Intermediary Report

As of June 30, 2017

Intermediary report of the group CFE

Table of contents

Management report of board of directors

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

The Board of Directors of CFE examined and approved the H1 2017 financial statements at its meeting on August 25, 2017.

1. Key figures in the first half of 2017

In million €	**1st semester 2017**	1st semester 2016	**Variation**
Revenue	**1,455.9**	1,224.5	**18.9%**
Self-financing capacity (EBITDA) (*) % of revenue	**226.0** 15.5%	182.2 14.9%	**24.0%**
Operating income on activities (*) % of revenue	**116.3** 8.0%	70.5 5.8%	**65.0%**
Operating income (EBIT) (*) % of revenue	**101.0** 6.9%	75.5 6.2%	**33.8%**
Net income share of the group % of revenue	**67.8** 4.7%	53.0 4.3%	**27.9%**
Net income share of the group per share (in EUR)	**2.68**	2.10	**27.6%**

(*) The definitions are included in the 'Consolidated financial statements' section of the intermediary report.

In million €	**30 June 2017**	**31 December 2016**	**Variation**
Equity share of the Group	**1,540.8**	1,521.6	**1.3%**
Net financial debt	**275.8**	213.1	**29.4%**
Order book	**4,923.1**	4,756.7	**3.5%**

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

Dredging, Environmental & Marine Engineering division

Key figures (*)

In million €	**1st semester 2017**	1st semester 2016	**Variation**
Revenue	**1,097.7**	802.1	**36.8%**
EBITDA (**)	**195,4**	185.3	**5.4%**
Operating income (**)	**69,1**	78.3	**-11.7%**
Net income share of the group	**45,1**	54.1	**-16.6%**

(*) Amounts restated to take account of the recognition at fair value of the identifiable assets and liabilities of DEME following the acquisition of an additional 50% of the DEME shares on 24 December 2013.
(**) The definitions are included in the 'Consolidated financial statements' section of the intermediary report.

In million €	**30 June 2017**	31 December 2016	**Variation**
Order book	**3,845.0**	3,800.0	**1.2%**
Net financial debt	**232.9**	155.0	**50.3%**

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)	**1st semester 2017**	1st semester 2016	**Variation**
Revenue	**1,102.9**	803.1	**37.3%**
EBITDA	**194.4**	195.2	**-0.4%**
Income from operating activities	**79.8**	84.7	**-5.8%**
Net income share of the group	**46.1**	54.0	**-14.6%**
Investments	**264.1**	112.6	**134.6%**

Revenue (economic approach)

DEME's revenue amounted to €1,102.9 million (€803.1 million in the first half of 2016).

GeoSea (DEME's subsidiary specializing in complex offshore projects) reported a high level of activity, generated mainly by four major projects: Rentel, Merkur, Hohe See and Galloper.

Off the German North Sea coast, GeoSea completed the installation of the 66 monopiles for the Merkur wind farm at the beginning of July, while construction of the foundations for the Hohe See project (and its extension Albatross) has begun.

Off the Belgian coast, the ‘Innovation’, flagship of GeoSea’s fleet, started work in July on the installation of the 42 monopiles for the Rentel wind farm. Activity during the first six months of 2017 focused on the design and manufacture of the monopiles and transition pieces.

In the UK, the Galloper project, situated 27 km off the Suffolk coast, is virtually finished: the 56 foundations have been installed, and ancillary works are nearing completion.

Business for the dredging division was not so brisk during the first half of 2017 compared with the first half of 2016, due to delays in the start-up and award of several projects in the Middle East and Asia. This situation is reflected in a lower occupancy of the fleet, which weighed on DEME’s results.

During the first six months, DEME continued works on its two major projects in Singapore: the extension of Jurong Island (JIWE), and the Tuas Terminal - Phase 1 (TTP1) project. DEME also finished a port extension project at Port Louis (Mauritius) within the appointed deadline. Maintenance dredging activity was buoyant, particularly in Belgium, Germany and Africa.

Evolution of activity by business area (economic approach)

In %	**1st semester 2017**	1st semester 2016
Capital dredging	**23%**	44%
Maintenance dredging	**12%**	14%
Fallpipe and landfalls	**6%**	4%
Environment	**8%**	13%
Civil works	**3%**	3%
Marine works	**48%**	22%
Total	**100%**	100%

Evolution of activity by geographical area (economic approach)

In %	**1st semester 2017**	1st semester 2016
Europe (EU)	**68%**	50%
Europe (non-EU)	**3%**	2%
Africa	**11%**	15%
Americas	**3%**	7%
Asia-Pacific	**12%**	16%
Middle East	**1%**	4%
India and Pakistan	**2%**	6%
Total	**100%**	100%

EDITDA and operating income (economic approach)

As projected, the EBITDA margin, expressed as a percentage of revenue, came to 17.6%, which is close to the historical average.

Order book

DEME's order book grew by 1.2% to €3,845 million at 30 June 2017.

Several substantial orders were won during the first half of 2017:

- In January, DEME landed several dredging contracts in India and the Maldives worth a total of around €100 million.

- DEME also won the DBM contract for the design, construction and 15-year maintenance of the first section of the RijnlandRoute in the Netherlands. The project, which will be realized by DIMCO (DEME's subsidiary specializing in civil engineering works) and its partners, involves the construction of a 2.2 km bored tunnel, building a new 4 km road, and widening 12 km of motorway.

- On 21 February 2017, the Hohe See EPCI contract came into effect after the financial close was reached. The contract involves the design, construction, transport and installation of the 71 monopile foundations for the Hohe See offshore wind farm, situated around 90 km north of the Borkum island in the German North Sea. At the end of June 2017, GeoSea won an additional contract for the manufacture and installation of 16 monopile foundations and a conversion module for the offshore wind farm Albatross, which adjoins the Hohe See wind farm and is built for the same customer.

- In April, DEME's German branch landed a contract for maintenance dredging of the river Elbe. This contract was awarded for a two-year period and covers a stretch of 116 km between Hamburg and the North Sea.

- In May, DEME won several contracts in Africa worth a total of €125 million, primarily a five-year maintenance dredging contract for the access channel to the Soyo gas terminal in Angola, and a coastal protection contract at Cotonou in Benin.

Investments

Investments in the first six months of 2017 amounted to €264.1 million according to the economic approach, a sharp rise compared with the first six months of 2016 (€112.6 million) as the investment programme was stepped up.

In February 2017, DEME confirmed an order for two additional vessels with an overall budget of around €500 million:

- 'SPARTACUS', a cutter suction dredger with a total power of 44,180 kW; it will be the world's most powerful and most state-of-the-art vessel in its class, and will be particularly suited for dredging works on rocky beds and in the hardest types of soil, including for offshore work ('Smart Mega Cutter Suction Dredger')

- 'ORION', a dynamic positioning crane vessel with a total power of 44,180 kW; with a lifting capacity of 5,000 tonnes up to a height of more than 50 metres, it will be deployed on offshore construction work, such as for the construction of the largest offshore wind farms, offshore services for customers in the oil and gas industry, and the dismantling of old offshore structures

The dredger 'Minerva', with a capacity of 3,500 m³, was ceremonially launched in Zeebrugge on 23 June 2017.

In July 2017, GeoSea announced it had concluded an agreement with DONG Energy and Siemens on the acquisition of the company A2SEA during the second half of 2017. The transaction is expected to be finalized very shortly, and will have an estimated impact of €170 million on DEME's net financial debt.

The company A2SEA, based in Fredericia, Denmark, and owned by DONG Energy and Siemens, has branches in Germany and the United Kingdom. In recent months, A2SEA restructured its operations, making major cutbacks in its workforce and selling off part of its fleet and its division specializing in laying subsea cables. It means that GeoSea will be acquiring a financially sound structure.

A2SEA specializes in the installation of wind towers and turbines in Western Europe. It has a workforce of around 160 highly qualified and specialized employees. At 30 June 2017, its order book was worth €141 million. A2SEA owns two vessels equipped with the latest technologies, built in 2012 and 2014 (Sea Installer and Sea Challenger).

With this acquisition, GeoSea completes its range of services by acquiring the market leader in the installation of wind towers and turbines in Europe.

Net financial debt

DEME's net financial debt amounted to €232.9 million at 30 June 2017 (€235.2 million according to the economic approach).

Despite the substantial increase in capital expenditure, the net financial debt rose by just €77.9 million during the first six months of 2017 thanks to the cash flow from operating activities and the improvement in working capital requirement.

Contracting division

Key figures

In million €	1st semester 2017	1st semester 2016	Variation
Revenue	**351.2**	400.5	**-12.3%**
Operating income *(*)*	**14.8**	7.6	**94.7%**
Net Income share of the group	**8.8**	4.1	**114.6%**

(*) The definitions are included in the 'Consolidated financial statements' section of the intermediary report.

In million €	30 June 2017	31 December 2016	Variation
Order book	**960.6**	850.5	**12.9%**
Net Financial debt	**-84.4**	-92.0	**-8.3%**

Revenue

In million €	1st semester 2017	1st semester 2016 (*)	Variation
Construction	**242.9**	**293.5**	**-17.2%**
Buildings, Belgium	*177.9*	*226.6*	*-21.4%*
Buildings, International	*65.0*	*66.9*	*-2.8%*
Multitechnics	**74.9**	**76.2**	**-1.7%**
Rail infra & Utility Networks	**33.4**	**30.8**	**8.4%**
Total Contracting	**351.2**	**400.5**	**-12.3%**

Revenue in the Contracting division amounted to €351.2 million, down 12.3% on the first half of 2016.

The drop in activity primarily affected the Belgian entities of the Construction segment: several of their large projects were completed in the second half of 2016 (more particularly the Docks shopping centre), while the new large-scale projects do not yet generate significant activity. In Flanders, the final projects that are part of the Public Private Partnership 'Schools of Tomorrow' are in the course of completion.

Activity in Luxembourg remains busy. Delivery of the real estate project 'Kons' was accepted in March 2017, while construction of the Lycée Français progressed according to schedule.

Operating income

CFE Contracting reported an operating income of €14.8 million, up 94.7% on the first six months of 2016.

All segments made a positive contribution to the division's operating income.

This positive trend is essentially attributable to the Construction segment.

In Multitechnics, VMA reported an increase in both revenue and profit, while the entities of the Rail infra & Utility Networks segment generally increased their contribution to the division's operating income.

Order book

In million €	30 June 2017	31 December 2016	Variation
Construction	**737.5**	**648.7**	**13.7%**
Buildings, Belgium	*520.3*	*505.0*	*3.0%*
Buildings, International	*217.2*	*143.7*	*51.1%*
Multitechnics	**155.9**	**143.4**	**8.7%**
Rail infra & Utility Networks	**67.2**	**58.4**	**15.1%**
Total Contracting	**960.6**	**850.5**	**12.9%**

The order book grew by 12.9% during the first six months of 2017.

Order intake was high for most entities of the division, particularly in Brussels and in Poland, where CFE Polska landed two major contracts, one in Gdansk (residential project) and the other in Zabrze, Southern Poland (extension of a shopping centre). In Luxembourg, CLE won the contract for the Naos project (mixed office/retail building).

Net cash position

The Contracting division's net cash position stood at €84.4 million (€92.0 million at 31 December 2016).

Van Laere

The boards of directors of Ackermans & van Haaren and CFE examine the combination of the activities of Van Laere group and CFE Contracting under CFE.

Van Laere group, a leading general contractor in Belgium, realised a turnover of €195 million in 2016. It is fully owned by Ackermans & van Haaren. The main entities of the Van Laere group are Algemene Aannemingen Van Laere NV, Groupe Thiran SA and Arthur Vandendorpe NV.

Even though the transaction does not fall within the scope of article 524 of the Companies Code, the board of directors of CFE decided on June 23, 2017 to appoint a committee of independent directors. The committee is composed of Ciska Servais SPRL, represented by Mrs Ciska Servais, by Pas de Mots SPRL, represented by Mrs Leen Geirnaerdt, and by Mr Philippe Delusinne. This committee will describe the nature and terms of this transaction, evaluate the pro's and con's for CFE and its shareholders and evaluate the financial consequences, to allow the board of directors of CFE to take a final decision.

The transaction could take place in the course of the fourth quarter of 2017, after the realization of a due diligence, which has started.

The interest of this transaction for CFE Contracting is twofold:

- Strengthen its presence in Flanders and take advantage of the volume of business generated by the real estate entities of the Ackermans & van Haaren group;
- Take advantage of economies of scale, synergies and sharing of good practices.

Real Estate division

Key figures

In million €	**1st semester 2017**	1st semester 2016	**Variation**
Revenue	**7.1**	7.6	**-6.6%**
Operating income (*)	**19.3**	0.5	**n.s.**
Net income share of the group	**18.8**	-0.8	**n.s.**

(*) The definitions are included in the 'Consolidated financial statements' section of the intermediary report.

Evolution of real estate projects (*)

In million €	**30 June 2017**	31 December 2016
Unsold units post completion	12	17
Properties under construction	32	35
Properties in development	71	78
Total capital employed	**115**	**130**
Net financial debt	**53**	**88**

(*) Real estate projects is the sum of the equity and net financial debt of the real estate division.

Belgium

In the Brussels area, BPI and its partners continued the marketing and construction of residential units in the projects 'Erasmus Gardens' in Anderlecht, 'Les Hauts-Prés' in Uccle, and 'Ernest The Park' in Ixelles.

In Liège, BPI and its partner will start the construction of a 12,500 m² office building near Guillemins railway station (Val Benoît site). A long-term lease has been concluded with Forem for 5,500 m² office space.

Luxembourg

BPI Luxembourg won the tender launched by the City of Differdange for the development of a mixed-use real estate complex with a total gross floor area of 25,500 m² ('Entrée de ville' project).

Work on the residential project 'Kiem' (Kirchberg-Plateau) has begun, and virtually all apartments have already been sold.

Poland

BPI Polska continued developing the projects 'Wola Libre' (Warsaw) and 'Bulwary Ksiazece' (Wroclaw). In Gdansk, the last tower block of the 'Ocean Four' project was completed in July 2017, and 98% has been sold.

Two new acquisitions were recently finalized: a building plot in Poznan on which a residential property of approximately 13,000 m² will be built, and a building plot adjoining the 'Wola Libre' project in Warsaw. The second acquisition (also a residential project) is conditional upon the decontamination of the site by the seller.

Net income share of the group

BPI reported an all-time high after tax profit, which is explained by two major transactions that were finalized during the first half of 2017:

- The sale to an institutional investor of its stake in the 'Kons' building situated opposite Luxembourg City railway station;
- The sale to its partner of its stake in the residential project 'Oosteroever' in Ostend, Belgium.

Holding, non-transferred activities and inter division eliminations

Key figures

In million €	1st semester 2017	1st semester 2016	Variation
Revenue	**-0.2**	14.4	**-101.4%**
Operating income *(*)*	**-2.1**	-10.9	**-80.7%**
Net income share of the group	**-4.9**	-4.3	**13.9%**

(*) The definitions are included in the 'Consolidated financial statements' section of the intermediary report.

Revenue

Revenue includes €-19.5 million inter-division eliminations. Adjusted for this item, the revenue of the non-transferred activities amounted to €19.3 million (as against €29.5 million in the first half of 2016). This figure mostly represents the activity generated by the last civil engineering projects in Belgium that were not transferred to DEME in 2015. The main one is the Brussels-South wastewater treatment plant project, which is progressing according to plan.

Operating income

The division's operating income was adversely affected by an under-recovery of overhead costs, agency fees and maintenance costs of the Grand Hotel in Chad, and the negative contribution of Rent-A-Port (in Vietnam, there were no significant sales of industrial land during the first six months of 2017).

Net income share of the group

The division's net income, share of the group, amounted to €-4.9 million (€-4.3 million in the first half of 2016).

In the first half of 2016, the net result, share of the group, of the Holding division was favourably influenced by the capital gain realized on the disposal of CFE's stake in Locorail, the company operating the Liefkenshoek rail tunnel in Antwerp.

Receivables from Chad

The operational management and maintenance of the Grand Hotel were transferred in June 2017 to the hotel operator appointed by the Chadian government. The Grand Hotel was officially opened on 1 July 2017.

The receivables on Chad remain unchanged. Negotiations to refinance our receivables are progressing more slowly than expected.

3. An overview of the results

3.A.1 Condensed consolidated statement of income

Year ended at June 30 (in thousands €)	**2017**	2016
Revenue	**1,455,872**	**1,224,532**
Revenue from auxiliary activities	57,988	31,227
Purchases	-809,501	-591,732
Wages, salaries & social charges	-281,781	-291,942
Other operating charges	-189,435	-189,388
Depreciations and amortization	-116,844	-112,178
Goodwill Impairment	0	0
Operating income on activities	**116,299**	**70,519**
Earnings from associates and joint ventures	-15,284	4,938
Operating income	**101,015**	**75,457**
Cost gross financial debt	-9,427	-13,265
Other financial expenses and income	-3,867	1,428
Financial result	**-13,294**	**-11,837**
Result before taxes	**87,721**	**63,620**
Income tax expense	-20,926	-11,373
Net income for the period	**66,795**	**52,247**
Attributable to owner of non-controlling interest	1,030	799
Net income share of the group	**67,825**	**53,046**

Condensed consolidated statement of comprehensive income

Year ended 30 June (in thousands €)	**2017**	2016
Net income for the period – Share of the group	67,825	53,046
Net income for the period	**66,795**	**52,247**
Change in fair values related to the hedging instruments	7,227	-5,253
Currency translation differences	-19	4,581
Deferred taxes	-1,439	1,859
Other elements of the comprehensive income to be reclassified to profit or loss in subsequent period	**5,769**	**1,187**
Remeasurement on defined benefit plans	0	0
Deferred taxes	0	0
Other elements of the comprehensive income not to be reclassified to profit or loss in subsequent period	**0**	**0**
Total elements of the comprehensive income directly accounted in equity	**5,769**	**1,187**
Comprehensive income - attributable to the group - attributable to non-controlling interests	**72,564** 73,656 -1,092	**53,434** 54,294 -860
Net result share of the group per share (€) (basic and diluted) Comprehensive income per share (€) (basic and diluted)	2.68 2.91	2.10 2.14

3.A.2 Consolidated statement of financial position

Year ended (in thousands €)	30 June 2017	31 December 2016
Intangible assets	92,449	95,441
Goodwill	175,169	175,169
Tangible assets	1,832,355	1,683,304
Associates and joint ventures	121,544	141,355
Other non-current financial assets	151,928	153,976
Non-current derivative instruments	1,333	510
Other non-current assets	21,138	23,518
Deferred tax assets	111,636	126,944
Total non-current assets	**2,507,552**	**2,400,217**
Inventories	92,093	94,836
Trade receivables and other operating receivable	1,150,131	1,160,306
Other current assets	39,796	38,430
Current derivative instruments	8,961	2,311
Current financial assets	33	48
Assets held for sale	19,916	19,916
Cash and cash equivalents	592,953	612,155
Total current assets	**1,903,883**	**1,928,002**
Total assets	**4,411,435**	**4,328,219**
Issued capital	41,330	41,330
Share premium	800,008	800,008
Retained earnings	727,926	714,527
Defined benefits plans	-19,464	-19,464
Hedging reserves	-1,549	-7,337
Translation differences	-7,462	-7,505
Equity – part of the group CFE	**1,540,789**	**1,521,559**
Non-controlling interests	13,334	14,918
Equity	**1,554,123**	**1,536,477**
Retirement benefit obligations and employee benefits	51,362	51,215
Provisions	35,588	43,085
Other non-current liabilities	944	5,645
Bonds	202,739	303,537
Financial debts	443,690	367,147
Non-current derivative instruments	12,838	18,475
Deferred tax liabilities	136,256	151,970
Total non-current liabilities	**883,417**	**941,074**
Current provisions	70,507	65,113
Trade & other operating payables	1,214,193	1,138,288
Income tax payable	33,930	69,398
Bonds	99,959	0
Current financial debts	122,390	154,522
Current derivative instruments	15,354	23,515
Liabilities held for sale	6,032	6,004
Other current liabilities	411,560	393,828
Total current liabilities	**1,973,895**	**1,850,668**
Total equity and liabilities	**4,411,435**	**4,328,219**

3.A.3 Condensed consolidated cash flow statement

Year ended 30 June (in thousands €)	**2017**	2016 (*)
Cash flows relating to operating activities	**281,205**	161,458
Cash flows relating to investing activities	**-269,351**	-114,983
Cash flows relating to financing activities	**-29,950**	-82,533
Net increase/decrease in cash position	**-18,096**	-36,058

(*) Amounts restated in accordance with changes in the accounting presentation related to the consolidated cash flow statement which is applied by the group since January 1st, 2017 and detailed in the note 3.2. of the intermediary report.

3.A.4 Figures per share

	30 June 2017	30 June 2016
Total number of shares	**25,314,482**	25,314,482
Operating result after deduction of the net financial charges per share (in €)	3.46	2.51
Net result share of the group per share (in €)	**2.68**	2.10

4. Information on business trends

CFE's consolidated revenue will increase significantly in 2017, albeit to a lesser degree than initially expected due to delays in the start-up and award of new projects at DEME.

Excluding potential non-recurring items, the Group's net result, share of the group, for 2017 is expected to be in line with last year.

5. Information related to the share

At 30 June 2017, CFE's share capital was divided into 25,314,482 shares.

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

6. Corporate governance

The general meeting of 4 May 2017 renewed the director's mandates of Luc Bertrand, John-Eric Bertrand, Piet Dejonghe, Jan Suykens, Alain Bernard and Koen Janssen for a period of four years. Luc Bertrand was reappointed as chairman of the board of directors.

The general meeting also renewed the director's mandate of Renaud Bentégeat for a period of three years. He and Piet Dejonghe were both reappointed as managing directors.

Finally, the general meeting approved the appointment of Pas de Mots SPRL, having as its permanent representative Leen Geirnaerdt, for a period of three years. Pas de Mots SPRL and its permanent representative, Leen Geirnaerdt, meet the independence criteria defined in Article 526c of the Companies Code and in the 2009 Belgian Corporate Governance Code.

Interim condensed consolidated financial statements and notes

DEFINITIONS

Capital employed	Intangible assets + goodwill + property, plant and equipment + working capital requirement
Working capital requirement	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
Net financial debt (NFD)	Cash and cash equivalents - non-current and current bonds– non-current and current financial liabilities
Income from operating activities	Turnover + revenue from auxiliary activities + purchases + wages, salaries and social charges + other operational charges and depreciation and goodwill depreciation
Operating income (EBIT)	Income from operating activities + earnings from associates and joint venture
EBITDA	Income from operating activities + amortisation and depreciation + other non-cash items

CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the period from January 1st to June,30th (In thousand Euro)	Note	June 2017	June 2016
Revenue		**1,455,872**	**1,224,532**
Revenue from auxiliary activities	6	57,988	31,227
Purchases		(809,501)	(591,732)
Remuneration and social security payments		(281,781)	(291,942)
Other operating expenses		(189,435)	(189,388)
Depreciation and amortization		(116,844)	(112,178)
Income from operating activities		**116,299**	**70,519**
Earnings from associates and joint venture	11	(15,284)	4,938
Operating income		**101,015**	**75,457**
Cost of gross financial debt	7	(9,427)	(13,265)
Other financial expenses & income	7	(3,867)	1,428
Net financial income/expense		**(13,294)**	**(11,837)**
Pre-tax income		**87,721**	**63,620**
Income tax expense	9	(20,926)	(11,373)
Net income for the period		**66,795**	**52,247**
Attributable to owners of non-controlling interests	8	1,030	799
Net income share of the group		**67,825**	**53,046**
Net income of the group per share (EUR) (diluted and basic)		2.68	2.10

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period from January 1st to June,30th (In thousand Euro)	Note	June 2017	June 2016
Net income share of the group		**67,825**	**53,046**
Net income for the period		**66,795**	**52,247**
Changes in fair value related to hedging instruments		7,227	(5,253)
Currency translation differences		(19)	4,581
Deferred taxes		(1,439)	1,859
Other elements of the comprehensive income to be reclassified to profit or loss in subsequent periods		**5,769**	**1,187**
Re-measurement on defined benefit plans		0	0
Deferred taxes		0	0
Other elements of the comprehensive income not to be reclassified to profit or loss in subsequent periods		**0**	**0**
Other elements of the comprehensive income directly accounted in equity		**5,769**	**1,187**
Comprehensive income:		**72,564**	**53,434**
- Attributable to owners of the parent		73,656	54,294
- Attributable to owners of non-controlling interests		(1,092)	(860)
Net income attributable to owners of the parent per share (EUR) (diluted and basic)		2.91	2.14

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the period ended June 30th (In thousand Euro)	Notes	June 2017	December 2016
Intangible assets		92,449	95,441
Goodwill		175,169	175,169
Property, plant and equipment	10	1,832,355	1,683,304
Investments in associates and joint ventures	11	121,544	141,355
Other non-current financial assets		151,928	153,976
Derivative instruments – Non-current assets	16	1,333	510
Other non-current assets		21,138	23,518
Deferred tax assets		111,636	126,944
Total non-current assets		**2,507,552**	**2,400,217**
Inventories	12	92,093	94,836
Trade and other operating receivables	13	1,150,131	1,160,306
Other current assets		39,796	38,430
Derivative instruments – Current assets	16	8,961	2,311
Current financial assets		33	48
Assets held for sale		19,916	19,916
Cash and cash equivalents	17	592,953	612,155
Total current assets		**1,903,883**	**1,928,002**
Total assets		**4,411,435**	**4,328,219**
Share capital		41,330	41,330
Share premium		800,008	800,008
Retained earnings		727,926	714,527
Defined benefits pension plans		(19,464)	(19,464)
Hedging reserves		(1,549)	(7,337)
Currency translation differences		(7,462)	(7,505)
Equity attributable to owners of the parent		**1,540,789**	**1,521,559**
Non-controlling interests		13,334	14,918
Equity		**1,554,123**	**1,536,477**
Retirement benefit obligations and employee benefits		51,362	51,215
Provisions	14	35,588	43,085
Other non-current liabilities		944	5,645
Bonds – non-current	17	202,739	303,537
Financial liabilities	17	443,690	367,147
Derivative instruments – Non-current liabilities	16	12,838	18,475
Deferred tax liabilities		136,256	151,970
Total non-current liabilities		**883,417**	**941,074**
Current provisions	14	70,507	65,113
Trade & other operating payables		1,214,193	1,138,288
Income tax payable		33,930	69,398
Bonds - current	17	99,959	
Current financial liabilities	17	122,390	154,522
Derivative instruments – Current liabilities	16	15,354	23,515
Liabilities held for sale		6,032	6,004
Other current liabilities		411,530	393,828
Total current liabilities		**1,973,895**	**1,850,668**
Total equity and liabilities		**4,411,435**	**4,328,219**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

For the period from January 1st to June 30th (In thousand Euro)	Note	June 2017	June 2016 (*)
Operating activities			
Income from operating activities		116,299	70,519
Depreciation and amortization of intangible assets, property, plant & equipment and investment property		116,844	112,178
Net provision expense		3,135	(83)
Impairment on current and non-current assets and other non-cash items		(10,301)	(380)
Sales of non-current assets		(2,397)	(738)
Dividends from associates and joint-ventures		6,315	7,716
Cash flow from operating activities before changes in working capital		**229,895**	**189,212**
Decrease/(increase) in trade receivables and other current and non-current receivables		20,201	136,479
Decrease/(increase) in inventories		4,124	(6,751)
Increase/(decrease) in trade payables and other current and non-current payables		43,105	(134,949)
Income tax paid/received		(16,120)	(22,533)
Cash flow from operating activities		**281,205**	**161,458**
Investing activities			
Sales of non-current assets		4,654	1,876
Purchases of non-current assets		(267,774)	(109,296)
Change in percentage held in associates	5	0	0
Capital increase in investments in associates		(2,015)	(6,300)
Sale of subsidiaries	5	0	0
Loans granted		(4,216)	(1,263)
Cash flow from investing activities		**(269,351)**	**(114,983)**
Financing activities			
Interests paid		(17,877)	(22,833)
Interests received		6,970	5,086
Other financial expenses and income		(9,065)	(9,994)
Borrowings		78,672	64,886
Reimbursements of borrowings		(34,224)	(58,924)
Dividends paid		(54,426)	(60,754)
Cash flow from financing activities		**(29,950)**	**(82,533)**
Net Increase/(decrease) in cash position		(18,096)	(36,058)
Cash and cash equivalents at start of the year		612,155	491,952
Exchange rate effects		(1,106)	(1,338)
Cash and cash equivalents at end of period		592,953	454,556

(*) Amounts restated in accordance with changes in the accounting presentation of the consolidated cashflow statement which is applied within the Group since January 1st, 2017 (note 3.2.).

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2017

(thousand Euro)	Share Capital	Share premium	Retained earnings	Defined benefits pension plans	Hedging reserves	Currency Translation differences	Equity attributable to owners of the parent	Non-controlling interests	Total
December 2016	**41,330**	**800,008**	**714,527**	**(19,464)**	**(7,337)**	**(7,505)**	**1,521,559**	**14,918**	**1,536,477**
Comprehensive income for the period			**67,825**		**5,788**	**43**	**73,656**	**(1,092)**	**72,564**
Dividends paid to shareholders			(54,426)				(54,426)		(54,426)
Dividends from non-controlling interests								(592)	(592)
Other movements								100	100
June 2017	**41,330**	**800,008**	**727,926**	**(19,464)**	**(1,549)**	**(7,462)**	**1,540,789**	**13,334**	**1,554,123**

For the year ended June 30, 2016

(thousand Euro)	Share Capital	Share premium	Retained earnings	Defined benefits pension plans	Hedging reserves	Currency Translation differences	Equity attributable to owners of the parent	Non-controlling interests	Total
December 2015	**41,330**	**800,008**	**607,012**	**(7,448)**	**(10,710)**	**(6,915)**	**1,423,277**	**11,123**	**1,434,400**
Comprehensive income for the period			**53,046**		**(3,394)**	**4,642**	**54,294**	**(860)**	**53,434**
Dividends paid to shareholders			(60,755)				(60,755)		(60,755)
Dividends from non-controlling interests								(819)	(819)
Other movements			(141)				(141)	483	342
June 2016	**41,330**	**800,008**	**599,162**	**(7,448)**	**(14,104)**	**(2,273)**	**1,416,675**	**9,927**	**1,426,602**

CAPITAL AND RESERVES

The share capital on June 30, 2017 is represented by 25,314,482 ordinary shares. These shares are without any nominal value. The shareholders of ordinary shares have the right to receive dividends and the right of one vote per share at the General Shareholders' Meeting.

On February 23, 2017 the Board of Directors proposed a dividend of 54,426 thousand Euro, corresponding to 2.15 Euro gross per share. The proposal has been approved by the General Shareholders Meeting on May 4, 2017. The dividend has been paid.

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

It is calculated as follows :

NET RESULT PER SHARE

(In thousand Euro)	2017	2016
Net income attributable to shareholders	**67,825**	**53,046**
Comprehensive income attributable to owners of the parent	**73,656**	**54,294**
Number of ordinary shares at closing date	25,314,482	25,314,482
Basic (diluted) income by share in Euro	**2.68**	**2.10**
Comprehensive income attributable to owners of parent by share in Euro	**2.91**	**2.14**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE EXERCISE ENDED AT JUNE 30, 2017

Preamble

The Board of Directors authorized the issue of the interim condensed consolidated financial statements on August 25, 2017.

MAIN TRANSACTIONS FOR THE FIRST SIX MONTHS OF 2017 AND THE FIRST SIX MONTHS OF 2016 WITH EFFECT ON THE SCOPE OF THE GROUP CFE

TRANSACTIONS FOR THE FIRST SIX MONTHS OF 2017

1. Dredging and environment segment

In the first half year 2017, DEME acquired a 50% stake in the company K3 DEME which is consolidated under the equity method.

2. Contracting segment

On April 26th, 2017 CFE Group, through its subsidiary CFE Contracting SA, acquired a 100% stake in the newly created company CFE Senegal SASU which is fully consolidated.

3. Real estate segment

On June 29th, 2017 CFE Group, through its subsidiary BPI SA, acquired a 50% stake in the newly created company Ernest 11 SA which is integrated based on the equity method.

In the first half year 2017, BPI Luxembourg SA sold its stake in the company Pef Kons Investment SA (33,33%) which was integrated based on the equity method.

In the first half year 2017, BPI SA sold its stake in the companies Rederij Marleen BVBA, Rederij Ishtar BVBA and Oosteroever NV (50%) which were integrated based on the equity method.

4. Holding and non-transferred activities

Nihil.

TRANSACTIONS FOR THE FIRST SIX MONTHS OF 2016

1. Dredging and environment segment

During the first half year 2016, DEME acquired :

- A 100% stake in the newly created companies GeoSea Infra Solutions GMBH, DEME Concessions Wind BV and DEME Concessions Merkur BV which are fully consolidated;
- A 49.94% stake in the newly created company Blue Open NV which is integrated under the equity method;
- A 37.45% stake in the newly created company Top Wallonie SA which is integrated under the equity method;
- A 25.47% stake in the newly created company Blue Gate Antwerp Development BV which is integrated under the equity method;
- A 17.5% stake in the newly created company Kriegers Flak APS which is integrated under the equity method;
- A 12.48% stake in the newly created company La Vélorie which is integrated under the equity method;

Moreover, the companies Geka Bouw BV and CFE Nederland BV, which are 100% held by DEME Group have been merged and renamed "Dimco BV".

2. Contracting segment

On June 29, 2016 CFE Group, through its subsidiary CFE Contracting, increased its stake in Groep Terryn NV from 77.5% to 100%. Groep Terryn remains fully integrated.

3. Real estate segment

On April 7, 2016 CFE Group, through its subsidiary BPI, acquired a 100% stake in BPI Barska sp z.o.o. which is fully integrated.

On May 20, 2016 CFE Group, through its subsidiary BPI, increased its stake in Foncière Sterpenich from 50% to 100%. This entity is now fully integrated.

On June 30, 2016 the company Sogesmaint Luxembourg, 100% held by Sogesmaint SA was sold.

The companies C.I.W. and P.R.N.E., 100% held by BPI Luxembourg were dissolved.

The company Immomax, a 47% subsidiary of BPI, bought 100% of the shares in Immomax II where 47% were bought from CFE Polska and 53% from a third party. Immomax II remains integrated under the equity method.

4. Holding and non-transferred activities

On June 29, 2016 CFE SA sold its 25% stake in Locorail NV.

ACCOUNTING PRINCIPLES AND EVALUATION METHOD

1. GENERAL POLICIES

IFRS AS ADOPTED BY THE EUROPEAN UNION

The retained accounting principles are the same that the principles used for the yearly consolidated financial statement at December 31, 2016.

STANDARDS AND INTERPRETATIONS APPLICABLE FOR THE ANNUAL PERIOD BEGINNING ON JANUARY 1ST, 2017

- Improvements to IFRS (2014-2016): Amendments to IFRS 12 (applicable for annual periods beginning on or after 1 January 2017, but not yet endorsed in the EU)
- Amendments to IAS 7 Statement of Cash Flows – Disclosure Initiative (applicable for annual periods beginning on or after 1 January 2017, but not yet endorsed in the EU)
- Amendments to IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses (applicable for annual periods beginning on or after 1 January 2017, but not yet endorsed in the EU)

STANDARDS AND INTERPRETATIONS PUBLISHED, BUT NOT YET APPLICABLE FOR THE ANNUAL PERIOD BEGINNING ON JANUARY 1ST, 2017

The Company decided not to anticipate the application standards and interpretations here below that are not mandatory on June 30, 2017:

- Improvements to IFRS (2014-2016): Amendments to IFRS 1 and IAS 28 (applicable for annual periods beginning on or after 1 January 2018, but not yet endorsed in the EU)
- IFRS 9 Financial Instruments and subsequent amendments (applicable for annual periods beginning on or after 1 January 2018)
- IFRS 14 Regulatory Deferral Accounts (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in the EU)
- IFRS 15 Revenue from Contracts with Customers (applicable for annual periods beginning on or after 1 January 2018)
- IFRS 16 Leases (applicable for annual periods beginning on or after 1 January 2019, but not yet endorsed in the EU)
- IFRS 17 Insurance contracts (applicable for annual periods beginning on or after 1 January 2021, but not yet endorsed in the EU)
- Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions (applicable for annual periods beginning on or after 1 January 2018, but not yet endorsed in the EU)
- Amendments to IFRS 4 Insurance Contracts – Applying IFRS 9 Financial Instruments with IFRS 4 (applicable for annual periods beginning on or after 1 January 2018, but not yet endorsed in the EU)
- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (the effective date has been deferred indefinitely, and therefore the endorsement in the EU has been postponed)
- Amendments to IAS 40 Transfers of Investment Property (applicable for annual periods beginning on or after 1 January 2018, but not yet endorsed in the EU)
- IFRIC 22 Foreign Currency Transactions and Advance Consideration (applicable for annual periods beginning on or after 1 January 2018, but not yet endorsed in the EU)
- IFRIC 23 Uncertainty over to income tax treatment (applicable for annual periods beginning on or after 1 January 2019, but not yet endorsed in the EU)

The potential impacts of these standards and interpretations on the group's consolidated financial statements are being determined. The group does not expect any material changes resulting from the application of the standards and interpretations except for IFRS 15 and IFRS 16.

The IASB published a new standard IFRS 15 Revenue from contracts with customers. This standard will replace IAS 18 Revenue and IAS 11 Construction contracts. This new standard defines how and when a company applying IFRS standards should recognise revenues from its activities. An additional explanatory disclosure will have to be provided. Consequently, the recognition of revenue from contracts with customers will be ruled by one standard based on a five-step model. The rule will be applicable from January 1st, 2018.

To determine the impact of the implementation of the standard, the ongoing contracts will be analysed to identify the performance obligations as defined by IFRS 15. The accounting of revenues from these contracts will be assessed for each performance obligations.

Although the financial impact from the implementation of IFRS 15 will only be valued after the financial closing of the year 2017, the Group expects that revenue recognition can still be based on the principle of the percentage of completion. Timing of revenue recognition could however differ for some contracts for which the unbundling in several performance obligations is required by IFRS 15. In addition, the Group also analyses the impact of the application of IFRS 15 on the accounting treatment for costs supported during the precontractual stages.

IFRS 16 Leases was published in January 2016. This standard, not yet endorsed in EU, defines how a company applying IFRS will account, measure and disclose leases in financial statements. The standard requires from the lessee to account in the statement of financial position all assets and liabilities related to leases with a duration higher than 12 months, except for leased assets having a very low value.

The application of IFRS 16 will lead to:

- an increase of assets and liabilities with the present value of future lease payments;
- an increase of the net financial debt, and
- an increase of the EBITDA as a consequence of the presentation of the expenses from leases as "depreciations and amortisations" and as financial "expenses" instead of in operating expenses.

Furthermore, the Group doesn't expect any major accounting changes as consequences from the application of IFRS 9 Financial Instruments on January 1st, 2018.

2. CONSOLIDATION METHODS

2.1. SCOPE OF CONSOLIDATION

Companies in which the Group holds, whether directly or indirectly, the majority of voting rights enabling control to be exercised, are fully consolidated. Companies over which the Group exercises a joint control with others shareholders are integrated under equity method. This mainly concerns Rent-A-Port and some companies in the segments Dredging and environment and real estate. Companies over which the Group exercises a significant influence are integrated under equity method. This mainly concerns PPP Schulen Eupen SA, Van Maerlant Property I SA & II SPRL, Van Maerlant Residential SA, Erasmus Gardens SA, Immoange SA, Immo PA 33 SA, Ernest 11 SA, Victor Estates and C-Power NV, Rentel NV and Otary NV in DEME Group.

Evolution of the consolidation scope

Number of entities	June 2017	December 2016
Full consolidation	174	171
Equity method	120	122
Total	**294**	**293**

2.2. INTRAGROUP TRANSACTIONS

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

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

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

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

Financial statements of foreign companies whereas the functional currency is different from the consolidated accounts reporting currency of the group are translated at the closing rate for the balance sheet elements, and at the average rate of the period for the results elements. Exchange differences are recorded in “translation differences” in the consolidated reserves.
Goodwill related to foreign companies is considered to be included in the acquired assets and liabilities and is therefore translated at the closing rate.

2.4. FOREIGN CURRENCIES TRANSACTIONS

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

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

3. RULES AND EVALUATION METHODS

3.1. RECOURSE TO ESTIMATES

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

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

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

3.2. CHANGES IN THE PRESENTATION OF THE CASHFLOW STATEMENT

The Group decided to modify the presentation of the consolidated cashflow statement in accordance with IFRS 7 Cashflow Statement. In addition to the general presentation of the cashflow statement, the changes lead to a different classification of cashflows related to financial income and expenses. These are mainly related to the corporate financing of CFE SA and DEME NV and to the financing of the vessels for the dredging activities. As of January 1st, 2017 CFE classifies them in cashflow from financing activities and no longer in cashflows from operating activities.

The consolidated cashflow statement on June 30th, 2016 was adapted has follows;

	June 2016, published	**Interests paid/received and other financial income and expenses**	**June 2016,** After restatement
Cash flows from operating activities	133.719	27.739	161.458
Cash flows from investing activities	(114.983)	0	(114.983)
Cash flows from financing activities	(54.794)	(27.739)	(82.533)
Net Increase/(Decrease) in cash position	**(36.058)**	**0**	**(36.058)**

4. SEGMENT REPORTING

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.

CFE Group is made of four operating segments, which are :

- **Dredging & Environment**

The Dredging & Environment division – through DEME – operates in dredging (investment dredging and maintenance dredging), the treatment of polluted earth, installation of offshore wind turbines and sludge, and marine civil engineering.

- **Contracting**

The construction activities reported in the Contracting Segment include :

- buildings (offices, industrial buildings, housing, renovation and refurbishment work) in Belgium, Luxemburg, Poland and Tunisia;
- electricity projects in the service sector (offices, hospitals, car parks etc.) in Belgium and Luxemburg;
- installation of overhead contact lines and rail signalling in Belgium.

- **Real Estate**

The Real Estate segment develops real estate projects in Belgium, Luxemburg and Poland.

- **Holding and non-transferred activities**

Besides the usual holding activities, this segment includes:

- the participations in Rent-A-Port NV, Green Offshore NV and in two Design Build Finance and Maintenance contracts in Belgium.
- the contracting activities non-transferred to CFE Contracting SA and DEME including a number of civil engineering projects in Belgium and building projects in Africa (except Tunisia) and in central Europe (except Poland).

4.1 CONDENSED CONSOLIDATED STATEMENT OF INCOME HIGHLIGHTS

At June 30	Revenue		Income from operating activities				Operating income (EBIT)				Financial income	
	2017	2016	2017	%Turnover	2016	%Turnover	2017	%Turnover	2016	%Turnover	2017	2016
Dredging and environment	1,097,715	802,069	85,135	7.76%	79,361	9.89%	72,339	6.59%	81,402	10.15%	(12,822)	(20,790)
Correction DEME			(2,734)		(2,638)		(3,223)		(3,127)		2,109	3,515
Contracting	351,202	400,490	14,819	4.22%	7,609	1.90%	14,819	4.22%	7,609	1.90%	(45)	(331)
Real Estate	7,140	7,592	20,106	281.60%	(390)	(5.14%)	19,252	269.64%	518	6.82%	(363)	(1,290)
Holding & non-transferred activities	19,312	29,514	(1,295)		(13,548)		(2,440)		(11,070)		(2,173)	7,059
Eliminations between segments	*(19,497)*	*(15,133)*	*268*		*125*		*268*		*125*			
Total consolidated	**1,455,872**	**1,224,532**	**116,299**	**7.99%**	**70,519**	**5.76%**	**101,015**	**6.94%**	**75,457**	**6.16%**	**(13,294)**	**(11,837)**

At June 30	Taxes		Net income of the group				Non-cash items		EBITDA			
	2017	2016	2017	%Turnover	2016	%Turnover	2017	2016	2017	%Turnover	2016	%Turnover
Dredging and environment	(14,417)	(7,051)	46,130	4.20%	54,009	6.73%	110,265	105,944	195,400	17.80%	185,305	23.10%
Correction DEME	110	(335)	(1,004)		53		2,734	2,638				
Contracting	(5,929)	(3,597)	8,845	2.52%	4,068	1.02%	(3,904)	5,028	10,915	3.11%	12,637	3.16%
Real Estate	(91)	(33)	18,798	263.28%	(805)	(10.60%)	4,188	1,429	24,294	340.26%	1,039	13.69%
Holding & non-transferred activities	(528)	(324)	(5,141)		(4,371)		(3,605)	(3,324)	(4,900)		(16,872)	
Eliminations between segments	*(71)*	*(33)*	*197*		*92*				*268*		*125*	
Total consolidated	**(20,926)**	**(11,373)**	**67,825**	**4.66%**	**53,046**	**4.33%**	**109,678**	**111,715**	**225,977**	**15.52%**	**182,234**	**14.88%**

4.2 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At June 30th, 2017 (thousand euro)	Dredging and environment	Contracting	Real Estate	Holding & non-transferred activities	Eliminations between segments	Total consolidated
ASSETS						
Goodwill	155,960	19,209	0	0	0	**175,169**
Property, plant and equipment	1,796,866	34,393	465	631	0	**1,832,355**
Non-current loans to consolidated group companies	0	0	0	20,000	(20,000)	**0**
Other non-current financial assets	93,503	104	35,853	22,468	0	**151,928**
Other non-current assets	294,155	4,429	31,558	1,264,038	(1,246,080)	**348,100**
Inventories	14,969	18,211	59,049	1,465	(1,601)	**92,093**
Cash and cash equivalents	519,533	48,043	4,222	21,155	0	**592,953**
Internal cash position - cash pooling - assets	0	47,718	0	24,214	(71,932)	**0**
Other current assets	808,900	244,840	47,573	135,200	(17,676)	**1,218,837**
Total assets	**3,683,886**	**416,947**	**178,720**	**1,489,171**	**(1,357,289)**	**4,411,435**
EQUITY AND LIABILITIES						
Equity	1,463,798	70,172	61,545	1,206,040	(1,247,432)	**1,554,123**
Non-current borrowings from consolidated group companies	0	0	20,000	0	(20,000)	**0**
Bonds – non-current	202,739	0	0	0	0	**202,739**
Non-current financial liabilities	428,876	9,814	0	5,000	0	**443,690**
Other non-current liabilities	193,451	12,023	5,108	26,655	(250)	**236,987**
Bonds – current	0	0	0	99,959	0	**99,959**
Current financial liabilities	120,824	1,566	0	0	0	**122,390**
Internal cash position - cash pooling - liabilities	0	0	37,230	34,702	(71,932)	**0**
Other current liabilities	1,274,198	323,372	54,837	116,815	(17,675)	**1,751,547**
Total equity and liabilities	**3,683,886**	**416,947**	**178,720**	**1,489,171**	**(1,357,289)**	**4,411,435**

At December 31st, 2016 (thousand euro)	Dredging and environment	Contracting	Real Estate	Holding & non-transferred activities	Eliminations between segments	Total consolidated
ASSETS						
Goodwill	155,960	19,209	0	0	0	**175,169**
Property, plant and equipment	1,648,984	33,409	224	687	0	**1,683,304**
Non-current loans to consolidated group companies	0	0	0	20,000	(20,000)	**0**
Other non-current financial assets	98,860	160	32,913	22,043	0	**153,976**
Other non-current assets	318,519	4,586	44,424	1,266,368	(1,246,129)	**387,768**
Inventories	25,261	15,855	53,645	1,676	(1,601)	**94,836**
Cash and cash equivalents	527,733	43,481	5,574	35,367	0	**612,155**
Internal cash position - cash pooling - assets	0	61,005	0	60,714	(121,719)	**0**
Other current assets	790,584	253,355	54,552	154,630	(32,110)	**1,221,011**
Total assets	**3,565,901**	**431,060**	**191,332**	**1,561,485**	**(1,421,559)**	**4,328,219**
EQUITY AND LIABILITIES						
Equity	1,470,050	66,869	42,745	1,204,291	(1,247,478)	**1,536,477**
Non-current borrowings from consolidated group companies	0	0	20,000	0	(20,000)	**0**
Bonds	203,578	0	0	99,959	0	**303,537**
Non-current financial liabilities	327,193	9,916	38	30,000	0	**367,147**
Other non-current liabilities	214,909	12,472	14,792	28,467	(250)	**270,390**
Current financial liabilities	151,947	2,575	0	0	0	**154,522**
Internal cash position - cash pooling - liabilities	0	0	73,185	48,582	(121,767)	**0**
Other current liabilities	1,198,224	339,228	40,572	150,186	(32,064)	**1,696,146**
Total equity and liabilities	**3,565,901**	**431,060**	**191,332**	**1,561,485**	**(1,421,559)**	**4,328,219**

4.3. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

At June 30th, 2017 (In thousand Euro)	**Dredging & environment**	**Contracting**	**Real Estate**	**Holding, non-transferred activities and eliminations**	**Total consolidated**
Cash flow from operating activities before changes in working capital	196,519	8,672	29,674	(4,970)	**229,895**
Cash flow from operating activities	259,796	17,288	4,262	(141)	**281,205**
Cash flow from investing activities	(264,362)	(2,038)	(2,362)	(589)	**(269,351)**
Cash flow from financing activities	(1,534)	(11,438)	(3,456)	(13,522)	**(29,950)**
Net increase/(decrease) of cash	(6,100)	3,812	(1,556)	(14,252)	**(18,096)**

At June 30th, 2016 (*) (In thousand Euro)	**Dredging & environment**	**Contracting**	**Real Estate**	**Holding, non-transferred activities and eliminations**	**Total consolidated**
Cash flow from operating activities before changes in working capital	185,814	14,873	6,893	(18,368)	**189,212**
Cash flow from operating activities	142,849	11,566	2,448	4,595	**161,458**
Cash flow from investing activities	(112,493)	(3,422)	1,497	(565)	**(114,983)**
Cash flow from financing activities	(38,270)	3,610	(4,928)	(42,945)	**(82,533)**
Net increase/(decrease) of cash	(7,914)	11,754	(983)	(38,915)	**(36,058)**

(*) Amounts restated in accordance with changes in the accounting presentation related to the consolidated cashflow statement which is applied within the Group since January 1st, 2017 (note 3.2.).

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

4.4. OTHER INFORMATION

At June 30th, 2017 (In thousand Euro)	Dredging & environment	Contracting	Real Estate	Holding & non-transferred activities	Total consolidated
Amortizations	(112,988)	(3,651)	(91)	(114)	**(116,844)**
Investments	261,214	5,485	350	583	**267,632**

At June 30th, 2016 (In thousand Euro)	Dredging & environment	Contracting	Real Estate	Holding & non-transferred activities	Total consolidated
Amortizations	(108,582)	(3,824)	(57)	285	**(112,178)**
Investments	108,904	4,006	161	16	**113,087**

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

REVENUE BREAKDOWN GENERATED BY THE DREDGING DIVISION

(In thousand Euro)	June 2017	June 2016
Capital dredging	259,115	356,584
Environmental contracting	81,740	103,791
Fall pipe and landfalls	65,858	32,804
Maintenance dredging	136,001	112,260
Marine works	523,416	173,272
Civil works	31,585	23,358
Total	**1,097,715**	**802,069**

REVENUE BREAKDOWN GENERATED BY THE CONTRACTING DIVISION

(In thousand Euro)	June 2017	June 2016
Construction	242,864	293,468
Multitechnics	74,897	76,246
Railway	33,441	30,776
Total	**351,202**	**400,490**

4.5. GEOGRAPHICAL SECTOR

REVENUE OF CFE GROUP AT JUNE 30

(In thousand Euro)	June 2017	June 2016
Belgium	509,289	464,304
Other Europe	611,772	344,382
Middle East	7,109	34,215
Asia	135,180	170,216
Oceania	17,914	10,471
Africa	136,044	141,399
Americas	38,564	59,545
Total consolidated	**1,455,872**	**1,224,532**

5. ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

ACQUISITIONS AS OF JUNE 30, 2017

Nihil.

DISPOSALS AS OF JUNE 30, 2017

Nihil.

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

COMPREHENSIVE INCOME

6. REVENUE FROM AUXILIARY ACTIVITIES

Revenues from auxiliary activities amount to 57,988 thousand Euro (June 2016 : 31,227 thousand Euro) and include gains on disposals of property, plant and equipment for 2,838 thousand Euro (June 2016: 783 thousand Euro), as well as rent income, recharges of costs and other compensation for 21,823 thousand Euro (June 2016 : 30,444 thousand Euro), and the income from the sale of subsidiaries within the real estate segment for an amount of 33.327 thousands euro which are classified as operational activities.

7. NET FINANCIAL INCOME/EXPENSE

As of June 30 (in thousand Euro)	2017	2016
Cost of financial debt	**(9,427)**	**(13,265)**
Derivative instruments - fair value adjustments through profit and loss	0	183
Derivative instruments used as hedging instruments	0	0
Assets measured at fair value	0	0
Available-for-sale financial instruments	0	0
Assets and liabilities at amortized cost - income from availabilities	3,642	5,249
Assets and liabilities at amortized cost - interest charges	(13,069)	(18,697)
Other financial income and expense	**(3,867)**	**1,428**
Realized / unrealized translation gains/(losses)	(5,491)	(8,834)
Dividends received from non-consolidated companies	3,330	64
Impairment of financial assets	0	0
Other	(1,706)	10,198
Financial result	**(13,294)**	**(11,837)**

The evolution of the exchange gain/(loss) realized/not realized in the first half year of 2017 compared to the same period in 2016 is mostly explained by the valuation of the Euro against other foreign currencies in DEME.

The evolution of the caption “Other” is mainly due to the capital gain related to the sale of CFE’s participation in the company Locorail NV in 2016 (8,723 thousand Euro).

8. NON-CONTROLLING INTERESTS

As of June 30, 2017 the part of non-controlling interests in the result amounts to 1,030 thousand Euro (June 2016 : 799 thousand Euro).

9. INCOME TAX

The tax expense amounts to 20,926 thousand Euro for the first half year 2017 (June 2016 : 11,373 thousand Euro). The effective tax rate amounts to 20.32% (June 2016 : 19.38%). The effective tax rate is defined as the income tax expense over the pre-tax income from which the earnings from associates and joint ventures are deducted.

STATEMENT OF FINANCIAL POSITION

10. PROPERTY, PLANT & EQUIPMENT

As of June 30, 2017 (In thousand Euro)	Land & buildings	Installations & equipments	Furniture & fittings	Under construction	Total
Acquisition cost					
Balance at the end of the previous period	**130,770**	**3,022,471**	**60,273**	**129,115**	**3,342,629**
Effect of foreign currency fluctuations	(175)	(3,623)	(264)	2	(4,060)
Acquisitions	1,829	55,769	2,641	203,191	263,430
Transfers from one asset to another	153	1,612	11	(1,849)	(73)
Disposals	(1,957)	(16,277)	(1,828)	(686)	(20,748)
Acquisitions through business combinations					
Balance at the end of the year	**130,620**	**3,059,952**	**60,833**	**329,773**	**3,581,178**
Depreciations & impairment					
Balance at the end of the previous period	**(58,215)**	**(1,551,879)**	**(49,231)**	**0**	**(1,659,325)**
Effect of foreign currency fluctuations	128	1,677	152	0	1,957
Depreciations	(2,327)	(105,460)	(2,244)	0	(110,031)
Transfers from one asset to another	(478)	490	61	0	73
Disposals	1,720	14,975	1,808	0	18,503
Acquisitions through business - combinations	0	0	0	0	0
Balance at the end of the period	**(59,172)**	**(1,640,197)**	**(49,454)**	**0**	**(1,748,823)**
Net carrying amount					
At January 1st, 2017	**72,555**	**1,470,592**	**11,042**	**129,115**	**1,683,304**
At June 30, 2017	**71,448**	**1,419,755**	**11,379**	**329,773**	**1,832,355**

The net carrying amount of tangible assets amounts to 1,832,355 thousand Euro on June 30, 2017 (December 31, 2016: 1,683,304 thousand Euro).

On June 30, 2017, the acquisitions of tangible assets amount to 263,430 thousand Euro, and are mainly related to DEME (257,710 thousand Euro).

The net value of the fixed assets held in leasing amounts to 67,659 thousand Euro (December 31 2016: 121,664 thousand Euro). Those contracts relate mainly to the vessels held by DEME, the building of the subsidiaries Louis Stevens & Co NV and Engema, the trucks of the subsidiary Benelmat and the equipment of Compagnie Tunisienne d'Entreprises. The huge decrease in the net value of fixed assets held in leasings is mainly explained by the vessel jack-up Thor for which the finance lease was reimbursed during the first half year 2017.

The amount of property, plant, and equipment constituting a guarantee for some borrowing amounts to 202,338 thousand Euro (December 31, 2016 : 290,395 thousand Euro).

In 2015, DEME had started building six new vessels for a total amount of € 500 million. Furthermore, DEME confirmed in 2017 an order for two additional vessels, Spartacus and Orion, with an overall additional budget of about € 500 million.

As of June 30, 2016 (In thousand Euro)	Land & buildings	Installations & equipments	Furniture & fittings	Under construction	Total
Acquisition cost					
Balance at the end of the previous period	**113,239**	**3,070,912**	**58,355**	**90,422**	**3,332,928**
Effect of foreign currency fluctuations	(382)	(799)	(526)	55	(1,652)
Acquisitions	4,169	74,644	1,530	31,025	111,368
Transfers from one asset to another	12,994	17,984	(180)	(28,096)	2,702
Disposals	(1,690)	(10,359)	(1,437)	(9)	(13,495)
Acquisitions through business combinations	0	(5)	(1)	0	(6)
Balance at the end of the year	**128,330**	**3,152,377**	**57,741**	**93,397**	**3,431,845**
Depreciations & impairment					
Balance at the end of the previous period	**(54,244)**	**(1,503,845)**	**(47,160)**	**0**	**(1,605,249)**
Effect of foreign currency fluctuations	308	1,042	391	0	1,741
Depreciations	(1,478)	(106,011)	(2,462)	0	(109,951)
Transfers from one asset to another	(2,924)	51	173	0	(2,700)
Disposals	1,261	9,694	1,394	0	12,349
Acquisitions through business - combinations	0	4	1	0	5
Balance at the end of the period	**(57,077)**	**(1,599,065)**	**(47,663)**	**0**	**(1,703,805)**
Net carrying amount					
At January 1st, 2016	**58,995**	**1,567,067**	**11,195**	**90,422**	**1,727,679**
At June 30, 2016	**71,253**	**1,553,312**	**10,078**	**93,397**	**1,728,040**

11. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE

On June 30, 2017 investments in associates amount to 121,544 thousand Euro (December 2016: 141,355 thousand Euro) in the statement of financial position. The decrease is mainly explained by the earnings from associates and joint ventures which amounts to (15,284) thousand Euro (June 2016: 4,938 thousand Euro).

12. INVENTORIES

On June 30, 2017 the inventories amount to 92,093 thousand Euro (December 2016: 94,836 thousand Euro) and are detailed as follows:

(In thousand Euro)	June 30, 2017	December 31, 2016
Raw materials and consumables	56,791	57,038
Raw material and consumables (impairment losses)	(131)	(141)
Finished products and goods purchased for resale	37,866	40,655
Finished products (impairment losses)	(2,433)	(2,716)
Inventories	**92,093**	**94,836**

13. TRADE AND OTHER RECEIVABLES

On June 30, 2017, the trade and other receivables amount to 1,150,131 thousand Euro (December 2016: 1,160,306 thousand Euro). The decrease during the 1st half year 2017 is mainly due to DEME's activities.

In order to reduce the current risk, the group CFE monitors regularly its outstanding clients and adapts its position towards them. Regarding this matter, it should be noted that CFE is involved in two projects in Chad. It consists of the construction of the "Grand Hôtel" and of the building for the Ministry of Finance. The "Grand Hôtel" operational maintenance and management were transferred in June 2017 to the operator appointed by the Chadian government while the official opening took place on July 1st, 2017.
Negotiations regarding the financing of the receivables are progressing at a slower pace than expected. The exposure to this country remains unchanged at €60 million.

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

On June 30, 2017 these provisions amount 106,095 thousand Euro, which represents a decrease of 2,103 thousand Euro compared to the end of December 2016 (108,198 thousand Euro).

(In thousand Euro)	After - sale service	Other current risks	Negative equity method	Other non-current risks	Total
Balance at the end of the previous period	**15,464**	**49,649**	**24,444**	**18,641**	**108,198**
Effect of foreign currency fluctuations	(13)	202	0	0	189
Actualization effect	0	0	0	0	0
Transfer from one category to another	0	1,354	(6,636)	0	(5,282)
Provisions recognized	1,202	12,228	0	358	13,788
Provisions used	(987)	(8,592)	0	(1,219)	(10,798)
Provisions reversed	0	0	0	0	0
Closing balance	**15,666**	**54,841**	**17,808**	**17,780**	**106,095**

of which	current:	70,507 thousand Euro
	non-current:	35,588 thousand Euro

The provision for after-sale service increased by 202 thousand Euro to reach 15,666 thousand Euro on June 30, 2017.

The provision for other current risks increased by 5,192 thousand Euro and amounts to 54,841 thousand Euro at June 30, 2017. This category includes :

- provisions for customer claims (12,774 thousand Euro), for social litigation (1,122 thousand Euro), for remaining work to be completed (124 thousand Euro) and provisions for other risks (18,174 thousand Euro). Since negotiations with customers are still in progress, we cannot give more information about the considered assumptions, nor on the time of the probable cash outflow.
- provisions for losses at completion (22,647 thousand Euro) are recognised when the expected economic benefits of certain contracts are lower than the inevitable costs attendant on compliance with obligations under those contracts. Provisions for losses at completion are used up when the related contracts are performed.

Provisions for other non-current liabilities include provisions for liabilities not directly related to site operations in progress.

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

15. CONTINGENT ASSETS AND LIABILITIES

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

16. FINANCIAL INSTRUMENTS

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

On June 30, 2017 the derivative financial instruments have been estimated at their fair values.

17. NET FINANCIAL DEBT

17.1. THE NET FINANCIAL DEBT

(In thousand Euro)	30/06/2017 Non-current	30/06/2017 Current	30/06/2017 Total	31/12/2016 Non-current	31/12/2016 Current	31/12/2016 Total
Bank loans and other financial debt	(390,942)	(111,914)	(502,856)	(286,181)	(102,529)	(388,710)
Bonds	(202,739)	(99,959)	(302,698)	(303,537)	0	(303,537)
Drawings on credit facilities	(5,000)	0	(5,000)	(30,000)	0	(30,000)
Borrowings under finance leases	(47,748)	(7,642)	(55,390)	(50,966)	(48,108)	(99,074)
Total long-term financial debt	(646,429)	(219,515)	(865,944)	(670,684)	(150,637)	(821,321)
Short-term financial debt		(2,834)	(2,834)		(3,885)	(3,885)
Cash equivalents		8,636	8,636		10,409	10,409
Cash		584,317	584,317		601,746	601,746
Net short-term financial debt/(cash)		590,119	590,119		608,270	608,270
Total net financial debt	(646,429)	370,604	(275,825)	(670,684)	457,633	(213,051)
Derivative instruments used as interest-rate hedges	(6,087)	(3,740)	(9,827)	(8,539)	(4,917)	(13,456)

17.2. DEBT MATURITY SCHEDULE

(In thousand Euro)	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Between 5 and 10 years	More than 10 years	Total
Bank loans and other financial debt	(111,914)	(96,781)	(73,175)	(138,260)	(82,726)	0	(502,856)
Bonds	(101,711)	(200,987)	0	0	0	0	(302,698)
Drawings on credit facilities	0	(5,000)	0	0	0	0	(5,000)
Borrowings under finance leases	(7,793)	(5,683)	(5,750)	(12,800)	(20,650)	(2,714)	(55,390)
Total long-term financial debt	(221,418)	(308,451)	(78,925)	(151,060)	(103,376)	(2,714)	(865,944)
Short-term financial debt	(2,834)	0	0	0	0	0	(2,834)
Cash equivalents	8,636	0	0	0	0	0	8,636
Cash	584,317	0	0	0	0	0	584,317
Net short-term financial debt	590,119	0	0	0	0	0	590,119
Change in net financial debt	368,701	(308,451)	(78,925)	(151,060)	(103,376)	(2,714)	(275,825)

17.3. CREDIT FACILITIES AND LONG TERM BANK LOANS

At June 30th, 2017 the CFE group had confirmed long-term bank credit facilities of € 115 million, which are not drawn at the end of June 2017 (31 December 2016: € 115 million). In addition, CFE Group draw € 5 million on not confirmed long-term bank credit facilities.

DEME has confirmed short-term bank credit facilities of € 95 million which are not drawn at June 30th 2017 (31 December 2016: € 95 million). Moreover, DEME also has confirmed long-term credit facilities of € 240 million (31 December 2016: € 425 million), which are not drawn at June 30th 2017, intended to finance the development of its fleet.

On June 2012, 21st CFE issued 100 million Euro of bond maturing on June 21st, 2018 and paying a coupon of 4.75%.
On February 14th, 2013 DEME issued 200 million Euro of bond maturing on February 14th, 2019 and paying a coupon of 4.145%.

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

17.4. FINANCIAL COVENANTS

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

18. FINANCIAL RISK MANAGEMENT

18.1. INTEREST RATE RISK

The policy and the risk management procedures defined by the group are the same as the one's declared in the 2016 annual report.

Effective average interest rate before considering derivative products

	Fixed rate			Floating rate			Total		
Type of debts	Amounts	Quota	Rate	Amounts	Quota	Rate	Amounts	Quota	Rate
Bank loans and other financial debts	1,316	0.37%	1.34%	501,540	98.70%	0.71%	502,856	58.07%	0.72%
Bonds	302,698	84.60%	4.34%	0	0.00%	0.00%	302,698	34.96%	4.34%
Credit line used	0	0.00%	0.00%	5,000	0.98%	1.30%	5,000	0.58%	1.30%
Loans related to finance lease	53,794	15.03%	1.09%	1,596	0.32%	4.06%	55,390	6.40%	1.17%
Total	**357,808**	**100.00%**	**3.84%**	**508,136**	**100.00%**	**0.73%**	**865,944**	**100.00%**	**2.02%**

Effective average interest rate after considering floating derivative products

	Fixed rate			Floating rate			Floating rate capped + inflation			Total		
Type of debts	Amounts	Quota	Rate	Amounts	Quota	Rate	Amounts	Quota	Rate	Amounts	Quota	Rate
Bank loans and other financial debts	502,854	58.52%	1.00%	2	0.03%	1.00%	0	0.00%	0.00%	502,856	58.06%	1.00%
Bonds	302,698	35.22%	4.34%	0	0.00%	0.00%	0	0.00%	0.00%	302,698	34.96%	4.34%
Credit line used	0	0.00%	0.00%	5,000	75.78%	1.30%	0	0.00%	0.00%	5,000	0.58%	1.30%
Loans related to finance lease	53,794	6.26%	1.02%	1,596	24.19%	3.96%	0	0.00%	0.00%	55,390	6.40%	1.11%
Total	**859,346**	**100.00%**	**2.18%**	**6,598**	**100.00%**	**1.94%**	**0**	0.00%	0.00%	**865,944**	**100.00%**	**2.18%**

18.2. LONG TERM FINANCIAL DEBTS BY CURRENCY

The outstanding debts by currency are:

(In thousand Euro)	**June 2017**	**December 2016**
Euro	865,944	821,321
US Dollar	0	0
Other currencies	0	0
Total long term debts	**865,944**	**821,321**

18.3. BOOK VALUE AND FAIR VALUE BY ACCOUNTING CATEGORY

June 30, 2017 (In € thousands)	Financial instruments not designated as hedging instruments	Derivatives designated as hedging instruments	Financial instruments available for sales	Loans and trade receivables at amortised costs	**Total of carrying amount**	Fair value measurements of financial assets by level	**Fair value of the class**
Non-current financial assets	**1,333**		**6,349**	**145,576**	**153,258**		**153,258**
Investments (1)			6,349		**6,349**	Level 2	**6,349**
Financial loans and receivables (1)				145,576	**145,576**	Level 2	**145,576**
Interest rate derivatives – cash flow hedges	1,333				**1,333**	Level 2	**1,333**
Current financial assets	**8,961**			**1,743,083**	**1,752,044**		**1,752,044**
Interest rate derivatives – non-hedge							
Trade and other receivables				1,150,131	**1,150,131**	Level 2	**1,150,131**
Cash management financial assets	8,961				**8,961**	Level 2	**8,961**
Cash equivalents (2)				8,636	**8,636**	Level 2	**8,636**
Cash at bank and in hand (2)				584,316	**584,316**	Level 2	**584,316**
Total assets	**10,294**		**6,349**	**1,888,659**	**1,905,302**		**1,905,302**
Non-current financial debts		**12,837**		**646,429**	**659,266**		**676,398**
Bonds				202,739	**202,739**	Level 1	**210,486**
Financial debts				443,690	**443,690**	Level 2	**453,075**
Interest rate derivatives – cash flow hedges		12,837			**12,837**	Level 2	**12,837**
Current financial liabilities	**11,628**	**3,726**		**1,436,542**	**1,451,896**		**1,461,890**
Interest rate derivatives – highly probable projected cash flow hedges		(28)			**(28)**	Level 2	**(28)**
Interest rate derivatives – cash flow hedges		3,754			**3,754**	Level 2	**3,754**
Exchange rate derivatives – non-cash flow hedges	345				**345**	Level 2	**345**
Other derivatives instruments – non-hedge	11,283				**11,283**	Level 2	**11,283**
Trade payables and other operating debts				1,214,193	**1,214,193**	Level 2	**1,214,193**
Bonds				99,959	**99,959**	Level 1	**103,457**
Financial debts				122,390	**122,390**	Level 2	**128,886**
Total liabilities	**11,628**	**16,563**		**2,082,971**	**2,111,162**		**2,138,288**

December, 31 2016 (In € thousands)	Financial instruments not designated as hedging instruments	Derivatives designated as hedging instruments	Financial instruments available for sales	Loans and trade receivables at amortized costs	**Total of carrying amount**	Fair value measurements of financial assets by level	**Fair value of the class**
Non-current financial assets	**510**		**6,046**	**147,930**	**154,486**		**154,486**
Investments (1)			6,046		**6,046**	Level 2	**6,046**
Financial loans and receivables (1)				147,930	**147,930**	Level 2	**147,930**
Interest rate derivatives – cash flow hedges	510				**510**	Level 2	**510**
Current financial assets	**2,311**			**1,722,461**	**1,774,772**		**1,774,772**
Interest rate derivatives – non-hedge							
Trade and other receivables				1,160,306	**1,160,306**	Level 2	**1,160,306**
Cash management financial assets	2,311				**2,311**	Level 2	**2,311**
Cash equivalents (2)				10,409	**10,409**	Level 2	**10,409**
Cash at bank and in hand (2)				601,746	**601,746**	Level 2	**601,746**
Total assets	**2,821**		**6,046**	**1,920,391**	**1,929,258**		**1,929,258**
Non-current financial debts		**18,475**		**670,684**	**689,159**		**712,121**
Bonds				303,537	**303,537**	Level 1	**314,777**
Financial debts				367,147	**367,147**	Level 2	**378,869**
Interest rate derivatives – cash flow hedges		18,475			**18,475**	Level 2	**18,475**
Current financial liabilities	**18,585**	**4,930**		**1,292,810**	**1,316,325**		**1,317,431**
Interest rate derivatives – highly probable projected cash flow hedges		14			**14**	Level 2	**14**
Interest rate derivatives – cash flow hedges		4,916			**4,916**	Level 2	**4,916**
Exchange rate derivatives – non-cash flow hedges	10,313				**10,313**	Level 2	**10,313**
Other derivatives instruments – non-hedge	8,272				**8,272**	Level 2	**8,272**
Trade payables and other operating debts				1,138,288	**1,138,288**	Level 2	**1,138,288**
Bonds							
Financial debts				154,522	**154,522**	Level 2	**155,628**
Total liabilities	**18,585**	**23,405**		**1,963,494**	**2,005,484**		**2,029,552**

(1) Included in items “Other non-current financial assets” and “Other noncurrent assets”.
(2) Included in item “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 has been determined using the following methods :

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

19. OTHER COMMITMENTS GIVEN

The total amount of commitments granted other than guarantees for the period ended June 30th, 2017 is 1,037,814 thousand Euro (December 2016: 1,119,534 thousand Euro) and is detailed by nature as follows:

(In thousand Euro)	June 2017	December 2016
Performance guarantees and performance bonds (a)	867,213	856,445
Bid bonds (b)	14,051	36,175
Repayment of advance payments (c)	15,000	16,812
Retentions (d)	15,627	16,782
Deferred payments to subcontractors and suppliers (e)	53,327	82,451
Other commitments given - including 38,927 thousand Euro of corporate guarantees at DEME	72,596	110,869
Total	**1,037,814**	**1,119,534**

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

20. OTHER COMMITMENTS RECEIVED

(In thousand Euro)	June 2017	December 2016
Performance guarantees and performance bonds	316,584	145,112
Other commitments received	2,100	2,825
Total	**318,684**	**147,937**

21. LITIGATION

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

22. RELATED PARTIES

- Ackermans & van Haaren (AvH) owns 15,289,521 shares of CFE at the end of June 2017, being therefore the main shareholder of the CFE group with a stake of 60.40%.

- Dredging Environmental and Marine Engineering NV and CFE SA concluded a service contract with Ackermans & van Haaren NV on 26 December 2001. The amounts due by Dredging Environmental and Marine Engineering NV, 100% subsidiary of CFE SA, and CFE SA in accordance with this contract amounts respectively to 1,130 thousand euro and 150 thousand euro each year.

- There were no transactions with the Managing Directors other than relating to remuneration. There are no transactions with the companies Trorema SPRL, Frédéric Claes SA, 8822 SPRL, D2C Partners and Artist Valley SA, without prejudice to the remuneration of executives representing these companies. Loans were granted to some members of the steering committee of CFE Contracting SA and of BPI in the frame of the stock options granted to these members.

- At June 30, 2017 CFE has a joint control on Rent-A-Port NV, Green Offshore NV and their subsidiaries.

- The transactions with related parties concern mainly the operations with the entities in which CFE has a significant influence or a joint control. The transactions between related parties are executed at arm's length;

- In the first half year of 2017, there was no significant variation in the nature of transactions with related parties compared to December 31, 2016. The trade transactions or financial transactions between the group and the joint ventures integrated under equity method are as follows:

(In thousand Euro)	June 30, 2017	December 31, 2016
Assets with related parties	**488,368**	**429,373**
Non-current financial assets	150,331	152,629
Trade receivables and other operating trades	319,237	249,703
Other current assets	18,800	27,041
Liabilities with related parties	**89,047**	**83,187**
Other non-current liabilities	695	4,905
Trade payables and other operating trades	88,352	78,282

(In thousand Euro)	June 30, 2017	June 30, 2016
Expenses and incomes with related parties	**318,386**	**85,602**
Turnover and incomes from auxiliary activities	322,004	90,715
Purchases and other operating expenses	(9,069)	(4,881)
Expenses and financial incomes	5,451	(232)

23. SUBSEQUENT EVENTS

In July 2017, GeoSea, 100% subsidiary of DEME NV, signed an agreement with DONG Energy and Siemens which involves the sale of all shares in A2SEA to GeoSea. A2SEA is active in Europa in the installation of offshore windmills. The transaction should be finalized during the second half year 2017. The estimated impact on DEME's net financial debt amounts to € 170 million.

24. IMPACT OF FOREIGN CURRENCIES

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

25. RESEARCH AND DEVELOPMENT

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

26. SEASONAL NATURE OF THE BUSINESS

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

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

No adjustments were made to take account of the impact of seasonal factors on the group's financial statements for the first half year.

Income and expenses of the group from normal business operations which are subject to a seasonal, cyclical or occasional nature were recognized following the same valuation as at year end. They were therefore neither anticipated nor deferred in the interim financial statements.

27. STATUTORY AUDITORS REPORT

To the board of directors

In the context of our appointment as the company's statutory auditor, we report to you on the consolidated interim financial information. This consolidated interim financial information comprises the consolidated condensed statement of financial position as at 30 June 2017, the consolidated condensed income statement, the consolidated condensed statement of comprehensive income, the consolidated condensed statement of changes in equity and the consolidated condensed statement of cash flows for the period of six months then ended, as well as selective notes 1 to 26.

Report on the consolidated interim financial information

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

The consolidated condensed statement of financial position shows total assets of 4,411,435 (000) EUR and the consolidated condensed income statement shows a consolidated profit (group share) for the period then ended of 67,825 (000) EUR.

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

Scope of review

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

Conclusion

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

Emphasis of matter

Without modifying the conclusion expressed above, we draw your attention to the Note 13 of the consolidated interim financial information which describes the uncertainties regarding the amount due by the State of Chad and the undertaken actions in order to facilitate its payment.

Zaventem, 25 August 2017

The statutory auditors

DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Michel Denayer

DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Rik Neckebroeck