Financial Report 2014

CFE

Key figures

Consolidated statement of comprehensive income

N.B.

On 24 December 2013, CFE acquired exclusive control of DEME. Consolidated figures relating to the income statement and cash flow statement for the financial year 2013 take into account only 50% of DEME's activity. However, data relating to the consolidated balance sheet at 31 December 2013 include DEME at 100%. The same is true of the order book at 31 December 2013.

In € million	IFRS						
	2010	2011	2012	2013 (published)	2013 (*) Results of DEME at 50%	Pro Forma 2013 DEME at 100%	2014 DEME at 100%
Revenue	1,774.4	1,793.8	1,898.3	2,267.3	984.9	3,346.1	3,510.5
Operating result (EBIT) (1)	99.1	84.9	81.2	67.2	16.3	166.4	240.5
Profit before tax (1)	85.2	69.2	52.5	28.0	13.6	110.2	224.8
Net result part of the group (1)	63.3	59.1	49.4	7.9	7.9	61.7	159.9
Net result part of the group (2)	63.3	59.1	49.4	-81.2	-81.2	-27.4	159.9
Gross self-financing (3)	195.0	171.5	184.4	190.3	-12.7	392.1	461.7
EBITDA (4)	197.3	181.6	199.1	213.2	-9.8	460.9	479.5
Equity part of the group (before distribution)	466.1	501.7	524.6	1,193.2	1,193.2	1,193.2	1,313.6

(*) Amounts restated in accordance with changes in accounting methods following the implementation of IFRS 10 and IFRS 11.

(1) *Before* items specific to the capital increase and the treatment of goodwill arising from the consolidation of the additional 50% stake in DEME arising from the contribution in kind and capital increase.

(2) *After* items specific to the capital increase and the treatment of goodwill arising from the consolidation of the additional 50% stake in DEME arising from the contribution in kind and capital increase.

(3) Gross self-financing margin: see consolidated cash-flow statement on page 67 of the consolidated financial report.

(4) EBITDA: EBIT + amortization and depreciation + other non-cash items (under IFRS)
The definition of EBITDA was changed as follows as from 2014 (including for restatement of the comparative figures of 2013): operating income on activities + amortization and depreciation + other non-cash items. As opposed to the operating income (EBIT), the operating income on activities does not include the earnings from associates and joint ventures.

Consolidated statement of financial position

In € million	IFRS				
	2010	2011 (*)	2012 (*)	2013 (**)	2014
Equity	475.5	506.8	530.8	1,201.2 (DEME at 100%)	1,320.9
Net financial debt	248.0	350.8	400.0	614.1 (DEME at 100%)	188.1
Investments in tangible and intangible assets	223.3	217.6	205.9	117.1	187.5
Depreciation and amortisation	98.3	100.6	119.6	14.4	243.7

(*) Amounts restated resulting from the change in accounting method arising from the application of IAS 19 revised.

(**) Amounts restated in accordance with (i) changes in accounting methods following the implementation of IFRS 10 Consolidated financial statements and IFRS 11 Joint ventures, and (ii) the recognition at fair value of the identifiable assets and liabilities of DEME following the acquisition of an additional 50% stake in DEME on 24 December 2013.

Annual growth

	IFRS				
	2010	2011	2012 (1)	2013 (published)	2014 (3)
Revenue	10.7%	1.1%	5.8%	19.4%	+4.9%
EBIT (2)	8.4%	-14.2%	-4.4%	-17.2%	+44.5%
Net result part of the group (1)	2.5%	-6.7%	-16.4%	-84.0%	+159.2%

(1) Amounts restated resulting from the change in accounting method arising from the application of IAS 19 revised.

(2) *Before* items specific to the capital increase and the treatment of goodwill arising from the consolidation of the additional 50% stake in DEME arising from the contribution in kind and capital increase.

(3) Compared to pro forma 2013.

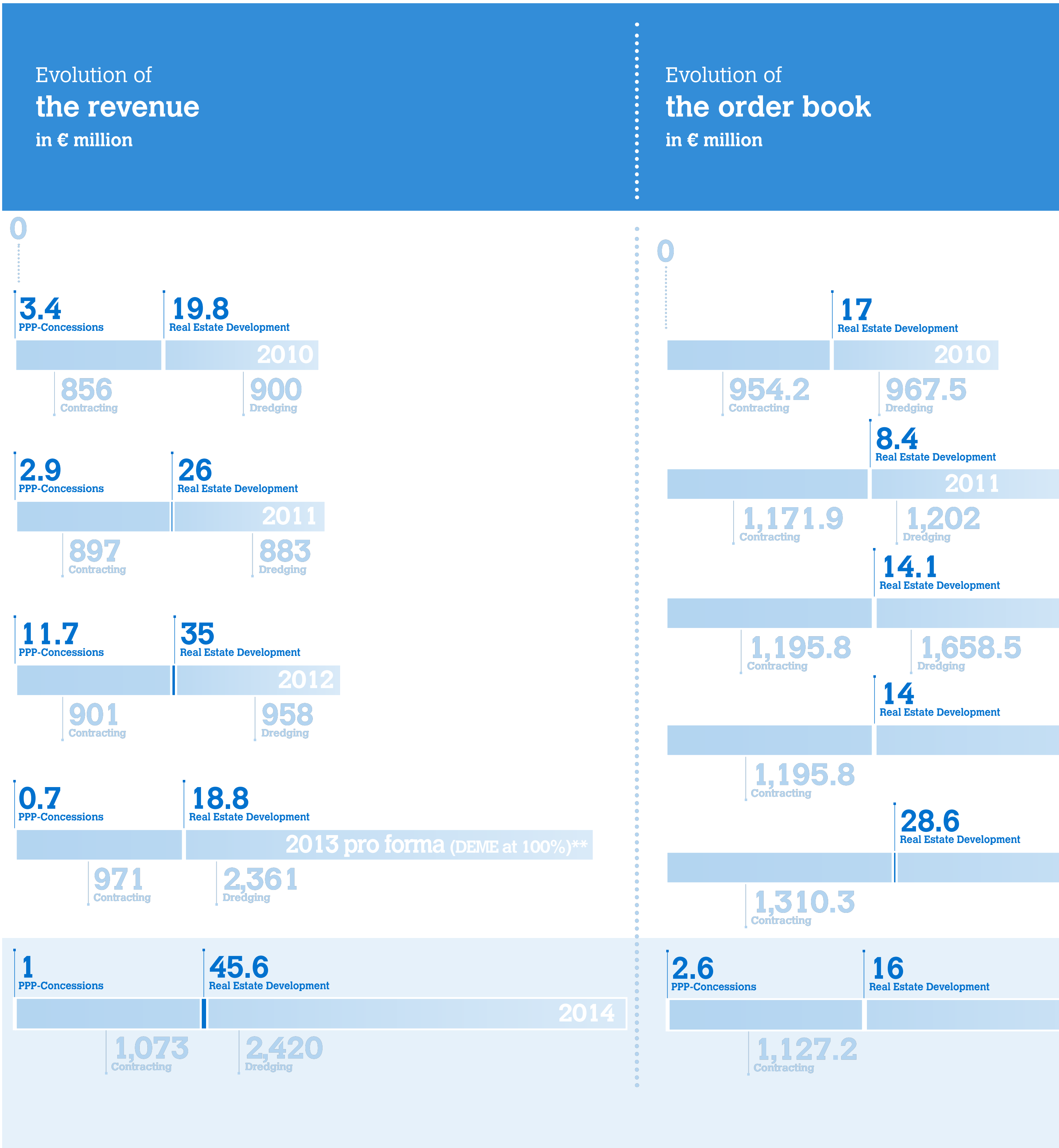
Ratios

	IFRS						
	2010	2011	2012 (*)	2013 (published) (**)	2013 DEME 50% (**)	2013 Pro Forma DEME 100% (**)	2014
EBIT / Revenue	5.6%	4.7%	4.3%	3.0%	1.7%	5.0%	6.9%
EBIT / Cashflow	50.7%	49.5%	44.1%	35.3%	-128.3%	42.4%	52.1%
EBITDA / Revenue	11.1%	10.1%	10.5%	9.4%	-1.0%	13.8%	13.7%
Net result part of the group / equity part of the group	13.6%	11.8%	9.4%	0.7%	0.7%	5.2%	12.2%
Net result part of the group / Revenue	3.6%	3.3%	2.6%	0.3%	0.8%	1.8%	4.6%

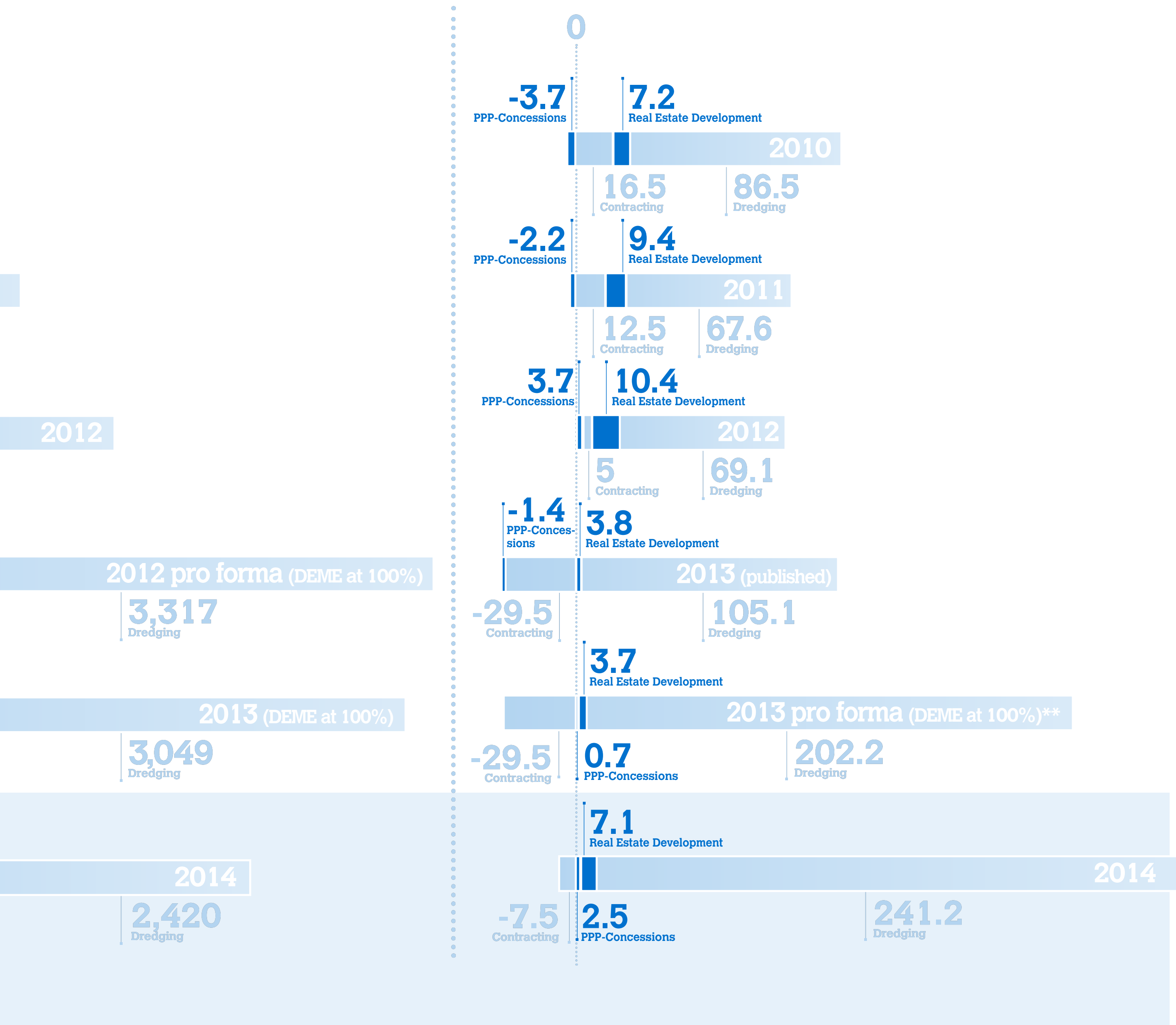
(*) Amounts restated resulting from the change in accounting method arising from the application of IAS 19 revised.

(**) *Before* items specific to the capital increase and the treatment of goodwill arising from the consolidation of the additional 50% stake in DEME arising from the contribution in kind and capital increase, and restated in accordance with changes in accounting methods following the implementation of IFRS 10 and 11.

Data by division



Evolution of **the operating result** (*) in € million

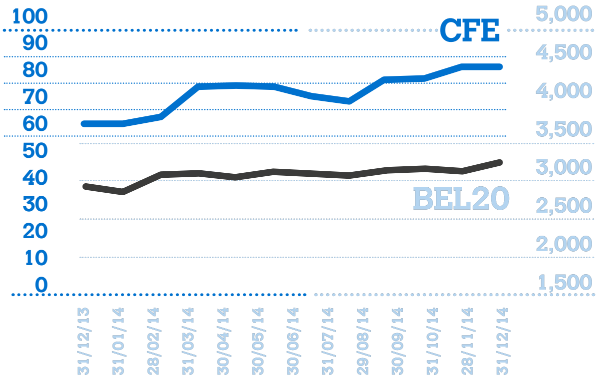


(*) Including results of associated companies and joint ventures.
(**) Amounts restated in accordance with changes in accounting methods following the implementation of IFRS 10 and IFRS 11.

The Contracting division integrates the Construction, Multitechnics and Rail activities.

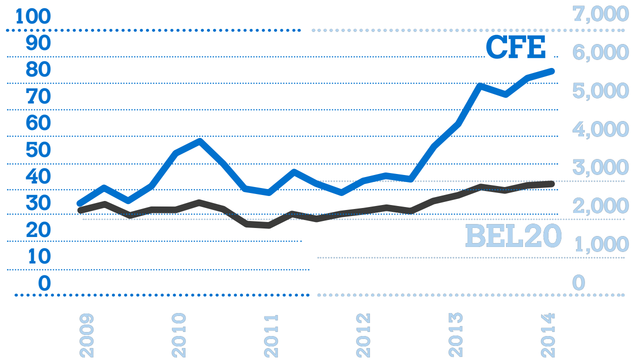
Trend comparing the CFE share price and the BEL20 index

For the year 2014



Trend comparing the CFE share price and the BEL20 index

Over the last five years



Data in € per share

	2010	2011	2012 (*)	2013 (**)	2014
Number of shares at 31/12	13,092,260	13,092,260	13,092,260	25,314,482	25,314,482
Operating result	7.57	6.49	6.22	N/A **	9.50
Gross self-financing margin	14.89	13.10	14.10	N/A **	18.24
Net result part of the group	4.83	4.51	3.75	N/A **	6.32
Gross dividend	1.25	1.15	1.15	1.15	2.00
Net dividend	0.9375	0.8625	0.8625	0.8625	1.50
Equity part of the group	35.6	38.3	40.07	47.1	52.18

(*) Amounts restated resulting from the change in accounting method arising from the application of IAS 19 revised.
(**) Not meaningful following the change in scope and items relating to the capital increase and the treatment of goodwill.

Share price data

		2010	2011	2012	2013	2014
Lowest price	EUR	32.10	35.03	36.25	41.00	62.80
Highest price	EUR	54.84	59.78	49.49	66.64	89.70
Price at the close of the FY	EUR	53.71	37.99	43.84	64.76	85.02
Average volume per day	number of shares	17,412	15,219	11,672	14,628	15,015
Market capitalisation at 31/12	Mio EUR	703.19	497.40	573.96	1,639.40	2,152.20

Information about shares and the exercise of rights

At 31 December 2014, CFE's share capital consisted of 25,314,482 shares.

Since 1 January 2014, all of the Company's shares have been in registered or in electronic form.

On 1 January 2014, bearer shares that had not been registered in a securities account by 31 December 2013 were automatically converted into shares in electronic form and placed in a specific securities account held in CFE's name with Euroclear.

In accordance with regulations, all former bearer shares (automatically converted into shares in electronic form on 1 January 2014) whose owners do not come forward will be sold by CFE as part of a mandatory public sale to be organised in 2015.

Ownership of a CFE share entitles the owner to vote in CFE's general meeting of shareholders and automatically assumes approval of CFE's Articles of Association and the decisions of CFE's general meeting of shareholders.

The exercise of any right attached to bearer shares (automatically converted into shares in electronic form on 1 January 2014) has been suspended until a person who can validly prove ownership successfully requests that the shares be registered in his/her name in a securities account or in the company's share register.

The share register is kept in electronic form and in hard copy. The hard copy of the register is kept at CFE's head office. Management of the electronic registry has been entrusted to Euroclear Belgium (CIK SA).

Euroclear Belgium has been appointed as the settlement organisation.

The company has not issued any convertible bonds or warrants.

Banque Degroof has been designated as the Main Paying Agent.

The financial institutions with which holders of financial instruments may exercise their financial rights are: Banque Degroof. BNP Paribas Fortis and ING Belgique.

Management report of the board of directors


Fabien De Jonge CFE


Philippe Berlamont CFE

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A. Report on the financial statements for the financial year

CFE's Board of Directors met on 26 February 2015 to finalize the financial statements for the year ended 31 December 2014, which will be submitted to the forthcoming general meeting of shareholders on 7 May 2015.

1. 2014 key figures

Preliminary note:

The financial statements for the 2014 financial year have been restated to take account of changes in accounting methods following the implementation of IFRS 10 and 11. Following that restatement, DEME's income statement was consolidated using the equity method at 31 December 2013, with CFE owning 50% of its dredging entity until 24 December 2013. For the sake of readability, a pro forma 2013 column shows the key figures of DEME's income statement at 100% for the 2013 financial year.

In million €	2014	2013 [1]	Pro Forma 2013 [1]	Change 2014/2013 Pro Forma
		DEME at 50%	DEME at 100%	
Revenue	**3,510.5**	**984.9**	**3,346.1**	**4.9%**
Self-financing capacity (EBITDA)	**479.5**	**-9.8**	**460.9**	**4.0%**
% of revenue	13.7%	-1.00%	13.80%	
Operating income on activities [2]	**220.4**	**-35**	**241.2**	**-8.6%**
% of revenue	6.3%	-3.60%	7.2%	
Operating income (including earnings from associates and joint ventures) [2]	**240.5**	**16.3**	**166.4**	**44.5%**
% of revenue	6.9%	1.7%	5.0%	
Net result part of the group [2]	**159.9**	**7.9**	**61.7**	**159.2%**
% of revenue	4.6%	0.8%	1.8%	
Net result share of the group [3]	**159.9**	**-81.2**	**-27.4**	**n.s.**
Earnings per share (in €)	6.32	-3.21	-	n.s.
Gross dividend per share (in €)	**2.00**	**1.15**	-	**73.9%**
Order book at 31 December [4]	**3,565.8**	**4,387.9**	**4,387.9**	**-18.7%**

[1] Amounts restated in accordance with changes in accounting methods following the implementation of IFRS 10 and 11.
[2] *Before* non-recurrent items incurred in 2013 by the treatment of the consolidation of the additional 50% stake in DEME arising from the contribution in kind.
[3] *After* non-recurrent items incurred in 2013 by the treatment of the consolidation of the additional 50% stake in DEME arising from the contribution in kind.
[4] Amounts also including the order book of equity accounted companies as of 1 January 2014 following the implementation of IFRS 10 and 11.

2. Analysis by division

Dredging and Environment division

The amounts stated in this section relating to DEME are at 100%.

Key figures

In million €	2014			2013 (*)			Change 2014/2013
	DEME	Restatements (****)	Total	DEME	Restatements (****)	Total	
Revenue	2,419.7	-	2,419.7	2,361.2	-	2,361.2	+2.5%
EBITDA	443.6	2.2	445.8	475.4	-4.6	470.7	-5.3%
Operating income (**)	248.9	-7.8	241.1	206.8	-4.6	202.2	+19.2%
Net result share of the group	168.9	2.4	171.3	109.1	-3.2	105.9	+61.8%
Investments	165.4	-	165.4	98.8	-	98.8	+67.4%
Net financial debt	126.8	7.3	134.1	533.5	9.0	542.5	-75.3%
Order book (***)	2,420.0	-	2,420.0	3,049.0	-	3,049.0	-20.6%

(*) Amounts restated in accordance with changes in accounting methods following the implementation of IFRS 10 and 11.
(**) Including results of associated companies and joint ventures.
(***) Amounts also including the order book of equity accounted companies as of 1 January 2014 following the implementation of IFRS 10 and 11.
(****) See comments on page 14.

Key figures according to the economic approach

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

In million € (excluding restatements for DEME)	2014	2013	Change 2014/2013
Revenue	2,586.9	2,531.6	+2.2%
EBITDA	501.5	437.8	+14.6%
Operating income on activities	259.1	216.5	+19.7%
Net result share of the group	168.9	109.1	+54.8%
Net financial debt	212.8	711.3	-70.1%

Revenue

DEME's revenue amounted to € 2,419.7 million, i.e. up 2.5% on the previous year. According to the economic approach, the revenue would have amounted to € 2,586.9 million (+ 2.2%).

While the first phase of the dredging works in Yamal were successfully completed in October 2014, the Wheatstone and New Doha Port projects are progressing steadily and are due to finish at the beginning of the 2015 financial year.

In Egypt, DEME started work on widening and deepening the Suez Canal. Activity in the rest of Africa was also particularly buoyant with several projects in progress, more particularly in Ghana and Nigeria.

In the field of renewable energy, GeoSea continued to work on numerous projects, including the installation of 80 wind turbines in the Baltic Sea.

Evolution of activity by business area (economic approach)

In %	2014	2013
Capital dredging	55%	50%
Maintenance dredging	11%	11%
Fallpipe and landfalls	9%	9%
Environment	7%	7%
Marine works	18%	23%
Total	**2,587**	**2,532**

Evolution of activity by geographical area (economic approach)

In %	2014	2013
Europe (EU)	34%	43%
Europe (non EU)	7%	2%
Africa	14%	9%
Americas	6%	5%
Asia-Pacific	30%	31%
Middle East	8%	8%
India and Pakistan	1%	2%
Total	**2,587**	**2,532**

EBITDA and operating income

EBITDA in 2014 amounted to € 443.6 million, compared to € 475.4 million in 2013. According to the economic approach, EBITDA would have been up 14.6%, reaching € 501.5 million, or 19.4% of economic revenue.

Operating income soared to € 248.9 million, compared to € 206.8 million in 2013.

Order book

The contraction of DEME's order book was expected due to the very high level of activity in Australia and Qatar. Nevertheless, DEME won several major contracts during the year, such as in Russia (Yamal), Egypt (Suez Canal), South America, as well as offshore wind projects.

DEME also won around € 1.6 billion worth of new orders in the first two months of 2015 (not included in the order book as of 31 December 2014). Those contracts are primarily for phase 1 of the Tuas terminal in Singapore, maintenance dredging of the Scheldt river in Belgium, extension of the EKO Atlantic peninsula in Nigeria, and several contracts in India and La Réunion.

Investments and net financial debt

Investments in 2014 amounted to € 165.4 million. Apart from capitalized expenses connected with major ship repairs and maintenance (according to IAS 16), this amount includes the conversion of an operating lease into a finance lease for one of the vessels.

In the second half of 2014, GeoSea concluded an agreement with the German company Hochtief for the acquisition of its offshore assets. The transaction, which is to be finalized in the first half of 2015, will give GeoSea 100% ownership of Innovation I, one of the biggest jack-up vessels in the world. GeoSea has also undertaken to take over certain commitments relating to staff and other assets. Those commitments will have only a limited impact on DEME's balance sheet.

DEME also decided to invest in two new green vessels for the offshore energy market, which will be operational in 2017. The Living Stone is a multipurpose vessel that will be used for deep-sea rock dumping and for laying submarine cables.

The second investment is a self-propelled jack-up vessel (Apollo), which will join the GeoSea fleet for the installation of offshore wind turbines and for contracts for the oil and gas industry, such as the decommissioning of oil platforms.

No disbursements were made in 2014 for the Living Stone, the Apollo or the acquisition of the offshore assets of Hochtief.

Other investments are currently being investigated.

It should also be pointed out that DEME continues to invest, while at the same time selling off older vessels.

The substantial decrease in working capital requirement, coupled with a high operating cash flow, allowed to reduce the net financial debt (€ 126.8 million compared to € 533.5 million at year-end 2013). According to the economic approach, DEME's net financial debt would have stood at € 212.8 million, or € 498.5 million down on year-end 2013. However, bearing in mind the investments decided in 2014, DEME's net financial debt will be higher at year-end 2015.

Restatements DEME

DEME's net income (group share) of € 168.9 million was adjusted by € 2.4 million in CFE's consolidated accounts. This adjustment primarily concerns:

- the taking into result of the unwinding of the existing hedges resulting from the discontinued hedge relation due to the acquisition of the additional 50% of the shares in DEME;
- partially offset by the additional depreciation following the valuation at fair value of DEME's identifiable assets and liabilities as part of the Purchase Price Allocation due to the acquisition of the additional 50% of the shares in DEME.

Contracting division

Preliminary note

CFE's Board of Directors decided to set up a Contracting division, which contains the construction, multitechnics and rail activities.

Key figures

In million €	2014	2013	Change 2014/2013
Revenue	**1,073.3**	**971.0**	**+10.5%**
Operating income (**)	**-7.5**	**-29.5**	**+74.6%**
Net result share of the group	**-14.5**	**-37.7**	**+61.5%**
Order book (***)	**1,127.2**	**1,310.3**	**-14.0%**

(*) Amounts restated in accordance with changes in accounting methods following the implementation of IFRS 10 and 11.
(**) Including results of associated companies and joint ventures.
(***) Amounts also including the order book of equity accounted companies as of 1 January 2014 following the implementation of IFRS 10 and 11.

Revenue

In million €	2014	2013 (*)	Change in %
Construction	**805.3**	**705.4**	**+14.2%**
Civil Engineering	*116.3*	*137.2*	*-15.2%*
Buildings, Benelux	*523.1*	*442.5*	*+18.2%*
Buildings, International	*165.9*	*125.7*	*+32.0%*
Multitechnics and Rail Infra	**268.0**	**265.6**	**+0.9%**
Total Contracting	**1,073.3**	**971.0**	**+10.5%**

(*) Amounts restated in accordance with changes in accounting methods following the implementation of IFRS 10 and 11.

Revenue saw a marked increase in 2014. However, performance varied within the division:

- decline in civil engineering,
- 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, partly offset by a decrease in Hungary and Algeria, and
- increase in revenue for VMA and Nizet/Ecotech

Operating income

The division's operating income (€-7.5 million compared to €-29.5 million in 2013) made a substantial recovery, but is still negative.

The loss resulted from:

- restructuring of operations in Hungary,
- problems encountered on a Nigerian project,
- execution of some difficult projects in Brussels,
- shortage of work in civil engineering.

Nevertheless, buoyed by VMA, Engema and Stevens, the Multitechnics & Rail Infra activity turned back to profit despite the reorganization of two loss-making subsidiaries.

Concerning the Antwerp ring road project (Oosterweel), the Flemish Region eventually decided not to award the contract for the Left Bank and the tunnel under the Scheldt to Noriant. In line with that decision, Noriant was paid a lump-sum indemnity of € 42.3 million in February 2015.

Sale of road operations of Aannemingen Van Wellen

On 25 February 2015, CFE sold its interest in Aannemingen Van Wellen NV to ASWEBO, the road construction subsidiary of the Willemen Group. Prior to this sale, the Building division of Aannemingen Van Wellen was transferred to a subsidiary of the group and has been operating in Flanders since 1 December 2014 under the name 'Atro Bouw'.

The capital gain, estimated at around € 10 million, will be recognized during the first half of 2015.

Order book

In million €	31 December 2014	31 December 2013	Change in %
Construction	**945.3**	**1,077.4**	**-12.3%**
Civil Engineering	*169.3*	*200.6*	*-15.6%*
Buildings, Benelux	*651.0*	*640.0*	*+1.7%*
Buildings, International	*125.1*	*236.8*	*-47.2%*
Multitechnics and Rail Infra	**181.8**	**232.9**	**-21.9%**
Total Contracting	**1,127.2**	**1,310.3**	**-14.0%**

The main trends observed are as follows:

- difficulty renewing the order book in civil engineering in a shrinking market where prices remain extremely competitive,
- slight growth in the order book of Buildings Benelux after an all-time high in 2013. The division won many contracts in 2014, such as the 'Docks Bruxsel' and 'Grand Pré' shopping centres (BPC Brabant and BPC Hainaut), Galerie Kons in Luxembourg (CLE), the Axa office in Brussels (CFE Brabant), and several schools as part of the PPP 'Ecoles de demain' initiated by the Flemish Region (MBG and Atro Bouw),
- substantial decrease in the order book for Africa due to greater selectivity in the choice of projects, and the sale of the Toukra II (Chad) contract to our local partner. CFE wants to limit its exposure on that country as long as there has been no significant reduction in the outstanding receivables on the Chadian government. The recovery of those receivables will be a major challenge for 2015,
- shrinking order book of the Multitechnics and Rail Infra division following the sale of the road-building operations of Aannemingen Van Wellen.

Real Estate division

Key figures

In million €	2014	2013 (*)	Change 2014/2013
Revenue	**45.6**	**18.8**	**+142.6%**
Operating income (including earnings from associates and joint ventures)	**7.1**	**3.7**	**+91.9%**
Net result share of the group	**4.3**	**1.8**	**+138.9%**

Evolution of real estate projects

In million €	31 December 2014	31 December 2013 (*)
Properties being marketed	16	18
Properties under construction	57	61
Properties in development	61	77
Total	**134**	**156**

(*) Amounts restated in accordance with changes in accounting methods following the implementation of IFRS 10 and 11.

Real Estate projects

The sale of the office building in the Belview project and the on going sales of the residential projects Belview and Oosteroever in Belgium, Greenhill and Edengreen in Luxembourg, and Ocean's Four and Wola in Poland led to a reduction in the real estate portfolio.

In Poland, BPI acquired a first position in Wroclaw city centre for the development of a residential and retail project.

2014 was also marked by the start of the marketing of the Ernest project in Ixelles and by the granting of allotment permits for two major projects (Erasmus Gardens in Anderlecht and phase 2 of Les Hauts Prés in Uccle).

In July 2014, CFE and its partners announced the sale 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.

Net result

Despite the recognition of an impairment on a position in the Grand Duchy of Luxembourg, the net income (group share) was up 138.9% on the previous year.

PPP – Concessions division

Key figures

In million €	2014	2013 [*]	Change 2014/2013
Revenue	**0.8**	**0.7**	**+14.3%**
Operating income (including earnings from associates and joint ventures)	**2.5**	**0.7**	**+257.1%**
Net result share of the group	**2.2**	**0.9**	**+144.4%**
Order book	**2.6**	**0.0**	**-**

[*] Amounts restated in accordance with changes in accounting methods following the implementation of IFRS 10 and 11.

Operating income

The operating income of this division has grown as a result of the good performance of Rent-A-Port, which is continuing to develop its activities in Vietnam by securing, together with its partners, several extensions of the concession in the port area of Dinh Vu.

In the Benelux area, the four DBFM projects in portfolio have now entered the maintenance phase and are making a positive contribution to the division's results. The stake which CFE held in the Turnhout car park was sold to our partner at year-end 2014.

Several projects are under study, such as the Renaix ring road in Belgium and the Ijmuiden lock in the Netherlands.

3. Overview of the results

3.A.1. Consolidated statement of financial position

Year ended 31 December (in thousands €)	2014 (DEME at 100%)	2013 (*) (DEME at 50%)
Revenue	**3,510,548**	**984,883**
Revenue from auxiliary activities	80,518	71,641
Purchases	-2,093,355	-739,730
Wages, salaries & social charges	-583,211	-209,278
Other operating charges	-449,834	-124,327
Depreciations	-243,746	-14,439
Business combination - acquisition DEME	-	111,624
Goodwill Impairment - DEME	-	-207,411
Goodwill Impairment - Others	-521	-3,795
Operating income on activities	**220,399**	**-130,832**
Earnings from associates and joint ventures	20,124	51,356
Operating income	**240,523**	**-79,476**
Gross financial cost	-31,909	-143
Other financial expenses and income	16,156	-2,551
Financial result	**-15,753**	**-2,694**
Result before taxes	**224,770**	**-82,170**
Income tax expense	-65,249	-5,793
Result of the year	**159,521**	**-87,963**
Non-controlling interests	357	6,728
Result – share of the group	**159,878**	**-81,235**

Year ended 31 December (in thousands €)	2014 (DEME at 100%)	2013 (*) (DEME at 50%)
Result of the year	159,521	-87,963
Financial instruments – change in fair values	-8,750	10,397
Currency translation differences	-2,126	-3,590
Deferred taxes	2,974	-3,534
Acquisition DEME – reserves to be reclassified	0	7,902
Other elements of the comprehensive income to be reclassified to profit or loss in subsequent period	**-7,902**	**11,175**
Remeasurement on defined benefit plans	-2,676	-3,538
Other elements of the comprehensive income not to be reclassified to profit or loss in subsequent period	**-2,676**	**-3,538**
Total elements of the comprehensive income directly accounted in equity	**-10,578**	**7,637**
Comprehensive income	**148,943**	**-80,326**
- attributable to the group	149,586	-73,544
- attributable to non-controlling interests	-643	-6,782
Net result per share (€) (basic and diluted)	6.32	-3.21
Comprehensive income per share (€) (basic and diluted)	5.91	-2.91

(*) Amounts restated in accordance with changes in accounting methods following the implementation of IFRS 10 and 11.

3.A.2. Consolidated statement of financial position

Year ended 31 December (in thousands €)	2014 (DEME at 100%)	2013 (*) (DEME at 100%)
Intangible assets	98,491	105,500
Goodwill	177,082	177,003
Property, plant and equipment	1,503,275	1,563,351
Property investments	0	0
Associates and joint ventures	159,290	155,877
Other non-current financial assets	109,341	115,396
Non-current derivative instruments	674	612
Other non-current assets	20,006	10,725
Deferred tax assets	115,322	120,428
Total non-current assets	**2,183,481**	**2,248,892**
Inventories	105,278	116,012
Trade receivables and other operating receivables	1,082,504	1,106,034
Other current assets	104,554	100,781
Current derivative instruments	0	0
Current financial assets	4,687	6,447
Assets held for sale	31,447	0
Cash and cash equivalents	703,501	437,334
Total current assets	**2,031,971**	**1,766,608**
Total assets	**4,215,452**	**4,015,500**

Year ended 31 December (in thousands €)	2014 (DEME at 100%)	2013 (*) (DEME at 100%)
Issued capital	41,330	41,330
Share premium	800,008	800,008
Retained earnings	488,890	358,124
Defined benefits plans	-8,350	-5,782
Consolidated reserves and reserve related to hedging instruments	-6,127	-351
Translation differences	-2,124	-176
Equity – part of the group CFE	1,313,627	1,193,153
Non-controlling interests	7,238	8,064
Equity	**1,320,865**	**1,201,217**
Pensions and employee benefits	41,806	40,543
Provisions	40,676	25,655
Other non-current liabilities	80,665	92,898
Bond	306,895	208,621
Financial debts	378,065	496,654
Non-current derivative instruments	12,922	16,352
Deferred tax liabilities	139,039	144,505
Total non-current liabilities	**1,000,068**	**1,025,228**
Provisions for other current risks	48,447	48,181
Trade payables & other operating liabilities	1,099.309	983,806
Tax liability due for payment	80,264	65,855
Current financial debts	206,671	346,118
Current derivative instruments	24,948	16,499
Liabilities held for sale	19,164	0
Other current liabilities	415,716	328,596
Total current liabilities	**1,894,519**	**1,789,055**
Total equity and liabilities	**4,215,452**	**4,015,500**

(*) Amounts restated in accordance with changes in accounting methods following the implementation of IFRS 10 and 11, and restated following the allocation of goodwill arising from the acquisition of an additional 50% stake in DEME, in pursuance of IFRS 3 – Business combinations.

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

CFE's financial structure was further strengthened in 2014, with equity after payment of the dividend for the 2013 financial year (€ 29.1 million) amounting to € 1,320.9 million compared to € 1,201.2 million at year-end 2013.

The net financial debt(*) amounted to € 188.1 million at 31 December 2014 or, on a like-for-like basis, down € 426 million on 31 December 2013. This debt breaks down into a long-term debt of € 685 million and a positive net cash position of € 497 million.

CFE has, for its part, confirmed medium-term credit facilities for its general financing needs totalling € 125 million, of which € 65 million had not been drawn down at year-end 2014. Both CFE and DEME are in compliance with the 'banking covenants'.

(*) Net financial debt does not include the fair value of derivative instruments which at 31 December 2014 amounted to a liability of € 37.2 million.

Year ended 31 December (in thousands €)	2014 (DEME at 100%)	2013 (*) (DEME at 50%)
Cash flows relating to operating activities	**606,725**	**-104**
Cash flows relating to investing activities	**-163,607**	**-18,360**
Cash flows relating to the acquisition of DEME	**0**	**317,911**
Cash flows relating to financing activities	**177,548**	**-6,420**
Net increase/decrease in cash position	265,570	293,027
Shareholders' equity (excluding non-controlling interests) at start of period	1,193,153	524,612
Shareholders' equity (excluding non-controlling interests) at end of period	1,313,627	1,193,153
Net result share of the group for the period	159,878	7,929 (**)
ROE	13.4%	1.5% (***)

(*) Amounts restated in accordance with changes in accounting methods following the implementation of IFRS 10 and 11.

(**) Net income (group share) before items specific to the capital increase of 2013 and the treatment of goodwill arising from the consolidation of the additional 50% stake in DEME arising from the contribution in kind and capital increase.

(***) ROE based on net income (group share) before items specific to the capital increase of 2013 and the treatment of goodwill arising from the consolidation of the additional 50% stake in DEME arising from the contribution in kind and capital increase.

3.A.4. Consolidated statement of changes in equity as of 31 December 2014

(in thousands €)	Share capital	Share premium	Retained earnings	Defined benefits plans	Reserves related to hedging instruments	Translation differences	Equity attributable to owners of the parent	Equity attributable to 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			**159,878**	**(2,568)**	**(5,776)**	**(1,948)**	**149,586**	**(643)**	**148,943**
Dividends paid to shareholders			(29,112)				**(29,112)**		**(29,112)**
Dividends paid to non-controlling interests								(2,329)	**(2,329)**
Change in consolidation scope								2,146	**2,146**
December 2014	**41,330**	**800,008**	**488,890**	**(8,350)**	**(6,127)**	**(2,124)**	**1,313,627**	**7,238**	**1,320,865**

(*) Amounts restated in accordance with changes in accounting methods following the implementation of IFRS 10 and 11.

3.A.5. Key figures per share

	31 December 2014	31 December 2013 (*)
Total number of shares	**25,314,482**	**25,314,482**
Operating result after deduction of the net financial charges per share	8.88	0.54 (**)
Net result part of the group per share	**6.32**	**-3.21 (***)**

(*) Amounts restated in accordance with changes in accounting methods following the implementation of IFRS 10 and 11.

(**) Amounts before items specific to the capital increase and the treatment of goodwill arising from the consolidation of the additional 50% stake in DEME arising from the contribution in kind and capital increase.

(***) Amounts after items specific to the capital increase and the treatment of goodwill arising from the consolidation of the additional 50% stake in DEME arising from the contribution in kind and capital increase.

3.B.1. Profit and loss account CFE SA (Belgian standards)

(in thousands €)	2014	2013
Turnover and other income	376,996	381,040
Operational result	505	-32,389
Net financial result	47,561	16,974
Current result	48,066	-15,415
Exceptional revenues	4	124
Exceptional costs	-11,131	-9,376
Result before taxes	36,939	-24,667
Taxes	113	-33
Result of the year	**37,052**	**-24,700**

3.B.2. Balance sheet CFE NV after appropriation (Belgian standards)

(in thousands €)	31 December 2014	31 December 2013
Assets		
Fixed assets	1,408,686	1,403,091
Current assets	330,753	289,147
Total assets	**1,739,439**	**1,692,238**

(in thousands €)	31 December 2014	31 December 2013
Equity and liabilities		
Equity	1,129,891	1,148,532
Provisions and deferred taxes	61,553	54,738
Non-current liabilities	113,439	308
Current liabilities	434,556	488,660
Total equity and liabilities	**1,739,439**	**1,692,238**

4. Information on business trends

The outlook remains favourable for the Dredging and Environment division, while recovery of the Contracting activities is expected to continue in 2015.

5. New organisation

CFE's Board of Directors has decided to set up a Contracting division, which will contain all the construction, multitechnics and rail activities. A similar restructuring process will be undertaken for the real estate development activities, which will be headed by BPI.

CFE's Board of Directors has also decided, in agreement with Renaud Bentégeat, to appoint Piet Dejonghe as second managing director.

Renaud Bentégeat, who will continue to represent CFE in all external relations, will oversee DEME, Rent-A-Port and the real estate development activities, and will head the operations of CFE International in Central Europe, Africa and Sri Lanka.

Piet Dejonghe will be in charge of the Contracting division. In that capacity, he will take charge of several cross-divisional projects aimed at improving the operational excellence of the Contracting activities.

6. Capital remuneration

At the general meeting of shareholders on 7 May 2015, CFE's Board of Directors will propose a gross dividend of € 2.00 per share, representing a net dividend of € 1.50, or a total distribution of € 50,628,964.

B. Corporate governance statement

1. Corporate governance

The Company has adopted the Belgian Corporate Governance Code (2009) as its reference code.

CFE's corporate governance charter, established on the basis of the reference code, may be consulted on the Company's website (www.cfe.be).

The corporate governance charter was modified on 26 February 2015 in order to:

- reduce the number of divisions from 6 to 4, namely Dredging and Environment, Contracting, Real Estate and PPP-Concessions,
- adapt part V of the charter to allow for the appointment of the second managing director,
- make a number of minor changes.

CFE's approach to corporate governance goes beyond compliance with the Code, taking the view that it is essential to base the conduct of its activities on an ethical approach to behaviour and decision-making and a strongly embedded corporate governance culture.

2. Composition of the Board of Directors

As at 31 December 2014, CFE's Board of Directors consisted of 13 members, whose terms of office began on the dates listed below and will expire immediately after the general meetings of shareholders in the years listed below:

	Entrée en fonction	Expiration mandat
C.G.O. SA, represented by Philippe Delaunois (*)	06.05.2010	2016
Renaud Bentégeat (**)	18.09.2003	2017
Piet Dejonghe (***)	24.12.2013	2017
Luc Bertrand	24.12.2013	2017
John-Eric Bertrand	24.12.2013	2017
Jan Suykens	24.12.2013	2017
Koen Janssen	24.12.2013	2017
Alain Bernard	24.12.2013	2017
Philippe Delusinne	07.05.2009	2016
Christian Labeyrie	06.03.2002	2016
Consuco SA, represented by Alfred Bouckaert	06.05.2010	2016
Ciska Servais SPRL, represented by Ciska Servais	03.05.2007	2015
Jan Steyaert	07.05.2009	2016

(*) Philippe Delaunois was a member of CFE's Board of Directors in a personal capacity from 5 May 1994 to 6 May 2010

(**) Managing director responsible for day-to-day operations

(***) Second managing director responsible for day-to-day operations as of 15 January 2015

2.1. Corporate offices and duties of Board members

Directors

The table below summarizes the mandates and duties of the 13 Board members as at 31 December 2014.

C.G.O. SA, represented by Philippe Delaunois	**Chairman of the Board of Directors** **Director**
CFE, Avenue Herrmann-Debroux, 40-42 B-1160 Brussels	Philippe Delaunois was born in 1941. He has degrees in civil engineering and metallurgy from Mons Polytechnic University and in commercial engineering from Mons State University. He is also a graduate of Harvard Business School. He spent most of his career in the steel industry, and until 1999 was managing director and general manager of Cockerill-Sambre. He is an Officer of the Order of Leopold (Belgium) and Chevalier of the Légion d'Honneur (France), and won a Manager of the Year award in 1989. He was chairman of the Union Wallonne des Entreprises (Walloon Business Association) from 1990 to 1993, and has been honorary consul of Austria for Hainaut and Namur since 1990. **Corporate offices:** a- Listed companies: Director of SABCA b- Non-listed companies: Director of Intégrale, mutual pension insurance company Director of CLi Director of CLE Director of DEME Director of ETEC Director of Grottes de Han Director of Nethys Director of G-TEC c- Associations: Director of Europalia ASBL Director of Ordre de Léopold ASBL Director of Chapelle Musicale Reine Elisabeth

Renaud Bentégeat

CFE,
Avenue Herrmann-Debroux,
40-42
B-1160 Brussels

Managing Director

Renaud Bentégeat was born in 1953 and holds a bachelor's degree in public law, a Master's degree (DEA) in public law, a Master's degree (DEA) in political analysis and a diploma from the Political Studies Institute of Bordeaux. He began his career in 1978 at Campenon Bernard. He was then successively appointed head of the legal department, director of communication, administrative director and secretary-general responsible for legal services, communication, administration and human resources for Compagnie Générale de Bâtiment et de Construction (CBC). From 1998 to 2000, he was director of building for the Greater Paris region at Campenon Bernard SGE, before being promoted to deputy general manager of VINCI Construction in Central Europe, and managing director of Bâtiments et Ponts Construction and Bâtipont Immobilier in Belgium. He has been managing director of CFE since 2003.
Renaud Bentégeat is an Officer of the Order of Leopold (Belgium), and Chevalier of the Légion d'Honneur and Chevalier of the Ordre National du Mérite (France).

Corporate offices:

a- Listed companies:
- Managing Director of CFE

b- Non-listed companies:
- Director of Amatro
- Director of Bavière Developpement
- Director of Bizerte CAP 3000
- Director of CFE BBW
- Director of CLi
- Director of IFC
- Director of CFE Polska
- Director of CIW
- Director of CLE
- Director of CM
- Director of DEME
- Director of Rent-A-Port
- Director of RAP-Energy
- Director of Promotion Léopold
- Director of SFE
- Director of Sogech
- Member of the Supervisory Board of CFE Hungary

c- Associations:
- President of the Chambre Française de Commerce et d'Industrie de Belgique (French Chamber of Commerce and Industry of Belgium)
- Director of the Association des Entrepreneurs Belges de Grands Travaux (ADEB-VBA) (Association of Belgian Construction Contractors)
- Foreign Trade Adviser for France
- Director of UCCIFE (Union of French Chambers of Commerce and Industry)

Piet Dejonghe

Ackermans & van Haaren
Begijnenvest, 113
B- 2000 Antwerp

Managing Director as of 15 January 2015

Piet Dejonghe was born in 1966 and has a degree in law (KU Leuven, 1989), a postgraduate degree in business management (KU Leuven, 1990) and an MBA from INSEAD (1993). Before joining Ackermans & van Haaren in 1995, he worked as a lawyer at Loeff Claeys Verbeke and as a consultant at Boston Consulting Group.

Corporate offices:

a- Listed companies:
- Member of the Executive Committee, Ackermans & van Haaren
- Director of Groupe Flo

b- Non-listed companies:
- Chairman of the Board of Directors, Distriplus
- Chairman of the Board of Directors, Trasys Group
- Director of Delen Private Bank
- Director of Bank J.Van Breda & C°
- Director of Groupe Financière Duval
- Director of Brinvest
- Director of Delen Private Bank Luxembourg
- Director of Financière Flo
- Director of Profimolux
- Director of Sofinim
- Director of GB-INNO-BM
- Director of Ligno Power
- Director of GIB Corporate Services
- Director of Baloise Belgium
- Director of Holding Groupe Duval

c- Associations:
- Vice-Chairman of SOS-Villages d’Enfants Belgique

Luc Bertrand	**Director**

Ackermans & van Haaren
Begijnenvest, 113
B- 2000 Antwerp

Member of the Nomination and Remuneration Committee

Luc Bertrand was born in 1951 and in 1974 obtained a commercial engineering degree from KU Leuven. He started his career at Bankers Trust, where he worked as Vice-President and Regional Sales Manager, Northern Europe. In 1985, he was appointed director of Ackermans & van Haaren and has worked at Ackermans & van Haaren since 1986.

Corporate offices:

a- Listed companies:
- Director and Chairman of the Executive Committee, Ackermans & van Haaren
- Chairman of the Board of Directors, Leasinvest Real Estate
- Director of Atenor Group
- Director of Groupe Flo
- Director of Sipef
- Director of Schroders

b- Non-listed companies:
- Chairman of the Board of Directors, DEME
- Chairman of the Board of Directors, Dredging International
- Chairman of the Board of Directors, Finaxis
- Chairman of the Board of Directors, Sofinim
- Chairman of the Board of Directors, Egemin International
- Chairman of the Board of Directors, Tour & Taxis (Kon. Pakhuis, Openb. Pakhuis, Parking)
- Chairman of the Board of Directors, Van Laere
- Director of AvH Coordination Center
- Director of Anfima
- Director of Axe Investments
- Director of Baarbeek
- Director of Bank J.Van Breda & C°
- Director of Belfimas
- Director of BOS
- Director of Brinvest
- Director of Delen Investments CVA
- Director of Delen Private Bank
- Director of DEME Coordination Center
- Director of Extensa Group
- Director of Groupe Financière Duval
- Director of Holding Groupe Duval (FR)
- Director of JM Finn & Co (UK)
- Director of Leasinvest Immo Lux Sicav
- Director of Manuchar
- Director of Profimolux
- Director of Rent-A-Port
- Director of RAP-Energy
- Director of Scaldis Invest
- Director of Tour & Taxis (Projet T&T)
- Director of ING Belgium

c- Associations:
- Chairman of Middelheim Promotors
- Member of the Board of Directors, KU Leuven
- Member of the Board of Directors, Institut de Duve
- Member of the Board of Directors, Institut de Médecine Tropicale
- Member of the Board of Directors, Musée Mayer van den Bergh
- Chairman of Guberna (Belgian Governance Institute)
- Vice-Chairman of VOKA
- Member of the Board of Directors, INSEAD Belgique
- Member of the Board of Directors, Vlerick Leuven Gent School
- Member of the Board of Directors, VKW Synergia

John-Eric Bertrand	**Director**
Ackermans & van Haaren Begijnenvest, 113 B- 2000 Antwerp Member of the Audit Committee as of 15 January 2015	John-Eric Bertrand was born in 1977 and has a degree in commercial engineering (UCL 2001, magna cum laude), a Master's degree in International Management (CEMS, 2002), and an MBA from INSEAD (2006). Before joining Ackermans & van Haaren, John-Eric Bertrand worked as a senior auditor at Deloitte and as a senior consultant at Roland Berger Strategy Consultants. He has been investment manager at Ackermans & van Haaren since 1 September 2008. **Corporate offices:** a- Listed companies: Director of Sagar Cements b- Non-listed companies: Director of Alfa Park Director of Egemin International Director of Egemin Director of Oriental Quarries & Mines Director of Van Laere Director of Bracht, Deckers & Mackelbert (BDM) Director of Assurances Continentales (Asco) Director of Holding Groupe Duval Director of AvH Resources India Director of Groupe Thiran Director of Telemond Holding Director of Henschel Engineering Director of Telehold Member of the Investment Committee of Inventures c- Associations Director of Belgian Finance Club
Jan Suykens	**Director**
Ackermans & van Haaren Begijnenvest, 113 B- 2000 Antwerp	Jan Suykens was born in 1960 and has a degree in applied economics (UFSIA, 1982) and an MBA from Columbia University (1984). He worked for several years in corporate and investment banking at Générale de Banque before joining Ackermans & van Haaren in 1990. **Corporate offices:** a- Listed companies: Member of the Executive Committee, Ackermans & van Haaren Director of Leasinvest Real Estate b- Non-listed companies: Chairman of the Board of Directors, Anima Care Chairman of the Board of Directors, Bank J.Van Breda & C° Vice-Chairman of the Board of Directors, Delen Private Bank Director of Delen Private Bank Luxembourg Director of Corelio Director of DEME Director of Extensa Group Director of Van Laere Director of AvH Coordination Center Director of Anfima Director of T&T Koninklijk Pakhuis Director of T&T Parking Director of T&T Openbaar Pakhuis Director of Profimolux Director of Sofinim Director of Leasinvest Immo Lux Director of Mediacore Director of JM Finn & Co (UK) Director of Project TT Director of ABK Bank Director of Extensa

Koen Janssen	**Director**
Ackermans & van Haaren Begijnenvest, 113 B- 2000 Antwerp	Koen Janssen was born in 1970 and has a degree in civil engineering and electromechanics (KU Leuven, 1993), along with an MBA from IEFSI (France, 1994). He worked for Recticel, ING Investment Banking and ING Private Equity before joining Ackermans & van Haaren in 2001. **Corporate offices:** a- Listed companies: Member of the Executive Committee, Ackermans & van Haaren b- Non-listed companies: Chairman of the Board of Directors, Société Nationale de Transport par Canalisations (SNTC) Director of DEME Director of NMC Director of Max Green Director of Bedrijvencentrum Regio Mechelen Director of Dredging International Director of Ligno Power Director of Napro (JV SNTC-Air Products) Director of Nitraco (JV SNTC-Praxair) Director of Quinten Matsys (branch of SNTC) Director of Rent-A-Port Director of Rent-A-Port Energy Director of Canal Re (branch of SNTC) Director of Sofinim Lux
Alain Bernard	**Director**
DEME Haven 1025 Scheldedijk, 30 B-2070 Zwijndrecht	Alain Bernard was born in 1955 and has a degree in civil engineering and construction (KU Leuven, 1978), along with a degree in civil engineering and industrial management (KU Leuven, 1979). Mr Bernard joined the DEME Group in 1980 as project manager. He was CEO of Dredging International and COO of the DEME Group between 1996 and 2006. Alain Bernard was appointed CEO of the DEME Group in 2006. **Corporate offices:** a- Listed companies: Member of the Steering Committee of CFE b- Non-listed companies: Chief Executive Officer, DEME Director of various DEME Group subsidiaries Director of Aquafin c- Associations: Royal Belgian Shipowners' Association, FIT (Flanders Investment & Trade) Chairman of the Belgian Dredging Association

Philippe Delusinne RTL Belgium Avenue Jacques Georgin, 2 B-1030 Brussels Member of the Audit Committee	**Independent Director** Philippe Delusinne was born in 1957 and holds a diploma in Marketing & Distribution from ISEC Brussels and a Short MBA from the Sterling Institute of Harvard University. He began his career as an account executive at Ted Bates, and subsequently held the positions of account manager at Publicis, client services director at Impact FCB, deputy general manager at McCann Erikson, and Chief Executive Officer of Young & Rubicam in 1993. He has been Chief Executive Officer of RTL Belgium since March 2002. **Corporate offices:** a- Listed companies: Membre of the Supervisory Board of M6, Paris b- Non-listed companies: Managing Director of RTL Belgium Managing Director of Radio H Managing Director of INADI Managing Director of Cobelfra (Radio Contact) CEO of RTL Belux & Cie SECS Managing Director of RTL Belux Chairman and Managing Director, IP Belgium Chairman of Home Shopping Service Belgium Chairman and Managing Director, New Contact Director of CLT-UFA Director of Agence Télégraphique Belge de Presse Director of MaRadio.be SCRL Director of the Belgian Association for Self-Regulation of Journalistic Ethics c- Associations: Member of the Audiovisual High Council (Belgium) Chairman of the Théâtre Royal de La Monnaie Chairman of Les Amis des Musées Royaux des Beaux-Arts de Belgique ASBL (Friends of the Royal Museums of Fine Arts of Belgium)
Christian Labeyrie VINCI 1, cours Ferdinand-de-Lesseps, F-92851Rueil-Malmaison Cedex Member of the Audit Committee	**Director** Born in 1956, Christian Labeyrie is Executive Vice-President and Chief Financial Officer of the VINCI group, and a member of its Executive Committee. Before joining VINCI in 1990, he held various positions in the Rhône-Poulenc and Schlumberger groups. He began his career in the banking industry. Christian Labeyrie is a graduate of HEC, the Escuela Superior de Administración de Empresas (Barcelona) and McGill University (Canada), and holds a DECS diploma (advanced accounting degree). He is a Chevalier of the Légion d'Honneur and a Chevalier of the Ordre National du Mérite. **Corporate offices:** a- Listed companies: Member of the Executive Committee of the VINCI Group b- Non-listed companies: Director of Eurovia Director of VINCI Deutschland Director of ASF Director of Escota Director of Arcour Director of the Stade de France consortium Director of VFI Director of Amundi Convertibles Euroland of the Crédit Agricole Asset Management Group Board member of the Banque de France - Hauts-de-Seine branch

Consuco SA, represented by Alfred Bouckaert

Avenue de Foestraets, 33A
B-1180 Brussels

Member of the Audit Committee
Member of the Nomination and Remuneration Committee

Independent Director

Born in 1946, Alfred Bouckaert has a degree in economics from KUL (Catholic University of Leuven).
He started his career in 1968 as a stockbroker at JM Finn & Co in London. In 1972, he joined Chase Manhattan Bank where he held various commercial and credit posts before becoming commercial banking manager for Belgium. He was appointed general manager for Chase in Copenhagen (Denmark) in 1984. Two years later, be became general manager and country manager for Chase in Belgium. In 1989, Chase Manhattan Bank sold its Belgian business to Crédit Lyonnais and Alfred Bouckaert was made responsible for merging the two banks' operating activities in Belgium. In 1994, Crédit Lyonnais asked Alfred Bouckaert to head the bank's European operations. In 1999, he took over the management of AXA Royale Belge and was also appointed country manager for the Benelux countries. He became general manager for Northern Europe (Belgium, Netherlands, Luxembourg, Germany and Switzerland) in 2005 and was a member of AXA's Management Board between October 2006 and May 2010, with responsibility for the Northern, Central and Eastern Europe region. In April 2007, he was appointed chairman of the Board of Directors of AXA Belgium, retaining this position until 27 April 2010.
Between 2011 and 2013, he was chairman of the Board of Directors of Belfius Banque & Assurances.

Corporate offices:

a- Listed companies:
- Director and Chairman of the Investment Committee of Mauritius Union Assurance (MUA), Mauritius

b- Non-listed companies:
- Director of KBL Banque
- Director of Mauritius Commercial Union Ltd.
- Director of Vandemoortele
- Director of Ventosia (investment fund for notaries)
- Director of Vesalius Biocapital II Arkiv
- Chairman of First Retail International
- Director and Chairman of the Risk Management Committee of KBL European Private Banker, Luxembourg

c- Associations:
- Director of the Chambre Française de Commerce et d'Industrie de Belgique (French Chamber of Commerce and Industry of Belgium)
- Director of Institut de Duve (ICP)

Ciska Servais SPRL, represented by Ciska Servais

Boerenlegerstraat, 204
B-2650 Edegem

Chair of the Nomination and Remuneration Committee

Independent Director

Ciska Servais is a partner in the law firm Astrea. She is active in the field of administrative law, focusing in particular on environmental and town planning law, real estate law and construction law. She has extensive experience as a consultant in judicial proceedings and negotiations; she teaches university courses and is a regular speaker at seminars.
She graduated with a Bachelor's degree in law from the University of Antwerp (1989), and obtained a Master's degree (LL.M) in international legal cooperation from the Free University of Brussels (VUB) in 1990. She also obtained a special degree in ecology from the University of Antwerp (1991).
She started her internship in 1990 at the law firm Van Passel & Greeve. She became a partner at Van Passel & Vennoten in 1994 and, subsequently, at Lawfort in 2004. In 2006, she co-founded the law firm Astrea.
Ciska Servais publishes mainly on the subject of environmental law, such as on the wastewater treatment decree, environmental liability and regulations regarding the movement of soil.
She is a member of the Antwerp Bar Association.

Corporate offices:

a- Listed companies:
- Independent Director of Montea Comm. VA
- Vice-Chair of the Board, Montea Comm. VA
- Chair of the Remuneration Committee, Montea Comm. VA
- Member of the Audit Committee, Montea Comm. VA

b- Non-listed companies:
- Astrea BV CVBA

Jan Steyaert Mobistar Boulevard Reyers, 70 B-1030 Brussels Chairman of the Audit Committee	**Independent Director** Born in 1945, Jan Steyaert has worked in the telecom industry for most of his career. He started his career as a company auditor. In 1970, he joined Telindus (a listed company) where he successively held the positions of Chief Financial Officer, Chief Executive Officer and Chairman of the Management Board of the Telindus Group and its affiliated companies until 2006. He has been a member of the Board of Directors of Mobistar since its creation in 1995 and has been its chairman since 2003. He is an Officer of the Order of Leopold II and was appointed a Chevalier in the Order of the Crown. **Corporate offices:** a- Listed companies: Chairman of the Board of Directors, Mobistar b- Non-listed companies: Director of Portolani Director of Automation Director of CGT Consulting Director of e-Novates Director of Blue Corner Director of 4iS Member of the Advisory Committee, Royal Federation of Belgian Notaries c- Associations: Chairman of the Dhondt-Dhaenens Foundation and Museum in Deurle Director of Anima Eterna VZW Director of VVW VZW Director of Jeugd en Muziek Brussel VZW

2.2. Evaluation of the independence of directors

Of the 13 members of the Board of Directors as at 31 December 2014, nine cannot be considered as independent under the terms of Article 526c of the Companies Code and the Belgian Corporate Governance Code. They are:

- Renaud Bentégeat, who is managing director of the company,
- Alain Bernard, who is managing director of DEME, a wholly-owned subsidiary of the company,
- Luc Bertrand, Jan Suykens, Piet Dejonghe, Koen Janssen and John-Eric Bertrand, who represent the controlling shareholder, Ackermans & van Haaren,
- Christian Labeyrie, who represents VINCI Construction, which owns 12.11% of the company's shares,
- C.G.O. SA, represented by Philippe Delaunois, who has held more than three consecutive mandates.

As at 31 December 2014, the independent directors are: Philippe Delusinne, Ciska Servais SPRL, represented by Ciska Servais, Jan Steyaert and Consuco SA, represented by Alfred Bouckaert.

It should be noted that all independent directors of CFE were able to carry out their assignment with complete independence of judgment in 2014.

2.3. Legal situation of corporate officers

None of CFE's directors (i) has been found guilty of fraud or any other crime, or punished by the regulatory authorities, (ii) has been involved in a bankruptcy, receivership or liquidation or (iii) has been prevented by a court of law from acting as a member of an administrative, management or supervisory body of a public company or from participating in the management or business decisions of a public company.

2.4. Conflicts of interest

2.4.1. Rules of conduct

All directors are required to show independence of judgment, whether they are executive directors or not, and in the case of non-executive directors, whether they are independent or not.

Every director must organize his or her personal and professional affairs in such a way as to avoid any direct or indirect conflict of interest with the company.

The Board of Directors is particularly mindful of potential conflicts of interest with a director or a group company, and takes particular care to apply the special procedures provided for in Articles 523 and 524 of the Companies Code.

Transactions or other contractual relationships between the company, including its affiliated companies, and the directors must be concluded on normal market terms.

Non-executive directors are not authorized to conclude agreements with the company, whether directly or indirectly, relating to the supply of paid services, without the express consent of the Board of Directors. They must consult the Chairman, who decides whether or not to submit the exemption request to the Board of Directors.

2.4.2. Application of procedures

As far as CFE is aware, no director has found himself in a situation of conflict of interest this year.

Certain directors hold offices in other companies whose activities sometimes compete with those of CFE.

2.5. Assessment of the Board of Directors, its committees and members

2.5.1. Method of assessment

With the assistance of the Nomination and Remuneration Committee, and if necessary that of outside experts, the Board of Directors, under the direction of its Chairman, regularly assesses its composition, its size and the way it functions, as well as the composition, size and operation of its specialist committees. The purpose of these assessments is to contribute to the continuous improvement of the company's governance while taking changing circumstances into account.

During these assessments, the Board of Directors checks, among other things, whether important matters are adequately prepared and discussed both by the Board itself and by its specialist committees. It checks whether every director makes an effective contribution having regard to his skills, his attendance at meetings and his constructive involvement in discussions and decision-making, and also whether the current composition of the Board of Directors and its specialist committees is desirable.

The Board of Directors draws conclusions from this assessment of its performance by acknowledging its strengths and addressing its weaknesses. If necessary, this may involve a proposal to appoint new members, a proposal not to re-elect existing members or the adoption of any measure considered appropriate to ensure that the Board of Directors functions effectively. The same applies to the specialist committees.

Once a year, the non-executive directors carry out an assessment of their interaction with the executive management. For this purpose, they meet once a year without the managing director or any other executive directors attending.

2.5.2. Assessment of performance

In view of the formal assessment of the Board of Directors that was performed with the assistance of GUBERNA, the Belgian Institute of Directors, at the end of the 2013 financial year, the Board of Directors decided that the next assessment will take place before the end of the 2015 financial year.

3. Operation of the Board of Directors and its committees

3.1. The Board of Directors

Role and jurisdiction of the Board of Directors

Role of the Board of Directors

The Board of Directors performs its duties in the interest of the Company.

The Board of Directors determines the Company's direction and values, its strategy and its key policies. It examines and approves related significant operations, ensures that they are properly executed and defines any measures needed to carry out its policies. It decides on the level of risk it is prepared to take.

The Board of Directors focuses on the long-term success of the Company by providing entrepreneurial leadership and by assessing and managing risks.

The Board of Directors ensures that the financial and human resources needed by the Company to achieve its objectives are available, and it puts in place the structures and means required to achieve these objectives. The Board of Directors pays special attention to social responsibility, gender balance and diversity in general within the Company.

The Board of Directors approves the budget and examines and closes the accounts.

The Board of Directors:

- approves the general internal control and risk management system and checks that this system is correctly implemented,
- takes all measures needed to ensure the integrity of the financial statements,
- supervises the activities of the Statutory Auditor,
- reviews the performance of the managing directors
- ensures that the specialist committees of the Board of Directors function properly and efficiently.

Powers of the Board of Directors

(i) General powers of the Board of Directors

With the exception of powers expressly reserved for the general meeting of shareholders and within the limits of the Company's objectives, the Board of Directors has the power to carry out all actions that are needed or useful to meet the Company's objectives.

The Board of Directors reports on the exercise of its responsibilities and management to the general meeting of shareholders. It prepares the resolutions to be put to the general meeting of shareholders.

(ii) Powers of the Board of Directors with regard to capital increases (authorised capital)

Following the authorisation given by the general meeting of shareholders of 6 May 2010 and renewed by the general meeting of shareholders of 30 April 2014, the Board of Directors is authorised to increase the Company's capital – in one or more operations – by up to € 2,500,000, excluding issue premiums, by means of cash or non-cash contributions, by incorporation of reserves and with or without the issue of new shares.

Within the scope of the authorised capital, the Board of Directors may decide to issue shares, in which case it determines the terms of issue of the new shares and, in particular, the issue price.

The authorised capital of CFE allows the issue of 1,531.260 additional shares in the event of a capital increase with issue of shares on the basis of their par value.

This authorization expires five years after the date of publication of the decision of the general meeting of 30 April 2014 in the Annexes to the "Moniteur Belge". As publication is scheduled for 12 May 2015, the present authorization will expire on 13 May 2020

(iii) Powers of the Board of Directors with regard to acquisition of treasury shares

The general meeting of shareholders of 30 April 2014 authorised CFE's Board of Directors to acquire CFE treasury shares. The nominal value or, where there is no nominal value, the accountable par of the shares being acquired must not exceed 20% of the company's subscribed capital, i.e. € 8,265,896.40. The shares can be purchased at a minimum price per share equal to the lowest closing price during the twenty (20) days preceding the date of acquisition of the CFE shares, minus ten percent (10%), and at a maximum price per share equal to the highest closing price during the twenty (20) days preceding the date of acquisition of the CFE shares, plus ten percent (10%). This authorization expires on 23 May 2019.

The agreement of the general meeting of shareholders is not required for the acquisition of treasury shares by CFE with a view to distributing them to employees.

(iv) Powers of the Board of Directors with regard to the issuing of bonds

Subject to the application of the relevant legal provisions, the Board of Directors may decide to create and issue bonds, which may be bonds convertible into shares.

Operating procedures of the Board of Directors

The Board of Directors is organised so as to ensure that decisions are taken in the interest of the Company and that work is executed efficiently.

Meetings of the Board of Directors

The Board of Directors meets regularly and with sufficient frequency to perform its obligations effectively. It also meets whenever required in the interest of the Company. The Board has increased the number and duration of its meetings, some of which include visits to ongoing projects.

In 2014, the Board of Directors considered all major issues concerning CFE. It met seven times.

In particular, the Board of Directors:

- approved the financial statements for 2013 as well as the financial statements for the first half of 2014,
- examined the 2014 budget and the updates to that budget,
- examined the 2015 budget,
- examined the financial situation of CFE and changes in its debt levels and its working capital requirement,
- examined changes in the value of real estate projects and decided the acquisition of new projects,
- decided the sale of NV Aannemingen Van Wellen to a third party,
- decided the remuneration and bonus arrangements for the in function in 2014 managing director and executives, following a proposal by the Nomination and Remuneration Committee,
- decided to appoint a second managing director as from 15 January 2015, following a proposal by the Nomination and Remuneration Committee

The table below indicates the individual attendance rate of directors at Board meetings in 2014

Directors	Attendance/Total number of meetings
C.G.O. SA, represented by Philippe Delaunois	7/7
Renaud Bentégeat	7/7
Luc Bertrand	7/7
Piet Dejonghe	6/7
Jan Suykens	7/7
Koen Janssen	7/7
John-Eric Bertrand	7/7
Christian Labeyrie	7/7
Philippe Delusinne	6/7
Consuco SA, represented by Alfred Bouckaert	7/7
Ciska Servais SPRL, represented by Ciska Servais	7/7
Jan Steyaert	7/7
Alain Bernard	6/7

Fabien De Jonge was appointed Secretary of the Board of Directors. Therefore, he took part in Board meetings in 2014.

The decision-making process within the Board of Directors

Except in the case of force majeure resulting from wars, uprisings or other public disturbances, the Board of Directors can only validly take decisions if at least half of the members are present or represented. Board members who are unable to attend a meeting may be represented by another Board member in accordance with the relevant laws and regulations; each member may only hold one proxy. Letters, faxes or other means of communication conveying the proxy vote are attached to the minutes of the Board meeting at which they are used.

If so decided by the chairman of the Board, meetings may be attended by all or some of the members via audio or video conference. These members are deemed to be present for the purpose of calculating quorum and majority. Resolutions are passed by majority vote of the members present or represented.

In the event that members need to abstain from taking part in deliberations as a result of legal considerations, the said resolutions will be passed by majority vote of the other members present or represented.

In the event of a tie, the chairman of the meeting will have the casting vote.

After each meeting, the deliberations are recorded in minutes signed by the chairman of the Board of Directors and by a majority of the Board members who took part in the deliberations.

The minutes summarise the discussions, specify the decisions taken and, if applicable, any reservations raised by the board members.

They are recorded in a special register kept at the Company's head office.

The main characteristics of the Board of Directors' assessment process are stipulated in the internal regulations published in the Company's Corporate Governance Charter.

3.2. The Nomination and Remuneration Committee

At 31 December 2014, this committee comprised:

- Ciska Servais BVBA, represented by Ciska Servais, chair (*)
- Luc Bertrand
- Consuco SA, represented by Alfred Bouckaert (*)

On 22 January 2014, the Board of Directors appointed Luc Bertrand as a member of the Nomination and Remuneration Committee.

The committee met five times in 2014.

Over the course of the financial year, the committee examined:

- the fixed and variable remuneration paid to the managing director,
- the fixed and variable remuneration paid to senior management,
- the annual remuneration report (under Belgium's act of 6 April 2010),
- the remuneration of the directors,
- the appointment of a second managing director

The table below indicates the individual attendance rate of the members of the Nomination and Remuneration Committee at meetings in 2014.

Members	Attendance/ Total number of meetings
Ciska Servais BVBA, represented by Ciska Servais, chair (*)	5/5
Luc Bertrand	5/5
Consuco SA, represented by Alfred Bouckaert(*)	5/5

(*) independent directors

Members of the Nomination and Remuneration Committee are paid € 1,000 per meeting. The chair is paid € 2,000 per meeting.

The main characteristics of the Nomination and Remuneration Committee's assessment process are set out in the internal regulations published in the Company's corporate governance charter.

3.3. The Audit Committee

At 31 December 2014, this committee comprised:

- Jan Steyaert, chair (*)
- Philippe Delusinne (*)
- Consuco SA, represented by Alfred Bouckaert (*)
- Piet Dejonghe
- Christian Labeyrie

On 22 January 2014, the Board of Directors appointed Piet Dejonghe and Consuco SA, represented by Alfred Bouckaert as members of the Audit Committee.

On 15 January 2015, Piet Dejonghe was replaced by John-Eric Bertrand.

CFE's Board of Directors pays particular attention to ensuring that Audit Committee members have financial, accounting and risk management skills.

The Audit Committee is chaired by Jan Steyaert, who meets the independence criteria defined in Article 526c of Belgium's Companies Code.

Jan Steyaert has a degree in economics and finance. He has held various professional posts, including working for an auditing firm and for Telindus, a listed company, where he was CFO before becoming CEO and then chairman of the Board of Directors. This confirms Jan Steyaert's competence in terms of accounting and auditing.

The Statutory Auditor participates in the work of the Audit Committee when the committee so requests.

This committee met four times during the 2014 financial year.

It performed the following tasks:

- it examined the financial statements for full-year 2013 and for the first half of 2014,
- it examined the quarterly financial statements for the first and third quarters of 2014,
- it examined the draft 2015 budget before it was presented to the Board of Directors,
- it examined the IT audit report,
- it set up the internal audit,
- it examined the reports of the internal auditor,
- it examined the organisation of the finance department,
- it examined the changes in the group's cash position.

The Audit Committee paid particular attention to the group's internal control and monitored steps taken by CFE to improve it.

The table below indicates the individual attendance rate of the members of the Audit Committee at meetings in 2014.

Members	Attendance/ Total number of meetings
Jan Steyaert (*)	4/4
Philippe Delusinne (*)	4/4
Piet Dejonghe	4/4
Consuco SA, represented by Alfred Bouckaert (*)	4/4
Christian Labeyrie	4/4

Members of the Audit Committee are paid € 1,000 per meeting. The chair is paid € 2,000 per meeting.

The main characteristics of the Audit Committee's assessment process are set out in the internal regulations published in the Company's corporate governance charter.

4. Shareholder base

4.1. Equity and shareholder base

At the end of the financial year, CFE's share capital amounted to € 41,329,482.42, made up of 25,314,482 shares, with no declared par value. The Company's shares are registered or in electronic form.

The shares are registered until fully paid up. Once fully paid up, they may be converted into shares in electronic form, at the choice and expense of the shareholder.

The registry of registered shares is kept in electronic form and in hard copy. Management of the electronic registry has been entrusted to Euroclear Belgium (CIK SA).

Registered shares may be converted into shares in electronic form and vice-versa on request by their holder and at their expense. Shares in electronic form are converted into registered shares by making the corresponding entry in the register of CFE shareholders. Registered shares are converted into shares in electronic form by entering them into an account in the name of their owner or holder opened with an approved account-keeper or clearing house.

In accordance with the Act of 14 December 2005 on the abolition of bearer shares, CFE shares that had not yet been converted as of right or by their holders by 1 January 2014 were automatically converted into shares in electronic form and registered in a securities account by CFE in its own name.

As of that date, the rights attached to the shares have been suspended until the holders of those shares come forward and arrange for them to be entered in their name in the registry of registered shares or in a securities account held by an approved account-keeper or clearing house.

The law requires that, as of 1 January 2015, shares of which the holder has not come forward by the date of the sale be sold automatically. The terms and conditions of those sales have been set forth in an implementing decree of 25 July 2014. There were 19,695 'unacknowledged' CFE shares as at 1 January 2015.

A notice prior to the sale calling upon the holder to assert his rights will be published in the "Moniteur Belge" and on the Internet site of Euronext Brussels on which the shares will be sold.

The sale will take place minimum one month and maximum three months after publication of the notice on the site of Euronext Brussels and according to the calendar of trading days.

By virtue of the authorization given to it according to the terms of Article 14b of CFE's articles of association and within the limits of that authorization, the Board of Directors has decided to acquire all the 'unacknowledged' shares that will be put on sale.

The proceeds of the sale will immediately be deposited with the Caisse des Dépôts et Consignations on a voluntary basis and less certain minor costs incurred by CFE.

The owners of the shares may make themselves known to the Caisse des Dépôts et Consignations. The Caisse will start repaying the proceeds of the sale on 1 January 2016 at the earliest. Persons requesting repayment will be liable for a fine of 10% of the sum or value of the shares in question per year overdue from 1 January 2016. This means that after 2025 the shares in question will have lost all their value for their owners.

On 1 January 2026, the sale proceeds for which no repayment has been requested will be forfeited to the State.

CFE's equity base as of 31 December 2014 was as follows:

- registered shares	18,404,946
- shares in electronic form	6,909,536
TOTAL	25,314,482

Shareholders owning 3% or more of the voting rights relating to the shares they hold:

Ackermans & van Haaren NV Begijnenvest, 113 B-2000 Antwerp	15,289,521 titres soit 60.40%
VINCI Construction SAS 5, cours Ferdinand-de-Lesseps F-92851 Rueil-Malmaison Cedex (France)	3,066,440 titres soit 12.11%

During the 2014 financial year, CFE received no transparency notification pursuant to the Act of 2 May 2007

(*) independent directors

4.2. Shares including special rights of control

At the close of the financial year, no shareholder owned shares with special rights of control.

4.3. Voting rights

Ownership of a CFE share entitles the owner to vote in CFE's general meeting of shareholders and automatically assumes approval of CFE's Articles of Association and the decisions of CFE's general meeting of shareholders. Shareholders' liability for the Company's commitments only extends to the value of the shares held.

The Company recognises only one owner per share as concerns the exercise of rights granted to shareholders. The Company may suspend the exercise of the rights attached to shares held jointly or subject to a life interest or pledge, until a single person is designated as beneficiary of these rights in respect of the Company.

Since 1 January 2008, the exercise of any rights attached to physical bearer shares is suspended until they are registered in a securities account or in the register of shareholders.

4.4. Exercise of shareholder rights

The company's shareholders have rights conferred by the Belgian Companies Code and by the articles of association. They have the right to attend any of the company's general meetings of shareholders and to vote in them. Each share gives the right to one vote in a general meeting of shareholders. The conditions for being admitted to a general meeting of shareholders are set out in the company's articles of association and are also stated in the notice of meeting.

The ordinary general meeting of shareholders was held, in accordance with the articles of association, on 30 April 2014. At that meeting, shareholders approved the company's annual financial statements for the year ended 31 December 2013 and the renewal of the term of office as director of CGO SA, represented by Philippe Delaunois, and of Consuco SA, represented by Alfred Bouckaert, for two years.

An extraordinary general meeting was also held on 30 April 2014, which approved, among other things, i) the renewal of the authorization to increase the capital within the scope of the authorized capital; ii) the renewal of the authorization given to the Board of Directors to acquire treasury shares, and iii) various amendments to the articles of association. The summaries of the ordinary and extraordinary general assemblies are for consultation on the website of the company (www.cfe.be)

5. Internal control

5.A. Internal control and risk management

5.A.1. Introduction

5.A.1.1. Definition – frame of reference

"Internal control may be defined as a system developed by the management body and implemented under its responsibility by executive management. It contributes to good management of the company's activities, the effectiveness of its operations and the efficient use of its resources, as a function of the goals, size and complexity of the company's activities.

More particularly, the internal control system aims to ensure:

- the application (execution and optimisation) of the policies and goals set by the management body (e.g. performance, profitability, protection of resources, etc.),
- the reliability of financial and non-financial information (e.g. preparation of the financial statements, the management report, etc.),
- compliance with laws, regulations and other legal texts (e.g. the Articles of Association)."

(Excerpt from the guidelines relating to the Belgian act of 6 April 2010 and the Belgian Code of Corporate Governance (2009) published by the Corporate Governance Commission - version 10/01/2011, page 8).

Like any other control system however, the internal control system, no matter how well designed and applied, cannot guarantee the absolute elimination of such risks.

5.A.1.2. Scope of application of internal control

The internal control system applies to CFE and the subsidiaries included in its scope of consolidation.

In 2014, the boards of directors of Rent-A-Port, Rent-A-Port Energy and Groep Terryn were responsible for internal control at those companies. However, CFE seeks to encourage the application of its own best practices through its representatives on these boards.

Sections 5A.2 to 5A.5 only apply to CFE SA and its subsidiaries, except for the three subsidiaries mentioned above and DEME, which is described in a separate chapter (section 5.A.6).

5.A.2. Organisation of internal control

5.A.2.1. Principles governing conduct and behaviour

CFE's business activities require the teams exercising them to be close to their clients. To enable each profit-centre manager to take the appropriate operating decisions rapidly, a decentralised organisation has been set up in the Contracting, Real Estate Development and PPP-Concessions divisions.

CFE's organisational structure necessitates delegating authority and responsibility to operational and functional participants at every level of the organisation. Delegation is exercised within the framework of a general directive and in compliance with CFE's principles of conduct and operation:

- strict compliance with the rules common to the entire group regarding entering into commitments, taking risks, accepting new business, and reporting financial, accounting and management information,
- transparency and loyalty of managers to their line management and functional departments,
- compliance with all the laws and regulations applicable in countries where the group operates, regardless of the particular subject,
- communication of the group's rules and guidelines to all employees,
- safety of people (employees, service providers, subcontractors, etc.),
- efforts to enhance financial performance.

5.A.2.2. Participants in the internal control system

CFE's **Board of Directors** is a collegial body responsible for controlling the company's management, setting strategic guidelines for it and ensuring the company's satisfactory operation. It considers all major matters pertaining to the group.

The Board of Directors has set up specialised committees handling the auditing of financial statements, along with remuneration and nominations.

The **Steering Committee** is divided in two distinct committees, namely:

a) A Steering Committee for CFE's activities excluding DEME consisting at 31 December 2014 of:

- CFE's managing director,
- CFE's CFO,
- the general manager of Buildings activities in Brabant and Wallonia, in charge of BPC Brabant, BPC Wallonia, CFE Brabant, Leloup Entreprise Générale and Amart,
- the general manager of CFE's civil engineering operations, in charge of MBG, BAGECI, CFE Nederland, GEKA Bouw and the development of civil engineering activities internationally,
- the general manager of the Real Estate Development division,
- the general manager of the Multitechnics and Rail Infra activities,
- CFE's head of human resources.

On 15 January 2015, Piet Dejonghe, second managing director of CFE, joined the steering committee and became its chairman.

This steering committee is responsible for implementing group strategy defined by the Board of Directors, and applying policies related to its management and the general directive mentioned above.

This Steering Committee is supported by an **Orientation Committee** aiming with its expertise at implementing the group strategy for its activities without dredging.

The Committee consisted at 31 December 2014 of:

- CFE's Steering Committee members excluding DEME,
- the chairman of the Risk Committee,
- the director of CLE and the activities in Tunisia,
- the director of the building activity for Africa and Sri Lanka,
- the managing director of Sogesmaint.

The **holding company** has a limited structure appropriate to the group's decentralised organisation. The functional departments of the holding company are tasked with establishing and ensuring correct application of group rules and procedures and decisions made by the managing directors. On the financial level, cash management is centralised at the level of the holding company. As concerns the subsidiaries, the express approval of the holding company's finance department is required before entering into relations with a banking organisation. The holding company also directly manages specific project financing.

During the second quarter of 2014, an internal auditor was hired at the express request of the **audit committee** and the Board of Directors. The internal auditor is fully independent, and his main duty is to support the steering committee and to help it improve the management of the risks associated with the various business activities of CFE. The internal auditor reports in a functional way to the audit committee by presenting the main findings of the audits carried out and a follow-up of the action plans.

The audit plan is based on a detailed identification and analysis of the risks. If necessary, specific audit assignments may be carried out at the request of the audit committee or of the steering committee.

b) A second Steering Committee for DEME's activities consisting at 31 December 2014 of:

- one CFE's managing director,
- the CEO of DEME, director of CFE and DEME,
- CFE's CFO.

The role of the Steering Committee of DEME is discussed in section 5.A.6

5.A.3. Identification of risk and risk management system

At the end of the 2013 financial year, CFE made an inventory of the main risks to which it is exposed.

The most critical risks identified during the analysis were:

- for the group as a whole, accidents and deficiencies in the management of projects,
- for international activities, unavailability of supervisory staff, payment risks, and a lack of security (risk of damage to people and property),
- for the buildings and civil engineering businesses, unavailability of supervisory staff and a lack of control over the schedule,
- for the Multitechnics and Rail Infra activities, difficulties with recruiting and retaining staff,
- for the real estate development division, problems with marketing and regulations.

The internal auditor is responsible for keeping the risk identification up to date.

All of these risks are described in more depth in section 5.B.

5.A.4. Main internal control procedures

5.A.4.1. Compliance with laws and regulations

The applicable laws and regulations set standards of conduct and are an integral part of the control process.

The legal department of the holding company monitors legal developments in order to identify the various rules applicable to the group and passes this information on to the members of the steering committee and employees concerned.

5.A.4.2 Application of the general directive

The general directive issued by CFE's managing director to members of the steering committee defines the operations requiring prior information or approval by the group's senior management or functional departments.

This directive covers the following areas:

- risks taken in contracts,
- the acquisition or sale of real-estate assets,
- the acquisition or sale of other tangible assets,
- the acquisition or sale of companies,
- human resources,
- administrative and legal management,
- banking relations and financial commitments,
- financial information,
- internal and external communication,
- ethical behaviour,
- workforce-related and social responsibility.

These operating rules must be respected by all members of the steering committee.

Additional directives containing more restrictive rules may be formulated by members of the steering committee in relation to their area of competence. These rules are communicated to employees with the requisite authority at the head of a profit centre. However, additional directives may not, under any circumstances, constitute an exception to CFE's operating rules.

5.A.4.3 Procedures relating to commitments – risk committees

Given the specific nature of the business activities, strict upstream control procedures are applied.

Risk Committee

All binding offers involving an amount of over € 50 million (Construction) or € 10 million (Multitechnics and Rail Infra) must be approved by the Risk Committee.

The same is true of any project:

- that requires an unusual level of financial resources from the group (including all PPP-type transactions),
- that involves a new technology or a technology in which the group has insufficient skills,
- that contains unusual workforce-related obligations,
- that will be performed in a country where the group does not yet operate.

The Risk Committee comprises the following members:

- CFE's managing directors,
- CFE's chairman of the Risk Committee,
- the member of the steering committee responsible for the subsidiary or the branch,
- the operational or functional representatives of the entity concerned,
- CFE's CFO,
- a director representing the controlling shareholder.

Real-estate committee

No acquisition of land or any commitment to acquire or develop real estate can be carried out without the prior approval of the real estate investment committee, which consists of:

- CFE's managing directors,
- CFE's CFO,
- the general manager of the Real Estate Development division,
- the manager in charge of the project,
- the general secretary of the Real Estate Development division,
- the head of finance and administration of the Real Estate Development division
- a director representing the controlling shareholder.

Furthermore, any real estate investment in an amount exceeding € 5 million must receive the prior approval of CFE's Board of Directors.

5.A.4.4. Procedures relating to monitoring operations

The divisions have their own operations control systems suited to the specific features of their activity.

Key performance indicators relating to sales, order intake, the order book and net financial debt is drawn up every month by the finance department on the basis of information forwarded by the various operational entities.

The managers of the various entities prepare a monthly report on key facts.

The budget procedure is common to all the group's divisions and their subsidiaries. It includes four annual meetings:

- the initial budget presented in October of year N-1,
- the first budget update presented in April of year N,
- the second budget update presented in July/August of year N,
- the third update presented in October of year N.

These meetings, which are attended by CFE's managing directors, CFE's CFO, the head of management control and consolidation, the steering committee member and manager responsible for the entity concerned and its head of finance and administration, examine:

- the volume of business for the financial year in progress and the status of the order book,
- the latest financial statements that were communicated (balance sheet and income statement),
- the foreseeable profit margin of the profit centre, with details of profit margins per project,
- analysis of the main balance sheet items,
- the analysis of current risks including an exhaustive presentation of legal disputes,
- the status of guarantees given,
- investment or divestment requirements,
- the cash position and projected changes in the next 12 months.

5.A.4.5 Procedures relating to the production and processing of accounting information

The management control and consolidation department, which reports to the group's finance department, is responsible for producing and analysing financial and accounting information for dissemination both inside and outside the group and for ensuring its reliability.

In particular, it is responsible for the:

- production, validation and analysis of the interim and annual consolidated financial statements and provisional data (consolidation of budgets and budget updates),
- definition and monitoring of accounting procedures within the group and application of IFRS standards.

The management control and consolidation department sets the timetable for the preparation of interim and annual financial statements. These instructions are forwarded to the finance departments of the different entities concerned and accompanied by information or training sessions.

The management control and consolidation department is responsible for the accounting treatment of complex operations and ensures that they are validated by the Statutory Auditor.

At the end of each accounting period, the finance managers of the principal entities present the accounts of the relevant subsidiary or branch to the group's head of finance and administration and head of management control and consolidation.

The head of management control and consolidation is a member of the Audit Committees of DEME, Rent-A-Port and Rent-A-Port-Energy, and attends account-closing meetings held by these entities.

The Statutory Auditor informs the Audit Committee of any observations concerning the interim and annual financial statements before they are presented to the Board of Directors.

5.A.5. Actions carried out to strengthen internal control and risk management

In 2014, several initiatives were undertaken to strengthen the internal control of CFE.

These included:

- recruitment of an internal auditor,
- progressive implementation of a reporting standard for all the entities of the Contracting division,
- updating the checklists of the real estate projects,
- appointment of a Chief Information Security Officer,
- continuing implementation of an integrated management system (ERP) in several of the group's subsidiaries and branches.

5.A.6. DEME

CFE controls its dredging subsidiary at five different levels:

- The **Board of Directors** is composed of seven directors, of whom six are also directors of CFE (Luc Bertrand, Alain Bernard, Philippe Delaunois, Renaud Bentégeat, Jan Suykens and Koen Janssen); the seventh director is the chairman of CFE's Risk Committee. The Board of Directors controls the management, adopts the half-yearly and annual financial statements, and approves, among other things, the strategy and investment policy of DEME,
- The **Technical Committee** numbers two representatives of CFE among its members (a director of CFE and the chairman of CFE's Risk Committee). This committee monitors the main projects and pending lawsuits,
- The **Risk Committee** numbers two representatives of CFE among its members (a director of CFE and the chairman of CFE's Risk Committee). The Risk Committee analyzes and approves all binding offers involving an amount of over € 100 million (dredging works) or € 25 million (non-dredging works),
- The **Audit Committee** numbers three representatives of CFE among its members (a director of CFE, CFE's CFO and the head of management control and consolidation). The Audit Committee reviews the financial statements of DEME and budget updates at each quarterly closing,
- Finally, DEME's **Steering Committee** prepares, among other things, investment reports and the topics presented during the meetings of DEME's Board of Directors.

As in the past, the internal control system of DEME is implemented by its CEO with the support of the Management Team and under the responsibility of the Board of Directors.

In this connection, DEME has taken several initiatives to strengthen control over its activities, such as:

- Appointment of an internal auditor,
- Implementation of an ERP in all its subsidiaries to improve the quality of financial reporting,
- Strengthening the unit in charge of Risk Management,
- Implementation of an integrated tool for cash and derivatives management,
- Generalized use throughout its subsidiaries of a new system for integrated purchasing management.

5.B. Risk factors

5.B.1. Operational risks

5.B.1.1. Project execution

The main characteristic of the dredging and contracting businesses is the commitment made when submitting a proposal to perform a task that is by its nature unique, for a price with predetermined terms and within an agreed time schedule.

The risk factors therefore relate to:

- the price of the task to be performed and, in the event of divergence between the anticipated price and the actual price,
- the possibility (or not) of obtaining coverage for additional costs and price increases,
- design, if this is the contractor's responsibility,
- performance of the contract,
- control of the elements included in the cost price,
- project time schedule and deadlines,
- performance obligations (quality, schedule) and the related direct and indirect consequences,
- warranty obligations (10-year guarantee, maintenance),
- compliance with safety and other workforce-related obligations that are also extended to service providers.

5.B.1.2. Dredging & Environment

Dredging activities are performed by DEME and its subsidiaries.

DEME is one of the world's leading players in dredging. Its market includes both maintenance dredging and capital (infrastructure) dredging. The latter is particularly related to growth in world trade and decisions on the part of governments to invest in major infrastructure projects.

DEME has also developed a range of services for the oil and gas industry, including protection of offshore facilities and protection of deep-water subsea pipelines and cables.

DEME is also a major player in the development of offshore wind farms, operating in two areas:

- as a concession-holder via minority stakes in concessions, mainly off the Belgian coast,
- as a general contractor specialising in the construction and maintenance of offshore wind farms, capable of providing a comprehensive service to its clients.

DEME also operates in the environmental sector through DEC. This company specialises in the treatment of polluted sludge and sediments, along with the remediation of brownfield sites.

Through DBM (DEME Building Materials), DEME is also active in the aggregate supply market.

Operational risks relating to dredging and reclamation works

In its dredging, reclamation and hydraulic civil engineering operations, DEME faces not only the risks described in section 5.B.1.1, but also various specific operational risks related to:

- determining the type and composition of the earth to be dredged,
- weather conditions, including extreme events such as storms, tsunamis and earthquakes,
- wear and tear affecting equipment,
- technical incidents and breakdowns that may affect the performance of vessels,
- project design and engineering,
- changes in the regulatory framework during the contract, and relations with subcontractors, suppliers and partners.

Operational risks related to the development of concessions

As stated above, DEME has for several years been developing an offshore wind farm concession business. In this business, DEME faces specific risks related to these investments:

- unstable regulatory framework,
- technological developments,
- the ability to finance these large projects.

Operational risks related to fleet investments

Dredging is primarily a maritime activity, which is characterised by its capital-intensive nature due to the need for regular investments in new vessels in order to keep the fleet at the leading edge of technology. For this reason, DEME is faced with complex investment decisions and specific operational risks relating to these investments:

- technical design of the investment (type of dredger, capacity, power, etc.) and expertise in new technologies,
- time between the investment decision and commissioning of the vessel, and anticipating future market developments,
- control over construction by the shipyard once the investment decision has been made (cost, performance, conformity, etc.),
- occupancy of the fleet and scheduling of activities,
- financing.

DEME has qualified staff with the capacity to design dredgers and design and execute large-scale projects. Given the very nature of the activity and the many external factors to be taken into account, the risks inherent in this business cannot be completely eliminated.

5.B.1.3. Contracting

The Contracting division encompasses the following activities:

Construction

Construction activity is concentrated in the Benelux area, Central Europe and Africa. CFE specializes in:

- building and refurbishing office buildings, residential properties, hotels, schools, universities, shopping and leisure centres, hospitals, industrial buildings and port infrastructure,
- building engineering structures (tunnels, bridges, dams, locks), developing quays, building jetties and wastewater

treatment facilities, installing piles and building gas terminals, ...

Multitechnics & Rail Infra

This division operates mainly in Belgium through three clusters:

- tertiary electricity, electromechanical facilities, telecoms networks, industrial automation, the production of low-voltage panels and high-voltage cabins, electromechanical work for wastewater treatment and pumping stations,
- HVAC (heating, ventilation and air conditioning) facilities, electrical and HVAC maintenance,
- railway and signalling works, energy transportation, public lighting.

The operational risks in the activities of the Contracting division are described in section 5B 1.1.

5.B.1.4. Real Estate Development

CFE has developed its Real Estate Development business in Belgium, Luxembourg and Poland.

Real estate activity is directly or indirectly affected by certain macroeconomic factors (interest rates, propensity to invest, savings, etc.) and political factors (development of supra-national institutions, development plans, etc.) that influence the behaviour of participants in the market, in terms of both supply and demand.

This activity is also characterised by long operating cycles, which means that operators need to anticipate decisions and make long-term commitments.

In addition to general sector risks, each project has its own specific risks:

- choosing land for investment,
- defining the project and its feasibility,
- obtaining the various permits and authorisations,
- controlling construction costs, fees and financing,
- marketing.

5.B.1.5. PPP-Concessions

The concessions business consists of carrying out DBFM (Design, Build, Finance, Maintain) projects in Belgium and, via 45%-owned subsidiary Rent-A-Port, developing and managing ports and providing consultancy services regarding port engineering.

The division's activities involve long-term operations (20 years or more) and recurrent cash flows during the maintenance and operational phases of projects, enabling the relevant companies to repay loans.

5.B.2. Economic climate

CFE and DEME are, by their very nature, subject to strong cyclical fluctuations. Nevertheless, this observation must be qualified for each segment or sub-segment of activity, since the key factors can vary between them.

For example:

- Dredging activities are more sensitive to the international economic climate, trends in world trade and government investment policy as concerns major infrastructure and sustainable development works. Slower growth in one or more of DEME's markets may adversely affect its business levels and earnings.
- Civil engineering activities in the Contracting division are linked to government investment in large infrastructure programmes. These programmes have been reduced considerably by the recent recession.
- Construction activities and real-estate development activities related to the office property market move in line with the traditional economic cycle, while the residential business depends more directly on general economic conditions, consumer confidence and interest rates.

5.B.3. Management and workforce

CFE suffers from a chronic shortage of qualified supervisory staff and workers. The success of projects, in the study, preparation and execution phases, depends both on employees' qualifications and skills and on their availability in the labour market.

On the talent market, DEME should be able to attract, motivate and retain highly qualified staff to manage projects abroad.

5.B.4. Market risks (interest rates, exchange rates, insolvency)

5.B.4.1. Interest-rate risk

CFE and DEME make major investments extending over long periods of time. In this context and in terms of the availability of long-term credit, project finance or major capital expenditure (vessels), CFE and DEME apply a policy of interest rate hedging where necessary. Nevertheless, interest-rate risk cannot be entirely eliminated.

5.B.4.2. Exchange-rate risk

Given the international nature of their activities and the fact that some contracts are performed in foreign currencies, CFE and DEME are exposed to exchange-rate risk. To mitigate this risk, CFE and DEME engage in exchange-rate hedging and forward foreign exchange contracts. Nevertheless, exchange-rate risk cannot be entirely eliminated.

5.B.4.3. Credit risk

To reduce underlying solvency risk, CFE and DEME check the solvency of their clients when submitting quotations, regularly monitor accounts receivable, and adjust their positions with them where necessary. For clients showing a material credit risk, down payments and/or bank payment guarantees are required before work starts.

In markets outside Europe, if a country is eligible and the risk can be covered by credit insurance, CFE and DEME obtain coverage from organisations specialising in this area, such as Credendo Group.

Nevertheless, credit risk cannot be entirely eliminated.

5.B.4.4. Liquidity risk

To limit the liquidity risk, CFE and DEME multiplied their sources of financing into 3 types :

- bond issues, totalling € 300 million. These consist of Compagnie d'Entreprises CFE SA's € 100 million issue of bonds maturing in 2018, and DEME NV's € 200 million issue of bonds maturing in 2019. These bonds have enabled to diversify its sources of financing and extend the maturity of its long-term debt,
- project-finance loans or leases, which DEME uses to finance some of its vessels and which the PPP-Concessions and Real Estate Development divisions use to fund specific projects,
- bank loans or commercial paper to cover short- and mid-term cash requirements.

CFE complied with all of its financial covenants at 31 December 2014, as did DEME.

5.B.5. Commodity price risks

CFE and DEME are potentially exposed to increases in the prices of certain raw materials used in their activities. Nevertheless, CFE and DEME believe that such increases are not likely to have a significantly negative impact on their results. This is because a substantial portion of CFE's and DEME's contracts include price revision formulae that enable them to adjust selling prices in line with movements in commodity prices. Furthermore, CFE's activities are carried out through a large number of contracts, many of them of short or medium duration which, even in the absence of a price revision formula, limits the impact of a rise in raw material prices. Finally, DEME hedges against rising diesel prices for contracts that do not contain price revision mechanisms.

5.B.6. Risk of dependency on customers/suppliers

Given the group's activities and its organisational structure, which reflects the local nature of its contracts, CFE considers that, overall, it is not dependent on a small number of clients, suppliers or subcontractors. Furthermore, CFE's operational organisation is characterised by a high degree of decentralisation, which generally gives local managers greater decision-making autonomy within the scope of the powers delegated to them, particularly as regards purchasing.

5.B.7. Environmental risks

In view of the type of work it is asked to do, CFE may be involved in handling unhealthy or hazardous materials.

CFE takes all possible safety and health precautions for its workers and takes particular care over this point, although this risk cannot be entirely eliminated.

Like any company involved in dredging and marine activities, DEME pays particular attention to environmental risks, which fall into two categories:

- disruption to flora and/or fauna or accidental pollution, which can never be totally ruled out despite the very strict prevention measures that the company takes in performing its dredging work,
- DEME subsidiaries operating in the environmental field have to decontaminate highly polluted soils, the extent and exact composition of which is not always easy to establish before the contract starts. In addition, the innovative technologies that DEME uses to remediate soils also carry a degree of risk.

Respect for the environment is one of the fundamental values upheld by CFE and DEME, which make every effort to limit the negative environmental impact of their activities.

5.B.8. Legal risks

Given the diversity of its activities and geographical locations, CFE is exposed to a complex regulatory environment as concerns the places where services are performed and the fields of activity involved. In particular, it is subject to rules concerning administrative contracts, public and private works contracts and civil liability.

In the construction sector, the builder's liability with respect to 10-year construction guarantees, liability for minor hidden defects and liability for indirect consequential damage – an emerging concept – can be interpreted broadly.

DEME has to deal with a changing and increasingly complex legal framework in certain countries in which it operates.

5.B.9. Political risks

CFE and DEME are exposed to political risks, which fall into various categories: political instability, wars (including civil wars), armed conflicts, terrorism, hostage-taking, extortion and sabotage.

These represent potential threats to the security of CFE's staff and property. As a result, these risks are monitored closely and, if necessary, a project may be stopped if basic security conditions are no longer met. In this case, staff and equipment are transferred to a safer location.

DEME has appointed an Enterprise Security Officer to:

- provide regular updates on potential threats to the security of staff and property,
- help to set up security procedures,
- verify compliance with those procedures,
- coordinate emergency situations when necessary.

5.B.10. Risks relating to the protection of intellectual property and know-how

CFE and DEME in particular have developed specific know-how and innovative technologies in various areas.

To protect its trade secrets and intellectual property relating to its innovations, DEME has filed numerous patent applications covering over 100 specific applications.

5.B.11. Risks related to special-purpose companies

To carry out some of its real-estate, public-private partnerships and concession activities, CFE and DEME participate and will continue to participate in special-purpose companies which provide real guarantees in support of their credit facilities. The risk, in the event of the failure of this type of company and exercise of the guarantee, is that the proceeds from such exercise are not sufficient to cover some or all of the amount of shareholders' equity or equivalent used as collateral for setting up the credit facility.

5.B.12. Interest in DEME

CFE's acquisition of control over DEME on 24 December 2013 in no way alters the fact that DEME remains financially autonomous and so CFE does not advance any money or make any guarantee with respect to DEME or vice-versa.

6. Assessment of measures taken by the company in response to the directive on insider trading and market manipulation

CFE's policy on this matter is specified in its corporate governance charter.

A compliance officer (Fabien De Jonge) was appointed and an information programme has been in place since 2006 for senior management and employees who, through their job, have access to privileged information.

The Company systematically informs these people about closed periods and issues regular reminders of the general directives.

7. Transactions and other contractual relationships between the company, including related companies, and directors and executive managers

The policy on this matter is specified in the corporate governance charter.

There is no service contract binding the Board members with CFE or with any of its subsidiaries.

8. Assistance agreement

Ackermans & van Haaren entered into a service contract with DEME. The fees payable by DEME for the 2014 financial year amounted to € 1,126 thousand.

9. Audit

The Statutory Auditor is Deloitte Réviseurs d'Entreprises, represented by Pierre-Hugues Bonnefoy.

At the ordinary general meeting of shareholders on 3 May 2013, shareholders renewed the appointment of the Statutory Auditor, Deloitte Réviseurs d'Entreprises, represented by Pierre-Hugues Bonnefoy, for a period of three years, ending at the close of the ordinary general meeting of shareholders in May 2016. The fees paid by CFE amounted to € 180 thousand for the 2014 financial year.

Other costs for various assignments invoiced by Deloitte Réviseurs d'Entreprises amounted to € 90 thousand.

In addition, during financial year 2014, the costs invoiced by Deloitte Conseillers Fiscaux for tax advice amounted to € 23 thousand.

Deloitte audited the accounts of most of the companies within the CFE group.

For the other subsidiaries, the Statutory Auditor generally obtained the certification reports of those entities' auditors and/or interviewed them, and also performed certain additional checks.

Remuneration paid to the Statutory Auditors in respect of the whole group in 2014, including CFE

(in thousands €)	Deloitte		Autres	
	Amount	%	Amount	%
Audit				
Statutory audit, certification, examination of individual and consolidated accounts	1,243.9	66.13%	572.7	48.19%
Related work and other audits	114.0	6.06%	44.5	3.75%
Subtotal, audit	**1,358.0**	**72.19%**	**617.2**	**51.94%**
Other services				
Legal, tax, corporate	245.1	13.03%	454.2	38.23%
Other	278.0	14.78%	116.8	9.83%
Subtotal, other services	**523.1**	**27.81%**	**571.0**	**48.06%**
Total statutory auditors' fees	**1,881.1**	**100%**	**1,188.2**	**100%**

C. Remuneration report

CFE's remuneration policy is designed to attract, retain and motivate staff in the office, technical, manual and managerial categories.

To help the Appointments and Remuneration Committee analyse the competitive situation, along with other factors involved in assessing remuneration, the Committee may use the services of internationally renowned remuneration consultants.

In 2014, some changes were made to CFE's remuneration policy relative to 2013.

1. Remuneration of the Board and committee members

1.1. Remuneration of Board members

CFE's ordinary general meeting of shareholders of 30 April 2014 approved the payment of annual fees to the Chairman of the Board of Directors and each of the other directors to the amount of € 100,000 and € 20,000 respectively in proportion to the time they were in office. The general meeting also approved the payment of attendance fees to the directors, with the exception of the Chairman of the Board, to the amount of € 2,000 per meeting. The remuneration of the members of the Audit Committee and the Nomination and Remuneration Committee remain unchanged.

Board directors are also reimbursed for expenses incurred during the execution of their duties, according to conditions set by the Board of Directors.

The amount of fees paid directly or indirectly to the Board members for carrying out their duties within the group was as follows:

(€)	Fees CFE SA	Fees Subsidiaries
C.G.O. SA, represented by Philippe Delaunois	100,000	
Renaud Bentégeat	34,000	
Piet Dejonghe	32,000	
Luc Bertrand	34,000	
Koen Janssen	34,000	
Christian Labeyrie	34,000	
John-Eric Bertrand	34,000	
Consuco SA, represented by Alfred Bouckaert	34,000	
Ciska Servais SPRL, represented by Ciska Servais	34,000	
Philippe Delusinne	32,000	
Jan Suykens	34,000	
Alain Bernard	32,000	
Jan Steyaert	34,000	
Total	**502,000**	**0**

No agreement with any non-executive Board director providing for termination benefit has come into force or has been extended since 3 May 2010 (the date on which the Belgian act of 6 April 2010 came into force).

As in 2014, it will be proposed to the general meeting of 7 May 2015 to approve the payment of annual fees to the Chairman of the Board of Directors and each of the other directors to the amount of € 100,000 and € 20,000 respectively in proportion to the time they were in office.

A proposal will also be made to the general meeting of shareholders to approve attendance fees of € 2,000 per meeting to directors apart from the chairman of the Board of Directors.

The remuneration of the members of the Audit Committee and the Nomination and Remuneration Committee remain unchanged.

1.2. Remuneration of Audit Committee members

Consuco SA, represented by Alfred Bouckaert	4,000
Philippe Delusinne	4,000
Piet Dejonghe	4,000
Christian Labeyrie	4,000
Jan Steyaert	8,000
Total	**24,000**

1.3. Remuneration of Nomination and Remuneration Committee members

The Nomination and Remuneration Committee consists of non-executive directors, most of whom are independent directors.

Luc Bertrand	5,000
Consuco SA, represented by Alfred Bouckaert	5,000
Ciska Servais SPRL, represented by Ciska Servais	10,000
Total	**20,000**

2. CFE management

CFE's corporate structures are appropriate to the purpose of a holding company, and to the requirements arising from its organisation by division.

Each division, representing a portfolio of activities, consists of several subsidiaries and, in some cases, branches that constitute profit centres and, in general, represent a specific business in a defined geographical area. Each subsidiary is managed by a Board of Directors and a company director; each branch is managed by a company director. The management organisation for subsidiaries and branches therefore consists of a specific delegation of powers to a group of persons – the company directors – which guarantees active management and effective operational organisation in each division.

Since these corporate structures ensure a balanced distribution of powers and the smooth operation of CFE, the Company has decided that the steering committee is not a Management Board within the meaning of article 524b of the Belgian Companies Code, but has nonetheless anticipated future needs by providing for this possibility in its Articles of Association.

The persons responsible for the actual management of activities are thus the managing director first and then the members of the steering committee.

2.1. The steering committee

1) CFE's steering committee's excluding DEME

The members of CFE's steering committee are:

- Renaud Bentégeat
- Fabien De Jonge
- Gabriel Marijsse
- Patrick Verswijvel
- Yves Weyts
- Diane Zygas (until 31/12/2014)
- Frédéric Claes SA, represented by Frédéric Claes
- Artist Valley SA, represented by Jacques Lefèvre

Piet Dejonghe joined the steering committee on 15 January 2015.

2) DEME's steering committee

The members of DEME's steering committee are:

- Renaud Bentégeat
- Alain Bernard
- Fabien De Jonge

2.2. Orientation committee

An orientation committee brings together CFE's steering committee excluding DEME as well as the main leaders of the group, namely:

- Lode Franken
- Michel Guillaume
- Youssef Merdassi
- Patrick Van Craen

3. Remuneration of steering committee members

3.1. Remuneration of the managing director

There were changes in the remuneration policy in 2014. Fixed and variable remuneration and other benefits were examined by the Nomination and Remuneration Committee.

After discussions, and specifically an assessment of performance relating to variable remuneration, the Nomination and Remuneration Committee made recommendations to the Board of Directors, which takes decisions on this matter.

The reference period for the variable remuneration of the managing director (and other steering committee members) runs from 1 January to 31 December. Any payments are made in April of the following year.

In addition to his fee as a Board member, i.e. € 34,000, the managing director received gross annual remuneration of € 267,617 in respect of his executive functions within the CFE group, without additional variable remuneration.

The managing director also has the use of accommodation and a car provided by the company, representing a benefit of € 48,221 in 2014. In 2014, he benefits from a pension plan with CFE, for which the employer's contribution amounts to € 102,147.

The variable remuneration of the managing director is based on the following criteria:

At a rate of 75%

- of which 60% of the quantity criteria are on:
  - economic results
  - treasury (influence of 10%)
  - security (influence of 10%)
- of which 40% of the quality criteria are on:
  - quality of reporting
  - definition and execution of the 3 year strategic plan
  - operating efficiency of the steering committee
  - risk management, creation of a risk committee

At a rate of 25% on discretionary basis;

The amount of the variable remuneration is capped at 100% of the fixed remuneration.

CFE did not award any shares, options or other rights to acquire shares in the company to the managing director in 2014.

3.2. Remuneration of steering committee members (including DEME's steering committee) other than the managing director

In 2014, the remuneration policy changed in relation to previous years. It is designed to:

- enable the company to attract, motivate and retain high-level and high-potential executive talent,
- foster and reward personal performance.

The proposed fixed and variable remuneration for members of the steering committee, other than the managing director, are scrutinised by the managing director and the Group's head of HR, who sit on the Nomination and Remuneration Committee.

The Committee listens to explanations and, after discussions between its members, submits definitive proposals to the Board of Directors, which takes decisions on the matter.

The basic annual salary constitutes fixed remuneration and is based on a scale defined by the CFE Group's wage structure. There is a margin of appreciation as regards matters such as experience, duties, scarcity of technical skills and performance.

For operational members of the steering committee, i.e. those responsible for profit centres (subsidiaries and branches), variable remuneration depends on individual performance and the cash position of their profit centre.

- It is directly related to the financial performance of their area of responsibility, i.e. the relationship between net profit before tax and revenue for the period. This margin is compared with a pay scale featuring multiples of fixed annual remuneration (from zero to 100%), known as the "basic amount".
- Safety performance: quantitative criterion at the rate of 50%, i.e. the accident frequency rate, according to the target set at the beginning of the year in the relevant business area; qualitative criteria at the rate of 50%; the basic amount is reduced by 20% if the target is not achieved.
- The cash position also influences the basic amount by 20%. An individual target was set for 31 December 2014. For the real estate development manager, the criteria are the ceiling for outstanding amounts and the amount of equity used.
- Variable remuneration can therefore range between zero and 100% of fixed annual remuneration

For functional managers on the steering committee, variable remuneration takes into several factors:

- the CFE Group's comprehensive income,
- the operational performance of their department,
- attainment of specific targets assigned to them at the start of the year by the managing director,
- variable remuneration may be zero if performance is unsatisfactory.

The reference period for the variable remuneration of steering committee members runs from 1 January to 31 December. Any payments are made in April of the following year.

For the operational members of the steering committee of DEME, the remuneration is fixed by the DEME's Board as proposed by the Remuneration Committee of DEME consisting of Renaud Bentégeat and Luc Bertrand. The amount of the variable remuneration is calculated after taking into account 4 criteria : EBITDA, net income, financial debt and safety.

In 2014, steering committee members other than the managing director received:

Fixed remuneration and fees	1,985,845
Variable remuneration	1,376,885
Payments to insurance plans (pension plans, health and accident insurance)	437,176
Company vehicle expenses	87,818
Total	**3,887,724**

Steering committee members excluding DEME are covered by various types of pension plan. Some are members of defined-benefit plans, which vary according to whether they joined before or after 1 July 1986.

In order to harmonise the treatment of these steering committee members excluding DEME, a supplementary defined-benefit plan was set up in 2007. The IFRS service cost for defined-benefit plans amounted to € 184,856 in 2014.

A pension plan covers also the members of the DEME's steering committee.

CFE has not awarded any shares, options or other rights to acquire shares in the company to steering committee members in 2014.

4. Termination benefits

As regards termination benefit rules, in accordance with the Belgian Corporate Governance Act of 6 April 2010, applying as of 3 May 2010 and as agreed with the managing director and steering committee members, the ordinary general meeting of shareholders of 30 April 2014 passed the following resolution:

1. The law relating to employment contracts shall apply to persons with "employee" status, and all other existing agreements shall remain in force.

   For employees who are members of the company's executive management and with whom there was no existing agreement relating to termination benefits before 3 May 2010, the period of notice to be given or the amount of severance pay that will be paid in the event of termination of the employment contract (for reasons other than serious misconduct) by the employer shall be determined, in accordance with the act of 26 December 2013 relating to the introduction of the single status, published in the "Moniteur Belge" on 31 December 2013.

   - Alain Bernard
   - Fabien De Jonge
   - Gabriel Marijsse
   - Patrick Verswijvel
   - Yves Weyts

2. As regards termination benefits applying after 3 May 2010 and agreed with the managing director and steering committee members,

   - an agreement came into force on 18 November 2011 for Diane Zygas (née Rosen). This agreement was approved by the Board of Directors as proposed by the Appointments and Remuneration Committee on 28 September 2011. A notional period of service of 12 years was applied, in accordance with the act of 26 December 2013 relating to the introduction of the single status, published in the "Moniteur Belge" on 31 December 2013.
   - an agreement came into force on 1 October 2014 for Renaud Bentégeat. This agreement, approved by the Board of Directors as proposed by the Nomination and Remuneration Committee, stipulates that if the employment contract is terminated by the employer (for reasons other than serious misconduct) the period of notice to be given or the amount of severance pay that will be paid is to be set at maximum 12 months' remuneration.

3. Agreements existing before 3 May 2010 were as follows:

   - Frédéric Claes SA, represented by Frédéric Claes:
     The amount payable in the event the contract is terminated is consistent with normal market levels..
   - Artist Valley SA, represented by Jacques Lefèvre:
     The amount payable in the event the contract is terminated is consistent with normal market levels.

5. Variable remuneration of steering committee members

As regards variable remuneration rules, in accordance with the Belgian Corporate Governance Act of 6 April 2010, the shareholders' meeting of 30 April 2014 passed the following resolution applying to periods beginning after 31 December 2010:

> "For the CEO and steering committee members, the existing award terms and criteria, i.e. variable remuneration based on financial performance, attention paid to employee safety and compliance with Group values, will be maintained for a period of three years. The current legislation, which requires variable remuneration to be spread over three years, and its related criteria are not appropriate (and therefore cannot be easily applied) to a steering committee in which some members are close to retirement and pension age."
>
> **Proposition:** For the CEO and the steering committee members, is the current legislation, which requires variable remuneration to be spread over three years, and its related criteria are not appropriate (and therefore cannot be easily applied) to a steering committee in which some members are close to retirement and pension age.

6. Information about the right to claw back variable remuneration granted on the basis of incorrect financial information provided by steering committee members or the managing director

The contracts between CFE's steering committee members excluding DEME and the managing director on the one hand and the company on the other include a right for the company to claw back variable remuneration granted on the basis of incorrect financial information.

D. Policy regarding insurance

CFE systematically takes out comprehensive contractor insurance for all construction sites, which gives sufficient cover for operating and post-construction civil liability. The risk of terrorism is not included in this policy.

E. Special reports

On 27 February 2014, CFE's Board of Directors prepared a special report in pursuance of Article 604 of the Companies Code to support the proposal put to the Company's general meeting of shareholders to renew for a five-year period the authorization given to the Board of Directors to increase the Company's capital in one or more operations, setting the authorized capital at € 2,500,000.

F. Public offer to purchase shares

Pursuant to Article 34 of the Belgian Royal Decree of 14/11/2007 concerning the obligations of issuers of financial instruments listed for trading on a regulated market, Compagnie d'Entreprises CFE SA notes that:

i) the Board of Directors is empowered to increase the authorized capital by a maximum amount of € 2,500,000, it being noted that exercise of this power is limited, in the event of a takeover bid, by Article 607 of the Companies Code,

ii) the Board of Directors is entitled to acquire up to 20% of CFE's shares.

G. Acquisitions

CFE made no acquisitions in 2014.

H. Creation of branches

CFE did not set up any branches in 2014.

I. Post-balance sheet events

In December 2014, in the framework of the realigning of its activities, CFE concluded an agreement with Aswebo NV, a road subsidiary of the Willemen group, on the transfer of 100% of the shares of Aannemingen Van Wellen NV.

After obtaining approval from the Competition Authorities, the transfer of shares took place on February 2015. The positive impact of this transfer on the net consolidated 2015 result of CFE should be of the order of € 10 million.

J. Research and development

DEME carries out ongoing research to increase the efficiency of its fleet. In addition, in partnership with universities and the Flanders region of Belgium, it carried out research into the production of sustainable marine energy. In partnership with private-sector companies, it carries out research into techniques to extract rare materials from the sea.

K. Outlook

The outlook remains favourable for the dredging and environment division, as recovery of the contracting activities continues.

L. Audit Committee

The Audit Committee is chaired by Jan Steyaert, who meets the independence criteria defined in Article 526c of Belgium's Companies Code.

Jan Steyaert has a degree in economics and finance. He has held various professional posts, including working for an auditing firm and for Telindus, a listed company, where he was CFO before becoming CEO and then chairman of the Board of Directors. This confirms Jan Steyaert's competence in terms of accounting and auditing.

M. Notice of the general meeting of shareholders of 7 May 2015

The Board of Directors invites all shareholders and bondholders to attend the ordinary general meeting of shareholders, which shall take place at the company's head office at 42 avenue Herrmann-Debroux, 1160 Brussels, at 3pm on Thursday 7 May 2015.

A. Agenda: ordinary business

1. Board of Directors' report for the financial year ended on 31 December 2014

2. Auditor's report for the financial year ended on 31 December 2014

3. Approval of the annual accounts

Proposed resolution:

It is proposed to the general meeting of shareholders to approve the annual accounts for the financial year ended on 31 December 2014 as presented by the Board of Directors.

4. Approval of the consolidated annual accounts

Proposed resolution:

It is proposed to the general meeting of shareholders to approve the consolidated annual accounts for the financial year ended on 31 December 2014 as submitted by the Board of Directors.

5. Appropriation of profit – Approval of dividend

Proposed resolution:

It is proposed to the general meeting of shareholders to approve the Board of Directors' proposal to distribute a gross dividend of € 2.00 per share, corresponding to a net dividend of € 1.50 per share. The dividend will be payable as from 28 May 2015.

6. Remuneration

6.1. Approval of the remuneration report

Proposed resolution:

It is proposed to the general meeting of shareholders to approve the remuneration report as submitted by the Board of Directors.

6.2. Annual remuneration of the directors and the auditor

Proposed resolution:

In accordance with article seventeen of the articles of association of the company, it is proposed to the general meeting of shareholders, to approve, with effect from 1 January 2015, a remuneration for the chairman of the Board of Directors and for each director, respectively of € 100,000 and of € 20,000, *pro rata temporis* of the exercise of their mandate during the year.

It is in addition proposed to the general meeting to approve an attendance fee for the directors, with the exception of the chairman, of € 2,000 per meeting of the Board of Directors. The remuneration of the members of the Audit Committee and the Nomination and Remuneration Committee remains unchanged.

Moreover, it is proposed to the general meeting of shareholders to grant the auditor an annual remuneration of € 174,500 for his mandate as auditor of the company.

7. Discharge to directors

Proposed resolution:

It is proposed to the general meeting of shareholders to grant discharge to the directors for and in connection with their duties during the financial year ended on 31 December 2014.

8. Discharge to auditor

Proposed resolution:

It is proposed to the general meeting of shareholders to grant discharge to the auditor for and in connection with his duties during the financial year ended on 31 December 2014.

9. Nomination

Proposed resolution:

The director's mandate of Ciska Servais SPRL, represented by Ciska Servais, expires at the ordinary general meeting of 7 May 2015.

It is proposed to the general meeting of shareholders to renew the director's mandate of Ciska Servais SPRL, represented by Ciska Servais, for a period of 4 (four) years, ending after the annual general meeting of May 2019. Ciska Servais SPRL, represented by Ciska Servais, meets the independence criteria defined in Article 526 ter of the Companies Code and in the 2009 Belgian Corporate Governance Code.

B. Formalities for attending the ordinary general meeting of shareholders

1. Shareholders wishing to attend the meetings personally

Only shareholders who hold CFE shares at the latest on the 14th day prior to the general meetings, namely on **23 April 2015** at midnight (Belgian time) (the "**Registration date**"), and who confirm their intention to participate in the ordinary general meeting at the latest by **1 May 2015** at midnight (Belgian time), shall be allowed to attend the meeting, either in person or by proxy.

- For holders of registered shares, proof of share ownership on the Registration date shall be evidenced by registration in the CFE register of registered shares on the Registration date. Furthermore, in order to gain admission to the general meeting of shareholders, each shareholder shall be required to fill in the form "Intention de participation à l'assemblée générale", available on the website www.cfe.be, and return it either by letter, for the attention of Fabien De Jonge, Chief Financial Officer, avenue Herrmann-Debroux, 42 in 1160 Auderghem, or by e-mail to the following address: general_meeting@cfe.be, at the latest by **1 May 2015** at midnight (Belgian time).
- For holders of dematerialized shares, proof of share ownership shall be evidenced by their registration in a share account maintained by an accredited account holder or clearing house on the Registration date. In addition, each shareholder is required to inform his bank of his intention to participate in the ordinary general meeting as well as of the number of shares he wishes to vote with, at the latest by **1 May 2015** at midnight (Belgian time).

2. Shareholders wishing to be represented at the meeting

Each shareholder who owns shares on the Registration date may be represented at the ordinary general meeting.

Shareholders who wish to appoint a representative to represent them at the ordinary general meeting shall be required to complete and sign the proxy form, available on the website www.cfe.be, and to return it either by letter, for the attention of Fabien De Jonge, Chief Financial Officer, avenue Herrmann-Debroux, 40-42 in 1160 Auderghem, or by e-mail to the following address: general_meeting@cfe.be, at the latest by **1 May 2015** at midnight (Belgian time).

If the proxy is sent by e-mail, the proxy-holder must submit the signed original before the start of the meeting.

3. Shareholders wishing to vote by post

Each shareholder who owns shares on the Registration date may be represented at the ordinary general meeting.

Shareholders who wish to vote by post shall be required to complete and sign the postal voting form, available on the website www.cfe.be, and to send it exclusively by post for the attention of Fabien De Jonge, Chief Financial Officer, avenue Herrmann-Debroux, 42 in 1160 Auderghem, at the latest by **1 May 2015** at midnight (Belgian time). The shareholder must indicate his voting preference on the postal voting form.

4. Shareholders wishing to add new items to the agenda or to file resolution proposals

One or more shareholders who together hold at least 3% of the share capital may request the inclusion of items on the agenda for the ordinary general meeting of shareholders as well as file resolution proposals concerning the items to be dealt with already included or to be included on the agenda.

Shareholders who wish to exercise this right to add new items to the agenda or to file resolution proposals must satisfy the following conditions:

- send, at the latest by **15 April 2015** at midnight (Belgian time), their written request either by post, for the attention of Fabien De Jonge, Chief Financial Officer, avenue Herrmann-Debroux, 42 in 1160 Auderghem, or by e-mail to the following address: general_meeting@cfe.be;
- join to their request the proof that on the date of their request they do in fact hold, separately or jointly, 3% of all shares. They shall, for this purpose, enclose with their letter either a certificate attesting to the registration of corresponding shares in the register of registered shares which they will have previously requested from the company, or a declaration drawn up by the accredited account holder or the clearing house, certifying the registration in an account, in their name, of the number of corresponding dematerialized shares.
- join to their request the new items to be discussed and the relevant resolution proposals in relation to items added or to be added on the agenda.

If one or more shareholders have requested the inclusion of items and/or proposed resolutions on the agenda, CFE shall publish at the latest by **22 April 2015** an agenda prepared according to the same procedure as this agenda. CFE shall also publish at the same time on its website the proxy voting and postal voting forms with any additional topics and related proposals and/or any standalone proposed resolutions added.

Any proxy forms and postal voting forms sent to the company before **22 April 2015** shall remain valid for the items on the agenda to which they relate. Furthermore, within the context of proxy voting, the representative shall be authorized to vote on the new items on the agenda and/or on the new proposed resolutions, without the need for any new proxy, if the proxy form expressly permits it. The proxy form may also specify that in such cases, the representative is obliged to abstain.

5. Shareholders wishing to ask questions at the general meeting

Each shareholder has the right to put questions to the directors and/or the auditor during the ordinary general meeting. The questions may be asked orally during the meeting or in writing before the meeting.

Shareholders who wish to ask questions in writing before the meeting shall be required to send an e-mail to the company at the latest by **1 May 2015** at midnight, Belgian time, to the following address: general_meeting@cfe.be. Only written questions asked by shareholders who will have satisfied the formalities for admission to the meeting (see item 1), shall receive an answer during the meeting.

6. Right of bondholders to attend the general meetings

Bondholders may attend the ordinary general meeting with a consultative vote only, by proving they are bondholders by producing, on the day of the general meeting, a certificate issued by the financial intermediary with which they hold their bonds.

7. Available documents

Each shareholder and bondholder may obtain free of charge at the registered office of the company (avenue Herrmann-Debroux, 40-42 in 1160 Brussels), during office hours, a complete copy of the financial statements, consolidated financial statements as well as the directors' report, the agenda as well as the forms to vote by proxy and by post, and the form "Intention de participation". Requests for a free copy may also be sent by e-mail to the following address: general_meeting@cfe.be.

8. Website

All information relating to the general meeting of shareholders of 7 May 2015, including all documents related thereto, are available on the company's website at this address: www.cfe.be.

Consolidated financial statements

Definitions

Preliminary notes

Consolidated financial statements

- Consolidated statement of income
- Consolidated statement of comprehensive income
- Consolidated statement of financial position
- Consolidated statement of cash flows
- Consolidated statement of changes in equity
- Notes to the consolidated financial statements
- Statutory auditors' report

Parent-company financial statements

- Parent-company statements of financial position and comprehensive income
- Analysis of statements of financial position and comprehensive income

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-ventures
EBITDA	Income from operating activities + amortisation and depreciation + other non-cash items

On 31 December 2012, after the impact of the restatement of the comparative consolidated statement of financial position leading to changes in accounting methods linked to the implementation of IFRS 10 “Consolidated financial statements” and IFRS 11 “Joint arrangements”, DEME is integrated under equity method.

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 and its stake in DEME has increased from 50% to 100%. As a result, whereas DEME was still consolidated under equity method 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. 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 of the order book.

Consolidated statement of income

For the period ended 31 December (in € thousands)	Notes	2014	2013 (*)
Revenue	4	**3,510,548**	984,883
Revenue from auxiliary activities	6	80,518	71,641
Purchases		(2,093,355)	(739,730)
Remuneration and social security payments	7	(583,211)	(209,278)
Other operating expenses	6	(449,834)	(124,327)
Depreciation and amortisation	12-14	(243,746)	(14,439)
Business combination – DEME acquisition	5	0	111,624
Goodwill impairment – DEME	13	0	(207,411)
Goodwill impairment – Others	13	(521)	(3,795)
Income from operating activities		**220,399**	(130,832)
Earnings from associates and joint venture	15	20,124	51,356
Operating income		**240,523**	(79,476)
Cost of gross financial debt	8	(31,909)	(143)
Other financial expenses & income	8	16,156	(2,551)
Net financial income/expense		**(15,753)**	(2,694)
Pre-tax income		**224,770**	(82,170)
Income tax expense	10	(65,249)	(5,793)
Net income for the period		**159,521**	(87,963)
Attributable to owners of non-controlling interests	9	357	6,728
Net income share of the group		**159,878**	(81,235)
Net income of the group per share (EUR) (diluted and basic)	11	6.32	(6.10)

Consolidated statement of comprehensive income

For the period ended 31 December (in € thousands)	Notes	2014	2013 (*)
Net income share of the group		**159,878**	(81,235)
Net income for the period		**159,521**	(87,963)
Changes in fair value related to hedging instruments		(8,750)	10,397
Currency translation differences		(2,126)	(3,590)
Deferred taxes	10	2,974	(3,534)
Acquisition of Deme - recyclable reserves restatement		0	7,902
Other elements of the comprehensive income to be reclassified to profit or loss in subsequent periods		**(7,902)**	11,175
Re-measurement on defined benefit plans	23	(2,676)	(3,538)
Other elements of the comprehensive income not to be reclassified to profit or loss in subsequent periods		**(2,676)**	(3,538)
Other elements of the comprehensive income		**(10,578)**	7,637
Comprehensive income:		**148,943**	(80,326)
- Attributable to owners of the parent		149,586	(73,544)
- Attributable to owners of non-controlling interests		(643)	(6,782)
Net income attributable to owners of the parent per share (EUR) (diluted and basic)	11	5.91	(5.52)

(*) 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 2.1.

Consolidated statement of financial position

For the period ended 31 December (In thousand Euro)	Notes	2014	2013 (*)	2012 (*)
Intangible assets	12	98,491	105,500	5,853
Goodwill	13	177,082	177,003	25,318
Property, plant and equipment	14	1,503,275	1,563,351	63,923
Investment property		0	0	2,052
Investments in associates and joint ventures	15	159,290	155,877	405,288
Other non-current financial assets	16	109,341	115,396	57,598
Derivative instruments – Non-current assets	27	674	612	0
Other non-current assets	17	20,006	10,725	5,192
Deferred tax assets	10	115,322	120,428	13,090
Total non-current assets		**2,183,481**	2,248,892	578,314
Inventories	19	105,278	116,012	82,408
Trade and other operating receivables	20	1,082,504	1,106,034	446,132
Other current assets	20	104,554	100,781	74,129
Derivative instruments – Current assets	27	0	0	0
Current financial assets		4,687	6,447	107
Assets held for sale		31,447	0	0
Cash and cash equivalents	21	703,501	437,334	144,262
Total current assets		**2,031,971**	1,766,608	747,038
Total assets		**4,215,452**	4,015,500	1,325,352
Share capital		41,330	41,330	21,375
Share premium		800,008	800,008	62,551
Retained earnings		488,890	358,124	460,306
Defined benefits pension plans		(8,350)	(5,782)	(8,101)
Hedging reserves		(6,127)	(351)	(17,673)
Currency translation differences		(2,124)	(176)	6,154
Equity attributable to owners of the parent		**1,313,627**	1,193,153	524,612
Non-controlling interests	9	7,238	8,064	(2,950)
Equity		**1,320,865**	1,201,217	521,662
Retirement benefit obligations and employee benefits	23	41,806	40,543	8,165
Provisions	24	40,676	25,655	12,249
Other non-current liabilities		80,665	92,898	33,695
Bonds	26	306,895	208,621	100,000
Financial liabilities	26	378,065	496,654	56,707
Derivative instruments – Non-current liabilities	27	12,922	16,352	10,530
Deferred tax liabilities	10	139,039	144,505	13,058
Total non-current liabilities		**1,000,068**	1,025,228	234,404
Current provisions	24	48,447	48,181	36,159
Trade & other operating payables	20	1,099,309	983,806	324,882
Income tax payable		80,264	65,855	11,053
Current financial liabilities	26	206,671	346,118	11,153
Derivative instruments – Current liabilities	27	24,948	16,499	1,570
Liabilities held for sale		19,164	0	0
Other current liabilities	20	415,716	328,596	184,469
Total current liabilities		**1,894,519**	1,789,055	569,286
Total equity and liabilities		**4,215,452**	4,015,500	1,325,352

(*) Amounts adjusted in accordance (i) with the change in accounting principle related to IFRS 10 “Consolidated financial statements” and IFRS 11 “Joint arrangements” and (ii) with the valorization of the fair value of DEME’s identifiable assets and liabilities as the result of the acquisition of the remaining 50% stake in DEME on 24 December 2013 (restatement describes in note 2.1).

Consolidated statement of cash flows

For the period ended 31 December (In thousand Euro)	Notes	2014	2013 (*)
Operating activities			
Net income share of the group		159,878	(81,235)
Depreciation and amortization of intangible assets, property, plant & equipment and investment property		243,746	14,439
Net provision expense		11,420	5,056
Impairment on current and non-current assets		3,922	101,457
Unrealized foreign exchange (gains)/losses		(18,294)	414
Interest income & income from financial assets		(9,991)	(4,182)
Interest expense		41,900	4,478
Change in fair value of derivative instruments		(8,230)	(670)
Income/(losses) from sales of property, plant & equipment		(7,463)	(166)
Tax expense		65,249	5,793
Income attributable to non-controlling interests		(357)	(6,728)
Earnings from associates and joint venture		(20,124)	(51,328)
Cash flow from operating activities before changes in working capital		**461,656**	(12,672)
Decrease/(increase) in trade receivables and other current and non-current receivables		7,342	(90,344)
Decrease/(increase) in inventories		8,237	(4,543)
Increase/(decrease) in trade payables and other current and non-current payables		179,749	115,696
Cash flow from operating activities		**656,984**	8,137
Interest paid		(41,900)	(4,478)
Interest received		9,991	4,238
Income tax paid/received		(18,349)	(8,001)
Net cash flow from operating activities		**606,725**	(104)
Investing activities			
Sales of non-current assets		13,410	854
Purchases of non-current assets		(173,895)	(18,150)
Acquisition of subsidiaries net of cash acquired		(1,351)	0
Sale of subsidiaries		0	424
Acquisition DEME	5	0	317,911
Capital increase in investments in associates	15	(1,005)	(1,488)
Assets held for sale		(766)	0
Cash flow from investing activities		**(163,607)**	299,551
Financing activities			
Borrowings		63,925	39,464
Reimbursements of borrowings		(212,361)	(29,285)
Dividends paid		(29,112)	(15,056)
Transactions with non-controlling shareholders	5	0	(1,543)
Cash flow from financing activities		**(177,548)**	(6,420)
Net Increase/(Decrease) in cash position		**265,570**	293,027
Cash and cash equivalents at start of the year	21	437,334	144,262
Exchange rate effects		597	45
Cash and cash equivalents at end of period	**21**	**703,501**	437,334

(*) 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 2.1.

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

Consolidated statement of changes in equity

For the period ended 31 December 2014

(in € thousands)	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			159,878	(2,568)	(5,776)	(1,948)	**149,586**	(643)	**148,943**
Dividends paid to shareholders			(29,112)				**(29,112)**		**(29,112)**
Dividends from non-controlling interests								(2,329)	**(2,329)**
Change in consolidation scope								2,146	**2,146**
December 2014	41,330	800,008	488,890	(8,350)	(6,127)	(2,124)	**1,313.627**	7,238	**1,320.865**

For the period ended 31 December 2013 (*)

(in € thousands)	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**
IFRS11 Amended								(9,177)	**(9,177)**
After amendment to IFRS11	21,375	62,551	460,306	(8,101)	(17,673)	6,154	**524,612**	(2,950)	**521,662**
Comprehensive income for the period			(81,235)	(3,301)	17,322	(6,330)	**(73,544)**	(6,782)	**(80,326)**
Capital increase and acquisition of DEME	19,955	737,457	(5,620)	5,620			**757,412**	11,367	**768,779**
Dividends paid to shareholders			(15,056)				**(15,056)**		**(15,056)**
Dividends from non-controlling interests								(840)	**(840)**
Change in consolidation scope			(271)				**(271)**	7,269	**6,998**
December 2013 (*)	41,330	800,008	358,124	(5,782)	(351)	(176)	**1,193.153**	8,064	**1,201.217**

(*) 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 2.1.

Share capital and reserves

The share capital on 31 December 2014 was composed of 25,314,482 ordinary shares. These shares are without any nominal value. The owners of ordinary shares have the right to receive dividends and have one vote per share in Shareholders’ General Meetings.

On 26 February 2015, the board of directors proposed a dividend of € 50,629 thousand, corresponding to € 2 gross per share.

The final dividend is subject to shareholder approval in the Shareholders’ General Meeting, The appropriation of income was not included in the financial statements at 31 December 2014.

The final dividend for the year ended 31 December 2013 was € 1.15 gross per share.

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INTRODUCTION

Consolidated financial statements and notes

The Board of Directors authorised the publication of the CFE group's consolidated financial statements on 26 February 2015.

The consolidated financial statements should be read in conjunction with the Board of Directors' management report.

MAIN TRANSACTIONS IN 2014 AND 2013 AFFECTING THE CFE GROUP'S SCOPE OF CONSOLIDATION

TRANSACTIONS IN 2014

1. Contracting division

On 28 November 2014, Aannemingen Van Wellen NV transferred its buildings activities to Amart SA, a subsidiary of CFE group, and continues its operations in Flanders under the brandname "Atro Brouw". On 1 December 2014, CFE group announced its intention to sell its road activity of the company Aaannemingen Van Wellen NV, i.e. its entire 100% stake in the company, to Willemen group. The transaction of the road activity will be effective on 25 February 2015.

2. Real Estate division

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").

On 12 August 2014, the company La Réserve Promotions, owned by 33% by CFE group, acquired all shares of LRP Development. This entity is integrated under equity method.

On 5 September 2014, the company CFE Immo, subsidiary of CFE group, acquired a 30% stake in the companies Foncière de Bavière A and Foncière de Bavière C, which purpose is to develop a real-estate project in the Bavière district of Liège.Those entities are integrated under equity method.

On 29 September 2014, the limited company Transportzone Zeebrugge ("TZZ"), hold by 38.9% by CFE group, is dissolved. This entity was integrated under equity method.

On 20 November 2014, the company BPI, subsidiary of CFE group, acquired a 100% stake in the newly created polish entity BPI Wroclaw and having as social purpose the development of real estate projects in Poland. This entity is fully consolidated.

On 11 December 2014, CFE group subsidiary CFE Immo acquired a 33% stake in the company Europea Housing, which purpose is the realisation of the "NEO" project on the Heysel site. This entity is integrated under equity method.

End 2014, CFE group sold its 100% stake in the polish entity BPI Obozowa Retail Estate Sp. Z.o.o. This entity was fully integrated.

3. PPP - Concessions division

On 18 December 2014, CFE Group sold its 50% stake in the entity Turnhout Parking. This entity was integrated under equity method.

4. Dredging and environment division

During 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.

During the second half year 2014, Deme acquired:

- A 100% stake in the newly created companies Offshore Manpower supply Panama Ltd and Offshore Manpower Singapore Pte Ltd which are fully consolidated;
- A 99.97% stake in the company Global Sea Mineral Resources NV which is fully consolidated;
- A 51% stake in the newly created company DIAP Daelim joint venture Ltd which is integrated under equity method; and
- A 100% stake in the company Techno@Green which is fully consolidated.

Otherwise, during 2014, Deme has sold:

- A 9.60% stake in the company Highwind, thereby reducing its capital stake in this entity from 60% to 50.40%. Highwind is integrated under the equity method.
- Its entire 49.93% stake in the entity Eco Biogaz.

Also, the entities Dalian Soil remediation and DEC Canada respectively owned by 37.45% and 74.9% by DEME were dissolved during 2014.

Finally, the company Fasiver owned by 74.9% since the first half year of 2014, was absorbed by Agroviro and the newly created entity Techno@Green, owned by 100%, was also absorbed, during the first half year of 2014, by the company DEME Concessions Wind.

TRANSACTIONS IN 2013

1.Contracting division

On 28 January 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 28 May 2013, CFE Group decided to exercise its call option on the remaining shares of Brantegem SA, which specialises in HVAC and plumbing installations, and to acquire the remaining shares held outside the Group (35%). Brantegem SA is now held at 100%. The consolidation method remains unchanged.

On 7 June 2013, Prodfroid SA, which specialises in industrial cooling systems and air-conditioning systems, changed its name to Procool SA.

2. Real Estate division

On 28 February 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 involving offices, shops and housing ("Projet Kons Gallery" in Luxembourg). This company is accounted for under the equity method.

On 1 March 2013, CFE SA acquired 50% of the shares in Rederij Marleen BVBA and Rederij Ishtar BVBA for a real estate operation on land located in Ostend.

On 13 June 2013, CFE Group disposed of its 66% stake in its Property & Facilities Management subsidiary Sogesmaint CB Richard Ellis SA to CBRE. CFE Group also acquired the stake held by Sogesmaint-CB Richard Ellis in its Luxembourg subsidiary and some Property & Facility Management contracts in Belgium.

On 11 October 2013, CFE Group created BPI Obozowa Retail Estate Sp zoo through its subsidiary in Poland. This company is fully consolidated. The purpose is to develop a residential and non- residential building project.

On 22 October 2013, CFE subsidiary BPI acquired an additional 16.7% stake in Erasmus Gardens SA, increasing its stake to 50%.

3. Dredging & Environment division

In 2013, DEME acquired through its subsidiaries:

- 100% of the newly created company DEME Concessions NV, which is fully consolidated,
- 35% of the newly created company Bluepower NV, which is proportionally consolidated,
- 51% of the newly created DIAP SHAP LTD, which is proportionally consolidated,
- 100% of the newly created Maritime Services & Solutions SA which is fully consolidated,
- 100% of the newly created Dragamoz, which is fully consolidated,
- non-controlling interests in de Vries (6%), taking the total stake to 100%,
- an additional 50% stake in Novadeal, taking the total stake to 100%, This company was previously proportionally consolidated and is not fully consolidated,
- 18.6% of Seastar NV, which is accounted for under the equity method.

On 24 December 2013, CFE Group acquired an additional 50% stake in DEME following the fulfilment of conditions precedent relating to the capital increase.

The increase in CFE's capital via a contribution in kind from Ackermans & van Haaren NV (AvH) of 2,256,450 shares in Dredging, Environmental & Marine Engineering NV (DEME), in return for 12,222,222 newly issued CFE shares, as decided beforehand by the extraordinary general meeting of CFE on 13 November 2013, took place on 24 December 2013 following the fulfilment of conditions precedent relating to this capital increase.

Following these operations, CFE has sole control over DEME, having increased its stake from 50% to 100%. This acquisition will allow the development of strong synergies between the group's contracting and dredging activities and will enable the group to reap the full benefit of DEME's international commercial network.

For CFE, the consequence is a change in DEME's consolidation method. DEME was still proportionally consolidated until 24 December 2013, but has been fully consolidated since that date.

4. PPP - Concessions division

None.

1. General policies

IFRS AS ADOPTED BY THE EUROPEAN UNION

The retained accounting principles are the same that the principles used for the yearly consolidated financial statement at December 31, 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 2.1.

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 IN THE PERIOD BEGINNING ON 1 JANUARY 2014

The group did not apply early the following standards and interpretations, application of which was not mandatory at 31 December 2014.

- IFRS 9 Financial Instruments and subsequent amendments (applicable for annual periods beginning on or after 1 January 2018 but not yet adopted by the EU)
- IFRS 14 Regulatory Deferral Accounts (applicable for annual periods beginning on or after 1 January 2016 but not yet adopted by the EU)
- IFRS 15 Revenue from Contracts with Customers (applicable for annual periods beginning on or after 1 January 2017 but not yet adopted by the EU)
- Improvements to IFRS (2010-2012) (applicable for annual periods beginning on or after 1 February 2015)
- Improvements to IFRS (2011-2013) (applicable for annual periods beginning on or after 1 January 2015)
- Improvements to IFRS (2012-2014) (applicable for annual periods beginning on or after 1 July 2014 but not yet adopted by the EU))
- Amendments to IFRS 10 and IAS 28 Sales or contributions of assets between an investor and its associate/joint venture (applicable for annual periods beginning on or after 1 January 2016 but not yet adopted by the EU)
- Amendments to IFRS 11 Joint Arrangements - Acquisition of an interest in a joint operation (applicable for annual periods beginning on or after 1 January 2016 but not yet adopted by the EU)
- Amendments to IAS 1 Presentation of Financial Statements - Disclosure initiative (applicable for annual periods beginning on or after 1 January 2016 but not yet adopted by the EU)
- Amendments to IAS 16 and IAS 38 Property, Plant and Equipment and Intangible assets - Clarification of Acceptable Methods of Depreciation and Amortisation operation (applicable for annual periods beginning on or after 1 January 2016 but not yet adopted by the EU)
- Amendments to IAS 19 Employee Benefits – Employee Contributions (applicable for annual periods beginning on or after 1 February 2015)
- Amendments to IAS 27 Equity method in separate financial statements (applicable for annual periods beginning on or after 1 January 2016 but not yet adopted by the EU)
- IFRIC 21 – Levies (applicable for annual periods beginning on or after 17 June 2014)

2. Significant accounting policies

Compagnie d'Entreprises CFE SA (hereinafter referred to as the "Company" or "CFE") is a company incorporated and headquartered in Belgium. The consolidated financial statements for the year ended 31 December 2014 include the financial statements of the Company, its subsidiaries, its interests in jointly controlled entities (the "CFE group") and interests in companies accounted for under the equity method.

2.1. CHANGE IN ACCOUNTING METHOD: APPLICATION OF IFRS 10 "CONSOLIDATED FINANCIAL STATEMENTS", OF IFRS 11 AMENDED "JOINT ARRANGEMENTS" AND IFRS 12 "DISCLOSURES OF INTERESTS IN OTHER ENTITIES"

As of 1 January 2014, the group applied the principles described in IFRS 10, IFRS11 and IFRS 12 relating to the scope of consolidation.

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 must be met in order to consider that CFE group controls an entity which is then fully integrated.

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 a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Those parties are called joint venturers. Joint-ventures are integrated under equity method.
- A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Those parties are called joint operators. Each joint operator has 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 IFRS10 and IFRS 11, the comparative financial statements 2012-2013 and the consolidated statement of income on 31 December 2013 have been restated; only the application of IFRS 11 has a significant impact on the consolidated statements of CFE group. Many entities of the "Real Estate & Management Services" division" as well as of the "Dredging & Environment" division, previously integrated under proportional method are, from this fiscal year, integrated under equity method.

Consolidated statement of income

The consolidated statement of financial position for the fiscal year ended on 31 December 2013, the consolidated condensed statement of income, the comprehensive income and the consolidated statement of cash flows have been impacted as follows:

For the period ended 31 December (in € thousands)	December 2013 Published	Impact of IFRS 11	Decembre 2013 after restastement
Revenue	**2,267,257**	(1,282,374)	984,883
Revenue from auxiliary activities	87,925	(16,284)	71,641
Purchases	(1,446.118)	706,388	(739,730)
Remuneration and social security payments	(410,660)	201,382	(209,278)
Other operating expenses	(300,745)	176,418	(124,327)
Depreciation and amortisation	(126,670)	112,231	(14,439)
Business combination – DEME acquisition	111,624	0	111,624
Goodwill impairment – DEME	(207,411)	0	(207,411)
Goodwill impairment – Others	(3,795)	0	(3,795)
Income from operating activities	**(28,593)**	(102,239)	(130,832)
Earnings from associates and joint venture	6,953	44,403	51,356
Operating income	**(21,640)**	(57,836)	(79,476)
Cost of gross financial debt	(26,301)	26,158	(143)
Other financial expenses & income	(12,895)	10,344	(2,551)
Net financial income/expense	**(39,196)**	36,502	(2,694)
Pre-tax income	**(60,836)**	(21,334)	(82,170)
Income tax expense	(27,317)	21,524	(5,793)
Net income for the period	**(88,153)**	190	(87,963)
Attributable to owners of non-controlling interests	6,918	(190)	6,728
Net income share of the group	**(81,235)**	0	(81,235)
Net income of the group per share (EUR) (diluted and basic)	(6.10)	0	(6.10)

Consolidated statement of comprehensive income

For the period ended 31 December (in € thousands)	December 2013 Published	Impact of IFRS 11	Decembre 2013 after restastement
Net income share of the group	**(81,235)**	0	(81,235)
Net income for the period	**(88,153)**	190	(87,963)
Changes in fair value related to hedging instruments	10,395	2	10,397
Currency translation differences	(3,398)	(192)	(3,590)
Deferred taxes	(3,532)	(2)	(3,534)
Acquisition of Deme - recyclable reserves restatement	7,902	0	7,902
Other elements of the comprehensive income to be reclassified to profit or loss in subsequent periods	**11,367**	(192)	11,175
Re-measurement on defined benefit plans	(3,538)	0	(3,538)
Other elements of the comprehensive income not to be reclassified to profit or loss in subsequent periods	**(3,538)**	0	(3,538)
Other elements of the comprehensive income directly accounted in equity	**7,829**	(192)	7,637
Comprehensive income:	**(80,326)**	0	(80,326)
- Attributable to owners of the parent	(73,544)	0	(73,544)
- Attributable to owners of non-controlling interests	6,782	0	6,782
Net income attributable to owners of the parent per share (EUR) (diluted and basic)	(5.52)	0	(5.52)

Consolidated statement of financial position

For the period ended 31 December (in € thousands)	December 2012 Opening 2013 (*)	Impact of IFRS 11	Decembre 2012 After restatement	December 2013 Published	Impact of IFRS 11 (**)	Impact of PPA DEME (***)	Decembre 2013 After restatement
Intangible assets	12,651	(6,798)	**5,853**	19,204	(6,231)	92,527	**105,500**
Goodwill	33,401	(8,083)	**25,318**	291,873	(3,335)	(111,535)	**177,003**
Property, plant and equipment	980,434	(916,511)	**63,923**	1,753,779	(240,904)	50,476	**1,563,351**
Investment property	2,056	(4)	**2,052**	0	0	0	**0**
Investments in associates and joint ventures	18,364	386,924	**405,288**	39,752	96,577	19,548	**155,877**
Other non-current financial assets	56,586	1,012	**57,598**	96,212	19,184	0	**115,396**
Derivative instruments – Non-current assets	0	0	**0**	286	326	0	**612**
Other non-current assets	9,283	(4,091)	**5,192**	12,766	(2,041)	0	**10,725**
Deferred tax assets	22,787	(9,697)	**13,090**	37,832	79,542	3,054	**120,428**
Total non-current assets	**1,135,562**	**(557,248)**	**578,314**	**2,251,704**	**(56,882)**	**54,070**	**2,248,892**
Inventories	186,534	(104,126)	**82,408**	215,883	(99,871)	0	**116,012**
Trade and other operating receivables	732,466	(286,334)	**446,132**	1,116,915	(10,881)	0	**1,106,034**
Other current assets	84,240	(10,111)	**74,129**	101,030	(249)	0	**100,781**
Derivative instruments – Current assets	0	0	**0**	0	0	0	**0**
Current financial assets	153	(46)	**107**	594	0	0	**6,447**
Cash and cash equivalents	260,602	(116,340)	**144,262**	474,793	(37,459)	0	**437,334**
Total current assets	**1,263,995**	**(516,957)**	**747,038**	**1,909,215**	**(142,607)**	**0**	**1,766,608**
Total assets	**2,399,557**	**(1,074,205)**	**1,325,352**	**4,160,919**	**(199,489)**	**54,070**	**4,015,500**
Share capital	21,375	0	**21,375**	41,330	0	0	**41,330**
Share premium	62,551	0	**62,551**	800,008	0	0	**800,008**
Retained earnings	460,306	0	**460,306**	358,124	0	0	**358,124**
Defined benefits pension plans	(8,101)	0	**(8,101)**	(5,782)	0	0	**(5,782)**
Hedging reserves	(17,673)	0	**(17,673)**	(351)	0	0	**(351)**
Currency translation differences	6,154	0	**6,154**	(176)	0	0	**(176)**
Equity attributable to owners of the parent	**524,612**	**0**	**524,612**	**1,193,153**	**0**	**0**	**1,193,153**
Non-controlling interests	6,227	(9,177)	**(2,950)**	9,935	(1,871)	0	**8,064**
Equity	**530,839**	**(9,177)**	**521,662**	**1,203,088**	**(1,871)**	**0**	**1,201,217**
Retirement benefit obligations and employee benefits	21,239	(13,074)	**8,165**	40,724	(182)	0	**40,543**
Provisions	10,679	1,570	**12,249**	10,962	14,693	0	**25,655**
Other non-current liabilities	70,745	(37,050)	**33,695**	53,382	39,516	0	**92,898**
Bonds	100,000	0	**100,000**	199,639	0	8,982	**208,621**
Financial liabilities	379,120	(322,413)	**56,707**	649,186	(152,532)	0	**496,654**
Derivative instruments – Non-current liabilities	32,853	(22,323)	**10,530**	38,603	(22,251)	0	**16,352**
Deferred tax liabilities	13,789	(731)	**13,058**	14,775	84,643	45,088	**144,505**
Total non-current liabilities	**628,425**	**(394,021)**	**234,404**	**1,007,271**	**(36,113)**	**54,070**	**1,025,228**
Current provisions	35,820	339	**36,159**	50,657	(2,476)	0	**48,181**
Trade & other operating payables	689,475	(364,593)	**324,882**	1,045,907	(62,101)	0	**983,806**
Income tax payable	21,579	(10,526)	**11,053**	78,836	(12,981)	0	**65,855**
Current financial liabilities	181,474	(170,321)	**11,153**	407,358	(61,240)	0	**346,118**
Derivative instruments – Current liabilities	4,201	(2,631)	**1,570**	2,538	13,961	0	**16,499**
Other current liabilities	307,744	(123,275)	**184,469**	365,264	(36,668)	0	**328,596**
Total current liabilities	**1,240,293**	**(671,007)**	**569,286**	**1,950,560**	**(161,505)**	**0**	**1,789,055**
Total equity and liabilities	**2,399,557**	**(1,074,205)**	**1,325,352**	**4,160,919**	**(199,489)**	**54,070**	**4,015,500**

(*) Amounts adjusted in accordance with IAS 19 Amended "Employee Benefits" as explained in note 2.1 of the Annual Report 2013.

(**) The impact of the application of IFRS 11 leads to a reduction of the balance sheet total of 199,489 thousand euros in 2013 (against a reduction of 1,074,205 thousand euros in 2012), mainly due to the fact that CFE has acaquired the sole controle over DEME in December 2013. Therefore, in December 2012, DEME is integrated under equity method whereas the sub-group is fully integrated in December 2013. Also includes a restatement of the spreading of DEME deferred taxes by legal entity. The impact is a 80,517 thousand euros increase of the section deferred tax assets and liabilities.

(***) Amounts restated in accordance with the valorization of the fair value of DEME's identifiable assets and liabilities as the result of the acquisition of the remaining 50% stake in DEME on 24 December 2013. Restatement describes in note 5 of the Annual Report 2013.

Consolidated statement of cash flows

For the period ended 31 December (in € thousands)	December 2013 Published	Impact of IFRS 11	December 2013, Revised
Operating activities			
Net income share of the group	(81,235)	0	(81,235)
Depreciation and amortization of intangible assets, property, plant & equipment and investment property	126,670	(112,231)	14,439
Net provision expense	6,503	(1,447)	5,056
Impairment on current and non-current assets	101,688	(231)	101,457
Unrealized foreign exchange (gains)/losses	3,274	(2,860)	414
Interest income & income from financial assets	(5,448)	1,266	(4,182)
Interest expense	31,374	(26,896)	4,478
Change in fair value of derivative instruments	(3,083)	2,413	(670)
Income/(losses) from sales of property, plant & equipment	(2,914)	2,748	(166)
Tax expense	27,317	(21,524)	5,793
Income attributable to non-controlling interests	(6,918)	190	(6,728)
Earnings from associates and joint venture	(6,953)	(44,375)	(51,328)
Cash flow from operating activities before changes in working capital	**190,275**	**(202,947)**	**(12,672)**
Decrease/(increase) in trade receivables and other current and non-current receivables	(123,502)	33,158	(90,344)
Decrease/(increase) in inventories	(6,479)	1,936	(4,543)
Increase/(decrease) in trade payables and other current and non-current payables	39,166	76,530	115,696
Cash flow from operating activities	**99,460**	**(91,323)**	**8,137**
Interest paid	(31,374)	26,952	(4,422)
Interest received	5,448	(1,266)	4,182
Income tax paid/received	(8,649)	648	(8,001)
Net cash flow from operating activities	**64,885**	**(64,989)**	**(104)**
Investing activities			
Sales of non-current assets	6,477	(5,623)	854
Purchases of non-current assets	(68,554)	50,404	(18,150)
Acquisition of subsidiaries net of cash acquired	(2,117)	2,117	0
Sale of subsidiaries	5,358	(4,934)	424
Acquisition DEME	166,702	151,209	317,911
Capital increase in investments in associates	(247)	(1,241)	(1,488)
Cash flow from investing activities	**107,619**	**191,932**	**299,551**
Financing activities			
Borrowings	253,678	(214,214)	39,464
Reimbursements of borrowings	(195,949)	166,664	(29,285)
Dividends paid	(15,056)	0	(15,056)
Transactions with non-controlling shareholders	(1,543)	0	(1,543)
Cash flow from financing activities	**41,130**	**(47,550)**	**(6,420)**
Net Increase/(Decrease) in cash position	**213,634**	**79,393**	**293,027**
Cash and cash equivalents at start of the year	260,602	(116,340)	144,262
Exchange rate effects	557	(512)	45
Cash and cash equivalents at end of period	**474,793**	(37,459)	437,334

2.2. ACCOUNTING RULES AND METHODS

(A) statement of compliance

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) approved by the European Union.

(B) basis of presentation

The financial statements are stated in thousands of euros, rounded to the nearest thousand.

Equity instruments and equity derivatives are stated at cost where they do not have a quoted market price in an active market and where other methods of reasonably estimating fair value are clearly inappropriate and/or inapplicable,

Accounting policies are applied consistently,

The financial statements are presented before the appropriation of parent-company income proposed to the Shareholders' General Meeting,

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 as regards the following items:

- the period over which non-current assets are depreciated or amortised;
- 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 an acquisition of assets.

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.

(C) CONSOLIDATION PRINCIPLES

The consolidated financial statements include the financial statements of CFE Group and the financial statements of its subsidiaries and the entities on which it has control. CFE Group controls an entity when:

- it has power over the entity,
- it is exposed to variable returns from the controlled entity,
- it has the ability to exert power over the entity in order to influence the returns obtained.

If CFE Group doesn't have the majority of voting rights in an entity, it is presumed to have enough rights to exert power over the entity if it has the ability to manage on its own the core businesses of the entity. CFE Group takes into account all facts and circumstances when it assess if the voting rights held are enough to give the power to manage the entity, including the followings:

- the voting rights held by CFE Group compared to the voting rights held by the other partners and how there are spread among them,
- The potential voting rights held by the Group and by other stakeholders,
- The rights given by other agreements,
- Other facts and circumstances, if any, that proves the Group's ability (or inability) to manage the entity's core businesses when decisions have to be taken, included the votes of previous shareholder's meetings.

An entity is consolidated from the moment where the Group has control and is removed from the scope of consolidation when the group loses control on the entity. Revenues and expenses of a subsidiary acquired during the period are included in the consolidated income statement from the moment when the group obtained the control until the moment when the control is lost.

If necessary, adjustments are made to statutory accounts of subsidiaries in order to align their accounting methods on the ones used by the Group. All assets and liabilities, equity, revenues, expenses and cashflows related to transactions between group companies are eliminated in the consolidated financial statements.

Changes in the group's interest in a subsidiary that do not result in a loss of control are recognised as equity transactions. The carrying amounts of the group's interests and non-controlling interests are adjusted to reflect changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

When the Group grants an option to sell to the non-controlling interests of a subsidiary (i,e, where the non-controlling interests have a "put"), the related financial liability is deducted initially from non-controlling interests in equity.

Associated companies are those in which the group CFE has significant influence. The significant influence is the power to take part in financial and operating policies of a company without having a control or joint-control on these policies. A joint-venture is an arrangement whereby the parties exerting joint control over the entity have rights to the entity's net assets. A joint-control consist in sharing the control on an entity among different parties based on legal agreements and where all decisions related to core businesses require the agreement of all parties to be taken.

Assets, liabilities, revenues and expenses from joint-ventures and joint-operations are accounted for under the equity method in the consolidated financial statements unless the interests in the associate is, partly or fully, classified as held-for-sale. In that case, it is accounted for in accordance with IFRS 5. Under the equity method, an investment in a joint-venture or joint-arrangement is firstly recorded at cost in the consolidated financial statement and then adjusted to record the share of the group in the net result and in the comprehensive income of the associate. If the interest in the losses of an associate is higher than its investment, CFE Group does not record its share in the future losses.

Additional losses are recorded only if there is an obligation (legal or not) to give financial support to the entity.

Interests in joint-ventures or joint-arrangements are accounted for under the equity method from the date when the entity become a joint-venture or joint-arrangement. At the acquisition of the interest, any surplus between the cost of the investment and the share in the fair value of net assets of the entity is recorded as goodwill included in the carrying amount of the investment. Any surplus between the share of the group in the fair value of net assets and the cost of the investment after remeasurement is immediately recorded in the income statement during the period of acquisition of the investment.

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. A joint-control consist in sharing the control on an entity among different parties based on legal agreements and where all decisions related to core businesses require the agreement of all parties to be taken. When a CFE Group entity starts activity in a joint operation, CFE recognises in relation to its interest in the joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of its share of the output by the joint operation;
- its expenses, including, including its share of any expenses incurred jointly.

(D) FOREIGN CURRENCIES

(1) Transactions in foreign currencies

Transactions in currencies other than the euro are recognised at the exchange rate on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate. Gains and losses resulting from the creation of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Non-monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rate on the transaction date.

(2) Financial statements of foreign entities

The assets and liabilities of CFE group companies whose functional currencies are other than the euro are translated into euros at the exchange rate on the balance sheet date. Income statements of foreign entities, excluding foreign entities in hyperinflationary economies, are translated into euros at an average exchange rate for the year (approximating the foreign exchange rates prevailing at the dates of the transactions).

Components of shareholders' equity are translated at historical rates.

Translation differences arising from this translation are recognised in the comprehensive income and these differences are recognised in the income statement in the year during which the entity is sold or liquidated.

(3) Exchange rates

Devises	2014 closing rate	2014 average rate	2013 closing rate	2013 average rate
Polish zloty	4.283	4.186	4.156	4.196
Hungarian forint	315.588	308.690	297.146	296.850
US dollar	1.210	1.328	1.379	1.328
Singapore dollar	1.600	1.682	1.745	1.662
Qatari rial	4.407	4.837	5.021	4.837
Romanian leu	4.483	4.443	4.473	4.418
Tunisian dinar	2.257	2.253	2.268	2.161
CFA franc	655.957	655.957	655.957	655.957
Australian dollar	1.483	1.473	1.545	1.378
Nigerian naira	221.448	219.138	211.514	220.555
Morrocan Dirham	10.981	11.165	11.168	11.2487
Turkish Lira	2.820	2.904	2.533	2.956

Units of foreign currency per euro

(E) intangible assets

(1) Research and development costs

Expenditures on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognised in the income statement as an expense as incurred.

Expenditures on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, are capitalised if the product or process is technically and commercially feasible, the company has sufficient resources to complete development and the expenses can be reliably identified.

Capitalised expenditure includes all costs directly attributable to the asset necessary for its creation, production and preparation in view of its intended use. Other development expenditures are recognised as an expense as incurred.

Capitalised development expenditures are stated at cost less accumulated amortisation (see below) and impairment.

(2) Other intangible assets

Other intangible assets acquired by the company are stated at cost less accumulated amortisation (see below) and impairment. Expenditure on internally generated goodwill and brands is recognised as an expense as incurred.

(3) Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it enables the assets to generate future economic benefits over and above the performance level defined at the outset. All other expenditures are expensed as incurred.

(4) Amortisation

Intangible assets are amortised using the straight-line method over their estimated useful lives at the following rates:

- Minimum: 5% Operating concessions
- Minimum: 33.33% Software applications

(F) business combinations

Acquisitions of subsidiaries and companies are accounted for using the acquisition method. The consideration transferred in relation to a business combination is measured at fair value, and expenses related to the acquisition are generally taken to income when incurred.

When consideration transferred by the group in relation to a business combination includes contingent consideration, this contingent consideration is measured at its fair value on the acquisition date. Changes in the fair value of contingent consideration that relate to adjustments in the measurement period (see below) are recognised retrospectively; other changes in the fair value of the contingent consideration are recognised in the income statement.

In a business combination that takes place in stages, the group must remeasure the stake it previously held in the acquired company at fair value on the date of acquisition (i.e. the date on which the group obtained control) and recognise any gain or loss in net income.

On the date of acquisition, identifiable assets acquired and liabilities assumed are recognised at fair value on that date with the exception of:

- deferred tax assets or liabilities and assets and liabilities related to employee benefit arrangements, which are recognised and measured in accordance with IAS 12 (Income Taxes) and IAS 19 (Employee benefits) respectively;

- liabilities or equity instruments related to payment agreements based on shares in the acquired company or payment agreement based on shares in the group formed to replace payment agreements based on shares in the acquired company, which are measured in accordance with IFRS 2 (Share-based Payment) on the date of acquisition;
- assets (or groups intended to be sold) classified as held-for-sale under IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations), which are measured in accordance with this standard.

If the initial recognition of a business combination is unfinished at the end of the financial reporting period during which the business combination occurs, the group must present provisional amounts relating to the items for which recognition is unfinished. These provisional amounts are adjusted during the measurement period (see below), or the additional assets or liabilities are recognised to take into account new information obtained about the facts and circumstances prevailing at the acquisition date and which, if they had been known, would have had an impact on the amounts recognised at that date.

Adjustments in the measurement period are a consequence of additional information about the facts and circumstances prevailing at the date of acquisition obtained during the "measurement period" (maximum of one year from the acquisition date).

(1) Goodwill

Goodwill arising from a business combination is recognised as an asset on the date on which control was obtained (the acquisition date). Goodwill is measured as the excess of consideration transferred, non-controlling interests in the acquired company and the fair value of the stake already owned by the group in the acquired company (if any) over the net amount of identifiable assets acquired and liabilities assumed on the acquisition date.

Non-controlling interests are initially measured either at fair value, or at the non-controlling interests' share of the acquiree's recognised identifiable net assets. The basis of measurement is selected on a transaction-by-transaction basis.

Goodwill is not amortised, but is subject to impairment tests taking place annually or more frequently if there is an indication that the cash-generating unit to which it is allocated (generally a subsidiary) could have suffered a loss of value. Goodwill is expressed in the currency of the subsidiary to which it relates. If the recoverable amount of the cash-generating unit is less than its carrying amount, the loss of value is first charged against any goodwill allocated to this unit, and then to any other assets of the unit in proportion to the carrying amount of each of the assets included in the unit. Goodwill is stated on the balance sheet at cost less impairment. Impairment of goodwill is not reversed in future periods. When a subsidiary is divested from the group, the resulting goodwill and other comprehensive income relating to the subsidiary are taken into account in determining the net gain or loss on disposal.

For companies accounted for under the equity method, the carrying amount of goodwill is included in the carrying amount of the investment in such companies.

(2) Negative goodwill

If the net balance, at the acquisition date, of identifiable assets acquired and liabilities assumed is higher than the sum of the consideration transferred, non-controlling interests in the acquiree and the fair value of the stake in the acquiree previously owned by the group (if any), the surplus is recognised immediately in the income statement as a gain from a bargain purchase.

(G) property, plant and equipment

(1) Recognition and measurement

All property, plant and equipment are recorded in assets only when it is probable that future economic benefits will accrue to the entity and if its cost can be measured reliably. These criteria are applicable at initial recognition and in relation to subsequent expenditure.

All property, plant and equipment are recorded at historical cost less accumulated depreciation and impairment losses.

Historical cost includes the original purchase price, borrowing costs incurred during the construction period, and related direct costs (e,g, non recoverable taxes and transport costs). The cost of self-constructed assets includes the cost of materials, direct labour costs and an appropriate proportion of production overheads.

(2) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits resulting from the item of property, plant and equipment. Repairs and maintenance costs that do not increase the future economic benefits of the asset to which they relate, are expensed as incurred.

(3) Depreciation

Depreciation is calculated from the date the asset is available for use, according to the straight-line method and over the estimated economic useful life of the asset:

trucks:	3 years
other vehicles:	3-5 years
other equipment:	5 years
IT hardware:	3 years
office equipment:	5 years
office furniture:	10 years
buildings:	25-33 years
cutter dredgers and suction dredgers:	18 years with residual value of 5%
floating dredgers and navigator boats:	25 years with residual value of 5%
landing stages, boats, ferries and boosters:	18 years without residual value
cranes:	12 years with residual value of 5%
excavators:	7 years without residual value

pipes:	3 years without residual value
chains and site installations:	5 years
various site equipment:	5 years

Land is not depreciated as it is deemed to have an indefinite life.

Borrowing costs directly linked to the acquisition, construction or production of an asset that requires a long time of preparation are included in the cost of the asset.

(4) Recognition of the dredger fleet

The acquisition cost is divided into two parts: a vessel component (92% of the acquisition cost), which is depreciated using the straight-line method and a depreciation rate that depends on the kind of vessel, and a maintenance component (8% of the purchase), which is depreciated over 4 years using the straight-line method.

When a vessel is acquired, spare parts are capitalised as a proportion of the purchase up to a maximum of 8% of the total vessel acquisition cost (100%), and are depreciated using the straight-line method over the remaining useful life from the date the asset is available for use.

Certain repairs are capitalised and depreciated using the straight-line method over 4 years from the time the vessel starts sailing again.

(H) Investment property

An investment property is a property held to generate rent, to achieve capital appreciation or both.

An investment property is different from an owner- or tenant-occupied property since it generates cash flows that are independent of the company's other assets.

Investment properties are measured on the balance sheet at cost, including borrowing costs incurred during the construction period, less depreciation and impairment.

Depreciation is calculated from the date the asset is available for use, according to the straight-line method and at a rate corresponding to the estimated economic useful life of the asset.

Land is not depreciated as it is deemed to have an indefinite life.

(I) Leases

Where a lease transfers substantially all of the benefits and risks inherent in the ownership of an asset, it is regarded as a finance lease.

Assets held through finance leases are recognised at the lower of the present value of the minimum lease payments estimated at inception of the lease, or the fair value of the assets less accumulated depreciation and impairment losses.

Each lease payment is allocated between repayment of the debt and an interest charge, so as to achieve a constant rate of interest on the debt throughout the lease period. The corresponding obligations, net of finance charges, are recognised under financial debts. The interest element is expensed over the lease period.

Property, plant and equipment acquired under finance leases are depreciated over their useful lives or the term of the lease if the lease does not specify transfer of ownership at the end of the lease period.

Leases where the lessor retains all the benefits and risks inherent in owning the asset are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the term of the lease.

When an operating lease is terminated before the lease period has expired, any compensation paid to the lessor is recognised as an expense in the period in which termination takes place.

(J) Financial assets

Each category of investment is recognised at its acquisition date.

(1) Available-for-sale investments

This category includes available-for-sale shares in companies over which the CFE group has neither significant influence nor control. This is generally the case where the group owns fewer than 20% of the voting rights. Such investments are recognised at their fair value unless fair value cannot be reliably determined, in which case they are recognised at cost less impairment losses.

Impairment losses are taken to income. Changes in fair value are recorded in the comprehensive income. When an investment is sold, the difference between the net disposal proceeds and the carrying amount is taken to income.

(2) Loans and receivables

(2.1)Investments in debt securities and other investments

Investments in debt securities are classified as held-for-trading financial assets and are measured at their amortised cost, determined on basis of the "effective interest rate method". The effective interest rate method is used to calculate the amortised cost of a financial asset or liability and to allocate interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts over the future expected life of the financial instrument or, where appropriate, a shorter period, in order to obtain the net book value of the asset or financial liability. Gains or losses are recognised in the income statement. Impairment losses are taken to income.

Other investments held by the company are classified as being available-for-sale and are recognised at fair value. Gains or losses resulting from a change in the fair value of these financial assets are taken to equity. Impairment losses are taken to income.

(2.2) Trade receivables

See section (L).

(3) Financial assets designated as at fair value through profit and loss

Derivative instruments are recognised at fair value through profit and loss unless there is documentation supporting hedge accounting (see section X).

(K) Inventories

Inventories are measured at the lower of weighted average cost and net realisable value.

The cost of finished products and work in progress comprises raw materials, other production materials, direct labour, other direct costs, borrowing costs incurred where the asset involves a long period of construction, and an allocation of fixed and variable production overheads based on the normal capacity of production facilities.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated completion costs and costs to sell.

(L) Trade receivables

Trade receivables are carried at cost less impairment losses. At the end of the accounting period, impairment losses are recognised on receivables where settlement is uncertain.

(M) Construction contracts

Where the profit or loss of a construction contract can be estimated reliably, contract revenue and expenses, including borrowing costs incurred where the contract exceeds the accounting period, are recognised in the income statement in proportion to the contract's percentage of completion at the closing date. The percentage of completion is calculated using the "cost to cost" method. An expected loss on the construction contract is immediately expensed.

Under the percentage of completion method, contract revenue is recognised as revenue in the income statement in the accounting periods in which the work is performed. Contract costs are recognised as an expense in the income statement in the accounting periods in which the work to which they relate is performed.

Costs incurred that relate to future activities on the contract are capitalised if it is probable that they will be recovered.

The CFE group has taken the option to present information related to construction contracts separately in the notes, but not on the balance sheet.

(N) Cash and cash equivalents

Cash and cash equivalents include cash and time deposits with an original maturity date of less than three months.

(O) Impairment

The carrying amounts of non-current assets - other than financial assets that fall within the scope of IAS 39, deferred tax assets and non-current assets held for sale - are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For intangible assets with an indefinite useful life and goodwill, the recoverable amount is estimated at each balance sheet date. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are taken to income.

(1) Estimates of recoverable amounts

The recoverable amount of receivables and held-to-maturity investments is the present value of future cash flows, discounted at the original effective interest rate applicable to these assets.

The recoverable amount of other assets is the greater of fair value less costs to sell and value in use. Value in use is the present value of estimated future cash flows.

In assessing value in use, estimated future cash flows are discounted using a pre-tax interest rate that reflects both current market interest rates and risks specific to the asset.

For assets that do not generate cash flows themselves, the recoverable amount is determined for the cash-generating units to which the assets belong.

(2) Reversal of impairment

An impairment loss in respect of receivables or held-to-maturity investments is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

Impairment losses in respect of goodwill are never reversed. Impairment losses on other assets are only reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss can only be reversed to the extent that the asset's carrying amount, which has increased subsequent to the impairment, does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(P) Share capital

Purchases of own shares

When CFE shares are bought by the company or a CFE group company, the amount paid, including costs directly attributable to the purchase, is deducted from equity. Proceeds from selling shares are directly included in equity, with no impact on the income statement.

(Q) Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognised as provisions corresponds to the best estimate of the necessary expenditure to settle the current obligation at the balance sheet date. This estimate is obtained by using a pre-tax interest rate that reflects current market rates and the risks specific to the liability.

Provisions for restructuring are recognised when the company has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. Provisions are not set aside for costs relating to the company's normal continuing activities.

Current provisions are provisions directly linked to each business line's own operating cycle, whatever the expected time of settlement of the obligation.

Provisions for after-sales service cover CFE group entities' commitments under statutory warranties relating to completed projects. They are estimated statistically on the basis of expenses incurred in previous years or individually on the basis of specifically identified problems. Provisions for after-sales services are recognised from the time that works begin.

A provision for onerous contracts is recognised when the expected benefits to be derived by the company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Provisions for disputes connected with operations mainly relate to disputes with customers, subcontractors, joint contractors or suppliers. Provisions for other current liabilities mainly comprise provisions for late delivery penalties and for other risks related to operations.

Non-current provisions correspond to provisions not directly linked to the operating cycle and whose maturity is generally greater than one year.

(R) EMPLOYEE BENEFITS

(1) Post-employment benefits

Post-employment benefits include pension plans and life insurance.

The company operates a number of defined-benefit and defined-contribution pension plans throughout the world. The assets of these plans are generally held by separate institutions and are generally financed through contributions from the subsidiaries concerned and from employees. These contributions are determined on basis of recommendations from independent actuarial.

Post-employment benefits are either funded or non-funded.

a) Defined-contribution pension plans

Contributions to these pension plans are recognised as an expense in the income statement when incurred.

b) Defined-benefit pension plans

For these pension plans, costs are estimated separately for each plan using the projected unit credit method. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately.

Under this method, the cost of providing pensions is charged to the income statement so as to spread the cost evenly over the remaining careers of employees covered by the plan, in accordance with the advice of actuaries who carry out a full assessment of these plans every year. The amounts charged to the income statement consist of current service cost, interest cost, the expected return on plan assets and past service cost.

The pension obligations recognised on the balance sheet are measured as the present value of the estimated future cash outflows, discounted at a rate corresponding to the yield on high-quality corporate bonds with a maturity similar to that of the pension obligations, less any unrecognised past service costs and the fair value of plan assets.

Actuarial gains and losses are calculated separately for each defined-benefit plan. Actuarial gains and losses comprise the effects of differences between actuarial assumptions and actual figures, and the effects of changes in actuarial assumptions.

Actuarial gains and losses on assets or liabilities relating to post-employment benefits and resulting from experience adjustments and/or changes in actuarial assumptions are immediately taken to equity in the period in which they arise. These gains, losses and changes in the extent of recognised assets are presented in the statement of comprehensive income.

Interest expenses resulting from the accretion effect relating to pension obligations and similar liabilities, and financial income resulting from the expected return on plan assets, are recognised in the income statement under financial items.

The introduction of or changes to a new post-employment benefit plan or other long-term plans may increase the present value of the obligation with respect to defined-benefit plans for services rendered in previous periods, i.e. the past service cost. The past service cost related to post-employment benefit plans is recognised in income on a straight-line basis over the average period until the related benefits are received by employees. Benefits received after the adoption of or changes to a post-employment benefit plan, and past service costs relating to other long-term benefits, are immediately taken to income.

Actuarial calculations related to post-employment obligations and other long-term benefits are carried out by independent actuaries.

(2) Bonuses

Bonuses granted to company employees and senior executives are based on targets relating to key financial indicators. The estimated amount of bonuses is recognised as an expense in the year to which they relate.

(S) FINANCIAL LIABILITIES

(1) Liabilities at amortised cost

Interest-bearing borrowings are recognised at their initial amount less attributable transaction costs. Any difference between this net amount (after transaction costs) and repayment value is recognised in the income statement over the life of the loan, using the effective interest-rate method. See section J 2.1 for the definition of this method.

(2) Financial liabilities designated as at fair value through profit and loss

Derivative instruments are recognised at fair value through profit and loss unless there is documentation supporting hedge accounting (see section X).

(T) TRADE AND OTHER PAYABLES

Trade and other current payables are measured at nominal value.

(U) INCOME TAX

Income tax for the period comprises current and deferred tax. Income tax is recognised on the income statement except to the extent that it relates to items recognised directly in equity or in comprehensive income. In this case, deferred tax is also recognised directly in equity or in comprehensive income.

Current tax is the expected tax payable on the taxable income for the period and any adjustment to tax paid or payable in respect of previous years. It is calculated using tax rates in force at the balance sheet date.

Deferred tax is calculated using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Tax rates in force at the closing date are used to calculate deferred tax assets and liabilities.

Under this method, in the event of a business combination, the company is required to make a provision for deferred tax on the difference between the fair value of net assets acquired and their tax base.

The following temporary differences are not provided for: goodwill that is not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. A deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(V) REVENUE

(1) Revenue from construction contracts

Revenue from a construction contract includes the initial amount of revenue defined in the contract and variations in the work specified by the contract, claims and performance bonuses to the extent that it is probable that these will generate revenue and that they can be reliably measured.

Contract revenue is measured at the fair value of the consideration received or receivable. A variation may lead to an increase or a decrease in contract revenue.

A variation is an instruction by the customer for a change in the scope of the work to be performed under the contract.

A variation is included in contract revenue when it is probable that the client will approve the variation and that amount of revenue resulting from this variation can be reliably measured.

Performance bonuses form part of contract revenue when the contract's percentage of completion is such that it is probable that the specified performance level will be reached or exceeded and that the amount of the performance bonus can be reliably measured.

Contract revenue is recognised according to the percentage of completion of the contract activity at the closing date (calculated as the proportion of contract costs at the closing date and the estimated total contract costs).

An expected loss on a construction contract is immediately recognised.

(2) Goods sold, properties sold and services provided

In relation to the sale of goods and property, revenue is recognised when the material risks and rewards of ownership have been transferred to the buyer in substance, and no uncertainty remains regarding the recovery of the amounts due, associated costs or the possible return of goods.

(3) Rental income and fees

Rental income and fees are recognised on a straight-line basis over the term of the lease.

(4) Financial income

Financial income comprises interest receivable on investments, dividends, royalties, foreign exchange gains and gains on hedging instruments that are recognised on the income statement.

Interest, royalties and dividends arising from the use of the company's resources by third parties are recognised when it is probable that the economic benefits associated with the transaction will flow to the company and the revenue can be measured reliably.

Interest income is recognised as it accrues (taking into account the passing of time and the effective return on the asset) unless collectability is in doubt. Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreement. Dividend income is recognised on the income statement on the date that the dividend is declared.

(5) Government grants

A government grant is recognised in the balance sheet initially as deferred income where there is reasonable assurance that it will be received and that the company will comply with the conditions attached to it. Grants that compensate the company for expenses incurred are systematically recognised as revenue on the income statement during the period in which the corresponding expenses are incurred.

Grants that compensate the company for the cost of an asset are systematically recognised on the income statement as revenue over the useful economic life of the asset. These grants are deducted from the value of the related asset.

(W) EXPENSES

(1) Financial expenses

Financial expenses comprise interest payable on borrowings, foreign exchange losses, and losses on hedging instruments that are recognised on the income statement.

All interest and other costs incurred in connection with borrowings, except those which were eligible to be capitalised, are taken to income as financial expenses. The interest expense component of finance lease payments is recognised in the income statement using the effective interest rate method.

(2) Research and development, advertising and promotional costs and IT systems development costs

Research, advertising and promotional costs are expensed in the year in which they are incurred. Development costs and IT systems development costs are expensed in the year in which they are incurred if they do not meet the criteria for capitalisation.

(X) HEDGE ACCOUNTING

The company uses derivative financial instruments primarily to reduce exposure to adverse fluctuations in interest rates, foreign exchange rates, commodity prices and other market risks. The company's policy prohibits the use of derivatives for speculation.

The company does not hold or issue derivative financial instruments for trading purposes. However, derivatives which do not qualify as hedging instruments as defined by IAS 39 are presented as instruments according IAS 39 held for trading. Derivative financial instruments are recognised initially at cost. Subsequent to initial recognition, derivative financial instruments are measured at fair value. Recognition of any resulting unrealised gain or loss depends on the nature of the derivative and the effectiveness of the hedge.

The fair value of interest-rate swaps is the estimated amount that the company would receive or pay when exercising the swaps at the closing date, taking into account current interest rates and the solvency of the swap counterparty.
The fair value of a forward exchange contract is the quoted value at the closing date, and therefore the present value of the quoted forward price.

(1) Cash flow hedges

Where a derivative financial instrument hedges variations in cash flows relating to a recognised liability, a firm commitment or an expected transaction, the effective part of any gain or loss resulting from the derivative financial instrument is recognised directly in equity.

When the firm commitment or the expected transaction results in the recognition of an asset or liability, the cumulative gain or loss is removed from the comprehensive income and is declared under a separate reserve in the equity.

Otherwise, the cumulative gain or loss is removed from equity and recognised in the income statement at the same time as the hedged transaction.

The ineffective part of any gain or loss on the financial instrument is taken to income. Gains or losses resulting from the time value of financial derivative instruments are recognised in the income statement.

When a hedging instrument or hedge relationship expires but the hedged transaction is still expected to occur, the cumulative unrealised gain or loss (at that point) remains in equity and is recognised in accordance with the above policy when the transaction occurs.

If the hedged transaction is expected not to occur, the cumulative unrealised gain or loss recognised in equity is immediately taken to income.

(2) Fair value hedges

Where a derivative financial instrument hedges variations in the fair value of a recognised receivable or payable, any gain or loss resulting from the remeasurement of the hedging instrument is recognised in the income statement. The hedged item is also stated at the fair value attributable to the risk hedged, with any gain or loss being recognised in the income statement.

The fair value of hedged items, in respect of the risk hedged, is their carrying amount at the balance-sheet date translated into euro at the exchange rate at that date.

(3) Hedging of net investment in a foreign country

Where a foreign currency liability hedges a net investment in a foreign entity, translation differences arising on the translation of the liability into euro are recognised directly in "currency translation differences" under shareholders' equity.

Where a derivative financial instrument hedges a net investment in a foreign operation, the effective portion of the gain or the loss on the hedging instrument is recognised directly in "currency translation differences" under shareholders' equity, and the ineffective portion is taken to income.

(Y) SEGMENT REPORTING

A segment is a distinguishable component of the CFE group that generates revenues and incurs expenses and whose operating income and losses are regularly reviewed by management in order to take decisions or determine its performance. The CFE group consists of four operating segments: Contracting, Real Estate, Dredging & Environment and PPP-Concessions.

(Z) STOCK OPTIONS

Stock options are measured at fair value on the grant date. This fair value is expensed using the straight-line method over the options' vesting period, based on an estimate of the number of options that will finally vest.

3. Consolidation methods

SCOPE OF CONSOLIDATION

Companies in which the Group holds, whether directly or indirectly, the majority of voting rights enabling control to be exercised, are fully consolidated.

Companies over which the Group exercises joint control with another entity are consolidated under equity method. This relates in particular to Rent-A-Port, Locorail SA and some entities in the Real Estate division and the Dredging and environment division.

Companies over which the Group exercises significant influence are accounted for under the equity method. This mainly concerns Coentunnel Company BV, PPP Schulen Eupen SA, Van Maerlant Offices SA, Van Maerlant Property I SA & II SPRL, Van Maerlant Residential SA and C-Power NV within DEME.

DEME is integrated under equity method until 31 December 2013 as regards income for the year, whereas its balance-sheet items are fully consolidated as of 31 December 2013.

Changes in the scope of consolidation

Number of entities	2014	2013
Full consolidation	164	154
Equity method	110	103
Total	**274**	**257**

INTRAGROUP TRANSACTIONS

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

- for the full amount if the transaction is between two controlled subsidiaries;
- 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.

TRANSLATION OF THE FINANCIAL STATEMENTS OF FOREIGN COMPANIES AND ESTABLISHMENTS

In most cases, the functional currency of companies and establishments is their local currency.

The financial statements of foreign companies of which the functional currency is different from that used in preparing the Group's consolidated financial statements are translated at the closing rate for balance-sheet items and at the average rate for the period for income-statement items. Any resulting translation differences are recognised under translation differences in consolidated reserves. Goodwill relating to foreign entities is considered as comprising part of the assets and liabilities acquired and is therefore translated at the exchange rate in force at the balance sheet date.

FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency are translated into euros at the exchange rate on the transaction date. At the balance sheet date, financial assets and monetary liabilities denominated in foreign currencies are translated at the closing rate. Resulting exchange gains and losses are recognised under foreign exchange gains and losses and are shown under other financial income and other financial expense in the income statement.

Foreign exchange gains and losses arising on loans denominated in foreign currency or on foreign exchange derivatives used to hedge stakes in foreign subsidiaries are recorded in currency translation differences under equity.

4. Segment reporting

OPERATING SEGMENTS

Segment reporting is presented in respect of the group's operating segments. Segment profits, losses, assets and liabilities include items that can be attributed directly to a segment or allocated on a reasonable basis.

The board of directors of CFE decided to create a contracting segment which groups all the activities previously presented under the Construction, Multitechnics and Rail&Road segments. The segment information presented in the annual report reflects this new organization.

In the past, the CFE group consisted of six operating segments: Construction, Real Estate development and associated services, Multitechnics, Rail & Road, PPP-Concessions and Dredging & Environment. From 2014, the CFE group is made up of four operating segments which are:

Dredging & Environment

The Dredging & Environment division – through DEME, which has been 100%-owned by CFE since 24 December 2013 – operates in dredging (investment dredging and maintenance dredging), the treatment of polluted earth and sludge, and marine engineering.

Consolidated income-statement and cash flow data for 2013 only take into account 50% of DEME's activity. 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.

Contracting

In the Construction division, the Contracting segment operates in:

- in civil engineering (major infrastructure works: tunnels, bridges, quay walls, gas terminals etc,);
- buildings (offices, industrial buildings, housing, renovation and refurbishment work);

- electricity projects in the service sector (offices, hospitals, car parks etc.) and
- installation of overhead contact lines and rail signalling

Real Estate

The Real Estate segment develops real estate projects by taking a "developer-builder" approach, in association with the Construction division. In addition, through specific subsidiaries, the division provides services related to its core business, i.e. project management and buildings management and maintenance.

PPP-Concessions

The PPP-Concessions division was set up to handle the emergence of major public-private partnership (PPP) contracts.

The accounting principles used in segment reporting are the same as these used in the preparation of the consolidated financial statements (see note 2).

Consolidated statement of comprehensive income

Restated segment reporting according IFRS 10 and 11

(in € thousands)	Revenue		Income from operating activities				Operating income (EBIT)				Financial income	
	2014	2013 (*)	2014	% Revenue	2013 (*)	% Revenue	2014	% Revenue	2013 (*)	% Revenue	2014	2013 (*)
Contracting	**1,073,297**	970,984	**637**	0.06%	(27,608)	(2.84%)	**(7,542)**	(0.70%)	(29,453)	(3.03%)	**(1,525)**	(2,765)
Real Estate	**45,650**	18,843	**5,693**	12.47%	4,723	25.07%	**7,090**	15.53%	3,749	19.90%	**(2,261)**	(1,955)
PPP-Concessions	**754**	717	**(45)**	(5.97%)	(1,457)	(203.21%)	**2,473**	327.98%	739	103.07%	**(224)**	130
Dredging and environment	**2,419,656**	0	**223,524**	9.24%	0	-	**248,889**	10.29%	55,172	-	**(23,232)**	
Correction DEME			**(6,772)**		105		**(7,749)**		(3,088)		**12,540**	
Holding			**(1,719)**		(7,421)		**(1,719)**		(7,421)		**(1,051)**	1,866
Eliminations between segments	**(28,809)**	(5,661)	**(502)**		408		**(502)**		408			
Total recurring elements	**3,510,548**	**984,883**	**220,816**	**6.29%**	**(31,250)**	**(3.17%)**	**240,940**	**6.86%**	**20,106**	**2.04%**	**(15,753)**	**(2,694)**
DEME non-recurring elements					(95,787)				(95,787)			
Other non-recurring elements			**(417)**		(3,795)		**(417)**		(3,795)			
Total consolidated	**3,510,548**	**984,883**	**220,399**	**6.28%**	**(130,832)**	**(13.28%)**	**240,523**	**6.85%**	**(79,476)**	**(8.07%)**	**(15,753)**	**(2,694)**

(in € thousands)	Taxes		Net income of the group				Non-cash items		EBITDA			
	2014	2013 (*)	2014	% Revenue	2013 (*)	% Revenue	2014	2013 (*)	2014	% Revenue	2013 (*)	% Revenue
Contracting	**(6,637)**	(5,577)	**(14,474)**	(1.35%)	(37,676)	(3.88%)	**26,248**	17,484	**26,883**	2.50%	(10,124)	(1.04%)
Real Estate	**(553)**	(13)	**4,276**	9.37%	1,825	9.69%	**(251)**	59	**5,442**	11.92%	4,782	25.38%
PPP-Concessions			**2,249**	298.28%	868	121.06%	**115**		**70**	9.28%	(1,457)	(203.21%)
Dredging and environment	**(56,569)**	0	**168,991**	6.98%	54,542	-	**220,110**	0	**443,624**	18.33%		-
Correction DEME	**(1,684)**	(36)	**2,356**	-	(2,493)	-	**8,960**	0	**2,188**	-	105	-
Holding	**84**	(22)	**(2,711)**		(5,605)		**3,499**	3,932	**1,780**		(3,489)	
Eliminations between segments	**110**	(145)	**(392)**		263				**(502)**		408	
Total recurring elements	**(65,249)**	**(5,793)**	**160,295**	**4.57%**	**11,724**	**1.19%**	**258,671**	**21,475**	**479,485**	**13.66%**	**(9,775)**	**(0.99%)**
DEME non-recurring elements					(89,164)			95,787				
Other non-recurring elements			**(417)**		(3,795)		**417**	3,795				
Total consolidated	**(65,249)**	**(5,793)**	**159,878**	**4.55%**	**(81,235)**	**(8.25%)**	**259,088**	**121,057**	**479,485**	**13.66%**	**(9,775)**	**(0.99%)**

(*) 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 2.1.

Pro forma segment reporting

If the acquisition of the remaining 50% of DEME had occured on 1 January 2013, the Group consolidated pro forma results would have been as follows:

(in € thousands)	Revenue		Income from operating activities				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
Contracting	**1,073,297**	970,984	**635**	0.06%	(27,608)	(2.84%)	**(7,544)**	(0.70%)	(29,453)	(3.03%)	**(1,525)**	(2,765)
Real Estate	**45,650**	18,843	**5,693**	12.47%	4,723	25.07%	**7,090**	15.53%	3,749	19.90%	**(2,261)**	(1,955)
PPP-Concessions	**754**	717	**(45)**	(5.97%)	(1,457)	(203.21%)	**2,473**	327.98%	739	103.07%	**(224)**	130
Dredging and environment	**2,419,656**	2,361,243	**223,524**	9.24%	280,961	11.90%	**248,889**	10.29%	206,819	8.76%	**(23,232)**	(53,508)
Correction DEME			**(6,772)**		(4,624)		**(7,749)**		(4,624)		**12,540**	
Holding			**(1,719)**		(7,421)		**(1,719)**		(7,421)		**(1,051)**	1,866
Eliminations between segments	**(28,809)**	(5,661)	**(502)**		408		**(502)**		408			
Total recurring elements	**3,510,548**	**3,346,126**	**220,814**	**6.29%**	**244,982**	**7.32%**	**240,938**	**6.86%**	**170,217**	**5.09%**	**(15,753)**	**(56,202)**
DEME non-recurring elements					(95,787)				(95,787)			
Other non-recurring elements			**(417)**		(3,795)		**(417)**		(3,795)			
Total consolidated	**3,510,548**	**3,346,126**	**220,397**	**6.28%**	**145,400**	**4.35%**	**240,521**	**6.85%**	**70,635**	**2.11%**	**(15,753)**	**(56,202)**

(in € thousands)	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
Contracting	**(6,637)**	(5,577)	**(14,474)**	(1.35%)	(37,676)	(3.88%)	**26,248**	17,484	**26,883**	2.50%	(10,124)	(1.04%)
Real Estate	**(553)**	(13)	**4,276**	9.37%	1,825	9.69%	**(251)**	59	**5,442**	11.92%	4,782	25.38%
PPP-Concessions			**2,249**	298.28%	868	121.06%	**115**		**70**	9.28%	(1,457)	(203.21%)
Dredging and environment	**(56,569)**	(50,272)	**168,991**	6.98%	109,082	4.62%	**220,110**	194,400	**443,624**	18.33%	475,361	20.13%
Correction DEME	**(1,684)**	650	**2,356**		(3,224)		**8,960**		**2,188**		(4,624)	
Holding	**84**	(22)	**(2,711)**		(5,605)		**3,499**	3,932	**1,780**		(3,489)	
Eliminations between segments	**110**	(145)	**(392)**		263				**(502)**		408	
Total recurring elements	**(65,249)**	**(55,379)**	**160,295**	**4.57%**	**65,533**	**1.96%**	**258,671**	**215,875**	**479,485**	**13.66%**	**460,857**	**13.77%**
DEME non-recurring elements					(89,164)			95,787				
Other non-recurring elements			**(417)**		(3,795)		**417**	3,795				
Total consolidated	**(65,249)**	**(55,379)**	**159,878**	**4.55%**	**(27,426)**	**(0.82%)**	**259,088**	**531,332**	**479,485**	**13.66%**	**460,857**	**13.77%**

Revenue

(in € thousands)	2014	2013 (*)
Belgium	1,055,937	719,352
Other Europe	960,369	205,243
Middle East	81,729	1,213
Other Asia	133,443	1,472
Asia-Pacific	677,094	0
Africa	454,189	57,603
Americas	147,787	0
Consolidated total	**3,510,548**	**984,883**

(*) 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 2.1.

The breakdown of revenue by country is based on the countries in which services are provided.

In 2014, no customer accounted for more than 12% of group revenue.

Revenue from the sale of goods amounted to 10,618 thousand euros in 2014 (2013: € 11,392 thousand). These sales were generated by the Voltis and Terryn Timber Products subsidiaries.

Breakdown of revenue in the contracting division

(in € thousands)	2014	2013 (*)
Buildings, Benelux	*523,116*	*442,456*
Civil Engineering	*116,258*	*137,160*
Buildings, International	*165,887*	*125,770*
Construction	805,261	705,386
Multitechnics	162,613	156,912
Rail	105,423	108,686
Contracting	**1,073,297**	**970,984**

(*) 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 2.1.

The CFE group's Contracting revenue includes revenue generated through the Real Estate division.

In the Real Estate division, CFE group recognises the revenue, after the deduction of Contracting revenue.

Since the construction and selling activities of the Real Estate division do not take place simultaneously, internally generated revenue is added to assets under construction and removed at the time of sale.

Breakdown of revenue in the dredging division

(in € thousands)	2014	2013 (*)
Dredging	1,666,871	785,062
Oil and gas	257,764	108,270
Environment	196,125	93,425
Civil engineering	380,954	251,257
Other	85,205	27,795
Elimination of revenue from equity accounted entities	(167,263)	(1,265,809)
Total	**2,419,656**	**0**

(*) 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 2.1.

Order book

(in € million)	2014	2013 Proforma (DEME 100%)	% change
Contracting	**1,127.2**	**1,310.3**	**(14.0%)**
Construction	945.3	1,077.4	(12.3%)
Rail	55.6	80.3	(30.8%)
Multitechnics	126.3	152.6	(17.2%)
Real Estate	**16.0**	**28.6**	**(44.1%)**
Dredging & Environment	**2,420.0**	**3,049.0**	**(20.6%)**
PPP-Concessions	**2.6**	**0**	**-**
Total	**3,565.8**	**4,387.9**	**(18.7%)**

After CFE acquired an additional stake in DEME on 24 December 2013, taking its interest from 50% to 100%, DEME's order book is fully consolidated as at 31 December 2013.

Financial position

31 December 2014 (in € thousands)	Contracting	Real Estate	PPP-Concessions	Dredging & Environment	Holding company & eliminations	Eliminations between divisions	Consolidated total
ASSETS							
Goodwill	19,210	53	0	157,819	0	0	**177,082**
Property, plant and equipment	56,725	305	0	1,441,960	4,285	0	**1,503,275**
Non-current loans to consolidated group companies	20,269	0	0	0	80,930	(101,199)	**0**
Other non-current financial assets	3,978	45,845	26,920	29,371	3,227	0	**109,341**
Other non-current assets	6,291	49,341	13,504	318,895	757,903	(752,149)	**393,785**
Inventories	32,925	53,320	0	18,387	646	0	**105,278**
Cash and cash equivalents	60,875	4,487	671	579,618	57,850	0	**703,501**
Internal cash position - cash pooling - assets	98,049	4,465	0	0	127,870	(230,384)	**0**
Other current assets	546,898	45,782	4,756	649,725	7,363	(31,334)	**1,223,190**
Total assets	**845,220**	**203,598**	**45,851**	**3,195,775**	**1,040,074**	**(1,115,066)**	**4,215,452**
EQUITY AND LIABILITIES							
Equity	73,165	32,833	9,352	1,229.135	705,251	(728,871)	**1,320,865**
Non-current borrowings from consolidated group companies	17,599	43,602	23,331	0	16,667	(101,199)	**0**
Bonds	0	0	0	206,936	99,959	0	**306,895**
Non-current financial liabilities	11,174	4,574	0	302,317	60,000	0	**378,065**
Other non-current liabilities	60,731	18,012	10,625	213,267	35,973	(23,500)	**315,108**
Current financial liabilities	2,239	0	0	204,510	(78)	0	**206,671**
Internal cash position - cash pooling - liabilities	70,428	57,187	255	0	102,514	(230,384)	**0**
Other current liabilities	609,884	47,390	2,288	1,039.610	19,788	(31,112)	**1,687,848**
Total equity and liabilities	**845,220**	**203,598**	**45,851**	**3,195,775**	**1,040,074**	**(1,115,066)**	**4,215,452**

Consolidated statement of financial position

31 December 2013 (in € thousands)	Contracting	Real Estate	PPP-Concessions	Dredging & Environment	Holding company & eliminations	Eliminations between divisions	Consolidated total
ASSETS							
Goodwill	19,626	53	0	157,324	0	0	**177,003**
Property, plant and equipment	59,212	333	0	1,496,172	7,634	0	**1,563,351**
Non-current loans to consolidated group companies	18,608	0	0	0	96,873	(115,481)	**0**
Other non-current financial assets	45,897	29,652	10,181	26,524	3,142	0	**115,396**
Other non-current assets	8,735	38,345	13,032	323,824	732,795	(723,588)	**393,143**
Inventories	24,809	61,601	0	28,956	646	0	**116,012**
Cash and cash equivalents	60,223	6,279	(7)	318,000	52,839	0	**437,334**
Internal cash position - cash pooling - assets	111,614	2,918	0	0	138,195	(252,727)	**0**
Other current financial assets – companies of the group	0	0	0	0	0	0	**0**
Other current assets	506,659	49,624	1,030	667,798	21,624	(33,474)	**1,213,261**
Total assets	**855,383**	**188,805**	**24,236**	**3,018,598**	**1,053,748**	**(1,125,270)**	**4,015,500**
EQUITY AND LIABILITIES							
Equity	54,839	10,240	6,557	1,091,245	762,083	(723,747)	**1,201,217**
Non-current borrowings from consolidated group companies	23,401	57,941	7,614	0	26,524	(115,480)	**0**
Bonds	0	0	0	208,621	0	0	**208,621**
Non-current financial liabilities	46,983	10,266	1	419,261	20,143	0	**496,654**
Other non-current liabilities	42,684	9,653	4,104	250,563	13,018	(69)	**319,953**
Current financial liabilities	3,440	0	0	240,381	102,297	0	**346,118**
Internal cash position - cash pooling - liabilities	58,146	80,490	1,966	0	112,116	(252,718)	**0**
Other current liabilities	625,890	20,215	3,994	808,527	17,567	(33,256)	**1,442,937**
Total equity and liabilities	**855,383**	**188,805**	**24,236**	**3,018,598**	**1,053,748**	**(1,125,270)**	**4,015,500**

(*) Amounts adjusted in accordance (i) with the change in accounting principle related to IFRS 10 “Consolidated financial statements” and IFRS 11 “Joint arrangements” and (ii) with the valorization of the fair value of DEME’s identifiable assets and liabilities as the result of the acquisition of the remaining 50% stake in DEME on 24 December 2013 (restatement describes in note 2.1).

Consolidated statement of cash flows

31 December 2014 (in € thousands)	Contracting	Real Estate	PPP-Concessions	Dredging & Environment	Holding company & eliminations	Consolidated total
Cash flow from operating activities before change in working capital	25,911	6,052	552	428,947	194	**461,656**
Net cash flow from (used in) operating activities	(11,988)	(7,706)	16,438	601,439	8,542	**606,725**
Cash flow from (used in) investing activities	(6,851)	831	0	(160,069)	2,482	**(163,607)**
Cash flow from (used in) financing activities	19,734	5,155	(15,760)	(180,660)	(6,017)	**(177,548)**
Net increase/(decrease) in cash position	**895**	**(1,720)**	**678**	**260,710**	**5,007**	**265,570**

31 December 2013 (*) (in € thousands)	Contracting	Real Estate	PPP-Concessions	Dredging & Environment	Holding company & eliminations	Consolidated total
Cash flow from operating activities before change in working capital	(11,653)	1,144	(2,388)	0	225	**(12,672)**
Net cash flow from (used in) operating activities	22,309	6,086	(29,389)	0	890	**(104)**
Cash flow from (used in) investing activities	(11,537)	(1,270)	0	318,001	(5,643)	**299,551**
Cash flow from (used in) financing activities	(12,268)	219	29,348	0	(23,719)	**(6,420)**
Net increase/(decrease) in cash position	**(1,496)**	**5,035**	**(41)**	**318,001**	**(28,472)**	**293,027**

(*) 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 2.1.

Cash flows from financing activities include cash pooling loans from other segments. A positive amount means a use of pooled cash. This item is also influenced by external financing, mainly in the Real Estate division, the holding company and the Dredging & Environment division. The Dredging & Environment division is not part of the CFE cash pooling arrangement.

Other information

31 December 2014 (in € thousands)	Contracting	Real Estate	Dredging & Environ-ment	PPP-Concessions	Holding company & eliminations	Consolidated total
Amortisation	(13,052)	(51)	(228,636)	0	(1,564)	**(243,303)**
Investments	(15,487)	(4,710)	(166,590)	0	(690)	**(187,477)**
Depreciation	(9)	0	(434)	0	0	**(443)**

31 December 2013 [*] (in € thousands)	Contracting	Real Estate	Dredging & Environ-ment	PPP-Concessions	Holding company & eliminations	Consolidated total
Amortisation	(12,523)	(68)	0	0	(1,278)	**(13,869)**
Investments	(12,423)	(201)	(98,848)	0	(5,644)	**(117,116)**
Depreciation	(570)	0	0	0	0	**(570)**

[*] 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 2.1.

The investments presented above are those which appear in the consolidated statement of the financial position under Intangible assets and Property, plant and equipment.

Geographical information

The operations of the CFE group in the Contracting, Real Estate and PPP-Concessions divisions are mainly based in Benelux, Central Europe and Africa.

Property, plant and equipment in the Contracting, Real Estate and PPP-Concessions divisions are mainly based in Belgium and in Grand Duchy of Luxembourg.

Most of DEME's activities are performed by its fleet of vessels, which are owned by various companies, but their legal location does not reflect the economic reality of the business carried out by this fleet for the same companies. As a result, details of property, plant and equipment by company are not presented, since it is not possible to give a presentation that reflects the geographical areas where the activity was performed.

5. Acquisitions and disposals of subsidiaries

ACQUISITION IN 2013 OF AN ADDITIONAL 50% STAKE IN DEME – FINALISATION OF THE EXERCISE OF VALORIZATION

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 31 December 2014, the exercise of valorization of assets and liabilities to the fair value has been finalised.

The fair value allocated to the assets and liabilities acquired are summarised below:

(in € thousands)	Carrying amount at 31 December 2013 (*)	Adjustments	Fair value of the identifiable assets and liabilities acquired on 31 December 2013
Intangible assets	8,578	92,527	101,105
Trade names	*0*	*15,178*	*15,178*
Database	*0*	*69,349*	*69,349*
Order book	*0*	*8,000*	*8,000*
Other	*8,578*	*0*	*8,578*
Property, plant and equipment	1,447,274	50,476	1,497,750
Companies accounted for under the equity method	25,776	19,548	45,324
Deferred taxes	26,588	(42,034)	(15,446)
Current and non-current financial liabilities	(851,890)	(8,982)	(860,872)
Other current and non current assets and liabilities	186,200	0	186,200
Total net assets	**842,527**	**111,534**	**954,061**

(*) 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 2.1.

The following evaluation methods have been implemented to determine the fair value of the main identifiable assets and liabilities acquired:

- Property, plant and equipment (mainly vessel fleet): the fair value has been determined on a amortized cost of the full replacement value;
- Intangible assets: the fair value has been determined on the basis of the following methods:
  - « multi-period excess earnings », based on the present value of expected future cash flows of the intangible assets, after deducting the value of the other assets which contribute to those cash flows;
  - “market approach”, based on benchmarks from similar observable market transactions; and
  - « cost approach », based on an estimate of the costs that would result from the development of those intangible assets.
- Other assets and liabilities: the fair value is established using the market value at which assets and liabilities may be sold to any unaffiliated third party.

Along with the consideration transferred, the residual goodwill has been estimated at € 157.324 thousand.

(in € thousands)	
Value of the 50% stake in DEME acquired	757,411
Value of the existing 50% in DEME	550,000
Non-controlling interests in DEME subsidiaries	11,385
Consideration transferred	**1,318,796**
Fail value of the identifiable assets and liabilities acquired	**954,061**
Goodwill	**364,735**
Impairment accounted for on 31 December 2013	-207,411
Net book value of the goodwill	**157,324**

The comparative figures of the consolidated statement of financial position as per 31 December 2013 have been restated in order to integrate the fair value of the DEME identifiable assets and liabilities acquired. As a result of the restatement, paragraph 10 (f) of IAS 1 – Presentation of financial statements- requires, in principle, to also present the consolidated opening financial position as at 1 January 2013.

Costs resulting from the acquisition (0.5 million euros) have been charged to expenses in the consolidated statement of income.

The recognition of intangibles values, such as DEME staff, that can not be separately accounted for in the financial position, justifies the recognition of a residual goodwill. Other items justifying the residual goodwill are the expertise and the know-how developed by DEME over the years and enabling:

- to develop technological solutions that are best adapted to each new contract; and
- to develop and implement programs which objective is an optimal management of the costs.

ACQUISITIONS FOR THE PERIOD TO 31 DECEMBER 2014

Acquisitions for the period are related to DEME and are described in the introduction of the annual report.

Acquisitions in the Real Estate were not business combinations and so all consideration paid was allocated to land and buildings.

DISPOSALS IN THE PERIOD ENDED 31 DECEMBER 2014

Disposals of subsidiaries in the Real Estate division, mentioned in the introduction above, were treated as disposals of inventories.

6. Revenue from auxiliary activities and other operating expenses

Revenue from auxiliary activities totalled € 80,518 thousand (2013: € 71,641 thousand) and included € 7,578 thousand of capital gains on non-current assets (2013: € 300 thousand) and rental income, compensation and income from the onward invoicing of various expenses totalling 72,940 thousand (2013: € 71,341 thousand). Revenue from auxiliary activities increased by 12% relative to 2013.

(in € thousands)	2014	2013 (*)
Miscellaneous goods and services	(423,342)	(112,428)
Impairment of assets		
- Inventories	(859)	(1,205)
- Trade and other receivables	(3,668)	(774)
Net additions to provisions (excluding provisions for retirement benefit obligations)	(11,876)	(5,451)
Other operating expenses	(10,089)	(4,469)
Consolidated total	**(449,834)**	**(124,327)**

(*) 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 2.1.

7. Remuneration and social security payments

(in € thousands)	2014	2013 (*)
Remuneration	(425,719)	(152,007)
Mandatory social security contributions	(119,979)	(42,840)
Other wage costs	(28,185)	(10,064)
Contributions to defined-contribution pension plans	(4,286)	(863)
Service cost related to defined-benefit pension plans	(5,042)	(3,504)
Consolidated total	**(583,211)**	**(209,278)**

(*) 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 2.1

The average full-time equivalent number of staff in 2014 was 7,918 (2013: 6,032). Full-time equivalent headcount was 8,524 at 1 January 2014 and 8,021 at 31 December 2014.

These amounts include DEME’s staff at 100% whereas those related to 2013 include DEME’s staff at 50%.

8. Net financial income/expense

(in € thousands)	2014	2013 (*)
Cost of financial debt	**(31,909)**	**(143)**
Derivative instruments - fair value adjustments through profit and loss	305	670
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 amortised cost - interest income	9,991	4,182
Assets and liabilities at amortised cost - interest expense	(42,205)	(4,995)
Other financial income and expense	**16,156**	**(2,551)**
Realised / unrealised translation gains/(losses)	11,262	(587)
Dividends received from non-consolidated companies	419	0
Impairment of financial assets	281	104
Other	4,194	(2,068)
Net financial income/expense	**(15,753)**	**(2,694)**

(*) 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 2.1.

Increase in cost of financial debt as compared to 31 December 2013 is due to the fact that DEME, still jointly controlled by CFE at 31 December 2013, is now integrated under equity method, in compliance with the restatement resulting from the implementation of IFRS 11 "Joint arrangements".

The change in realised (unrealised) translation gains/(losses) compared to 2013 is mainly explained by movements in the euro against the functional currencies of DEME subsidiaries.

9. Non-controlling interests

In 2014, non-controlling interests in income amounted to € 357 thousand (2013: loss of € 6.728 thousand) and related mainly to the Dredging division (- € 849 thousand) and GroepTerryn (€ 1,049 thousand).

10. Income tax

Recognised in comprehensive income

(in € thousands)	2014	2013 (*)
Current tax		
Tax expense for the period	60,709	4,160
Additions to/(releases from) provisions in previous periods	(835)	(4)
Total current tax expense	**59,874**	**4,156**
Deferred tax		
Additions to and releases from temporary differences	(11,004)	(836)
Use of losses from previous periods	(33)	0
Deferred tax recognised on losses for the period	16,412	2,473
Deferred tax recognised on definitively taxed revenue	0	0
Total deferred tax expense/(income)	**5,375**	**1,637**
Tax income/expense recognised directly in equity	**1,978**	**1,436**
Total tax expense recognised in income statement	**67,227**	**7,229**

(*) 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 2.1.

Reconciliation of the effective tax rate

(in € thousands)	2014	2013 (*)
Pre-tax income for the period	**224,770**	**(82,170)**
of which amount related to earnings from associates and joint venture	20,124	51,356
Pre-tax income, excluding associates and joint venture	**204,646**	**(133,526)**
Income tax at 33.99%	**69,559**	**(45,385)**
Tax effect of non-deductible expenses	3,407	39,190
Tax effect of non-recurring elements(**)	*451*	*33,843*
Non-deductible expenses	*2,956*	*5,347*
Tax effect of non-taxable revenue	(848)	(1,333)
Tax credits and impact of notional interest	(8,853)	(1,420)
Other taxable revenue	0	0
Effect of different tax rates applicable to subsidiaries operating in other jurisdictions	(8,389)	(2,639)
Tax impact of using previously unrecognised losses	(726)	(902)
Tax impact of adjustments to current and deferred tax relating to previous periods	(2,437)	2,888
Tax impact of deferred tax assets on unrecognised losses for the period	13,535	15,394
Tax expense	**65,249**	**5,793**
Effective taxe rate for the period	**31.88%**	**(4.34%)**

(*) 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 2.1.

(**) In 2013, non recurrent element are related on one hand to the acquisition of DEME, through the booking of a plus value of € 111,624 thousand and an impairment of € 207,411 thousand, and on the other hand to the impairment on ETEC and VMA West,

The tax expense amounts to € 65,249 thousand in 2014, versus € 5,793 thousand in 2013 (*). The effective tax rate is 31.88% in 2014 versus (4.34%) in 2013 (*)

Recognised deferred tax assets and liabilities

(in € thousands)	Assets 2014	Assets 2013 (*)	Liabilities 2014	Liabilities 2013 (*)
Property, plant and equipment and intangible assets	9,664	13,180	(118,668)	(128,542)
Employee benefits	12,153	13,780	(2,229)	(2,320)
Provisions	2,485	3,062	(29,362)	(31,064)
Fair value of derivative instruments	5,625	7,214	(228)	(9)
Other items	42,241	30,648	(12,670)	(13,713)
Tax losses	122,385	136,490	0	0
Gross deferred tax assets/(liabilities)	**194,553**	**204,374**	**(163,157)**	**(175,648)**
Unrecognized deferred tax assets	(55,112)	(52,802)	0	0
Tax netting	(24,118)	(31,144)	24,118	31,144
Net deferred tax assets/(liabilities)	**115,322**	**120,428**	**(139,039)**	**(144,504)**

(*) Amounts adjusted in accordance (i) with the change in accounting principle related to IFRS 10 "Consolidated financial statements" and IFRS 11 "Joint arrangements" and (ii) with the valorization of the fair value of DEME's identifiable assets and liabilities as the result of the acquisition of the remaining 50% stake in DEME on 24 December 2013 (restatement describes in note 2.1)..

Tax loss carryforwards and other temporary differences for which no deferred tax assets are recognised led to a € 162.142 thousand impairment of deferred tax assets. As tax losses are mainly recognised by Belgian companies, those do not have an expiration date.

The "tax netting" item reflects the netting of deferred tax assets and liabilities per entity.

Temporary differences or tax losses for which no deferred tax assets are recognised

Deferred tax assets are not recognised where it is not probable that a future taxable profit will be sufficient to allow the subsidiaries to recover their tax losses.

Deferred tax income (expense) directly recognised in other elements of the comprehensive income

(in € thousands)	2014	2013
Deferred tax on the effective portion of changes in the fair value of cash flow hedges	2,974	(3,534)
Deferred tax on the revaluation of the defined benefit plans	(996)	4,970
Total	**1,978**	**1,436**

11. Earnings per share

Basic earnings per share are the same as diluted earnings per share due to the absence of any potential dilution in terms of ordinary shares in issue. Earnings per share is calculated as follows:

(in € thousands)	2014	2013
Net income attributable to shareholders	159,878	(81,235)
Comprehensive income attributable to owners of the parent	149,586	(73,544)
Number of ordinary shares at the balance sheet date	25,314,482	25,314,482
Weighted average number of ordinary shares	25,314,482	13,326,659
Earnings per share, based on the number of ordinary shares at the end of the period:		
Basic (diluted) earnings per share (€)	**6.32**	**(3.21)**
Comprehensive income attributable to owners of the parent per share (€)	**5.91**	**(2.91)**
Earnings per share, based on the weighted average number of ordinary shares at the end of the period:		
Basic (diluted) earnings per share (€)	**6.32**	**(6.10)**
Comprehensive income attributable to owners of the parent per share (€)	**5.91**	**(5.52)**

12. Intangible assets other than goodwill

2014 (in € thousands)	Concessions, patents and licences	Development costs	Total
Acquisition costs			
Balance at the end of the previous period	117,944	304	**118,248**
Effects of changes in foreign exchange rates	651	3	**654**
Acquisitions through business combinations	0	1,731	**1,731**
Acquisitions	1,294	0	**1,294**
Disposals	(580)	0	**(580)**
Transfers between asset items	(766)	1	**(765)**
Balance at the end of the period	**118,543**	**2,039**	**120,582**
Amortisation and impairment			
Balance at the end of the previous period	(12,543)	(205)	**(12,748)**
Effects of changes in foreign exchange rates	(508)	(3)	**(511)**
Amortisation during the period	(10,254)	(58)	**(10,312)**
Impairment losses			
Acquisitions through business combinations	0	0	**0**
Disposals	715	0	**715**
Transfers between asset items	766	(1)	**765**
Balance at the end of the period	**(21,824)**	**(267)**	**(22,091)**
Net carrying amount			
At 1 January 2014	**105,401**	**99**	**105,500**
At 31 December 2014	**96,719**	**1,772**	**98,491**

Total acquired intangible assets amount to € 1,294 thousand and consist mainly of software licences and concession rights,. Amortisation of intangible assets is recognised in under “amortisation” in the statement of comprehensive income and amounts to € 10,312 thousand. Items included in “Acquisitions through business combinations” for the year 2013, relate to DEME, which was fully consolidated at 31 December 2013, having previously been consolidated under the equity method at 31 December 2012.

Intangible assets meeting the definition in IAS 38 (Intangible Assets) are only recognised to the extent that future economic benefits are probable.

2013 (*) (in € thousands)	Concessions, patents and licences	Development costs	Total
Acquisition costs			
Balance at the end of the previous period	10,810	95	**10,905**
Effects of changes in foreign exchange rates	(2)	0	**(2)**
Acquisitions through business combinations	106,409	260	**106,669**
Acquisitions	911	0	**911**
Disposals	(68)	0	**(68)**
Transfers between asset items	17	0	**17**
Exit of scope	(112)	(51)	**(163)**
Change in consolidation method	(21)	0	**(21)**
Balance at the end of the period	**117,944**	**304**	**118,248**
Amortisation and impairment			
Balance at the end of the previous period	(4,961)	(88)	**(5,049)**
Effects of changes in foreign exchange rates	(1)	0	**(1)**
Amortisation during the period	(1,036)	(2)	**(1,038)**
Impairment losses	(570)	0	**(570)**
Acquisitions through business combinations	(6,365)	(166)	**(6,531)**
Disposals	219	0	**219**
Transfers between asset items	35	0	**35**
Exit of scope	134	51	**185**
Change in consolidation method	2	0	**2**
Balance at the end of the period	**(12,543)**	**(205)**	**(12,748)**
Net carrying amount			
At 1 January 2013	**5,849**	**7**	**5,856**
At 31 December 2013	**105,401**	**99**	**105,500**

(*) Amounts adjusted in accordance (i) with the change in accounting principle related to IFRS 10 "Consolidated financial statements" and IFRS 11 "Joint arrangements" and (ii) with the valorization of the fair value of DEME's identifiable assets and liabilities as the result of the acquisition of the remaining 50% stake in DEME on 24 December 2013 (restatement describes in note 2.1).

13. Goodwill

(in € thousands)	2014	2013 (*)
Acquisition costs		
Balance at the end of the previous period	**394,224**	**31,323**
Acquisitions through business combinations	496	364,735
Disposals	0	0
Other changes	0	(1,834)
Balance at the end of the period	**394,721**	**394,224**
Impairment		
Balance at the end of the previous period	**(217,222)**	**(6,005)**
Impairment during the period	(417)	(211,206)
Balance at the end of the period	**(217,639)**	**(217,222)**
Net carrying amount		
At 31 December	**177,082**	**177,003**

(*) Amounts adjusted in accordance (i) with the change in accounting principle related to IFRS 10 "Consolidated financial statements" and IFRS 11 "Joint arrangements" and (ii) with the valorization of the fair value of DEME's identifiable assets and liabilities as the result of the acquisition of the remaining 50% stake in DEME on 24 December 2013 (restatement describes in note 2.1).

The goodwill of € 364,735 thousand recognised under "Acquisitions through business combinations" comes from the acquisition on 24 December 2013 of an additional 50% stake in DEME, increasing the stake from 50% to 100%. This transaction implies the recognition of a goodwill, which is the difference between the consideration transferred for this acquisition and the net assets of DEME, in accordance with IFRS 3 – Business Combinations. The calculation of this goodwill is set out in note 5 above.

In accordance with IAS 36 (Impairment of Assets), this goodwill was tested for impairment at 31 December 2014.

The following assumptions were used in the impairment tests:

Business (in € thousands)	Net value of goodwill		Parameters of the model applied to cash flow projections				Gross value of goodwill	Impairment losses recognised in the period
	2014	2013	Growth rate	Growth rate (terminal value)	Discount rate	Sensitivity rate		
DEME sub-consolidation	157,819	157,323	0%	0%	7.6%	5%	369,446	-
VMA	11,115	11,115	0%	0%	7.6%	5%	11,115	-
Remacom	2,995	2,995	0%	0%	7.6%	5%	2,995	-
Stevens	2,682	2,682	0%	0%	7.6%	5%	2,682	-
ETEC	0	0	0%	0%	7.6%	5%	2,135	-
VMA West	0	0	0%	0%	7.6%	5%	1,660	-
Druart	1,560	1,560	0%	0%	7.6%	5%	3,360	-
Amart	911	911	0%	0%	7.6%	5%	911	-
Ariadne	0	417	0%	0%	7.6%	5%	417	(417)
Total	**177,082**	**177,003**					**394,721**	**(417)**

Cash-flows figures used in the impairment tests were taken from the 2015 budget presented to the Board of Directors. For the sake of caution, zero growth was assumed for future years and in determining terminal value.

A sensitivity analysis was carried out by varying cash flow and WACC figures by 5%. Since the value of entities is still higher than their carrying amount including goodwill, there was no indication of impairment, except for the entity Ariadne. The deterioration in this entity s' 2014 earnings, and its downgraded outlook, caused its goodwill to be written down in full by € 417 thousand.

The DEME group is considered as a cash generating unit. No impairment loss was identified in relation to DEME. The DEME group also carries out its own impairment tests, which did not give any indication of impairment.

14. Property, plant and equipment

2014 (in € thousands)	Land and buildings	Fixtures and equipment	Furniture, fittings and vehicles	Other property, plant and equipment	Under construction	Total
Acquisition costs						
Balance at the end of the previous period	128,362	2,744,646	66,378	0	3,453	**2,942,839**
Effects of changes in foreign exchange rates	162	10,099	100	0	0	**10,361**
Acquisitions through business combinations	0	1	41	0	0	**42**
Acquisitions	11,414	163,251	4,740	0	677	**180,082**
Transfers between asset items	(14,276)	(14,907)	(9,782)	0	(627)	**(39,592)**
Disposals	(1,800)	(100,549)	(3,916)	0	(1,229)	**(107,494)**
Balance at the end of the period	**123,862**	**2,802,541**	**57,561**	**0**	**2,274**	**2,986,238**
Depreciation and impairment						
Balance at the end of the previous period	(57,563)	(1,269,909)	(52,016)	0	0	**(1,379,488)**
Effects of changes in foreign exchange rates	(57)	(7,622)	(84)	0	0	**(7,763)**
Acquisitions as part of business combinations	0	0	(14)	0	0	**(14)**
Depreciation	(6,539)	(221,200)	(5,692)	0	0	**(233,431)**
Transfers between asset items	13,499	14,633	8,108	0	0	**36,240**
Disposals	47	98,808	2,638	0	0	**101,493**
Balance at the end of the period	**(50,613)**	**(1,385,290)**	**(47,060)**	**0**	**0**	**(1,482,963)**
Net carrying amount						
At 1 January 2014 (*)	**70,799**	**1,474,737**	**14,362**	**0**	**3,453**	**1,563,351**
At 31 December 2014	**73,249**	**1,417,251**	**10,501**	**0**	**2,274**	**1,503,275**

(*) Amounts adjusted in accordance (i) with the change in accounting principle related to IFRS 10 "Consolidated financial statements" and IFRS 11 "Joint arrangements" and (ii) with the valorization of the fair value of DEME's identifiable assets and liabilities as the result of the acquisition of the remaining 50% stake in DEME on 24 December 2013 (restatement describes in note 2.1).

At 31 December 2014, acquisitions of property, plant and equipment totalled € 180,082 thousand and mainly related to DEME. Investments increased by € 162,843 thousand in 2014 in comparison with 2013, mainly due to the increase of the CFE Group's interest in DEME from 50% at the end of 2012 to 100% at the end of 2013. This resulted in a change in consolidation method of DEME consolidated sub-group, which was integrated under equity method at 31 December 2012, and fully consolidated at 31 December 2013.

The net carrying amount of finance lease assets amounts to € 72,073 thousand (2013(*): € 23,832 thousand). These finance leases mainly relate to DEME, the premises of the Louis Stevens & Co NV and Engema NV subsidiaries and the buildings and machinery of Groep Terryn NV and its subsidiaries.

Depreciation on property, plant and equipment totalled € 233,431 thousand (2013(*): € 12,816 thousand).

The net carrying amount of property, plant and equipment used as collateral for certain loans totalled € 354,055 thousand (2013(*): € 472,137 thousand).

2013(*) (in € thousands)	Land and buildings	Fixtures and equipment	Furniture, fittings and vehicles	Other property, plant and equipment	Under construction	Total
Acquisition costs						
Balance at the end of the previous period	34,410	117,902	37,873	0	524	**190,709**
Effects of changes in foreign exchange rates	(5)	(30)	(32)	0	0	**(67)**
Acquisitions through business combinations	87,953	2,627,238	26,675	0	1,026	**2,742,892**
Acquisitions	5,922	4,934	4,480	0	1,903	**17,239**
Transfers between asset items	485	619	264	0	0	**1,368**
Disposals	(263)	(6,017)	(2,532)	0	0	**(8,812)**
Change in consolidation scope	(140)		(350)			**(490)**
Balance at the end of the period	**128,362**	**2,744,646**	**66,378**	**0**	**3,453**	**2,942,839**
Depreciation and impairment						
Balance at the end of the previous period	(10,870)	(86,229)	(29,687)	0	0	**(126,786)**
Effects of changes in foreign exchange rates	1	20	20	0	0	**41**
Acquisitions as part of business combinations	(44,874)	(1,180,996)	(21,163)	0	0	**(1,247,033)**
Depreciation	(1,458)	(7,742)	(3,616)	0	0	**(12,816)**
Transfers between asset items	(531)	(694)	(195)	0	0	**(1,420)**
Disposals	110	5,522	2,341	0	0	**7,973**
Change in consolidation scope	59	0	284	0	0	**343**
Change in consolidation method	0	210	0	0	0	**210**
Balance at the end of the period	**(57,563)**	**(1,269,909)**	**(52,016)**	**0**	**0**	**(1,379,488)**
Net carrying amount						
At 1 January 2013	**23,540**	**31,673**	**8,186**	**0**	**524**	**63,923**
At 31 December 2013	**70,799**	**1,474,737**	**14,362**	**0**	**3,453**	**1,563,351**

(*) Amounts adjusted in accordance (i) with the change in accounting principle related to IFRS 10 "Consolidated financial statements" and IFRS 11 "Joint arrangements" and (ii) with the valorization of the fair value of DEME's identifiable assets and liabilities as the result of the acquisition of the remaining 50% stake in DEME on 24 December 2013 (restatement describes in note 2.1).

15. Associates and joint arrangements

Changes over the period

Details of interests in companies accounted for under the equity method are set out below:

(in € thousands)	2014	2013 (*)
Balance at the end of the previous period	**155,877**	**405,288**
Acquisitions through business combinations - DEME	0	(314,010)
Acquisitions and transfers	(275)	12,014
CFE group share in net result of associates	20,124	51,356
Capital increase / (decrease)	1,293	1,488
Dividends	(44)	(99)
Change in consolidation scope	(6,940)	182
Other changes	(10,745)	(342)
Balance at the end of the period	**159,290**	**155,877**
Including goodwill in companies accounted for under the equity method	**28,557**	**29,869**

(*) Amounts adjusted in accordance (i) with the change in accounting principle related to IFRS 10 "Consolidated financial statements" and IFRS 11 "Joint arrangements" and (ii) with the valorization of the fair value of DEME's identifiable assets and liabilities as the result of the acquisition of the remaining 50% stake in DEME on 24 December 2013 (restatement describes in note 2.1).

All the entities over which the CFE group has significant influence are accounted for under the equity method. The CFE group does not have an interest in any associates whose shares are traded on a public market.

Financial statements of associates and joint arrangements

The list of the most significant associates and joint arrangements is set out in note 35, based on their percentage of interests in the CFE group, the segment in which they operate and the geographical area of their head office.

The condensed financial statements by segment presented below, are based on the IFRS financial statements of the associates and joint arrangements, or, if there is none, on their statutory accounts. The reconciliation between the statutory statements and the contribution to the consolidated accounts is presented after the financial indicators.

December 2014 (in € thousands)	Dredging & Environment		Real Estate and Contracting		PPP-Concessions		Total	
	100%	Q/P	100%	Q/P	100%	Q/P	100%	Q/P
Income Statement								
Revenue	715,900	269,404	155,714	67,331	71,169	15,088	**942,783**	**351,823**
Net income share of the group	52,379	23,056	(31,958)	(9,923)	6,269	2,592	**26,690**	**15,725**
Financial Position								
Non-current assets	1,792,081	395,598	97,389	32,350	1,407.621	320,292	**3,297,091**	**748,240**
Current assets	425,414	157,797	290,266	127,085	97,427	27,696	**813,107**	**312,578**
Net equity	319,787	69,522	16,069	9,362	(264,518)	(53,019)	**71,338**	**25,865**
Non-current liabilities	1,366,403	264,037	147,788	56,435	1,657.846	372,721	**3,172,037**	**693,193**
Current liabilities	531,305	219,836	223,798	93,638	111,720	28,286	**866,823**	**341,760**
Net financial debt	**(1,285,999)**	**(243,063)**	**(73,587)**	**(27,408)**	**(1,238,606)**	**(277,978)**	**(2,598,192)**	**(548,449)**

In the Dredging & Environment division, on 31 December 2014, non-current assets mainly consist of assets from the entities HGO Infra-sea solutions GMBH & Co (198,130 KEUR at 100%), Middle East Dredging Company QSC (166,624 KEUR at 100%) and C-Power NV (1,094,706 KEUR at 100%). Contribution of those entities to the condensed net financial debt is respectively (-131,588) KEUR (at 100%), (-47,141) KEUR (at 100%) and (-942,602 KEUR) (at 100%). Contribution of those entities to 2014 condensed net income is respectively (5,871 KEUR at 100%), (43,720 KEUR, at 100%) and (2,398 KEUR at 100%).

In the PPP-Concessions division, the net financial debt is related to the concession projects Coentunnel through the entity Coentunnel Company BV (-419,831 KEUR at 100%) and Liefkenshoektunnel through the entity Locorail NV (-685,271 KEUR at 100%).

In the Real Estate division, non-current and current assets mainly consist of assets from the entities PEF Kons Investment SA (30,371 KEUR at 100%), Immoange SA (21,558 KEUR at 100%), La Réserve Promotions NV (29,852 KEUR at 100%), Cap3000 Immo SA (23,073 KEUR at 100%) and Erasmus Gardens (19,962 KEUR at 100%).

December 2013 (in € thousands)	Dredging & Environment		Real Estate and Contracting		PPP-Concessions		Total	
	100%	Q/P	100%	Q/P	100%	Q/P	100%	Q/P
Income Statement								
Revenue	810,365	315,639	62,481	27,866	191,527	38,735	**1,064,373**	**382,240**
Net income share of the group	(184,011)	(84,833)	(13,862)	(4,317)	6,053	2,210	**(191,820)**	**(86,940)**
Financial Position								
Non current assets	1,917,630	427,801	154,382	59,423	1,367,372	312,128	**3,439,384**	**799,352**
Current assets	436,730	170,721	333,788	140,369	133,691	32,996	**904,209**	**344,086**
Net equity	293,914	56,784	49,934	22,635	(133,265)	(23,849)	**210,583**	**55,570**
Non current liabilities	1,521,666	304,160	180,604	72,074	1,376,740	309,228	**3,079,010**	**685,462**
Current liabilities	538,780	237,578	257,632	105,083	257,588	59,745	**1,054,000**	**402,406**
Net financial debt	**(1,580,618)**	**(347,433)**	**(42,720)**	**(12,141)**	**(1,183,866)**	**(259,639)**	**(2,807,204)**	**(619,213)**

The reconciliation between the CFE Group's share in the statutory net assets of those entities and the carrying amount of the associates and joint arrangements is as follows:

On 31 December 2014 (in € thousands, CFE's % share)	Dredging & Environment	Real Estate and Contracting	PPP-Concessions	Total
Net assets of the associates and joint arrangements before reconciling items	**69,522**	**9,362**	**(53,019)**	**25,865**
Reconciliation items	(13,290)	19,907	62,464	**69,081**
Negative associates and joint arrangements	45,537	15,586	3,221	**64,344**
CFE group's carrying amount of the investment	101,769	44,855	12,666	**159,290**

In the Dredging & Environment, Real Estate and Contracting divisions, reconciling items are mainly due to the recognition of the income in accordance with the Group accounting policies and the intercompany eliminations.

Negative associates and joint arrangements are entities integrated under equity method for which CFE group considers to have an obligation to support the commitments and projects of those entities.

In the PPP-Concessions division, the net assets of the project companies are strongly negative due to the valuation at fair value of the interest hedging instruments of the financial debts. As the CFE group has no obligation to support those SPV, the carrying amount of the investment is limited to zero.

16. Other non-current financial assets

Other non-current financial assets amount to € 109,341 thousand at 31 December 2014 (2013: € 115,396 thousand). They mainly include the Group's subordinated loans granted to entities and joint arrangements involved in real estate and concession projects (€ 106,618 thousand).

(in € thousands)	2014	2013 (*)
Balance at the end of the previous period	**115,396**	**57,598**
Acquisitions through business combinations	0	26,524
Acquisitions	53,423	34,870
Disposals and transfers	(59,010)	(3,293)
Impairment / reversals of impairment	146	104
Change in consolidation scope	(520)	(183)
Change in consolidation method	0	(70)
Effects of changes in foreign exchange rates	(94)	(154)
Balance at the end of the period	**109,341**	**115,396**

(*) 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 2.1.

Non-current financial assets decreased by € 6,055 thousand relative to 31 December 2013. This change reflects, in particular, the sale of the receivable relating to Charleroi police station.

17. Other non-current assets

At 31 December 2014 other non-current assets amounts to € 20,006 thousand and included the non-current receivables detailed below:

(in € thousands)	2014	2013 (*)
Non-current receivables - DEME current accounts	18,772	9,454
Other non-current receivables (including bank guarantees)	1,234	1,271
Consolidated total	**20,006**	**10,725**

(*) 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 2.1.

18. Construction contracts

Costs incurred added to profits less losses, along with progress billing, are determined on a contract-by-contract basis. The net amount due by or to customers is determined on a contract-by-contract basis as the difference between these two items.

As described in paragraphs (M) and (V) of the section relating to material accounting policies, the 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 € thousands)	2014	2013 (*)
Balance sheet data		
Advances and payments on account received	(68,137)	(64,834)
Construction contracts in progress – assets	203,319	240,392
Construction contracts in progress – liabilities	(136,627)	(111,264)
Construction contracts in progress – net	**66,692**	**129,128**
Total income and expenses to date recognised on contracts in progress		
Costs incurred plus profits recognised less losses recognised to date	7,411.479	5,922.906
Less invoices issued	(7,344.787)	(5,793.778)
Construction contracts in progress – net	**66,692**	**129,128**

(*) 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 2.1

The excess of costs incurred over recognised losses and profits on progress billing include on the one hand, the portion of unbilled contract costs under “Trade receivables and other operating receivables” in the statement of financial position, and on the other hand, the surplus relating to construction work in progress is included in “other current assets”.

The excess of progress billing over incurred costs and recognised profits and losses include on the one hand, the unbilled portion of contract costs under “Trade payables and other operating liabilities” in the statement of financial position, and on the other hand, the surplus relating to construction work in progress included in “other current liabilities”.

Advances are amounts received by the contractor before the related work is performed.

The amount of customer retention payments is € 3,632 thousand, and is included in “Trade and other operating receivables”.

19. Inventories

At 31 December 2014, inventories amounted to € 105,278 thousand (2013(*): € 116,012 thousand) and broke down as follows:

(in € thousands)	2014	2013 (*)
Raw materials and auxiliary products	43,221	47,836
Impairment on inventories of raw materials and auxiliary products	(506)	(1,601)
Finished products and properties held for sale	65,587	71,713
Impairment on inventories of finished products	(3,024)	(1,936)
Inventories	**105,278**	**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 2.1.

The change in "raw materials and auxiliary products" resulted mainly from a decrease in inventories relating to the dredging business..

20. Change in trade receivables and payables and other operating receivables and payables

(in € thousands)	2014	2013 (*)
Trade receivables	840,489	857,054
Less: provision for impairment of receivables	(17,682)	(18,207)
Net trade receivables	822,807	838,847
Other current receivables	259,697	267,187
Consolidated total	**1,082,504**	**1,106,034**
Other current assets	**104,554**	**100,781**
Trade and other operating payables	1,099.309	983,806
Other current liabilities	415,716	328,596
Consolidated total	**1,515,025**	**1,312,402**
Commercial and operating liabilities net of receivables	**(327,967)**	**(105,587)**

(*) 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 2.1.

Please see note 27 for an analysis of credit risk. Trade receivables related to entities included in note 18.Construction contracts amount to € 776,298 thousand.

21. Cash and cash equivalents

(in € thousands)	2014	2013 (*)
Short-term bank deposits	14,385	24,789
Cash in hand and at bank	689,116	412,545
Cash and cash equivalents	**703,501**	**437,334**

(*) 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 2.1

Short-term bank deposits consist of money placed with financial institutions with an original maturity of less than three months. This money pays interest at a floating rate, usually linked to Euribor or Eonia.

22. Grants

The CFE group did not receive any grants in 2014.

23. Employee benefits

The CFE group contributes to pension and early retirement plans in several of the countries in which it operates. These benefits are recognised in accordance with IAS 19 and are regarded as "post-employment" and "long-term benefit plans".

At 31 December 2014, the CFE group's net liability relating to obligations under pension and early-retirement post-employment benefits amounted to € 41,806 thousand (2013: € 40,543 thousand). These amounts are included in "Retirement benefit obligations and employee benefits". This item also includes provisions for other employee benefits for € 1,566 thousand (2013: € 1,085 thousand), mainly relating to the DEME group.

Main characteristics of the CFE group's post-employment benefit plans

Post-employment benefit plans are classified either as defined-contribution or defined-benefit plans.

Defined-contribution plans

- Defined-contribution pension plans are those under which the company makes certain contributions to an entity or separate fund in accordance with the plan arrangements. Where contributions have been made, the company has no additional obligation.

Defined-benefit plans

- All plans that are not defined-benefit plans are presumed to be defined-benefit plans. These plans are either funded externally through pension funds or insurance companies ("funded plans") or funded within the CFE group ("unfunded plans"). For the main plans, an actuarial valuation is carried out every year by independent actuaries.

Post-employment benefit plans in which the CFE group takes part confer benefits to staff on retirement and death. All plans are funded externally through an insurance company (97.9% of obligations) or a self-administered pension fund (2.1% of obligations) unrelated to the CFE group. Obligations under defined-benefit plans break down geographically as follows: 78% in Belgium and 22% in the Netherlands. Insured Belgian post-employment benefit plans are "branche 21"-type plans, which means that the insurer guarantees a minimum return on contributions paid. All plans comply with local regulations and minimum funding requirements.

Most of the CFE group's post-employment benefit plans are defined-benefit.

Main characteristics of defined-benefit plans

Risks relating to defined-benefit plans

- Defined-benefit plans generally expose the employer to actuarial risks such as changes in interest rates, wages and inflation. The potential impact of these risks is illustrated by a sensitivity analysis, details of which are set out below.

- The risk arising from benefits being spread over time is limited, since most plans involve a lump-sum payment. However, there is an option to pay annuities. If this option is used, the payment of annuities is handled through an insurance policy that converts the lump sum into an annuity. The risk of death in service is entirely covered through insurance. The risk of insurance companies becoming insolvent can be regarded as negligible.

Governance of defined-benefit plans

- The administration and governance of insured plans are handled by the insurance company. CFE ensures that insurance companies comply with all retirements law.

Defined-benefit plan assets

- Plan assets invested with an insurance are not subject to market fluctuations. The fair value of the insurance policies is either the present value of guaranteed future benefits (Netherlands) or the capitalised value of contributions paid, taking into account the return contractually agreed (between 3.5% and 4%) with the insurance company (Belgium).
- Plan assets do not include the CFE group's own financial instruments or any building used by the CFE group.

Changes to defined-benefit plans

- No material amendment, settlement or curtailment took place during the year.

Main characteristics of defined-contribution plans

Construction workers are covered by the defined-contribution pension plan funded by the "fbz-fse Constructiv" multi-employer pension fund. In addition, a small number of employers are covered by a "branche 21" insurance-funded defined-contribution plan.

Belgian law requires the employer to guarantee a minimum return of 3.25% on employer contributions and a minimum return of 3.75% on employee contributions. The statutory guaranteed minimum return, which is an average applicable on the employee's career, can be modified by Royal Decree. In the event of a modification, the new rates will apply from the date of the change onwards to both past and future contributions.

Although those pensions plans were, until now, accounted for as defined-contribution plans, a € 7 thousand provision, which represents the difference between the minimum guaranteed reserves and the cumulative reserves, has been accounted for on 31 December 2014.

2014 contributions to the defined-contribution plans amount to € 4,286 thousand on employer contribution and to € 111 thousand on employee contribution. Based on the last informations received from the insurance companies, assets allocated to those plans on 31 December 2014, amount to:

- 26,083 thousand euros on employer contributions, with an average guaranteed return of 3.5% and,
- 2,692 thousand euros on employee contributions, with an average guaranteed return of 4.49%.

Information relating to defined-benefit and early retirement plans

(in € thousands)	2014	2013
Provisions taken for defined-benefit and early retirement plan obligations	**(40,240)**	**(39,458)**
Accrued rights, partly or fully funded	(157,786)	(136,782)
Fair value of plan assets	117,546	97,324
Provisions taken for obligations on the balance sheet	**(40,240)**	**(39,458)**
Bonds	(40,240)	(39,458)
Assets	0	0

Changes in provisions taken for defined-benefit and early retirement plan obligations

(in € thousands)	2014	2013
At 1 January	**(39,458)**	**(20,863)**
Charges recognised in income	(6,716)	(4,299)
Charges recognised in the other elements of the comprehensive income	(1,680)	(4,324)
Contributions to plan assets	7,633	5,248
Effect of business combinations	0	(15,269)
Other movements	(19)	49
At 31 December	**(40,240)**	**(39,458)**

The “effect of business combinations” item reflects the impact on provisions of acquiring an additional 50% stake in DEME on 24 December 2013.

Charges recognised in income in respect of defined-benefit and early retirement plans

(in € thousands)	2014	2013
Charges recognised in income	**(6,716)**	**(4,299)**
Service cost	(5,042)	(3,504)
Discounting effects	(4,504)	(2,790)
Return on plan assets (-)	3,264	2,133
Unrecognised past service cost	(434)	(138)

The cost of pension plans in the period is included under “Remuneration and social security payments” and under net financial items.

Charges recognised in the other elements of the comprehensive income in respect of defined-benefit and early retirement plans

(in € thousands)	2014	2013
Charges recognised in the other elements of the comprehensive income	**(1,680)**	**(4,324)**
Actuarial gains and losses	(19,685)	(5,254)
Return on plan assets (excluding amounts recognised in income)	18,005	930

Changes in provisions taken for defined-benefit and early retirement plan obligations

(in € thousands)	2014	2013
At 1 January	**(136,782)**	**(81,590)**
Service cost	(5,042)	(3,504)
Discounting effects	(4,504)	(2,790)
Contributions to plan assets	(966)	(750)
Benefits paid to beneficiaries	9,881	3,504
Remeasurement of liabilities (assets)	(19,649)	(5,164)
Actuarial gains and losses resulting from changes to demographic assumptions	0	0
Actuarial gains and losses resulting from changes to financial assumptions	(20,200)	(4,099)
Actuarial gains and losses resulting from experience adjustments	551	(1,065)
Unrecognised past service cost	(1,641)	(138)
Effect of business combinations	0	(47,452)
Effect of business disposals	0	527
Effect of exchange-rate changes	0	0
Other movements	917	575
At 31 December	**(157,786)**	**(136,782)**

The “effect of business combinations” item reflects the impact on provisioned obligations of acquiring an additional 50% stake in DEME on 24 December 2013.

Changes in defined-benefit and early retirement plan assets

(in € thousands)	2014	2013
At 1 January	**97,324**	**60,728**
Return on plan assets (excluding amounts recognised in income)	18,006	930
Return on plan assets	3,264	2,133
Contributions to plan assets	7,918	5,597
Benefits paid to beneficiaries	(8,434)	(3,207)
Effect of business combinations	0	32,182
Effect of business disposals	0	(478)
Effect of exchange-rate changes	0	0
Other movements	(532)	(561)
At 31 December	**117,546**	**97,324**

The “effect of business combinations” item reflects the impact on plan assets of acquiring an additional 50% stake in DEME on 24 December 2013.

Main actuarial assumptions at the end of the period (expressed as weighted averages)

	2014	2013
Discount rate at 31 December	2.30%	3.40%
Expected rate of salary increases	2.80% < 60 years et 1.80% > 60 years	3.00% < 60 years et 2.00% > 60 years
Inflation rate	1.80%	2.00%
Mortality tables	MR/FR	MR/FR

Other characteristics of defined-benefit plans

	2014	2013
Duration (in years)	12.60	11.62
Average real return on plan assets	22.0%	5.0%
Contributions expected to be made to the plan in the next financial year	7,396	8,343

Sensitivity analysis (impact on the amount of obligations)

	2014	2013
Discount rate		
25bp increase	-3.3%	-2.9%
25bp decrease	+3.6%	+2.9%
Growth rate		
25bp increase	+2.5%	+2.0%
25bp decrease	-0.3%	-1.8%

24. Provisions other than those relating to retirement benefit obligations and non-current employee benefits

At 31 December 2014, these provisions amounted to € 89,123 thousand, an increase of € 15,287 thousand relative to end-2013 (*) (€ 73,836 thousand).

(in € thousands)	After-sales servicee	Other current liabilitiess	Provisions for equity methods	Other non-current liabilities	Total
Balance at the end of the previous period (*)	**17,223**	**30,958**	**15,368**	**10,287**	**73,836**
Effects of changes in exchange rates	(51)	(148)	0	4	(195)
Transfers between items	(4,781)	(1,169)	9,273	282	3,605
Additions to provisions	4,661	17,970	0	10,658	33,289
Used provisions	(2,087)	(12,974)	0	(4,628)	(19,689)
Provisions reversed unused	(132)	(1,023)	0	(568)	(1,723)
Balance at the end of the period	**14,833**	**33,614**	**24,641**	**16,035**	**89,123**
of which: current:					48,447
non-current:					40,676

(*) 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 2.1

Provisions for after-sales service decreased by € 2,390 thousand to € 14,833 thousand at end-2014. The change in 2014 was the result of additions to and/or reversals of provisions recognised in relation to 10-year warranties.

Provisions for other current liabilities increased by € 2,656 thousand to € 33,614 thousand at end-2014.

These include:

- provisions for current litigation (€ 4,726 thousand), provisions for work still to be performed (€ 193 thousand), provisions for social security liabilities (€ 637 thousand) and provisions for other current liabilities (€ 11,456 thousand). As regards other current liabilities, given that talks with customers are ongoing, we cannot provide more information on the assumptions made or on when the outflow of funds is likely to happen.
- provisions for losses on completion (€ 16,602 thousand) 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.

When the CFE Group's share of losses exceeds its interest in an associate, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associate. The amount of those commitments is accounted for in the non-current provisions, as the Group considers to have the obligation to support those entities and their projects.

Provisions for other non-current liabilities include the provisions for liabilities not directly related to site operations in progress..

25. Contingent assets and liabilities

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

26. Net financial debt

26.1. Net financial debt, as defined by the group, breaks down as follows:

(in € thousands)	31/12/2014			31/12/2013 (*)		
	Non-current	Current	Total	Non-current	Current	Total
Bank loans and other financial debt	(256,035)	(155,775)	(411,810)	(448,776)	(240,822)	(689,598)
Bonds	(306,895)		(306,895)	(208,621)	0	(208,621)
Drawings on credit facilities	(60,000)		(60,000)	(30,000)	0	(30,000)
Borrowings under finance leases	(62,030)	(7,546)	(69,576)	(17,878)	(4,006)	(21,884)
Total long-term financial debt	**(684,960)**	**(163,321)**	**(848,281)**	**(705,275)**	**(244,828)**	**(950,103)**
Short-term financial debt		(43,350)	(43,350)	0	(101,290)	(101,290)
Cash equivalents		14,385	14,385	0	24,789	24,789
Cash		689,116	689,116	0	412,545	412,545
Net short-term financial debt/(cash)		**660,151**	**660,151**	**0**	**336,044**	**336,044**
Total net financial debt	(684,960)	496,830	(188,130)	(705,275)	91,216	(614,059)
Derivative instruments used as interest-rate hedges	(12,413)	(8,532)	(20,945)	(16,352)	(10,599)	(26,951)

(*) Amounts adjusted in accordance (i) with the change in accounting principle related to IFRS 10 "Consolidated financial statements" and IFRS 11 "Joint arrangements" and (ii) with the valorization of the fair value of DEME's identifiable assets and liabilities as the result of the acquisition of the remaining 50% stake in DEME on 24 December 2013 (restatement described in note 2.1).

The bond issued by a CFE, in a nominal amount of € 100 million and maturing on 21 June 2018, was reclassified as current liabilities at 31 December 2013 because of the bonds' change-of-ownership clause.

26.2. Debt maturity schedule

(in € thousands)	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	(155,775)	(90,407)	(78,868)	(86,689)	(71)	0	(411,810)
Bonds	(1,752)	(1,752)	(1,752)	(301,638)	0	0	(306,895)
Drawings on credit facilities	0	(60,000)	0	0	0	0	(60,000)
Borrowings under finance leases	(7,547)	(14,099)	(6,752)	(13,248)	(7,186)	(20,744)	(69,576)
Total long-term financial debt	**(165,074)**	**(166,259)**	**(87,372)**	**(401,575)**	**(7,257)**	**(20,744)**	**(848,281)**
Short-term financial debt	(43,350)						(43,350)
Cash equivalents	14,385						14,385
Cash	689,116						689,116
Net short-term financial debt	**660,151**	**0**	**0**	**0**	**0**	**0**	**660,151**
Change in net financial debt	**495,077**	**(166,259)**	**(87,372)**	**(401,575)**	**(7,257)**	**(20,744)**	**(188,130)**

The present value of current finance lease obligations amounted to € 7,547 thousand (2013: € 4,337 thousand), These finance leases mainly relate to DEME, the premises of the Louis Stevens & Co NV and Engema NV and the buildings and machinery of Groep Terryn NV and its subsidiaries.

26.3. Credit facilities and bank term loans

At 31 December 2014, the CFE group had confirmed long-term bank credit facilities of € 125 million, of which € 60 million were drawn at end-2014.

On 21 June 2012, CFE issued € 100 million of bonds maturing on 21 June 2018 and paying a coupon of 4.75%. On 14 February 2013, DEME issued € 200 million of bonds 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.

26.4. 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. CFE Group complies with all these covenants at 31 December 2014.

27. Financial risk management

27.1. Interest rate risk

The interest rate risk management is insured within the group by making a distinction between concessions, property management, holding, contracting activities and dredging (DEME).

As far as the concessions is concerned, the interest rate risk management is performed considering two horizons:

On the one hand, a long-term horizon to secure and optimize the economic balance of the concession, and on the other hand, a short term horizon to optimize the average cost of debt. Derivative products are used such as interest rate swaps in order to hedge the interest rate risk. These hedging instruments equal at maximum the same notional amounts and the same due dates as the hedged debts. From an accounting point of view, these products are qualified as hedging operations.

As far as dredging is concerned, the group CFE, through its subsidiary DEME, has to face important financings in the context of the dredges investments. The objective is to reach an optimal balance between the financing cost and the volatility of the financial results. DEME uses derivative instruments as interest rate swaps (IRS) in order to hedge the interest rate risk. These hedging instruments equal generally the same notional amounts and generally have the same due dates as the hedged debts. From an accounting point of view, these products will not always be qualified as hedging operations.

The contracting activities are characterized by an excess of cash which partially compensate the property commitments. The management is mainly centralized through the cash pooling.

Effective average interest rate before considering derivative products

(in € thousands)	Fixed rate			Floating rate			Total		
Type of debts	Amounts	Quota	Rate	Amounts	Quota	Rate	Amounts	Quota	Rate
Bank loans and other financial debts	1,040	0.28%	4.61%	410,770	86.67%	1.29%	411,810	48.55%	1.30%
Bonds	306,894	81.98%	4.34%	0	0.00%	0.00%	306,894	36.18%	4.34%
Credit line used	0	0.00%	0.00%	60,000	12.66%	1.25%	60,000	7.07%	1.25%
Loans related to finance lease	66,410	17.74%	1.57%	3,167	0.67%	4.25%	69,577	8.20%	1.69%
Total	**374,344**	**100%**	**3.85%**	**473,937**	**100%**	**1.30%**	**848,281**	**100%**	**2.43%**

Effective average interest rate after considering floating derivative products

(in € thousands)	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	341,955	47.81%	3.12%	69,855	52.51%	1.43%	0	0.00%	0.00%	411,810	48.55%	2.83%
Bonds	306,894	42.91%	4.34%	0	0.00%	0.00%	0	0.00%	0.00%	306,894	36.18%	4.34%
Credit line used	0	0.00%	0.00%	60,000	45.11%	1.25%	0	0.00%	0.00%	60,000	7.07%	1.25%
Loans related to finance lease	66,410	9.28%	1.57%	3,167	2.38%	4.25%	0	0.00%	0.00%	69,577	8.20%	1.69%
Total	**715,259**	**100%**	**3.50%**	**133,023**	**100%**	**1.42%**	**0**	**0.00%**	**0.00%**	**848,281**	**100%**	**3.17%**

27.2. Sensibility to the interest rate risk

The group CFE is subject to the risk of interest rates fluctuation on its result considering:

- cash flows relative to financial instruments at floating rate after hedging;
- financial instruments at fixed rate, recognized at fair value in the statement of financial position through the result;
- derivative instruments non qualified as hedge.

Nevertheless, the variation in the value of derivatives qualified as cash flow hedges does not impact directly the profit& loss accounts and is accounted for in equity.

The following analysis is performed by supposing that the amount of financial debts and derivatives as per December 31, 2014 is constant over the year.

A variation of 50 basis points in interest rate at the closing date would have had as consequence an increase or a decrease of the equity and result for the amounts indicated here below. For the needs of the analysis, the other parameters have been supposed constant.

(in € thousands)	31/12/2014			
	Result		Equity	
	Impact of the sensitivity calculation +50bp	Impact of the sensitivity calculation -50bp	Impact of the sensitivity calculation +50bp	Impact of the sensitivity calculation -50bp
Non current debts (+portion due within the year) with variable rate after accounting hedge	790	(790)		
Net short term Financial debt (*)	217	(217)		
Derivatives not qualified as hedge	141	(61)		
Derivatives qualified as highly potential or certain cash flow			2,671	(4,724)

(*) excluding cash at bank and in hand.

27.3. Description of cash flow hedge operations

Instruments qualified as cash flow hedges at the closing date have the following characteristics:

For contracting, property and holding activities:

(in € thousands)	31/12/2014						
	<1 year	Between 1 and 2 years	Between 3 and 5 years	> 5 years	Notional	Fair value asset	Fair value liability
Swap of interest rate receive floating rate and pay fixed rate							
Interest rate options (cap, collar)							
Interest rate derivatives hedge of highly probable: estimated cash flow							**0**
Swap of interest rate receive floating rate and pay fixed rate							
Interest rate options (cap, collar)							
Interest rate derivatives: hedge of certain cash flow							**0**

(in € thousands)	31/12/2013 (*)						
	<1 year	Between 1 and 2 years	Between 3 and 5 years	> 5 years	Notional	Fair value asset	Fair value liability
Swap of interest rate receive floating rate and pay fixed rate							
Interest rate options (cap, collar)							
Interest rate derivatives hedge of highly probable: estimated cash flow							**0**
Swap of interest rate receive floating rate and pay fixed rate		50,000			50,000		(540)
Interest rate options (cap, collar)							
Interest rate derivatives: hedge of certain cash flow		**50,000**			**50,000**		**(540)**

(*) Amounts adjusted in accordance with the change in accounting principle related to IFRS 10 “Consolidated financial statements” and IFRS 11 “Joint arrangements” (restatement described in note 2.1).

Pour les activités de dragage

(in € thousands)	31/12/2014						
	<1 year	Between 1 and 2 years	Between 3 and 5 years	> 5 years	Notional	Fair value asset	Fair value liability
Swap of interest rate receive floating rate and pay fixed rate							
Interest rate options (cap, collar)							
Interest rate derivatives hedge of highly probable: estimated cash flow							**0**
Swap of interest rate receive floating rate and pay fixed rate	153,174	144,068	150,246	0	447,789		(20,352)
Interest rate options (cap, collar)							
Interest rate derivatives: hedge of certain cash flow	**153,174**	**144,068**	**150,246**	**0**	**447,489**		**(20,352)**

(in € thousands)	31/12/2013 (*)						
	<1 year	Between 1 and 2 years	Between 3 and 5 years	> 5 years	Notional	Fair value asset	Fair value liability
Swap of interest rate receive floating rate and pay fixed rate							
Interest rate options (cap, collar)							
Interest rate derivatives hedge of highly probable: estimated cash flow							**0**
Swap of interest rate receive floating rate and pay fixed rate	139,521	315,582	184,349	15,659	655,110		(29,094)
Interest rate options (cap, collar)							
Interest rate derivatives: hedge of certain cash flow	**139,521**	**315,582**	**184,349**	**15,659**	**655,110**		**(29,094)**

(*) Amounts adjusted in accordance with the change in accounting principle related to IFRS 10 “Consolidated financial statements” and IFRS 11 “Joint arrangements” (restatement described in note 2.1)

Since the group CFE has taken control over DEME, a remeasurement of the effectiveness of the hedge in dredging from the acquisition date has been performed in order to confirm the hedge accounting.

27.4. Exchange rate risks

Nature of the risks at which the group is exposed

The group CFE and its subsidiaries does not practice a hedge on foreign exchange rates for its contracting and property activities as their markets are mainly situated within the euro zone. DEME practices exchange rate hedges taking into account the international character of the activity and the execution of markets in foreign currency. Changes in fair value are recorded as cost of contract if it occurs in the scope of a construction contract. Currencies subjected to exchange risk are listed in note 2.

When exchange rate risk related to a risk exposure at operational level would occur, the group policy consists in limiting the exposure to the fluctuation of foreign currencies.

Repartition of the long term financial debts by currency

The outstanding debts (without considering finance lease debts which are mainly in Euro) by currency are:

(in € thousands)	2014	2013 (*)
Euro	848,281	950,103
US Dollar	0	0
Other currencies	0	0
Total long term debts	**848,281**	**950,103**

(*) Amounts adjusted in accordance (i) with the change in accounting principle related to IFRS 10 "Consolidated financial statements" and IFRS 11 "Joint arrangements" and (ii) with the valorization of the fair value of DEME's identifiable assets and liabilities as the result of the acquisition of the remaining 50% stake in DEME on 24 December 2013 (restatement described in note 2.1).

The following table discloses the fair value and the notional amount of exchange rate instrument issued (forward sales/purchase agreements) (+: asset / - liability):

(in € thousands)	Notional					Fair value				
	USD US Dollar	Other related to USD	GBP Pound	Other	Total	USD US Dollar	Other related to USD	GBP Pound	Other	Total
Forward purchase	141,535	92,811	9,009	12,125	255,480	3,382	(98)	168	177	3,629
Forward sale	307,438	50,194	4,709	69,524	431,866	(8,773)	(395)	(77)	1,095	(8,150)

The fair value variation of exchange rate instruments is considered as a construction costs. This variation is presented as an operational result.

The group CFE, in particular through its subsidiary DEME, is exposed to exchange rate fluctuation risk on its result.

The following analysis is performed supposing that the amount of financial assets/liabilities and derivatives as per December, 31,2014 is constant over the year.

A variation of 5% of exchange rate (appreciation of the EUR) at closing date would have as a consequence an increase or a decrease of the equity and the result for the amounts disclosed here below. For the needs of the analysis, the other parameters have been supposed constant.

(in € thousands)	31/12/2014 – Result	
	Impact of sensitivity calculation depreciation of 5% of the EUR	Impact of sensitivity calculation appreciation of 5% of the EUR
Non current debts (+portion due within the year) with variable rate after accounting hedge	651	(620)
Net short term Financial debt	(635)	605
Working Capital	(1,204)	1,146

27.5. Risk related to raw materials

Raw materials and furniture incorporated into the works constitute an essential element of the cost price.

Although some markets include price revisions clauses or revision formulas and that the group CFE sets up, in some cases, hedges of furniture prices (gas-oil), the risk of price fluctuation of raw materials can not be completely excluded.

DEME is hedged against gas-oil fluctuations through the purchase of options or forward agreement on fuel. The fair value variation of these instruments is considered as construction costs. This variation is presented as an operating result.

The fair value of these instruments amounts to 7,624 thousand Euro at the end of 2014 (in comparison with -57 thousand Euro in 2013(*)).

27.6. Credit and counterparty risk

The group CFE is exposed to credit risk in case of insolvency of its clients. It is exposed to the counterparty risk in the context of cash deposits, subscription of negotiable share receivables, financial receivables and derivative products.

In addition, the group CFE set up procedures in order to avoid and limit the concentration of credit risk.

For large-scale export, if the country is eligible and the risk covered by credit insurance, DEME and CFE cover themselves regularly through competent bodies in this matter (Office National du Ducroire).

Financial instruments

The group has defined a system of investment limits in order to monitor the counterparty risk. This system determines maximum amounts eligible for investment by counterparty defined according to their credit notations published by Standard & Poor's and Moody's.

These limits are regularly monitored and updated.

Customers

Regarding the risk on trade receivables, the group defined procedures in order to limit the risk. It should be noted that a large part of the consolidated sales is realized with public or para-public clients.

In addition, CFE considers that the concentration of the counterparty risk for clients is limited due to the large number of clients.

In order to reduce the current risk, the group CFE monitors regularly its outstanding clients and adapts its position towards them. The credit risk is however not totally eliminated, but is limited. Regarding this matter, it should be noted that the order book decreases in Africa due to greater selectivity in the choice of projects and due to the sale of the Toukra II (Chad) contract to our local partner. CFE wants to limit its exposure on that country as long as there has been no significant reduction in the outstanding receivables on the Chadian government. The recovery of those receivables will be a major challenge for 2015.

The analysis of the delay of payment at the end of 2013 and 2014 arises as follows:

As per December, 31,2014 (in € thousands)	Closing	Not past due	< 3 months	< 1 year	> 1 year
Trade and other receivables	1,022,755	571,590	203,142	224,558	23,465
Gross total	**1,022,755**	**571,590**	**203,142**	**224,558**	**23,465**
Prov. Trade and other receivables	(22,846)	0	(1,589)	(5,537)	(15,720)
Total provisions	**(22,846)**	**0**	**(1,589)**	**(5,537)**	**(15,720)**
Total net amounts	**999,909**	**571,590**	**201,553**	**219,021**	**7,745**

As per December, 31,2013 (*) (in € thousands)	Closing	Not past due	< 3 months	< 1 year	> 1 year
Trade and other receivables	1,038,622	758,011	95,042	111,809	73,760
Gross total	**1,038,622**	**758,011**	**95,042**	**111,809**	**73,760**
Prov. Trade and other receivables	(22,348)	(18,721)	(518)	(648)	(2,461)
Total provisions	**(22,348)**	**(18,721)**	**(518)**	**(648)**	**(2,461)**
Total net amounts	**1,016,274**	**739,290**	**94,524**	**111,161**	**71,299**

(*) Amounts adjusted in accordance with the change in accounting principle related to IFRS 10 “Consolidated financial statements” and IFRS 11 “Joint arrangements” (restatement described in note 2.1).

The overdue amounts mainly relate to additional works and subsequent contracts modifications accepted by the customers, but that are still subject to budgetary inscriptions or that are part of a broader negotiations process.

27.7. Liquidity risk

CFE could negotiate new bilateral credit lines under favourable conditions allowing the group to decrease the liquidity risk.

27.8. Carrying amounts and fair value by accounting category

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

1 Included in captions “Other non current financial assets” and “Other non current assets”.
2 Included in caption “Cash and cash equivalents”.

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 amortized cost;
- For derivative financial instruments (foreign currency, interest rate or forecasted cash flows), the fair value is determined using valuation models discounting future cash flows based on futures interest rate curves, foreign currency curves or other forward prices;
- For the other derivative instruments, the fair value is determined by discounting future estimated cash flows;
- For the quoted bonds issued by CFE and DEME, the fair value is based on the quoted price at reporting date;
- For fixed rate liabilities; the fair value is determined by discounted cashflows, based on the market interests rates at reporting date.

28. Operating leases

The CFE group's obligations relating to non-cancellable operating leases are as follows:

(in € thousands)	2014	2013 (*)
Expiring in less than 1 year	12,550	5,699
Expiring in more than 1 year and up to 5 years	17,482	8,423
Expiring in more than 5 years	11,952	12,168
Total	**41,984**	**26,290**

(*) Amounts adjusted in accordance with the change in accounting principle related to IFRS 10 "Consolidated financial statements" and IFRS 11 "Joint arrangements" (restatement described in note 2.1).

29. Other commitments given

Total commitments given by the CFE group at 31 December 2014, other than real security interests, totalled € 1,199,817 thousand (2013(*): € 1,166,686 thousand). Commitments given by DEME are included at 100% in the comparative figures:

These commitments break down as follows,

(in € thousands)	2014	2013 (*)
Performance guarantees and performance bonds (a)	903,231	821,118
Bid bonds (b)	9,916	30,977
Repayment of advance payments (c)	19,731	17,453
Retentions (d)	22,365	58,132
Deferred payments to subcontractors and suppliers (e)	5,220	29,596
Other commitments given - including € 132.587 thousand of corporate guarantees at DEME	239,354	209,410
Total	**1,199,817**	**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" (restatement described in note 2.1).

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 works 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..

30. Other commitments received

(in € thousands)	2014	2013 (*)
Performance guarantees and performance bonds	61,403	36,994
Other commitments received	43,346	12,029
Total	**104,749**	**49,023**

(*) Amounts adjusted in accordance with the change in accounting principle related to IFRS 10 "Consolidated financial statements" and IFRS 11 "Joint arrangements" (restatement described in note 2.1).

31. Litigation

The group CFE is exposed to a number of claims that may be regarded as normal in the construction industry. In most cases, the CFE group seeks to settle with the other party, and this substantially reduced the number of legal proceedings.

The CFE group tries to recover amounts receivable from its customers. However, it is not possible to estimate these potential assets.

32. Related parties

- Ackermans & van Haaren (AvH) owns 15,289,521 CFE shares at end December 2014 and is the main shareholder of the CFE group with a stake of 60.40%.
- Key personnel consists of CFE's steering committee and the Managing Directors. The amount recognised as an expense relating to salaries and other benefits for key personnel amounted to € 2,419.7 thousand for 2014 (2013: € 2,733.6 thousand). This amount includes fixed remuneration (€ 1,626.0 thousand, 2013: € 1,783.2 thousand), variable remuneration (€ 439.0 thousand, 2013: € 472.3 thousand), various insurance payments (supplementary pension plan, hospitalisation, workplace accidents, accidents outside work, home-based nursing care, € 272.6 thousand, 2013: € 331.8 thousand) and company car expenses (€ 82.1 thousand, 2013: € 146.3 thousand).
- Dredging environmental & Marine engineering NV concluded a service contract with Ackermans van Haaren NV on November 26th, 2001. The amounts due by Dredging Environmental & Marine engineering NV, subsidiary of CFE at 100%, in accordance with this contract amounts to 1,126 thousand euro and are fully paid for 2014.
- There were no transactions with the Managing Directors other than relating to remuneration, There are no transactions with Frédéric Claes SA or Artist Valley SA, without prejudice to the remuneration of executives representing these companies.
- At 31 December 2014, the CFE group had joint control over Rent-A-Port NV and its subsidiaries. Please see note 35 for a full list. These entities are consolidated under the equity method.
- Transactions with related parties concerned mainly transactions with companies in which CFE has a joint control or a significative influence. These transactions are concluded at arm's length.
- During 2014, there were no major changes in the nature of transactions with related parties compared to December 31st, 2013. Commercial and financing transactions between the group and associates or joint-ventures consolidated under the equity method are as follows:

(in € thousands)	2014	2013 (*)
Assets with related parties	**240,276**	**292,167**
Non current financial assets	107,389	70,338
Trade and other receivables	126,468	183,022
Other current assets	6,419	38,807
Liabilities with related parties	**61,244**	**44,146**
Other non current liabilities	6,276	3,052
Trade and other liabilities	54,968	41,094

(*) Amounts adjusted in accordance (i) with the change in accounting principle related to IFRS 10 "Consolidated financial statements" and IFRS 11 "Joint arrangements" and (ii) with the valorization of the fair value of DEME's identifiable assets and liabilities as the result of the acquisition of the remaining 50% stake in DEME on 24 December 2013 (restatement described in note 2.1).

(in € thousands)	2014	2013 (*)
Revenues and expenses with related parties	**98,731**	**96,282**
Revenue and revenue from auxiliary activities	128,004	107,111
Purchases and other operating expenses	(32,464)	(13,760)
Net financial income/expense	3,191	2,931

(*) Amounts adjusted in accordance with the change in accounting principle related to IFRS 10 "Consolidated financial statements" and IFRS 11 "Joint arrangements" (restatement described in note 2.1).

33. Statutory auditors' fees

The remuneration paid to statutory auditors in respect of the whole group in 2014, including CFE SA, amounted to:

(in € thousands)	Deloitte		Other	
	Amount	%	Amount	%
Audit				
Statutory audit certification and examination of individual company and consolidated accounts	1,243.9	66.13%	572.7	48.19%
Related work and other audits	114.0	6.06%	44.5	3.75%
Subtotal, audit	**1,358.0**	**72.19%**	**617.2**	**51.94%**
Other services				
Legal, tax and employment	245.1	13.03%	454.2	38.23%
Other	278.0	14.78%	116.8	9.83%
Subtotal, other services	**523.1**	**27.81%**	**571.0**	**48.06%**
Total statutory auditors' fees:	**1,881.1**	**100%**	**1,188.2**	**100%**

34. Material post-balance sheet events

On February 2015, CFE sold its interests (100%) in Aannemingen Van Wellen NV to Asfalt-, Wegenis-, en Bouwwerken NV (ASWEBO), the road construction subsidiary of Willemen Group. The transaction that has still to be approved by market authorities should take place during the first quarter of 2015. The capital gain recognised on this sale in the Group consolidated net result of 2015 is estimated at around 10 million euro. The "Building" division of Aannemingen Van Wellen that was transferred to a subsidiary of the group on November 28th, 2014 will continue to operate in Flanders under the name "Atro Bouw".

35. Companies owned by the CFE group

List of the fully consolidated subsidiaries

Name	Head office	Division	Group interest (%) (Economic interest)
EUROPE			
Germany			
NORDSEE NASSBAGGER UND TIEFBAU GMBH	Bremen	Dredging	100%
OAM-DEME MINERALIEN GMBH	Hamburg	Dredging	70%
Belgium			
HDP CHARLEROI	Brussels	Concessions	55.04%
ABEB NV	Antwerp	Contracting	100%
AMART SA	Brussels	Contracting	100%
ARIADNE NV	Opglabbeek	Contracting	100%
BATIMENTS ET PONTS CONSTRUCTION SA	Brussels	Contracting	100%
BE.MAINTENANCE SA	Brussels	Contracting	100%
BENELMAT SA	Limelette	Contracting	100%
BRANTEGEM NV	Alost	Contracting	100%
ENGEMA SA	Brussels	Contracting	100%
ETABLISSEMENTS DRUART SA	Péronne-lez-Binche	Contracting	100%
ETEC SA	Manage	Contracting	100%
GROEP TERRYN NV	Moorslede	Contracting	55.04%
LOUIS STEVENS NV	Halen	Contracting	100%
NIZET ENTREPRISES SA	Louvain-la-Neuve	Contracting	100%
PROCOOL SA	Péronne-lez-Binche	Contracting	100%
REMACOM NV	Beervelde (Gand)	Contracting	100%
SOGECH SA	Manage	Contracting	100%
VANDERHOYDONCKS NV	Alken	Contracting	100%
VMA NV	Sint-Martens-Latem	Contracting	100%
VMA WEST NV	Meulebeke	Contracting	100%
VOLTIS SA	Louvain-la-Neuve	Contracting	100%
AGROVIRO NV	Zwijndrecht	Dredging	74.90%
BAGGERWERKEN DECLOEDT EN ZOON NV	Ostend	Dredging	100%
CEBRUVAL BRUCEVAL SA	Gosselies	Dredging	74.90%
CETRAVAL SA	Gosselies	Dredging	74.90%
COMBINED MARINE TERMINAL OPERATIONS WORLDWIDE NV	Zwijndrecht	Dredging	54.37%
DEME BLUE ENERGY NV	Zwijndrecht	Dredging	69.99%
DEME BUILDING MATERIALS NV	Zwijndrecht	Dredging	100%
DEME CONCESSIONS INFRASTRUCTURE NV	Zwijndrecht	Dredging	100%
DEME CONCESSIONS NV	Zwijndrecht	Dredging	100%
DEME CONCESSIONS WIND NV	Zwijndrecht	Dredging	100%
DEME COORDINATION CENTER NV	Zwijndrecht	Dredging	100%

Name	Head office	Division	Group interest (%) (Economic interest)
DEME ENVIRONMENTAL CONTRACTORS NV	Zwijndrecht	Dredging	74.90%
DEME NV	Zwijndrecht	Dredging	100%
DREDGING INTERNATIONAL NV	Zwijndrecht	Dredging	100%
ECOTERRES HOLDING SA	Gosselies	Dredging	74.90%
ECOTERRES SA	Gosselies	Dredging	74.90%
EVERSEA NV	Zwijndrecht	Dredging	100%
FILTERRES SA	Gosselies	Dredging	56.10%
GEOSEA NV	Zwijndrecht	Dredging	100%
GLOBAL SEA MINERAL RESOURCES NV	Ostend	Dredging	99.97%
GROND RECYCLAGE CENTRUM KALLO NV	Kallo	Dredging	52.43%
GROND RECYCLAGE CENTRUM ZOLDER NV	Heusden-Zolder	Dredging	36.70%
KALIS SA	Gosselies	Dredging	74.90%
LOGIMARINE SA	Antwerp	Dredging	100%
M.D.C.C. INSURANCE BROKERS NV	Brussels	Dredging	100%
OFFSHORE WIND ASSISTANCE NV	Zwijndrecht	Dredging	100%
PURAZUR NV	Zwijndrecht	Dredging	74.90%
SCALDIS SALVAGE & MARINE CONTRACTORS NV	Antwerp	Dredging	54.37%
INTERNATIONAL FINANCE CENTER CFE SA	Brussels	Holding	100%
BATIPONT IMMOBILIER SA	Brussels	Real Estate	100%
BRUSILIA BUILDING NV	Brussels	Real Estate	100%
CONSTRUCTION MANAGEMENT SA	Brussels	Real Estate	100%
DEVELOPPEMENT D'HABITATIONS BRUXELLOISES	Brussels	Real Estate	100%
PRE DE LA PERCHE SA	Brussels	Real Estate	100%
PROJECTONTWIKKELING VAN WELLEN NV	Kapellen	Real Estate	100%
SOGESMAINT SA	Brussels	Real Estate	100%
VAN MAERLANT SA	Brussels	Real Estate	100%
Cyprus			
CONTRACTORS OVERSEAS LTD	Oraklini	Dredging	100%
DREDGING INTERNATIONAL CYPRUS LTD	Nicosia	Dredging	100%
DREDGING INTERNATIONAL SERVICES CYPRUS LTD	Nicosia	Dredging	100%
France			
FRANCO-BELGE DE CONSTRUCTIONS INTERNATIONALES SAS	Paris		100%
ENERGIES DU NORD SAS	Lambersart	Dredging	100%
EUROP AGREGATS SARL	Lambersart	Dredging	100%
SOCIETE DE DRAGAGE INTERNATIONAL SA	Lambersart	Dredging	100%
United Kingdom			
DEME BUILDING MATERIALS LTD	West Sussex	Dredging	100%
DEME ENVIRONMENTAL CONTRACTORS UK LTD	Weybridge, Surrey	Dredging	74.90%
DREDGING INTERNATIONAL UK LTD	West Sussex	Dredging	100%

Name	Head office	Division	Group interest (%) (Economic interest)
Luxembourg			
COMPAGNIE LUXEMBOURGEOISE D'ENTREPRISES CLE SA	Strassen	Contracting	100%
DREDGING INTERNATIONAL LUXEMBOURG SA	Windhof	Dredging	100%
GEOSEA LUXEMBOURG SA	Windhof	Dredging	100%
MARITIME SERVICES AND SOLUTIONS SA	Windhof	Dredging	100%
SAFINDI SA	Windhof	Dredging	100%
SOCIETE DE DRAGAGE LUXEMBOURG SA	Windhof	Dredging	100%
TIDEWAY LUXEMBOURG SA	Windhof	Dredging	100%
COMPAGNIE IMMOBILIERE DE WEIMERSKIRCH SA	Strassen	Real Estate	100%
COMPAGNIE LUXEMBOURGEOISE IMMOBILIERE CLİ SA	Strassen	Real Estate	100%
P.R.N.E. SA PARC RESIDENTIEL NEI EISCH	Luxembourg	Real Estate	100%
SOGESMAINT CBRE LUXEMBOURG SA	Strassen	Real Estate	100%
SOCIETE FINANCIERE D'ENTREPRISES SFE SA	Strassen	Holding	100%
Hungary			
CFE HUNGARY EPITOIPARI KFT	Budapest	Contracting	100%
VMA HUNGARY LLC	Budapest	Contracting	100%
Netherlands			
CFE NEDERLAND BV	Dordrecht	Contracting	100%
GEKA BV	Dordrecht	Contracting	100%
DE VRIES & VAN DE WIEL BV	Schagen	Dredging	74.90%
DE VRIES & VAN DE WIEL KUST EN OEVERWERKEN BV	Schagen	Dredging	87.45%
DEME BUILDING MATERIALS BV	Vlissingen	Dredging	100%
TIDEWAY BV	Breda	Dredging	100%
Poland			
CFE POLSKA S.P. ZOO	Warsaw	Contracting	100%
VMA POLSKA S.P.ZOO	Warsaw	Contracting	100%
BPI OBOZOWA S.P.ZOO	Warsaw	Real Estate	100%
BPI WROCLAW S.P.ZOO	Warsaw	Real Estate	100%
IMMO WOLA S.P. ZOO	Warsaw	Real Estate	100%
Romania			
CFE CONTRACTING AND ENGINEERING SRL	Bucharest	Contracting	100%
Slovakia			
CFE SLOVAKIA SRO	Bratislava	Contracting	100%
VMA SLOVAKIA SRO	Trencin	Contracting	100%

Name	Head office	Division	Group interest (%) (Economic interest)
Other European countries			
VMA ELEKTRIK TESISATI VE INSAAT TICARET LIMITED SIRKETI	Istanbul, Turkey	Contracting	100%
BAGGERWERKEN DECLOEDT EN ZOON ESPANA SA	Madrid, Spain	Dredging	100%
BERIN ENGENHARIA DRAGAGENS E AMBIENTE S.A.	Lisbon, Portugal	Dredging	100%
DREDGING INTERNATIONAL BULGARIA SERVICES EOOD	Sofia, Bulgaria	Dredging	100%
DREDGING INTERNATIONAL ESPANA SA	Madrid, Spain	Dredging	100%
DREDGING INTERNATIONAL UKRAINE LLC	Odessa, Ukraine	Dredging	100%
MORDRAGA LLC	Saint-Petersburg, Russia	Dredging	100%
SOCIETA ITALIANA DRAGAGGI SPA	Rome, Italy	Dredging	100%
AFRICA			
Angola			
DRAGAGEM ANGOLA SERVICOS LDA	Luanda	Dredging	100%
SOYO DRAGAGEM LTDA	Luanda	Dredging	100%
Nigeria			
DREDGING INTERNATIONAL SERVICES NIGERIA LTD	Lagos	Dredging	100%
TIDEWAY INTERNATIONAL SERVICES NIGERIA LTD	Lagos	Dredging	70%
Chad			
CFE CHAD SA	Ndjamena	Contracting	100%
Tunisia			
CONSTRUCTION MANAGEMENT TUNISIE SA	Tunis	Contracting	99.96%
Other African countries			
SAMAMEDI SPA	Dely Ibrahim, Algeria	Dredging	100%
DRAGAMOZ LIMITADA	Maputo, Mozambique	Dredging	100%
ASIA			
India			
DREDGING INTERNATIONAL INDIA PVT LTD	New Dehli	Dredging	99.78%
INTERNATIONAL SEAPORT DREDGING PTY LTD	Chennai	Dredging	86.00%

Name	Head office	Division	Group interest (%) (Economic interest)
Other Asian countries			
DREDGING INTERNATIONAL MALAYSIA SDN BHD	Kuala Lumpur, Malaysia	Dredging	100%
DREDGING INTERNATIONAL ASIA PACIFIC PTE LTD	Singapore	Dredging	100%
DREDGING INTERNATIONAL MANAGEMENT CONSULTING SHANGHAI LTD	Shanghai, China	Dredging	100%
FAR EAST DREDGING LTD	Hong Kong	Dredging	100%
MASCARENES DREDGING & MANAGEMENT LTD	Ebene,Mauritius	Dredging	100%
OFFSHORE MANPOWER SINGAPORE PTE LTD	Singapore	Dredging	100%
AMERICAS			
Brazil			
DEC DO BRASIL ENGENHARIA AMBIENTAL LTDA	Santos	Dredging	74.90%
DRAGABRAS SERVICOS DE DRAGAGEM LTDA	Rio de Janero	Dredging	100%
Canada			
TIDEWAY CANADA LTD	New Scotland	Dredging	100%
Other American countries			
DREDGING INTERNATIONAL MEXICO SA	Mexico	Dredging	100%
DREDGING INTERNATIONAL DE PANAMA SA	Panama	Dredging	100%
LOGIMARINE SA DE CV	Mexico	Dredging	100%
OFFSHORE MANPOWER SUPPLY PANAMA LTD	Panama	Dredging	100%
SERVIMAR SA	Caracas, Venezuela	Dredging	100%
PACIFIC			
Australia			
DREDGING INTERNATIONAL AUSTRALIA PTY LTD	Queensland	Dredging	100%
GEOSEA AUSTRALIA PTY LTD	Brisbane	Dredging	100%

With the exception of Aannemingen Van Wellen NV, which has a 30 November year end, and VMA West NV, which has a 30 June year end, all subsidiaries have a 31 December year end.

List of the entities accounted for under the equity method

Name	Head Office	Division	Group interest (%) (Economic interest)
EUROPE			
Belgium			
PPP BETRIEB SCHULEN EUPEN SA	Eupen	Concessions	25.00%
PPP SCHULEN EUPEN SA	Eupen	Concessions	19.00%
RENT-A-PORT NV and subsidiaries	Antwerp	Concessions	45%
BLUEPOWER NV	Zwijndrecht	Dragage	35.00%
C-POWER HOLDCO NV	Zwijndrecht	Dragage	19.67%
C-POWER NV	Ostend	Dragage	11.67%
FLIDAR NV	Ostend	Dragage	50%
HIGH WIND NV	Zwijndrecht	Dragage	50.40%
OTARY RS NV	Ostend	Dragage	18.89%
POWER@SEA NV	Zwijndrecht	Dragage	51.10%
POWER@SEA THORNTON NV	Dredging	Dragage	51.10%
RENEWABLE ENERGY BASE OSTEND NV	Ostend	Dredging	25.50%
RENTEL NV	Ostend	Dredging	18.89%
SEASTAR NV	Ostend	Dredging	18.89%
SEDISOL SA	Farciennes	Dredging	37.45%
SILVAMO NV	Roeselare	Dredging	37.45%
TERRANOVA NV	Evergem	Dredging	43.73%
TERRANOVA SOLAR NV	Stabroek	Dredging	18.85%
BARBARAHOF NV	Louvain	Real Estate	40%
BATAVES 1521 SA	Brussels	Real Estate	50%
BAVIERE DEVELOPPEMENT SA	Liège	Real Estate	30%
ERASMUS GARDENS SA	Brussels	Real Estate	50%
ESPACE MIDI SA	Brussels	Real Estate	20%
ESPACE ROLIN SA	Brussels	Real Estate	33.33%
EUROPEA HOUSING SA	Brussels	Real Estate	33.00%
FONCIERE DE BAVIERE A SA	Liège	Real Estate	30%
FONCIERE DE BAVIERE C SA	Liège	Real Estate	30%
FONCIERE DE BAVIERE SA	Liège	Real Estate	30%
FONCIERE STERPENICH SA	Brussels	Real Estate	50%
GRAND POSTE SA	Liège	Real Estate	24.97%
IMMO KEYENVELD I SA	Brussels	Real Estate	50%
IMMO KEYENVELD II SA	Brussels	Real Estate	50%
IMMO PA 33 1 SA	Brussels	Real Estate	50%
IMMO PA 33 2 SA	Brussels	Real Estate	50%
IMMO PA 44 1 SA	Brussels	Real Estate	50%
IMMO PA 44 2 SA	Brussels	Real Estate	50%
IMMOANGE SA	Brussels	Real Estate	50%
IMMOBILIERE DU BERREVELD SA	Brussels	Real Estate	50%

Name	Head Office	Division	Group interest (%) (Economic interest)
IMMOMAX II S.P. z.o.o.	Brussels	Real Estate	47%
IMMOMAX S.P. z.o.o.	Brussels	Real Estate	47%
INVESTISSEMENT LEOPOLD SA	Brussels	Real Estate	24.14%
LA RESERVE PROMOTION NV	Kapellen	Real Estate	33.00%
LES 2 PRINCES DEVELOPMENT SA	Brussels	Real Estate	50%
LES JARDINS DE OISQUERCQ SPRL	Brussels	Real Estate	50%
LOCORAIL NV	Wilrijk	Concessions	25.00%
LRP DEVELOPMENT BVBA	Gent	Real Estate	33.00%
OOSTEROEVER NV	Ostend	Real Estate	50%
PROMOTION LEOPOLD SA	Brussels	Real Estate	24.14%
REDERIJ ISHTAR BVBA	Ostend	Real Estate	50%
REDERIJ MARLEEN BVBA	Ostend	Real Estate	50%
SOUTH CITY HOTEL SA	Brussels	Real Estate	20%
VAN MAERLANT RESIDENTIAL SA	Brussels	Real Estate	40.00%
VICTORESTATE SA	Brussels	Real Estate	50%
VICTORPROPERTIES SA	Brussels	Real Estate	50%
VM PROPERTY I SA	Brussels	Real Estate	40.00%
VM PROPERTY II SPRL	Brussels	Real Estate	40.00%
Luxembourg			
NORMALUX MARITIME SA	Windhof	Dredging	37.50%
BAYSIDE FINANCE SRL	Luxembourg	Real Estate	40.00%
BEDFORD FINANCE SRL	Luxembourg	Real Estate	40.00%
CHATEAU DE BEGGEN SA	Strassen	Real Estate	50%
ELINVEST SA	Strassen	Real Estate	50%
PEF KONS INVESTMENT SA	Luxembourg	Real Estate	33.33%
United Kingdom			
FAIR HEAD TIDAL ENERGY PARK LTD	North Ireland	Dredging	17.50%
TERRAMUNDO LTD	West Yorkshire, United Kingdom	Dredging	37.45%
WEST ISLAY TIDAL ENERGY PARK LTD	Scotland	Dredging	17.50%
Hungary			
BETON PLATFORM KFT	Budapest	Contracting	50%
Netherlands			
COENTUNNEL COMPANY BV	Amsterdam	Concessions	23.00%
Poland			
B-WIND POLSKA SP z.o.o.	Gdynia	Dredging	51.10%
C-WIND POLSKA SP z.o.o.	Gdynia	Dredging	51.10%

Name	Head Office	Division	Group interest (%) (Economic interest)
Other European countries			
LIVEWAY LTD	Larnaca, Cyprus	Contracting	50%
LOCKSIDE LTD	Larnaca, Cyprus	Contracting	50%
CBD SAS	Ferques, France	Dredging	50%
EXTRACT ECOTERRES SA	Villeneuve-le-Roi, France	Dredging	37.45%
HGO INFRASEA SOLUTIONS GMBH & CO	Bremen, Germany	Dredging	50%
OCEANFLORE BV	Kinderdijck, Pays-Bas	Dragage	50%
AFRICA			
Nigeria			
COBEL CONTRACTING NIGERIA LTD	Lagos	Contracting	50%
COBEL CONSTRUCTION SERVICES NIGERIA LTD	Lagos	Contracting	50%
Tunisia			
COMPAGNIE TUNISIENNE D'ENTREPRISES SA	Tunis	Contracting	49.90%
BIZERTE CAP 3000 SA and its subsidiary	Tunis	Real Estate	25%
AMERICAS			
Brazil			
DEME BRASIL SERVICOS DE DRAGAGEM LTDA	Rio de Janeiro	Dredging	50.00%
MINERACOES SUSTENTAVEIS DO BRASIL SA	Sao Paulo	Dredging	51.00%
ASIA			
DIAP DAELIM JOINT VENTURE PTE LTD	Singapore	Dredging	51%
DREDGING INTERNATIONAL ASIA PACIFIC SHAP JOINT VENTURE PTE LTD	Singapore	Dredging	51.00%
DREDGING INTERNATIONAL SAUDI ARABIA LTD	South Arabia	Dredging	49.00%
MIDDLE EAST DREDGING COMPANY QSC	Abu Dhabi	Dredging	44.10%

Statement of the true and fair nature of the financial statements and the true and fair nature of the presentation in the management report

(Article 12(2) and 12(3) of Belgium's royal decree of 14/11/2007 relating to the obligations of issuers of financial instruments listed for trading on a regulated market)

We attest, in the name and on behalf of Compagnie d'Entreprises CFE SA and under that company's responsibility, that, to our knowledge,

1. the financial statements, prepared in accordance with the applicable accounting standards, give a true and fair view of the assets, financial position and results of Compagnie d'Entreprises CFE SA and of the companies included in its scope of consolidation;

1. the management report contains a true and fair presentation of the business, results and position of Compagnie d'Entreprises CFE SA and of the companies included in its scope of consolidation, along with a description of the main risks and uncertainties to which they are exposed.

Signatures

Name:	Fabien De Jonge	Renaud Bentégeat	Piet Dejonghe
Function:	Administrative and Financial Director	Managing Director	Managing Director

Date: 26 February 2015

General information about the company and its capital

Company	Compagnie d'Entreprises CFE
Head office	avenue Herrmann-Debroux 40-42, 1160 Brussels
Téléphone	+ 32 2 661 12 11
Legal form	public limited company (société anonyme)
Législation	Incorporated under Belgian law
Date of incorporation	21 June 1880
Duration	Indefinite
Accounting period	From 1 January to 31 December
Commercial register entry	RPM Brussels 0400 464 795 – VAT 400.464.795
Place where legal documentation can be consulted:	head office

Corporate purpose (article 2 of the articles of association)

« The purpose of the company is to study and execute any work or construction within each and every of its specialist areas, in particular electricity and the environment, in Belgium or abroad, singly or jointly with other natural or legal persons, for its own account or on behalf of third parties belonging to the public or private sector.

It may also perform services related to these activities, directly or indirectly operate them or license them out or carry out any purchase, sale, rent or lease operation whatsoever in respect of such undertakings.

It may directly or indirectly acquire, hold or sell equity interests in any company or undertaking existing now or in the future by way of acquisition, merger, spin-off or any other means.

It may carry out any commercial, industrial, administrative or financial operations or operations involving movable or immovable property that are directly or indirectly related to its purpose, even partially, or that could facilitate or develop that purpose, either for itself or for its subsidiaries.

The shareholders' meeting may change the corporate purpose subject to the conditions specified in Article five hundred and fifty-nine of the Belgian Companies Code".

Statutory auditor's report to the shareholders' meeting on the consolidated financial statements for the year ended 31 december 2014 To the shareholders

As required by law, we report to you in the context of our appointment as the company's statutory auditor. This report includes our report on the consolidated financial statements together with our report on other legal and regulatory requirements. These consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2014, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, as well as the summary of significant accounting policies and other explanatory notes.

Report on the consolidated financial statements – Unqualified opinion

We have audited the consolidated financial statements of Compagnie d'Entreprises CFE SA ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

The consolidated statement of financial position shows total assets of 4,215 million EUR and the consolidated income statement shows a consolidated profit (group share) for the year then ended of 160 million EUR.

Board of directors' responsibility for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Statutory auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the statutory auditor considers internal control relevant to the group's preparation and fair presentation of consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the consolidated financial statements. We have obtained from the group's officials and the board of directors the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unqualified opinion

In our opinion, the consolidated financial statements of Compagnie d'Entreprises CFE SA give a true and fair view of the group's net equity and financial position as of 31 December 2014, and of its results and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Report on other legal and regulatory requirements

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements.

As part of our mandate and in accordance with the Belgian standard complementary to the International Standards on Auditing applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we make the following additional statement, which does not modify the scope of our opinion on the consolidated financial statements:

The directors' report on the consolidated financial statements includes the information required by law, is consistent with the consolidated financial statements and is free from material inconsistencies with the information that we became aware of during the performance of our mandate.

Diegem, 27 February 2015

The statutory auditor

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

Parent-company financial statements

Parent-company statements of financial position and comprehensive income

Year ended 31 December (in € thousands)	2014	2013
Non-current assets	**1,408,686**	**1,403,091**
Start-up costs	178	178
Intangible assets	974	1,858
Property, plant and equipment	7,044	9,366
Financial assets	1,400,490	1,391,689
Related parties	1,393,639	1,385,032
Other	6,851	6,657
Current assets	**330,754**	**289,147**
Receivables at more than 1 year	0	0
Inventories and work in progress	126,857	127,339
Receivables at up to 1 year	184,335	140,424
- Trade receivables	128,963	96,718
- Other receivables	55,372	43,706
Cash investments	1,932	92
Cash equivalents	11,263	16,016
Prepaid expenses	6,367	5,276
Total assets	**1,739,439**	**1,692,238**
Equity	**1,129,891**	**1,148,532**
Share capital	41,330	41,330
Share premium	592,651	592,651
Revaluation surplus	487,399	492,464
Reserves	8,511	21,477
Retained earnings/(losses)	0	610
Provisions and deferred tax	**61,553**	**54,738**
Liabilities	**547,995**	**488,968**
Liabilities at more than 1 year	113,439	308
Liabilities at up to 1 year	434,078	487,550
- Financial debt	7,854	108,762
- Trade payables	110,266	124,491
- Tax liabilities and downpayments on orders	118,329	102,776
- Other payables	197,629	151,521
Prepaid income	478	1,110
Total equity and liabilities	**1,739,439**	**1,692,238**

Year ended 31 December (in € thousands)	2014	2013
Income		
Sales of goods and services	376,996	381,040
Cost of goods sold and services provided	(376,491)	(413,429)
- Merchandise	(260,656)	(291,027)
- Services and other goods	(61,701)	(50,593)
- Remuneration and social security payments	(41,402)	(58,765)
- Depreciation, amortisation, impairment and provisions	(9,322)	(11,733)
- Other	(3,410)	(1,311)
Operating income	505	(32,389)
Financial income	57,807	26,536
Financial expense	(10,246)	(9,562)
Recurring pre-tax income	48,066	(15,415)
Non-recurring income	4	124
Non-recurring expenses	(11,131)	(9,376)
Pre-tax income	36,939	(24,667)
Tax (current and adjustments)	113	(33)
Net income	37,052	(24,700)
Appropriation of income		
Net income	37,052	(24,700)
Retained earnings	610	54,422
Dividend	(50,629)	(29,112)
Available reserves	14,820	0
Legal reserve	(1,853)	0
Retained earnings carried forward	0	610

Analysis of statements of financial position and comprehensive income

CFE SA's revenues fell in 2014, This was due to lower business levels in civil engineering and in the buildings business in Brussels and in the Walloon region.

The operating result is lightly positive and reach 505 thousand euro.

Income from financial assets increased because of higher dividends paid by subsidiaries.

Exceptional expenses arose from measures taken to address difficulties at certain subsidiaries.

CFA SA made a net profit of € 37.1 million.