Intermediary Report

As of June 30, 2014

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Intermediary report of the group CFE

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 2014 financial statement at its meeting on August 27,214.

1. Key figures in the first half of 2014

Consolidated revenue by division

In million euro	1st semester 2014	1st semester 2013 (*)	Pro forma 1st semester 2013 (*)	Change 2014/2013 proforma
	DEME at 100%	DEME at 50%	DEME at 100%	
Dredging and Environment	1,212.3	0	1,106.7	9.5%
Contracting	564.6	459.6	459.6	22.8%
Construction	427.3	337.7	337.7	26.5%
Rail & Road	51.1	44.2	44.2	15.6%
Multitechnics	86.2	77.7	77.7	10.9%
Real Estate & Management Services	3.9	3.7	3.7	n.s.
PPP-Concessions	0.3	0.6	0.6	n.s.
Holding and consolidation adjustements	-7.6	7.8	7.8	n.s.
Total	1,773.5	471.7	1,578.3	12.4%

(*) Amounts restated in accordance with changes in accounting methods linked to the implementation of IFRS 10 (Consolidated financial statements) and IFRS 11 (Partnerships).

Consolidated operating income (including earnings from associates and joint ventures)

In millions Euro	1st semester 2014	1st semester 2013(*)	Pro forma 1st semester 2013 (*)	Change 2014/2013 pro forma
	DEME at 100%	DEME at 50%	DEME at 100%	
Dredging and Environment	100.5	17.2	68.5	46.7%
Contracting	5.8	-12.2	-12.2	147.5%
Construction	1.7	-7.5	-7.5	122.7%
Rail & Road	2.2	1.4	1.4	57.1%
Multitechnics	1.9	-6.1	-6.1	131.1%
Real Estate & Management Services	0.7	1.3	1.3	n.s.
PPP-Concessions	-1.2	2.1	2.1	n.s.
Holding and consolidation adjustements	-2.7	-4,1	-4.1	n.s.
Depreciation goodwill	0.0	-1,6	-1.6	n.s.
Total	103.1	2.7	54.0	90.9%

(*) Amounts restated in accordance with changes in accounting methods linked to the implementation of IFRS 10 (Consolidated financial statements) and IFRS 11 (Partnerships).

Net income share of the Group by division

In million euro	1st semester 2014	1st semester 2013(*)	Pro forma 1st semester 2013 (*)	Change 2014/2013 pro forma
	DEME at 100%	DEME at 50%	DEME at 100%	
Dredging and Environment	62.7	17.2	34.4	82.3%
Contracting	2.2	-15.1	-15.1	114.6%
Construction	0.1	-9.0	-9.0	101.1%
Rail & Road	1.2	0.8	0.8	50.0%
Multitechnics	0.9	-6.9	-6.9	113.0%
Real Estate & Management Services	-0.1	0.0	0.0	n.s.
PPP-Concessions	0.0	2.1	2.1	n.s.
Holding and consolidation adjustements	-1.2	-2.4	-2.4	n.s.
Depreciation goodwill	0.0	-1.6	-1.6	n.s.
Total	63.6	0.2	17.4	265.5%

(*) Amounts restated in accordance with changes in accounting methods linked to the implementation of IFRS 10 (Consolidated financial statements) and IFRS 11 (Partnerships).

Consolidated order book by division (*)

In million euro	30 June 2014	31 december 2013	
	DEME at 100%	DEME at 100%	
Dredging and Environment	2,805.5	3,049.0	-8.00%
Contracting	1,085.6	1,310.3	-17.10%
Construction	876.6	1,077.4	-18.60%
Rail & Roads	79.6	86.9	-8.40%
Multitechnics	129.4	146.0	-11.40%
Real Estate & Management Services	30.0	28.6	n.s.
PPP-Concessions	-	-	-
Holding and consolidation adjustments	-	-	-
Total	3,921.1	4,387.9	-10.60%

(*) Amounts also including the order book of equity accounted companies as of 1 January 2014 following the implementation of accounting standard IFRS 11.

CFE's consolidated revenue at 30 June 2014 totalled €1,773.5 million, or a 12.4% increase on 30 June 2013 *(pro forma financial statements)*.

Operating income amounted to €103.1 million, up 90.9% on 30 June 2013 *(pro forma financial statements)*. This significant increase is mainly attributable to DEME, which reported a significant growth in results, while Contracting operations recovered and returned to profitability with an operating income of €5.8 million.

The **order book** came in at €3,921.1 million, down 10.6% from 31 December 2013. The order book has shrunk in all divisions, but the decline is most marked in the Construction division.

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

Dredging & Environment division

Figures shown in this section for DEME are given at 100%; CFE owned 50% of this company at 30 June 2013 as against 100% at 30 June 2014)

Revenue

DEME's revenue amounted to €1,212.3 million, i.e. up 9.5% on the previous year. According to the accounting rules that applied before 1 January 2014 (economic approach whereby the jointly controlled companies are proportionally consolidated), the revenue would have been €1,305.6 million (+ 8.2%).

Major projects in Qatar and Australia progressed in a satisfactory manner, while activity in East Africa was particularly buoyant.

In the North Sea, GeoSea completed the installation of several dozens of foundations for offshore wind turbines in the United Kingdom (*Westermost Rough*) and Germany (*Borkum Riffgrund*), to the satisfaction of customers. Work on the Baltic II project (80 wind turbines) went ahead according to plan.

Tideway, the division specialized in submarine cable laying and rock dumping, also reported a good first six months with sustained activity in Venezuela and Australia.

Evolution of activity by business area

%	H1 2014	H1 2013
Capital dredging	50%	52%
Maintenance dredging	11%	10%
Fallpipe and landfalls	8%	7%
Environment	7%	6%
Marine works	24%	25%
Totaal	100%	100%

Evolution of activity by geographical area

%	H1 2014	H1 2013
Europe (EU)	39%	44%
Europe (non-EU)	0%	1%
Africa	12%	10%
Americas	7%	3%
Asia-Pacific	30%	30%
Middle East	11%	11%
India and Pakistan	1%	1%
Total	100%	100%

EBITDA and operating income

EBITDA for the first six months of 2014 was down -3.8% to €191.7 million from €199.3 million in the first half of 2013. According to the accounting rules that applied before 1 January 2014 (economic approach), EBITDA was up 18.9% from €181.1 million to €215.4 million, representing respectively 15.0% and 16.5% of economic revenue.

The operating income, buoyed by a high fleet occupancy rate, grew vigorously to €100.5 million (€68.5 million in the first half of 2013).

Order book

Although DEME's order book contracted (-8.0%), it still remains very substantial (€2,805.5 million).
This decrease was expected given the high level of activity during the first six months.

DEME has won more than €600 million worth of new orders during the second quarter of 2014, in particular the deepening works of the port of Sepetiba (Rio de Janeiro, Brasil), maintenance dredging works in Panama, India and Ghana as well as the construction of the approach to the access channel and port basin of the Sabetta LNG terminal on the Yamal peninsula in northern Russia.

Investments and net financial debt

Investments in the first six months were markedly down on the previous years (€44.9 million), since the large-scale fleet expansion programme was completed in 2013.

This low level of investment, coupled with a sizeable operating cash flow, helped to decrease net financial debt (€-416 million versus €-541 million at 31 December 2013).

Despite the new investment plans that are currently being investigated at DEME, the net financial debt at the end of the year is expected to be lower than that at 31 December 2013.

Construction division

Revenue

In million €	H1 2014	H1 2013 (*)	Variation in %
Civil engineering	**59.3**	**68.8**	**-13.8%**
Buildings - Benelux	**275.9**	**222.5**	**+24.0%**
Buildings - International	**92.1**	**46.4**	**+98.5%**
Total	**427.3**	**337.7**	**+26.5%**

(*) Amounts restated in accordance with changes in accounting methods linked to the implementation of IFRS 10 (Consolidated financial statements) and IFRS 11 (Partnerships).

Revenue saw a marked increase in the first half of 2014. Within the division, however, there were significant differences:

- Revenue declined in civil engineering in the Benelux area, as the trend witnessed for more than a year persisted;
- Buildings revenue in the Benelux area increased at most subsidiaries, in particular CLE, BPC Brabant, and BPC Wallonia;
- Growth of activity in Poland and Chad.

Operating income

The division's operating income (€1.7 million versus €-7.5 million for the first half of 2013) made a substantial recovery and returned to the black, despite problems encountered on a Nigerian site.
It should be noted that the first half of 2013 was marked by a substantial loss on the Eupen school project. The project is currently being delivered.

Order book

In million €	June 30, 2014	December 31, 2013	Variation in %
Civil engineering	**163**	**200**	**-18.5%**
Buildings - Benelux	**584**	**640**	**-8.7%**
Buildings - International	**130**	**237**	**-45.1%**
Total	**877**	**1.077**	**-18.6%**

The main trends observed are as follows:

- Difficulty renewing the order book in civil engineering considering the shrinking market.
- Contracting order book in Buildings Benelux after an all-time high in 2013. This decline is due to greater selectivity in the choice of projects and to difficult market conditions. Nevertheless, the order book of BPC Brabant is holding out well, having won the contract for the "Docks Bruxsel" shopping centre in partnership with another firm.
- Substantial decrease in the order book for Africa following the transfer of the Toukra II (Chad) contract to our local partner.

Rail & Road division

Revenue

Rail & Road revenue grew to €51.1 million (+15.6%). The increase is exclusively due to the transfer of an entity from the Multitechnics division. On a like-for-like basis, revenue remained stable.

Operating income

Operating income came in at €2.2 million versus €1.4 million in the first half of 2013, up 57.1%. The Rail companies reported a growth in operating income.

Order book

The order book came in at €79.6 million, down 8.4% from 31 December 2013.

Despite this slight decrease, the current outlook remains upbeat, with significant calls for tenders under way in the Rail segment.

Multitechnics division

Revenue

Revenue in the Multitechnics division totalled €86.2 million, i.e. up 10.9% on the previous year (+19.5% on a like-for-like basis). Revenue in international operations saw vigorous growth at CFE EcoTech, active in Vietnam and Sri Lanka, and at VMA (contracts for the automotive industry in Sweden, the UK and Central Europe).

Operating income

Operating income rose substantially to €1.9 million (€-6.1 million in the first half of 2013). Restructuring and reorganization measures in that division are beginning to bear fruit.

Order book

The order book amounted to €129.4 million, down 11.4% from 31 December 2013 following a voluntary reduction in orders taken by certain entities with low profitability.

Real Estate & Management services division

The sale of the office building in the Belview project and the ongoing sales of residential projects led to a 6% reduction in real estate portfolio.

Properties at development stage decreased following the launch of the first phases of the Solvay project in Ixelles.

In the first half of 2014, allotment permits were obtained for the Erasmus Gardens project in Brussels, a property development with more than 1,000 residential units.

In July 2014, CFE and its co-developer partners announced the transfer of the Luxembourg project 'Galerie Kons' to an institutional investor. The transfer has no impact on the 2014 income statement as it is conditional upon the delivery of the building, scheduled for 2016.

Evolution of real estate projects

In million €	June 30, 2014	December 31, 2013(*)
Properties at the marketing stage	17	18
Properties at the construction stage	62	61
Properties at the development stage	68	77
Total	147	156

(*) Amounts restated in accordance with changes in accounting methods linked to the implementation of IFRS 10 (Consolidated financial statements) and IFRS 11 (Partnerships).

Operating income

The recognition of an impairment on a property in the Grand Duchy of Luxembourg weighed on the operating income for the first half of 2014.

PPP-Concessions division

The PPP - Concessions division, reported a break-even net income share of the Group (€2.1 million in the first half of 2013).

Rent-A-Port continued to develop its activities in Vietnam and Oman.

CFE-specific business focused on the study of several PPPs in Belgium and the Netherlands, while the DBFM projects Ecoles d'Eupen and Coentunnel have entered the maintenance phase.

3. Notes to the consolidated financial statements, cash flow and capex tables

Following changes in accounting methods linked to the implementation of IFRS 10 and 11, the net financial debt(*) at 31 December 2013 fell from €781 million to €605 million (or a €176 million decrease). The impact of the restatement is almost entirely situated in the Dredging and Environment division.

The net financial debt(*) amounted to €552.6 million at 30 June 2014 or, on a like-for-like basis, down €52.5 million on 31 December 2013. This debt breaks down into, on the one hand, long-term debt of €656,7 million consisting mainly of bonds (€299.6 million) and, on the other hand, a positive net cash position of €104.1 million.

The decrease in net financial debt is primarily explained by:

- A cash flow of €185.4 million from operating activities at DEME;
- A level of investment limited to €55.6 million in the first six months.

This is partly offset by:

- The injection of quasi-equity into the company holding the concession for the Liefkenshoek railway Tunnel in Antwerp;
- The pre-financing of the Charleroi police headquarters project, the receivables of which will be sold to a financial institution before the end of the year;
- The increased working capital in the contracting division

Equity, after payment of the dividend for the 2013 period (€29.1 million), amounted to €1,236.9 million.

CFE has, for its part, confirmed medium-term credit facilities for its general financing needs totalling €100 million, of which €65 million had not been drawn down at 30 June 2014.

(*) Net financial debt does not include the fair value of derivative instruments which at 30 June 2014 amounted to a liability of €28.5 million.

Year ended at June 30 (€ thousands)	**2014** **DEME at 100%**	**2013(*)** **DEME at 50%**
Cash flow from operating activities	116,538	-62,400
Cash flow from investing activities	-45,612	-4,226
Cash flow from financing activities	-82,917	-22,801
Net increase/(decrease) in cash position	-11,991	-89,427
Equity excluding non-controlling interests at opening at December 31	1,193,153	524,612
Equity excluding non-controlling interests at closing at June 30	1,228,552	511,740
Net income attributable to the Group in H1	63,573	218

(*) Amounts restated in accordance with changes in accounting methods linked to the implementation of IFRS 10 (Consolidated financial statements) and IFRS 11 (Partnerships).

Key figures per share (EUR)

	June 30, 2014	June 30, 2013 (*)
Total number of shares	25,314,482	13,092,260
Operating income after deduction of net financial expenses, per share	3.57	0.20
Net income attributable to the Group per share	2.51	0.02

(*) Amounts restated in accordance with changes in accounting methods linked to the implementation of IFRS 10 (Consolidated financial statements) and IFRS 11 (Partnerships).

4. Information on business trends

Outlook for the Dredging and Environment division remains favourable. Recovery of the Construction and Multitechnics divisions is being confirmed. Real Estate Development division will contribute positively to the net result during the second half year 2014.

5. Information related to the share

At 31 December 2013, CFE's share capital was divided into 25,314,482 shares.

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

6. Risks and uncertainties

Risks related to the sector of activity described in the annual report 2013 are still applicable during the second halfyear 2014.

7. Transactions with related parties

In the first half year of 2014, there was no significant variation in the nature of transactions with related parties compared to December, 31 2013.

8. Shareholding and Corporate governance

Result of the mandatory public bid
At the closure on 5 March 2014 of the mandatory public bid launched by AvH for the shares of CFE, 859 shares were contributed. Following the final closing of the bid on 12 March 2014, AvH holds 15,289,521 CFE shares, or 60.40% of the capital.

Termination of the concerted action agreement
On 7 March 2014, CFE was informed by VINCI SA, VINCI Construction SAS, and Ackermans & van Haaren NV of the termination of the concerted action agreement between them.

Bond loan
In accordance with the rights conferred by the prospectus to bondholders in case of a change of control over CFE, 41 bonds were redeemed early on 17 April 2014, representing 0.041% of the total bond loan.

Reappointment of two directors
The ordinary general meeting of 30 April 2014 decided to renew the terms of office of SA C.G.O., represented by Mr Philippe Delaunois, and of Consuco SA, represented by Mr Alfred Bouckaert, for a period of two years ending after the general meeting of May 2016.

Renewal of the authorization to increase the capital in the context of the authorized capital
The extraordinary general meeting decided to renew, for a period of five years, the power of the board of directors to increase the share capital by a maximum amount of €2,500,000.
For more details, see our website www.cfe.be.

Renewal of the authorization to acquire treasury shares
The extraordinary general meeting decided to renew the authorization given to the board of directors by the extraordinary general meeting of 7 May 2009 to buy and sell treasury shares.
For more details, see our website www.cfe.be.

Amendment of the articles of association
The extraordinary general meeting decided to amend certain provisions of CFE's articles of association. Those amendments are essentially meant to bring the articles in line with recent changes in the law.
For more details, see our website www.cfe.be.

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

On 24 December 2013, the CFE group acquired an additional 50% stake in DEME after the fulfilment of the conditions precedent applying to the capital increase.

After these transactions, CFE has sole control over DEME increasing its stake in DEME from 50% to 100%. As a result, whereas DEME was still consolidated proportionally until 24 December 2013, it has been fully consolidated since that date.

Consolidated income statement and cash flow statement for 2013 only take into account 50% of DEME's activity which are integrated under equity method. However, data relating to the consolidated statement of financial position at 31 December 2013 include DEME's assets and liabilities at 100%. The same is true for the order book. In order to compare the half year results in 2013 and 2014, pro forma information including 100% of DEMEs activities have been prepared in section 4.1.2.

CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the period from January,1st to June,30th (In thousand Euro)	Note	June 2014	June 2013 *(*)*
Revenue		**1,773,475**	**471,662**
Revenue from auxiliary activities	6	31,175	34,183
Purchases		(1,069,593)	(363,336)
Remuneration and social security payments		(308,095)	(106,499)
Other operating expenses		(222,429)	(42,991)
Depreciation and amortization		(107,739)	(7,299)
Goodwill impairment		0	(1,660)
Income from operating activities		**96,794**	**(15,940)**
Earnings from associates and joint venture		6,350	18,689
Operating income		**103,144**	**2,749**
Cost of gross financial debt	7	(13,189)	1,131
Other financial expenses & income	7	446	(1,291)
Net financial income/expense		**(12,743)**	**(160)**
Pre-tax income		**90,401**	**2,589**
Income tax expense	9	(26,956)	(2,267)
Net income for the period		**63,445**	**322**
Attributable to owners of non-controlling interests	8	128	(104)
Net income share of the group		**63,573**	**218**
Net income of the group per share (EUR) (diluted and basic)		2.51	0.02

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period from January,1st to June,30th (In thousand Euro)	Note	June 2014	June 2013 *(*)*
Net income share of the group		**63,573**	**218**
Net income for the period		**63,445**	**322**
Changes in fair value related to hedging instruments		967	6,108
Currency translation differences		3,863	(1,479)
Deferred taxes		(421)	(1,769)
Other elements of the comprehensive income to be reclassified to profit or loss in subsequent periods		**4,409**	**2,860**
Re-measurement on defined benefit plans		(3,541)	0
Other elements of the comprehensive income not to be reclassified to profit or loss in subsequent periods		**(3,541)**	**0**
Other elements of the comprehensive income directly accounted in equity		**868**	**2,860**
Comprehensive income:		**64,314**	**3,182**
- Attributable to owners of the parent		64,511	3,053
- Attributable to owners of non-controlling interests		(197)	129
Net income attributable to owners of the parent per share (EUR) (diluted and basic)		2.55	0.23

(*) Amounts adjusted in accordance with the change in accounting principle related to IFRS 10 “Consolidated financial statements” and IFRS 11 “Joint arrangements” as explained in note 3.2.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the period ended December (In thousand Euro)	Note	June 2014	December 2013 (*)	December 2012 (*)
Intangible assets		9,448	12,973	5,853
Goodwill	5	289,349	291,915	25,318
Property, plant and equipment	10	1,458,846	1,512,875	63,923
Investment property		0	0	2,052
Investments in associates and joint ventures	11	132,479	132,952	405,288
Other non-current financial assets		89,333	115,396	57,598
Derivative instruments – Non-current assets		63	612	0
Other non-current assets		23,881	10,725	5,192
Deferred tax assets		117,664	117,374	13,090
Total non-current assets		**2,121,063**	**2,194,822**	**578,314**
Inventories	13	123,353	116,012	82,408
Trade and other operating receivables		1,194,308	1,106,034	446,132
Other current assets		108,698	100,781	74,129
Derivative instruments – Current assets	16	3,251	5,853	0
Current financial assets		54,025	594	107
Cash and cash equivalents	17	427,762	437,334	144,262
Total current assets		**1,911,397**	**1,766,608**	**747,038**
Total assets		**4,032,460**	**3,961,430**	**1,325,352**
Share capital		41,330	41,330	21,375
Share premium		800,008	800,008	62,551
Retained earnings		392,585	358,124	460,306
Defined benefits pension plans		(9,249)	(5,782)	(8,101)
Hedging reserves		195	(351)	(17,673)
Currency translation differences		3,683	(176)	6,154
Equity attributable to owners of the parent		**1,228,552**	**1,193,153**	**524,612**
Non-controlling interests		8,389	8,064	(2,950)
Equity		**1,236,941**	**1,201,217**	**521,662**
Retirement benefit obligations and employee benefits		44,720	40,542	8,165
Provisions	14	34,420	25,655	12,249
Other non-current liabilities		81,230	92,898	33,695
Bonds	17	299,631	199,639	100,000
Financial liabilities	17	357,069	496,654	56,707
Derivative instruments – Non-current liabilities	17	15,723	16,352	10,530
Deferred tax liabilities		92,625	99,418	13,058
Total non-current liabilities		**925,418**	**971,158**	**234,404**
Current provisions	14	48,442	48,181	36,159
Trade & other operating payables	12	1,019,649	983,806	324,882
Income tax payable		96,247	65,855	11,053
Current financial liabilities	17	323,664	346,118	11,153
Derivative instruments – Current liabilities	17	16,124	16,499	1,570
Other current liabilities	12	365,975	328,596	184,469
Total current liabilities		**1,870,101**	**1,789,055**	**569,286**
Total equity and liabilities		**4,032,460**	**3,961,430**	**1,325,352**

(*) Amounts adjusted in accordance with the change in accounting principle related to IFRS 10 "Consolidated financial statements" and IFRS 11 "Joint arrangements" as explained in note 3.2.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

For the period from January,1st to June,30th (In thousand Euro)	Note	June 2014	June 2013 (*)
Operating activities			
Net income share of the group		63,573	218
Depreciation and amortization of intangible assets, property, plant & equipment and investment property		107,739	7,299
Net provision expense		2,104	(1,022)
Impairment on current and non-current assets		(322)	2,558
Unrealized foreign exchange (gains)/losses		(13,549)	(266)
Interest income & income from financial assets		(5,648)	(1,601)
Interest expense		18,837	609
Change in fair value of derivative instruments		8,490	(452)
Income/(losses) from sales of property, plant & equipment		(3,873)	(70)
Tax expense		26,956	2,267
Income attributable to non-controlling interests		(128)	66
Earnings from associates and joint venture		(6,350)	(18,689)
Cash flow from operating activities before changes in working capital		**197,829**	**(9,083)**
Decrease/(increase) in trade receivables and other current and non-current receivables		(138,333)	(137,324)
Decrease/(increase) in inventories		(3,338)	(2,669)
Increase/(decrease) in trade payables and other current and non-current payables		85,235	89,935
Cash flow from operating activities		**141,393**	**(59,141)**
Interest paid		(19,308)	(609)
Interest received		5,648	1,601
Income tax paid/received		(11,195)	(4,251)
Net cash flow from operating activities		**116,538**	**(62,400)**
Investing activities			
Sales of non-current assets		6,027	853
Purchases of non-current assets		(51,639)	(6,190)
Acquisition of subsidiaries net of cash acquired	5	0	0
Capital decrease/(increase) in investments in associates		0	675
Sale of subsidiaries	5	0	436
Cash flow from investing activities		**(45,612)**	**(4,226)**
Financing activities			
Borrowings		112,779	52,849
Reimbursements of borrowings		(166,584)	(58,398)
Dividends paid		(29,112)	(15,056)
Transactions with non-controlling shareholders		0	(2,196)
Cash flow from financing activities		**(82,917)**	**(22,801)**
Net Increase/(Decrease) in cash position		(11,991)	(89,427)
Cash and cash equivalents at start of the year		437,334	144,262
Exchange rate effects		2,419	(359)
Cash and cash equivalents at end of period		427,762	54,476

(*) Amounts adjusted in accordance with the change in accounting principle related to IFRS 10 “Consolidated financial statements” and IFRS 11 “Joint arrangements” 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, 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			**63,573**	**(3,467)**	**546**	**3,859**	**64,511**	**(197)**	**64,314**
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**	**392,585**	**(9,249)**	**195**	**3,683**	**1,228,552**	**8,389**	**1,236,941**

For the year ended June 30, 2013 (*)

(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 2012	**21,375**	**62,551**	**460,306**	**(8,101)**	**(17,673)**	**6,154**	**524,612**	**6,227**	**530,839**
IFRS 11 amended								(9,177)	(9,177)
After amendment IFRS 11	**21,375**	**62,551**	**460,306**	**(8,101)**	**(17,673)**	**6,154**	**524,612**	**(2,950)**	**521,662**
Comprehensive income for the period			**218**	**0**	**4,339**	**(1,504)**	**3,053**	**129**	**3,182**
Dividends paid to shareholders			(15,056)				(15,056)		(15,056)
Dividends from non-controlling interests						(869)	(869)		(869)
Change in consolidation scope								(1,759)	(1,759)
June 2013 (*)	**21,375**	**62,551**	**445,468**	**(8,101)**	**(13,334)**	**3,781**	**511,740**	**(4,580)**	**507,160**

(*) Amounts adjusted in accordance with the change in accounting principle related to IFRS 10 “Consolidated financial statements” and IFRS 11 “Joint arrangements” as explained in note 3.2.

CAPITAL AND RESERVES

The share capital on 30 June 2014 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 27, 2014 the Board of Directors proposed a dividend of 29,112 thousand Euro, corresponding to 1.15 euro gross per share. The proposal has been approved by the General Shareholders Meeting on April 30, 2014. 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)	**2014**	**2013**
Net income attributable to shareholders	**63,573**	**218**
Comprehensive income attributable to owners of the parent	**64,511**	**3,053**
Number of ordinary shares at closing date	25,314,482	13,092,260
Weighted average of the number of ordinary shares	25,314,482	13,092,260
Basic (diluted) income by share in Euro	**2.51**	**0.02**
Comprehensive income attributable to owners of parent by share in Euro	**2.55**	**0.23**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE EXERCISE ENDED AT JUNE 30, 2014

Preamble

The Board of Directors authorized the issue of the interim condensed consolidated financial statements on August 27, 2014.

MAIN TRANSACTIONS FOR THE FIRST SIX MONTHS OF 2014 AND THE FIRST SIX MONTHS OF 2013 WITH EFFECT ON THE SCOPE OF THE GROUP CFE

TRANSACTIONS FOR THE FIRST FIRST MONTHS OF 2014

1. Construction segment

None

2. Multitechnics segment

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.

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 constituted 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 by 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. Dredging and environment segment

During the 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.

5. PPP-Concessions segment

None

6. Rail and road segment

In the beginning of year 2014, the company "ETEC", 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.

TRANSACTIONS FOR THE FIRST SIX 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.

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, 2013.

The retained accounting principles are the same that the principles used for the yearly consolidated financial statement at December 31, 2013, except for the changes resulting from the application of IFRS 11 Joint arrangements. The impact due the application of this IFRS are described in note 3.2.

STANDARDS AND INTERPRETATIONS APPLICABLE FOR THE ANNUAL PERIOD BEGINNING ON 1 JANUARY 2014

- 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)
- 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)
- Amendments to IAS 36 Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets (applicable for annual periods beginning on or after 1 January 2014)
- 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)

The application of these standards does not have a significant impact on the consolidated accounts except for the application of the IFRS 11 Joint arrangements.

STANDARDS AND INTERPRETATIONS PUBLISHED, BUT NOT YET APPLICABLE FOR THE ANNUAL PERIOD BEGINNING ON 1 JANUARY 2014

The Company decided not to anticipate the application standards and interpretations here below that are not mandatory on June 30, 2014:

- IFRS 9 Financial Instruments and subsequent amendments (not yet endorsed in the EU)
- IFRS 14 Regulatory Deferral Accounts (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in the EU)
- IFRS 15 Revenue from Contracts with Customers (applicable for annual periods beginning on or after 1 January 2017, but not yet endorsed in EU)
- Improvements to IFRS (2010-2012) (applicable for annual periods beginning on or after 1 July 2014, but not yet endorsed in the EU)
- Improvements to IFRS (2011-2013) (applicable for annual periods beginning on or after 1 July 2014, but not yet endorsed in the EU)
- Amendments to IFRS 11 Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in EU)
- Amendments to IAS 16 and IAS 38 Property, Plant and Equipment and Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in EU)
- Amendments to IAS 19 Employee Benefits - Employee Contributions (applicable for annual periods beginning on or after 1 July 2014, but not yet endorsed in EU)
- IFRIC 21 Levies (applicable for annual periods beginning on or after 1 July 2014)

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.

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 2014	December 2013
Full consolidation	163	154
Equity method	98	103
Total	**261**	**257**

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;
- 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. CHANGE IN ACCOUNTING METHOD : APPLICATION OF IFRS 10 « CONSOLIDATED FINANCIAL STATEMENTS », OF IFRS 11 «JOINT ARRANGEMENTS» AND IFRS 12 « DISCLOSURE OF INTERESTS IN OTHER ENTITIES »

From 1 January 2014, the Group has applied new standards IFRS 10, 11 and 12 relating to the consolidation scope.

IFRS 10 « Consolidated financial statements » replaces IAS 27 and SIC 12 « Consolidation – Special Purpose Entities » for all aspects relating to control and full consolidation procedures. It redefines the notion of control over an entity on the basis of the three criteria:

- power over the entity;
- exposure to variable returns from the entity; and
- the connection between power and these returns, such as the ability to exert power over the entity in order to influence the returns obtained.

The three criteria need to be fulfilled in order to consider that the Group CFE controls the entity which will be therefore fully consolidated.

IFRS 11 « Joint arrangements » replaces IAS 31 regarding all aspects relating to the recognition of jointly controlled entities. Joint control is established where decisions relating to the entity's main activities require the unanimous consent of the parties sharing control. Joint arrangements now fall into two categories (joint ventures and joint operations) depending on the nature of the rights and obligations held by each party. This classification is generally determined by the legal form of the project vehicle, by contractual agreements between parties, and if relevant, other facts and circumstances.

- A joint venture is an arrangement whereby the parties exerting joint control over the entity (joint venturers) have rights to the entity's net assets. Joint ventures are accounted for under equity method.
- A joint operation is a joint arrangement in which the parties (joint operators) have direct rights over the assets and direct obligations with respect to the entity's liabilities. Each joint operator must account for the portion of assets, liabilities, income and expenses that corresponds to its interest in the joint operation. The Temporary Associations "*Société Momentanées SM/ Tijdelijke Handelsvennootschap THV"* established for the Belgian activities of the group are classified among the joint operations.

IFRS 12 "Disclosure of interests in other entities" defines the information to be included in the full-year financial statements with respect to equity interests in subsidiaries, joint arrangements, associates or non-consolidated structured entities.

Due to the retrospectively application of IFRS 10 and 11, the comparative financial statements 2013-2012 and the condensed consolidated income statement on June, 30 2013 have been accordingly restated; IFRS 11 has only a material impact over the consolidated statements of the group CFE. A large number of subsidiaries of the Real Estate & Management Services division as well as of the Dredging & Environment division which used to be proportionally consolidated are integrated under equity method from 2014.

The consolidated statement of financial position for the years ended December 2013 and 2012, the consolidated condensed income statement, the comprehensive income and the consolidated statement of cash-flows for June 2013 have been restated as follows:

CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the period ended June 30 (In thousand Euro)	**June 2013** Published	***Impact IFRS 11***	**June 2013**, after restatement
Revenue	**1,082,781**	**(611,119)**	**471,662**
Revenue from auxiliary activities	39,903	(5,720)	34,183
Purchases	(708,418)	345,082	(363,336)
Remuneration and social security payments	(205,582)	99,083	(106,499)
Other operating expenses	(125,491)	82,500	(42,991)
Depreciation and amortization	(62,144)	54,845	(7,299)
Goodwill impairment	(1,660)	0	(1,660)
Income from operating activities	**19,389**	**(35,329)**	**(15,940)**
Earnings from associates and joint venture	4,031	14,658	18,689
Operating income	**23,420**	**(20,671)**	**2,749**
Cost of gross financial debt	(10,362)	11,493	1,131
Other financial expenses & income	(6,187)	4,896	(1,291)
Net financial income/expense	**(16,549)**	**16,389**	**(160)**
Pre-tax income	**6,871**	**(4,282)**	**2,589**
Income tax expense	(6,873)	4,606	(2,267)
Net income for the period	**(2)**	**324**	**322**
Attributable to owners of non-controlling interests	220	(324)	(104)
Net income share of the group	**218**	**-**	**218**
Net income of the group per share (EUR) (diluted and basic)	0.02	-	0.02

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended June 30 (In thousand Euro)	**June 2013** Published	***Impact IFRS 11***	**June 2013**, after restatement
Net income of the group	**218**	**0**	**218**
Net income (including income attributable to owners of non-controlling interests)	**(2)**	**324**	**322**
Changes in fair value related to hedging instruments	6,108	0	6,108
Currency translation differences	(1,703)	224	(1,479)
Deferred taxes	(1,769)	0	(1,769)
Other elements of the comprehensive income to be reclassified to profit or loss in subsequent periods	**2,636**	**224**	**2,860**
Remeasurement on defined benefit plans	**0**	**0**	**0**
Other elements of the comprehensive income not to be reclassified to profit or loss in subsequent periods	**0**	**0**	0
Other elements of the comprehensive income	**2,636**	**224**	**2,860**
Comprehensive income:	**2,634**	**548**	**3,182**
- Attributable to owners of the parent	3,053	0	3,053
- Attributable to owners of non-controlling interests	(419)	548	129
Net income attributable to owners of the parent per share (EUR) (diluted and basic)	0.23	-	0.23

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended December (In thousand Euro)	**December 2012** Opening 2013 (*)	***Impact IFRS 11***	**December 2012,** after restatement	**December 2013** Published	***Impact IFRS 11(**)***	**December 2013,** after restatement
Intangible assets	12,651	(6,798)	5,853	19,204	(6,231)	12,973
Goodwill	33,401	(8,083)	25,318	291,873	42	291,915
Property, plant and equipment	980,434	(916,511)	63,923	1,753,779	(240,904)	1,512,875
Investment property	2,056	(4)	2,052	0	0	0
Investments in associates and joint ventures	18,364	386,924	405,288	39,752	93,200	132,952
Other non-current financial assets	56,586	1,012	57,598	96,212	19,184	115,396
Derivative instruments – Non-current assets	0	0	0	286	326	612
Other non-current assets	9,283	(4,091)	5,192	12,766	(2,041)	10,725
Deferred tax assets	22,787	(9,697)	13,090	37,832	79,542	117,374
Total non-current assets	**1,135,562**	**(557,248)**	**578,314**	**2,251,704**	**(56,882)**	**2,194,822**
Inventories	186,534	(104,126)	82,408	215,883	(99,871)	116,012
Trade and other operating receivables	732,466	(286,334)	446,132	1,116,915	(10,881)	1,106,034
Other current assets	84,240	(10,111)	74,129	101,030	(249)	100,781
Derivative instruments – Current assets	0	0	0	0	5,853	5,853
Current financial assets	153	(46)	107	594	0	594
Cash and cash equivalents	260,602	(116,340)	144,262	474,793	(37,459)	437,334
Total current assets	**1,263,995**	**(516,957)**	**747,038**	**1,909,215**	**(142,607)**	**1,766,608**
Total assets	**2,399,557**	**(1,074,205)**	**1,325,352**	**4,160,919**	**(199,489)**	**3,961,430**
Share capital	21,375	0	21,375	41,330	0	41,330
Share premium	62,551	0	62,551	800,008	0	800,008
Retained earnings	460,306	0	460,306	358,124	0	358,124
Defined benefit pension plans	(8,101)	0	(8,101)	(5,782)	0	(5,782)
Hedging reserves	(17,673)	0	(17,673)	(351)	0	(351)
Currency translation differences	6,154	0	6,154	(176)	0	(176)
Equity attributable to owners of the parent	**524,612**	**0**	**524,612**	**1,193,153**	**0**	**1,193,153**
Non-controlling interests	6,227	(9,177)	(2,950)	9,935	(1,871)	8,064
Equity	**530,839**	**(9,177)**	**521,662**	**1,203,088**	**(1,871)**	**1,201,217**
Retirement benefit obligations and employee benefits	21,239	(13,074)	8,165	40,724	(182)	40,542
Provisions	10,679	1,570	12,249	10,962	14,693	25,655
Other non-current liabilities	70,745	(37,050)	33,695	53,382	39,516	92,898
Bonds	100,000	0	100,000	199,639	0	199,639
Financial liabilities	379,120	(322,413)	56,707	649,186	(152,532)	496,654
Derivative instruments – Non-current liabilities	32,853	(22,323)	10,530	38,603	(22,251)	16,352
Deferred tax liabilities	13,789	(731)	13,058	14,775	84,643	99,418
Total non-current liabilities	**628,425**	**(394,021)**	**234,404**	**1,007,271**	**(36,113)**	**971,158**
Current provisions	35,820	339	36,159	50,657	(2,476)	48,181
Trade & other operating payables	689,475	(364,593)	324,882	1,045,907	(62,101)	983,806
Income tax payable	21,579	(10,526)	11,053	78,836	(12,981)	65,855
Current financial liabilities	181,474	(170,321)	11,153	407,358	(61,240)	346,118
Derivative instruments – Current liabilities	4,201	(2,631)	1,570	2,538	13,961	16,499
Other current liabilities	307,744	(123,275)	184,469	365,264	(36,668)	328,596
Total current liabilities	**1,240,293**	**(671,007)**	**569,286**	**1,950,560**	**(161,505)**	**1,789,055**
Total equity and liabilities	**2,399,557**	**(1,074,205)**	**1,325,352**	**4,160,919**	**(199,489)**	**3,961,430**

(*) Amounts adjusted in accordance with the change in accounting principle related to IAS 19 Amended "Employee benefits" as explained in note 2.1 annual report 2013.
(**) Include a restatement of the spreading of DEME deferred taxes by legal entity. The impact is an increase of section *Deferred tax assets/Deferred tax liabilities* of 80,517 thousand Euro.

The incidence of change in accounting principle IFRS 11 is a decrease of *Total assets* of 199,489 thousand Euro in 2013 (a decrease of 1,074,205 thousand Euro in 2012), due to the fact that CFE has acquired the sole control of DEME in December 2013. As consequence, DEME is integrated in December 2012 under the equity method whereas the sub-group is fully consolidated in December 2013.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

For the period ended June 30 (In thousand Euro)	**June 2013** Published	***Impact*** ***IFRS 11***	**June 2013**, after restatement
Operating activities			
Net income share of the group	218	0	218
Depreciation and amortization of intangible assets, property, plant & equipment (PPE) and investment property	62,144	(54,845)	7,299
Net provision expense	(2,275)	1,253	(1,022)
Impairment on current and non current assets	3,249	(691)	2,558
Unrealized foreign exchange (gains)/losses	1,316	(1,582)	(266)
Interest income & income from financial assets	(2,545)	944	(1,601)
Interest expense	13,029	(12,420)	609
Change in fair value of derivative instruments	649	(1,101)	(452)
Income/(losses) from sales of property, plant & equipment	(1,275)	1,205	(70)
Tax expense	6,873	(4,606)	2,267
Income attributable to non-controlling interests	(256)	322	66
Earnings from associates and joint venture	(4,031)	(14,658)	(18,689)
Cash flow from operating activities before changes in working capital	**77,096**	**(86,179)**	**(9,083)**
Decrease/(increase) in trade receivables and other current and non current receivables	(157,482)	20,158	(137,324)
Decrease/(increase) in inventories	(4,010)	1,341	(2,669)
Increase/(decrease) in trade payables and other current and non current payables	34,062	55,873	89,935
Cash flow from operating activities	**(50,334)**	**(8,807)**	**(59,141)**
Interest paid	(13,029)	12,420	(609)
Interest received	2,545	(944)	1,601
Income tax paid/received	(4,309)	58	(4,251)
Net cash flow from operating activities	**(65,127)**	**2,727**	**(62,400)**
Investing activities			
Sales of non-current assets	3,069	(2,216)	853
Purchases of non-current assets	(42,028)	35,838	(6,190)
Acquisition of subsidiaries net of cash acquired	0	0	0
Capital decrease/(increase) in investments in associates	(460)	1,135	675
Disposal of subsidiaries	424	12	436
Cash flow from investing activities	**(38,995)**	**34,769**	**(4,226)**
Financing activities			
Borrowings	170,165	(117,316)	52,849
Reimbursements of borrowings	(85,332)	26,934	(58,398)
Dividends paid	(15,056)	0	(15,056)
Change in the interest percentage of controlled entities	(2,423)	227	(2,196)
Cash flow from financing activities	**67,354**	**(90,155)**	**(22,801)**
Net Increase/(Decrease) in cash position	(36,768)	(52,659)	(89,427)
Cash and cash equivalents at start of the year	260,602	(116,340)	144,262
Exchange rate effects	(1,893)	1,534	(359)
Cash and cash equivalents at end of period	221,941	(167,465)	54,476

4. SEGMENT REPORTING

4.1 CONSOLIDATED STATEMENT OF INCOME HIGHLIGHTS

4.1.1 RESTATED SEGMENT REPORTING ACCORDING IFRS 10 AND 11

At June 30	**Revenue**		**Income from operating activities**				**Operating income (EBIT)**				**Financial income**	
	2014	2013 (*)	2014	% Revenue	2013 (*)	% Revenue	2014	% Revenue	2013 (*)	% Revenue	2014	2013 (*)
Construction	427,275	337,674	6,444	1.51%	(7,168)	(2.12%)	1,728	0.40%	(7,498)	(2.22%)	(584)	(341)
Real estate development and associated services	3,912	3,700	(578)	(14.78%)	1,410	38.11%	678	17.33%	1,349	36.46%	(765)	(1,324)
Multitechnics	86,217	77,674	1,854	2.15%	(6,085)	(7.83%)	1,854	2.15%	(6,085)	(7.83%)	12	(200)
Rail & Road	51,113	44,163	2,250	4.40%	1,403	3.18%	2,250	4.40%	1,403	3.18%	(195)	(116)
PPP-Concessions	292	597	(1,202)		(556)		(1,164)		2,087		1,154	4
Dredging and environment	1,212,300	0	90,710	7.48%	0	-	100,482	8.29%	17,241	-	(13,658)	0
Correction DEME			*(354)*				*(354)*		*(804)*			
Holding			(1,834)		(3,466)		(1,834)		(3,466)		1,293	1,817
Eliminations between segments	*(7,634)*	*7,854*	*(496)*		*182*		*(496)*		*182*			
Other non-recurring elements					(1,660)				(1,660)			
Total consolidated	**1,773,475**	**471,662**	**96,794**	**5.46%**	**(15,940)**	**(3.38%)**	**103,144**	**5.82%**	**2,749**	**0.58%**	**(12,743)**	**(160)**

At June 30	**Taxes**		**Net income of the group**				**Non-cash items**		**EBITDA**			
	2014	2013 (*)	2014	% Revenue	2013 (*)	% Revenue	2014	2013 (*)	2014	% Revenue	2013 (*)	% Revenue
Construction	(1,481)	(1,035)	130	0.03%	(8,972)	(2.66%)	7,193	2,724	13,637	3.19%	(4,444)	(1.32%)
Real estate development and associated services	(3)	0	(90)	(2.30%)	17	0.46%	(290)	(398)	(868)	(22.19%)	1,012	27.35%
Multitechnics	(955)	(649)	911	1.06%	(6,934)	(8.93%)	262	2,307	2,116	2.45%	(3,778)	(4.86%)
Rail & Road	(887)	(488)	1,168	2.29%	799	1.81%	515	1,747	2,765	5.41%	3,150	7.13%
PPP-Concessions	0	0	(11)		2,091		274	0	(928)		(556)	
Dredging and environment	(23,838)	0	62,647	5.17%	17,241		100,990	0	191,700	15.81%	0	
Correction DEME	*(17)*		*(371)*		*(804)*				*(354)*			
Holding	122	(7)	(418)		(1,654)		575	795	(1,259)		(2,671)	
Eliminations between segments	*103*	*(88)*	*(393)*		*94*				*(496)*		182	
Other non-recurring elements					(1,660)			1,660				
Total consolidated	**(26,956)**	**(2,267)**	**63,573**	**3.58%**	**218**	**0.05%**	**109,519**	**8,835**	**206,313**	**11.63%**	**(7,105)**	**(1.51%)**

EBITDA/segment = Income from operating activities + amortisation + other non-cash items

(*) Amounts adjusted in accordance with the change in accounting principle related to IFRS 10 “Consolidated financial statements” and IFRS 11 “Joint arrangements” as explained in note 3.2.

4.1.2 SEGMENT REPORTING PRO FORMA

If the acquisition of a complementary 50% stake had been effective from 1st January 2013, the income statement would have been as follows:

At June 30	Revenue		Operating income on activity				Operating income (EBIT)				Financial income	
	2014	2013 Pro forma	2014	% Revenue	2013 Pro forma	% Revenue	2014	% Revenue	2013 Pro forma	% Revenue	2014	2013 Pro forma
Construction	427,275	337,674	6,444	1.51%	(7,168)	(2.12%)	1,728	0.40%	(7,498)	(2.22%)	(584)	(341)
Real estate development and associated services	3,912	3,700	(578)	(14.78%)	1,410	38.11%	678	17.33%	1,349	36.46%	(765)	(1,324)
Multitechnics	86,217	77,674	1,854	2.15%	(6,085)	(7.83%)	1,854	2.15%	(6,085)	(7.83%)	12	(200)
Rail & Road	51,113	44,163	2,250	4.40%	1,403	3.18%	2,250	4.40%	1,403	3.18%	(195)	(116)
PPP-Concessions	292	597	(1,202)		(556)		(1,164)		2,087		1,154	4
Dredging and environment	1,212,300	1,106,687	90,710	7.48%	103,933	9.39%	100,482	8.29%	68,476		(13,658)	(26,275)
Correction DEME			*(354)*		*(804)*		*(354)*		*(804)*			
Holding			(1,834)		(3,466)		(1,834)		(3,466)		1,293	1,817
Eliminations between segments	*(7,634)*	*7,854*	*(496)*		*182*		*(496)*		*182*			
Other non-recurring elements					(1,660)				*(1,660)*			
Total consolidated	**1,773,475**	**1,578,349**	**96,794**	**5.46%**	**87,189**	**5.52%**	**103,144**	**5.82%**	**53,984**	**3.42%**	**(12,743)**	**(26,435)**

At June 30	Taxes		Net income of the group				Non cash items		EBITDA			
	2014	2013 Pro forma	2014	% Revenue	2013 Pro forma	% Revenue	2014	2013 Pro forma	2014	% Revenue	2013 Pro forma	% Revenue
Construction	(1,481)	(1,035)	130	0.03%	(8,972)	(2.66%)	7,193	2,724	13,637	3.19%	(4,444)	(1.32%)
Real estate development and associated services	(3)	0	(90)	(2.30%)	17	0.46%	(290)	(398)	(868)	(22.19%)	1,012	27.35%
Multitechnics	(955)	(649)	911	1.06%	(6,934)	(8.93%)	262	2,307	2,116	2.45%	(3,778)	(4.86%)
Rail & Road	(887)	(488)	1,168	2.29%	799	1.81%	515	1,747	2,765	5.41%	3,150	7.13%
PPP-Concessions	0	0	(11)		2,091		274	0	(928)		(556)	
Dredging and environment	(23,838)	(8,238)	62,647	5.17%	34,413	3.11%	100,990	95,400	191,700	15.81%	199,333	18.01%
Correction DEME	*(17)*		*(371)*		*(804)*				*(354)*		*(804)*	
Holding	122	(7)	(418)		(1,654)		575	795	(1,259)		(2,671)	
Eliminations between segments	*103*	*(88)*	*(393)*		*94*				*(496)*		*182*	
Other non-recurring elements					(1,660)			1,660				
Total consolidated	**(26,956)**	**(10,505)**	**63,573**	**3.58%**	**17,390**	**1.10%**	**109,519**	**104,235**	**206,313**	**11.63%**	**191,424**	**12.13%**

4.2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At June 30th, 2014 (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	53	13,039	5,677	0	269,669	0	0	**289,349**
Property, plant and equipment	40,968	315	4,425	10,914	0	1,392,495	9,719	10	**1,458,846**
Long term loans to consolidated companies of the group	18,446	0	0	0	0	0	80,252	(98,698)	**0**
Other non-current financial assets	4,545	23,252	46	859	30,076	27,664	3,060	(169)	**89,333**
Other non-current assets	3,733	40,850	3,449	902	12,727	213,075	761,675	(752,876)	**283,535**
Inventories	16,443	66,407	12,699	2,332	0	25,263	209	0	**123,353**
Cash and cash equivalent	46,231	2,954	8,073	886	5	360,211	9,402	0	**427,762**
Internal cash position – cash pooling – assets	70,380	3,193	13,849	6,659	0	0	138,841	(232,922)	**0**
Other current financial assets – companies of the group	0	0	0	0	0	0	0	0	**0**
Other current assets	496,616	48,415	52,041	53,757	4,602	732,822	11,662	(39,633)	**1,360,282**
Total assets	**698,273**	**185,439**	**107,621**	**81,986**	**47,410**	**3,021,199**	**1,014,820**	**(1,124,288)**	**4,032,460**
LIABILITIES									
Equity	27,731	8,155	37,196	26,599	7,708	1,125,705	733,141	(729,294)	**1,236,941**
Non-current borrowing to consolidated companies of the group	17,752	41,948	0	0	22,500	0	16,667	(98,867)	**0**
Bonds	0	0	0	0	0	199,672	99,959	0	**299,631**
Non-current financial debt	1,558	6,310	579	3,337	0	310,285	35,000	0	**357,069**
Other non-current liabilities	47,726	29,810	607	1,165	10,775	188,076	14,129	(23,570)	**268,718**
Current financial debts	44,651	0	186	957	0	266,673	11,197	0	**323,664**
Internal cash position – cash pooling - liabilities	58,981	69,979	4,135	3,109	2,637	0	95,659	(234,500)	**0**
Other current liabilities	499,874	29,237	64,918	46,819	3,790	930,788	9,068	(38,057)	**1,546,437**
Total equity and liabilities	**698,273**	**185,439**	**107,621**	**81,986**	**47,410**	**3,021,199**	**1,014,820**	**(1,124,288)**	**4,032,460**

At December, 31st 2013 (*) (In thousand Euro)	Construction	Real Estate & associated services	Multi-technical	Rail & Road	PPP-Concessions	Dredging and environment	Holding and eliminatio ns	Inter activities eliminations	Total consolidated
ASSETS									
Goodwill	911	53	13,039	5,676	0	272,236	0	0	**291,915**
Property, plant and equipment	42,665	333	6,609	9,938	0	1,445,696	7,634	0	**1,512,875**
Long term loans to consolidated companies of the group	18,608	0	0	0	0	0	96,873	(115,481)	**0**
Other non-current financial assets	44,969	29,652	46	882	10,181	26,524	3,142	0	**115,396**
Other non-current assets	4,389	38,345	3,449	897	13,032	205,317	732,795	(723,588)	**274,636**
Inventories	13,774	61,601	8,781	2,254	0	28,956	646	0	**116,012**
Cash and cash equivalent	48,534	6,279	7,798	3,891	(7)	318,000	52,839	0	**437,334**
Internal cash position – cash pooling – assets	94,911	2,918	10,457	6,246	0	0	138,195	(252,727)	**0**
Other current financial assets – companies of the group	0	0	0	0	0	0	0	0	**0**
Other current assets	392,960	49,624	66,601	47,098	1,030	667,797	21,626	(33,474)	**1,213,262**
Total assets	**661,721**	**188,805**	**116,780**	**76,882**	**24,236**	**2,964,526**	**1,053,750**	**(1,125,270)**	**3,961,430**
LIABILITIES									
Equity	595	10,240	27,116	27,128	6,557	1,091,245	762,083	(723,747)	**1,201,217**
Non-current borrowing to consolidated companies of the group	19,201	57,941	4,200	0	7,614	0	26,524	(115,480)	**0**
Bonds	0	0	0	0	0	199,639	0	0	**199,639**
Non-current financial debt	42,659	10,266	1,376	2,948	1	419,261	20,143	0	**496,654**
Other non-current liabilities	40,659	9,653	823	1,202	4,104	205,475	13,018	(69)	**274,865**
Current financial debts	1,467	0	1,161	812	0	240,381	102,297	0	**346,118**
Internal cash position – cash pooling - liabilities	45,482	80,490	9,397	3,267	1,966	0	112,116	(252,718)	**0**
Other current liabilities	511,658	20,215	72,707	41,525	3,994	808,525	17,569	(33,256)	**1,442,937**
Total equity and liabilities	**661,721**	**188,805**	**116,780**	**76,882**	**24,236**	**2,964,526**	**1,053,750**	**(1,125,270)**	**3,961,430**

(*) Amounts adjusted in accordance with the change in accounting principle related to IFRS 10 "Consolidated financial statements" and IFRS 11 "Joint arrangements" as explained in note 3.2.

4.3. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

At June 30th 2014 (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	13,143	(2,560)	2,213	2,493	(1,036)	183,194	382	**197,829**
Cash flow from operating activities	(19,167)	(1,369)	(899)	1,066	(34,180)	185,390	(14,303)	**116,538**
Cash flow from investing activities	(1,152)	(5)	(454)	(1,085)	0	(40,401)	(2,515)	**(45,612)**
Cash flow from financing activities	18,126	(1,953)	1,843	(3,200)	34,192	(105,306)	(26,619)	**(82,917)**
Net increase/(decrease) of cash	(2,193)	(3,327)	490	(3,219)	12	39,683	(43,437)	**(11,991)**

At June 30th 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	(4,772)	(877)	(3,922)	3,000	(1,047)	0	(1,465)	**(9,083)**
Cash flow from operating activities	(18,255)	(939)	3,851	9,348	(8,702)	0	(47,703)	**(62,400)**
Cash flow from investing activities	(2,235)	1,121	(778)	(1,683)	0	0	(651)	**(4,226)**
Cash flow from financing activities	1,867	295	(2,582)	(3,900)	8,797	0	(27,278)	**(22,801)**
Net increase/(decrease) of cash	(18,623)	477	491	3,765	95	0	(75,632)	**(89,427)**

(*) Amounts adjusted in accordance with the change in accounting principle related to IFRS 10 "Consolidated financial statements" and IFRS 11 "Joint arrangements" as explained in note 3.2.

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 30th 2014 (In thousand Euro)	Construction	Real Estate & associated services	Multi-technical	Rail & Road	PPP-Concessions	Dredging and environment	Holding and eliminations	Total consolidated
Amortizations	(3,032)	(424)	(1,265)	(1,457)	0	(100,929)	(632)	**(107,739)**
Investments	2,537	3,901	643	1,019	0	44,919	2,515	**55,534**

At June 30th 2013 (*) (In thousand Euro)	Construction	Real Estate & associated services	Multi-technical	Rail & Road	PPP-Concessions	Dredging and environment	Holding and eliminations	Total consolidated
Amortizations	(3,057)	(40)	(1,717)	(1,756)	0	0	(729)	**(7,299)**
Investments	2,395	30	1,574	1,619	0	0	651	**6,269**

(*) Amounts adjusted in accordance with the change in accounting principle related to IFRS 10 "Consolidated financial statements" and IFRS 11 "Joint arrangements" as explained in note 3.2.

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 2014	June 2013 (*)
Building - Benelux	275,904	222,469
Civil engineering	59,320	68,818
Buildings - International	92,051	46,387
Total	**427,275**	**337,674**

(*) Amounts adjusted in accordance with the change in accounting principle related to IFRS 10 "Consolidated financial statements" and IFRS 11 "Joint arrangements" as explained in note 3.2.

4.5. GEOGRAPHICAL SECTOR

REVENUE OF CFE GROUP AT JUNE 30

(In thousand Euro)	June 2014	June 2013 (*)
Belgium	560,990	358,674
Other Europe	432,401	92,922
Middle East	68,797	36
Asia	54,562	292
Oceania	354,390	0
Africa	218,484	19,738
Americas	83,851	0
Total consolidated	**1,773,475**	**471,662**

(*) Amounts adjusted in accordance with the change in accounting principle related to IFRS 10 "Consolidated financial statements" and IFRS 11 "Joint arrangements" as explained in note 3.2.

5. ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

ACQUISITIONS AS OF JUNE 30, 2014

On 24 December 2013, the CFE group acquired an additional 50% stake in DEME increasing its stake in DEME from 50% to 100%. The assets and liabilities have been accounted at the carrying amount according the accounting rules of CFE group, and the goodwill was temporarily defined. On 30 June 2014, the exercise of valorization of assets and liabilities to the fair value is ongoing. 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.

DISPOSALS AS OF JUNE 30, 2014

None.

Acquisitions and disposals of subsidiaries in the Real Estate & Management Services division were not business combinations and so all the contribution paid is allocated to the land and buildings in stock.

COMPREHENSIVE INCOME

6. REVENUE FROM AUXILIARY ACTIVITIES

Revenues from auxiliary activities amount to 31,175 thousand Euro (June 2013(*) : 34,183 thousand Euro) and include gains on property, plant and equipment for 3,917 thousand Euro (June 2013(*): 38 thousand Euro), as well as rent income, recharges of costs and other compensation for 27,258 thousand Euro (June 2013(*) : 34,145 thousand Euro). Compared to last year, revenues from auxiliary activities decreased by almost 9%.

(*) Amounts adjusted in accordance with the change in accounting principle related to IFRS 10 "Consolidated financial statements" and IFRS 11 "Joint arrangements" as explained in note 3.2.

7. NET FINANCIAL INCOME/EXPENSE

As of June 30 (in thousand Euro)	2014	2013 (*)
Cost of financial debt	**(13,189)**	**1,131**
Derivative instruments - fair value adjustments through profit and loss	212	452
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	5,647	1,601
Assets and liabilities at amortized cost - interest charges	(19,048)	(922)
Other financial income and expense	**446**	**(1,291)**
Realized / unrealized translation gains/(losses)	4,093	101
Dividends received from non-consolidated companies	419	(9)
Impairment of financial assets	(33)	87
Other	(4,033)	(1,470)
Financial result	**(12,743)**	**(160)**

(*) Amounts adjusted in accordance with the change in accounting principle related to IFRS 10 "Consolidated financial statements" and IFRS 11 "Joint arrangements" as explained in note 3.2.

The increase of costs of financial debt in comparison with June,30 2013 is due to the fact that DEME was integrated under equity method during the first half year 2013, in compliance with the restatement resulting from the implementation of IFRS 11 "Joint arrangements".

The evolution of the gain/(loss) exchange realized/not realized in the first half year of 2014 compared to the same period in 2013 is mostly explained by the valuation of the Euro against other foreign currencies in DEME.

8. NON-CONTROLLING INTERESTS

As of June 30, 2014 the part of non-controlling interests in the result amounts to 128 thousand Euro (June 2013(*) : (104) thousand Euro).

9. INCOME TAX

The tax expense amounts to 26,956 thousand Euro for the first half year 2014 (June 2013(*) : 2,267 thousand Euro). The effective tax rate amounts to 32.07 % (June 2013(*) : (14.08%)). 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 rate of 32.07% reflects the effective tax rate of dredging activities what was not included in the rate of June 2013 due to the fact that the activities were integrated under equity method in the restated comparative figures. In June 2013, the rate reflected that deferred tax assets on losses have not recognized in some entities as it is uncertain whether these entities will generate enough taxable results to recover these tax losses.

STATEMENT OF FINANCIAL POSITION

10. PROPERTY, PLANT & EQUIPMENT

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	**128,361**	**2,696,064**	**66,378**	**0**	**1,560**	**2,892,363**
Effect of foreign currency fluctuations	255	837	(30)	0	0	1,062
Acquisitions through business combinations	0	0	0	0	0	0
Acquisitions	4,465	42,844	2,286	0	1,401	50,996
Transfers from one asset to another	(12,992)	655	(54)	0	(884)	(13,275)
Disposals	0	(37,855)	(2,814)	0	0	(40,669)
Change in the consolidation scope	548	7,957	0	0	0	8,505
Balance at the end of the year	**120,637**	**2,710,502**	**65,766**	**0**	**2,077**	**2,898,982**
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)	(640)	(5)	0	0	(788)
Acquisitions through business - combinations	0	0	0	0	0	0
Depreciations	(2,908)	(97,079)	(3,162)	0	0	(103,149)
Transfers from one asset to another	13,015	190	71	0	0	13,276
Disposals	0	36,775	1,743	0	0	38,518
Change in the consolidation scope	(548)	(7,957)	0	0	0	(8,505)
Balance at the end of the period	**(48,147)**	**(1,338,620)**	**(53,369)**	**0**	**0**	**(1,440,136)**
Net carrying amount						
At January, 1 2014 (*)	**70,798**	**1,426,155**	**14,362**	**0**	**1,560**	**1,512,875**
At June, 30 2014	**72,490**	**1,371,882**	**12,397**	**0**	**2,077**	**1,458,846**

(*) Amounts adjusted in accordance with the change in accounting principle related to IFRS 10 “Consolidated financial statements” and IFRS 11 “Joint arrangements” as explained in note 3.2.

On June 30, 2014, the acquisitions of tangible assets amount to 50,996 thousand Euro, and are mainly related to DEME (44,573 thousand Euro).

The net value of the fixed assets held in leasing amounts to 20,968 thousand Euro (2013(*): 20,832 thousand Euro). Those contracts relate mainly to DEME, the building of subsidiary Louis Stevens & Co NV and the buildings and equipments of Group Terryn and its subsidiaries.

The amount of property, plant, and equipment constituting a guarantee for some borrowing amounts to 411,226 thousand Euro (December 2013(*) : 472,137 thousand Euro).

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	**34,408**	**117,904**	**37,873**	**0**	**524**	**190,709**
Effect of foreign currency fluctuations	(2)	(26)	(18)	0	0	(46)
Acquisitions through business combinations	0	0	0	0	0	0
Acquisitions	228	2,970	2,428	0	235	5,861
Transfers from one asset to another	841	(245)	230	0	0	826
Disposals	(10)	(2,204)	(1,436)	0	0	(3,650)
Change in the consolidation scope	(140)	0	(350)	0	0	(490)
Balance at the end of the year	**35,325**	**118,399**	**38,727**	**0**	**759**	**193,210**
Depreciations & impairment						
Balance at the end of the previous period	**(10,870)**	**(86,229)**	**(29,687)**	**0**	**0**	**(126,786)**
Effect of foreign currency fluctuations	1	22	12	0	0	35
Acquisitions through business - combinations	0	0	0	0	0	0
Depreciations	(591)	(3,993)	(1,896)	0	0	(6,480)
Transfers from one asset to another	(531)	212	(207)	0	0	(526)
Disposals	4	1,745	1,041	0	0	2,790
Change in the consolidation scope	59	0	284	0	0	343
Balance at the end of the period	**(11,928)**	**(88,243)**	**(30,453)**	**0**	**0**	**(130,624)**
Net carrying amount						
At January, 1 2013 (*)	**23,538**	**31,675**	**8,186**	**0**	**524**	**63,923**
At June, 30 2013 (*)	**23,397**	**30,156**	**8,274**	**0**	**759**	**62,586**

(*) Amounts adjusted in accordance with the change in accounting principle related to IFRS 10 “Consolidated financial statements” and IFRS 11 “Joint arrangements” as explained in note 3.2.

The net carrying amount of tangible assets amounts to 62,586 thousand Euro on June, 30 2013 (June,30 2014: 1,458,846 thousand Euro). This difference is explained by the application of IFRS 11 “Joint arrangements” which has the consequence that DEME, still jointly owned by CFE during the first semester 2013, is integrated under equity method in June 2013.

11. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE

On June 30, 2014, investments in associates amount to 132,479 thousand Euro (December 2013(*): 132,952 thousand Euro) in the statement of financial position.

(*) Amounts adjusted in accordance with the change in accounting principle related to IFRS 10 “Consolidated financial statements” and IFRS 11 “Joint arrangements” as explained in note 3.2.

12. CONSTRUCTION CONTRACTS

The amount of incurred costs increased by profits and decreased by recognized losses as well as by progress billing is determined contract by contract. The net amount due by or to customers is determined on a contract-by-contract basis as the difference between these two items.

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 30th, 2014	December 31st, 2013(*)
Balance sheet data		
Construction contracts in progress – assets	158,150	94,161
Construction contracts in progress – liabilities	(24,396)	(37,736)
Construction contracts in progress – net	**133,754**	**56,425**
Total income and expenses to date recognised on contracts in progress		
Costs incurred plus profits recognized less losses recognized to date	6,400,936	4,836,076
Less invoices issued	(6,267,182)	(4,779,652)
Construction contracts in progress – net	**133,754**	**56,425**

(*) Amounts adjusted in accordance with the change in accounting principle related to IFRS 10 “Consolidated financial statements” and IFRS 11 “Joint arrangements” as explained in note 3.2.

13. INVENTORIES

On June 30, 2014, the inventories amount to 123,353 thousand Euro (December 2013(*): 116,012 thousand Euro) and are detailed as follows:

(In thousand Euro)	June 30, 2014	December 31, 2013 (*)
Raw materials and consumables	42,988	44,130
Raw material and consumables (impairment losses)	(1,450)	(1,450)
Finished products and goods purchased for resale	84,978	75,419
Finished products (impairment losses)	(3,163)	(2,087)
Stocks	**123,353**	**116,012**

(*) Amounts adjusted in accordance with the change in accounting principle related to IFRS 10 "Consolidated financial statements" and IFRS 11 "Joint arrangements" as explained in note 3.2.

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

On June 30, 2014 these provisions amount 82,862 thousand Euro, which represents an increase of 9,026 thousand Euro compared to the end of December 2013(*) (73,836 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 (*)	**17,223**	**30,958**	**15,368**	**10,287**	**73,836**
Effect of foreign currency fluctuations	(31)	(3)	0	0	(34)
Actualization effect	0	0	0	0	0
Transfer from one category to another	(109)	48	6,213	62	6,214
Provisions recognized	1,337	7,368	0	(5,833)	2,872
Provisions used	(599)	(7,525)	0	6,121	(2,003)
Provisions reversed	0	(225)	0	2,202	1,977
Closing balance	**17,821**	**30,621**	**21,581**	**12,839**	**82,862**

of which	current:	48,442
	non-current:	34,420

(*) Amounts adjusted in accordance with the change in accounting principle related to IFRS 10 "Consolidated financial statements" and IFRS 11 "Joint arrangements" as explained in note 3.2.

The provision for after-sale service increased by 598 thousand Euro to reach 17,821 thousand Euro on June 30, 2014.

The provision for other current risks decreased by 337 thousand Euro and amounts to 30,621 thousand Euro at June 30, 2014. This category includes :

- provisions for customer claims (5,963 thousand Euro), for social litigation (887 thousand Euro), for remaining work to be completed (202 thousand Euro) and provisions for other risks (9,050 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 (14,519 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 12,839 thousand Euro at the end of June 2014 include, amongst others, a provision for restructuring.

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 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

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.

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, 2014, the derivative financial instruments have been estimated at their fair values.

17. NET FINANCIAL DEBT

17.1. THE NET FINANCIAL DEBT

	30/06/2014			31/12/2013 (*)		
(In thousand Euro)	**Non-current**	**Current**	**Total**	**Non-current**	**Current**	**Total**
Bank loans and other financial debt	(306,518)	(221,292)	(527,810)	(448,776)	(240,822)	(689,598)
Bonds	(299,631)	0	(299,631)	(199,639)	0	(199,639)
Drawings on credit facilities	(35,000)	0	(35,000)	(30,000)	0	(30,000)
Borrowings under finance leases	(15,551)	(3,418)	(18,969)	(17,878)	(4,006)	(21,884)
Total long-term financial debt	(656,700)	(224,710)	(881,410)	(696,293)	(244,828)	(941,121)
Short-term financial debt	0	(98,954)	(98,954)	0	(101,290)	(101,290)
Cash equivalents	0	49,453	49,453	0	24,789	24,789
Cash	0	378,309	378,309	0	412,545	412,545
Net short-term financial debt/(cash)	0	328,808	328,808	0	336,044	336,044
Total net financial debt	(656,700)	104,098	(552,602)	(696,293)	91,216	(605,077)
Derivative instruments used as interest-rate hedges	(15,396)	(9,852)	(25,248)	(16,352)	(10,599)	(26,951)

(*) Amounts adjusted in accordance with the change in accounting principle related to IFRS 10 “Consolidated financial statements” and IFRS 11 “Joint arrangements” as explained in note 3.2.

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	(221,292)	(138,020)	(79,158)	(85,491)	(3,849)	0	(527,810)
Bonds	0	0	0	(299,631)	0	0	(299,631)
Drawings on credit facilities	0	(35,000)	0	0	0	0	(35,000)
Borrowings under finance leases	(3,418)	(3,598)	(2,926)	(5,074)	(3,916)	(37)	(18,969)
Total long-term financial debt	(224,710)	(176,618)	(82,084)	(390,196)	(7,765)	(37)	(881,410)
Short-term financial debt	(98,954)	0	0	0	0	0	(98,954)
Cash equivalents	49,453	0	0	0	0	0	49,453
Cash	378,309	0	0	0	0	0	378,309
Net short-term financial debt	328,808	0	0	0	0	0	328,808
Change in net financial debt	104,098	(176,618)	(82,084)	(390,196)	(7,765)	(37)	(552,602)

17.3. CREDIT FACILITIES AND LONG TERM BANK LOANS

At 30 June 2014, the CFE group had confirmed long-term bank credit facilities of 100 million Euro, of which 35 million Euro were drawn at the end of June 2014.

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 (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.

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 2014.

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 2013 annual report.

Effective average interest rate before considering derivative products

	Fixed rate			Floating rate			Total		
Type of debts	Amounts	Quota	Rate	Amounts	Quota	Rate	Amounts	Quota	Rate
Bank loans and other financial debts	56,605	15.80%	1.56%	471,205	90.07%	0.75%	527,810	59.88%	0.83%
Bonds	299,631	83.64%	4.35%	0	0.00%	0.00%	299,631	33.99%	4.35%
Credit line used	0	0.00%	0.00%	35,000	6.69%	1.54%	35,000	3.97%	1.54%
Loans related to finance lease	2,021	0.56%	4.94%	16,948	3.24%	1.82%	18,969	2.15%	2.15%
Total	**358,257**	**100%**	**3.91%**	**523,153**	**100%**	**0.83%**	**881,410**	**100%**	**2.08%**

Effective average interest rate after considering floating derivative products

	Fixed rate			Floating rate			Floating rate capped + inflation			Total		
Type of debts	Amounts	Quota	Rate	Amounts	Quota	Rate	Amounts	Quota	Rate	Amounts	Quota	Rate
Bank loans and other financial debts	508,524	62.77%	2.37%	19,286	27.07%	1.08%	0	0	0.00%	527,810	59.88%	2.32%
Bonds	299,631	36.98%	4.35%	0	0.00%	0.00%	0	0	0.00%	299,631	33.99%	4.35%
Credit line used	0	0.00%	0.00%	35,000	49.13%	1.82%	0	0	0.00%	35,000	3.98%	1.54%
Loans related to finance lease	2,021	0.24%	4.94%	16,948	23.79%	1.82%	0	0	0.00%	18,969	2.15%	2.15%
Total	**810,176**	**100%**	**3.07%**	**71,234**	**100%**	**1.57%**	**0**	**0**	**0.00%**	**881,410**	**100%**	**2.98%**

18.2. LONG TERM FINANCIAL DEBTS BY CURRENCY

The outstanding debts by currency are:

(In thousand Euro)	**June 2014**	**December 2013 (*)**
Euro	881,410	941,121
US Dollar	0	0
Other currencies	0	0
Total long term debts	**881,410**	**941,121**

(*) Amounts adjusted in accordance with the change in accounting principle related to IFRS 10 "Consolidated financial statements" and IFRS 11 "Joint arrangements" as explained in note 3.2.

18.3. BOOK VALUE AND FAIR VALUE BY ACCOUNTING CATEGORY

June 30, 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	**63**		**2,999**	**86,334**	**89,396**		**89,396**
Investments (1)			2,999		**2,999**	Level 2	**2,999**
Financial loans and receivables (1)				86,334	**86,334**	Level 2	**86,334**
Interest rate derivatives – cash flow hedges	63				63	Level 2	63
Current financial assets	**540**			**1,675,555**	**1,676,095**		**1,676,095**
Interest rate derivatives – non hedge							
Trade and other receivables				1,194,308	**1,194,308**	Level 2	**1,194,308**
Cash management financial assets	540			53,485	**54,025**	Level 2	**54,025**
Cash equivalents (2)				49,453	**49,453**	Level 2	**49,453**
Cash at bank and in hand (2)				378,309	**378,309**	Level 2	**378,309**
Total assets	**603**		**2.999**	**1,761,889**	**1,765,491**		**1,765,491**
Non-current financial debts		**15,723**		**656,700**	**672,423**		**704,877**
Bonds				299,631	**299,631**	Level 1	**315,703**
Financial debts				357,069	**357,069**	Level 2	**373,451**
Interest rate derivatives – cash flow hedges		15,723			**15,723**	Level 2	**15,723**
Current financial liabilities	**16,124**			**1,343,313**	**1,359,437**		**1,367,353**
Interest rate derivatives – highly probable projected cash flow hedges	2,987				**2,987**	Level 2	**2,987**
Interest rate derivatives – cash flow hedges	9,165				**9,165**	Level 2	**9,165**
Exchange rate derivatives – non cash flow hedges	3,285				**3,285**	Level 2	**3,285**
Other derivatives instruments – non hedge	687				**687**	Level 2	**687**
Trade payables and other operating debts				1,019,649	**1,019,649**	Level 2	**1,019,649**
Bonds							
Financial debts				323,664	**323,664**	Level 2	**331,580**
Total liabilities	**16,124**	**15,723**		**2,000,013**	**2,031,860**		**2,072,230**

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.

19. OTHER COMMITMENTS GIVEN

The total amount of commitments granted other than guarantees for the period ended June 30, 2014, is 1,223,807 thousand Euro (December 2013(*) : 1,166,686 thousand Euro) and is detailed by nature as follows:

(In thousand Euro)	June 2014	December 2013 (*)
Performance guarantees and performance bonds (a)	858,078	821,118
Bid bonds (b)	42,180	30,977
Repayment of advance payments (c)	14,103	17,453
Retentions (d)	59,508	58,132
Deferred payments to subcontractors and suppliers (e)	33,979	29,596
Other commitments given - including 53,428 thousand Euro of corporate guarantees at DEME	215,959	209,410
Total	**1,223,807**	**1,166,686**

(*) Amounts adjusted in accordance with the change in accounting principle related to IFRS 10 "Consolidated financial statements" and IFRS 11 "Joint arrangements" as explained in note 3.2.

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 2014	December 2013 (*)
Performance guarantees and performance bonds	46,855	37,186
Other commitments received	3,439	11,837
Total	**50,294**	**49,023**

(*) Amounts adjusted in accordance with the change in accounting principle related to IFRS 10 "Consolidated financial statements" and IFRS 11 "Joint arrangements" as explained in note 3.2.

21. 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.

22. RELATED PARTIES

- Ackermans & van Haaren (AvH) owns 15,289,521 shares of CFE at the end of June 2014, being therefore the main shareholder of the CFE group with a stake of 60,40%;
- 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 2014, there was no significant variation in the nature of transactions with related parties compared to December 31, 2013. The trade transactions of financial transactions between the group and the joint ventures integrated under equity method are as follows:

(In thousand Euro)	June 30, 2014	December 31, 2013 (*)
Assets with related parties	**289,005**	**292,167**
Non-current financial assets	84,785	70,338
Trade receivables and other operating trades	204,220	221,829
Liabilities with related parties	**54,375**	**44,146**
Other non-current liabilities	3,000	3,052
Trade payables and other operating trades	51,375	41,094

(In thousand Euro)	June 30, 2014	December 31, 2013 (*)
Expenses and incomes with related parties	**76,668**	**90,428**
Turnover and incomes from auxiliary activities	74,522	88,969
Purchases and other operating expenses	(1,874)	(12,232)
Expenses and financial incomes	2,146	1,459

(*) Amounts adjusted in accordance with the change in accounting principle related to IFRS 10 "Consolidated financial statements" and IFRS 11 "Joint arrangements" as explained in note 3.2.

23. SUBSEQUENT EVENTS

None.

24. 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.

25. 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.

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 2014, 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 4.032.460 (000) EUR and the consolidated condensed income statement shows a consolidated profit (group share) for the period then ended of 63.573 (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, 28 August 2014

The statutory auditor

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