

Intermediary Report

As of June 30, 2013

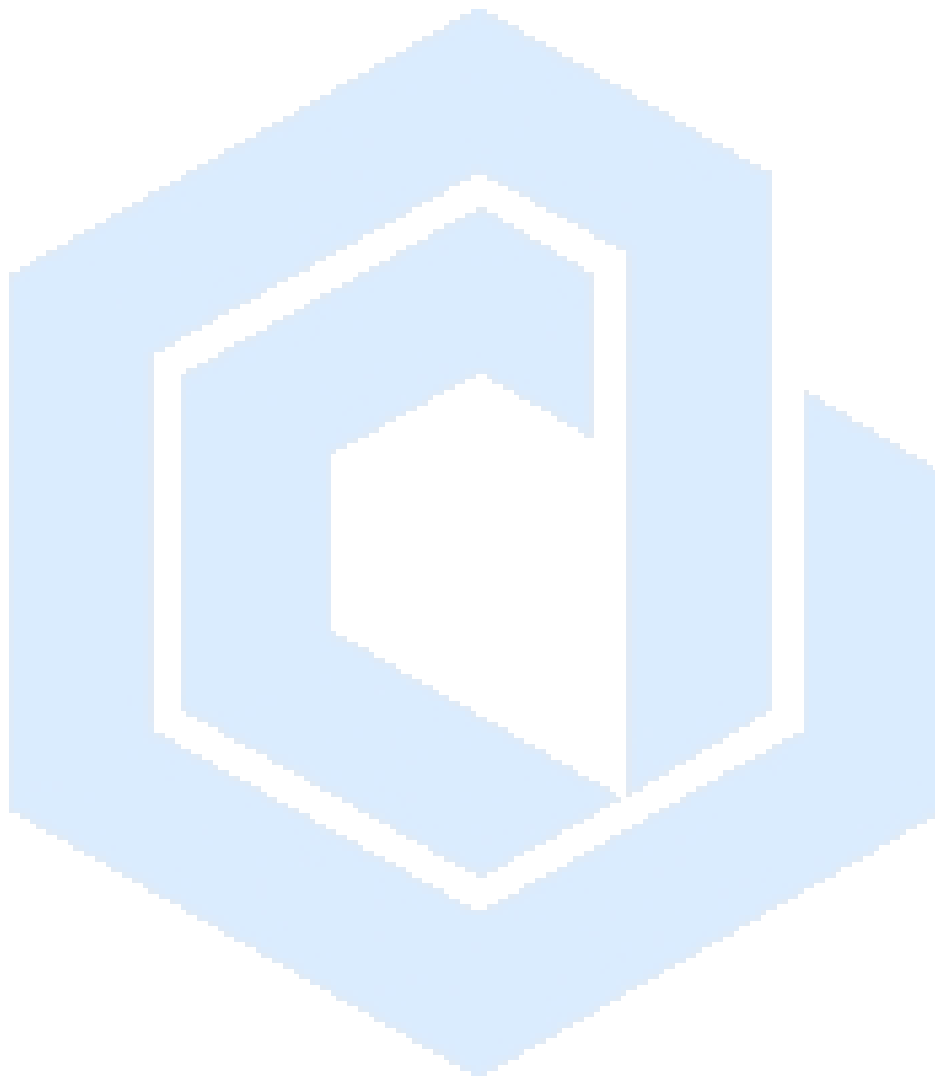


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The management report should be read together with the interim condensed consolidated financial statements of the group CFE.

The Board of Directors of CFE examined and approved the H1 2013 financial statements at its meeting on August 27, 2013.

1. Key figures in the first half of 2013

Consolidated revenue at June 30 by division

| | At June 30 | | % change |
|--|----------------|--------------|---------------|
| in € millions | 2013 | 2012 | |
| Contracting | 463.0 | 439.9 | +5.3% |
| -Construction | 341.1 | 324.6 | +5.1% |
| -Rail-Road | 44.2 | 41.1 | +7.5% |
| -Multitechnics | 77.7 | 74.2 | +4.7% |
| Real Estate Development and Management Services | 6.7 | 16.8 | n.s. |
| Dredging and Environment | 603.5 | 452.0 | +33.5% |
| PPP - Concessions | 2.9 | 6.5 | n.s. |
| Holding company and consolidation adjustments | 6.8 | -9.3 | n.s. |
| Total | 1,082.8 | 905.9 | +19.5% |

Operating income by division

| | At June 30 | | % change |
|--|----------------|---------------|---------------|
| in € thousands | 2013 | 2012 | |
| Contracting | -11,928 | -126 | n.s. |
| -Construction | -7,246 | -1,698 | n.s. |
| - Rail-Road | 1,403 | 1,681 | -16.5% |
| -Multitechnics | -6,085 | -109 | n.s. |
| Real Estate Development and Management Services | 1,171 | 5,003 | n.s. |
| Dredging and Environment | 35,193 | 24,866 | +41.5% |
| PPP - Concessions | -106 | 1,885 | n.s. |
| Holding company and consolidation adjustments | -3,281 | -2,363 | n.s. |
| Goodwill amortisation | -1,660 | - | n.s. |
| Total | 19,389 | 29,265 | -33.7% |

Net income attributable to the Group by division

| | At June 30 | | % change |
|--|----------------|---------------|---------------|
| in € thousands | 2013 | 2012 | |
| Contracting | -15,107 | -1,418 | n.s. |
| -Construction | -8,972 | -1,725 | n.s. |
| - Rail-Road | 799 | 1,034 | -22.7% |
| -Multitechnics | -6,934 | -727 | n.s. |
| Real Estate Development and Management Services | 17 | 2,778 | n.s. |
| Dredging and Environment | 16,437 | 13,142 | +25.1% |
| PPP - Concessions | 2,091 | 823 | n.s. |
| Holding company and consolidation adjustments | -1,560 | -1,282 | n.s. |
| Goodwill amortisation | -1,660 | - | n.s. |
| Total | 218 | 14,043 | n.s. |

Consolidated order book by division

| | | | % change |
|--|----------------|-------------------|---------------|
| in € millions | June 30, 2013 | December 31, 2012 | |
| Contracting | 1,236.6 | 1,195.6 | +3.4% |
| -Construction | 992.1 | 964.2 | +2.9% |
| - Rail-Road | 81.8 | 65.8 | +24.3% |
| -Multitechnics | 162.7 | 165.6 | -1.8% |
| Real Estate Development and Management Services | 20.5 | 14.1 | n.s. |
| Dredging and Environment | 1,477.0 | 1,658.5 | -10.9% |
| PPP - Concessions | - | - | - |
| Holding company and consolidation adjustments | - | - | - |
| Total | 2,734.1 | 2,868.2 | -4.7% |

CFE's consolidated revenue at June 30, 2013 totalled €1,082.8 million, i.e. grew 19.5% from June 30, 2012 (19.3% at constant consolidation area).

Revenue in the Contracting business line rose 5.3% (4.8% at constant consolidation area) up to €463 million, including the Construction division (€341.1 million), the Rail-Road division (€44.2 million) and the Multitechnics division (€77.7 million).

Revenue contracted at Real Estate Development and Management Services but not to a significant extent, because the level of business and commercialisation remained satisfactory.

Revenue at Dredging and Environment grew 33.5% and climbed to (CFE share) €603.5 million.

Operating income amounted to €19.4 million, down 33.7% from June 30, 2012. The decline was mainly due to construction and Multitechnics operations. PPP - Concessions and Rail-Road delivered good results, while the dredging business, after a tough first half, grew after large contracts in Qatar and Australia did not start up until the end of the first half of 2013.

Net income attributable to the Group totalled €0.2 million versus €14.0 million at June 30, 2012.

Year-to-date order intake at June 30, 2013 totalled €949 million, including €504 million in Contracting and €422 million in Dredging and Environment.

The **order book** came in at €2,734.1 million, down 4.7% from December 31, 2012. The decline was accounted for by Dredging and Environment where order intake dropped 10.9%.

2. Analysis income by division, revenue and order book

Construction division

Revenue

| in € millions | H1 2013 | H1 2012 | % change |
|---------------------------------|--------------|--------------|---------------|
| Civil engineering | 68.8 | 77.7 | -11.5% |
| Buildings, Benelux | 222.5 | 215.8 | +3.1% |
| Buildings, International | 49.8 | 31.1 | +60.1% |
| Total | 341.1 | 324.6 | +5.1% |

H1 revenue rose slightly. Within the business line, however, there were significant differences in revenue:

- Revenue declined in civil engineering in Benelux, as the trend witnessed for more than a year persisted, as the market remains under pressure;
- Revenue fell in Buildings in Benelux in most subsidiaries, due to the exceptionally bad weather conditions during the winter but business picked up at BPC and MBG;
- Buildings revenue rebounded in Poland;
- Buildings revenue grew outside Europe.
This growth, nonetheless, was lower than expected owing to the delayed launch of a project in Chad.

Operating income

The business line's operating income contracted sharply and a €7.2 million loss was recorded. This loss was accounted for by:

- The exceptional weather conditions that prevailed at the start of the year that led to direct losses on building sites and overheads not being covered;
- A substantial loss incurred on a site, in Eastern Belgium;
- A lack of business in civil engineering;
- The postponement of projects in Chad and the delays recorded in waiting for contract amendments to be approved.

In the Netherlands, with respect to a large project in Amsterdam, the negotiations begun in early 2013 with the customer, in order to find a balanced and definitive solution, led to an agreement between all the parties involved.

Net income attributable to the Group

The net income was negative (a €9.0 million loss to be compared with a €1.7 million loss in the first half of 2012).

Order book

| in € millions | At June 30, 2013 | Au December 31, 2012 | % change |
|---------------------------------|------------------|----------------------|--------------|
| Civil engineering | 186.1 | 190.6 | -2.4% |
| Buildings, Benelux | 550.4 | 527.8 | +4.3% |
| Buildings, International | 255.6 | 245.8 | +4% |
| Total | 992.1 | 964.2 | +2.9% |

Noteworthy major trends are as follows:

- Problems are being met in terms of renewing the order book in civil engineering in a contracting market. The situation has stabilised in Flanders and the Netherlands;
- The order book was boosted at BPC resulting from a significant contract won in Brussels ("Le Toison d'Or" building) and order intake improved in renovation at Amart, while it sagged at the other Belgian subsidiaries.
- In the Grand Duchy of Luxembourg, after a few lean years, CLE's order book renewed with a satisfactory level;
- The order book was significantly renewed in Poland after business contracted markedly in 2011 and 2012;
- The order book grew at Buildings, international.
- CFE International booked a major order in Chad during the first half (university of Toukra – phase 2).

Rail-Road division

Revenue

The Rail-Road division's revenue grew 7.5% and climbed to €44.2 million. The rail business enjoyed an increase, while business in the roads component decreased slightly due to the harsh winter conditions.

Operating income

Operating income came in at €1.4 million versus €1.7 million in the first half of 2012, i.e. contracted 16.5%. Generally speaking, income was satisfactory in the rail business, while the road business was impacted for its part by the harsh winter.

Net income attributable to the Group

Net income climbed to €0.8 million from €1.0 million in the first half of 2012.

Order book

The order book totalled €81.8 million, i.e. grew 24.3% from December 31, 2012. This increase was mainly accounted for by roads and rail signalling.

The current outlook remains upbeat, as major calls for tenders are under way in the rail business.

Multitechnics division

Revenue

Revenue at the Multitechnics division totalled €77.7 million, i.e. up 4.7% relative to the previous year (2.2% at constant consolidation area). Revenue in international operations, driven by VMA that won contracts in Turkey, Poland and Hungary from major car manufacturers, enjoyed growth while some subsidiaries recorded a sag in revenue in Belgium.

Operating income

An operating loss of €6.1 million was recorded (to be compared with the €0.1 million operating loss in the first half of 2012). This loss was mainly attributable to a subsidiary located in Western Flanders which has undergone restructuring.

This situation led CFE to totally write off this company's goodwill (a €1.7 million loss).

Net income attributable to the Group

Net income attributable to the Group, for its part, consisted in a €6.9 million loss to be compared with a €0.7 million loss in the first half of 2012. This loss does not include the impairment of the goodwill.

Order book

The order book amounted to €162.7 million at June 30, in other words decreased 1.8% in comparison with December 31, 2012. A similar trend as in revenue was witnessed.

Real Estate Development and Management Services

In a somewhat calmer although still steady residential market, numerous projects have just been launched in Uccle (Ilya project), in the Grand Duchy of Luxembourg (serviceflats in Bettembourg) and in Poland (Obosowa project in Warsaw).

Real estate portfolio decreased slightly despite the launch of the afore-mentioned sites, while marketing of residential projects under way (Belview in Brussels, Gdansk in Poland) continued at a sustained pace. Properties at marketing stage remained low (15%), and the increase resulted from the delivery of a building during the first half (Brusilia).

Properties at development stage decreased, while simultaneously CFE acquired a 33% stake in the Kons Gallery project in Luxembourg. Construction works are scheduled to start on this project, in which a significant portion of the office space has been rented to a well-known bank, in early 2014.

Change in value of real estate projects

| in € millions | At June 30, 2013 | At December 31, 2012 |
|---|-------------------------|-----------------------------|
| Properties at marketing stage | 24 | 19 |
| Properties at construction stage | 46 | 45 |
| Properties at development stage | 95 | 102 |
| Total | 165 | 166 |

Operating income

The fact that some transactions were postponed to the second half of 2013 temporarily weighed on operating income. It totalled €1.2 million versus €5 million in the first half of 2012.

Net income attributable to the Group

Net income was slightly positive while it amounted to €2.8 million at June 30, 2012.

The major development in the first half of 2013 was the disposal to CB-Richard Ellis of the (66%) stake held by CFE in Sogesmaint-CB Richard Ellis, a "Facility and Property management" company.

This divestment did not have a material impact in terms of revenue and income.

At the same time, CFE decided to develop, under the name of Sogesmaint, an integrated Facility, Property & Project Management business in synergy with the Group's sectors of activity. Sogesmaint's business will be focused on sustainable development, and will offer customers the various services provided by the Group in the fields of renovation and energy optimisation.

Dredging and Environment division

(The figures shown below for DEME, which is owned 50% by CFE, are at 100%)

Revenue

DEME's revenue amounted to €1,207 million, i.e. up 33.5% relative to the previous year (€904 million).

At the end of the first quarter 2013, the major projects in Qatar and Australia were launched at last while the installation of foundations for offshore wind turbines in the North Sea for C-Power was completed at the end of the first half.

Changes in revenue by business line

| As % | H1 2013 | H1 2012 |
|---------------------------|----------------|--------------|
| Capital dredging | 52% | 48% |
| Maintenance dredging | 10% | 17% |
| Fallpipe and landfalls | 7% | 13% |
| Environment | 6% | 9% |
| Marine works | 25% | 13% |
| Total (€ millions) | 1,207.0 | 904.1 |

Changes in revenue by geographical area

| As % | H1 2013 | H1 2012 |
|---------------------------|----------------|--------------|
| Europe (EU) | 44% | 49% |
| Europe (non EU) | 1% | 4% |
| Africa | 10% | 14% |
| Americas | 3% | 6% |
| Asia and Oceania | 30% | 17% |
| Middle East | 11% | 6% |
| India and Pakistan | 1% | 4% |
| Total (€ millions) | 1,207.0 | 904.1 |

Operating income

The first half of 2013 was impacted by tough weather conditions and by the fact that the fleet was less occupied while waiting for the launch of major projects in Qatar and Australia.

EBITDA increased, nevertheless, by 26.3% in the first half and reached €181.1 million versus €144.6 million in the first half of 2012.

Operating income grew at a strong pace and totalled €71.9 million (€51.2 million in the first half of 2012).

Net income attributable to the Group

Net income increased 24% and totalled €34.4 million versus €27.7 million in the first half of 2012.

The 2008-2012 investment plan has been completed. DEME's net financial debt at June 30, 2013, impacted by the payment of substantial maturities related to the afore-mentioned plan, totalled €822 million, versus €742 million at December 31, 2012.

In early 2013, DEME issued a bond for €200 million. This bond is aimed at refinancing part of the existing debt, while ensuring diversity of financing sources as well as extending the maturity of debt, enjoyed a noteworthy success since the bond was entirely subscribed.

Order book

DEME's order book contracted (-10.9%). It totalled €2,954 million (versus €3,317 million at December 31, 2012). Given the exceptional orders booked in the previous period (Wheatstone and Doha Port) this decline is logical and was expected.

In the first half, GeoSea pressed ahead with its development in the field of renewable energies by winning a contract, in the United Kingdom, for the installation of 35 foundations for windmills and in Germany for the installation of 77 foundations with scour protection.

In early July, DEME was awarded €250 million in orders for energy-related fields. Around €100 million is already included in the afore-mentioned order book.

PPP – Concessions division

The PPP – Concessions division, driven by Rent-A-Port, reported satisfactory results. Net income attributable to the Group improved and amounted to €2.1 million (versus €0.8 million in the first half of 2012).

CFE-specific business has focused on new studies, as the bid for the Haren jail failed.

3. Comments consolidated statement of financial position, cash flow and investments

Net financial debt ^(*) amounted to €524.7 million, versus €420 million at June 30, 2012 and €400 million at December 31, 2012. This debt breaks down into, first, long-term debt of €584 million made up mainly of the bond issued by CFE (€100 million), the bond issued by DEME (€200 million or €100 million with respect to CFE's share), loans covering the acquisition of DEME ships, and on the other hand, a positive net cash position of €59 million. Cash flow from investments amount to €39 million for the year, to be compared with €128 million in the first half of 2012. These investments mainly concern DEME's investment programme.

The €127 million increase in working capital requirements is explained by:

- Substantial payments by DEME, during the first half, in respect of acquisitions of dredgers;
- The acquisition of the Kons Gallery property in Luxembourg;
- The pre-financing of the "Charleroi police headquarters" and "Tritomas" construction projects during the construction period;
- The impact of the harsh winter;
- A lengthening in customers' payment delays.

Equity, after paying out the dividend for the 2012 period (€15.1 million), amounted to €515 million.

CFE has, for its part, confirmed long-term credit facilities for its general financing needs totalling €100 million, of which €75 million had not been drawn down at June 30, 2013. The funding of PPP – Concessions projects is covered by specific loans and are without recourse against the company. DEME's acquisitions of dredgers and other marine equipment are subject to separate financing arrangements secured on those assets.

| Period ended at June 30 (€ thousands) | 2013 | 2012 |
|---|-------------|-------------|
| Cash flow from operating activities | -65,127 | 62,930 |
| Cash flow from investing activities | -38,995 | -127,605 |
| Cash flow from financing activities | 67,354 | 60,122 |
| Net increase/(decrease) in cash position | -36,768 | -4,553 |
| Equity excluding non-controlling interests at opening at December 31 | 524,612 | 501,702 |
| Equity excluding non-controlling interests at closing at June 30 | 511,740 | 498,859 |
| Net income attributable to the Group in H1 | 218 | 14,043 |
| ROE | 0.0% | 2.8% |

Data per share

| | June 30, 2013 | June 30, 2012 |
|---|----------------------|----------------------|
| Total number of shares | 13,092,260 | 13,092,260 |
| Operating income after deduction of net financial expenses, per share | 0.22 | 1.45 |
| Net income attributable to the Group per share | 0.02 | 1.07 |

^(*) Net financial debt does not include the fair value of derivative instruments that at June 30, 2013 amounted to a liability of €32 million.

4. Main trends

The first half was particularly demanding in the Construction and Multitechnics divisions.

Accordingly, the full-year 2013 revenue should grow but in view of the foregoing comments about the Construction and Multitechnics divisions, the expected full-year income will be lower than in the previous year.

The outlook for the other business lines, by contrast, remains favorable in particular in the dredging division.

5. Share information

At December 31, 2012, CFE's share capital consisted in 13,092,260 shares.

Each share confers one voting right. No convertible bonds or warrants were issued. The financial institutions through whom owners of financial instruments may exercise their financial rights are: BNP Paribas Fortis, Banque Degroof and ING Belgique. Banque Degroof has been designated as the Main Paying Agent.

6. Risks and uncertainties

Risks related to the sector of activity described in the annual report 2012 are still applicable during the second halfyear 2013.

7. Transactions with related parties

In the first half year of 2013, there was no significant variation in the nature of transactions with related parties compared to December, 31 2012.

8. Shareholder base

On August 12, 2013, Vinci Construction informed CFE, in compliance with the provisions of Article 74 of the Belgian law of April 1, 2007, that no change had occurred in its equity interest since the previous notification on August 16, 2012, when its stake in CFE stood at 46.84%.

9. Corporate governance

The Ordinary Shareholders' Meeting held on May 2, 2013 renewed the terms of office of the following Directors: Ph. Delusinne, J. Steyaert (both are independent Directors), the terms of office of R. Francioli, Ch. Labeyrie (Directors) and R. Bentégeat (Managing Director).

Interim condensed consolidated financial statements and notes

CONDENSED CONSOLIDATED STATEMENT OF INCOME

| For the period ended June 30 (In thousand Euro) | Note | June 2013 | June 2012 (*) |
|--|------|------------------|-----------------|
| Revenue | | 1,082,781 | 905,910 |
| Revenue from auxiliary activities | 6 | 39,903 | 26,310 |
| Purchases | | (708,418) | (547,210) |
| Remuneration and social security payments | | (205,582) | (186,219) |
| Other operating expenses | | (125,491) | (115,890) |
| Depreciation and amortization | | (62,144) | (53,636) |
| Goodwill impairment | | (1,660) | - |
| Operating income | | 19,389 | 29,265 |
| Cost of gross financial debt | 7 | (12,907) | (10,100) |
| Financial income from cash investments | 7 | 2,545 | 3,022 |
| Other financial expenses | 7 | (11,954) | (11,109) |
| Other financial income | 7 | 5,767 | 7,885 |
| Net financial income/expense | | (16,549) | (10,302) |
| Pre-tax income for the period | | 2,840 | 18,963 |
| Income tax expense | 9 | (6,873) | (3,164) |
| Net income for the period | | (4,033) | 15,799 |
| Share in the result of associated companies | | 4,031 | (1,384) |
| Net income (including income attributable to owners of non-controlling interests) | | (2) | 14,415 |
| Attributable to owners of non-controlling interests | 8 | 220 | (372) |
| Net income of the group | | 218 | 14,043 |
| Net income of the group per share (EUR) (diluted and basic) | | 0.02 | 1.07 |

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| For the period ended June 30 (In thousand Euro) | Note | June 2013 | June 2012 (*) |
|--|------|--------------|----------------|
| Net income of the group | | 218 | 14,043 |
| Net income (including income attributable to owners of non-controlling interests) | | (2) | 14,415 |
| Changes in fair value related to hedging instruments | | 6,108 | (5,919) |
| Currency translation differences | | (1,703) | 2,791 |
| Deferred taxes | | (1,769) | 1,450 |
| Change in consolidation method (net of deferred taxes) | | 0 | 0 |
| Other elements of the comprehensive income to be reclassified to profit or loss in subsequent periods | | 2,636 | (1,678) |
| Remeasurement on defined benefit plans | | 0 | (3,078) |
| Other elements of the comprehensive income not to be reclassified to profit or loss in subsequent periods | | 0 | (3,078) |
| Other elements of the comprehensive income directly accounted in equity | | 2,636 | (4,756) |
| Comprehensive income: | | 2,634 | 9,659 |
| - Attributable to owners of the parent | | 3,053 | 9,282 |
| - Attributable to owners of non-controlling interests | | (419) | 377 |
| Net income attributable to owners of the parent per share (EUR) (diluted and basic) | | 0.23 | 0.71 |

(*) Amounts amended in accordance with the change in accounting principle related to the amended IAS 19, Employee benefit as explained in note 3.2.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| For the year ended 30 June (In thousand Euro) | Note | June 2013 | December 2012 (*) |
|--|------|------------------|-------------------|
| Intangible assets | | 11,993 | 12,651 |
| Goodwill | | 31,740 | 33,401 |
| Property, plant and equipment | 10 | 958,727 | 980,434 |
| Investment property | 11 | 2,372 | 2,056 |
| Investments in associated companies | 12 | 23,840 | 18,364 |
| Other non current financial assets | | 73,041 | 56,586 |
| Derivative instruments - Non current assets | | 0 | 0 |
| Other non current assets | | 6,075 | 9,283 |
| Deferred tax assets | | 32,020 | 22,787 |
| Total non current assets | | 1,139,808 | 1,135,562 |
| Inventories | 14 | 194,325 | 186,534 |
| Trade and other operating receivables | | 845,068 | 732,466 |
| Other current assets | | 84,952 | 84,240 |
| Derivative instruments – Current assets | 17 | 0 | 0 |
| Current financial assets | | 208 | 153 |
| Cash and cash equivalents | 18 | 221,941 | 260,602 |
| Total current assets | | 1,346,494 | 1,263,995 |
| Total assets | | 2,486,302 | 2,399,557 |
| Share capital | | 21,375 | 21,375 |
| Share premium | | 61,463 | 61,463 |
| Revaluation surplus | | 1,088 | 1,088 |
| Consolidated reserves and reserve related to hedging instruments | | (13,334) | (17,673) |
| Retained earnings | | 437,367 | 452,205 |
| Currency translation differences | | 3,781 | 6,154 |
| Equity attributable to owners of the parent | | 511,740 | 524,612 |
| Equity attributable to non-controlling interests | | 3,587 | 6,227 |
| Equity | | 515,327 | 530,839 |
| Retirement benefit obligations and employee benefits | | 21,451 | 21,239 |
| Provisions | 15 | 11,245 | 10,679 |
| Other non current liabilities | | 58,141 | 70,745 |
| Bond | | 199,831 | 100,000 |
| Financial liabilities | 18 | 384,135 | 379,120 |
| Derivative instruments - Non current liabilities | | 26,914 | 32,853 |
| Deferred tax liabilities | | 13,791 | 13,789 |
| Total non current liabilities | | 715,508 | 628,425 |
| Provisions for onerous contracts | 15 | 12,377 | 11,652 |
| Provisions for other current risks | 15 | 21,383 | 24,168 |
| Trade & other operating payables | 13 | 648,252 | 689,475 |
| Income tax payable | | 33,588 | 21,579 |
| Current financial liabilities | 18 | 162,650 | 181,474 |
| Derivative instruments – Current liabilities | | 5,758 | 4,201 |
| Other current liabilities | 13 | 371,459 | 307,744 |
| Total current liabilities | | 1,255,467 | 1,240,293 |
| Total equity and liabilities | | 2,486,302 | 2,399,557 |

(*) Amounts amended in accordance with the change in accounting principle related to the amended IAS 19, Employee benefit as explained in note 3.2.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

| For the period ended June 30 (In thousand Euro) | Note | June 2013 | June 2012 (*) |
|---|------|-----------------|------------------|
| Operating activities | | | |
| Net income of the group | | 218 | 14,043 |
| Depreciation and amortization of intangible assets, property, plant & equipment (PPE) and investment property | | 62,144 | 53,636 |
| Loss/(profit) on current and non current financial assets | | 0 | (68) |
| Net provision expense | | (2,275) | (6,575) |
| Impairment on current and non current assets | | 3,249 | (1,902) |
| Unrealized foreign exchange (gains)/losses | | 1,316 | (1,710) |
| Interest income & income from financial assets | | (2,545) | (3,286) |
| Interest expense | | 13,029 | 9,816 |
| Change in fair value of derivative instruments | | 649 | 1,504 |
| Income/(losses) from sales of property, plant & equipment | | (1,275) | (956) |
| Tax expense for the year | | 6,873 | 3,164 |
| Income attributable to non-controlling interests | | (256) | 372 |
| Share in the result of associated companies | | (4,031) | 1,384 |
| Cash flow from operating activities before changes in working capital | | 77,096 | 69,422 |
| Decrease/(increase) in trade receivables and other current and non current receivables | | (157,482) | (135,902) |
| Decrease/(increase) in inventories | | (4,010) | (2,286) |
| Increase/(decrease) in trade payables and other current and non current payables | | 34,062 | 145,342 |
| Cash flow from operating activities | | (50,334) | 76,586 |
| Interest paid | | (13,029) | (9,816) |
| Interest received | | 2,545 | 3,022 |
| Income tax paid/received | | (4,309) | (6,862) |
| Net cash flow from operating activities | | (65,127) | 62,930 |
| Investing activities | | | |
| Sales of non-current assets | | 3,069 | 8,754 |
| Purchases of non-current assets | | (42,028) | (131,680) |
| Acquisition of subsidiaries net of cash acquired | 5 | 0 | (3,997) |
| Capital decrease/(increase) in associated companies | | (460) | (682) |
| Disposal of subsidiaries | 5 | 424 | 0 |
| Cash flow from investing activities | | (38,995) | (127,605) |
| Financing activities | | | |
| Borrowings | | 170,165 | 216,006 |
| Reimbursements of borrowings | | (85,332) | (140,828) |
| Dividends paid | | (15,056) | (15,056) |
| Change in the interest percentage of controlled entities | 5 | (2,423) | 0 |
| Cash flow from financing activities | | 67,354 | 60,122 |
| Net Increase/(Decrease) in cash position | | (36,768) | (4,553) |
| Cash and cash equivalents at start of the year | | 260,602 | 208,347 |
| Exchange rate effects | | (1,893) | 2,332 |
| Cash and cash equivalents at end of period | | 221,941 | 206,126 |

(*) Amounts amended in accordance with the change in accounting principle related to the amended IAS 19, Employee benefit as explained in note 3.2.

Purchases and sales of subsidiaries net of cash acquired do not include entities that are not a business combination (segment real estate & associated services 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, 2013

| (thousand Euro) | Share Capital | Share premium | Retained earnings | Consolidated reserves and reserve related to hedging instruments | Defined benefits pension plans | Revaluation surplus | Currency Translation differences | Equity attributable to owners of the parent | Non-controlling interests | Total |
|--|---------------|---------------|-------------------|--|--------------------------------|---------------------|----------------------------------|---|---------------------------|----------------|
| December 2012 | 21,375 | 61,463 | 460,012 | (17,673) | 0 | 1,088 | 6,154 | 532,419 | 6,227 | 538,646 |
| IAS19 amended | | | 294 | | (8,101) | | | (7,807) | | (7,807) |
| After amendment IAS19 | 21,375 | 61,463 | 460,306 | (17,673) | (8,101) | 1,088 | 6,154 | 524,612 | 6,227 | 530,839 |
| Comprehensive income for the period | | | 218 | 4,339 | 0 | | (1,504) | 3,053 | (419) | 2,634 |
| Dividends paid to shareholders | | | (15,056) | | | | | (15,056) | | (15,056) |
| Dividends from non-controlling interests | | | | | | | | | (462) | (462) |
| Change in consolidation scope | | | | | | | (869) | (869) | (1,759) | (2,628) |
| June 2013 | 21,375 | 61,463 | 445,468 | (13,334) | (8,101) | 1,088 | 3,781 | 511,740 | 3,587 | 515,327 |

For the year ended June 30, 2012 (*)

| (milliers d'euros) | Share Capital | Share premium | Retained earnings | Consolidated reserves and reserve related to hedging instruments | Defined benefits pension plans | Revaluation surplus | Currency Translation differences | Equity attributable to owners of the parent | Non-controlling interest | Total |
|--|---------------|---------------|-------------------|--|--------------------------------|---------------------|----------------------------------|---|--------------------------|----------------|
| December 2011 | 21,375 | 61,463 | 425,999 | (11,646) | 0 | 1,088 | 3,423 | 501,702 | 7,059 | 508,761 |
| IAS19 amended | | | | | (1,954) | | | (1,954) | | (1,954) |
| After amendment IAS19 | 21,375 | 61,463 | 425,999 | (11,646) | (1,954) | 1,088 | 3,423 | 499,748 | 7,059 | 506,807 |
| Comprehensive income for the period | | | 14,043 | (4,469) | (3,078) | | 2,786 | 9,282 | 377 | 9,659 |
| Dividends paid to shareholders | | | (15,056) | | | | | (15,056) | | (15,056) |
| Dividends from non-controlling interests | | | | | | | | | (792) | (792) |
| June 2012 | 21,375 | 61,463 | 424,986 | (16,115) | (5,032) | 1,088 | 6,209 | 493,974 | 6,644 | 500,618 |

(*) Amounts amended in accordance with the change in accounting principle related to the amended IAS 19, Employee benefit as explained in note 3.2.

CAPITAL AND RESERVES

The share capital on 30 June 2013 is represented by 13,092,260 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 27, 2013 the Board of Directors proposed a dividend of 15,056 thousand Euro, corresponding to 1.15 euro gross per share. The proposal has been approved by the General Shareholders Meeting on May 2, 2013. 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) | 2013 | 2012 |
|---|--------------|---------------|
| Net income attributable to shareholders | 218 | 14,043 |
| Comprehensive income attributable to owners of the parent | 3,053 | 9,282 |
| Number of ordinary shares at closing date | 13,092,260 | 13,092,260 |
| Weighted average of the number of ordinary shares | 13,092,260 | 13,092,260 |
| Basic (diluted) income by share in Euro | 0.02 | 1.07 |
| Comprehensive income attributable to owners of parent by share in Euro | 0.23 | 0.71 |

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Preamble

The Board of Directors authorized the issue of the interim condensed consolidated financial statements on August 27, 2013.

MAIN TRANSACTIONS FOR THE SIX FIRST MONTHS OF 2013 AND THE SIX FIRST MONTHS OF 2012 WITH EFFECT ON THE SCOPE OF THE GROUP CFE

TRANSACTIONS FOR THE SIX FIRST MONTHS OF 2013

1. Construction segment

None.

2. Multitechnics segment

On January 28th, 2013, CFE Group acquired the remaining shares of Elektro Van De Maele NV (35%). This company, which was renamed VMA West NV, is now held at 100%. The consolidation method remains unchanged.

On May 28th, 2013, CFE Group decided to apply its purchase option on the remaining shares of SA Brantegem, specialized in HVAC and sanitary installations, and to acquire the remaining shares held outside the Group (35%). The company Brantegem SA is now held at 100%. The consolidation method is still unchanged.

On June 7th, 2013, the company Prodfroid SA, specialized in industrial cooling systems and air-conditioning systems, changed its name to Procool SA.

3. Real estate and associated services segment

On February 28th, 2013, CFE acquired through its subsidiary CLI, and in partnership with other real estate companies, 33.3% of PEF KONS INVESTMENT SA in order to develop a project of offices, shops and housing ("Projet Kons Gallery"). This company is integrated under the equity method.

On March 1st, 2013, CFE Immo, subsidiary of CFE Group, acquired 50% of the shares in Rederij Marleen BVBA and Rederij Ishtar BVBA for a real estate operation on fields located in Ostende.

On June 13th, 2013, CFE Group disposed of its participation (66%) in its Property & Facility Management subsidiary Sogesmaint CB Richard Ellis SA to CBRE. CFE Group also rebought its participation held by Sogesmaint-CB Richard Ellis in its Luxemburg subsidiary and rebought some Property & Facility Management contracts in Belgium.

4. Dredging and environment segment

During the 1st semester, DEME acquired through its subsidiaries:

- 100% of the newly created company DEME Concessions, which is fully integrated, and
- 35% of the newly created company Bluepower which is consolidated under the proportional method.

5. PPP-Concessions segment

None.

6. Rail and road segment

None.

TRANSACTIONS FOR THE SIX FIRST MONTHS OF 2012

1. Construction segment

During the 1st semester of 2012, Aannemingen Van Wellen transferred its Road activities in the new segment "rail & road". Although the activities "Construction" and "rail & road" are in only one legal entity "Aannemingen Van Wellen NV", those activities are now respectively disclosed in the segments "Construction" and "rail & road".

The branch CFE EcoTech, previously presented in the segment Construction is presented in the segment multitechnical as from this year.

2. Multitechnics segment

During the 1st semester of 2012, the branch CFE EcoTech, specialized in the waste water treatment, joined the segment multitechnical. Its activities are closely related to the electro-technical activities performed by the entities within the segment "multitechnical".

The companies Engema and Louis Stevens & Co, previously presented in the segment multitechnical, were also transferred in the new segment "rail & road".

3. Real estate and associated services segment

On February 15th, 2012, CFE Group acquired, through its polish subsidiary, 47% of the shares in Immomax2 Sp. Z.o.o. This company is working on a residential building in Gdansk.

On February 23rd, 2012, the company BPI, a subsidiary of CFE Group, acquired 50% of the shares in "Les jardins de Oisquercq SPRL" with the objective to perform a real estate operation on a land located in Oisquercq (Tubize).

During the 1st quarter of 2012, the subsidiaries VM Property I SA and VM Property II SPRL, which are held at 40% by CFE Group, created VM Office SA in order to develop the "office" part in the real estate project Van Maerlant located in Brussels.

On April 27th, 2012, CFE Immo, CFE group's subsidiary, acquired 50% of the shares of Immo Keyenveld 1 SA, Immo Keyenveld 2 SA, Immo PA 33 1 SA, Immo PA 33 2 SA, Immo PA 44 1 SA, Immo PA 44 2 SA. Those companies were recently created for the project Solvay which consists in rebuilding the Solvay's former social building located in Ixelles.

On May 29th, 2012, through its subsidiary Sogesmaint-CBRE, CFE Group acquired 32.34% of the shares in Sogesmaint-CBRE Company Management, company recently created as a private company with limited responsibility.

4. Dredging and environment segment

During the 1st semester of 2012, the joint-venture DEME acquired through its subsidiaries:

- 22.5% of the company Terranova Solar NV recently created. This company is integrated following the equity method, and
- 50% of the company Gulf Earth Moving NV recently created. This company is integrated following the proportional method.

5. PPP-Concessions segment

None.

6. Rail and road segment

On February 22nd, 2012, CFE Group has acquired 100% of the company Remacom NV located in Ghent. This company is specialized in the laying of rail tracks.

ACCOUNTING PRINCIPLES AND EVALUATION METHOD

1. GENERAL POLICIES

IFRS AS ADOPTED BY THE EUROPEAN UNION

The interim condensed consolidated financial statements have been presented in a condensed way in accordance with IAS 34 – Interim financial reporting. Consequently, the statements presented relate to significant elements of the semester and must be read together with the consolidated financial statement at December 31, 2012.

The retained accounting principles are the same that the principles used for the yearly consolidated financial statement at December 31, 2012, except for:

- Amendment of IAS 19 Employee Benefit. The changes resulting from the application of IAS 19 revised are described in note 3.2.

STANDARDS AND INTERPRETATIONS APPLICABLE FOR THE ANNUAL PERIOD BEGINNING ON 1 JANUARY 2013

- IFRS 13 Fair Value Measurement (applicable for annual periods beginning on or after 1 January 2013)
- Improvements to IFRS (2009-2011) (normally applicable for annual periods beginning on or after 1 January 2013)
- Amendments to IFRS 1 First Time Adoption of International Financial Reporting Standards – Government Loans (applicable for annual periods beginning on or after 1 January 2013)
- Amendments to IAS 1 Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income (applicable for annual periods beginning on or after 1 July 2012)
- Amendments to IFRS 1 First Time Adoption of International Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (applicable for annual periods beginning on or after 1 January 2013)
- Amendments to IFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities (applicable for annual periods beginning on or after 1 January 2013)
- Amendments to IAS 12 Income Taxes – Deferred Tax: Recovery of Underlying Assets (applicable for annual periods beginning on or after 1 January 2013)
- Amendments to IAS 19 Employee Benefits (applicable for annual periods beginning on or after 1 January 2013)

The application of these standards does not have a significant impact on the consolidated accounts except for the application of the IAS 19 amended “Employee Benefit”.

STANDARDS AND INTERPRETATIONS PUBLISHED, BUT NOT YET APPLICABLE FOR THE ANNUAL PERIOD BEGINNING ON 1 JANUARY 2013

The Company decided to not anticipate the application standards and interpretations here below that are not mandatory on June 30, 2013:

- Amendments to IFRS 10, IFRS 12 and IAS 27 – Consolidated Financial Statements and Disclosure of Interests in Other Entities: Investment Entities (applicable for annual periods beginning on or after 1 January 2014, but not yet endorsed in EU)
- IFRS 10 Consolidated Financial Statements (applicable for annual periods beginning on or after 1 January 2014)
- IFRS 11 Joint Arrangements (applicable for annual periods beginning on or after 1 January 2014)
- IFRS 12 Disclosures of Interests in Other Entities (applicable for annual periods beginning on or after 1 January 2014)
- IFRS 9 Financial Instruments and subsequent amendments (applicable for annual periods beginning on or after 1 January 2015, but not yet endorsed in EU)
- IAS 27 Separate Financial Statements (applicable for annual periods beginning on or after 1 January 2014)
- IAS 28 Investments in Associates and Joint Ventures (applicable for annual periods beginning on or after 1 January 2014)
- Amendments to IAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities (applicable for annual periods beginning on or after 1 January 2014, but not yet endorsed in EU)
- Amendments to IAS 36 – Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Asset (applicable for annual periods beginning on or after 1 January 2014, but not yet endorsed in EU)
- Amendments to IAS 39 – Financial Instruments – Novation of Derivatives and Continuation of Hedge Accounting (applicable for annual periods beginning on or after 1 January 2014)
- IFRIC 21 – Levies (applicable for annual periods beginning on or after 1 January 2014, but not yet endorsed in EU)

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 other than those arising from the application of

- IFRS 10 and 11, which redefine the notion of control and the criteria for selecting the method for consolidating entities. From 2014, a larger number of subsidiaries will be accounted for under the equity method. This will affect the presentation of the financial statements, but the group's net income and net assets will not be affected. These new standards mean that it will no longer be possible to account for DEME using the proportional method. DEME will have to be accounted for under the equity method. DEME's contribution to the current balance sheet and income statement is presented in Note 4. Segment reporting

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 joint control with another entity are proportionally consolidated. This relates in particular to temporary associations, DEME, Rent-A-Port and some entities in the Real Estate & Management Services division. Companies over which the Group exercises significant influence are accounted for under the equity method. This mainly concerns Locorail SA, Coentunnel Company BV, PPP Schulen Eupen SA, PEF Kons Investment SA, Van Maerlant Offices SA, Van Maerlant Property I SA & II SPRL, Van Maerlant Residential SA and C-Power NV, by DEME.

Evolution of the consolidation scope

| Number of entities | June 2013 | December 2012 |
|----------------------------|-----------|---------------|
| Full consolidation | 58 | 59 |
| Proportional consolidation | 164 | 160 |
| Equity method | 30 | 29 |
| Total | 252 | 248 |

2.2. INTRAGROUP TRANSACTIONS

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

- for the full amount if the transaction is between two controlled subsidiaries;
- in proportion to the consolidation percentage for a proportionally consolidated company if the operation is between a fully consolidated company and a proportionally consolidated company;
- 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 ESTABLISHMENTS.

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 establishment of financial statements according to IFRS standards requires to carry out estimates and to formulate assumptions which affect the amounts appearing in the financial statements.

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.

The use of estimates concerns in particular the following elements:

- valuation of the result according to the progress of the construction contracts;
- valuations used for tests of impairments;
- valuation of share-based payments (costs IFRS 2);
- valuations of pensions;
- valuations of the provisions;
- valuation of the financial instruments at fair value, based on the market to market approach received from financial institutions.

3.2. CHANGE IN ACCOUNTING METHOD: APPLICATION OF IAS 19 AMENDED “EMPLOYEE BENEFITS”

As of January 1st, 2013, the group applied the principles described in the rule IAS 19 amended “Employee Benefits” which implies several changes on the accounting methods related to the pension benefits which includes:

- the recognition in balance sheet of all pension benefits given to the Group’s employees. The “corridor” method and the possibility to recognize in the income statement the cost of services incurred during the average acquisition period of the rights by the employees are no longer available;
- interest income from pension plan assets is now calculated using the discount rate used to calculate obligations with respect to defined-benefit plans;
- the impacts of the amendments in pension plans must be recorded in income statement;
- the consequences of the new estimates must be recorded in other elements of the comprehensive income: actuarials gains and losses on the pension obligation, over-performance (under-performance) of the plan assets, which is the gap between the effective return of the plan assets and the return calculated based on the actualization rate of the actuarial liability, and the variation of the ceiling effect of the assets. Those impacts are presented in the group comprehensive income.

The comparative financial statements have been modified in accordance with the rule IAS 19 amended “Employee Benefits”. The impacts on the 2012 financial statements are the following:

| | December 2012, published | Amendment IAS 19 | December 2012, revised |
|---------------------------------|-----------------------------|---------------------|---------------------------|
| Equity, including : | | | |
| | 538,646 | (7,807) | 530,839 |
| | | 294 | |
| | | (8,101) | |
| | | | |
| Liabilities, including : | | | |
| | 13,432 | 7,807 | 21,239 |

4. SEGMENT REPORTING

4.1 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME HIGHLIGHTS

| At June 30 | Revenue | | EBIT | | | | Net financial income/expense | | | Tax | | |
|---|------------------|----------------|---------------|--------------|---------------|--------------|------------------------------|-----------------|----------------|------------------|----------------|-----------------|
| | 2013 | 2012 | 2013 | % Sales | 2012 | % Sales | 2013 | 2012 | 2013 | Rate | 2012 | Rate |
| Construction | 341,109 | 324,607 | (7,246) | (2.12%) | (1,698) | (0.52%) | (347) | (595) | (1,283) | (16.90%) | 177 | 7.72% |
| Real estate development and associated services | 6,654 | 16,754 | 1,171 | 17.60% | 5,003 | 29.86% | (2,361) | (1,609) | (119) | (10.00%) | (509) | 15.00% |
| Multitechnics | 77,674 | 74,157 | (6,085) | (7.83%) | (109) | (0.15%) | (200) | (149) | (649) | (10.33%) | (429) | (166.2%) |
| Rail & Road | 44,163 | 41,146 | 1,403 | 3.18% | 1,681 | 4.09% | (116) | (216) | (488) | 37.92% | (432) | 29.49% |
| PPP - Concessions | 2,939 | 6,489 | (106) | (3.61%) | 1,885 | 29.05% | (268) | (206) | (44) | (11.76%) | (1) | 0.06% |
| Dredging and environment | 603,478 | 452,046 | 35,997 | 5.96% | 25,581 | 5.66% | (15,073) | (8,948) | (4,195) | 20.05% | (1,693) | 10.18% |
| <i>Correction DEME</i> | | | <i>(804)</i> | | <i>(715)</i> | | | | | | | |
| Holding | | | (3,463) | | (2,446) | | 1,816 | 1,157 | (7) | (0.43%) | (141) | (10.94%) |
| <i>Eliminations between segments</i> | <i>6,764</i> | <i>(9,289)</i> | <i>182</i> | | <i>200</i> | | | | <i>(88)</i> | | <i>(136)</i> | |
| <i>IAS 19 amended</i> | | | | | <i>(117)</i> | | | <i>264</i> | | | | |
| Other non-recurring elements | | | (1,660) | | | | | | | | | |
| Total consolidated | 1,082,781 | 905,910 | 19,389 | 1.79% | 29,265 | 3.24% | (16,549) | (10,302) | (6,873) | (242.01%) | (3,164) | (16.82%) |

| At June 30 | Share of income/(loss) of investments in associated companies | | Net profit attributable to owners of the parent | | | | Non cash items | | | EBITDA | | |
|---|---|----------------|---|--------------|---------------|--------------|----------------|---------------|---------------|--------------|---------------|--------------|
| | 2013 | 2012 | 2013 | % Sales | 2012 | % Sales | 2013 | 2012 | 2013 | % Sales | 2012 | % Sales |
| Construction | | 0 | (8,972) | (2.63%) | (1,725) | (0.53%) | 2,957 | (4,490) | (4,289) | (1.26%) | (6,188) | (1.91%) |
| Real estate development and associated services | 1,333 | (134) | 17 | 0.26% | 2,778 | 16.58% | (709) | (104) | 1,795 | 26.98% | 4,765 | 28.44% |
| Multitechnics | | 0 | (6,934) | (8.93%) | (727) | (0.98%) | 2,307 | 1,331 | (3,778) | (4.86%) | 1,222 | 1.65% |
| Rail & Road | | 0 | 799 | 1.81% | 1,034 | 2.51% | 1,747 | 1,195 | 3,150 | 7.13% | 2,876 | 6.99% |
| PPP - Concessions | 2,411 | (888) | 2,091 | 71.15% | 823 | 12.68% | 88 | 35 | 2,393 | 81.43% | 1,032 | 16% |
| Dredging and environment | 287 | (362) | 17,241 | 2.86% | 13,892 | 3.07% | 54,272 | 46,497 | 90,556 | 15.01% | 71,716 | 15.86% |
| <i>Correction DEME</i> | | | <i>(804)</i> | | <i>(750)</i> | | | | <i>(804)</i> | | <i>(715)</i> | |
| Holding | | 0 | (1,654) | | (1,493) | | 795 | 627 | (2,668) | | (1,819) | |
| <i>Eliminations between segments</i> | | | <i>94</i> | | <i>64</i> | | | | <i>182</i> | | <i>200</i> | |
| Amendment IAS 19 | | | | | 147 | | | | | | | |
| Other non-recurring elements | | | (1,660) | | | | 1,660 | | | | | |
| Total consolidated | 4,031 | (1,384) | 218 | 0.02% | 14,043 | 1.53% | 63,118 | 45,091 | 86,538 | 7.99% | 73,089 | 8.07% |

EBITDA/segment = EBIT + amortization + other non cash elements+ share in the result of associated companies

4.2 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At June 30th, 2013

| (In thousand Euro) | Construction | Real Estate & associated services | Multi-technical | Rail & Road | PPP-Concessions | Dredging and environment | Holding and eliminations | Inter activities eliminations | Total consolidated |
|--|----------------|-----------------------------------|-----------------|---------------|-----------------|--------------------------|--------------------------|-------------------------------|--------------------|
| ASSETS | | | | | | | | | |
| Goodwill | 911 | 11 | 15,174 | 5,676 | 0 | 9,968 | 0 | 0 | 31,740 |
| Property, plant and equipment | 42,638 | 5,162 | 7,068 | 10,041 | 15,545 | 874,809 | 3,464 | 0 | 958,727 |
| Long term loans to consolidated companies of the group | 19,056 | 0 | 0 | 0 | 0 | 0 | 96,422 | (115,478) | 0 |
| Other non current financial assets | 27,716 | 18,485 | 47 | 864 | 7,547 | 11,081 | 7,301 | 0 | 73,041 |
| Other non current assets | 5,353 | 5,118 | 3,417 | 860 | 10,814 | 41,686 | 190,336 | (181,284) | 76,300 |
| Inventories | 11,840 | 154,872 | 7,507 | 1,857 | 0 | 17,603 | 646 | 0 | 194,325 |
| Cash and cash equivalent | 55,339 | 11,032 | 1,072 | 124 | 990 | 143,822 | 9,562 | 0 | 221,941 |
| Internal cash position – cash pooling – assets | 55,760 | 11,167 | 5,907 | 5,468 | 7,508 | 0 | 127,515 | (213,325) | 0 |
| Other current financial assets – companies of the group | | | | | | | | | |
| Other current assets | 469,530 | 34,122 | 73,712 | 55,107 | 3,608 | 298,040 | 28,652 | (32,543) | 930,228 |
| Total assets | 688,143 | 239,969 | 113,904 | 79,997 | 46,012 | 1,397,009 | 463,898 | (542,630) | 2,486,302 |
| LIABILITIES | | | | | | | | | |
| Equity | 20,211 | 8,400 | 34,288 | 25,069 | 7,640 | 389,841 | 211,022 | (181,144) | 515,327 |
| Non current borrowing to consolidated companies of the group | 20,400 | 58,386 | 4,550 | 0 | 15,685 | 0 | 16,667 | (115,688) | 0 |
| Bond | 0 | 0 | 0 | 0 | 0 | 99,831 | 100,000 | 0 | 199,831 |
| Non current financial debt | 18,307 | 24,346 | 2,572 | 3,053 | 5,953 | 304,915 | 25,000 | (11) | 384,135 |
| Other non current liabilities | 40,697 | 23,343 | 1,002 | 1,216 | 4,476 | 48,782 | 11,945 | 81 | 131,542 |
| Current financial debts | 1,867 | (1) | 1,474 | 688 | 243 | 150,028 | 8,351 | 0 | 162,650 |
| Internal cash position – cash pooling - liabilities | 40,629 | 81,137 | 7,046 | 6,147 | 3,307 | 0 | 74,847 | (213,113) | 0 |
| Other current liabilities | 546,032 | 44,358 | 62,972 | 43,824 | 8,708 | 403,612 | 16,066 | (32,755) | 1,092,817 |
| Total equity and liabilities | 688,143 | 239,969 | 113,904 | 79,997 | 46,012 | 1,397,009 | 463,898 | (542,630) | 2,486,302 |

| At December 31 st , 2012 (*) (In thousand Euro) | Construction | Real Estate & associated services | Multi-technical | Rail & Road | PPP-Concessions | Dredging and environment | Holding and eliminations | Inter activities eliminations | Total consolidated |
|---|----------------|-----------------------------------|-----------------|---------------|-----------------|--------------------------|--------------------------|-------------------------------|--------------------|
| ASSETS | | | | | | | | | |
| Goodwill | 911 | 11 | 16,834 | 5,677 | 0 | 9,968 | 0 | 0 | 33,401 |
| Property, plant and equipment | 43,542 | 5,054 | 7,493 | 10,161 | 15,754 | 895,156 | 3,274 | 0 | 980,434 |
| Long term loans to consolidated companies of the group | 19,290 | 0 | 0 | 0 | (12,741) | 0 | 106,256 | (112,805) | 0 |
| Other non current financial assets | 16,521 | 20,741 | 48 | 647 | 5,604 | 9,916 | 3,109 | 0 | 56,586 |
| Other non current assets | 9,145 | 2,517 | 3,810 | 826 | 8,254 | 31,537 | 187,316 | (178,264) | 65,141 |
| Inventories | 11,877 | 147,960 | 7,225 | 2,119 | 0 | 16,706 | 647 | 0 | 186,534 |
| Cash and cash equivalent | 64,853 | 10,847 | 4,771 | (1,077) | 2,674 | 97,220 | 81,314 | 0 | 260,602 |
| Internal cash position – cash pooling – assets | 86,882 | 616 | 5,774 | 5,889 | 0 | 0 | 117,715 | (216,876) | 0 |
| Other current financial assets – companies of the group | | | | | | | | | |
| Other current assets | 351,286 | 46,312 | 69,556 | 56,326 | 9,202 | 291,712 | 19,066 | (26,601) | 816,859 |
| Total assets | 604,307 | 234,058 | 115,511 | 80,568 | 28,747 | 1,352,215 | 518,697 | (534,546) | 2,399,557 |
| LIABILITIES | | | | | | | | | |
| Equity | 26,059 | 12,422 | 43,327 | 27,680 | 3,897 | 371,488 | 224,090 | (178,124) | 530,839 |
| Non current borrowing to consolidated companies of the group | 18,856 | 56,148 | 5,000 | 0 | 1,202 | 0 | 29,408 | (110,614) | 0 |
| Non current financial debt | 2,540 | 25,803 | 2,267 | 2,959 | 10,511 | 300,070 | 135,000 | (30) | 479,120 |
| Other non current liabilities | 52,025 | 26,910 | 787 | 1,245 | 4,620 | 54,436 | 11,582 | (2,301) | 149,304 |
| Current financial debts | 1,427 | (1) | 3,489 | 796 | 2,191 | 168,130 | 5,442 | 0 | 181,474 |
| Internal cash position – cash pooling - liabilities | 30,896 | 71,828 | 4,508 | 6,766 | 5,881 | 0 | 98,408 | (218,287) | 0 |
| Other current liabilities | 472,504 | 40,948 | 56,133 | 41,122 | 445 | 458,091 | 14,767 | (25,190) | 1,058,820 |
| Total equity and liabilities | 604,307 | 234,058 | 115,511 | 80,568 | 28,747 | 1,352,215 | 518,697 | (534,546) | 2,399,557 |

(*) Amounts amended in accordance with the change in accounting principle related to the amended IAS 19, Employee benefit as explained in note 3.2.

4.3 CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| At June 30 th 2013 (In thousand Euro) | Construction | Real Estate & associated services | Multi-technical | Rail & Road | PPP-Concessions | Dredging and environment | Holding and eliminations | Total consolidated |
|---|----------------|-----------------------------------|-----------------|----------------|-----------------|--------------------------|--------------------------|--------------------|
| Cash flow from operating activities before changes in working capital | (4,581) | (1,855) | (3,836) | 2,974 | (517) | 86,366 | (1,455) | 77,096 |
| Cash flow from operating activities | (8,396) | 1,450 | 336 | 6,202 | (12,374) | (4,885) | (47,460) | (65,127) |
| Cash flow from investing activities | (2,280) | 424 | (881) | (1,580) | (479) | (33,548) | (651) | (38,995) |
| Cash flow from financing activities | 1,489 | (1,424) | (3,154) | (3,421) | 11,171 | 86,332 | (23,639) | 67,354 |
| Net increase/(decrease) of cash | (9,187) | 450 | (3,699) | 1,201 | (1,682) | 47,899 | (71,750) | (36,768) |
| At June 30 th 2012 (In thousand Euro) | Construction | Real Estate & associated services | Multi-technical | Rail & Road | PPP-Concessions | Dredging and environment | Holding and eliminations | Total consolidated |
| Cash flow from operating activities before changes in working capital | (6,829) | 3,327 | 1,249 | 2,590 | 1,987 | 68,813 | (1,715) | 69,422 |
| Cash flow from operating activities | 31,024 | 269 | (1,003) | 0 | (5,496) | 64,330 | (26,194) | 62,930 |
| Cash flow from investing activities | (2,770) | (6) | (1,098) | (927) | (629) | (116,176) | (5,999) | (127,605) |
| Cash flow from financing activities | (35,650) | (1,554) | (351) | (2,218) | 7,048 | 62,530 | 30,317 | 60,122 |
| Net increase/(decrease) of cash | (7,396) | (1,291) | (2,452) | (3,145) | 923 | 10,684 | (1,876) | (4,553) |

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 & associated services, 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 2013 (In thousand Euro) | Construction | Real Estate & associated services | Multi- technical | Rail & Road | PPP- Concessions | Dredging and environment | Holding and eliminations | Total consolidated |
|---|--------------|---|---------------------|-------------|---------------------|--------------------------------|-----------------------------|-----------------------|
| Amortizations | (3,168) | (127) | (1,717) | (1,756) | (88) | (54,559) | (729) | (62,144) |
| Investments | 2,440 | 894 | 1,574 | 1,619 | 238 | 35,507 | 651 | 42,923 |
| At June 30 th 2012 (In thousand Euro) | Construction | Real Estate & associated services | Multi- technical | Rail & Road | PPP- Concessions | Dredging and environment | Holding and eliminations | Total consolidated |
| Amortizations | (3,216) | (116) | (1,312) | (1,598) | (114) | (46,692) | (588) | (53,636) |
| Investments | 3,592 | 19,003 | 1,204 | 1,556 | 292 | 123,541 | 1,500 | 150,688 |

The investments include the acquisitions done for the purpose of the group investments and the acquisitions done by the segments Real Estate & associated services and PPP-concessions for their operational activities.

REVENUE BREAKDOWN GENERATED BY THE CONSTRUCTION DIVISION

| (In thousand Euro) | June 2013 | June 2012 |
|---------------------------|----------------|----------------|
| Building - Benelux | 222,469 | 215,809 |
| Civil engineering | 68,818 | 77,691 |
| Buildings - International | 49,822 | 31,107 |
| Total | 341,109 | 324,607 |

4.5 GEOGRAPHICAL SECTOR

REVENUE OF CFE GROUP AT JUNE 30

| (In thousand Euro) | June 2013 | June 2012 |
|---------------------------|------------------|----------------|
| Belgium | 525,671 | 467,923 |
| Other Europe | 203,303 | 202,347 |
| Middle East | 66,287 | 34,044 |
| Asia | 25,635 | 28,274 |
| Oceania | 160,114 | 70,215 |
| Africa | 82,233 | 75,962 |
| Americas | 19,538 | 27,145 |
| Total consolidated | 1,082,781 | 905,910 |

5. ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

ACQUISITIONS AS OF JUNE 30, 2013

Fair value of assets and liabilities of entities acquired during the period:

None.

The acquisition of the remaining minority interests in Elektro Van De Maele NV and Brantegem NV is considered as a financing operation. As such these transactions are presented as financing operation in the cashflow statement, in the caption "Change in the shareholding percentage of controlled entities".

The acquisitions performed within the sector "Real Estate & associated services" are not considered as business combinations. As a consequence, the price paid is entirely allocated to the lands and buildings held in inventories.

DISPOSALS AS OF JUNE 30, 2013

On June 13th, 2013, CFE Group decided to dispose of its shares (66%) in its Property & Facility Management subsidiary Sogesmaint-CB Richard Ellis SA to CBRE.

This business combination contribute for 7 thousand Euro to the net group result at June 30th, 2012.

| (In thousand Euro) | <u>Fair value</u> |
|---|-------------------|
| Property, plant and equipment | 184 |
| Other non current assets | 19 |
| Other non current financial assets | 124 |
| Trade & other operating receivables | 3,968 |
| Other current assets | (168) |
| Other current financial assets | (100) |
| Other non current liabilities | (2,156) |
| Non current financial debt | 221 |
| Current provisions | (16) |
| Trade payables and other operating debts | (1,255) |
| Other current liabilities | (386) |
| Fair-value of assets and liabilities | 435 |

COMPREHENSIVE INCOME

6. REVENUE FROM AUXILIARY ACTIVITIES

Revenues from auxiliary activities amount to 39,903 thousand Euro (June 2012: 26,310 thousand Euro) and included gains on property, plant and equipment for 1,306 thousand Euro (June 2012: 1,377 thousand Euro), as well as rent income, recharges of costs and other compensation for 38,597 thousand Euro (June 2012: 24,933 thousand Euro). Compared to last year, revenues from auxiliary activities are decreased by almost 52%.

7. NET FINANCIAL INCOME/EXPENSE

| As of June 30 (in thousand Euro) | 2013 | 2012 |
|---|-----------------|-----------------|
| Cost of financial debt | (10,362) | (7,078) |
| Derivative instruments - fair value adjustments through profit and loss | 452 | (121) |
| 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 | 2,545 | 3,022 |
| Assets and liabilities at amortized cost - interest charges | (13,359) | (9,979) |
| Other financial income and expense | (6,187) | (3,224) |
| Realized / unrealized translation gains/(losses) | (2,581) | (656) |
| Dividends received from non-consolidated companies | (8) | 0 |
| Impairment of financial assets | 87 | 68 |
| Other | (3,685) | (2,636) |
| Financial result | (16,549) | (10,302) |

The evolution of the exchange gain (loss) realized/not realized in the first half year of 2013 compared to the same period in 2012 is mostly explained by the valuation of the Euro against other foreign currencies in DEME.

8. NON-CONTROLLING INTERESTS

As of June 30, 2013 the part of non-controlling interests in the result amounts to 220 thousand Euro (June 2012: (372) thousand Euro) and is mainly related to DEME.

9. INCOME TAX

The tax expense amounts to 6,873 thousand Euro for the first half year 2013 (June 2012: 3,164 thousand Euro). The effective tax rate is 242 % (June 2012: 16.7%).

This tax rate is higher than the theoretical tax rate 33.99% (Belgian corporate tax rate) which is mainly due to the fact that the losses recorded by some subsidiaries didn't lead to the recognition of deferred tax assets as it is not certain that a possible future taxable profit would be high enough to recover their fiscal losses.

STATEMENT OF FINANCIAL POSITION

10. PROPERTY, PLANT & EQUIPMENT

| As of June 30, 2013 (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 | 78,328 | 1,581,476 | 52,969 | 0 | 18,155 | 1,730,928 |
| Effect of foreign currency fluctuations | (264) | (1,124) | (99) | 0 | (432) | (1,919) |
| Acquisitions through business combinations | 0 | 0 | 0 | 0 | 0 | 0 |
| Acquisitions | 3,793 | 31,489 | 3,332 | 0 | 3,268 | 41,882 |
| Transfers from one asset to another | 2,653 | (1,516) | 1,317 | 0 | (1,857) | 597 |
| Disposals | (14) | (14,592) | (1,831) | 0 | 0 | (16,437) |
| Change in the consolidation scope | (140) | 0 | (350) | 0 | 0 | (490) |
| Balance at the end of the year | 84,356 | 1,595,733 | 55,338 | 0 | 19,134 | 1,754,561 |
| Depreciations & impairment | | | | | | |
| Balance at the end of the previous period | (26,261) | (682,702) | (40,348) | 0 | (1,183) | (750,494) |
| Effect of foreign currency fluctuations | 81 | 674 | 56 | 0 | 62 | 873 |
| Acquisitions through business - combinations | 0 | 0 | 0 | 0 | 0 | 0 |
| Depreciations | (1,501) | (56,541) | (2,832) | 0 | (1) | (60,875) |
| Transfers from one asset to another | (587) | 941 | (879) | 0 | 0 | (525) |
| Disposals | 9 | 13,448 | 1,387 | 0 | 0 | 14,844 |
| Change in the consolidation scope | 59 | 0 | 284 | 0 | 0 | 343 |
| Balance at the end of the period | (28,200) | (724,180) | (42,332) | 0 | (1,122) | (795,834) |
| Net carrying amount | | | | | | |
| At January, 1 2013 | 52,067 | 898,774 | 12,621 | 0 | 16,972 | 980,434 |
| At June, 30 2013 | 56,156 | 871,553 | 13,006 | 0 | 18,012 | 958,727 |

On June 30, 2013, the acquisitions of tangible assets amount to 41,882 thousand Euro, and are mainly related to DEME (35,392 thousand Euro).

The net value of the fixed assets held in leasing amounts to 18,386 thousand Euro (2012: 18,859 thousand Euro). Those contracts relate mainly to DEME, the building of the subsidiary Louis Stevens & Co NV and the buildings and equipments of Group TerryN and its subsidiaries.

The investments for the first half year 2013 decreased by 88,759 thousand Euro compared to end of June 2012. This is mainly due to the fact that the investment plan of DEME come to an end in 2012.

The amount of property, plant, and equipment constituting a guarantee for some borrowing amounts to 323,215 thousand Euro (December 2012: 318,943 thousand Euro).

| As of June 30, 2012 (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 | 72,416 | 1,326,661 | 48,974 | 0 | 135,904 | 1,583,955 |
| Effect of foreign currency fluctuations | 91 | 1,802 | 82 | 0 | (21) | 1,954 |
| Acquisitions through business combinations | 14 | 2,140 | 465 | 0 | 0 | 2,619 |
| Acquisitions | 2,993 | 47,489 | 2,734 | 0 | 77,101 | 130,317 |
| Transfers from one asset to another | 273 | 145,864 | (178) | 0 | (146,253) | (294) |
| Disposals | 0 | (9,742) | (1,666) | 0 | (6,068) | (17,476) |
| Change in the consolidation scope | 0 | 0 | 0 | 0 | 0 | 0 |
| Balance at the end of the year | 75,787 | 1,514,214 | 50,411 | 0 | 60,663 | 1,701,075 |
| Depreciations & impairment | | | | | | |
| Balance at the end of the previous period | (24,546) | (620,121) | (38,425) | 0 | (1,245) | (684,337) |
| Effect of foreign currency fluctuations | (30) | (724) | (69) | 0 | 38 | (785) |
| Acquisitions through business combinations | (1) | (2,002) | (357) | 0 | 0 | (2,360) |
| Depreciations | (1,090) | (49,626) | (2,213) | 0 | (8) | (52,937) |
| Transfers from one asset to another | (23) | 173 | 200 | 0 | 0 | 350 |
| Disposals | 1 | 8,288 | 1,419 | 0 | 0 | 9,708 |
| Change in the consolidation scope | 0 | 0 | 0 | 0 | 0 | 0 |
| Balance at the end of the period | (25,689) | (664,012) | (39,445) | 0 | (1,215) | (730,361) |
| Net carrying amount | | | | | | |
| At January, 1 2012 | 47,870 | 706,540 | 10,549 | 0 | 134,659 | 899,618 |
| At June, 30 2012 | 50,098 | 850,202 | 10,966 | 0 | 59,448 | 970,714 |

11. INVESTMENT PROPERTY

| (In thousand Euro) | Gross Value | Depreciations | Net Value |
|--|---------------|-----------------|--------------|
| Net carrying amount at January 1st, 2013 | 15,182 | (13,126) | 2,056 |
| Translation differences | 0 | 0 | 0 |
| Depreciations and impairment / reversal | 0 | (9) | (9) |
| Acquisitions | 493 | 0 | 493 |
| Disposals | (3,203) | 3,035 | (168) |
| Transfers between investment property, fixed assets in inventory and fixed assets in use | 0 | 0 | 0 |
| Net carrying amount at June 30th, 2013 | 12,472 | (10,100) | 2,372 |

As of June 30, 2013, the investment property at the balance sheet amount to 2,372 thousand Euro (December 2012: 2,056 thousand Euro) and have a fair value which equals at least to their net book value.

Investment property is depreciated with the same valuation rules as of property, plant & equipment items. During the period there are no elements included in the statement of comprehensive income related to investment property.

| (In thousand Euro) | Gross Value | Depreciations | Net Value |
|--|---------------|-----------------|---------------|
| Net carrying amount at January 1st, 2012 | 20,226 | (13,159) | 7,067 |
| Translation differences | (163) | 0 | (163) |
| Depreciations and impairment / reversal | 0 | (10) | (10) |
| Acquisitions | 18,997 | 0 | 18,997 |
| Disposals | 0 | 0 | 0 |
| Transfers between investment property, fixed assets in inventory and fixed assets in use | (169) | 23 | (146) |
| Net carrying amount at June 30th, 2012 | 38,891 | (13,146) | 25,745 |

12. ASSOCIATED COMPANIES

On June 30, 2013, associated companies amount to 23,840 thousand Euro (December 2012: 18,364 thousand Euro) in the statement of financial position.

13. CONSTRUCTION CONTRACTS

The amount of incurred costs increased by profits and decreased by recognized losses as well as by progress billing is determined by contract.

Costs and revenues of construction contracts are recognised in expenses and revenue respectively based on the percentage of completion of the contract activity at the closing date. The percentage of completion is calculated using the "cost to cost" method. An expected loss on a construction contract is recognised as an expense immediately.

| (in thousand Euro) | June 30 th , 2013 | December 31 st , 2012 |
|--|------------------------------|----------------------------------|
| Balance sheet data | | |
| Construction contracts in progress – assets | 71,431 | 58,867 |
| Construction contracts in progress – liabilities | (12,787) | (23,237) |
| Construction contracts in progress – net | 58,645 | 35,630 |
| Total income and expenses to date recognised on contracts in progress | | |
| Costs incurred plus profits recognized less losses recognized to date | 2,389,845 | 2,472,895 |
| Less invoices issued | (2,331,200) | (2,437,265) |
| Construction contracts in progress – net | 58,645 | 35,630 |

14. INVENTORIES

On June 30, 2013, the inventories amount to 194,325 thousand Euro (December 2012: 186,534 thousand Euro) and are detailed as follow:

| (In thousand Euro) | June 30, 2013 | December 31, 2012 |
|--|----------------|-------------------|
| Raw materials and consumables | 29,625 | 27,534 |
| Raw material and consumables (impairment losses) | (725) | (725) |
| Finished products and goods purchased for resale | 168,203 | 162,074 |
| Finished products (impairment losses) | (2,778) | (2,349) |
| Stocks | 194,325 | 186,534 |

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

On June 30, 2013 these provisions amount to 45,005 thousand Euro, which represents a decrease of 1,494 thousand Euro compared to the end of December 2012 (46,499 thousand Euro).

| (In thousand Euro) | Onerous contracts | After - sale service | Other current risks | Other non current risks | Total |
|--|-------------------|----------------------|---------------------|-------------------------|---------------|
| Balance at the end of the previous period | 11,652 | 11,727 | 12,441 | 10,679 | 46,499 |
| Effect of foreign currency fluctuations | (11) | (23) | (43) | 0 | (77) |
| Actualization effect | | | | | |
| Transfer from one category to another | | | | | |
| Provisions recognized | 3,633 | 893 | 661 | 843 | 6,030 |
| Provisions used | (2,626) | (1,338) | (2,935) | (218) | (7,117) |
| Provisions reversed | (271) | 0 | 0 | (59) | (330) |
| Closing balance | 12,377 | 11,259 | 10,124 | 11,245 | 45,005 |
| of which current: | 33,760 | | | | |
| non-current: | 11,245 | | | | |

The provision for onerous contracts increased by 725 thousand Euro and amount to 12,377 thousand Euro on June 30, 2013. These provisions are recognized when the expected economic benefits of certain contracts are lower than the unavoidable cost of meeting its obligations. The use of onerous contracts is related with the execution of the related contract.

The provision for after-sale service decreased by 468 thousand Euro to reach 11,259 thousand Euro on June 30, 2013.

The provision for other current risks decreased by 2,317 thousand Euro and amounts to 10,124 thousand Euro at June 30, 2013. This category includes provisions for customer claims (4,784 thousand Euro), for social litigation (98 thousand Euro), for remaining work (472 thousand Euro) and provisions for other risks (4,770 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.

The other non-current risks which amount to 11,245 thousand Euro at the end of June 2013 include, among others, a provision for restructuring.

16. CONTINGENT ASSETS AND LIABILITIES

According to the available information, we have no knowledge of any contingent assets or liabilities between the closing date and the date where the financial statements were approved by the board of directors.

17. 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 don't hold or don't sell any financial instruments for trading purpose. However, derivatives which are not eligible to be considered as hedging instruments are disclosed as financial instruments held for trading.

On June 30, 2013, the derivative financial instruments have been estimated at their fair values.

18. NET FINANCIAL DEBT

18.1. THE NET FINANCIAL DEBT, AS DEFINED BY DE GROUP, BREAKS DOWN AS FOLLOW:

| (In thousand Euro) | 30/06/2013 | | | 31/12/2012 | | |
|---|------------------|-----------------|------------------|------------------|-----------------|------------------|
| | Non-current | Current | Total | Non-current | Current | Total |
| Bank loans and other financial debt | (345,885) | (90,229) | (436,114) | (331,016) | (76,807) | (407,823) |
| Bonds | (199,831) | 0 | (199,831) | (100,000) | (2,519) | (102,519) |
| Drawings on credit facilities | (25,000) | 0 | (25,000) | (35,000) | (3,000) | (38,000) |
| Borrowings under finance leases | (13,250) | (2,903) | (16,153) | (13,104) | (3,482) | (16,586) |
| Total long-term financial debt | (583,966) | (93,132) | (677,098) | (479,120) | (85,808) | (564,928) |
| Short-term financial debt | - | (69,518) | (69,518) | - | (95,665) | (95,665) |
| Cash equivalents | - | 83,279 | 83,279 | - | 59,280 | 59,280 |
| Cash | - | 138,662 | 138,662 | - | 201,322 | 201,322 |
| Net short-term financial debt/(cash) | - | 152,423 | 152,423 | - | 164,937 | 164,937 |
| Total net financial debt | (583,966) | 59,291 | (524,675) | (479,120) | 79,129 | (399,991) |
| Derivative instruments used as interest-rate hedges | (17,131) | (2,614) | (19,745) | (23,070) | (3,375) | (26,445) |

18.2. 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 | (90,229) | (123,873) | (60,913) | (87,325) | (73,774) | 0 | (436,114) |
| Bonds | 0 | 0 | 0 | (100,000) | (99,831) | 0 | (199,831) |
| Drawings on credit facilities | 0 | 0 | (25,000) | 0 | 0 | 0 | (25,000) |
| Borrowings under finance leases | (2,903) | (3,400) | (2,033) | (3,628) | (4,131) | (58) | (16,153) |
| Total long-term financial debt | (93,132) | (127,273) | (87,946) | (190,953) | (177,736) | (58) | (677,098) |
| Short-term financial debt | (69,518) | - | - | - | - | - | (69,518) |
| Cash equivalents | 83,279 | - | - | - | - | - | 83,279 |
| Cash | 138,662 | - | - | - | - | - | 138,662 |
| Net short-term financial debt | 152,423 | - | - | - | - | - | 152,423 |
| Change in net financial debt | 59,291 | (127,273) | (87,496) | (190,953) | (177,736) | (58) | (524,675) |

18.3. CREDIT FACILITIES AND LONG TERM BANK LOANS

At 30 June 2013, the CFE group had confirmed long-term bank credit facilities of 100 million Euro, of which 25 million Euro were drawn at the end of June 2013.

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

On February 14th, 2013, DEME issued 200 million Euro of bonds (amount at 100%) 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.

18.4. 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 2013.

19. FINANCIAL RISK MANAGEMENT

19.1. INTEREST RATE RISK

The policy and the risk management procedures defined by the group are the same as the one's declared in the 2012 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 | 22,701 | 9.51% | 2.72% | 413,413 | 94.30% | 2.31% | 436,114 | 64.41% | 2.34% |
| Bonds | 199,831 | 83.72% | 4.45% | 0 | 0.00% | 0.00% | 199,831 | 29.51% | 4.45% |
| Credit line used | 0 | 0.00% | 0.00% | 25,000 | 5.70% | 1.67% | 25,000 | 3.69% | 1.67% |
| Loans related to finance lease | 16,153 | 6.77% | 3.75% | 0 | 0.00% | 0.00% | 16,153 | 2.39% | 3.75% |
| Total | 238,685 | 100.00% | 4.24% | 438,413 | 100.00% | 2.28% | 677,098 | 100.00% | 2.97% |

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 | 391,824 | 63.42% | 4.07% | 44,290 | 74.70% | 2.90% | 0 | 0 | 0.00% | 436,114 | 64.41% | 3.95% |
| Bonds | 199,831 | 32.35% | 4.45% | 0 | 0.00% | 0.00% | 0 | 0 | 0.00% | 199,831 | 29.51% | 4.45% |
| Credit line used | 10,000 | 1.62% | 2.78% | 15,000 | 25.30% | 1.72% | 0 | 0 | 0.00% | 25,000 | 3.69% | 2.14% |
| Loans related to finance lease | 16,153 | 2.61% | 3.75% | 0 | 0.00% | 0.00% | 0 | 0 | 0.00% | 16,153 | 2.39% | 3.75% |
| Total | 617,808 | 100.00% | 4.17% | 59,290 | 100.00% | 2.60% | 0 | 0 | 0.00% | 677,098 | 100.00% | 4.03% |

19.2. REPARTITION OF THE LONG TERM FINANCIAL DEBTS BY CURRENCY

The outstanding debts by currency are:

| (In thousand Euro) | June 2013 | December 2012 |
|------------------------------|----------------|----------------|
| Euro | 672,195 | 557,582 |
| US Dollar | 661 | 2,511 |
| Other currencies | 4,242 | 4,835 |
| Total long term debts | 677,098 | 564,928 |

19.3. BOOK VALUE AND FAIR VALUE BY ACCOUNTING CATEGORY

| June 2013 (In thousand Euro) | Financial instruments – non hedge | Derivatives instruments qualified as hedging instruments | Instruments available for sale | Loans & Receivables / Liabilities at amortized cost | Total net book value | Measurement of fair value of financial assets by level | Fair value of the category |
|--|---|--|--------------------------------------|--|---------------------------------|--|---|
| Non current financial assets | | | 1,258 | 71,783 | 73,041 | | 73,041 |
| Investments (1) | | | 1,258 | | 1,258 | | 1,258 |
| Financial loans & receivables | | | | 71,783 | 71,783 | | 71,783 |
| Interest rates derivatives – cash- flow hedges | | | | | | | |
| Current financial assets | 208 | | | 1,067,009 | 1,067,217 | | 1,067,217 |
| Interest rates derivatives – non hedge | | | | | | | |
| Trade and other operating receivables | | | | 845,068 | 845,068 | | 845,068 |
| Cash management financial assets | 208 | | | | 208 | | 208 |
| Cash equivalents (2) | | | | 83,279 | 83,279 | | 83,279 |
| Cash at bank & in hand (2) | | | | 138,662 | 138,662 | | 138,662 |
| Total assets | 208 | - | 1,258 | 1,138,792 | 1,140,258 | | 1,140,258 |
| Non current financial debts | 9,783 | 17,131 | | 558,966 | 585,880 | | 593,799 |
| Bond | | | | 199,831 | 199,831 | | 207,750 |
| Financial debts | | | | 359,135 | 359,135 | | 359,135 |
| Interests rates derivatives – cash- flow hedges | | 17,131 | | | 17,131 | Niveau 2 | 17,131 |
| Other derivatives instruments | 9,783 | | | | 9,783 | Niveau 3 | 9,783 |
| Current financial debts | 5,758 | | | 835,902 | 841,660 | | 841,660 |
| Interest rate derivatives – highly probable projected cash flow hedges | 649 | | | | 649 | Niveau 2 | 649 |
| Interest rate derivatives – cash flow hedges | ,203 | | | | 1,203 | Niveau 2 | 1,203 |
| Exchange rate derivatives – non cash flow hedges | 3,906 | | | | 3,906 | Niveau 2 | 3,906 |
| Other derivatives instruments – non hedge | | | | | | | |
| Trade payables and other operating debts | | | | 648,252 | 648,252 | | 648,252 |
| Financial debts | | | | 187,650 | 187,650 | | 187,650 |
| Total liabilities | 15,541 | 17,131 | | 1,394,868 | 1,427,540 | | 1,435,459 |

(1) Included in “other non current financial assets” and “other non current assets”

(2) included in “cash and cash equivalents”

20. OTHER COMMITMENTS GIVEN

The total amount of commitments granted other than guarantees for the period ended June 30, 2013, is 754,227 thousand Euro (December 2012: 743,636 thousand Euro) and is detailed by nature as follows:

| (In thousand Euro) | June 2013 | December 2012 |
|--|----------------|----------------|
| Performance guarantees and performance bonds (a) | 557,852 | 523,470 |
| Bid bonds (b) | 4,646 | 7,303 |
| Repayment of advance payments (c) | 10,323 | 11,227 |
| Retentions (d) | 58,071 | 74,094 |
| Deferred payments to subcontractors and suppliers (e) | 17,458 | 17,909 |
| Other commitments given - including 53,428 thousand Euro of corporate guarantees at DEME | 105,877 | 109,633 |
| Total | 754,227 | 743,636 |

- 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.

21. OTHER COMMITMENTS RECEIVED

| (In thousand Euro) | June 2013 | December 2012 |
|--|---------------|---------------|
| Performance guarantees and performance bonds | 48,819 | 47,061 |
| Other commitments received | 7,774 | 13,406 |
| Total | 56,593 | 60,467 |

22. LITIGATION

The CFE group has a number of claims that we qualify as normal for the construction 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. In the Netherlands, with respect to a large project in Amsterdam, the negotiations begun in early 2013 with the customer, in order to find a balanced and definitive solution, led to an agreement between the parties in early May. This agreement is being formalised with the customer and the banks that are providing funding. Finalisation of the agreement will enable the consortium in charge of the project to gain access once more to the planned funding.

23. RELATED PARTIES

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 2013, there was no significant variation in the nature of transactions with related parties compared to December 31, 2012.

24. SUBSEQUENT EVENTS

None.

25. IMPACT OF FOREIGN CURRENCIES

The international activities of the group CFE for the construction, real estate & associated services and multi-technical 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.

26. RESEARCH AND DEVELOPMENT

The research and development within CFE is related to the DBFM contracts (“Design, Build, Finance, Maintain”). 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.

27. 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.

28. STATUTORY AUDITORS REPORT

We have performed a limited review of the accompanying consolidated condensed balance sheet, condensed statement of comprehensive income, condensed cash flow statement, condensed statement of changes in equity and selective notes 1 to 27 (jointly the “interim financial information”) of Compagnie d’Entreprises CFE SA (“the company”) and its subsidiaries (jointly “the group”) for the six-month period ended 30 June 2013. The board of directors of the company is responsible for the preparation and fair presentation of this interim financial information. Our responsibility is to express a conclusion on this interim financial information based on our review.

The interim financial information has been prepared in accordance with international financial reporting standard IAS 34 – Interim Financial Reporting as adopted by the European Union.

Our limited review of the interim financial information was conducted in accordance with international standard ISRE 2410 – Review of interim financial information performed by the independent auditor of the entity. A limited review consists of making inquiries of group management and applying analytical and other review procedures to the interim financial information and underlying financial data. A limited review is substantially less in scope than an audit performed in accordance with the International Standards on Auditing (ISA). Accordingly, we do not express an audit opinion on the interim financial information.

Based on our limited review, nothing has come to our attention that causes us to believe that the interim financial information for the six-month period ended 30 June 2013 is not prepared, in all material respects, in accordance with IAS 34 – Interim Financial Reporting as adopted by the European Union.

Diegem, 27 August 2013

The statutory auditor

DELOITTE Bedrijfsrevisoren / Reviseurs d’Entreprises

BV o.v.v.e. CVBA / SC s.f.d. SCRL

Represented by Pierre-Hugues Bonnefoy