

Interim Report

As of June 30, 2019



Interim condensed and consolidated financial statements and notes

DEFINITIONS

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
Capital employed	Equity of real estate segment + net financial debt of real estate segment
Net financial debt	Non-current bonds + Non-current financial liabilities + Current bonds + Current financial liabilities - Cash and cash equivalents
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
Return on equity (ROE)	Net income, share of the group / equity, share of the group
Order book	Revenue to be generated by the projects for which the contract has been signed and has come into effect (after notice to proceed has been given or conditions precedent have been fulfilled) and/or for which project financing is in place.

CONSOLIDATED STATEMENT OF INCOME

For the period from January 1 st to June, 30 th (in € thousands)	Notes	June 2019	June 2018
Revenue		1,847,714	1,860,146
Revenue from auxiliary activities	6	48,376	31,123
Purchases		(1,083,566)	(1,117,770)
Remuneration and social security payments		(347,962)	(334,784)
Other operating expenses		(256,755)	(233,825)
Depreciation and amortisation		(157,265)	(126,150)
Income from operating activities		50,542	78,740
Earnings from associates and joint ventures	11	10,614	(1,211)
Operating income		61,156	77,529
Cost of gross financial debt	7	(1,044)	(7,091)
Other financial expenses & income	7	(4,185)	29
Net financial income/expense		(5,229)	(7,062)
Pre-tax income		55,927	70,467
Income tax expense	9	(14,297)	(20,199)
Net income for the period		41,630	50,268
Attributable to owners of non-controlling interests	8	1,106	1,581
Net income share of the group		42,736	51,849
Net income of the group per share (EUR) (diluted and basic)		1.69	2.05

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period from January 1 st to June, 30 th (in € thousands)	Notes	June 2019	June 2018
Net income share of the group		42,736	51,849
Net income for the period		41,630	50,268
Changes in fair value related to hedging instruments		(39,120)	(4,505)
Currency translation differences		276	1,904
Deferred taxes		9,615	630
Other elements of the comprehensive income to be reclassified to profit or loss in subsequent periods		(29,229)	(1,971)
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		(29,229)	(1,971)
Comprehensive income:		12,401	48,297
- Attributable to owners of the parent		13,474	50,016
- Attributable to owners of non-controlling interests		(1,073)	(1,719)
Net income attributable to owners of the parent per share (EUR) (diluted and basic)		0.53	1.98

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the period from January 1 st to June, 30 th (in € thousands)	Notes	June 2019	December 2018
Intangible assets		89,151	89,588
Goodwill		177,127	177,127
Property, plant and equipment	10	2,570,492	2,390,236
Investments in associates and joint ventures	11	148,765	155,792
Other non-current financial assets		104,121	171,687
Derivative instruments – Non-current assets	16	8	9
Other non-current assets		5,324	5,501
Deferred tax assets		108,998	99,909
Total non-current assets		3,203,986	3,089,849
Inventories	12	146,157	128,889
Trade and other operating receivables	13	1,174,985	1,261,298
Other operating current assets		85,604	67,561
Other non-operating current assets		16,465	12,733
Derivative instruments – Current assets	16	615	275
Assets held for sale	5	49,388	0
Cash and cash equivalents	17	646,097	388,346
Total current assets		2,119,311	1,859,102
Total assets		5,323,297	4,948,951
Share capital		41,330	41,330
Share premium		800,008	800,008
Retained earnings		905,749	923,768
Defined benefits pension plans		(25,521)	(25,521)
Hedging reserves	16	(36,671)	(7,153)
Currency translation differences		(11,298)	(11,554)
Equity attributable to owners of the parent		1,673,597	1,720,878
Non-controlling interests		13,216	13,973
Equity		1,686,813	1,734,851
Retirement benefit obligations and employee benefits		57,689	57,553
Provisions	14	35,040	35,172
Other non-current liabilities		3,212	5,725
Non-current bonds	17	29,636	29,584
Non-current financial liabilities	17	1,206,662	656,788
Derivative instruments – Non-current assets	16	12,943	9,354
Deferred tax liabilities		109,003	119,386
Total non-current liabilities		1,454,185	913,562
Current provisions	14	64,703	65,505
Trade & other operating payables		1,343,024	1,410,944
Income tax payable		45,879	44,543
Current bonds	17	0	200,221
Current financial liabilities	17	367,738	150,075
Derivative instruments – Current assets	16	11,062	10,990
Other operating current liabilities		129,610	201,609
Other non-operating current liabilities		220,283	216,651
Total current liabilities		2,182,299	2,300,538
Total equity and liabilities		5,323,297	4,948,951

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period from January 1 st to June, 30 th (in € thousands)	Notes	June 2019	June 2018
Operating activities			
Income from operating activities		50,542	78,740
Depreciation and amortisation of (in)tangible assets and investment property		157,265	126,150
Net provision expense		(614)	(1,844)
Impairment on assets and other non-cash items		(238)	(945)
Income/(losses) from sales of property, plant & equipment		(6,403)	(1,708)
Dividends received from associates and joint ventures		4,541	3,340
Cash flow from operating activities before changes in working capital		205,093	203,733
Decrease/(increase) in trade receivables and other current and non-current receivables		57,890	(228,409)
Decrease/(increase) in inventories		5,525	34,502
Increase/(decrease) in trade payables and other current and non-current payables		(113,286)	23,084
Income tax paid/received		(22,390)	(23,777)
Cash flow from operating activities		132,832	9,133
Investing activities			
Sales of non-current assets		11,793	2,534
Purchases of non-current assets		(262,228)	(226,739)
Acquisition of subsidiaries net of cash acquired		0	336
Capital increase of equity-accounted companies		(16,303)	(1,395)
Sale of subsidiaries		0	0
New borrowings given		8,076	(10,568)
Cash flow from investing activities		(258,662)	(235,832)
Financing activities			
Interest paid		(15,780)	(16,657)
Interest received		7,245	5,112
Other financial expenses & income		(5,172)	(569)
Borrowings		506,217	390,239
Reimbursements of borrowings		(48,767)	(185,069)
Dividends paid		(60,755)	(60,715)
Cash flow from financing activities		382,988	132,341
Net increase/(decrease) in cash position		257,158	(94,358)
Cash and cash equivalents at start of the year		388,346	523,018
Exchange rate effects		593	(649)
Cash and cash equivalents at end of period		646,097	428,011

Purchases and sales of subsidiaries net of cash acquired do not include entities that are not a business combination (Real Estate segment). 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 30 June 2019

	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 2018	41,330	800,008	923,768	(25,521)	(7,153)	(11,554)	1,720,878	13,973	1,734,851
IFRS 16 restated							0		0
December 2018(*)	41,330	800,008	923,768	(25,521)	(7,153)	(11,554)	1,720,878	13,973	1,734,851
Comprehensive income for the period		42,736		(29,518)		256	13,474	(1,073)	12,401
Dividends paid to shareholders			(60,755)				(60,755)		(60,755)
Dividends from non-controlling interests								(531)	(531)
Other movements								847	847
June 2019	41,330	800,008	905,749	(25,521)	(36,671)	(11,298)	1,673,597	13,216	1,686,813

(*) Amounts restated in accordance with changes in accounting method linked to the application of accounting standard IFRS 16 Leases. We refer to note 3.2.

For the period ended 31 December 2018

	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 2017	41,330	800,008	812,993	(25,268)	(2,457)	(12,252)	1,614,354	14,421	1,628,775
Comprehensive income for the period		51,849		(3,875)		2,042	50,016	(1,719)	48,297
Dividends paid to shareholders			(60,755)				(60,755)		(60,755)
Dividends from non-controlling interests								(518)	(518)
Other movements								(117)	(117)
June 2018	41,330	800,008	804,087	(25,268)	(6,332)	(10,210)	1,603,615	12,067	1,615,682

SHARE CAPITAL AND RESERVES

The share capital on 30 June 2019 was divided into 25,314,482 ordinary shares. These shares are without nominal value. The owners of ordinary shares have the right to receive dividends and have one vote per share in Shareholders' General Meetings.

On 22 February 2019, the Board of Directors proposed a dividend of €60,755 thousand, corresponding to €2.40 gross per share. The proposal has been approved by the General Shareholders Meeting on 2 May 2019. This dividend was made payable in May 2019.

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 are calculated as follows:

EARNINGS PER SHARE FOR THE PERIOD ENDED 30 JUNE 2019 (in € thousands)	2019	2018
Net income attributable to shareholders	42,736	51,849
Comprehensive income attributable to owners of the parent	13,474	50,016
Number of ordinary shares at the balance sheet date	25,314,482	25,314,482
Net income share of the group per share (€)	1.69	2.05
Comprehensive income attributable to owners of the parent per share (€)	0.53	1.98

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Introduction

The Board of Directors authorized the publication of the interim condensed consolidated financial statements on 28 August 2019.

MAIN TRANSACTIONS FOR THE FIRST SIX MONTHS OF 2019 AND THE FIRST SIX MONTHS OF 2018 WITH EFFECT ON THE SCOPE OF THE CFE GROUP

TRANSACTIONS FOR THE FIRST SIX MONTHS OF 2019

1. Dredging, environment, offshore and infra segment – “DEME”

During the first half year 2019, DEME acquired :

- a 100% stake in the newly created company Bonny River Shipping SA;
- a 100% stake in the newly created company DEME Offshore US Inc;
- a 100% stake in the newly created company DEME Offshore US LLC.

The acquired entities listed above have been fully consolidated.

The group DEME also acquired during the first semester 2019:

- a 50% stake in the company DBM-Bontrup BV ;
- a 50% stake in the company BNS JV Limited ;
- a 49.99% stake in the company CSBC-DEME Wind Engineering CO., Ltd (CDWE Taiwan).

The companies listed above have been integrated under the equity method.

During the first half year 2019, DEME disposed of all its stakes in the following entities :

- 100% of the company MDCC Insurance Broker NV, which was fully consolidated ;
- 100% of the company Offshore Manpower Singapore PTE Ltd, which was fully consolidated ;
- 51.10% of the company B-WIND Polska s.p.zoo, which was integrated under the equity method;
- 51.10% of the company C-WIND Polska s.p.zoo, which was integrated under the equity method.

2. Contracting segment

On 29 March 2019, the company P-Multitech BVBA was absorbed by VMA NV, 100% owned by the CFE group, with retroactive effect to 1 January 2019.

On 29 March 2019, the companies be.Maintenance SA, Etablissements Druart SA, Nizet Entreprises SA and Vanderhoydoncks NV, subsidiaries of CFE Contracting, were renamed VMA be.Maintenance SA, VMA Druart SA, VMA Nizet SA and VMA Vanderhoydoncks NV respectively.

On 15 May 2019, the company CFE Bouw Vlaanderen NV, a subsidiary of CFE Contracting, was renamed MBG NV.

On 16 May 2019, the companies Engema SA, Engetec SA, José Coghe-Werbrouck NV, Louis Stevens NV and Remacom NV, subsidiaries of CFE Contracting, were renamed Mobix Engema SA, Mobix Engetec SA, Mobix Coghe NV, Mobix Stevens NV and Mobix Remacom NV respectively.

On 28 May 2019, the corporate name “CFE Bâtiment Brabant Wallonie (CFE BBW)” was renamed “Bâtiments et Ponts construction (BPC)”.

3. Real Estate segment

On 24 January 2019, BPI Real Estate Poland s.p.zoo. increased its stake in the company ACE 12 s.p.zoo. from 90% to 100%. This company was already fully consolidated.

On 19 February 2019, that same entity ACE 12 s.p.zoo., a subsidiary of BPI Real Estate Poland s.p.zoo., was renamed BPI Vilda Park s.p.zoo.

4. Holding and non-transferred activities

On 14 February 2019, the CFE group increased its stake in Rent-A-Port NV from 45% to 50%. The company remains integrated under the equity method.

On 28 February 2019, the company Liveway Ltd, 50% owned by the CFE group, was liquidated. This company was integrated under the equity method.

TRANSACTIONS FOR THE FIRST SIX MONTHS OF 2018

1. Dredging, environment, offshore and infra segment – “DEME”

During the first half year 2018, DEME acquired :

- a 100% stake in the company Dredeco PNG Ltd;
- a 100% stake in the company Middle East Marine Contracting Ltd;
- a 100% stake in the company Naviera Living Stone S.L.U.

The acquired companies listed above have been fully consolidated.

The group DEME has also acquired during the first semester 2018:

- a 50% stake in the newly created company Earth Moving Al Duqm LLC;
- a 15% stake in company BAAK Blankenburg-Verbinding BV.

The companies listed above have been integrated under the equity method.

Finally, the companies Europ Agregats SARL, 100% owned, and Ecoterres Holding SA, 74.90% owned were absorbed respectively by DEME Building Materials NV and DEME Environmental Contractors NV, both 100% owned.

2. Contracting segment

Nihil.

3. Real estate segment

On 1 January 2018, CFE Group, through its subsidiary BPI Real Estate Belgium SA, increased its stake in D.H.B. SA from 75.33% to 100%. This entity was already fully integrated.

On 14 May 2018, the company Foncière Sterpenich SA, subsidiary of BPI Real Estate Belgium SA, was rebranded as BPI Park West SA.

On 30 May 2018 CFE Group, through its subsidiary BPI Real Estate Poland sp.zoo, acquired a 100% stake in company BPI Sadowa sp.zoo which is fully consolidated.

On 8 June 2018, CFE Group, through its subsidiaries BPI Real Estate Belgium SA and BPI Samaya SA, acquired a 100% stake in the newly created company Wolimmo SA which is fully consolidated.

On 8 June 2018, CFE Group, through its subsidiaries BPI Real Estate Belgium SA and BPI Samaya SA, acquired a 100% stake in the newly created company Zen Factory SA which is fully consolidated.

4. Holding and non-transferred activities

Nihil.

ACCOUNTING PRINCIPLES AND EVALUATION METHOD

1. GENERAL POLICIES

IFRS AS ADOPTED BY THE EUROPEAN UNION

The accounting principles used at 30 June 2019 are the same as that those used for the consolidated financial statements at 31 December 2018, except for the standard IFRS 16 and the interpretation IFRIC 23 Uncertainty over Income Tax Treatments, mandatorily applicable as of 1 January 2019. We refer to Note 3.2. of the present report.

Furthermore, during the annual analysis of the depreciation rules of its fleet (depreciation rates and residual value), DEME has slightly amended them. The application of these new rules has no significant impact on the consolidated financial statements of CFE.

STANDARDS AND INTERPRETATIONS APPLICABLE FOR THE ANNUAL PERIOD BEGINNING ON 1 JANUARY 2019

- IFRS 16 Leases
- IFRIC 23 Uncertainty over Income Tax Treatments
- Amendments to IAS 19 Plan Amendment, Curtailment or Settlement
- Amendments to IAS 28 Long term interests in Associates and Joint Ventures
- Amendments to IFRS 9 Prepayment Features with Negative Compensation
- Annual improvements to IFRS Standards 2015-2017 Cycle

STANDARDS AND INTERPRETATIONS PUBLISHED, BUT NOT YET APPLICABLE FOR THE ANNUAL PERIOD BEGINNING ON 1 JANUARY 2019

The Company decided not to anticipate the application standards and interpretations here below that are not mandatory on June 30, 2019:

- Amendments to IAS 1 and IAS 8 Definition of Material (applicable for annual periods beginning on or after 1 January 2020, but not yet endorsed in the EU)
- Amendments to IFRS 3 Business Combinations (applicable for annual periods beginning on or after 1 January 2020, 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 references to the Conceptual Framework in IFRS standards (applicable for annual periods beginning on or after 1 January 2020, but not yet endorsed in the EU)
- IFRS 14 Regulatory Deferral Accounts (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in the EU)
- IFRS 17 Insurance Contracts (applicable for annual periods beginning on or after 1 January 2021, but not yet endorsed in the EU)

The assessment of the potential impact on the group's financial statements is still in progress.

2. CONSOLIDATION METHODS

2.1. SCOPE OF CONSOLIDATION

Companies in which the Group holds, 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 the equity method. This applies in particular to Rent-A-Port and some entities in DEME segment and the Real Estate segment.

Changes in the scope of consolidation

Number of entities	June 2019	December 2018
Full consolidation	200	200
Equity method	143	128
Total	343	328

2.2. INTRAGROUP TRANSACTIONS

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

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

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

In 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 recognized 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.

2.4. 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 recognized 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.

3. VALUATION RULES AND METHODS

3.1. RE COURSE TO ESTIMATES

The preparation of financial statements under IFRS standards 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 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 classification of a company acquisition as a business combination or an acquisition of assets; and
- the classification, when a partnership enters into force, of the joint arrangement as a joint venture or a joint operation.

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

3.2. CHANGES IN ACCOUNTING METHOD : APPLICATION OF IFRS 16 LEASES

The IFRS 16 standard abolishes for the lessee the distinction, which was applicable before 31 December 2018, between operating leases recognized as expenses, and finance leases recognized as tangible assets against a financial debt, and requires for all leases the recognition of a right-of-use against a financial debt. IFRS 16 will replace the standard and interpretations IAS 17, IFRIC 4, SIC 15 and SIC 27. Where according to IAS 17, the accounting treatment of leases is determined by the assessment of the transfer of the risks and rewards incidental to ownership of the asset, IFRS 16 imposes a single recognition method for leases by lessees that has a similar impact on the balance sheet as finance leases. This standard came into effect on 1 January 2019.

For the implementation of IFRS 16, the Group opted for the modified retrospective method, method B, under which the right-of-use asset equals the lease liability on 1 January 2019. The comparative financial statements were restated only with respect to the consolidated statement of financial position. The figures for 2018, presented for comparison purposes in the consolidated statement of comprehensive income, have not been restated and continue to be presented according to the accounting standards applicable in 2018.

The consolidated statement of financial position for the year ending on 31 December 2018 was impacted as follows :

	December 2018, published	Restatement IFRS 16	December 2018, after restatement
Non-current assets, including :			
<i>Property, plant and equipment</i>	2,390,236	98,763	2,488,999
Equity attributable to owners of the parent, including :			
<i>Retained earnings</i>	923,768	0	923,768
Liabilities, including :			
<i>Non-current financial debts</i>	656,788	75,541	732,329
<i>Current financial debts</i>	150,075	23,222	173,297

The restatements applied to the operating leases commitments of the CFE group as of 31 December 2018 in order to constitute the initial lease liability as of 1 January 2019 can be summarized as follows:

(in € thousands)	1 January 2019
Operating lease commitments as of 31 December 2018	132,882
Deduction of lease contracts expiring in 2019	(843)
Deduction of low-value assets	0
Addition of purchase options or contract extension options	0
Others	(6,831)
Lease liability – before discounting	125,208
Discounting effect	(26,445)
Lease liability as of 1 January 2019	98,763

The section “Others” is mainly related to the deduction of non-lease components which are not included in the lease debt (insurance and maintenance expenses in car leases) and to the deduction of contracts signed in 2018 for assets available for use on or after 1 January 2019.

The impact of the implementation of IFRS 16 Leases on CFE’s consolidated financial statements as of 30 June 2019 can be summarized as follows:

For the period from January 1 st to June, 30 th (in € thousands)	2019
Comprehensive income	
Reversal of lease expenses	+12,122
Depreciation expenses and impairment of right-of-use assets	(11,660)
EBIT	+462
EBITDA	+12,122
Financial interests relating to lease liability	(1,008)
Net result	(546)
Financial position	
Right-of-use asset	97,395
Lease debt	97,940
Cash flow statement	
Cash flow from financing activities	(11,910)

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.

The CFE group consists of four operating segments:

- **Dredging, environment, offshore and infra – “DEME”**

Through DEME, the Dredging, environment, offshore and infra segment is active in dredging (capital dredging and maintenance dredging), installation of offshore wind farms, laying of submarine power cables, protection of marine pipelines, treatment of polluted sludge and sediments, and in the marine engineering.

- **Contracting**

The Contracting segment includes the construction, multitechnics and rail & utilities activities.

Construction activity is concentrated in Belgium, Luxembourg, Poland and, to a lesser extent, in Tunisia. CFE Contracting specialises in building and refurbishing office buildings, residential properties, hotels, schools, universities, car parks, shopping and leisure centres, hospitals and industrial buildings.

The Multitechnics and Rail & Utilities activities operate mainly in Belgium through two clusters:

- the VMA cluster comprising tertiary electricity, HVAC (heating, ventilation and air conditioning), electromechanical facilities, telecom networks, automation in the automobile, pharmaceutical and agri-food industries, the automated management of technical facilities of buildings, electromechanical work for road and rail infrastructures (tunnels, etc), and the long-term maintenance of technical facilities;
- the MOBIX cluster comprising railway (track laying and installation of catenaries) and signalling works, energy transportation and public lighting.

- **Real Estate Development**

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

- **Holding and non-transferred activities**

Besides the usual holding activities, this segment includes:

- participations in Rent-A-Port, Green Offshore and in two Design Build Finance and Maintenance contracts in Belgium;
- contracting activities not transferred to CFE Contracting SA and DEME NV including one engineering project in Belgium and building projects in Africa (except Tunisia) and in Central Europe (except Poland).

4.1. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2019 (in € thousands)	DEME	DEME restatem ents	Contracting	Real Estate Development	Holding and non- transferred activities	Eliminations between segments	Consolidated total
Revenue	1,349,272		501,384	24,042	12,932	(39,916)	1,847,714
Income from operating activities	52,694	(2,294)	1,397	526	(1,886)	105	50,542
Operating income (EBIT) (*)	58,541	(2,637)	1,382	5,663	(1,898)	105	61,156
<i>% Revenue</i>	<i>4.34%</i>		<i>0.28%</i>	<i>23.55%</i>			<i>3.31%</i>
Financial income	(4,753)	416	(525)	(769)	402	0	(5,229)
Taxes	(10,549)	497	(3,751)	(424)	(35)	(35)	(14,297)
Net income share of the group	44,324	(1,724)	(2,894)	4,491	(1,531)	70	42,736
<i>% Revenue</i>	<i>3.29%</i>		<i>(0.58%)</i>	<i>18.68%</i>			<i>2.31%</i>
Non-cash items	146,398	2,294	9,967	(139)	(2,109)	0	156,411
EBITDA (*)	199,092	0	11,364	387	(3,995)	105	206,953
<i>% Revenue</i>	<i>14.76%</i>		<i>2.27%</i>	<i>1.61%</i>			<i>11.20%</i>

(*) We refer to Note 3.2. for the impact of IFRS 16 Leases on amortisation during the period from 1 January 2019 to 30 June 2019.

For the period ended 30 June 2018 (in € thousands)	DEME	DEME restatem ents	Contracting	Real Estate Development	Holding and non- transferred activities	Eliminations between segments	Consolidated total
Revenue	1,329,416		468,116	75,474	13,706	(26,566)	1,860,146
Income from operating activities	68,895	(2,294)	7,247	9,652	(4,169)	(591)	78,740
Operating income (EBIT)	66,997	(2,636)	7,244	11,651	(5,136)	(591)	77,529
<i>% Revenue</i>	<i>5.04%</i>		<i>1.55%</i>	<i>15.44%</i>			<i>4.17%</i>
Financial income	(4,587)	1,450	(79)	(2,130)	(1,716)	0	(7,062)
Taxes	(15,531)	192	(3,091)	(1,741)	(70)	42	(20,199)
Net income share of the group	48,425	(994)	4,075	7,815	(6,923)	(549)	51,849
<i>% Revenue</i>	<i>3.64%</i>		<i>0.87%</i>	<i>10.35%</i>			<i>2.79%</i>
Non-cash items	118,205	2,294	7,619	(1,028)	(3,729)	0	123,361
EBITDA	187,100	0	14,866	8,624	(7,898)	(591)	202,101
<i>% Revenue</i>	<i>14.07%</i>		<i>3.18%</i>	<i>11.43%</i>			<i>10.86%</i>

4.2. CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

For the period ended 30 June 2019 (in € thousands)	DEME	Contracting	Real Estate Development	Holding and non-transferred activities	Eliminations between segments	Consolidated total
ASSETS						
Goodwill	155,567	21,560	0	0	0	177,127
Property, plant and equipment	2,487,263	78,347	2,316	2,566	0	2,570,492
Non-current loans to consolidated group companies	0	0	0	20,000	(20,000)	0
Other non-current financial assets	55,453	0	22,807	25,861	0	104,121
Other non-current assets	264,012	14,556	35,037	1,284,477	(1,245,836)	352,246
Inventories	12,274	13,287	118,467	3,754	(1,625)	146,157
Cash and cash equivalents	567,688	40,110	14,868	23,431	0	646,097
Internal cash position - cash pooling - assets	0	40,670	7,551	2,217	(50,438)	0
Other current assets	849,413	359,490	37,779	94,049	(13,674)	1,327,057
Total assets	4,391,670	568,020	238,825	1,456,355	(1,331,573)	5,323,297
EQUITY AND LIABILITIES						
Equity	1,608,529	73,050	69,437	1,183,259	(1,247,462)	1,686,813
Non-current borrowings from consolidated group companies	0	0	20,000	0	(20,000)	0
Non-current bonds	0	0	29,636	0	0	29,636
Non-current financial liabilities	1,038,076	20,558	26,873	121,155	0	1,206,662
Other non-current liabilities	173,520	14,620	6,882	22,865	0	217,887
Current bonds	0	0	0	0	0	0
Current financial liabilities	335,296	4,082	8,198	20,162	0	367,738
Internal cash position - cash pooling - liabilities	0	2,217	11,883	36,338	(50,438)	0
Other current liabilities	1,236,249	453,493	65,916	72,576	(13,673)	1,814,561
Total liabilities	2,783,141	494,970	169,388	273,096	(84,111)	3,636,484
Total equity and liabilities	4,391,670	568,020	238,825	1,456,355	(1,331,573)	5,323,297

For the period ended 31 December 2018 (in € thousands)	DEME	Contracting	Real Estate Development	Holding and non- transferred activities	Eliminations between segments	Consolidated total
ASSETS						
Goodwill	155,567	21,560	0	0	0	177,127
Property, plant and equipment	2,326,304	61,526	928	1,478	0	2,390,236
Non-current loans to consolidated group companies	0	0	0	20,000	(20,000)	0
Other non-current financial assets	108,066	0	35,106	28,515	0	171,687
Other non-current assets	274,058	13,217	34,923	1,274,450	(1,245,849)	350,799
Inventories	15,244	16,945	94,592	3,733	(1,625)	128,889
Cash and cash equivalents	287,394	53,440	9,197	38,315	0	388,346
Internal cash position - cash pooling - assets	0	62,808	2,793	1,889	(67,490)	0
Other current assets	914,328	314,783	26,180	96,214	(9,638)	1,341,867
Total assets	4,080,961	544,279	203,719	1,464,594	(1,344,602)	4,948,951
EQUITY AND LIABILITIES						
Equity	1,646,910	84,781	68,108	1,182,527	(1,247,475)	1,734,851
Non-current borrowings from consolidated group companies	0	0	20,000	0	(20,000)	0
Non-current bonds	0	0	29,584	0	0	29,584
Non-current financial liabilities	494,796	10,156	21,836	130,000	0	656,788
Other non-current liabilities	179,572	14,712	10,923	21,983	0	227,190
Current bonds	200,221	0	0	0	0	200,221
Current financial liabilities	148,376	1,699	0	0	0	150,075
Internal cash position - cash pooling - liabilities	0	1,889	11,043	54,558	(67,490)	0
Other current liabilities	1,411,086	431,042	42,225	75,526	(9,637)	1,950,242
Total liabilities	2,434,051	459,498	135,611	282,067	(97,127)	3,214,100
Total equity and liabilities	4,080,961	544,279	203,719	1,464,594	(1,344,602)	4,948,951

4.3. CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 June 2019 (in € thousands)	DEME	Contracting	Real Estate Development	Holding and non-transferred activities & eliminations	Consolidated total
Cash flow from operating activities before change in working capital	194,498	11,017	3,480	(3,902)	205,093
Net cash flow from (used in) operating activities	147,047	(15,365)	2,310	(1,160)	132,832
Cash flow from (used in) investing activities	(240,061)	(7,673)	(214)	(10,714)	(258,662)
Cash flow from (used in) financing activities	372,863	9,685	3,448	(3,008)	382,988
Net increase/(decrease) in cash position	279,849	(13,353)	5,544	(14,882)	257,158
For the period ended 30 June 2018 (in € thousands)	DEME	Contracting	Real Estate Development	Holding and non-transferred activities & eliminations	Consolidated total
Cash flow from operating activities before change in working capital	187,649	15,379	10,153	(9,448)	203,733
Net cash flow from (used in) operating activities	25,336	16,981	(2,083)	(31,101)	9,133
Cash flow from (used in) investing activities	(228,604)	(3,907)	325	(3,646)	(235,832)
Cash flow from (used in) financing activities	111,676	(19,781)	7,410	33,036	132,341
Net increase/(decrease) in cash position	(91,592)	(6,707)	5,652	(1,711)	(94,358)

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, especially and primarily in the segments DEME, Real Estate, Holding and non-transferred activities. The DEME segment is not part of the CFE cash pooling arrangement.

4.4. OTHER INFORMATION

For the period ended 30 June 2019 (in € thousands)	DEME	Contracting	Real Estate Development	Holding and non-transferred activities	Consolidated total
Depreciation (*) Investments	(148,692) 230,807	(7,905) 13,294	(384) 472	(284) 90	(157,265) 244,663

For the period ended 30 June 2018 (in € thousands)	DEME	Contracting	Real Estate Development	Holding and non-transferred activities	Consolidated total
Amortisation Investments	(120,548) 186,229	(5,383) 4,575	(137) 185	(82) 673	(126,150) 191,662

(*) We refer to Note 3.2. for the impact of IFRS 16 Leases on amortisation during the period from 1 January 2019 to 30 June 2019.

The investments include the acquisitions as part of the group's investing activities and the acquisitions made as part of the operating activities of the Real Estate segment. Acquisitions through business combinations are not included in these amounts.

BREAKDOWN OF REVENUE IN THE DEME SEGMENT		June 2019	June 2018
(in € thousands)			
DEME Offshore		582,939	712,968
Capital & maintenance dredging		572,126	469,969
Environmental		76,709	65,644
Infra		89,730	48,155
Others		27,768	32,680
Total DEME		1,349,272	1,329,416
BREAKDOWN OF REVENUE IN THE CONTRACTING SEGMENT		June 2019	June 2018
(in € thousands)			
Construction		383,528	343,370
Multitechnics		79,813	86,156
Rail & Utilities		38,043	38,590
Total Contracting		501,384	468,116

4.5. GEOGRAPHICAL INFORMATION

REVENUE OF CFE GROUP FOR THE PERIOD ENDED JUNE 30, 2019

(in € thousands)	June 2019	June 2018
Belgium	770,358	566,710
Other Europe	645,873	930,721
Middle East	61,945	8,669
Other Asia	161,019	195,729
Oceania	16,466	18,067
Africa	136,178	110,558
Americas	55,875	29,692
Consolidated total	1,847,714	1,860,146

5. ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

ACQUISITIONS FOR THE PERIOD ENDED 30 JUNE 2019

No transactions having a material impact took place during the first six months of 2019.

DISPOSALS FOR THE PERIOD ENDED 30 JUNE 2019

No transactions having a material impact took place during the first six months of 2019.

In the Real Estate segment, the acquisitions and disposals carried out do not qualify as business combinations; and therefore, the total price paid is allocated to the land and buildings held in stock. The main acquisitions and disposals which occur in the Real Estate segment are described here above in the preamble.

ASSETS HELD FOR SALE

During the first half of 2019, a mandate was given to sell 100% of the shares of the company Merkur Offshore GmbH. The SPV is concessionaire for a wind farm in Germany which is 12.5% owned by DEME. At 30 June 2019, the net carrying amount of the consolidated assets in the financial statements of the CFE group, namely €49.4 million, is shown as assets held for sale.

COMPREHENSIVE INCOME

6. REVENUE FROM AUXILIARY ACTIVITIES

Revenue from auxiliary activities amounted to €48,376 thousand (June 2018: €31,123 thousand) and primarily includes rental income, other reimbursements and rebilling of various expenses worth €41,858 thousand (June 2018: €29,171 thousand) of which DEME accounts for €27,691 thousand, as well as gains on disposals of non-current assets worth €6,518 thousand (June 2018: €1,829 thousand) of which DEME accounts for €6,113 thousand.

7. NET FINANCIAL INCOME/EXPENSE

As of 30 June (in € thousands)	2019	2018
Cost of financial debt	(1,044)	(7,091)
Derivative instruments - fair value adjustments through profit and loss	0	0
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 - interest income	7,242	5,376
Assets and liabilities at amortized cost - interest expense (*)	(8,286)	(12,467)
Other financial income and expense	(4,185)	29
Realized / unrealized translation gains/(losses)	(1,656)	2,459
Dividends received from non-consolidated companies	5	43
Impairment of financial assets	0	0
Defined benefit plan financial cost	0	0
Others	(2,534)	(2,473)
Net financial income/expense	(5,229)	(7,062)

(*) We refer to Note 3.2. for the impact of IFRS 16 Leases on interest expenses during the period from 1 January 2019 to 30 June 2019.

The change in realized (unrealized) exchange gains/(losses) and other as of 30 June 2019 is mainly explained by the valuation of the euro against functional currencies of DEME subsidiaries.

8. NON-CONTROLLING INTERESTS

As of 30 June 2019, the share of non-controlling interests in the income statement amounted to €1,106 thousand (June 2018: €1,581 thousand) and is primarily related to the DEME segment (€1,085 thousand).

9. INCOME TAX

The tax expenses amounted to €14,297 thousand for the first half of 2019, compared to €20,199 thousand for the first half of 2018. The effective tax rate amounted to 31.55%, compared to 28.18% as of 30 June 2018. 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.

FINANCIAL POSITION

10. PROPERTY, PLANT AND EQUIPMENT

For the period ended 30 June 2019 (in € thousands)	Land and buildings	Fixtures and equipment	Furniture, fittings and vehicles	Under construction	Total
Acquisition costs					
Balance at the end of the previous period	144,300	3,914,871	68,409	431,022	4,558,602
Right-of-use assets, as of 1 January 2019	72,371	5,311	21,081	0	98,763
Effects of changes in foreign exchange rates	(495)	746	(39)	1	213
Acquisitions	2,915	91,143	9,552	140,786	244,396
Transfers between asset items	32	125,230	79	(119,303)	6,038
Disposals	(215)	(80,096)	(4,065)	0	(84,376)
Changes in consolidation scope	0	0	0	0	0
Balance at the end of the period	218,908	4,057,205	95,017	452,506	4,823,636
Amortisation and impairment					
Balance at the end of the previous period	(59,027)	(2,053,942)	(55,397)	0	(2,168,366)
Effects of changes in foreign exchange rates	(27)	(1,007)	(18)	0	(1,052)
Amortisation	(8,407)	(140,901)	(7,383)	0	(156,691)
Transfers between asset items	(1)	428	(104)	(6,229)	(5,906)
Disposals	99	68,876	3,667	6,229	78,871
Changes in consolidation scope	0	0	0	0	0
Balance at the end of the period	(67,363)	(2,126,546)	(59,235)	0	(2,253,144)
Net carrying amount					
At January 1, 2019	85,273	1,860,929	13,012	431,022	2,390,236
At June 30, 2019	151,545	1,930,659	35,782	452,506	2,570,492

The net carrying amount of tangible assets amounted to €2,570,492 thousand as of 30 June 2019 (December 2018: €2,390,236 thousand).

As of 30 June 2019, acquisitions of tangible assets amounted to €244,396 thousand, and are mainly related to DEME (€230,797 thousand).

Of the ten vessels commissioned in 2015, 2016 and 2018, worth a total of over one billion euros, the trailing suction hopper dredgers 'Minerva' and 'Scheldt River', and the vessels 'Gulliver' (in joint venture), 'Living Stone' and 'Apollo' were delivered in 2017 and 2018. The dredger 'Bonny River' joined DEME's fleet in the first half of 2019. As of 30 June 2019, a residual amount of €253 million will be invested in vessels under construction over the next few years.

The net carrying amount of property, plant and equipment used as collateral for certain loans totalled €55,686 thousand (December 2018: €84,599 thousand).

The amounts reported under the item "Right-of-use assets, as of 1 January 2019" show the impact of the restatement of the standard on the consolidated statement of financial position as of 1 January 2019, which amounts to €98,763 thousand. We refer to Note 3.2.

The net value of right-of-use assets was €153,087 thousand as of 30 June 2019 (December 2018: €58,785 thousand). Those assets primarily include the concessions and buildings of the DEME group, the vehicle fleet of the group, the registered offices of the subsidiaries Mobix Stevens NV, Mobix Engema SA, CFE SA, BPI Real Estate Belgium SA and Arthur Vandendorpe NV; the cranes of Benelmat and the equipment of Mobix Coghe NV.

For the period ended 30 June 2018 (in € thousands)	Land and buildings	Fixtures and equipment	Furniture, fittings and vehicles	Under construction	Total
Acquisition costs					
Balance at the end of the previous period	144,888	3,435,161	76,181	428,074	4,084,304
Effects of changes in foreign exchange rates	131	667	32	58	888
Acquisitions	2,309	71,225	3,803	113,319	190,656
Transfers between asset items	(1,328)	3,500	1,909	(5,136)	(1,055)
Disposals	(967)	(22,263)	(2,751)	0	(25,981)
Changes in consolidation scope	187	788	527	0	1,502
Balance at the end of the period	145,220	3,489,078	79,701	536,315	4,250,314
Amortisation and impairment					
Balance at the end of the previous period	(58,599)	(1,823,759)	(63,738)	0	(1,946,096)
Effects of changes in foreign exchange rates	(112)	(344)	7	0	(449)
Amortisation	(2,700)	(118,667)	(2,987)	0	(124,354)
Transfers between asset items	4,124	213	(3,667)	0	670
Disposals	967	21,591	2,594	0	25,152
Changes in consolidation scope	(187)	3,501	(527)	0	2,787
Balance at the end of the period	(56,507)	(1,917,465)	(68,318)	0	(2,042,290)
Net carrying amount					
At January 1, 2018	86,289	1,611,402	12,443	428,074	2,138,208
At June 30, 2018	88,713	1,571,613	11,383	536,315	2,208,024

11. ASSOCIATES AND JOINT ARRANGEMENTS

As of 30 June 2019, investments in associates and joint arrangements amounted to €148,765 thousand (December 2018: €155,792 thousand). CFE group share in net result of associates and joint ventures amounted to €10,614 thousand (June 2018: €-1,211 thousand) and mainly derives from DEME activities and real estate development.

12. INVENTORIES

As of 30 June 2019, inventories amounted to €146,157 thousand (December 2018: €128,889 thousand) and broke down as follows:

(in € thousands)	June 2019	December 2018
Raw materials and auxiliary products	34,298	37,203
Impairment on inventories of raw materials and auxiliary products	(179)	(195)
Finished products and properties held for sale	112,945	92,861
Impairment on inventories of finished products	(907)	(980)
Inventories	146,157	128,889

The increase in finished products and properties held for sale is primarily attributable to the Polish activities of the Real Estate segment.

13. TRADE RECEIVABLES AND OTHER OPERATING RECEIVABLES

As of 30 June 2019, trade receivables and other operating receivables amounted to €1,174,985 thousand (December 2018: €1,261,298 thousand). The decrease during the first half of 2019 is primarily due to the activities of the DEME group.

Regarding the risk on trade receivables, the group defined procedures in order to limit the risk. It should be noted that an important part of the consolidated sales is realized with public or semi-public customers. In addition, CFE considers that the concentration of the counterparty risk for customers is limited due to the large number of customers.

In order to reduce the current risk, the CFE group regularly monitors its outstanding receivables and adapts its position towards them. In this respect, it should be noted that CFE executed two projects in Chad: the construction of The Grand Hotel and the building of the Ministry of Finance. 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. Following payments received in July 2018, the outstanding receivables decreased by €7.5 million from €60 million to €52.5 million (excluding VAT and receivables covered by the Credendo credit insurance group). No further payments have been received since July 2018. Moreover, the sums received locally have not yet been converted into euros and transferred to Belgium. The terms and conditions for the refinancing of the receivables relating to the Grand Hotel were formally approved by the Chadian authorities. They have yet to be approved by the Board of Directors of Afreximbank.

In accordance with the expected loss model, defined by the standard IFRS 9, impairment losses have been recognized on the receivables held by the CFE group vis-à-vis the Chadian government. The accumulated impairment losses relating to those receivables amounted to €-22 million as of 30 June 2019.

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

As of 30 June 2019, these provisions amounted to €99,743 thousand, which represents a decrease of €934 thousand compared to December 2018 (€100,677 thousand).

(in € thousands)	After-sales service	Other current liabilities	Provisions for equity method	Other non-current liabilities	Total
Balance at the end of the previous period	15,530	49,975	23,422	11,750	100,677
Effects of changes in foreign exchange rates	14	61	0	7	82
Discounting effect	0	0	0	0	0
Transfers between items	(115)	1	(270)	118	(266)
Additions to provisions	1,691	8,083	0	78	9,852
Used provisions	(2,139)	(8,398)	0	(65)	(10,602)
Provisions reversed unused	0	0	0	0	0
Balance at the end of the period	14,981	49,722	23,152	11,888	99,743
of which current: 64,703 thousand euros					
non-current: 35,040 thousand euros					

The provision for after-sales service decreased by €549 thousand to €14,981 thousand as of 30 June 2019.

The provisions for other current risks decreased by €253 thousand to €49,722 thousand as of 30 June 2019. These provisions include :

- provisions for current litigation (€6,717 thousand), provisions for social litigations (€926 thousand) and provisions for other risks (€21,422 thousand). Regards other current liabilities, given that negotiations with customers are ongoing, we cannot provide more information about the assumptions made, nor on when the outflow of funds is likely to happen;
- provisions for losses on completion (€20,657 thousand) are recognized 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 in the losses of companies consolidated under the equity method exceeds the carrying amount of the investment, the latter 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 having 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.

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 dredging and construction sector and which are treated by applying the percentage-of-completion method during the recognition of revenue.

In 2018, DEME was involved in a lawsuit against Rijkwaterstaat in the Netherlands related to the execution of the Juliana Canal project. Based on the information currently available, DEME is unable to estimate the financial consequences of this litigation.

CFE also takes care that all its entities take the necessary organizational measures to ensure that the current laws and regulations are observed, including the compliance rules. DEME fully cooperates in a judicial investigation related to the circumstances surrounding the award of a contract that has in the meantime been executed in Russia. In the present circumstances, the financial impact for DEME cannot be reliably estimated.

16. DERIVATIVE FINANCIAL INSTRUMENTS

The CFE group uses derivative financial instruments mainly in order to reduce the risks linked to unfavourable movements of interest rates, foreign exchange rates, prices of commodities and other market risks. The company does not hold or 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.

The change in fair value in the comprehensive income of CFE Group amounts to €-29.5 million. This change is the consequence of the decrease of medium and long-term interest rates in the EURO zone, and mainly concerns IRS hedging instruments from SPVs SeaMade and Rentel, entities consolidated under the equity method.

As of 30 June 2019, derivative financial instruments have been estimated at their fair value.

17. NET FINANCIAL DEBT

17.1. NET FINANCIAL DEBT, AS DEFINED BY THE GROUP, BREAKS DOWN AS FOLLOWS :

(in € thousands)	Non-current	June 2019 Current	Total	Non-current	December 2018 Current	Total
Bank loans and other financial debt	966,000	197,496	1,163,496	472,786	138,888	611,674
Bonds	29,636	0	29,636	29,584	200,221	229,805
Drawings on credit facilities	130,000	0	130,000	146,000	0	146,000
Lease debts	110,662	29,430	140,092	38,002	8,324	46,326
Total long-term financial debt	1,236,298	226,926	1,463,224	686,372	347,433	1,033,805
Short-term financial debt	0	140,812	140,812	0	2,863	2,863
Cash equivalents	0	(3,848)	(3,848)	0	(12,655)	(12,655)
Cash	0	(642,249)	(642,249)	0	(375,691)	(375,691)
Net short-term financial debt/(cash)	0	(505,285)	(505,285)	0	(385,483)	(385,483)
Total net financial debt	1,236,298	(278,359)	957,939	686,372	(38,050)	648,322
Derivative instruments used as interest-rate hedges	11,608	4,685	16,293	6,168	3,143	9,311

The bank loans and other financial debts (€1,163,496 thousand) mainly relate to the corporate credit lines and project financing granted to DEME which are allocated to the financing of vessels.

Following the redemption at maturity on 14 February 2019 by DEME of its €200 million bond, the only bond still outstanding is that of BPI. This bond was issued on 19 December 2017 and is worth €30 million. It pays a coupon of 3.75% and matures on 19 December 2022.

The lease debts (€140,092 thousand) mainly concern the liabilities relating to the contracts that fall within the scope of IFRS 16 effective as of 1 January 2019 (€97,940 thousand), which have an impact of €98,763 thousand on the opening balance sheet (we refer to Note 17.3). As of 30 June 2019, the share of the DEME group amounts to €81,484 thousand and primarily concerns their concessions, while the Contracting, Real Estate and Holding & non-transferred activities segments account for €16,455 thousand.

17.2. 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	June 2019
Bank loans and other financial debt	197,496	196,319	195,772	309,511	264,398	0	1,163,496
Bonds	0	0	0	29,636	0	0	29,636
Drawings on credit facilities	0	11,000	4,000	115,000	0	0	130,000
Lease debts	29,430	25,329	18,539	25,644	18,613	22,537	140,092
Total long-term financial debt	226,926	232,648	218,311	479,791	283,011	22,537	1,463,224
Short-term financial debt	140,812	0	0	0	0	0	140,812
Cash equivalents	(3,848)	0	0	0	0	0	(3,848)
Cash	(642,249)	0	0	0	0	0	(642,249)
Net short-term financial debt	(505,285)	0	0	0	0	0	(505,285)
Total net financial debt	(278,359)	232,648	218,311	479,791	283,011	22,537	957,939

17.3. CASH FLOWS RELATING TO FINANCIAL LIABILITIES

As of 30 June 2019, CFE's financial liabilities amounted to €1,604,036 thousand, or an increase by €567,368 thousand relative to 31 December 2018. This increased debt is primarily accounted for by €600 million worth of additional medium-term borrowing by DEME; partially compensated by the redemption at maturity by DEME of its €200 million bond. The impact of IFRS 16 Leases amounted to €98,763 thousand as of 1 January 2019. We refer to Note 3.2.

(in € thousands)	December 2018	Restatement IFRS 16 at 1 January 2019	Cash flow	Non-cash movements	June 2019	
				Change in consolidation scope	Other changes	Total non-cash movements
Non-current financial liabilities						
Bonds	29,584	0	0	0	52	52
Other non-current financial liabilities	656,788	75,541	570,711	0	(96,378)	(96,378)
Current financial liabilities						
Bonds	200,221	0	(200,000)	0	(221)	(221)
Other current financial liabilities	150,075	23,222	86,739	0	107,702	107,702
Total	1,036,668	98,763	457,450	0	11,155	11,155
						1,604,036

17.4. CREDIT FACILITIES AND BANK TERM LOANS

As of 30 June 2019, CFE SA has confirmed long-term bank credit facilities of €204 million of which €110 million were drawn as of 30 June 2019. CFE SA also has the possibility of issuing commercial papers up to an amount of €50 million. This form of financing was drawn on to an amount of €30 million as of 30 June 2019.

DEME has confirmed bank credit facilities (revolving credit facilities) of €95 million and has the possibility of issuing commercial papers up to an amount of €125 million. As of 30 June 2019, DEME has issued €110 million worth of commercial papers. The confirmed credit facilities have not been used.

As of 30 June 2019, BPI Real Estate Belgium SA has confirmed long-term bank credit facilities of €40 million of which €20 million were drawn as of 30 June 2019. BPI Real Estate Belgium SA also has the possibility of issuing commercial papers up to an amount of €40 million. This form of financing was drawn on to an amount of €8 million as of 30 June 2019.

17.5. 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 as at 30 June 2019.

18. FINANCIAL RISK MANAGEMENT

18.1. INTEREST RATE RISK

The policy and the risk management procedures defined by the group are the same as those described in the 2018 annual report.

The impact of the risk coverage in regards to changes in interest rates on financial debts, excluding lease debts, can be summarized as follows :

Effective average interest rate before considering derivative products

Type of debts	Fixed rate			Floating rate			Total		
	Amounts	Quota	Rate	Amounts	Quota	Rate	Amounts	Quota	Rate
Bank loans and other financial debt	56,092	58.59%	1.22%	1,107,404	90.22%	0.70%	1,163,496	87.93%	0.73%
Bonds	29,636	30.96%	3.75%	0	0.00%	0.00%	29,636	2.24%	3.75%
Drawings on credit facilities	10,000	10.45%	1.40%	120,000	9.78%	1.02%	130,000	9.83%	1.02%
Total	95,728	100%	2.02%	1,227,404	100%	0.73%	1,323,132	100%	0.82%

Effective average interest rate after considering floating derivative products

Type of debts	Fixed rate			Floating rate			Floating rate capped + inflation			Total		
	Amounts	Quota	Rate	Amounts	Quota	Rate	Amounts	Quota	Rate	Amounts	Quota	
Bank loans and other financial debt	1,134,561	92.08%	1.08%	28,935	31.82%	1.15%	0	0.00%	0.00%	1,163,496	87.93%	1.08%
Bonds	29,636	2.41%	3.75%	0	0.00%	0.00%	0	0.00%	0.00%	29,636	2.24%	3.75%
Drawings on credit facilities	68,000	5.52%	1.50%	62,000	68.18%	1.17%	0	0.00%	0.00%	130,000	9.83%	1.17%
Total	1,232,197	100%	1.17%	90,935	100%	1.16%	0	0.00%	0.00%	1,323,132	100%	1.15%

18.2. DISTRIBUTION OF THE LONG TERM FINANCIAL DEBTS BY CURRENCY

The outstanding debts (excluding lease liabilities which are mostly in euros) by currency are as follows :

(in € thousands)	June 2019	December 2018
Euro	1,323,132	987,479
US dollar	0	0
Other currencies	0	0
Total long term debts	1,323,132	987,479

18.3. CARRYING AMOUNTS AND FAIR VALUE BY ACCOUNTING CATEGORY

For the period ended 30 June 2019 (in € thousands)	FAMMFV/ FLFVPL (3): Derivatives designated as hedging instruments	FAMMFV/ FLFVPL (3): Derivatives designated as hedging instruments	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	8		104,121	104,129		104,129
Investments (1)			6,562	6,562	Level 2	6,562
Financial loans and receivables (1)			97,559	97,559	Level 2	97,559
Derivatives	8			8	Level 2	8
Current financial assets	514	101	1,821,082	1,821,697		1,821,697
Trade and other receivables			1,174,985	1,174,985	Level 2	1,174,985
Derivatives	514	101		615	Level 2	615
Cash equivalents (2)			3,848	3,848	Level 1	3,848
Cash at bank and in hand (2)			642,249	642,249	Level 1	642,249
Total assets	522	101	1,925,203	1,925,826		1,925,826
Non-current financial debts	1,335	11,607	1,236,298	1,249,240		1,261,049
Bonds			29,636	29,636	Level 1	29,636
Financial debts			1,206,662	1,206,662	Level 2	1,218,471
Derivatives	1,335	11,607		12,942	Level 2	12,942
Current financial liabilities	3,705	7,357	1,710,762	1,721,824		1,724,239
Trade payables and other operating debts			1,343,024	1,343,024	Level 2	1,343,024
Bonds			0	0	Level 1	0
Financial debts			367,738	367,738	Level 2	370,153
Derivatives	3,705	7,357		11,062	Level 2	11,062
Total liabilities	5,040	18,964	2,947,060	2,971,064		2,985,288

For the period ended 31 December 2018 (in € thousands)	FAMMFV/ FLFVPL (3): Derivatives designated as hedging instruments	FAMMFV/ FLFVPL (3): Derivatives designated as hedging instruments	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	9		171,687	171,696		171,696
Investments (1)			5,758	5,758	Level 2	5,758
Financial loans and receivables (1)			165,929	165,929	Level 2	165,929
Derivatives	9			9	Level 2	9
Current financial assets	257	18	1,649,644	1,649,919		1,649,919
Trade and other receivables			1,261,298	1,261,298	Level 2	1,261,298
Derivatives	257	18		275	Level 2	275
Cash equivalents (2)			12,655	12,655	Level 1	12,655
Cash at bank and in hand (2)			375,691	375,691	Level 1	375,691
Total assets	257	27	1,821,331	1,821,615		1,821,615
Non-current financial debts	3,185	6,169	686,372	695,726		702,044
Bonds			29,584	29,584	Level 1	29,584
Financial debts			656,788	656,788	Level 2	663,106
Derivatives	3,185	6,169		9,354	Level 2	9,354
Current financial liabilities	3,170	7,820	1,761,240	1,772,230		1,781,768
Trade payables and other operating debts			1,410,944	1,410,944	Level 2	1,410,944
Bonds			200,221	200,221	Level 1	200,880
Financial debts			150,075	150,075	Level 2	158,954
Derivatives	3,170	7,820		10,990	Level 2	10,990
Total liabilities	6,355	13,989	2,447,612	2,467,956		2,483,812

(1) Included in items “Other non-current financial assets” and “Other non-current assets”.

(2) Included in item “Cash and cash equivalents”.

(3) FAMMFV: Financial assets mandatorily measured at fair value through profit and loss
FLFVPL: Financial liabilities measured at fair value through profit and loss

The fair value of financial instruments can be classified into three levels (1 to 3) 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 instruments, such as trade receivables and payables, the fair value is considered not to be significantly different from the carrying amount measured at amortized 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 future 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 DEME and BPI, 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 interest rates at the closing date.

19. OTHER COMMITMENTS GIVEN

Total commitments given by the CFE Group as of 30 June 2019, other than real security interests, totalled €1,316,429 thousand (2018: €1,450,914 thousand). These commitments break down as follows :

(in € thousands)	June 2019	December 2018
Performance guarantees and performance bonds (a)	1,150,256	1,273,793
Bid bonds (b)	11,793	13,110
Repayment of advance payments (c)	1,100	1,206
Retentions (d)	15,769	17,491
Deferred payments to subcontractors and suppliers (e)	48,870	64,999
Other commitments given - including €69,130 thousand of corporate guarantees at DEME	88,641	80,315
Total	1,316,429	1,450,914

- 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 debt to a supplier or subcontractor.

20. OTHER COMMITMENTS RECEIVED

(in € thousands)	June 2019	December 2018
Performance guarantees and performance bonds	525,899	512,354
Other commitments received	3,352	3,154
Total	529,251	515,508

21. LITIGATION

The CFE group is exposed to a number of claims that may be regarded as normal in the dredging and construction industries. In most cases, the CFE group seeks to conclude a transaction agreement with the counterparty, and this substantially reduces 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.

22. RELATED PARTIES

- Ackermans & van Haaren (AvH) owns 15,396,511 shares of CFE as of 30 June 2019 and is the main shareholder of the CFE group with a stake of 60.82%.
- Loans were granted to some members of the executive committee of CFE Contracting SA and BPI Real Estate Belgium SA in the framework of the stock option plans granted to these members.
- Dredging Environmental & Marine Engineering NV and CFE SA concluded a service contract with Ackermans & van Haaren NV on 26 November 2001 and on 11 June 2018 respectively. The remuneration due by Dredging Environmental & Marine Engineering NV, 100% subsidiary of CFE SA, and by CFE SA in accordance with that agreement amounted to €1,215 thousand and €663 thousand per year respectively.
- There were no transactions with the companies Trorema SPRL, Frédéric Claes SA, 8822 SPRL, D2C Partners, Artist Valley SA, Almacon SPRL, MSQ SPRL, Renaud Bentégeat Conseil SASU, without prejudice to the invoicing of these companies relating to the provision of services.
- As of 30 June 2019, the CFE group has joint control over Rent-A-Port NV, Green Offshore NV and their subsidiaries.
- Transactions with related parties concerned mainly transactions with companies in which CFE has a significant influence or a joint control. These transactions are concluded at arm's length.
- In the first half of 2019, there was no major changes in the nature of transactions with related parties compared to 31 December 2018.

Commercial and financing transactions between the group and associates or joint ventures consolidated under the equity method are as follows:

(in € thousands)	June 2019	December 2018
Assets with related parties	231,338	237,937
Non-current financial assets	151,396	170,380
Trade and other receivables	47,682	50,072
Other current assets	32,260	17,485
Liabilities with related parties	67,876	37,646
Other non-current liabilities	1,836	1,309
Trade and other operating payables	66,040	36,337

(in € thousands)	June 2019	June 2018
Revenues and expenses with related parties	158,474	266,002
Revenue and income from auxiliary activities	172,226	281,934
Purchases and other operating expenses	(19,833)	(20,453)
Net financial income/expense	6,081	4,521

The revenue and revenue from auxiliary activities vis-à-vis the associates or joint ventures consolidated under the equity method decreased substantially between June 2018 and June 2019 following the end of development works on the offshore wind farms Merkur and Rentel.

23. SUBSEQUENT EVENTS

None.

24. IMPACT OF FOREIGN CURRENCIES

The international activities of the CFE group for the Contracting and Real Estate segments are mainly within the Euro zone. Consequently, the exposure of those segments to exchange risk and the impact on the financial statements are very limited. DEME, however, carries on a large part of its business internationally. These activities are mainly in US dollars or in currencies that are closely tied to the US dollar. DEME uses financial instruments to hedge exchange rate risk.

25. RESEARCH AND DEVELOPMENT

DEME carries out research to increase the efficiency of its fleet. In addition, in partnership with universities and the Flemish region of Belgium, it carries out research in order to develop the production of sustainable marine energy.

26. SEASONAL NATURE OF THE BUSINESS

The construction activity is seasonal and susceptible to the climatic conditions of winter.

Revenue and income achieved in the first half year cannot be extrapolated over the full year. The seasonal nature of 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 rules as at year-end. They were neither anticipated nor deferred in the interim financial statements.

27. AUDITOR'S REPORT

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 2019, 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 NV/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 5 323 297 (000) EUR and the consolidated condensed income statement shows a consolidated profit (group share) for the period then ended of 42 736 (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 NV/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.

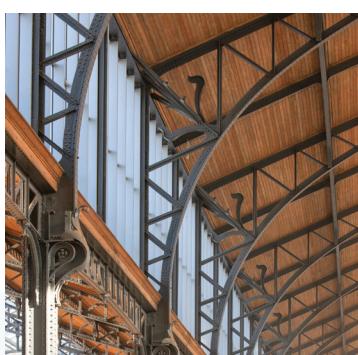
Zaventem, 28 August 2019

DELOITTE Bedrijfsrevisoren/Réviseurs d'Entreprises CVBA/SCRL
Represented by

Rik Neckebroeck

Michel Denayer

First half results 2019





First half results 2019

- **Revenue** : € 1,847.7 million
- **EBITDA** : € 207.0 million
- **EBIT** : € 61.2 million

The Board of Directors of CFE examined and approved the H1 2019 financial statements at its meeting on August 28, 2019.

1. Key figures in the first half of 2019

In million €	1 st semester 2019 (**)	1 st semester 2018	Variation
Revenue	1,847.7	1,860.1	-0.7%
Self-financing capacity (EBITDA) (*) % of revenue	207.0 11.2%	202.1 10.9%	+2.4%
Operating income on activities (*) % of revenue	50.5 2.7%	78.7 4.2%	-35.8%
Operating income (EBIT) (*) % of revenue	61.2 3.3%	77.5 4.2%	-21.0%
Net income share of the group % of revenue	42.7 2.3%	51.8 2.8%	-17.6%
Net income share of the group per share (in EUR)	1.69	2.05	-17.6%

In million €	30 June 2019 (**)	31 December 2018 (***)	Variation
Equity share of the Group	1,673.6	1,720.9	-2.7%
Net financial debt (*)	957.9	747.1	+28.2%
Order book (*)	5,330.3	5,385.9	-1.0%

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

(**) Including the impact of the implementation of IFRS 16 - Leases.

(***) Amounts restated following the implementation of IFRS 16 - Leases.

GENERAL INTRODUCTION

Revenue in the first half of 2019 amounted to € 1,847.7 million, comparable to revenue in the first half of 2018. Activity was virtually stable at DEME, while it grows at Contracting. The apparent drop in activity at the Real Estate Development division results from sales of residential units being primarily (and unlike in the first half of 2018) realized in jointly controlled and equity-accounted project companies.

EBITDA stood at € 207.0 million, or 2.4 % up on the first six months of 2018.

The operating income (EBIT) amounted to € 61.2 million, compared to € 77.5 million in the first half of 2018. The decrease in EBIT reported by the three operating divisions is explained primarily by two factors:

- non-recurring charges at DEME
- highly competitive market conditions in the Construction segment in Belgium

The net result, share of the group, equals € 42.7 million.

The equity, share of the group, amounted to € 1,673.6 million at 30 June 2019. The slight decrease in equity is attributable to the payment of a dividend of € 60.8 million in respect of the 2018 financial year.

The group's net financial debt amounted to € 957.9 million, compared to € 747.1 million at 31 December 2018. This increase is explained primarily by DEME's investment programme.

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

Dredging, Environmental, Offshore and Infra division

KEY FIGURES (*)

In million €	1 st semester 2019 (**)	1 st semester 2018	Variation
Revenue	1,349.3	1,329.4	+1.5%
EBITDA	199.1	187.1	+6.4%
Operating income	58.5	67.0	-12.7%
Net income share of the group	44.3	48.4	-8.5%

In million €	30 June 2019 (**)	31 December 2018 (***)	Variation
Order book	3,940.0	4,010.0	-1.7%
Net financial debt	805.7	639.5	+26.0%

(*) Excluding 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.

(**) Including the impact of the implementation of IFRS 16 - Leases.

(***) Amounts restated following the implementation of IFRS 16 - Leases.

REVENUE

DEME's revenue amounted to € 1,349.3 million, which is slightly up on the first half of 2018.

Business was particularly buoyant for the Dredging segment. Apart from the TTP1 project in Singapore, which is entering its final phase, the projects that are currently in progress are mostly medium-sized and are essentially situated in Western Europe, Africa and the Middle East.

In its Offshore segment, DEME has virtually completed two major projects in the course of the first six months: the offshore wind farms Hohe See in Germany and Hornsea One in the UK.

Production of the monopile foundations and transition pieces for the offshore wind farm SeaMade (Belgium) is already well underway; the installation of the foundations is set to begin in September and will be carried out by the vessel 'Innovation'. Also in Belgium, the vessel 'Living Stone' has completed the installation of the submarine power cables connecting the Offshore Switch Yard platform to the land-based power grid in Zeebrugge in record time.

In May, the vessel 'Apollo' began installing the pinnacles on which the foundations (jackets) will be placed for the wind turbines of the Moray East offshore wind farm in Scotland.

At DIMCO (Infra segment), activity on the three Dutch projects (Terneuzen lock, RijnlandRoute and Blankenburg connection) is building up: revenue has virtually doubled compared to the first half of 2018.

EVOLUTION OF ACTIVITY BY BUSINESS AREA

In %	1 st semester 2019	1 ^{se} semester 2018
Capital dredging	32%	24%
Maintenance dredging	10%	11%
Offshore	43%	54%
Infra / marine civil works	7%	4%
Environment	6%	5%
Others	2%	2%
Total	100%	100%

EVOLUTION OF ACTIVITY BY GEOGRAPHICAL AREA

In %	1 st semester 2019	1 st semester 2018
Europe (EU)	66%	70%
Europe (non-EU)	2%	3%
Africa	10%	8%
Americas	4%	2%
Asia-Pacific	9%	13%
Middle East	5%	1%
Indian subcontinent	4%	3%
Total	100%	100%

EBITDA AND OPERATING INCOME

Given a satisfactory fleet utilization rate, DEME's EBITDA increased by 6.4% to € 199.1 million, of which € 8.6 million represents the impact of the implementation of IFRS 16 - Leases.

Despite the expensing of part of the costs of major repairs to the vessel 'Innovation' (€ 8.2 million) and an impairment loss of € 10.8 million on receivables from the German company Senvion, the operating income (EBIT) amounted to € 58.5 million.

Also worth mentioning is that DEME Concessions invests very substantial sums (€ 11.2 million in the first half of 2019) in prototypes and campaigns for the harvesting of polymetallic nodules in the Clarion Clipperton Zone in the Pacific Ocean. As long as the operating licences have not been obtained and the environmental impact assessments, the development of the industrial processes and the economic feasibility have not been established, all those investments are expensed.

ORDER BOOK

The order book amounted to € 3.94 billion at 30 June 2019, which is virtually stable compared to 31 December 2018.

During the first six months, DEME won several major contracts, such as:

- the extension of its dredging contract in Papua New Guinea (Lower Ok Tedi River project)
- the contract for the widening and deepening of the Elbe over a length of 116 km between Cuxhaven and Hamburg in Germany. Those works, worth € 200 million excluding VAT, have just begun and are expected to finish by the beginning of 2021.
- the contract for the transport and installation of the 165 monopiles, transition pieces and wind turbines for the Hornsea Two offshore wind farm in the United Kingdom. Work is expected to begin in the first quarter of 2021.
- extension for two years (2020-2021) of the maintenance dredging contract for the river Scheldt and the Belgian coast.

Two major orders are not included in the order book at 30 June 2019, notably

- the contract for the Fehmarnbelt link between Denmark and Germany, worth € 710 million;
- the EPCI contract for the design, fabrication and installation of 80 steel foundations at the Saint-Nazaire offshore wind farm in France. The first foundations will be installed offshore during spring 2021. The contract awarded in August 2019 to the consortium including DEME and Eiffage Métal has a total value of more than EUR 500 million.

INVESTMENTS

Investments in the first six months amounted to € 252.9 million, and consist essentially of down payments on the vessels 'Bonny River', 'Meuse River', 'Orion' and 'Spartacus'.

The trailing suction hopper dredger 'Bonny River' joined DEME's fleet on 18 June 2019. With a capacity of 15,000 m³, this vessel is capable of dredging very hard soil at great depths (more than 100 metres). Its first assignments will be in the North Sea.

The last four vessels in the ambitious investment programme (the Smart Mega Cutter 'Spartacus', the DP3 'Orion', and the 'Meuse River' and 'River Thames' hopper dredgers) will be operational in 2020.

NET FINANCIAL DEBT

DEME's net financial debt amounted to € 805.7 million at 30 June 2019 (of which € 81.5 million arises from the implementation of IFRS 16 - Leases).

The increased debt is explained by the investments during the six-month period, the dividend payment of € 55 million, and a slight increase in working capital requirement, partly offset by the operating cash flows.

DEME has redeemed its € 200 million bond, which matured in February 2019.

Contracting division

KEY FIGURES

In million €	1 st semester 2019 (*)	1 st semester 2018	Variation
Revenue	501.4	468.1	+7.1%
Operating income	1.4	7.2	-80.6%
Net Income share of the group	-2.9	4.1	n.s.

In million €	30 June 2019 (*)	31 December 2018 (**)	Variation
Order book	1,336.8	1,320.3	+1.2%
Net cash position	53.9	90.0	-40.1%

(*) Including the impact of the implementation of IFRS 16 - Leases.

(**) Amounts restated following the implementation of IFRS 16 - Leases.

REVENUE

In million €	1 st semester 2019	1 st semester 2018	Variation
Construction	383.6	343.3	+11.7%
Buildings, Belgium	289.8	255.9	+13.2%
Buildings, International	93.8	87.4	+7.3%
Multitechnics	79.8	86.2	-7.4%
Rail & Utilities	38.0	38.6	-1.6%
Total Contracting	501.4	468.1	+7.1%

Revenue for CFE Contracting in the first half of 2019 amounted to € 501.4 million, which is up 7.1% on the first half of 2018.

In Construction, the increase in revenue is primarily noticeable in Flanders where several major projects are in progress, such as the ZNA hospital in Antwerp and the interior modules of the Gare Maritime and the adjoining car park (Tour & Taxis site in Brussels). In Louvain-la-Neuve, BPC finished work on the AGORA building complex.

In Poland, too, business was buoyant thanks to several projects in the logistics sector.

In Luxembourg, CLE delivered the Naos office building to the customer's satisfaction.

In the Multitechnics (VMA cluster) and Rail & Utilities (MOBIX cluster) segments, there was a slowdown in activity compared to the first half of 2018, although this situation is expected to be reversed during the second half of the year, since several major projects are being started up.

OPERATING INCOME

During the first half of 2019, CFE Contracting reported an operating income of € 1.4 million, which is € 5.8 million less than in the first half of 2018.

Market conditions remain highly competitive for the Construction segment in Belgium, despite a substantial volume of business. The current prices on the market do not always make it possible to pass on the full extent of the substantial increase in the costs of materials, subcontracting and labour. Furthermore, several projects experienced a deterioration in their results. Part of this deterioration is not attributable to CFE Contracting and is therefore the subject of claims against customers. However, in accordance with accounting policies, the expected recovery was not yet valued at 30 June 2019. Likewise, significant engineering costs have been incurred in respect of large-scale design & build or PPP projects that have not yet entered the execution phase.

In the Rail & Utilities segment (MOBIX), a small number of projects in the Signalling department are confronted with operational difficulties. Reorganization measures are currently being implemented.

Conversely, the good performance of the MBG, CFE Polska and VMA entities bears witness to the quality of their market positioning and their operational teams.

Apart from one project, the activities in Tunisia should come to an end in the second half of 2019, as planned.

ORDER BOOK

In million €	30 June 2019	31 December 2018	Variation
Construction	967.7	1,069.1	-9.5%
<i>Buildings, Belgium</i>	776.4	870.9	-10.9%
<i>Buildings, International</i>	191.3	198.2	-3.5%
Multitechnics	197.6	168.4	+17.3%
Rail & Utilities	171.5	82.8	+107.1%
Total Contracting	1,336.8	1,320.3	+1.2%

The market conditions in Construction in Belgium have led to a greater selectivity in order intake, which is reflected in a 10.9% decrease in the order book.

In Poland, CFE Polska won several orders for the construction of warehouses and depots, while in Luxembourg CLE landed the contract for the construction of a mixed-use real estate complex of more than 25,000 m² above ground (retail and office space) near the airport.

Order intake was high in Multitechnics and Rail & Utilities, thanks in particular to the contract for the design, modernization, finance, management and 20-year maintenance of the public lighting of the Walloon region's main road network.

NET CASH POSITION

The division had a financial surplus of € 53.9 million, a decrease compared to 31 December 2018. The negative impact of IFRS 16 - Leases amounted to € 13.8 million at 30 June 2019 (compared to € 12.5 million at 31 December 2018).

The lower net cash position is explained by the investments made during the first six months (in particular the construction of a new head office for the entity VMA-Druart), the payment of a dividend of € 8.8 million, and the increased working capital requirement driven in part by a change in the customer mix (higher percentage of public contracts compared to contracts for private customers).

Real Estate division

KEY FIGURES

In million €	1 st semester 2019 (*)	1 st semester 2018	Variation
Revenue	24.0	75.5	-68.2%
Operating income	5.7	11.7	-51.3%
Net income share of the group	4.5	7.8	-42.3%

(*) Including the impact of the implementation of IFRS 16 - Leases

EVOLUTION OF REAL ESTATE PROJECTS (*)

The capital employed amounted to € 144 million at 30 June 2019, which is slightly up on 31 December 2018.

There was a further decrease in unsold units post completion, which now represent only 1.3% of the total capital employed.

BREAKDOWN BY STAGE OF PROJECT DEVELOPMENT

In million €	30 June 2019	31 December 2018
Unsold units post completion	2	4
Properties under construction	75	70
Properties in development	67	65
Total capital employed	144	139

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

BREAKDOWN BY COUNTRY

In million €	30 June 2019	31 December 2018
Belgium	98	89
Luxembourg	22	23
Poland	24	27
Total	144	139

NEW DEVELOPMENTS

During the first half of 2019, BPI acquired a building plot in Tervuren (Belgium) for the construction of a mixed-use real estate complex of 6,000 m² for housing, co-working and a crèche (GITO project).

In the second half of 2019, BPI will acquire, in joint venture, a building plot in Antwerp, near the Spoor Noord park, for the development of 9,500 m² for housing units and 5,200 m² for co-working spaces and workshops.

On the near outskirts of Luxembourg city, BPI will develop, in joint venture, a 9,500 m² office building whose timber frame façade and floors in CLT (Cross Laminated Timber) will catch the eye.

MARKETING

BPI is developing some forty real estate projects totalling 568,000 m² (BPI share), of which approximately 130,000 m² are in the construction and marketing phase.

BELGIUM

All the residential programmes continue to show highly satisfactory take-up rates.

During the first half of the year, BPI delivered several residential properties in the Erasmus Gardens (Anderlecht) and Les Hauts Prés (Uccle) projects.

Planning applications have been filed for the De Brouckère project (Brussels) and the Key West project (Anderlecht canal district), while planning permission has been obtained for the Samaya Nord and Oisquercq projects (Walloon Brabant).

In Liège, the Renaissance office complex, which is under construction, has been fully let and sold: in 2018, 5,500 m² was let to a public body (Le Forem), while the rest of the office space (7,500 m²) has been sold off-plan to the Province of Liège at the beginning of July 2019.

LUXEMBOURG

BPI delivered two fully sold residential projects during the first half of the year: Domaine de l'Europe - Kiem (Kirchberg) and Fuussbann (Differdange). BPI continued to develop the residential project Livingstone (Luxembourg) and initiated the development of the Domaine des Vignes project (Mertert).

Permission was obtained for the demolition and reconstruction of the 'Arlon 23' office building; the works are due to start in the next few months.

POLAND

In Poland, construction and marketing of the residential projects Bulwary Ksiazce – Phase 2 (Wroclaw), Vilda Park (Poznan), Wola Ostroroga (Warsaw) and Barska (Warsaw) are making satisfactory progress. The four projects will be delivered in 2020.

NET FINANCIAL DEBT

The net financial debt of the Real Estate division amounted to € 74.2 million, which is slightly up on 31 December 2018. The impact of IFRS 16 - Leases was limited to € 1.3 million at 30 June 2019.

During the first six months of the year, BPI for the first time drew down € 8 million on its commercial paper programme.

NET RESULT SHARE OF THE GROUP

The net result, share of the group, amounted to € 4.5 million. The main contributors to the result are the Ernest The Park (Ixelles), Livingstone (Luxembourg) and Domaine de l'Europe - Kiem (Luxembourg) projects. Unlike in the first half of 2018, no properties have been delivered in Poland; consequently, no margin has been recognized on the Polish projects that are under construction.

Since the sale of office space in the Renaissance project took place at the beginning of July, this transaction was not taken into account in BPI's financial statements at 30 June 2019, but will be recognized according to the percentage of completion at the end of the financial year.

Holding, non-transferred activities and inter division eliminations

KEY FIGURES

In million €	1 st semester 2019 (*)	1 st semester 2018	Variation
Revenue	12.9	13.8	-6.5%
Inter-divisions eliminations	-39.9	-26.7	n.s.
Total	-27.0	-12.9	n.s.
Operating income	-1.8	-5.8	n.s.
Net income share of the group	-1.5	-7.5	n.s.

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

REVENUE

The revenue amounted to € 12.9 million, down 6.5% on the first half of 2018.

The last project still in progress is the Brussels-South wastewater treatment plant, which has entered its last phase. Delivery is scheduled for the first quarter of 2021.

OPERATING INCOME

The net result, share of the group, amounted to € -1.5 million. There has been a substantial reduction in the losses compared to the first half of 2018 thanks to a decrease in overheads and interest expense.

RENT-A-PORT

Rent-A-Port made a negative contribution to the division's results (€ -0.7 million) due to the absence of significant sales of industrial land in Vietnam. The great majority of those sales are scheduled for the end of the year.

The capital of Rent-A-Port was increased by € 18 million (of which 50% by CFE) to allow it to continue the development of the industrial port zones of Dinh Vu and Tien Phong in Northern Vietnam.

GREEN OFFSHORE

The net result of Green Offshore (+ € 0.7 million) was favourably impacted by the good performance of the Belgian offshore wind farm Rentel.

RECEIVABLES ON CHAD

In Chad, no payments have been received since July 2018. The refinancing by the Afrexim Bank of the receivables relating to the Grand Hotel is not in place yet.

The exposure therefore remains unchanged compared to 31 December 2018.

3. An overview of the results

3.A.1 Consolidated statement of income

Year ended at 30 June In thousands €	2019	2018
Revenue	1,847,714	1,860,146
Revenue from auxiliary activities	48,376	31,123
Purchases	(1,083,566)	(1,117,770)
Wages, salaries & social charges	(347,962)	(334,784)
Other operating charges	(256,755)	(233,825)
Depreciations and amortization	(157,265)	(126,150)
Operating income on activities	50,542	78,740
Earnings from associates and joint ventures	10,614	(1,211)
Operating income	61,156	77,529
Cost of gross financial debt	(1,044)	(7,091)
Other financial expenses and income	(4,185)	29
Financial result	(5,229)	(7,062)
Result before taxes	55,927	70,467
Income tax expense	(14,297)	(20,199)
Net income for the period	41,630	50,268
Attributable to owner of non-controlling interest	1,106	1,581
Net income share of the group	42,736	51,849

Consolidated statement of comprehensive income

Year ended 30 June In thousands €	2019	2018
Net income for the period – Share of the group	42,736	51,849
Net income for the period	41,630	50,268
Change in fair values related to the hedging instruments	(39,120)	(4,505)
Currency translation differences	276	1,904
Deferred taxes	9,615	630
Other elements of the comprehensive income to be reclassified to profit or loss in subsequent period	(29,229)	(1,971)
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	(29,229)	(1,971)
Comprehensive income	12,401	48,297
- attributable to the group	13,474	50,016
- attributable to non-controlling interests	(1,073)	(1,719)
Net result share of the group per share (€) (basic and diluted)	1.69	2.05
Comprehensive income per share (€) (basic and diluted)	0.53	1.98

3.A.2 Consolidated statement of financial position

Year ended In thousands €	30 June 2019	31 December 2018 (*)
Intangible assets	89,151	89,588
Goodwill	177,127	177,127
Tangible assets	2,570,492	2,390,236
Associates and joint ventures	148,765	155,792
Other non-current financial assets	104,121	171,687
Non-current derivative instruments	8	9
Other non-current assets	5,324	5,501
Deferred tax assets	108,998	99,909
Total non-current assets	3,203,986	3,089,849
Inventories	146,157	128,889
Trade receivables and other operating receivables	1,174,985	1,261,298
Other operating current assets	85,604	67,561
Other non operating current assets	16,465	12,733
Current derivative instruments	615	275
Assets held for sale	49,388	0
Cash and cash equivalents	646,097	388,346
Total current assets	2,119,311	1,859,102
Total assets	5,323,297	4,948,951
Issued capital	41,330	41,330
Share premium	800,008	800,008
Retained earnings	905,749	923,768
Defined benefits plans	(25,521)	(25,521)
Hedging reserves	(36,671)	(7,153)
Translation differences	(11,298)	(11,554)
Equity – part of the group CFE	1,673,597	1,720,878
Non-controlling interests	13,216	13,973
Equity	1,686,813	1,734,851
Retirement benefit obligations and employee benefits	57,689	57,553
Provisions	35,040	35,172
Other non-current liabilities	3,212	5,725
Bonds - non-current	29,636	29,584
Financial debts - non-current	1,206,662	656,788
Non-current derivative instruments	12,943	9,354
Deferred tax liabilities	109,003	119,386
Total non-current liabilities	1,454,185	913,562
Current provisions	64,703	65,505
Trade & other operating payables	1,343,024	1,410,944
Income tax payable	45,879	44,543
Bonds - current	0	200,221
Current financial debts	367,738	150,075
Current derivative instruments	11,062	10,990
Other operating current liabilities	129,610	201,609
Other non operating current liabilities	220,283	216,651
Total current liabilities	2,182,299	2,300,538
Total equity and liabilities	5,323,297	4,948,951

(*) Consolidated statement of financial position as published on 31 December 2018 (before the implementation of IFRS 16 - Leases).

3.A.3 Condensed consolidated cash flow statement

Year ended 30 June In thousands €	2019	2018
Cash flows relating to operating activities	132,832	9,133
Cash flows relating to investing activities	-258,662	-235,832
Cash flows relating to financing activities	382,988	132,341
Net increase/decrease in cash position	257,158	-94,358

3.A.4 Figures per share

	30 June 2019	30 June 2018
Total number of shares	25,314,482	25,314,482
Operating result after deduction of the net financial charges per share (in €)	2.21	2.78
Net result share of the group per share (in €)	1.69	2.05

3.A.5 IFRS 16 - Leases

The implementation of the new IFRS 16 standard for leases as of 1 January 2019 was reflected in CFE's consolidated balance sheet by an increase in tangible assets and in the net financial debt of € 98.8 million (of which € 83.5 million at DEME).

At 30 June 2019, the impact of the implementation of the new standard on CFE's consolidated balance sheet and income statement can be summed up as follows:

In million €	DEME	Contracting	Other divisions	Total
Consolidated statement of financial position				
Property, plant and equipment	81.0	13.8	2.6	97.4
Financial debt	81.5	13.8	2.6	97.9
Consolidated statement of income				
EBITDA	8.6	3.1	0.4	12.1
Operating income (EBIT)	0.3	0.2	0.0	0.5
Net financial result	-0.8	-0.2	0.0	-1.0
Net income share of the group	-0.5	0.0	0.0	-0.5

4. Information on business trends

2019 is a transition year for DEME: revenue is expected to remain stable and the EBITDA margin expressed as a percentage of revenue is expected to be close to the previous financial year.

The Contracting division should record a moderate growth of activity in 2019, although the operating income is expected to be close to that of 2018.

The operating income and net result of the Real Estate Development division are expected to be higher than in the previous financial year.

At year-end, the situation of the receivables due from the Chadian government will be reassessed in light of the progress made in the negotiations between the Chadian authorities and the Afrexim Bank.

5. Information related to the share

At 30 June 2019, 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 Petercam and ING Belgium.

Banque Degroof Petercam has been appointed as the 'Main Paying Agent'.

6. Corporate Governance

The general meeting of shareholders of 2 May 2019 approved the renewal of the mandate of Ciska Servais SPRL, represented by Ciska Servais, for a period of four years, ending after the annual general meeting of May 2023. Ciska Servais SPRL no longer meets the independence criteria defined in Article 526 ter of the Companies Code and in the 2009 Belgian Corporate Governance Code.

The Board of Directors has taken note of the resignation of Alain Bernard as director of CFE with effect from 2 May 2019. Alain Bernard remains a director of DEME and some of its subsidiaries.

7. Shareholders' agenda

Publication of interim statements	22 November 2019 (before opening of the stock market)
Publication of year results	28 February 2020 (before opening of the stock market)

The auditor, Deloitte Reviseurs d'Entreprises, represented by Michel Denayer and Rik Neckebroeck, has confirmed that its limited review revealed no material corrections to be made to the accounting information disclosed in this press release. Without modifying the unqualified opinion expressed above, the auditor draws the attention to the uncertainties regarding the amount due by the State of Chad and the undertaken actions in order to facilitate its payment.

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About CFE

CFE, founded in 1880 is a Belgian industrial group active in three different divisions. The first, Dredging, Environment, Offshore and Infra, is carried out by its wholly owned subsidiary DEME, one of the world leaders in the field. DEME has a modern fleet of multipurpose vessels equipped with the latest technologies. The second, Contracting, encompasses the group's construction, multitechnics and rail activities in Belgium, Luxembourg and Poland. The third, Real Estate Development, covers the real estate projects developed by BPI in Belgium, Luxembourg and Poland.

Sustainability and innovation are important themes for which the CFE group is willing to accept responsibility, among other things by the use of digital technology in the areas of productivity, safety, employee well-being and customer satisfaction. The CFE group currently employs more than 8,000 people and is active on every continent. CFE is listed on Euronext Brussels and is 60.82% owned by Ackermans & van Haaren.

This press release is available on our website at www.cfe.be.

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Note to editors

For further information, please contact:

- Piet Dejonghe, Chief Executive Officer - tel.: +32 2 661 13 19 - mail : piet_dejonghe@cfel.be; or
- Fabien De Jonge, Chief Financial Officer - tel. +32 2 661 13 12 - mail : fabien_de_jonge@cfel.be