365,975
Total current liabilities	1,870,101	0	1,870,101
Total equity and liabilities	4,032,460	48,751	4,081,211

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

For the period ended June 30 (In thousand Euro)	June 2014 Published	<i>Impact PPA DEME</i>	June 2014, after restatement
Operating activities			
Net income share of the group	63,573	750	64,323
Depreciation and amortization of intangible assets, property, plant & equipment (PPE) and investment property	107,739	4,532	112,271
Net provision expense	2,104	0	2,104
Impairment on current and non-current assets	(322)	0	(322)
Unrealized foreign exchange (gains)/losses	(13,549)	0	(13,549)
Interest income & income from financial assets	(5,648)	0	(5,648)
Interest expense	18,837	(877)	17,960
Change in fair value of derivative instruments	8,490	(5,393)	3,097
Income/(losses) from sales of property, plant & equipment	(3,873)	0	(3,873)
Tax expense	26,956	499	27,455
Income attributable to non-controlling interests	(128)	0	(128)
Earnings from associates and joint venture	(6,350)	489	(5,861)
Cash flow from operating activities before changes in working capital	197,829	0	197,829
Decrease/(increase) in trade receivables and other current and non-current receivables	(138,333)	0	(138,333)
Decrease/(increase) in inventories	(3,338)	0	(3,338)
Increase/(decrease) in trade payables and other current and non-current payables	85,235	0	85,235
Cash flow from operating activities	141,393	0	141,393
Interest paid	(19,308)	0	(19,308)
Interest received	5,648	0	5,648
Income tax paid/received	(11,195)	0	(11,195)
<u>Net cash flow from operating activities</u>	<u>116,538</u>	<u>0</u>	<u>116,538</u>
Investing activities			
Sales of non-current assets	6,027	0	6,027
Purchases of non-current assets	(51,639)	0	(51,639)
Acquisition of subsidiaries net of cash acquired	0	0	0
Disposal of subsidiaries	0	0	0
Acquisition DEME	0	0	0
<u>Cash flow from investing activities</u>	<u>(45,612)</u>	<u>0</u>	<u>(45,612)</u>
Financing activities			
Borrowings	112,779	0	112,779
Reimbursements of borrowings	(166,584)	0	(166,584)
Dividends paid	(29,112)	0	(29,112)
Transactions with minorities	0	0	0
<u>Cash flow from financing activities</u>	<u>(82,917)</u>	<u>0</u>	<u>(82,917)</u>
Net Increase/(Decrease) in cash position	(11,991)	0	(11,991)
Cash and cash equivalents at start of the year	437,334	0	437,334
Exchange rate effects	2,419	0	2,419
Cash and cash equivalents at end of period	427,762	0	427,762

4. SEGMENT REPORTING

4.1 CONDENSED CONSOLIDATED STATEMENT OF INCOME HIGHLIGHTS

At June 30	Revenue		Operating income on activity				Operating income				Financial income	
	2015	2014	2015	% Revenue	2014	% Revenue	2015	% Revenue	2014	% Revenue	2015	2014
Dredging and environment	1,171,037	1,212,300	168,689	14.41%	90,710	7.48%	180,269	15.39%	100,482	8.29%	(23,018)	(13,658)
<i>Correction DEME (*)</i>			(3,273)		(4,886)		(3,762)		(5,375)		5,510	6,270
Contracting	463,668	564,605	(19,775)	(4.26%)	10,548	1.87%	(23,254)	(5.02%)	5,832	1.03%	(669)	(767)
Real estate	13,382	3,912	1,051	7.85%	(578)	(14.78%)	2,720	20.33%	678	17.33%	(1,137)	(765)
PPP-Concessions	668	292	(2,058)		(1,202)		(1,665)		(1,164)		3,532	1,154
Holding			(1,485)		(1,834)		(1,485)		(1,834)		7,168	1,293
<i>Eliminations between divisions</i>	(5,210)	(7,634)	(124)		(496)		(124)		(496)			
Other non-recurring elements												
Total consolidated	1,643,545	1,773,475	143,025	8.70%	92,262	5.20%	152,699	9.29%	98,123	5.53%	(8,614)	(6,473)

At June 30	Taxes		Net income of the group				Non-cash items		EBITDA			
	2015	2014	2015	% Revenue	2014	% Revenue	2015	2014	2015	% Revenue	2014	% Revenue
Dredging and environment	(37,556)	(23,838)	119,828	10.23%	62,647	5.17%	107,600	100,990	276,289	23.59%	191,700	15.81%
<i>Correction DEME (*)</i>	(704)	(516)	1,044		379		3,273	4,534			(352)	
Contracting	2,613	(3,323)	(18,871)	(4.07%)	2,209	0.39%	18,666	7,970	(1,109)	(0.24%)	18,518	3.28%
Real estate	(143)	(3)	1,439	10.75%	(90)	(2.30%)	(314)	(290)	737	5.51%	(868)	(22,19%)
Concessions-PPP			1,866		(11)		3,407	274	1,349		(928)	
Holding	(49)	122	5,634		(418)		361	575	(1,124)		(1,259)	
<i>Eliminations between divisions</i>	35	103	(90)		(393)				(124)		(496)	
Other non-recurring elements												
Total consolidated	(35,804)	(27,455)	110,850	6.74%	64,323	3.63%	132,993	114,053	276,018	16.79%	206,315	11.63%

(*) Amounts adjusted in accordance with the accounting at fair value of DEME's assets and liabilities after the acquisition of an additional 50% stake in DEME on December 24th, 2013 (restatements described in disclosure 3.2).

4.2. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At June 30 th 2015 (thousand euro)	Dredging & environ- ment	Contracting	Real Estate	PPP- Concessions	Holding and eliminations	Eliminations between divisions	Total consolidated
ASSETS							
Goodwill	160,595	19,209	53	0	0	0	179,857
Property, plant and equipment	1,711,251	43,514	359	13	1,809	(1,601)	1,755,345
Non-current loans to consolidated group companies	0	20,952	0	0	79,575	(100,527)	0
Other non-current financial assets	54,095	3,508	45,175	31,031	0	0	133,809
Other non-current assets	297,311	6,139	63,139	16,497	785,425	(794,697)	373,814
Inventories	11,521	33,072	56,291	0	646	0	101,530
Cash & cash equivalents	326,042	45,710	6,390	0	15,731	0	393,873
Internal cash position – cash- pooling - assets	0	111,977	24,350	3,507	141,472	(281,306)	0
Other current assets	758,329	561,816	24,158	5,415	9,928	(46,860)	1,312,786
Total assets	3,319,144	845,897	219,915	56,463	1,034,586	(1,224,991)	4,251,014
LIABILITIES							
Equity	1,297,102	64,651	46,930	7,887	719,993	(759,222)	1,377,341
Non-current borrowings from consolidated group companies	0	18,935	44,285	30,000	16,892	(110,112)	0
Bonds	206,096	0	0	0	99,959	0	306,055
Non-current financial liabilities	344,487	10,517	4,572	0	20,000	0	379,576
Other non-current liabilities	238,238	51,634	29,953	16,262	14,684	(27,500)	323,271
Current financial liabilities	118,895	1,457	212	0	0	(212)	120,352
Internal cash position – cash- pooling - liabilities	0	85,141	56,332	0	130,249	(271,722)	0
Other current liabilities	1,114,326	613,562	37,631	2,314	32,809	(56,223)	1,744,419
Total equity and liabilities	3,319,144	845,897	219,915	56,463	1,034,586	(1,224,991)	4,251,014

At December 31 st 2014 (thousand euro)	Dredging & environ- ment	Contracting	Real Estate	PPP- Concessions	Holding and eliminations	Eliminations between divisions	Total consolidated
ASSETS							
Goodwill	157,819	19,210	53	0	0	0	177,082
Property, plant and equipment	1,441,960	56,725	305	0	4,285	0	1,503,275
Non-current loans to consolidated group companies	0	20,269	0	0	80,930	(101,199)	0
Other non-current financial assets	29,371	3,978	45,845	26,920	3,227	0	109,341
Other non-current assets	318,895	6,291	49,341	13,504	757,903	(752,149)	393,785
Inventories	18,387	32,925	53,320	0	646	0	105,278
Cash & cash equivalents	579,618	60,875	4,487	671	57,850	0	703,501
Internal cash position – cash- pooling - assets	0	98,049	4,465	0	127,870	(230,384)	0
Other current assets	649,725	546,898	45,782	4,756	7,363	(31,334)	1,223,190
Total assets	3,195,775	845,220	203,598	45,851	1,040,074	(1,115,066)	4,215,452
LIABILITIES							
Equity	1,229,135	73,165	32,833	9,352	705,251	(728,871)	1,320,865
Non-current borrowings from consolidated group companies	0	17,599	43,602	23,331	16,667	(101,199)	0
Bonds	206,936	0	0	0	99,959	0	306,895
Non-current financial liabilities	302,317	11,174	4,574	0	60,000	0	378,065
Other non-current liabilities	213,267	60,731	18,012	10,625	35,973	(23,500)	315,108
Current financial liabilities	204,510	2,239	0	0	(78)	0	206,671
Internal cash position – cash- pooling - liabilities	0	70,428	57,187	255	102,514	(230,384)	0
Other current liabilities	1,039,610	609,884	47,390	2,288	19,788	(31,112)	1,687,848
Total equity and liabilities	3,195,775	845,220	203,598	45,851	1,040,074	(1,115,066)	4,215,452

4.3. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

At June 30 th 2015 (In thousand Euro)	Dredging & environment	Contracting	Real Estate	PPP-Concessions	Holding and eliminations	Total consolidated
Cash flow from operating activities before changes in working capital	259,913	(1,407)	738	2,230	(1,490)	259,984
Cash flow from operating activities	179,414	(2,761)	(253)	(7,194)	(20,121)	149,085
Cash flow from investing activities	(149,401)	(4,120)	(375)	(2,646)	22,162	(134,380)
Cash flow from financing activities	(286,190)	(8,664)	2,479	9,169	(44,171)	(327,377)
Net increase/(decrease) of cash	(256,177)	(15,545)	1,851	(671)	(42,130)	(312,672)

At June 30 th 2014 (In thousand Euro)	Dredging & environment	Contracting	Real Estate	PPP-Concessions	Holding and eliminations	Total consolidated
Cash flow from operating activities before changes in working capital	183,194	17,849	(2,560)	(1,036)	382	197,829
Cash flow from operating activities	185,390	(19,000)	(1,369)	(34,180)	(14,303)	116,538
Cash flow from investing activities	(40,401)	(2,691)	(5)	0	(2,515)	(45,612)
Cash flow from financing activities	(105,306)	16,769	(1,953)	34,192	(26,619)	(82,917)
Net increase/(decrease) of cash	39,683	(4,922)	(3,327)	12	(43,437)	(11,991)

Cash flows from financing activities include cash pooling loans and borrowing with other segments. A positive amount means a use of liquidities in the cash pooling. This section is also influenced by external financing, especially and primarily in the segments Real Estate, Holding, and Dredging and environment. The dredging and environment segment is not part of the cash pooling of the group CFE.

4.4. OTHER INFORMATION

At June 30 th 2015 (In thousand Euro)	Dredging & environment	Contracting	Real Estate	PPP-Concessions	Holding and eliminations	Total consolidated
Amortizations	(110,869)	(18,465)	(27)	(7)	(985)	(130,353)
Investments	179,786	5,405	75	20	508	185,794
At June 30 th 2014 (In thousand Euro)	Dredging & environment (*)	Contracting	Real Estate	PPP-Concessions	Holding and eliminations	Total consolidated
Amortizations	(105,461)	(5,754)	(424)	0	(632)	(112,271)
Investments	44,919	4,199	3,901	0	2,515	55,534

(*) Amounts adjusted in accordance with the accounting at fair value of DEME's assets and liabilities after the acquisition of an additional 50% stake in DEME on December 24th, 2013 (restatements described in disclosure 3.2).

The investments include the acquisitions done for the purpose of the group investments and the acquisitions done by the segments Real Estate and PPP-concessions for their operational activities. Acquisitions through business combinations are not disclosed in those amounts.

REVENUE BREAKDOWN GENERATED BY THE DREDGING DIVISION

(In thousand Euro)	June 2015	June 2014
Capital dredging	638,863	578,397
Environmental contracting	101,875	83,594
Fall pipe and landfalls	56,755	104,295
Maintenance dredging	125,844	143,917
Marine works	247,700	302,097
Total	1,171,037	1,212,300

REVENUE BREAKDOWN GENERATED BY THE CONTRACTING DIVISION

(In thousand Euro)	June 2015	June 2014
<i>Building - Benelux</i>	250,697	275,904
<i>Civil engineering</i>	44,114	59,320
<i>Buildings - International</i>	72,081	92,051
Construction	366,892	427,275
Multitechnics	66,666	86,217
Railway	30,110	51,113
Total	463,668	564,605

4.5. GEOGRAPHICAL SECTOR

REVENUE OF CFE GROUP AT JUNE 30

(In thousand Euro)	June 2015	June 2014
Belgium	476,660	560,990
Other Europe	346,642	432,401
Middle East	40,163	68,797
Asia	108,755	54,562
Oceania	81,172	354,390
Africa	527,528	218,484
Americas	62,625	83,851
Total consolidated	1,643,545	1,773,475

5. ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

ACQUISITIONS AS OF JUNE 30, 2015

On May 13th 2015, GeoSea, subsidiary of DEME, acquired from the German company HOCHTIEF an additional 50% stake in the company HGO InfraSea, increasing its stake from 50% to 100%. On June 30th 2015, HGO InfraSea is fully consolidated and its assets and liabilities are accounted at the carrying amount according to the accounting rules applied within CFE group. The valorisation exercise of assets and liabilities at fair value is still in progress. The fair value allocated to the acquired assets and liabilities assumed are allowed to be modified within a period of 12 months after the date of acquisition.

The other acquisitions concluded during the period are related to DEME and are described in the preamble.

On June 30th 2015, CFE increased its stake in Groep Terryn from 55.04% to 77.51% by acquiring, for 1 euro, a portion of the shares held by the minority shareholders. After this transaction, the PUT option held by the minority shareholders was revalued based on the Groep Terryn's last business plan. The impact of the revaluation is recorded in the net result (part of the group) and is mainly compensated by a depreciation accounted on the assets of Groep Terryn.

DISPOSALS AS OF JUNE 30, 2015

On February 25th 2015, CFE sold its stake in Aannemingen Van Wellen Railway to ASWEBO, the road subsidiary of Group Willemen. Before the sale, the building division of Aannemingen Van Wellen had been transferred in another group's subsidiary and is active in Flanders since December 1st 2014 under the name "Atro Bouw". The group accounted a capital gain on the disposal which amounts to 8,7 million euro during the exercise. The assets and liabilities of Aannemingen Van Wellen's road activity were presented respectively in assets held for sale for 31,447 thousand euro and in liabilities held for sale for 19,164 thousand euro in the consolidated financial statements closed at December 31st 2014.

Acquisitions and disposals of subsidiaries in the Real Estate division were not business combinations and so all the contribution paid is allocated to the land and buildings in stock. The main acquisitions and sales which occur in the real estate division are described here above in the preamble.

COMPREHENSIVE INCOME

6. REVENUE FROM AUXILIARY ACTIVITIES

Revenues from auxiliary activities amount to 63,755 thousand Euro (June 2014 : 31,175 thousand Euro) and include gains on property, plant and equipment for 13,052 thousand Euro (June 2014: 3,917 thousand Euro), as well as rent income, recharges of costs and other compensation for 50,703 thousand Euro (June 2014 : 27,258 thousand Euro). The substantial increase in the revenue of auxiliary activities is mainly due to non-recurring items such as capital gains on disposal of assets, a claim after the cancellation of a construction contract by a client and the revalorization of the PUT option held by the minority shareholders of Groep Terryn.

7. NET FINANCIAL INCOME/EXPENSE

As of June 30 (in thousand Euro)	2015	2014 (*)
Cost of financial debt	(13,692)	(13,189)
Derivative instruments - fair value adjustments through profit and loss	154	212
Derivative instruments used as hedging instruments	0	0
Assets measured at fair value	0	0
Available-for-sale financial instruments	0	0
Assets and liabilities at amortized cost - income from availabilities	4,686	5,647
Assets and liabilities at amortized cost - interest charges	(18,532)	(19,048)
Other financial income and expense	5,078	6,716
Realized / unrealized translation gains/(losses)	(1,184)	4,093
Dividends received from non-consolidated companies	3,628	419
Impairment of financial assets	(1,393)	(33)
Other	4,027	2,237
Financial result	(8,614)	(6,473)

(*) Amounts adjusted in accordance with the accounting at fair value of DEME's assets and liabilities after the acquisition of an additional 50% stake in DEME on December 24th, 2013 (restatements described in disclosure 3.2).

The evolution of the gain/(loss) exchange realized/not realized in the first half year of 2015 compared to the same period in 2014 is mostly explained by the valuation of the Euro against other foreign currencies in DEME.

8. NON-CONTROLLING INTERESTS

As of June 30, 2015 the part of non-controlling interests in the result amounts to 2,569 thousand Euro (June 2014 : 128 thousand Euro). The contribution of Groep Terryn amounts to 2,424 thousand euro (June 2014: 471 thousand euro). The result of non-controlling interests is mainly influenced by the depreciation accounted on the assets of Group Terryn. We refer to note 5.

9. INCOME TAX

The tax expense amounts to 35,804 thousand Euro for the first half year 2015 (June 2014(*) : 27,455 thousand Euro). The effective tax rate amounts to 26.64 % (June 2014(*) : 32.00%). The effective tax rate is defined as the income tax expense over the pre-tax income from which the earnings from associates and joint ventures are deducted.

The decrease in the effective tax rate is mainly due to the fact that the dredging activities are performed in countries where the tax rate is lower than the countries where DEME had been active during the first half year 2014.

STATEMENT OF FINANCIAL POSITION

10. PROPERTY, PLANT & EQUIPMENT

As of June 30, 2015 (In thousand Euro)	Land & buildings	Installations & equipments	Furniture & fittings	Under construction	Total
Acquisition cost					
Balance at the end of the previous period	123,862	2,802,541	57,561	2,274	2,986,238
Effect of foreign currency fluctuations	132	6,089	57	60	6,338
Acquisitions	792	128,475	4,288	51,906	185,461
Transfers from one asset to another	(3,882)	106	(268)	(345)	(4,389)
Disposals	(9,044)	(80,107)	(3,126)	(108)	(92,385)
Acquisitions through business combinations	0	254,607	(84)	0	254,523
Balance at the end of the year	111,860	3,111,711	58,428	53,787	3,335,786
Depreciations & impairment					
Balance at the end of the previous period	(50,613)	(1,385,290)	(47,060)	0	(1,482,963)
Effect of foreign currency fluctuations	(230)	(5,943)	(56)	0	(6,229)
Depreciations	(9,382)	(115,825)	(2,458)	0	(127,665)
Transfers from one asset to another	2,965	258	268	0	3,491
Disposals	5,589	75,297	2,715	0	83,601
Acquisitions through business - combinations	0	(50,706)	30	0	(50,676)
Balance at the end of the period	(51,671)	(1,482,209)	(46,561)	0	(1,580,441)
Net carrying amount					
At January, 1 2015	73,249	1,417,251	10,501	2,274	1,503,275
At June, 30 2015	60,189	1,629,502	11,867	53,787	1,755,345

The net carrying amount of tangible assets amounts to 1,755,345 thousand Euro on June, 30 2015 (December,31 2014: 1,503,275 thousand Euro, after restatement related to the accounting of DEME's assets and liabilities at fair value).

On June 30, 2015, the acquisitions of tangible assets amount to 185,461 thousand Euro, and are mainly related to DEME (179,721 thousand Euro). Moreover, the acquisitions through business combinations concern mainly the acquisition of HGO InfraSea by GeoSea, subsidiary of DEME. This transaction is described in note 5.

The net value of the fixed assets held in leasing amounts to 121,247 thousand Euro (December 2014: 72,073 thousand Euro). Those contracts relate mainly to the vessels held by DEME.

The amount of property, plant, and equipment constituting a guarantee for some borrowing amounts to 346,396 thousand Euro (December 2014 : 354,055 thousand Euro).

As of June 30, 2014 (*) (In thousand Euro)	Land & buildings	Installations & equipments	Furniture & fittings	Other tangible assets	Under construction	Total
Acquisition cost						
Balance at the end of the previous period	128,362	2,744,646	66,378	0	3,453	2,942,839
Effect of foreign currency fluctuations	255	837	(30)	0	0	1,062
Acquisitions through business combinations	548	7,957	0	0	0	8,505
Acquisitions	4,465	42,844	2,286	0	1,401	50,996
Transfers from one asset to another	(12,993)	655	(54)	0	(884)	(13,276)
Disposals	0	(37,855)	(2,814)	0	0	(40,669)
Balance at the end of the year	120,637	2,759,084	65,766	0	3,970	2,949,457
Depreciations & impairment						
Balance at the end of the previous period	(57,563)	(1,269,909)	(52,016)	0	0	(1,379,488)
Effect of foreign currency fluctuations	(143)	(638)	(5)	0	0	(786)
Acquisitions through business - combinations	(548)	(7,957)	0	0	0	(8,505)
Depreciations	(2,908)	(99,374)	(3,162)	0	0	(105,444)
Transfers from one asset to another	13,015	190	71	0	0	13,276
Disposals	0	36,775	1,743	0	0	38,518
Balance at the end of the period	(48,147)	(1,340,913)	(53,369)	0	0	(1,442,429)
Net carrying amount						
At January, 1 2014 (*)	70,799	1,474,737	14,362	0	3,453	1,563,351
At June, 30 2014 (*)	72,490	1,418,171	12,397	0	3,970	1,507,028

(*) Amounts adjusted in accordance with the accounting at fair value of DEME's assets and liabilities after the acquisition of an additional 50% stake in DEME on December 24th, 2013 (restatements described in disclosure 3.2).

11. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE

On June 30, 2015, investments in associates amount to 142,488 thousand Euro (December 2014: 159,290 thousand Euro) in the statement of financial position. The decrease of investments in associates and joint ventures is mainly due to the change of consolidation method applied to HGO InfraSea, partly compensated by the result generated by the associated companies which amounts to 9,671 thousand euro (June 2014: 5,861 thousand euro).

12. INVENTORIES

On June 30, 2015, the inventories amount to 101,530 thousand Euro (December 2014: 105,278 thousand Euro) and are detailed as follows:

(In thousand Euro)	June 30, 2015	December 31, 2014
Raw materials and consumables	30,693	43,221
Raw material and consumables (impairment losses)	0	(506)
Finished products and goods purchased for resale	72,768	65,587
Finished products (impairment losses)	(1,931)	(3,024)
Stocks	101,530	105,278

13. TRADE AND OTHER RECEIVABLES

On June 30, 2015, the trade and other receivables amount to 1,201,324 thousand Euro (December 2014: 1,082,504 thousand Euro). The increase during the 1st half year 2015 is mainly due to the increase of DEME's activities.

In order to reduce the current risk, the group CFE monitors regularly its outstanding clients and adapts its position towards them. Regarding this matter, it should be noted that CFE is involved in two projects in Chad. One project consists of the construction of the "Grand Hôtel" which is almost completed; the other is the building for the Ministry of Finance, realized in joint venture, work which was suspended on 30 June 2015. In both cases, the customer is the Chadian government whose budget is considerably affected by the fall in oil prices. This tricky situation is reflected in significant delays in payment. CFE's exposure is slightly lower than 70 million euro. CFE, in close consultation with the Chadian authorities, is looking for a way to resolve the issue of funding for the works. The risk of non-payment will be re-examined at the end of 2015.

14. PROVISIONS OTHER THAN THOSE RELATING TO RETIREMENT BENEFIT OBLIGATIONS AND NON-CURRENT EMPLOYEE BENEFITS

On June 30, 2015 these provisions amount 100,328 thousand Euro, which represents an increase of 11,205 thousand Euro compared to the end of December 2014 (89,123 thousand Euro).

(In thousand Euro)	After - sale service	Other current risks	Negative equity method	Other non- current risks	Total
Balance at the end of the previous period	14,833	33,614	24,641	16,035	89,123
Effect of foreign currency fluctuations	11	(58)	0	5	(42)
Actualization effect	0	0	0	0	0
Transfer from one category to another	(347)	289	(540)	(158)	(756)
Provisions recognized	1,446	15,399	0	77	16,922
Provisions used	(1,263)	(5,167)	0	2,171	(4,259)
Provisions reversed	(337)	(323)	0	0	(660)
Closing balance	14,343	43,754	24,101	18,130	100,328
of which current:	58,097				
non-current:	42,231				

The provision for after-sale service decreased by 490 thousand Euro to reach 14,343 thousand Euro on June 30, 2015.

The provision for other current risks increased by 10,140 thousand Euro and amounts to 43,754 thousand Euro at June 30, 2015. This category includes :

- provisions for customer claims (5,918 thousand Euro), for social litigation (1,451 thousand Euro), for remaining work to be completed (342 thousand Euro) and provisions for other risks (14,782 thousand Euro). Since negotiations with customers are still in progress, we cannot give more information about the considered assumptions, nor on the time of the probable cash outflow.
- provisions for losses on completion (21,261 thousand Euro) are recognised when the expected economic benefits of certain contracts are lower than the inevitable costs attendant on compliance with obligations under those contracts. Provisions for losses on completion are used up when the related contracts are performed.

The other non-current risks which amount 18,130 thousand Euro at the end of June 2015 include, among others, a provision for restructuring and provisions not directly related to the operating process of works in progress.

If the share of CFE group in the economic losses of associates and joint ventures exceeds the carrying amount of investment, the carrying amount is limited to zero. Losses higher than the carrying amount are not recognised, except for the amount of commitments of CFE as regards to some of those associates and joint ventures. The amounts of those commitments are accounted as non-current provisions to the extent that the group considers it has an obligation to support those subsidiaries and their projects.

15. CONTINGENT ASSETS AND LIABILITIES

Based on available information at the date on which the financial statements were approved by the Board of Directors, we are not aware of any contingent assets or liabilities, with the exception of contingent assets or liabilities related to construction contracts (for example, the group's claims against customers or claims by subcontractors) that can be described as normal in the construction and the dredging sector and which are treated by applying the percentage-of-completion method during the recognition of revenue.

16. FINANCIAL INSTRUMENTS

CFE group use derivatives financial instruments mainly in order to reduce the risks linked to unfavourable movements of interests rates, exchange rate, price of commodities and other market risks. The company does not hold or does not sell any financial instruments for trading purposes. However, derivatives which are not eligible to be considered as hedging instruments are disclosed as financial instruments held for trading.

On June 30, 2015, the derivative financial instruments have been estimated at their fair values.

17. NET FINANCIAL DEBT

17.1. THE NET FINANCIAL DEBT

(In thousand Euro)	30/06/2015			31/12/2014		Total
	Non-current	Current	Total	Non-current	Current	
Bank loans and other financial debt	(256,425)	(97,726)	(354,151)	(256,035)	(155,775)	(411,810)
Bonds	(306,055)		(306,055)	(306,895)		(306,895)
Drawings on credit facilities	(20,000)		(20,000)	(60,000)		(60,000)
Borrowings under finance leases	(103,151)	(14,626)	(117,777)	(62,030)	(7,546)	(69,576)
Total long-term financial debt	(685,631)	(112,352)	(797,983)	(684,960)	(163,321)	(848,281)
Short-term financial debt		(8,000)	(8,000)		(43,350)	(43,350)
Cash equivalents		9,524	9,524		14,385	14,385
Cash		384,349	384,349		689,116	689,116
Net short-term financial debt/(cash)	0	385,873	385,873	0	660,151	660,151
Total net financial debt	(685,631)	273,521	(412,110)	(684,960)	496,830	(188,130)
Derivative instruments used as interest-rate hedges	(11,404)	(7,521)	(18,925)	(12,413)	(8,532)	(20,945)

17.2. DEBT MATURITY SCHEDULE

(In thousand Euro)	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Between 5 and 10 years	More than 10 years	Total
Bank loans and other financial debt	(97,726)	(139,578)	(61,240)	(38,357)	(17,250)	0	(354,151)
Bonds			(99,958)	(206,097)			(306,055)
Drawings on credit facilities				(20,000)			(20,000)
Borrowings under finance leases	(14,626)	(55,084)	(8,851)	(16,867)	(22,329)	(20)	(117,777)
Total long-term financial debt	(112,352)	(194,662)	(170,049)	(281,321)	(39,579)	(20)	(797,983)
Short-term financial debt	(8,000)						(8,000)
Cash equivalents	9,524						9,524
Cash	384,349						384,349
Net short-term financial debt	385,873	0	0	0	0	0	385,873
Change in net financial debt	273,521	(194,662)	(170,049)	(281,321)	(39,579)	(20)	(412,110)

17.3. CREDIT FACILITIES AND LONG TERM BANK LOANS

At 30 June 2015, the CFE group had confirmed long-term bank credit facilities of 125 million Euro, of which 20 million Euro were drawn at the end of June 2015.

On 21 June 2012, CFE issued 100 million Euro of bond maturing on 21 June 2018 and paying a coupon of 4.75%.

On February 14th, 2013, DEME issued 200 million Euro of bond maturing on 14 February 2019 and paying a coupon of 4.145%.

Bank loans and other financial debts mainly concern DEME and loans relating to real-estate projects and are without recourse against CFE.

17.4. FINANCIAL COVENANTS

Bilateral loans are subject to specific covenants that take into account factors such as financial debt and the ratio of debt to equity or non-current assets, as well as cash flow. The group complied with all these covenants at end of June 2015.

18. FINANCIAL RISK MANAGEMENT

18.1. INTEREST RATE RISK

The policy and the risk management procedures defined by the group are the same as the one's declared in the 2014 annual report.

Effective average interest rate before considering derivative products

Type of debts	Fixed rate			Floating rate			Total		
	Amounts	Quota	Rate	Amounts	Quota	Rate	Amounts	Quota	Rate
Bank loans and other financial debts	793	0.19%	4.92%	361,358	94.20%	0.07%	362,151	44.93%	0.08%
Bonds	306,055	72.46%	4.34%	0	0.00%	0.00%	306,055	37.97%	4.34%
Credit line used	0	0.00%	0.00%	20,000	5.21%	1.34%	20,000	2.48%	1.34%
Loans related to finance lease	115,545	27.35%	1.60%	2,232	0.58%	3.75%	117,777	14.61%	1.64%
Total	422,393	100%	3.59%	383,590	100%	0.16%	805,983	100%	1.96%

Effective average interest rate after considering floating derivative products

Type of debts	Fixed rate			Floating rate			Floating rate capped + inflation			Total		
	Amounts	Quota	Rate	Amounts	Quota	Rate	Amounts	Quota	Rate	Amounts	Quota	Rate
Bank loans and other financial debts	340,390	44.67%	2.79%	21,761	49.47%	0.77%	0	0.00%	0.00%	362,151	44.93%	2.67%
Bonds	306,055	40.17%	4.34%	0	0.00%	0.00%	0	0.00%	0.00%	306,055	37.97%	4.34%
Credit line used	0	0.00%	0.00%	20,000	45.46%	1.34%	0	0.00%	0.00%	20,000	2.48%	1.34%
Loans related to finance lease	115,546	15.16%	1.60%	2,231	5.07%	3.75%	0	0.00%	0.00%	117,777	14.61%	1.64%
Total	761,991	100%	3.23%	43,992	100%	1.18%	0	0.00%	0.00%	805,983	100%	3.12%

18.2. LONG TERM FINANCIAL DEBTS BY CURRENCY

The outstanding debts by currency are:

(In thousand Euro)	June 2015	December 2014
Euro	797,983	848,281
US Dollar	0	0
Other currencies	0	0
Total long term debts	797,983	848,281

18.3. BOOK VALUE AND FAIR VALUE BY ACCOUNTING CATEGORY

The fair value of financial instruments can be classified into three levels based on the degree to which the inputs to the fair value measurements are observable:

- Fair value measurements of level 1 are based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Fair value measurements of level 2 are based on inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly (through prices) or indirectly (through input derived from prices);
- Fair value measurements of level 3 are based on valuation techniques comprising inputs which are unobservable for the asset or liability.

The fair value of financial instruments have been determined using the following methods :

- For short-term financial instrument, such as trade receivables and payables, the fair value is considered not to be significantly different from the carrying amount measured at amortised cost;
- For floating rate liabilities, the fair value is considered not to be significantly different from the carrying amount measured at amortised cost;
- For derivative financial instruments (foreign currency, interest rate or forecasted cash flows), the fair value is determined using valuation models discounting future cash flows based on futures interest rate curves, foreign currency curves or other forward prices;
- For the other derivative instruments, the fair value is determined by discounting future estimated cash flows;
- For the quoted bonds issued by CFE and DEME, the fair value is based on the quoted price at reporting date.
- For fixed rate liabilities, the fair value is based on the discounted cash flows based on the market interests rates at the closing date.

June 30, 2015 (In € thousands)	Financial instruments not designated as hedging instruments	Derivatives designated as hedging instruments	Financial instruments available for sales	Loans and trade receivables at amortised costs	Total of carrying amount	Fair value measurements of financial assets by level	Fair value of the class
Non-current financial assets	640		2,842	130,967	134,449		134,449
Investments (1)			2,842		2,842	Level 2	2,842
Financial loans and receivables (1)				130,967	130,967	Level 2	130,967
Interest rate derivatives – cash flow hedges	640				640	Level 2	640
Current financial assets	70			1,595,573	1,595,643		1,595,643
Interest rate derivatives – non hedge							
Trade and other receivables				1,201,324	1,201,324	Level 2	1,201,324
Cash management financial assets	70			376	446	Level 2	446
Cash equivalents (2)				9,524	9,524	Level 2	9,524
Cash at bank and in hand (2)				384,349	384,349	Level 2	384,349
Total assets	710		2,842	1,726,540	1,730,092		1,730,092
Non-current financial debts		21,049		685,631	706,680		737,388
Bonds				306,055	306,055	Level 1	323,646
Financial debts				379,576	379,576	Level 2	392,693
Interest rate derivatives – cash flow hedges		21,049			21,049	Level 2	21,049
Current financial liabilities	26,799			1,310,096	1,336,895		1,351,850
Interest rate derivatives – cash flow hedges	7,521				7,521	Level 2	7,521
Exchange rate derivatives – non cash flow hedges	13,372				13,372	Level 2	13,372
Other derivatives instruments – non hedge	5,906				5,906	Level 2	5,906
Trade payables and other operating debts				1,189,744	1,189,744	Level 2	1,189,744
Bonds							
Financial debts				120,352	120,352	Level 2	135,307
Total liabilities	26,799	21,049		1,995,727	2,043,575		2,089,238

December 31 st , 2014 (In € thousands)	Financial instruments not designated as hedging instruments	Derivatives designated as hedging instruments	Financial instruments available for sales	Loans and trade receivables at amortised costs	Total of carrying amount	Fair value measurements of financial assets by level	Fair value of the class
Non-current financial assets	674		2,723	106,618	110,015		110,015
Investments (1)			2,723		2,723	Level 2	2,723
Financial loans and receivables (1)				106,618	106,618	Level 2	106,618
Interest rate derivatives – cash flow hedges	674				674	Level 2	674
Current financial assets				1,786,005	1,786,005		1,786,005
Interest rate derivatives – non hedge							
Trade and other receivables				1,082,504	1,082,504	Level 2	1,082,504
Cash management financial assets						Level 2	
Cash equivalents (2)				14,385	14,385	Level 2	14,385
Cash at bank and in hand (2)				689,116	689,116	Level 2	689,116
Total assets	674		2,723	1,892,623	1,896,020		1,896,020
Non-current financial debts		12,922		684,960	697,882		733,636
Bonds				306,895	306,895	Level 1	317,956
Financial debts				378,065	378,065	Level 2	402,758
Interest rate derivatives – cash flow hedges		12,922			12,922	Level 2	12,922
Current financial liabilities	24,948			1,305,980	1,330,928		1,336,876
Interest rate derivatives – highly probable projected cash flow hedges	593				593	Level 2	593
Interest rate derivatives – cash flow hedges	7,939				7,939	Level 2	7,939
Exchange rate derivatives – non cash flow hedges	8,792				8,792	Level 2	8,792
Other derivatives instruments – non hedge	7,624				7,624	Level 2	7,624
Trade payables and other operating debts				1,099,309	1,099,309	Level 2	1,099,309
Bonds							
Financial debts				206,671	206,671	Level 2	212,619
Total liabilities	24,948	12,922		1,990,940	2,028,810		2,070,512

19. OTHER COMMITMENTS GIVEN

The total amount of commitments granted other than guarantees for the period ended June 30, 2015, is 1,245,646 thousand Euro (December 2014 : 1,199,817 thousand Euro) and is detailed by nature as follows:

(In thousand Euro)	June 2015	December 2014
Performance guarantees and performance bonds (a)	901,129	903,231
Bid bonds (b)	11,199	9,916
Repayment of advance payments (c)	19,018	19,731
Retentions (d)	37,483	22,365
Deferred payments to subcontractors and suppliers (e)	41,340	5,220
Other commitments given - including 144,515 thousand Euro of corporate guarantees at DEME	235,477	239,354
Total	1,245,646	1,199,817

- a) Guarantees given in relation to the performance of works contracts. If the construction entity fails to perform, the bank (or insurance company) undertakes to compensate the customer to the extent of the guarantee.
- b) Guarantees provided as part of tenders relating to work contracts.
- c) Guarantees provided by a bank to a customer guaranteeing the repayment of advance payments in relation to contracts (mainly at DEME).
- d) Security provided by a bank to a client to replace the use of retention money.
- e) Guarantee covering the settlement of a liability to a supplier or subcontractor.

20. OTHER COMMITMENTS RECEIVED

(In thousand Euro)	June 2015	December 2014
Performance guarantees and performance bonds	87,734	61,403
Other commitments received	27,491	43,346
Total	115,225	104,749

21. LITIGATION

The CFE group has a number of claims that we qualify as normal for the construction and the dredging industry. In most of the cases, the group CFE expects to conclude a transactional convention with the counterparty, which substantially reduces the number of procedures. Currently, negotiations are on-going regarding some receivables. At the moment, it is not possible to assess the potential asset.

22. RELATED PARTIES

- Ackermans & van Haaren (AvH) owns 15,289,521 shares of CFE at the end of June 2015, being therefore the main shareholder of the CFE group with a stake of 60.40%. CFE concluded a service contract with its main shareholder AvH. The yearly amount due by CFE related to this contract reaches 150 thousand euro.
- Dredging Environmental and Marine Engineering NV concluded a service contract with Ackermans & van Haaren NV on November 26th 2001. The amounts related to this contracts due by Dredging Environmental and Marine Engineering NV, a 100% subsidiary of CFE, amount 1,126 thousand euro each year.
- There were no transactions with the Managing Directors other than relating to remuneration, There are no transactions with Frédéric Claes SA or Artist Valley SA, without prejudice to the remuneration of executives representing these companies.
- At June 30 2015, CFE has a joint control on Rent-A-Port NV and its subsidiaries.
- The transactions with related parties concern mainly the operations with the entities in which CFE has a significant influence or a joint control. The transactions between related parties are executed at arm's length;
- In the first half year of 2015, there was no significant variation in the nature of transactions with related parties compared to December 31, 2014. The trade transactions or financial transactions between the group and the joint ventures integrated under equity method are as follows:

(In thousand Euro)	June 30, 2015	December 31, 2014
Assets with related parties	270,715	240,276
Non-current financial assets	127,674	107,389
Trade receivables and other operating trades	137,676	126,468
Other current assets	5,365	6,419
Liabilities with related parties	103,909	61,244
Other non-current liabilities	6,728	6,276
Trade payables and other operating trades	97,181	54,968

(In thousand Euro)	June 30, 2015	December 31, 2014
Expenses and incomes with related parties	34,164	76,668
Turnover and incomes from auxiliary activities	69,946	74,522
Purchases and other operating expenses	(37,788)	(1,874)
Expenses and financial incomes	2,006	2,146

23. SUBSEQUENT EVENTS

None.

24. IMPACT OF FOREIGN CURRENCIES

The international activities of the group CFE for the contracting and real estate segments are mainly within the Euro zone. As a consequence, the exposure to exchange risk and the impact on financial statements are limited. However, the dredging and environment segment realize a large part of its business internationally. These activities are mainly in US Dollars or in currencies strictly related to the US Dollar. DEME uses financial instruments to hedge exchange rate risk.

25. RESEARCH AND DEVELOPMENT

For DEME, the research and development relate to the improvement of the efficiency of the maritime-equipment. This company also lead a program in partnership with Belgian universities and the Flemish Region in order to develop the production of eco-friendly energy in the maritime-environment.

26. SEASONAL NATURE OF THE BUSINESS

The activity of construction is seasonal and depends on the climatic conditions of the winter.

Turnover and results achieved in the first half year cannot be extrapolated over the full year. The seasonal effect on the business is reflected in a higher use of cash in the first half year.

No adjustments were made to take account of the impact of seasonal factors on the group's financial statements for the first half year. Income and expenses of the group from normal business operations which are subject to a seasonal, cyclical or occasional nature were recognized following the same valuation as at year end. They were therefore neither anticipated nor deferred in the interim financial statements.

27. STATUTORY AUDITORS REPORT

To the board of directors

In the context of our appointment as the company's statutory auditor, we report to you on the consolidated interim financial information. This consolidated interim financial information comprises the consolidated condensed statement of financial position as at 30 June 2015, the consolidated condensed income statement, the consolidated condensed statement of comprehensive income, the consolidated condensed statement of changes in equity and the consolidated condensed statement of cash flows for the period of six months then ended, as well as selective notes 1 to 26.

Report on the consolidated interim financial information

We have reviewed the consolidated interim financial information of Compagnie d'Entreprises CFE SA ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standard IAS 34 – *Interim Financial Reporting as adopted by the European Union*.

The consolidated condensed statement of financial position shows total assets of 4.251.014 (000) EUR and the consolidated condensed income statement shows a consolidated profit (group share) for the period then ended of 110.850 (000) EUR.

The board of directors of the company is responsible for the preparation and fair presentation of the consolidated interim financial information in accordance with IAS 34 – *Interim Financial Reporting as adopted by the European Union*. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of review

We conducted our review of the consolidated interim financial information in accordance with International Standard on Review Engagements (ISRE) 2410 – *Review of interim financial information performed by the independent auditor of the entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit performed in accordance with the International Standards on Auditing (ISA) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated interim financial information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information of Compagnie d'Entreprises CFE SA has not been prepared, in all material respects, in accordance with IAS 34 – *Interim Financial Reporting as adopted by the European Union*.

Diegem, 26 August 2015

The statutory auditor

DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Pierre-Hugues Bonnefoy