



DEME

Dredging, Environmental
& Marine Engineering

Annual Report 2012



Creating land for the future

'12

DEME
ANNUAL
REPORT

“DEME affirms its position as a global solutions provider in a challenging and rapidly changing world, specialising in infrastructure, sea level rise protection and services for energy, oil & gas and mining companies.”



DEME

Dredging, Environmental
& Marine Engineering

CONTENTS

01

DEME: MULTIDISCIPLINARY DREDGING AND MARINE SOLUTIONS 10

01.1 DREDGING AND LAND RECLAMATION 12

Benelux	14
Europe and Russia	20
Africa	26
Latin America	28
Middle East	30
Indian Subcontinent	34
Asia and Oceania	36

01.2 DREDGING PLUS SOLUTIONS 40

01.2.1 Activities for offshore renewables and for oil & gas and mining companies	40
01.2.1.1 ENGINEERING AND CONSTRUCTION	42
01.2.1.2 MAINTENANCE	56
01.2.2 Environment (Soil, silt and water)	58
01.2.3 Offshore harvesting of aggregates and minerals	62
01.2.4 Marine and terminal services	64

02

DEME CONCESSIONS AND PROJECT DEVELOPMENT 66

02.1 OFFSHORE WIND 70

02.2 WAVE AND TIDAL ENERGY (BLUE ENERGY) 72

02.3 OFFSHORE MINERAL RESOURCES 74

03

SAFE AND SUSTAINABLE SOLUTIONS 76

Values 78

People 80

Health
and safety 82

Quality, productivity
and cost-efficiency 84

Climate
and environment 86

Innovation, Research
& Development 88

Export
and project finance 90

Corporate social
responsibility 92

New investments 94

Message of
the board of directors 4

General
management 6

Financial highlights 8





04

GENERAL INFORMATION

	96
<hr/>	
Group structure	98
Omnipresence on the globe	100
DEME fleet and equipment	102
Offices worldwide	104

05

CONSOLIDATED FINANCIAL STATEMENTS

	110
<hr/>	
International Financial Reporting Standards (IFRS)	112
Belgian Generally Accepted Accounting Principles (Belgian GAAP)	116

MESSAGE OF THE BOARD OF DIRECTORS

The year 2012 saw a continued slowdown in overall economic growth in large parts of the world. Europe has had to cope with the consequences of a deep financial crisis and has been struggling to avoid a meltdown. Against this challenging backdrop, DEME has proven to be fairly resistant, though it has been confronted with large-size projects being postponed or put on hold after award in Australia and the Middle East. For DEME, 2012 has turned out to be a year of consolidation, strengthening its position and turnover on the national and international markets owing to a solid order book and a strategy of geographical spread of its activities, combined with a multidisciplinary approach to markets and clients.

Thanks to its multidisciplinary capabilities, the synergies in many projects, and its integrated corporate structure, DEME has become a global solutions provider, developing a whole range of new activities in the fields of marine infrastructure, energy and mining, and preparing innovative, sustainable solutions for tomorrow's needs. These new activities are long-term promising business drivers offering new challenges and perspectives for the Group. DEME's core business on the other hand is facing an increasingly competitive environment.

Several action plans for a continued improvement of efficiency and productivity levels such as D.R.I.V.E and LESS IS MORE were implemented in order to address future challenges in the core business.

Our specialized marine and offshore construction companies such as GeoSea and Tideway saw business expanding owing to a rapidly growing renewable energy market and further oil & gas related developments on several continents. The synergies of these companies allow DEME to offer all-in solutions for such complex projects as LNG-terminals or farshore wind farm installation and its connection to the mainland. DEME's efforts in the field of wind related energy are supplemented by its efforts in Europe to develop new systems to generate energy through wave and tidal action, so-called 'blue energy'.

DEME saw a stabilization of its turnover and order portfolio in 2012. Important assignments such as the London Gateway container terminal in the United Kingdom and several large-scale offshore wind farm installation works in North Sea waters have indeed provided a continued boost to European turnover figures. However, an interesting number of new assignments were added to the order portfolio on all other continents as well. The annual turnover in 2012 reached 1,915 million EUR, DEME's order book amounted to 3,317 million EUR. The geographical diversification of our order book and the contribution of all DEME specializations in more or less equal proportions as last year are promising features for DEME's activities in 2013. Besides its Western European home market, DEME maintained a high level of activity in Africa, Latin America, Middle East, the

Indian Subcontinent, and Australia. Very important contracts in Australia and the Gulf for building port infrastructure and oil & gas infrastructure have been added to our portfolio. They confirm our prominent position in this market and offer interesting perspectives for the future.

DEME continues to have a strong presence on the market for environmental remediation and enhancement. DEC-Ecoterres, the environmental branch of the Group, has been very active in a number of European countries, both in developing new activities and in the actual performance of brownfield remediation, soil and sediment treatment and recycling. With a strategic partnership company for brownfield development such as Terrenata, and an industrial waste treatment company such as Purazur, our environmental specialists are laying the foundations for further strategic development of their activities.

In 2012 DEME completed its ambitious 2008-2012 investment programme. In the frame of this investment programme DEME commissioned another 7 new main vessels: the backhoe dredger 'Peter the Great', the DP2 jack-up vessel 'Neptune', the world's most advanced 28,000 kW rock cutter dredger 'Ambiorix', the world's most sophisticated high-tech jack-up vessel 'Innovation', two high-speed maintenance vessels 'Arista' and 'Aqata', and finally the 12,860 kW seagoing cutter dredger 'Amazone', sister ship of MEDCO's 'Al Jarraf'. The Group currently has one of the most modern, highly performing and versatile fleets. Early 2012, a new 4,000 ton floating crane was commissioned in joint ownership and will be joining DEME's fleet in 2014.

Over the past years, DEME has developed and implemented its own policies in the area of quality, health, environment, safety, security, business ethics and other domains. Last year, DEME completed and aligned all of these policies in order to enable further growth in a sustainable way. DEME's Board of Directors and Management Team therefore decided to introduce a number of Charters that will lead the way ahead. DEME's core values are further fleshed out in the Quality Charter, the Health and Safety Charter,

the Environmental Charter, the Security Charter, the Sustainability Charter, and the DEME Integrity Policy. Safety is at the heart of all our operations and we are committed to achieving an incident-free workplace day in day out, all around the world. Last year, the focus of the company was clearly on the reporting of unsafe acts, unsafe situations and near misses. There is a clear relation between the increased reporting of unsafe conditions, unsafe acts and near misses and the decrease of (serious) incidents, e.g. Lost Time Incidents. As a result of this campaign, the Lost Time Incident Frequency Rate decreased considerably compared to 2011.

Last year, the IADC Board presented the 2012 Safety Award to DEME for the implementation of the new company-wide safety awareness programme, CHILD. CHILD (Colleagues, Help Injuries to Leave DEME) is an ambitious safety and prevention project, aimed at raising awareness about dangerous situations and safe behaviour in the workplace and at radically changing the mindset and corporate safety culture.

Furthermore, DEME continues to minimize the impact of its activities on the environment. In 2012, DEME mainly focused on mapping its carbon footprint. The biggest challenge is reducing the CO₂ emissions of our marine equipment. DEME's new GHG and Energy programme includes the quantification and reduction of greenhouse gases (GHG), primarily based on the consumption of fuels and related CO₂ emissions. The greenhouse gas emissions of DEME are quantified and reported according to the internationally recognized ISO14064 standard. Following an audit in October 2012, several companies of the DEME Group were certified for Level 3 of the Performance Ladder by Lloyds Register Quality Assurance. The CO₂ Performance Ladder is a specific climate change programme/instrument by which companies demonstrate their efforts in reducing CO₂ and increasing awareness relating to CO₂.

LUC BERTRAND
RENAUD BENTÉGEAT
ALAIN BERNARD



01 Luc Bertrand
*CHAIRMAN OF THE BOARD OF
DIRECTORS - DEME*

02 Renaud Bentégeat
*CHAIRMAN OF THE
MANAGEMENT COMMITTEE -
DEME*

03 Alain Bernard
C.E.O. DEME

“DEME
has become a global solutions
provider, developing a range
of new activities, preparing for
tomorrow’s needs.”

GENERAL MANAGEMENT

Board of directors and management committee

Luc Bertrand

Chairman of the Board of Directors

Renaud Bentégeat

Chairman of the Management Committee

Philippe Delaunois, Lode Franken,
Koen Janssen, Jan Suykens, Marc Stordiau,
Tom Bamelis, Jacques Ninanne

Management team

01 Alain Bernard

C.E.O.

02 Marc Maes

C.F.O.

03 Els Verbraecken

DEPUTY C.F.O.

04 Christian Van Meerbeeck

C.L.O.

05 Eric Tancre

AREA DIRECTOR NORTH EUROPE

06 Pierre Potvlieghe

*AREA DIRECTOR INDIAN
SUBCONTINENT & QATAR*

07 Dirk Poppe

*AREA DIRECTOR MIDDLE,
EASTERN EUROPE AND RUSSIA*

08 Luc Vandenbulcke

*DEPUTY C.O.O. DEME
MANAGING DIRECTOR GEOSEA*

09 Lucas Bols

GENERAL MANAGER TIDEWAY

10 Hugo Bouvy

GENERAL MANAGER TIDEWAY

11 Martin Ockier

AREA DIRECTOR BENELUX

12 Pierre Catteau

*AREA DIRECTOR
MEDITERRANEAN, SOUTH AND
MIDDLE AMERICAS*

13 Bernard Paquot

AREA DIRECTOR MIDDLE EAST

14 Theo Van De Kerckhove

C.O.O.

15 Philip Hermans

*AREA DIRECTOR NORTH
AMERICA, OCEANIA, ASIA
GENERAL MANAGER DREDGING
INTERNATIONAL*

16 Harry Mommens

HUMAN RESOURCES MANAGER

17 Lieven Durt

AREA DIRECTOR AFRICA

18 Christel Goetschalckx

*SECRETARY TO THE
MANAGEMENT TEAM*



FINANCIAL HIGHLIGHTS

Group figures*

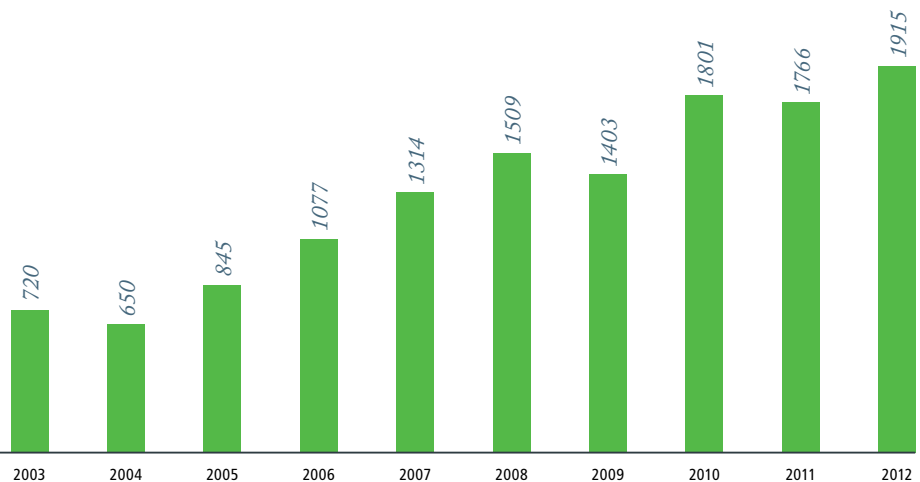
according to international financial reporting standards (I.F.R.S.)

	2012	2011
Turnover	1,915	1,766
EBITDA	351	300
EBIT	140	137
Gross profit (before taxation)	95	116
Net profit (share of the group in the result)	89	104
Cash flow (net profit and depreciation and non-cash items)	301	254
Shareholders' equity (incl. minority interests)	788	745
Total net financial debt	742	651
Return on equity	12,20 %	15,60 %

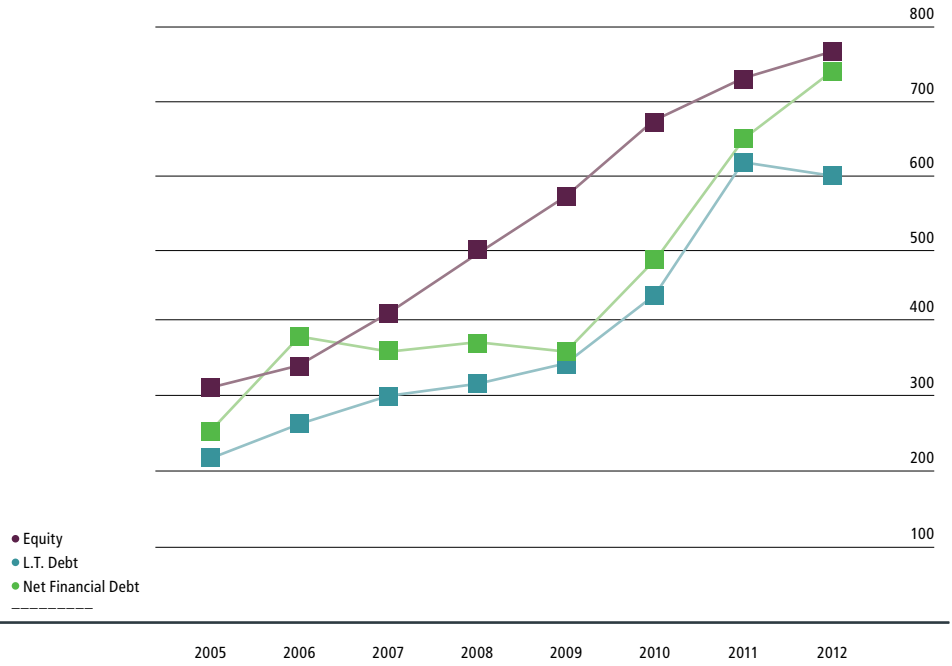
Evolution of net income, EBIT and EBITDA



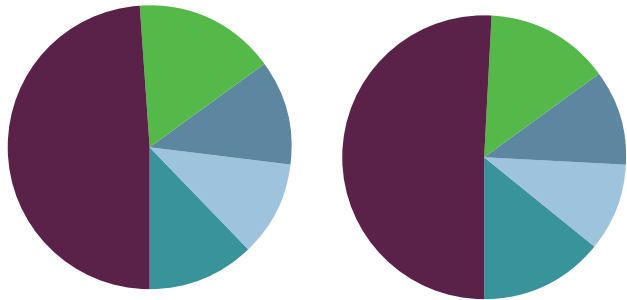
Evolution of turnover



Evolution of equity versus debt

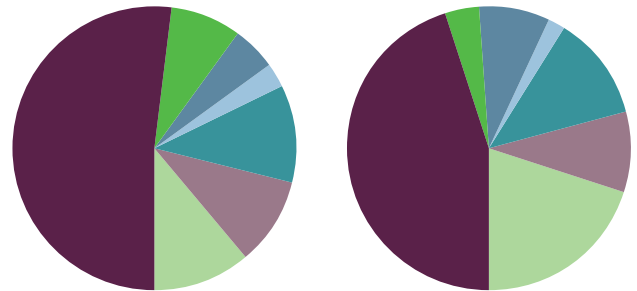


DEME consolidated turnover per activity (%)



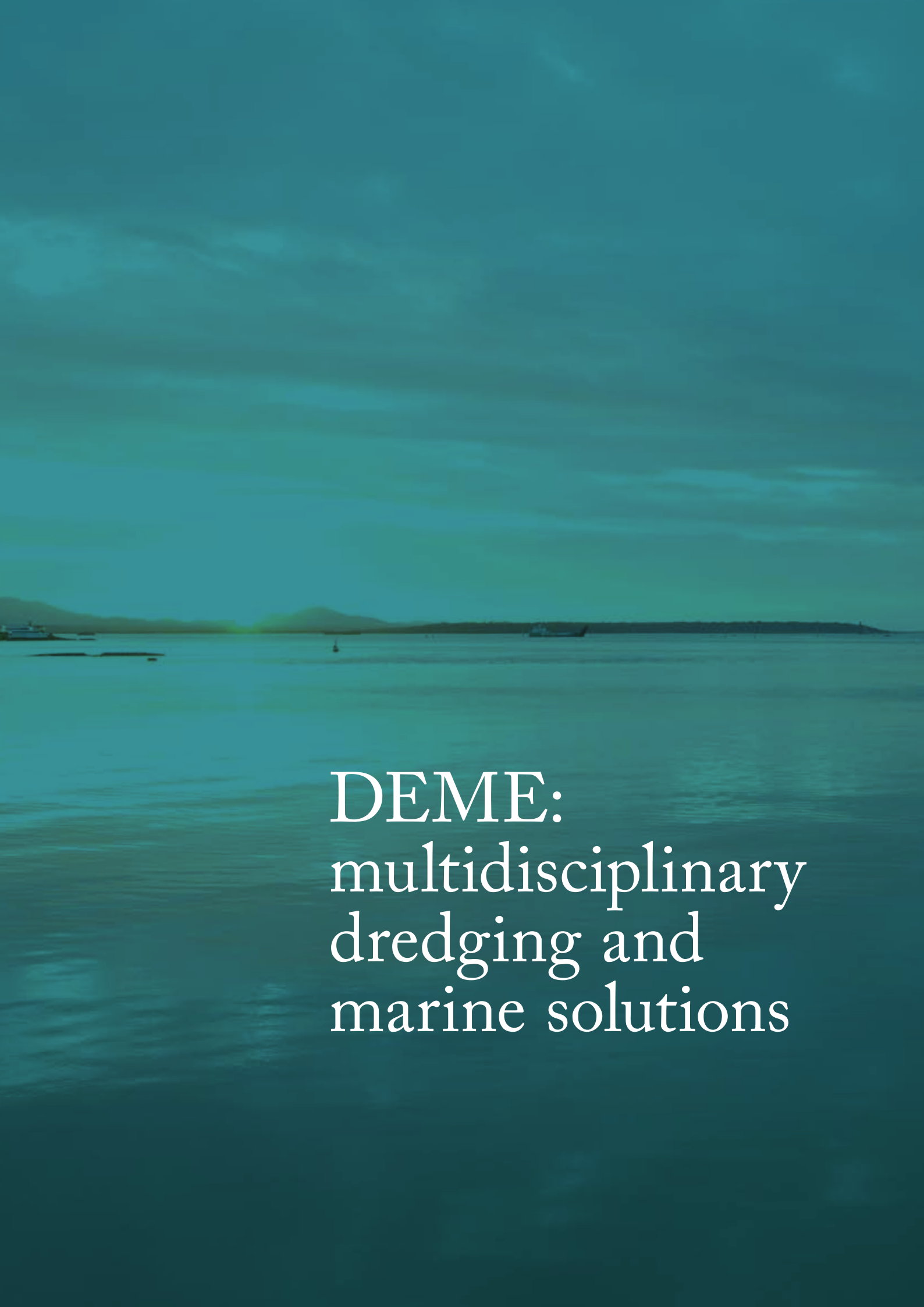
	2011	2012
Capital dredging	49%	51%
Maintenance dredging	16%	14%
Fallpipe and landfalls	12%	11%
Environmental contracting	11%	10%
Marine works	12%	14%

DEME consolidated turnover per region (%)



	2011	2012
Europe - EU	52%	45%
Europe - Non EU	8%	4%
Middle East	5%	8%
India, Pakistan	3%	2%
Africa	11%	12%
America	10%	9%
Asia and Oceania	11%	20%

* in mio Euro

A teal-tinted photograph of a calm body of water, likely a bay or harbor, with a distant shoreline and a small boat visible. The text is overlaid in white on the lower right portion of the image.

DEME:
multidisciplinary
dredging and
marine solutions

01

**DEME:
MULTIDISCIPLINARY
DREDGING
AND MARINE
SOLUTIONS**





01.1

DREDGING AND LAND RECLAMATION

Dredging and land reclamation



DEME's activities in the Benelux area continued at the same pace as in previous years. The Benelux home market still is of capital importance.

BENELUX

On the river Scheldt and in the access channels to the Antwerp locks, DEME continued maintenance dredging works to provide a minimum depth for seagoing vessels towards the Port of Antwerp. Maintenance works also continued in the North Sea, in the busy shipping lanes off the Belgian coast and in the ports of Ostend and Zeebrugge. Furthermore, both Dredging International and Baggerwerken Decloedt continued maintenance dredging in the inner harbours of Ostend and Blankenbergh, both situated along the Belgian coast.

Maintenance dredging on the Brussels Canal in the Port of Brussels was concluded while maintenance dredging works on the Canal Ghent-Terneuzen were continued. Both projects involved the treatment of highly polluted sediments by DEC.

Capital dredging and hydraulic works were executed in Antwerp at the North Sea Terminal, Hansa dock and Leopold dock. Downstream Antwerp, DI continued the construction of a new Sigma dike over 4.5 km along the river Scheldt including the restoration of the wetlands of "Prosperpolder". Works were further executed in Kruibek for the construction and extension of the largest flood control area in Europe, in Ghent at the Kluizen dock and in Ostend for outer harbour dams. Along and near to the river Meuse, in Dilsen-Stokkem, DI continued the excavation of the existing summer dyke and the reclamation of gravel. Beach replenishment works were executed in Wenduine, Ostend and Knokke-Heist. In Wallonia, maintenance dredging works were performed on different inland waterways.

In the Port of Antwerp, DI and DEC went ahead with the operation of the 'Amoras' plant under a fifteen-year contract. Amoras is a large mechanical dewatering plant for sludge dredged in the Port of Antwerp.

Through the combined efforts of several companies in our Group, marine construction works in the frame of the C-Power offshore wind farm project progressed well during 2012. The installation of 30 turbines of 6.15 MW each was successfully completed, as was all infield cabling. In 2013, another 18 wind turbines will be installed before the project is completed.

On the Dutch market we operated amongst others through our Dutch subsidiaries de Vries & van de Wiel, de Vries & van de Wiel Kust en Oeverwerken, and the Dredging International Netherland branch. At several places near the storm surge barrier of the Oosterschelde, rockdumping works have been realized. In Eemshaven Groningen, maintenance dredging works were executed.

The works for the construction of the 2nd Coentunnel in Amsterdam were completed. In a joint venture with GEKA Bouw, we were awarded a Design and Build contract for a 5 ha reclamation project, which will enlarge the Botlek Tank Terminal (BTA) at the Port of Rotterdam.





01 *Zeebruges - Belgium*

DEME's trailing suction hopper dredger 'Artevelde' carries out maintenance dredging works in the busy shipping lanes off the Belgian coast and in the port of Zeebruges, preserving access to this vital gateway.

02 *Antwerp - Belgium*

On the river Scheldt and in the access channels to the Antwerp locks, DEME is performing maintenance dredging works, to provide a minimum depth for seagoing vessels towards the Port of Antwerp.





01



04



01 *Doel - Belgium*

Dredging International has continued the second part of the construction of the huge flooding area 'Prosperpolder'. Works call for the construction of 5 km of dikes and the reinstallation of the flooding area.

02 *Blankenberg - Belgium*

DEME's new backhoe dredger 'Peter the Great' performing dredging works in the harbor of Blankenberg, Belgium.

03 *'Botlek Tank Terminal' Rotterdam - the Netherlands*

DEME's trailing suction hopper dredger 'Breughel' at the start of the reclamation works enlarging the 'Botlek Tank Terminal' in the Port of Rotterdam, the Netherlands.

04 *Dilsen-Stokkem - Belgium*

Along and near to the river Meuse, in Dilsen-Stokkem, DI continued the excavation of the existing summer dyke and the reclamation of gravel.

05 *Antwerp - Belgium*

Dredging International continued the deepening works of the North Sea Terminal, one of the busiest container terminals along the river Scheldt, providing accessibility for the largest container ships.



“the
cradle of
our core
business”





01



01 *Eemshaven - the Netherlands*

Trailing suction hopper dredger 'Pearl River' performing deepening works in Eemshaven, the Netherlands.

02 *Antwerp - Belgium*

Trailing suction hopper dredger 'Marieke' performing dredging works at the Deurganckdok, Port of Antwerp, Belgium.



Despite the economic and financial crisis in Europe, we managed to develop a fairly high level of activity in this important area. The centre of gravity of our European activities was again located in the U.K., owing primarily to the major London Gateway container port project along the river Thames.

EUROPE AND RUSSIA

Works on the major London Gateway (LGP) project continued successfully with the removal of the temporary front bund, the reclamation of the Stage 2 platform works, precision dredging operations at the front bund and final bed leveling at some 100 km of channel sections. Synergies occurred with DBM and DEC. All these operations required the assignment of a great number of our vessels and were executed to the highest QHSE-standards. In Lincshore DI successfully executed the third campaign of beach nourishment between Mablethorpe and Skegness.

01 London - U.K.

Works on the major London Gateway (LGP) project continued in 2012. Trailing suction hopper dredger 'Breughel' and trailing suction gravel dredger 'Charlemagne' in front of Berth 1.









01

In Germany it proved impossible to equal the record turnover figures of 2011. At Rostock, Nordsee Nassbagger- und Tiefbau finalized the North extension of Pier III and completed reclamation and pre-loading at two different locations at Luneort in Bremerhaven for a production site of offshore wind farm components. Nordsee obtained extensions for maintenance contracts on the Elbe and the Kiel-Canal, to execute in joint-venture.

In France our marketing activities of recent years are starting to pay off, resulting in a slight revival, although the number of larger sized projects remains rather low. Offshore renewable energy constitutes an important prospect for this market. SDI was in charge of the dredging works on the river Seine to improve

the nautical access of the 'Grand Port Maritime de Rouen'. Two maintenance contracts, in Gravelines and Bayonne, were extended or renewed. Further maintenance dredging works were carried out on the Seine and in the port of Dunkerque. For the third time in four years, SDI executed the beach nourishment works in front of the Pyla dune.

In the Baltic States, the second phase of the Palanga beach nourishment project in Lithuania was successfully completed together with a Latvian partner.

Activities in the Mediterranean are still negatively influenced by the difficult economic situation of Southern European countries and political instability in the Northern African countries.



02

01 *Bremerhaven - Germany*

Trailing suction hopper dredger 'Lange Wapper' pumping ashore for the reclamation of 'Luneort', an industrial area that is focused on the development of offshore wind farms in Bremerhaven.

02 *Bayonne - France*

Maintenance dredging activities were performed on different locations in the Port of Bayonne, France.

03 *Lincshore - U.K.*

In Lincshore, Dredging International successfully executed the third campaign of beach nourishment between Mablethorpe and Skegness.

04 *Rouen - France*

SDI was in charge of the dredging works on the river Seine to improve the nautical access of the 'Grand Port Maritime de Rouen'.



04



SIDRA started dredging and reclamation works for the new port development in Civitavecchia with the brand new cutter suction dredger 'Ambiorix'. SIDRA is proceeding as well with different marine works in Italy; in Trapani for the completion of a quay on piles, in Cagliari for the construction of a slurry wall and in Molfetta for the construction of caissons. In Livorno, SIDRA is creating a new reclamation area for dredged material from the port.

In Turkey, DEME executed deepening and reclamation works for the expansion of the port of Iskenderun for the account of the company LIMAK. In Cyprus DEME was contracted to dredge the berthing pockets for a new Vittoil oil jetty at Vassilikos in the southern part of Cyprus.

DEME succeeded in maintaining and consolidating its position as dredging contractor for strategic port extensions in Russia. On the Russian Riviera in the Black Sea, DEME executed important capital dredging works in the new Taman port construction area. Subsequently, DEME returned to Sochi to conduct dredging works for the construction of a new passenger and cruise ferry terminal as a development item for the 2014 Olympic Winter Games.

A new backhoe dredger was commissioned by DEME in co-ownership with a Russian partner. The vessel was named 'Peter the Great' and will offer further growth potential for our specialists and will enhance the flexibility of DEME's approach to its markets and clients in the area.





01



02



03



04



05

01 *Civitavecchia - Italy*

The brand new cutter suction dredger 'Ambiorix' started dredging and reclamation works for the new port development in Civitavecchia.

02 *Taman - Russia*

Trailing suction hopper dredger 'Brabo' operating in harsh weather conditions in the port of Taman for Tamaneftegas.

03 *Molfetta - Italy*

SIDRA executing works for the construction of quay walls in the Port of Molfetta, Italy.

04 *Palanga - Lithuania*

The Palanga beach nourishment project over a distance of 2.5km was successfully completed.

05 *Sochi - Russia*

Trailing suction hopper dredger 'Brabo', executing dredging works for the development of a marine passenger and cruise ferries center, part of the 2014 Olympic Winter Games program in Sochi, Russia.



AFRICA

In 2012, DEME maintained a strong and well spread presence in Africa with the execution of capital and maintenance dredging works as well as civil engineering and environmental works and with a much diversified spread of equipment.

Amongst the highlights is the completion of the first and second phase of the extensive reclamation works of the prestigious EKO Atlantic city development in Lagos, Nigeria. Yearly maintenance dredging, marine services and wreck removal took place on the marine access to the LNG terminal in Bonny and Onne as well as remote maintenance and reclamation dredging works on the Niger River in Nigeria.



01 *Lagos - Nigeria*

DEME completed the first and second phase of the extensive reclamation works of the prestigious Eko Atlantic City development in Lagos, Nigeria.

02 *Tanger - Morocco*

The newly built cutter suction dredger 'Ambiorix' and the barges 'Sloeber' and 'Pagadder' performed dredging works for the construction of the Tangermed 2 Port, Morocco.

03 *Ada - East Ghana*

Breakwater and related coastal protection works started on the beach close to the town of Ada, East Ghana.

While the last phase of the Korle Lagoon Project in Accra was completed, breakwater and related coastal protection works started on the beach close to the town of Ada in East Ghana, which is heavily affected by the rising sea level. An important contract was signed for the protection of a further stretch of 10 km of coastline further to the west. The accompanying environmental protection program of the first phase of this work also catered for the protection of close to 15,000 sea turtle babies which were released from the nursery in the sea after the nests had hatched.

In the Democratic Republic of Congo a second maintenance campaign was conducted on the lower river Congo to facilitate access for the ships calling at the ports of Boma and Matadi.

Further maintenance dredging works were performed in Soyo, ensuring the nautical access for the new Angola LNG terminal in Angola.

Maintenance dredging projects were executed in Ivory Coast as well. In Guinea an access channel was dredged for the marine offloading facility of an iron ore mining client and the access channel to the bauxite port in Kamsar was also dredged.

DEME also maintained a prominent presence in North Africa by contributing to the construction of the Tangermed II port in Morocco. This rock dredging project marked the very first intervention of our brand-new 28,000 kW seagoing rock cutter dredger 'Ambiorix'.

2012 saw a steady continuation of our presence on a variety of markets in the Americas with our fleet being deployed both in Central and in South America.

LATIN AMERICA

In Panama DEME continued the dredging works for the Pacific Access Channel to the new set of locks along the Panama Canal and completed the capital dredging works at Gatun Lake, which is situated between the existing locks. The client also instructed DEME to deepen the Pan Canal section of the project further to -16.3m to allow the transit of the largest vessels between both oceans.

As in previous years, DEME contributed to the further development of Brazil in 2012 as well. Emergency dredging works were carried out at Imbituba. Moreover, Dragabras successfully completed drilling, blasting and further dredging of two rock outcrops situated in the navigation channel of the Port of Santos.

The breakthrough that was realized last year in Mexico with the important second phase of the capital dredging works for the new LNG terminal in Cuyutlan, Manzanillo, resulted in continued activity involving a variety of dredging equipment. During the second half of 2012, DEME was awarded a contract for the extension of the Darsena Oriental in the Port of Lazaro Cardenas.

In the Uruguayan market, we completed the Montes Del Plata project close to Colonia along the Rio de la Plata, as well as the Muelle C dredging works in the Port of Montevideo.

A re-entry into the Colombian market was made with the actual execution of the Las Brisas project for dredging an access channel to the future port.



01-02

Montevideo - Uruguay

Trailing suction hopper dredger performing works for the foundations and the turning basin of the new multipurpose terminal "Muelle C" in the port of Montevideo, Uruguay.

03 Panama

In 2012, DEME continued the dredging activities for the Pacific Access Channel to the new set of locks on the Panama Canal.



02



03

Prospects in the Middle East region remain promising owing to further large developments in the oil & gas sector and to interesting port infrastructure projects.

MIDDLE EAST

In 2012, operations of the Middle East Dredging Company (MEDCO), the Joint Venture company of DEME, UDC and Qatar Holding, the investment branch of the Government of Qatar, were driven by two large challenging projects in Abu Dhabi and in Qatar.



01

01 Qatar

In 2012, MEDCO has been awarded a contract to dredge the approach channel for the 'New Port Project' in Qatar for the account of the New Port Project Steering Committee, under the Government of the State of Qatar. The contract also includes the dredging of the basin as well as the land reclamation for the Naval Base and the construction of the two outer breakwaters at both sides of the Channel.

02-03

Abu Dhabi

Dredging International and MEDCO continued to work on the construction of two artificial islands 120km offshore the coast of Abu Dhabi. Both islands will have a shore protection, consisting of concrete armor units and armor rock.

In Abu Dhabi, the Joint Venture of Dredging International and MEDCO continued to work on the construction of two offshore artificial energy islands for ADMA-OPCO (Abu Dhabi Marine Operating Company), a Joint Venture company between ADNOC (Abu Dhabi National Oil Company), BP, Total and JODCO (Japan Oil Development Company), for the benefit of the Satah Al Razboot offshore oil field (commonly known as the SARB Artificial Islands Project).

These islands, situated approximately 120 km offshore the coast of Abu Dhabi, will support the drilling, production, processing and distribution facilities at the offshore oil field and include the construction of a service port on each of the islands.

Another milestone in 2012 was the award by the Government of Qatar, through the New Port Steering Committee, of the contract for the dredging of the access channel to the new Port of Qatar, located south of Doha, between the City of Al Wakrah and the Oil & Gas Industrial Port of Mesaieed. The project involves the dredging of more than 40 million m³, predominantly limestone rock material, and the reclamation of a nearshore island to accommodate the new Qatar Naval Base, as well as an industrial area onshore in the vicinity of the new port. The works also include the construction of two breakwaters and the rock revetment for the edge protection of the Naval Base island.

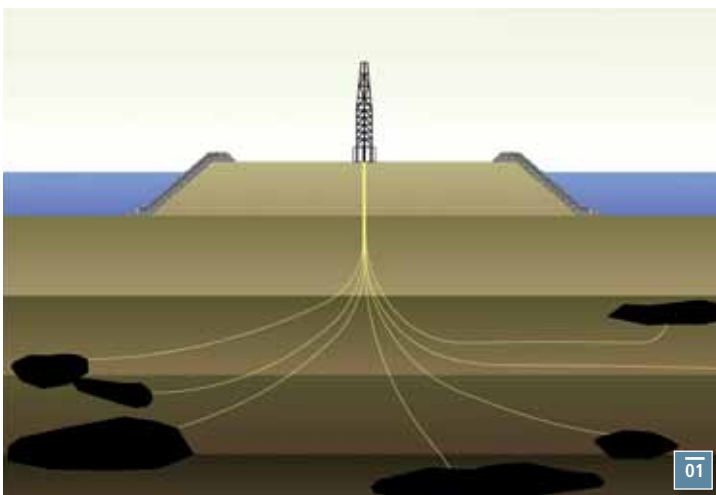


“Energy islands
will power
the future”





SARB artificial energy islands – Abu Dhabi – UAE



- 01 Artificial Islands are built to drill oil or gas by using horizontal/directional drilling techniques in different directions and layers.
- 02 Rainbowing of trailing suction hopper dredger 'Pallietter' for the creation of sand fills.
- 03 Quay wall construction.
- 04 Slope dredging by cutter suction dredger 'Al Jarraf'.
- 05 Geotextile preparation.
- 06 Placement of stone protection.
- 07 Installation of accropodes.
- 08 Compaction by means of vibrofloatation.







In India, DEME operates as the Chennai based company ISD (International Seaport Dredging).

INDIAN SUBCONTINENT

ISD executed capital dredging works (3 million m³) for the Essar Bulk Terminal in Salaya. The first maintenance dredging works, part of the 2012 and 2013 campaigns in the Port of Mormugao (Goa), were successfully completed. Capital dredging works in the outer channel of Ennore Port were also commenced.

In Colombo, Sri Lanka, offshore sand mining and onshore stockpiling activities were carried out. These works are part of three campaigns both pre- and post-monsoon. The two first campaigns were successfully completed. The third campaign will start in 2013.

In Pakistan, maintenance dredging works in a 45 km long channel were executed in Port Qasim. We have been conducting this annual campaign for the sixth time now.

ISD started of a consortium with the University of Ghent for the exchange of knowledge with the Indian Universities & Research Institutes.

01 Kerawalapitiya - Muthurajawela - Sri Lanka

Trailing suction hopper dredger 'Nile River' executing offshore sand mining and on-shore pumping to replenish the stock pile at Kerawalapitiya, Muthurajawela, Sri Lanka.

Benefiting from global demand for energy and mineral resources, DEME has considerably strengthened its position in Australia. In Asia, DI made a successful comeback in Vietnam.

ASIA AND OCEANIA

In 2012 DEME has been preparing for major dredging works in Wheatstone, West-Australia, where it was awarded a prestigious contract from Chevron/Bechtel for building new LNG port facilities ('Wheatstone Downstream project'). In particular, DI has undertaken extensive and unprecedented environmental and safety preparation works to simulate several combinations of events and their effects on the environment. Synergies were again created as Tideway, as part of a joint venture, obtained the related marine construction contract for the Wheatstone Upstream project as well as for ballasting works. Finally, GeoSea is executing a contract at Hay Point, Queensland, where a 2 km access jetty and a berthing jetty for coking coal supplies are being built for the BHP-Mitsubishi Alliance (BMA).

In Gladstone, Queensland, DI further executed in joint venture the largest dredging project ever executed in Australia, assembled in 3 main dredging contracts. Works include the main dredging for the access to and the building of the Material Offloading Facility (MOF) for the huge LNG terminals on Curtis Island and the Wiggins Coal Terminal in Gladstone including a deeper and wider access channel to this infrastructure. The mechanical dredging was completed by backhoes (amongst others 'Big Boss'), while the further works shall be undertaken by cutter suction dredgers ('Al Mahaar') with boosters and trailing suction hopper dredger to be completed by end 2013.

In Singapore, the existing contract for the Phase 4 amplification at Jurong Island and Tuas B continued at a slow pace with sand relocated from Singapore waters, but included also the placing of sand that was brought in by third parties from countries as far as Cambodia, Vietnam, Myanmar and the Philippines. At the brand-new Marina Bay Cruise Center in Singapore, DEME named its latest 12,860kW rock cutter dredger 'Amazone'.

Tideway DI SDN BHD pursued its efforts in Malaysia as a continuation of the Tanjung Bin activities of 2010 and 2011. Dredging and reclamation works for the construction of the PMIP industrial estate Phase 1 on behalf of Seaport, a MMC-linked entity were completed. At the end of 2012 a contract was awarded to

Tideway DI SDN BHD for sand supply to the Manjung Power Plant at Lumut, Perak.

DI made a successful comeback in Vietnam, securing the dredging works required for the widening and deepening of Phase 2 of the river Soai Rap. This project will substantially improve the access to the Port of Ho Chi Minh City and its new port gateway Hiep Phuoc.

In Papua New Guinea DEME continued environmentally important dredging works along the Fly river near Bige in which it has been involved since 1998.



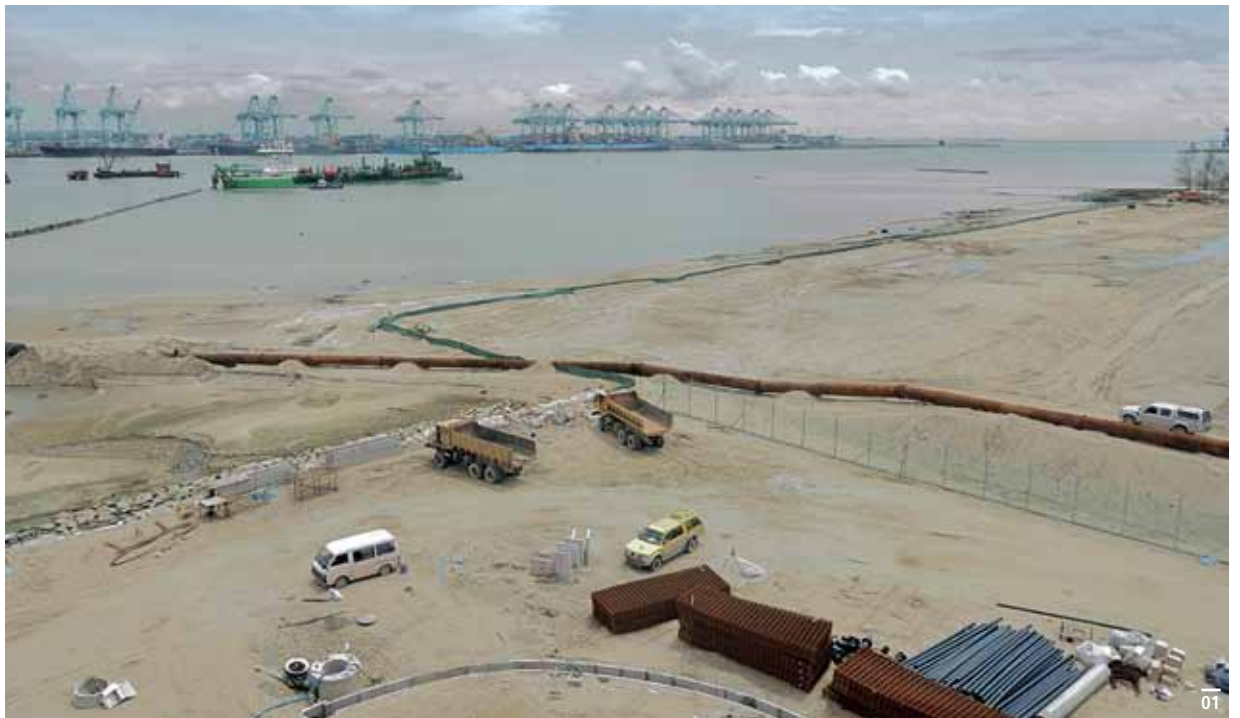
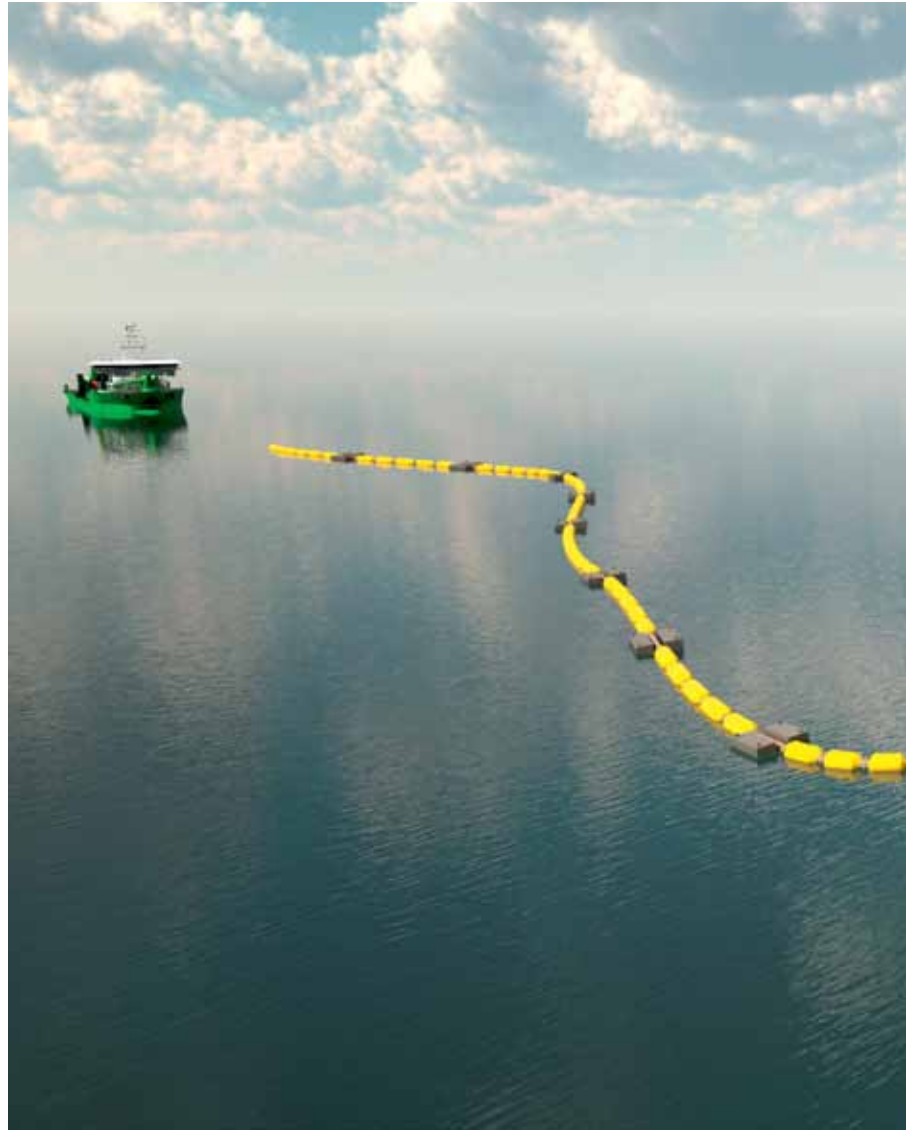
01 Gladstone - Australia

Backhoe dredger Big Boss working near Curtis Island, Gladstone, Australia.

02 Gladstone - Australia

Cutter suction dredger 'Al Mahaar' performing dredging works for the access channel to the LNG terminals on Curtis Island, Gladstone, Australia.







02



03

01 *Tanjung Bin - Johor - Malaysia*

Trailing suction hopper dredger 'Nile River' executed dredging and reclamation works for the construction of the PMIP industrial estate phase 1.

02-03

Onslow - Australia

Artist Impression of dredging works with the cutter suction dredger 'Ambiorix' for Chevron's new Wheatstone liquefied natural gas (LNG) project nearby Onslow, located along the Australian north-west coast.



01.2

**DREDGING-PLUS
SOLUTIONS**

Dredging-Plus solutions

Activities for
offshore renewables
and for oil & gas and
mining companies

Environment
(soils, silt and water)

Offshore harvesting
of aggregates and
minerals

Marine and
terminal services





01.2.1

TIDEWAY

ACTIVITIES FOR OFFSHORE RENEWABLES AND FOR OIL & GAS AND MINING COMPANIES

01.2.1.1 ENGINEERING AND CONSTRUCTION

Tideway's D.P. fall pipe vessels 'Seahorse' and 'Flintstone' have been very busy with rock placement in Northwest-Europe for the protection of pipelines and power cables, as well as with stabilization works for several major offshore pipelay contractors and oil & gas companies. Clients in 2012 included Statoil, BP, Shell, Subsea 7/Total, Allseas/Total and RWE, ABB, Cal Dive/Pemex.

Tideway's D.P. fall pipe vessel 'Rollingstone' was assigned to offshore wind farm projects and the Gulf of Mexico. Thanks to its specially developed Inclined Fall Pipe System (IFPS) installed on the shaft of the vessel, 'Rollingstone' can place armour rocks very accurately around monopile foundations as scour protection material. Several scour protection projects were carried out for clients such as Dong and RWE on wind farms in Europe, including Walney 1 and 2, Gwynt Y Mor, Riffgatt, and the Gunfleet Sands Demonstrator Project.

In 2012 major contracts for stone dumping projects were obtained from Technip/ExxonMobil, ABB/ENI, as well as for the Northwind Offshore wind farm project. Furthermore; two offshore/landfall dredging

projects were awarded, executed and completed for Allseas on the Noble Tamar Field Development, and for IRPC at Rayong in Thailand.

For the Thornton Bank Phase 2 offshore wind farm project, Tideway installed and buried a 38 km long 150 kV export cable between the Thornton Bank Offshore Transformer Station (OTS) and Ostend. Also 25 x 33 kV infield cables between wind turbine foundations in subarea A were installed and buried. All cable crossings on cable trajectories were rock-dumped.

Other cable laying works to be performed in 2013 include 30 km of cable from Q13 platform to Scheveningen beach in the Netherlands and the installation, burying and final hang-off of 72 infield array cables for the Northwind wind farm off the Belgian coast. Finally, 2013 will see DP fall pipe vessel 'Rollingstone' returning to Mexico for upheaval buckling mitigation on a pipeline in Campeche Bay.



01 *Dales Voe - Shetland*

In order to speed up operations for the Laggan & Tormore Gas Fields project, rock was transferred from bulck carriers into fall pipe vessel 'Rollingstone' at Dales Voe, Shetland.

02 *Laggan and Tormore Gas Fields - Shetland*

Fall Pipe Vessel 'Flintstone' with a loading capacity of approximately 19,000 tons, in transit to site.





02



03



04



05

01 *Walney Offshore Wind Farm - U.K.*
'Rollingstone' performing rock placement works around monopiles of the Walney Offshore Wind Farm.

02 *Laggan and Tormore Gas Fields - Shetland*
Fall pipe vessels 'Flintstone', 'Rollingstone' and 'Seahorse' were loaded with 1 - 5 inch well graded crushed rock.

03 *Thorntonbank - Belgium*
'Pompei' executing cable installation works at the C-Power wind farm, Thorntonbank, Belgium.

04 *Clipper South Field - North Sea - U.K.*

D.P. fall Pipe Vessel 'Rollingstone' performing approach protection works at close vicinity of the Clipper South and LOGG PR Platform and UHB mitigation works at various locations along the 12"/13" pipeline route.

05 *Breagh Pipeline Project - U.K.*

Shore approach dredging works for the construction of a landfall approach for a 20 inch Gas Export Pipeline, with a beach crossing in the area of Coatham Sands, Teesside.

Both in terms of turnover and employment, GeoSea enjoyed once again a very significant growth. Benefiting from continuing interest in offshore wind farms and terminal infrastructure for the export of minerals, our company specialising in offshore and nearshore foundation techniques has acquired a prominent position on global markets by creating alliances, partnering in spin-off companies, and innovating in its own right.

GEOSEA

In the past year GeoSea added two major assets to its fleet, which together create a competitive advantage thanks to their size, power, and the use of innovative technologies: the DP2 self-propelled jack-up vessel 'Neptune' and the powerful heavy-lift jack-up vessel 'Innovation'. The latter is co-owned by Hochtief Solutions (see below). Together with the equally new auxiliary vessels 'Aquata' and 'Arista', assigned to offshore maintenance operations, both 'Neptune' and 'Innovation' have been fully occupied ever since their commissioning.

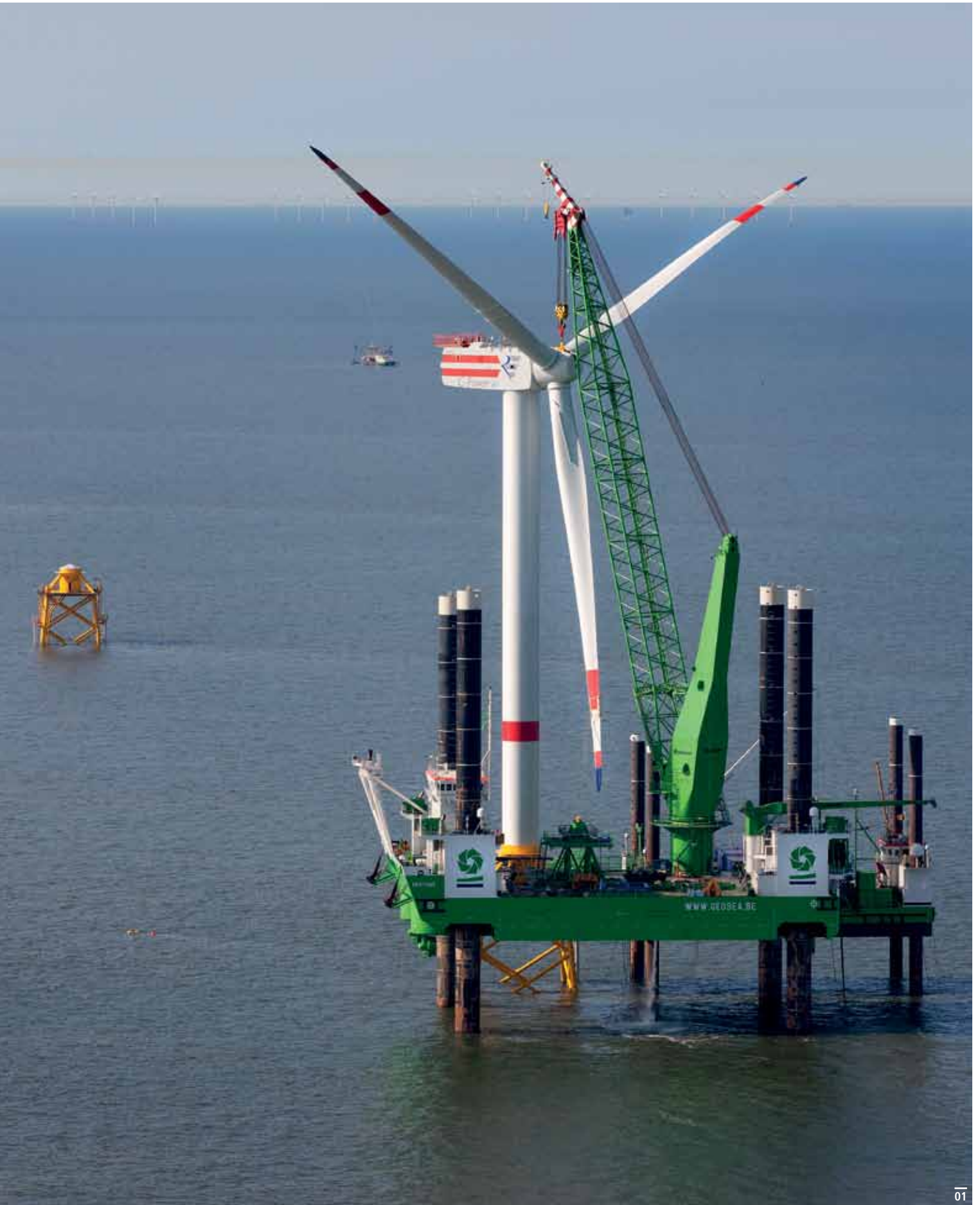
In 2012 the activities of GeoSea were for the larger part related to the design, installation and maintenance of offshore wind farms in Northwest-Europe (for maintenance and servicing activities: see below under GeoSea's sister company OWA). For its strong technological position, GeoSea in 2012 won Deloitte's 'Technology Fast50 2012' Award. After having won the Trends 'Gazelle' Award for medium-sized businesses in 2011, GeoSea in 2012 was nominated for the 'Gazelle' Award for major companies.

At the Borkum West offshore wind farm in northern Germany, GeoSea completed the installation of 40 x 3 pre-piles, on which tripod structures will be erected at a later stage. The underwater precision piling was executed in difficult winter conditions, without delays. In the frame of that same project, GeoSea organised a major logistical operation in Eemshaven, which was sustained over several months, on behalf of Areva for the client Trianel.

01 C-Power Offshore Wind Farm - Thorntonbank - Belgium

Immediately after her christening, 'Neptune' began the installation of 30 wind turbines (mast, nacelle and rotor) on behalf of the development company C-Power for its Thornton offshore wind farm project off the Belgian coast. GeoSea successfully completed the work, ahead of schedule.









Immediately after her christening, 'Neptune' began the installation of 30 wind turbines (mast, nacelle and rotor) on behalf of the development company C-Power for its Thornton offshore wind farm project off the Belgian coast. GeoSea successfully completed the work, ahead of schedule.

The powerful heavy-lift jack-up vessel 'Innovation' is installing 30 tripod foundations of more than 800 tons each for the Global Tech I project in the German Bight.

In the past year, GeoSea was awarded two other offshore wind farm contracts for which construction works will commence in 2013. The Baltic 2 offshore wind farm will be built approximately 32 km north of the German island of Rügen and is a joint project of GeoSea and Hochtief AG to be carried out on behalf of EnBW Erneuerbare Energien GmbH. A total of 80

offshore turbines have to be erected, both jackets with pre-piles, and monopiles. At the Northwind concession (Aspiravi/Colruyt) off the Belgian coast where GeoSea will provide the monopile foundations and the inter array cabling for 72 offshore wind turbines, installation is scheduled to commence in April 2013.

A major offshore geotechnical investigation campaign was executed near St. Briec in France, where Iberdrola and RES are building a strategic offshore wind farm. GeoSea assigned its self-elevating jack-up platform 'Goliath' to face the challenging environment, in particular in regard of a tidal range of up to 13 m and extremely strong currents, requiring innovative solutions for stabilizing the drill string. GeoSea completed two other offshore geotechnical campaigns for which proprietary jack-up platforms were assigned: one at the Rentel wind farm concession off the Belgian coast, and one at EON's Humber Gateway offshore wind farm project in the United Kingdom.

As for the construction of jetties, GeoSea continued its drilling and piling operations at Hay Point, Queensland. A total of five jack-up platforms, including 'Zeebouwer' and 'Buzzard', have been assigned for this complex and challenging project, involving the construction of a two km access jetty and a berthing jetty for coal supply. The agent is Bechtel, and the employer BHP-Mitsubishi Alliance (BMA). At the Hay Point site GeoSea is working together with Mc Connell Dowell in the MDGS joint venture.



02

01 *Borkum - Germany*

At the Borkum West offshore wind farm in northern Germany, GeoSea completed the installation of pre-piles.

02 *St. Briec - France*

Jack-up platform 'Goliath' executing a major geotechnical investigation campaign near St. Briec, France.

Hay Point – Queensland – Australia



- 01 Walking Bridge installing foundation piles for the New Trestle.
- 02 Jack-Up Vessel 'De Zeebouwer' installing foundation piles for Transfer Tower TT7A.
- 03 Jack-Up Vessel 'Buzzard' installing foundation piles for mooring and berthing dolphins at Berth 3.
- 04 Artist Impression of Jack-Up Vessel 'De Zeebouwer' installing foundation piles for Transfer Tower TT7B.
- 05 Artist Impression of the installation of foundation piles for Berth Link 1.





HIGH WIND

High Wind is a dedicated spin-off company that develops an installation tool to set up offshore wind turbines under high wind conditions.

Established in 2012 by GeoSea, G&G International, SBE and PMV (Participatie Maatschappij Vlaanderen), High Wind’s ambition is for installation vessels to become weather-independent ‘floating factories’ that transport the different turbine components, which would then be assembled on board. Once developed, the tool should result in an improved up-time of the vessels and considerable savings in terms of time, costs, and reliability for installation of offshore structures as a whole. High Wind expects to have the tool designed in the course of 2013.



“Ahead of time”

01 *Artist Impression High Wind tool*

High Wind focuses on the optimization of offshore operations in harsh weather conditions, resulting in more up-time and less delays.



HGO INFRASEA SOLUTIONS

A 50/50 joint company of Hochtief Solutions and GeoSea, HGO InfraSea Solutions entered the market as a ship developer and manager of heavy jack-up vessels to build and maintain offshore facilities, such as wind farms and platforms for the oil & gas industry.



In 2012 HGO InfraSea Solutions launched the powerful heavy-lift jack-up vessel 'Innovation', which with its unique characteristics sets new standards, in particular its high-performance 1,500 ton crane and a loading capacity of up to 8,000 tons. The 'Innovation' strengthens DEME's profile as an all-in solution provider, allowing for loading, transporting, and installing offshore structures as a weather-independent all-in solution. Since its launching in September 2012, 'Innovation' has fully met expectations and has been busy for the rest of the year.

02-03

*Global Tech I Offshore Wind Farm
- Germany*

Heavy-lift jack-up vessel 'Innovation' installing foundations at the Global tech I Offshore Wind Farm in the German EEZ of the North Sea.

02



03

SCALDIS

Scaldis Salvage & Marine Contractors NV is the offshore heavy lifting specialist of the DEME Group. In 2012, Scaldis was involved in lifting and placing operations for the jackets in the frame of Phase 3 of the Thornton Bank wind farm project, as well as lifting and placing of the Offshore Transformer Station (OTS) topside for Phase 2.

Elsewhere, various structures, barges, and objects were lifted in port areas. Asphalt mats were lifted and placed at the North Sea Terminal in the Port of Antwerp. A drilling tower was dismantled and the topside and jacket of the Camelot platform were removed. On 21 November, the heavy lift vessel 'Rambiz' successfully executed lifting and installation of a drilling tower onboard the deepwater ship Noble Globetrotter II.

Early 2012, Scaldis ordered a unique crane ship, the 'RAMBIZ 4000' with a 4,000 ton hoisting capacity for the further expansion of its services, including the installation of offshore infrastructure and decommissioning activities in deep water for the oil & gas industry and the installation of offshore wind farms.



03





01



02



04

01 *Wiltonhaven - Rotterdam -
the Netherlands*

Heavy lift vessel 'Rambiz' executed the lifting and installation of a drilling tower onboard the deep water ship Noble Globetrotter II.

02 *C-Power Offshore Wind Farm -
Belgium*

'Rambiz' lifting a jacket foundation at the C-Power wind farm offshore the Belgian Coast.

03 *Artist Impression Rambiz 4000*

04 *Hoondert - Flushing -
the Netherlands*

'Rambiz' removed the topside and jacket of the Camelot platform nearby Flushing.



“Fast and
accurate
special forces”



Offshore & Wind Assistance NV is the offshore maintenance specialist of the DEME Group.

OWA

Offshore & Wind Assistance took delivery of the two fast vessels 'Aquata' and 'Arista'. They are both deployed at offshore wind farms for crew and supply transfer, as survey vessels, and as dive support platforms.

Under a long-term maintenance support contract for REpower on the Thornton Bank in Belgium, OWA began providing crew and supply transfer vessels and jack-up vessels for major maintenance and repair works. The contract covers an initial period of ten years. In 2012 OWA mobilized the jack-up vessels 'Goliath' and 'Neptune' for maintenance operations on various offshore wind farms. Heavy lifting operations on a variety of turbines for several clients were executed in both the North Sea and the Irish Sea.

OWA daughter FLiDAR nv was successfully launched in the summer. FLiDAR is a 50/50 joint company between DEME and 3E, a specialized engineering company. The company deployed a Floating Lidar device in the Irish Sea on the Gwynt y Môr wind farm. During a six-month period the Floating Lidar will be tested to its limits in a test project paid for by the U.K. Carbon Trust.

01.2.1

ACTIVITIES FOR OFFSHORE RENEWABLES AND FOR OIL & GAS AND MINING COMPANIES

01.2.1.2
MAINTENANCE

- 01 *C-Power Offshore Wind Farm - Thorntonbank - Belgium*
Brand new offshore maintenance vessel 'Aquata' on its way to jack-up vessel 'Neptune'.
- 02 *Gwynt y Môr Offshore Wind Farm - Irish Sea*
FLiDAR's floating lidar in a test project in the Irish Sea.



DEC DE VRIES & VAN DE WIEL ECOTERRES EXTRACT-ECOTERRES

DEC, de Vries & van de Wiel, Ecoterres, and Extract-Ecoterres are part of the Ecoterres Holding, the environmental group of companies of the DEME Group. In 2012, they developed a fairly high level of activity in a challenging and very competitive environment. The majority of DEC-Ecoterres' activities were carried out in Europe, with special emphasis on the U.K., Sweden and Benelux markets. A number of long-term assignments will guarantee business continuity.

The first signs of a potential revival in the U.K. in late 2011, early 2012 failed to materialize as the economic conditions stagnated. However, the DEC U.K. branch managed to sustain levels of business similar to 2011.



The Avenue Coking project in Chesterfield continues to be the backbone of the business and will remain so over the next two years with substantial completion expected in 2015.

DEC, in a joint venture, completed the largest Open Stone Asphalt erosion scheme ever commissioned in the U.K. on the Abberton Reservoir Project. This project entailed placing in excess of 55,000 tons of asphalt and ronacoast covering some 200,000 m² of earth constructed embankments. DEC also completed Phase 1 of a major in situ remediation project in Glasgow. This contract was a direct award following completion of trials the previous year for an alternative solution developed by DEC to deal with Chromium-VI impregnated soil.

In Belgium DI-DEC finished, within the scope of a joint venture, the first year of operation of the AMORAS plant in the Port of Antwerp. The AMORAS project is a major design, build and operation assignment for sediment treatment and storage in the Port of Antwerp, covering a period of 15 years.

DEC's soil and sediment recycling centres of Kallo, Bruges, Heusden-Zolder, Zwijndrecht, Ruisbroek, Zeebrugge, Desteldonk and Zwijnaarde performed to full satisfaction.

01 AMORAS - Antwerp - Belgium

Amoras is a major design, build and operation assignment for sediment treatment and storage in the Port of Antwerp. In 2012, DI-DEC finished, within the scope of a joint venture, the first year of operation.

02 Ruisbroek - Belgium

In 2012, Purazur realised the biological waste water treatment plant of SRC Ruisbroek.

03 Nyrstar - Balen - Belgium

DEC develops a mechanical dewatering system on the Nyrstar site in Balen.

At the 140 ha redevelopment site 'Terranova' (formerly Nilefos Chemie) in the north of Ghent, works continued with the excavation and treatment of contaminated soil and the design of the groundwater purification installations. Ecoterres was the dedicated partner for site remediation, undertaken by the brownfield development company 'Terrenata', which was set up by BPI (CFE group) and Extensa (Ackermans & van Haaren). Both companies have acquired a 7 ha former industrial site in Oisquerq along the

01.2.2

ENVIRONMENT (SOILS, SILT AND WATER)



02

canal from Brussels to Charleroi. The site will be redeveloped into an eco-residential area comprising approximately 200 new houses and apartments.

DEC signed an agreement with Eandis, the Flemish distribution network operator for electricity and gas, for the take-over of six major contaminated sites with transfer of the environmental liability. These sites will be remediated by DEC and redeveloped into new residential areas.

DEC's subsidiary company 'Purazur' focuses on high-tech treatment of industrial waste water. In 2012, the Purazur team realised the biological waste water treatment plant of SRC Ruisbroek as a turnkey project and the physical-chemical waste water treatment plant of SRC Ruisbroek as a Design and Build project.

They were also responsible for the basic design and start-up of the microfiltration installation of the remediation project Hoedhaer in Lokeren. They also analysed the process data of the waste water treatment plant of the Amoras site in Antwerp.



03



01



03

01-02

Avenue Coking Works - U.K.

DEC continued works on the Avenue Coking project, where it carries out various remediation techniques including complex waste tip sorting, water treatment and ex-situ bioremediation.

03 *Ketelmeer - the Netherlands*

de Vries & van de Wiel carried out the remediation project at the Ketelmeer, one of the largest environmental dredging projects in the Netherlands.

04 *Valdemarsvik - Sweden*

For the remediation of the contaminated Valdemarsvik fjord in South Sweden, infrastructure works have been undertaken in 2012 and the design of the installations was completed.





02

In Wallonia, Ecoterres continued to expand its activities in the field of the management of soil and sludge recycling centres with the treatment of over 300,000 tons of materials in its soil and sediment recycling centres in Tubize (Vraimont), Charleroi, Liège (Filterres) and Farciennes (Sedisol). The latter is operated in association with Port Autonome de Charleroi et Spaque. Sedisol is a subsidiary company of Ecoterres, which developed together with two public partners (Port Autonome de Charleroi et Spaque) a fixed processing installation.

In Sweden, a Design and Build contract has been awarded for the remediation of the Valdemarsvik fjord in South Sweden. In 2012 major infrastructure works have already been undertaken and the entire design of the installations was completed.

In Italy, sediment remediation works were awarded in Ravenna and Taranto.

In the Netherlands, DEC-Ecoterres executed a number of soil and sediment remediation projects via its daughter company de Vries & van de Wiel.

de Vries & van de Wiel carried out the remediation project at the Ketelmeer, one of the largest environmental dredging projects in the Netherlands. The company also took care of the rock dumping to protect pipe lines between the main land and the Dutch Wadden Island Texel. Environmental projects for both dredging and landsite located projects are core business thanks to the use of own equipment, own PPS (public-private corporation) related soil remediation sites and own sand concessions on the IJsselmeer to foresee in the need of sand. de Vries & van de Wiel executed amongst others maintenance and remediation dredging of the Ringvaart in Haarlemmermeer and remediation dredging works of the Zaan in Zaandam and of the Vecht between Muiden and Nigtevecht.

In France, Extract-Ecoterres continues to grow and remains a leader in environmental dredging, treatment of polluted sediment and cleaning of industrial or urban water treatment installations. In 2012 they treated contaminated sediments from the Port of Paris. They were active in soil and groundwater treatment, hydraulic environmental dredging and site remediation at Achères, Narbonne, Besançon, Evry, and Montereau. They operate the 'Trasable' silt recycling centre in the Port of Gennevilliers and another one in Bonneuil-sur-Marne.

Furthermore, DEC is exploring opportunities within the US market.



04

DEME BUILDING MATERIALS

DEME Building Materials (DBM) specialises in the extraction, the processing and sales of marine aggregates for the construction industry, originating from its marine sand and gravel concessions. DBM operates two gravel trailers 'Charlemagne' and 'Victor Horta' that can be considered as state of the art in the marine aggregate industry.

Today's operations and deliveries are concentrated in the ports of Le Havre, Dieppe, Dunkirk and Boulogne-sur-Mer in France, Flushing and Amsterdam in the Netherlands, Ostend in Belgium, Gdansk in Poland and the London U.K. market. DBM has its own major marine aggregate processing installations in Flushing and Amsterdam. Long-term framework agreements have been concluded with major industrial partners in Belgium, the Netherlands, U.K., France and Germany.

The geographical distribution of DBM's aggregate reserves up to 200 million tons allows DBM to offer a viable long-term alternative for the substitution of river-dredged material or quarried aggregates for ready-mix concrete and concrete products in Europe.

Moreover, the Groupement Manche Orientale, consisting of SDI, DBM and local gravel suppliers, in 2012 obtained from the French authorities the final authorisation to exploit a gravel concession in the 'Manche Orientale'.

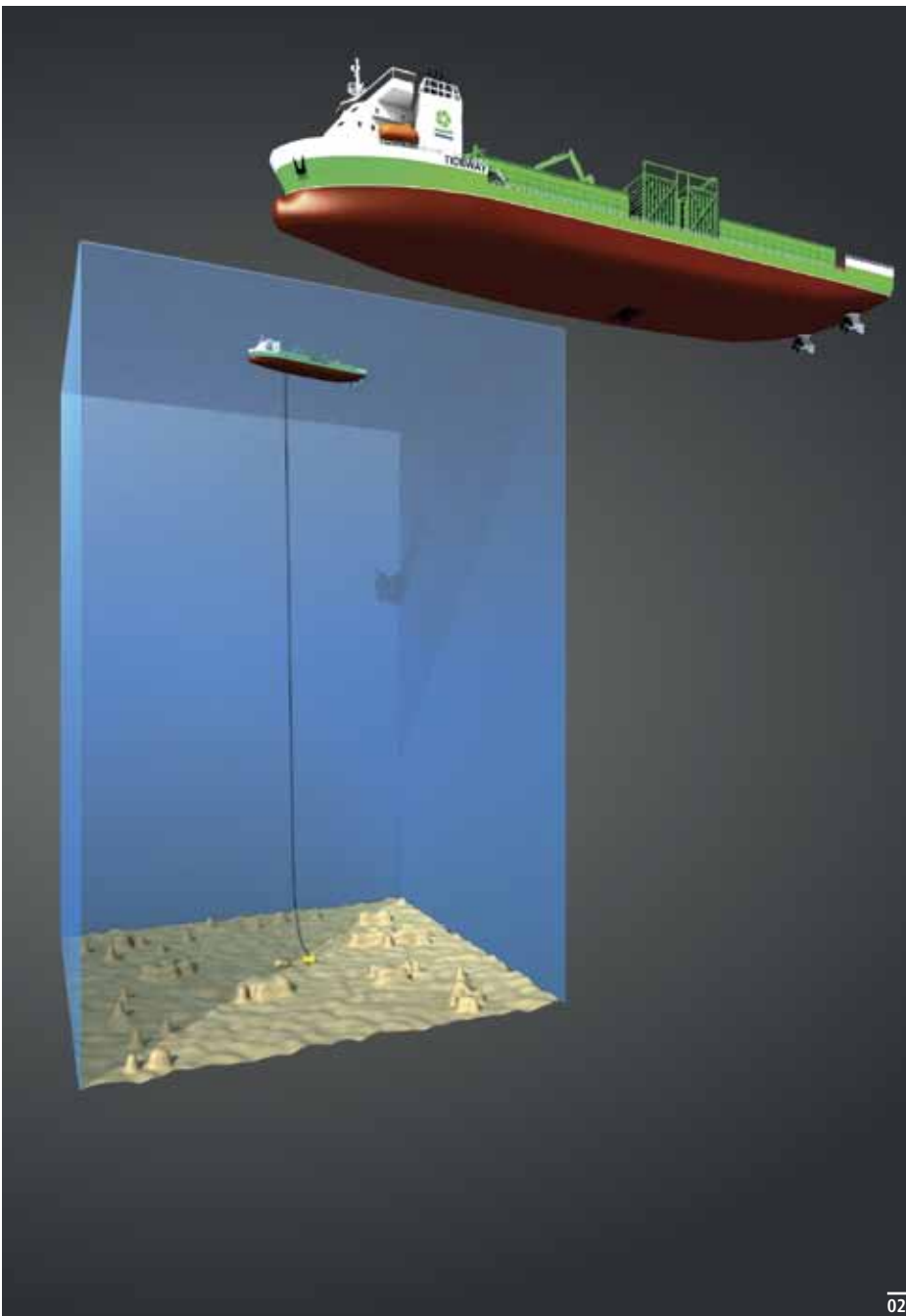
In 2012, DBM was awarded the contract for the supply of all aggregates for the construction of the new sea lock 'Waaslandsluis' in the Port of Antwerp. DBM also upgraded the aggregate processing plant in Flushing with an additional cone crusher and increase of the process capacity, amongst others in view of the project 'Waaslandsluis'. Moreover, DBM invested in a new aggregate processing plant in the Port of Amsterdam.

01 *London - U.K.*

DBM's trailing suction gravel dredger Victor Horta delivering sandy gravel to BAL's facilities at Cliffe on the river Thames, London, U.K..



01.2.3

OFFSHORE
HARVESTING
OF AGGREGATES
AND MINERALS“Harvesting the
deepest oceans”

OCEANFLORE

OceanfLORE is a 50/50 joint company between Tideway BV and IHC Merwede BV focusing on valuable offshore contract mining solutions. OceanfLORE introduces state-of-the-art, ground-breaking and innovative solutions to harvest the ocean floor in an efficient, cost effective and sustainable way with a continuous focus on minimizing the impact on the environment.

In 2012, OceanfLORE conducted research and design work with regard to such issues like excavation of the deposits, vertical transport to the surface, power supply, onboard processing plant, etc. Promising projects have been identified with respect to different kinds of rare minerals and scarce materials. OceanfLORE has been engaged in direct discussions with mining groups and government bodies to look into synergies for the exploitation of iron sands, diamonds, seafloor massive sulphides (SMS), manganese nodules and other rare earth minerals.

02 Artist Impression fallpipe vessel
Flintstone

Fallpipe vessel 'Flintstone', equipped to perform stone dumping to a depth of 2,000 m.



01

Combined Marine Terminal Operations Worldwide (CTOW) offers a full package of professional assistance for the operation of dedicated maritime terminals and related maritime services.



01 *Soyo - Angola*

CTOW converted a barge, fit for purpose, to be used in Soyo, Angola, near to the Angola LNG terminal.

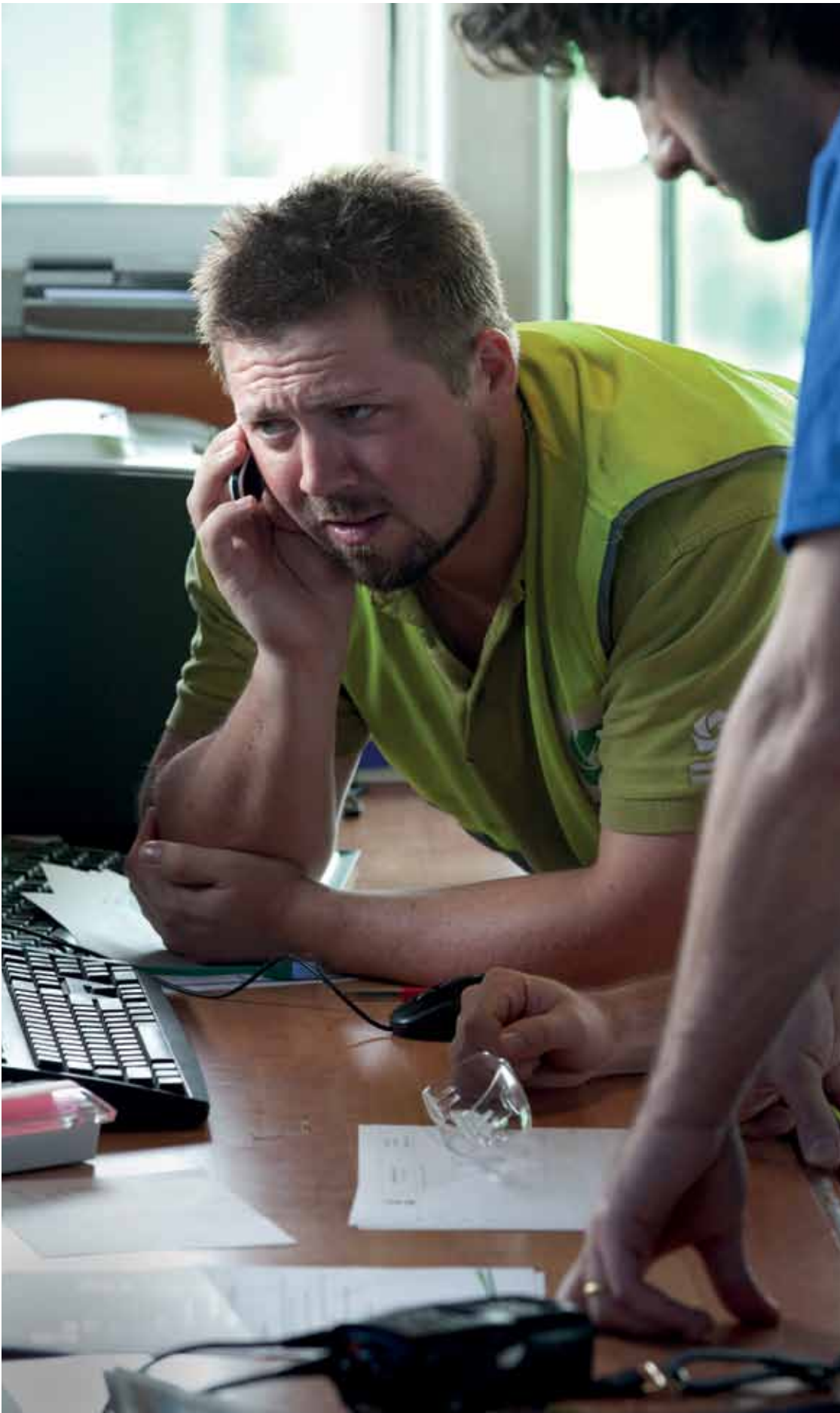
CTOW

CTOW is a joint venture company together with Herbosch-Kiere and Multraship, seeking an early involvement and an integrated approach to meet their clients' needs in terms of efficiency and a turnkey approach to the development, management and operation of terminals and ports

For CTOW, 2012 was a pivotal year. As terminal and marine specialist, CTOW executed the marine engineering works necessary for building a temporary jetty for marine service vessels at the Angola LNG jetty. For this purpose CTOW specially converted a barge in Nigeria and towed two other huge barges from Europe to Angola, in the spring of 2012. The barges were delivered on time and in perfect order, a detailed fit-out was performed on site and the jetty was taken into service in November 2012. The unique synergy of CTOW's shareholders has again been demonstrated in this project.


The second contract was signed with Angola Exploration Mining Resources S.A. (AEMR). The contract involved amongst others a nautical study to determine safe mooring operations with a focus on environmental characteristics. Based on this study a detailed mooring analysis was performed to define the right specifications of the mooring equipment to be fitted on the jetty. Additionally, an extensive risk analysis of the situation in situ was performed, followed by a practical training course for local staff of AEMR and Sonangol.

These two contracts marked the start of CTOW's activities and laid the foundations for their upcoming assignments.



01.2.4

MARINE AND TERMINAL SERVICES

The image shows a vast expanse of the ocean under a clear sky. In the foreground and middle ground, several large offshore wind turbines are visible. They have tall, cylindrical towers supported by complex lattice structures. The blades are long and thin, extending outwards. In the distance, a small boat is visible on the water, and the horizon line is clearly defined. The overall scene is serene and emphasizes the scale of the renewable energy infrastructure.

DEME
concessions
and project
development

02

DEME CONCESSIONS AND PROJECT DEVELOPMENT





02

**DEME
CONCESSIONS
AND
PROJECT
DEVELOPMENT**

DEME concessions and project development

Offshore wind



Otary

Wave and tidal
energy (blue energy)



Offshore
mineral resources





In 2012, DEME continued its efforts to be involved in the development of new projects from an early stage, through the development of concession agreements and PPP agreements (Public Private Partnerships).

02.1

OFFSHORE
WIND

POWER@SEA OTARY

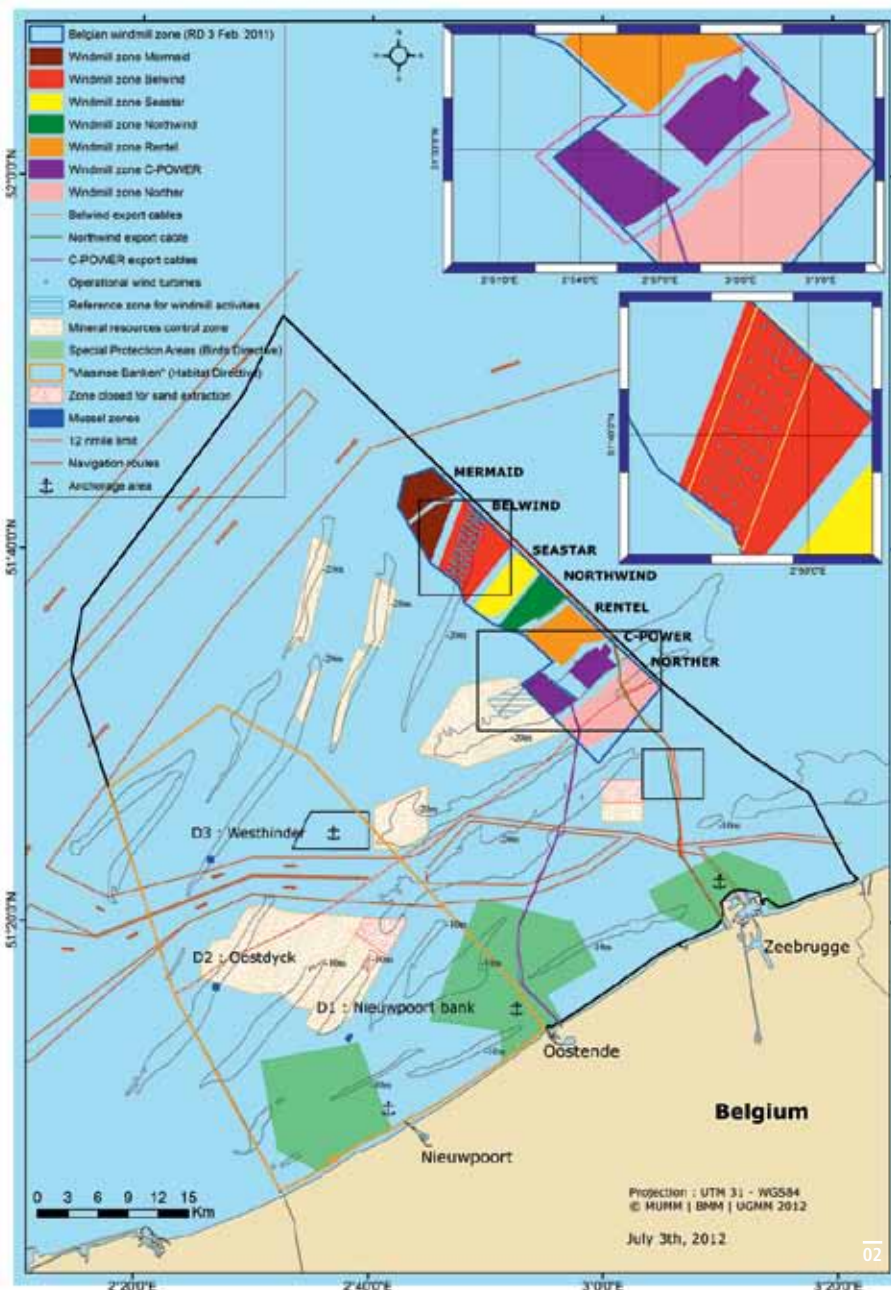
Within the specialist area of offshore energy, DEME develops initiatives in several European countries through its concession specialist Power@Sea, already a partner in the Belgian C-Power project.

Power@Sea, together with the other shareholders of Otary, acquired new concessions for offshore wind farm projects on three Belgian offshore projects: Rentel, SeaStar and Mermaid. All these wind projects represent an accumulated capacity of over 900 MW.

In Poland, Power@Sea has applied for a permit for the development, construction and installation of the C-Wind offshore wind farm in the Polish Baltic Sea and obtained the right to develop this offshore wind park. The wind park is situated offshore the Gdansk area and has an installed capacity of minimum 200 MW.

Power@Sea specialises in providing support for environmental permitting, procurement procedures, assistance with regulation, tendering, construction, distribution, operation and life cycle maintenance, and continues to seek early involvement in offshore energy projects in France and Germany.

Offshore the Belgian coast, the C-Power wind project on the Thornton Bank further progressed during 2012. All foundation works have been completed and at the end of 2012, 36 turbines were already operational. As an outstanding example of synergies within the Group, all different kinds of activities were carried out: delivery and installation of all jackets, installation of the foundation and the topside of the Offshore Transformer Station (OTS), installation of the second part of infield cables, rerouting of the existing power cable, and installation of a second power cable to connect the OTS to the grid. The installation of the remaining eighteen turbines will be executed in 2013, as originally planned.



01 Thorntonbank - Belgium

The 325MW C-Power wind farm will be operational in 2013.

02 Belgium

The concessions for Belgian offshore wind farm projects. (source: www.mum.ac.be)

DBE develops both tidal and wave energy projects, focusing on more mature technologies.

DEME BLUE ENERGY

In the field of tidal energy, DBE is developing – through Blue Power N.V. (50% DBE – 50% NUHMA) - tidal energy sites in cooperation with the Irish project developer DP Marine Energy (DPME). Off the northwest coast of Antrim at Fair Head in Northern Ireland, some 60 km from the Islay site, the consortium DBE-DPME was granted an Agreement for Lease by The Crown Estate for a 100 MW tidal project. In Islay, Scotland, DBE-DPME obtained an Agreement for Lease for a total installed capacity of 30 MW. Both projects offer significant energy resources generated by the same waters flooding and ebbing between the North Atlantic and the Irish Sea and both these projects form part of the North Channel Resource Area.

As for wave energy, DBE is a partner in Flansea (Flanders electricity from the sea,) a research project for converting wave energy into electricity. DBE is involved in this project with the University of Ghent and 5 local industrial partners (Cloostermans, Spiromatic, Contec, Port of Ostend and Electrawinds). The main objective is to determine the total amount of energy that can be absorbed from a moderate wave climate. In 2012 a first test was conducted with a simplified



02.2

WAVE AND
TIDAL ENERGY
(BLUE ENERGY)

“New
horizons
for energy
extracting”

scale model in the Port of Ostend. Tests at sea with this scale model are essential for the design and construction of the FlanSea wave energy converter.

DBE is also a partner in REBO (Renewable Energy Base Oostende), a special purpose company developing logistic services for offshore renewable energy projects. REBO obtained a concession in the Ostend outer port.



01



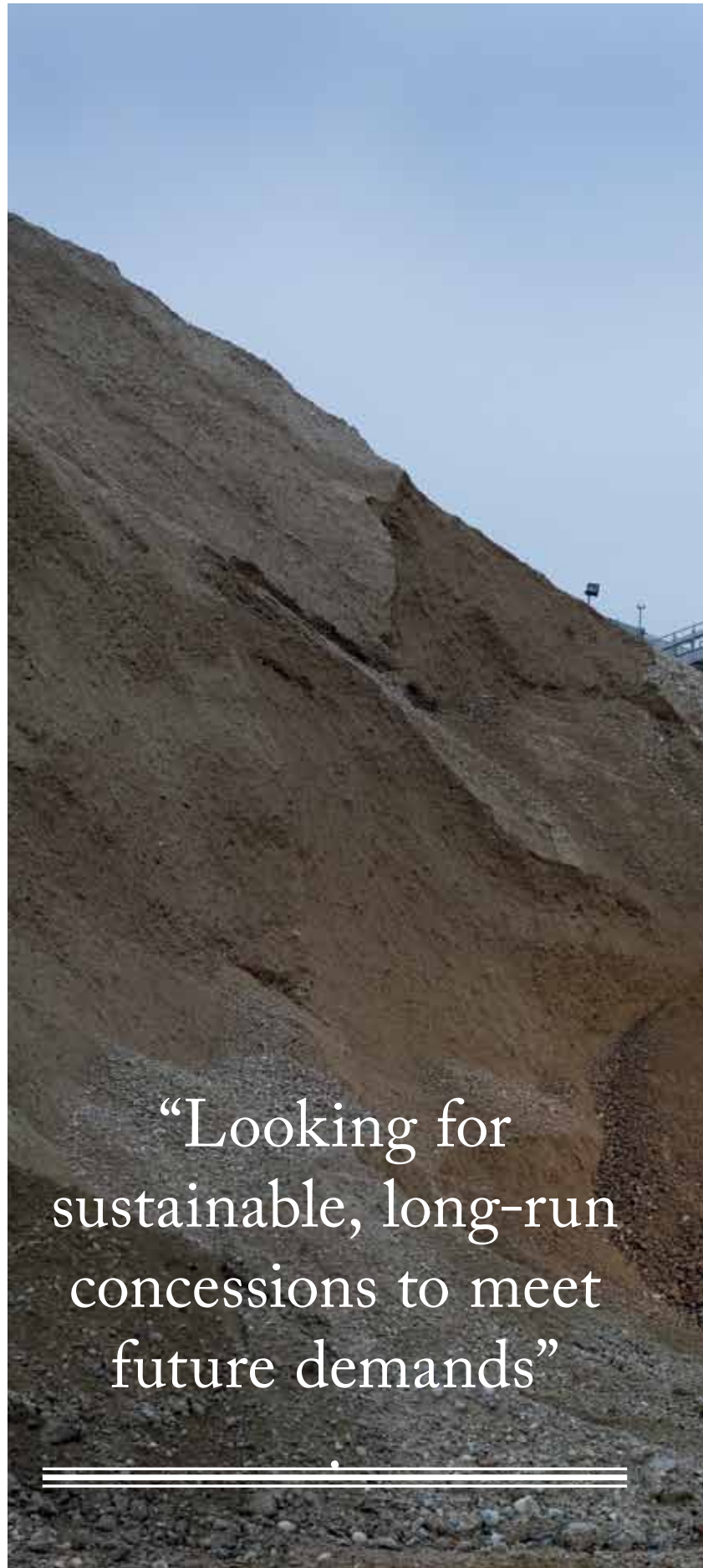
02

- 01 *Artist Impression Tidal Turbine*
- 02 *Ostend - Belgium*
Test setup of the wave energy converter FlanSea in the port of Ostend.

DBM OCEANFLORE

DEME is continuing, together with DBM, to develop new and existing concessions for sand and gravel nearshore (up to 100 m depth) in Belgium, U.K., the Netherlands, France, Morocco and Poland.

Furthermore DEME is prospecting, together with OceanFLORE, new opportunities in the field of the exploration of deepsea minerals like iron sands, phosphates, nodules, rare earth minerals, etc.



“Looking for
sustainable, long-run
concessions to meet
future demands”

02.3

OFFSHORE MINERAL RESOURCES





Safe and
sustainable
solutions

03

**SAFE
AND
SUSTAINABLE
SOLUTIONS**



For DEME, working towards a sustainable future is part of the way we do business. We care a great deal about the health, safety and security of our people and assets, and the well-being of all those contributing to or affected by our operations. We are committed to the protection and conservation of the environment and we aim to integrate sustainable and innovative thinking and corporate social responsibility into all our business processes and business relationships.

**DEME**Dredging, Environmental
& Marine Engineering

It is DEME's ambition to create land for a sustainable future through all activities performed within the DEME Group.

DEME is committed to conduct its business with the highest personal and professional ethical and moral standards in accordance with all applicable laws, rules, regulations, policies and procedures.

VALUES

The DEME Group has established a set of standards applicable to its worldwide business units and subsidiaries. These standards are also promoted to its group suppliers, subcontractors and partners.



DEME'S CORE VALUES

DEME chooses to work in an environment in which different cultures can interact in a positive way to create a competitive advantage and is committed to its core values identified by the acronym '**STRIVE**'.

Safety: the personal safety and health of employees and stakeholders is our greatest responsibility.

Technical leadership: With an open mind and the right team spirit, we continue to improve our processes and find trail-blazing solutions to the needs and challenges of our customers.

Respect: Our employees are trained and motivated to meet the challenges ahead. Individuality and diversity will be valued and performance is recognized. We provide our customers with unsurpassed value-added service. Our relationship with suppliers reflects respect, understanding and sound business practice. We observe all applicable laws and regulations of the countries in which we are active. We respect human rights and prohibit unlawful discrimination.

Integrity: We conduct our activities according to the highest standards of ethics and personal integrity. This fosters and maintains the trust and confidence of our employees, including the necessary dedication and flexibility to our customers and our suppliers. We carry out our activities in an honest manner in all openness. We do not take unfair advantage through manipulation, concealment or abuse of privileged information.

Value creation: We make result driven decisions in order to ensure long-term growth for the benefit of employees, customers and shareholders, including financial discipline to keep the company healthy.

Environment: we protect the environment and avoid adverse impacts to the environment and the communities in which we do business.

DEME'S CHARTERS

DEME's mission and its core values were translated in multiple charters to better prepare for the challenges ahead. Each charter highlights one of these specific areas: integrity, quality, environment, health & safety, sustainability, security and energy.

DEME's business is evolving and so is its Human Resources policy. A little more than 4,300 DEME employees realize landmark projects around the globe.

It is their expertise, creative thinking and hard work that largely determine the success of our business. This remarkable devotion impacts not only the quality of our newly designed vessels and marine infrastructures, but also our innovative approach to finding global solutions to meet the needs of our clients and to forge partnerships to effectively execute our projects.

PEOPLE

DEME makes every effort to create an environment in which our people are stimulated to further strengthen their competencies, share their knowledge and develop their skills to make them strong team players ready to be deployed around the world.



TRAINING

DEME will make every effort to secure special talents that will make the difference. Therefore DEME looks beyond the traditional horizons, focusing on a more diversified, international recruitment. We can now rely on social media (Facebook, LinkedIn and YouTube) as a valuable tool to enhance recruitment opportunities worldwide.

Moreover, as a result of the growing diversification of activities within the DEME Group, it is all about getting the right people at the right place at the right time.

In this respect we have developed a brand-new and centralized competency database listing all skills and competencies of our staff employed in and outside Belgium.

The prestigious "2012 Top Employer Award" and "2012 Randstad Award for most attractive employer" again encourage us to continue along the path we have chosen. The DEME track is one in which opportunities arise for everyone in a professional environment with room for self-development and for strengthening core competencies. Our future success will largely depend on our creative employment of this expertise.

It is essential to continuously support and facilitate people with good core competencies. We therefore strive to create a DEME-wide learning community where expertise is shared and people feel encouraged to innovate. This is translated into a continuous effort to improve the quality of our corporate training seminars, mandatory for all DEME staff. The DEME Basic4Starters seminar, consists of an introduction programme for all DEME employees across the globe and provides a general overview of DEME's main supporting departments and the newly developed project activities within the Group. Later on, the DEME Skills Programme aims at honing relevant technical and non-technical skills for all employees with a seniority of between 1 and 5 years who work in project teams, from tender phase to completion.

Next, DEME wishes to engage its future Project Managers and Project Accountants in DEME 2020, a specialized training programme meant to enhance their expertise and develop their potential to prepare them to fully commit to a career on site. This three-week coaching programme, organized in cooperation with Flanders Business School, covers several areas of project management, including people skills, business management and contract management.

On a technical level, our renowned dredging technical training (VOUW) will remain a solid reference for all technical profiles. Several training opportunities on cutter and hopper simulators further optimize technical dredging skills and knowledge of both engineers and crew members.

Maintaining and developing such training initiatives DEME-wide requires concerted efforts between the corporate level and the various business units.

Safety unquestionably remains a top priority in all of our training programmes; this is reflected in a wide range of standard safety trainings for both staff and crew members promoting safety awareness and respect for the environment. Moreover, for specific site conditions in Australia we have developed a series of particular site-oriented safety trainings in close cooperation with our client, local authorities and training agencies. We also regularly develop new projects in immediate response to potentially dangerous situations and in order to keep a finger on the pulse. Examples of such new initiatives are the latest crew training on safe cargo loading in cooperation with Syntra and plans to organize extra OPITO certified offshore safety trainings in Belgium.

“Learn to improve”



DEME promotes the health, safety and security of all its employees through raising awareness, prudently managing risks and changes, promoting a strong culture of safety, setting appropriate goals and continuously improving the skills and competencies of our people. It is DEME's objective to provide a healthy work environment, to promote healthy work practices and a healthy lifestyle for everyone involved in our business.

HEALTH AND SAFETY

Working in sometimes remote and hostile environments often presents specific challenges and risks. Our project managers proactively evaluate the risks involved at every stage of the project lifecycle and take steps to eliminate or mitigate them. Risk anticipation and risk management are two important aspects of strong project performance, as is illustrated by our track record. Our clients can depend on us to maintain the health, safety and security of our operations whilst protecting the environment.

01 2012 IADC safety award

Koos van Oord, President of IADC hands over the 2012 IADC Safety Award to Lieven Durt, Area Director Africa en Chairman CHILD.



OUR SAFETY PERFORMANCE

The number of reports about unsafe acts, unsafe situations and near misses increased significantly over the last three years (see graph below), after the number of so-called Safety Hazard Observation Cards (SHOC) was added as a Key Performance Indicator (KPI). The SHOCs are actually 'best practices', because they raise awareness about safety and help identify hazardous situations and actions before they result in actual injuries, environmental damage or in the worst case fatalities.

Improved reporting allows DEME to proactively take mitigating measures that prevent incidents from happening. As a consequence, there is a clear relation between the increased number of reported unsafe conditions, unsafe acts and near misses, and the decrease of (serious) incidents, e.g. Lost Time Incidents. As a result of the above, the Lost Time Incident Frequency Rate (see graph below) decreased with 38 percent compared to 2011.

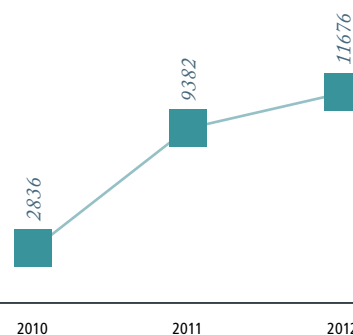
DEME WINS IADC SAFETY AWARD 2012

In 2012, the International Association of Dredging Companies (IADC) presented its Safety Award to DEME for the implementation of our new company-wide safety awareness programme, CHILD. This award singles out a specific project or programme among the IADC member companies as an example of excellence in safety.

CHILD (Colleagues, Help Injuries to Leave DEME) is an ambitious safety and prevention project that aims to raise awareness about dangerous situations and safe behaviour in the workplace; to instil personal responsibility, action and initiative; and to radically change the mindset and corporate safety culture. The acronym appeals personally to everyone and to all cultures alike and encourages colleagues to care for one another as they would for their own child.

CHILD
COLLEAGUES, HELP INJURIES TO LEAVE DEME

DEME reported unsafe acts, unsafe situations and near misses 2010-2012





DEME SAFETY MOMENT DAY

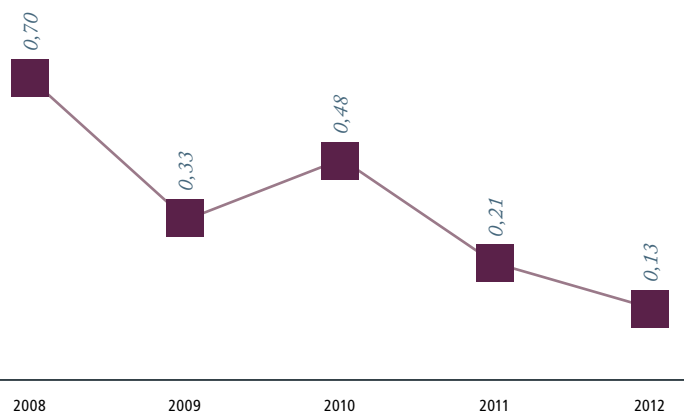
In the frame of our CHILD programme and for the second consecutive year, a DEME Safety Moment Day was organized on 28 November 2012. The focus was on hand and arm injuries, and participation was overwhelming. Throughout and within all business units and regions, top management and all employees were actively involved in bringing the message across about the hazards related to electricity, mooring, lifting, working with chemicals, manual handling, etc. in order to raise awareness and reduce the number of hand and arm-related incidents. The campaign adopted a step-by-step approach: sending of the initial letter, posters, a specially developed DVD illustrating hazards related to electricity, mooring, lifting, working with chemicals, manual handling, etc. On Safety Moment Day, all of these tools were used in a toolbox meeting at all sites, vessels and offices, followed by an inspection tour.

DEME ON THE MOVE

A healthy body contributes to overall well-being. Yearly, DEME launches various campaigns to stimulate physical exercise and optimize the team spirit with its 'DEME On the Move' programme.

In 2012, the 'DEME On the Move' campaign was linked to the 'Climbing for Life' project that aimed at biking to the top of the 2 646 m Col du Galibier in the French Alps. About a 150 employees participated in a green DEME outfit. Reaching the top of the Col du Galibier was the ultimate climax of an intensive biking and running preparation programme throughout the year with highlights as the Antwerp Ten Miles. DEME entered this 'Climbing for Life' program as a sponsor supporting medical research into methods to suppress asthma and mucoviscidosis.

*DEME lost time
incident frequency rate
2008-2012*



For DEME's core business – i.e. dredging operations – but also for its other activities, operational excellence and technical innovation are key strategic objectives for years to come. To meet these objectives, DEME developed a continuous improvement and operational excellence approach called DRIVE.

QUALITY, PRODUCTIVITY AND COST-EFFICIENCY





In the past, DEME had already introduced Lean Six Sigma as its continuous improvement and operational excellence methodology. But over the years Lean Six Sigma had proven to be difficult to sustain, mainly because the standard approach was not compatible with certain characteristics of DEME's industry, organizational structure and culture. At the end of 2011, the DRIVE team conducted an analysis to determine the root causes of this incompatibility and started developing and implementing a new continuous improvement and operational excellence approach. This new approach, called DRIVE, is still based on the principles of Lean and Six Sigma but takes into consideration the specific nature of DEME and the existing (management) practices and tools.

In 2012 this programme for continuous improvement and operational excellence was further fine-tuned and implemented in all operational divisions of DEME, with spectacular results. The number of improvement projects within the scope of the DRIVE operational programme went from 9 in 2011 (only dredging related) to over 60 in 2012 (in all of DEME's activities), resulting in huge financial savings.

Moreover, the implementation of DRIVE has initiated a real change in DEME's continuous improvement and operational excellence culture. For DEME's core business – i.e. dredging operations – but also for its other activities, operational excellence and technical innovation are key strategic objectives for years to come. In addition, all DEME entities (Dredging, DEC, Tideway, Geosea, DBM, DV&VDW) have familiarized themselves with the new DRIVE approach and have taken part in DRIVE exercises. In 2012, this also led to the development of a bottom-up innovation track: since August 2012, 32 ideas for technical innovations have been proposed by DEME captains, chiefs and crew members. Moreover, DRIVE reinforces operational risk management and project control. The first

kick-off meeting, for example, ensures adequate knowledge transfer between sales and operations and the fact that the daily dashboards are also sent to HQ, ensures timely escalation to the technical experts in HQ. Apart from the strategic targets regarding continuous improvement and operational excellence, the DRIVE approach will also be used to realize DEME's CO₂ reduction targets.

At the end of 2012, DEME introduced a new cost efficiency programme: LESS IS MORE! The programme aims to raise awareness about cost efficiency and is implemented company-wide, on the sites, aboard the vessels and in the offices. LESS IS MORE! calls for more creativity and innovative thinking from all of us, in everything we do. Following a huge investment programme, with the purchase of 27 new vessels, DEME will now focus its investment efforts on production and efficiency-enhancing dredger components or systems, operating methodologies, new technologies or even original contract forms. DEME is operating one of the most modern and diversified fleets in the sector and this asset will undoubtedly be one of our trump cards.





CLIMATE AND ENVIRONMENT

DEME is committed to conducting its worldwide business in a manner that minimizes our impact on the environment. DEME integrates environmental improvement into its strategy and business plans and addresses key environmental issues that are specific to the processes and activities of each project. We specifically focus on the protection of the environment and sustainable development by means of management commitment, motivating our employees, target setting, awareness and training. DEME aims to continuously reduce emissions (i.e. carbon footprint, greenhouse gases), optimize our operations, avoid damage to the environment and find innovative and timely improvement solutions. We acknowledge that our operations are far-reaching and have a global impact.

REDUCING OUR CARBON FOOTPRINT

With respect to climate change and environmental concerns, DEME in the past year mainly focused on mapping its so-called carbon footprint, expressed in tons CO₂. To achieve this, a Green House Gas (GHG) and Energy working group was established.

DEME's GHG & Energy programme includes the quantification and reduction of greenhouse gases, primarily based on the consumption of fuel and related CO₂ emissions. The greenhouse gas emissions of DEME are quantified and reported according to the internationally recognized ISO 14064 standard. GHG reductions are defined in the energy management system according to the ISO 50001 standard and are an integrated part of DEME's overall management system.

The GHG inventory is compiled under the responsibility of the DEME Corporate QHSE-S Manager. The entire DEME Group of Companies has been verified in accordance with the internationally recognized ISO 14064 standard by Lloyd's Register Quality Assurance.





CLIMBING THE CO₂ PERFORMANCE LADDER

The CO₂ performance ladder is a specific climate change programme/instrument used by companies to demonstrate their efforts to reduce CO₂ and increase awareness related to CO₂. The higher the score on the performance ladder (step 5 being the highest step possible), the greater the competitive benefit for the company. Several public agencies indeed utilize the ladder for judging the sustainable procurement of their projects. One of these public authorities is the Dutch Department of Waterways and Public Works or 'Rijkswaterstaat.' Hence the benefit of being well positioned on the CO₂ performance ladder, and to present the company as an attractive partner to work with on complex, multidisciplinary infrastructural projects.

After an audit in October 2012 the following DEME companies were certified, based on the step 3 criteria of the performance ladder by Lloyds Register Quality Assurance: Dredging International NV, Baggerwerken Decloedt en Zoon NV, Geosea NV, DEME Environmental Contractors NV, DEME Building Materials NV, DEME Building Materials BV, DEME Blue Energy NV.

CARBON FOOTPRINT

The total carbon footprint of the DEME Group of companies in 2011 was 577,776 T CO₂, which was verified and certified by Lloyds Register Quality Assurance.

The carbon footprint in 2011 within Belgium and the Netherlands (or CO₂ performance ladder boundary) was determined at 155,233 T CO₂, which was verified and certified by Lloyds Register Quality Assurance.

REDUCTION TARGET

DEME quantifies its energy objectives in terms of a 7% efficiency increase by 2022 as compared to 2011. The CO₂ reduction approach complies with DEME's continuous improvement methodology DRIVE as well as the Plan-Do-Check-Act approach:

1. Identification

Knowledge and experience of process owners and use of operational dashboards;

2. Preparation

Selection of operational KPIs and graphical representation and assignment of person in charge;

3. Launch

Mobilization of operators, Identification of the initial SOP (Standard Operating Procedure) and Introduction of the KPI graph;

4. Progress

Regular evaluation and creation, follow-up and implementation of an action plan;

5. Close out

Consolidate gains and Celebrate success.

In line with a rich tradition of innovation and trailblazing technological achievements, DEME in 2012 further initiated groundbreaking Research & Development projects. On the one hand, these are set up as a direct response to immediate needs, related to the tendering process or requests from the sites. Other R&D initiatives focus on the longer term, with creative equipment and plant designs or innovative management, as well as novel software solutions.

INNOVATION, RESEARCH & DEVELOPMENT

DEME invests heavily in innovation and has always assigned dedicated people and assets to Research & Development. R&D offers a competitive advantage and is one of the main drivers behind our worldwide commercial successes. As such, innovation directly contributes to the growth of the Group and has certainly been the driving force behind expanding DEME's global reach.

Research & Development at DEME is undertaken in a multidisciplinary way and involves close cooperation between sites, vessels and headquarters, but also between the calculation desk, the project management teams, the technical departments and our 'Research, Methodology, Production, and Engineering' (RMPE) Department. This cooperative approach has been structurally embedded in our 'Central Competence Center' (CCC).

The time has long gone by when innovation was the work of a single brilliant individual. The innovation process at DEME follows a methodical, systematic and structured path according to formal procedures, workshops and using dedicated tools. Only when the talent, know-how, creativity, experience and feedback from a broad variety of stakeholders is brought together, can new applications, improved efficiency and innovative solutions become a reality.

We would like to highlight some of the remarkable achievements realized in the course of 2012 thanks to this multidisciplinary philosophy and cooperative approach.



WORKABILITY OF CSD'S IN SWELL CONDITIONS

In the run-up to the start of the large-scale, long-term project at Wheatstone, North-West Australia, in March 2013, our R&D Department initiated a study, together with IHC/MTI, to gain more insight into the additional forces exerted on the spud by the motion of large barges, moored alongside cutter suction dredgers such as the 'Amazone' and the 'Ambiorix'. The location of the Wheatstone project several miles offshore is subject to ocean swell. Combining the deployment of our self-propelled heavy cutter suction dredgers with large non-self-propelled barges presented several challenges.

RMPE started testing the workability of cutter suction dredgers in swell conditions. They created a tool that allows a more accurate prediction of the workability of CSDs during the tender phase. The pilot also aims to provide more insight during the execution of the dredging works in order to reduce down time of the equipment. In addition, RMPE launched a new generic tool to more accurately determine the workability during the tender phase.

THE PAUL PROJECT

PAUL stands for 'Production Assistance Up-Link'. The PAUL project makes it possible to store datalog data of DEME vessels over a long period of time (infinity). The data can be visualized in real time or playback. This database is the starting point for further analysis and reporting. It is possible to log approximately 300 parameters per vessel – all of which are necessary to follow up the dredging production. Currently the data of the hopper dredger 'Congo River' and the cutter dredger 'd'Artagnan' are logged and stored on the PAUL server at DEME headquarters. The DEME VSAT connection of the vessels provides the technical option of sending data directly from the datalogger to the PAUL server at DEME headquarters.

This project is the next step in DEME's Productivity Data Management process. As the number of DEME sites around the world is increasing, resulting in a growing need for experienced production engineers, the PAUL project offers a telemetry help solution. The project allows an engineer at headquarters to collaborate with a production engineer on site. They can work simultaneously with the same data. Hence, there will be less travelling, resulting in considerable cost and time savings.

RMPE APPLIED RESEARCH REVITALIZES HYDRO

Hydro is our in-house developed and maintained software application to simulate the interaction between centrifugal pumps and pipelines – one of the core operations in our company. The Applied Research cell of the RMPE Department is working on a new version of Hydro, which meets the latest standards in several fields. Under the hood, the code is being rewritten to further increase the maintainability and scalability. By adding new empirical laws that predict hydraulic losses, we keep up to date with the newest research in this field of hydraulics.

The user interface is completely revamped to reflect current demands. It is compatible with the latest Microsoft operating systems and can even be used on tablets. It will thus become very easy for the production calculators to evaluate the interaction of a centrifugal pump and pipeline on site. Thanks to the new data import function, datalog records can be combined with simulations.

The new version of Hydro also improves the department's implementation of the ISO 9001 standard. Every Hydro calculation performed for a certain project will be archived and versioned. All the hydraulic simulations executed for a project will be easily retrieved, checked and extended. Thanks to the versioning there will be no more discussion about the origin of the numbers. Comprehensive and complete simulation reports can be created. The new version of Hydro will help to follow up on and improve production levels. It will result in less uncertainty in simulations, less reporting work and ultimately increase profit.

LIFE CYCLE SUPPORT (LCS)

The Life Cycle Support initiative is DEME's multi-departmental project to reduce the total life cycle cost of the soil conveying parts (e.g. pumps, pipelines) aboard the vessels. The project aims to minimize the residual value of the worn out part and to reduce the cost of stock, logistics and unplanned breakdowns. To achieve this, a condition-based maintenance system (CBMS) for the covered parts is required.

The past year such condition-based methodologies were developed and implemented onboard of two of our cutter suction dredgers, for two parts under surveillance: the cutter heads (LCS Cutter heads) and the pipelines (LCS Pipelines). This condition-based methodology comes with a complete software database application. The two developed applications

provide a system to store all measurements and actions taken on the respective parts. It thus becomes easy to retrieve the current status of a part, to plan maintenance, logistics and stock, and to make up reports for all stakeholders. In the future DEME will further develop these applications and also develop and implement methodologies for the pumps, valves and discharge pipelines.

Next to reducing the life cycle cost of the soil conveying parts, the project also collects a huge amount of wear data. Thanks to this feedback information, the costs for projects in the tender phase can be more accurately calculated.

HYBRID WATER INJECTION PLOUGH: THE HYBRID WID

The Hybrid WID Plough is a modular water injection dredging system that is combined with a plough system. This dual-purpose system combines the advantages of both individual systems. As such, it can be used on a broad range of small maintenance dredging projects.

The Hybrid WID plough is demountable, easy to transport and deployable on different vessels. The system's components can be installed on a Multicat, as small as 10 m wide and 28 m long. The system can be mobilized in standard size container units. In addition to the 10 ft variable-frequency drive container, the use of two 40 ft transport containers is recommended. This makes the Hybrid WID Plough a flexible and fast serviceable system.

In WID mode, the frame is placed under an angle of approximately 15°. In this way only the injection bar is touching the soil, leaving space for suspension. In ploughing mode, the frame is placed in a horizontal position. The plough has a surface of 14.5 m² and is intended to remove harder or resedimented, coarser materials. This mode is more suited for smaller dredging areas.

The first installation and tests were successfully performed on the vessel 'Alligator' in Zwijndrecht on a maintenance project in DEME's harbour.

Compared to conventional ploughing, production with the hybrid WID system was four to five times higher. The successful dredging result was proven by the survey depths observed before and after the test.

01 *Zwijndrecht - Belgium*
.....
'Alligator' equipped with the hybrid water injection plough.

One of the keys to a successful business proposal is in the hands of DEME's Export & Project Finance Department. By managing the credit risk associated with specific transactions or by arranging financial packages – both in developed and emerging markets – the department supports the all-in solutions approach that DEME wants to offer to clients all around the world.

EXPORT AND PROJECT FINANCE

The department assembles tailor-made financial packages and negotiates these packages with potential investors, financial institutions and authorities worldwide. Each project finance package is specifically tailored to the needs and possibilities of each and every project and client. As such, it can take different forms going from a simple buyer's credit or a soft loan to a project finance structure or combination of different forms. These structures often offer financing possibilities to a client, who does not have the capability to arrange a similar financing locally especially with regard to credit tenor or credit amount.



Every package or structure, whatever the nature or complexity, is fully compliant with OECD regulations on all levels. Moreover, the economic, environmental and social sustainability of the project is always a crucial factor. Privileged partners in setting up these structures are ONDD, the Belgian Export Credit Agency and Finexpo, the Inter Ministerial Committee for Financial Support of Belgian Export.

DEME's Export & Project Finance Department operates worldwide. One of last year's achievements includes a project finance solution for land reclamation works in Nigeria (Eko Atlantic City).

01 *Lagos - Nigeria*

A project finance solution for land reclamation works on the Eko Atlantic City project in Nigeria was one of DEME's Export & Finance Department last year's achievements.





The DEME4Life Foundation is inspired by DEME’s ambition to consolidate the charitable actions of DEME’s employees around the globe. On their initiative, a number of social projects have been supported in countries such as Nigeria, Mexico, Brazil, India and the Democratic Republic of Congo. The Foundation aspires to reach out to the weakest and the less privileged individuals and communities in regions where DEME has ongoing projects. The DEME4Life Foundation reflects the Group’s commitment to act in a sustainable way on a social, economic and environmental level.



CORPORATE SOCIAL RESPONSIBILITY

By initiative of the staff of DEME’s Chennai based Indian company ISD (International Seaport Dredging), the DEME4Life Foundation decided to give SPEED Trust financial backing in 2012 for their charitable work to offer the socially deprived slum dwellers in Chennai hope for a better life. SPEED Trust (Slum People Education and Economic Development) is a charitable Public Trust which acts in the slum areas of Chennai, the fourth largest city of India and capital city of Tamil Nadu. The organization focuses on education, responsibility and self-confidence. Their main objectives are to support socially and economically deprived women, to help children by offering general education and technical skills and to encourage people to develop income-generating activities in order to become independent and self-sustainable.



04

In Belgium, DEME4LIFE Foundation has offered financial support to the Playing for Success initiatives taken by the Belgian top basketball team Port of Antwerp Giants, helping children between the ages of 10 and 14 with learning disabilities to improve their performances at school and the non-profit organizations New Belgica and De Steenschuit where 500 people with limited potential on the labour market are given the opportunity to reintegrate into the social community constructing a replica of the famous three-master Belgica.

Furthermore, DEME4Life supported the FOS Socialist Solidarity Organization, the charity organization of the Socialist Workers Movement in Flanders fighting for rights, decent labour and the right to health for people in the South. The DEME4Life Foundation's project focused on an action plan for drinking water supply and improvement of hygiene in Ghana. Moreover, DEME4Life's support went also to 'Wereld Solidariteit'. 'Wereld Solidariteit' (World Solidarity) is the non-governmental organization of the Christian Workers Movement in Belgium pursuing decent work, social protection and job creation for all workers. DEME4Life focused on the development of the Char region in Bangladesh. This region is affected more than any other by numerous floods.

At the end of 2012, the DEME4Life Foundation selected two organizations in Vietnam as its key projects for 2013: the Thi Nghe Protection Center for disabled orphans and the Tien Giang Social Protection Center.

The Thi Nghe Protection Center for disabled orphans is managed by the Department of Labour War Invalids and Social Welfare of Ho Chi Minh City People's Committee. The organization was founded in 1975 and takes care of the nurturing, healing, rehabilitation and education of orphans with cerebral palsy, polio, delayed development and mental retardation. The Center also helps to reintegrate disabled children within local communities.

The Tien Giang Social Protection Center is managed by the Department of Labour War Invalids and Social Welfare of the People's Committee of Tien Giang province. The organization was founded in 1978 and takes care of orphans, the disabled and the elderly, and individuals suffering from mental disorders. The Center distributes food to hundreds of people on a daily basis and provides education and schooling for orphans.



05

01 *Bangladesh*

The DEME4Life Foundation supported the 'World Solidarity' organization for the development of the Char region in Bangladesh.

02 - 03

Vietnam

At the end of 2012, DEME4Life selected two Vietnamese organizations as its key projects for 2013: the Thi Nghe Protection Center for disabled orphans and the Tien Giang Social Protection Center.

04 - 05

Chennai - India

DEME4Life decided to give SPEED Trust financial backing in 2012 for their charitable actions for deprived women and children.

In 2012 DEME completed the last of two ambitious investment programmes that were started in 2005. In less than a decade, the Group spent almost two billion euros on the extension, upgrading and modernization of its fleet. Thanks to this sustained investment effort, DEME now operates one of the largest and most modern, flexible, and versatile purpose-built fleets in the world – both in terms of vessels and software – certified and performing to the highest standards of quality, efficiency and ecological footprint. This fleet now includes 90 major ships and some 200 auxiliary vessels which together provide a platform for the competitive and efficient execution of complex and multidisciplinary projects all over the world.



NEW INVESTMENTS

In the past decade, this important investment programme has also been an engine for innovation. DEME experts delivered the engineering and design allowing for new lines of business in the field of offshore projects, servicing the oil & gas industry, harvesting building materials at sea, or offshore maintenance operations. By stretching and innovating the nautical characteristics of our core fleet of dredges, several reclamation and port construction projects which, because of physical limits, could not be realized just one generation ago, have now become feasible. In this way, the new plant that was commissioned in the past decade, has created its own niche and remains for the DEME Group an engine of growth for many years to come.



In the past year, the seven following main ships have been named or commissioned:

The new backhoe dredge 'Peter the Great' is equipped with a Liebherr P 995 excavator and a bucket of 11 m³, allowing for a dredging depth of 18.2 m. The 60 x 17.2 m pontoon which was constructed in joint ownership, has three spud legs of 34 m each.

In March, the 60 m long and 38 m wide DP2 (Dynamic Positioning) self-propelled jack-up vessel 'Neptune' was named in the port of Ostend for GeoSea. Equipped with a 600-ton crane which is fully integrated into the hull, the 'Neptune' is the perfect vessel for the transport and installation of offshore wind turbines and other heavy marine offshore structures. She obtained a 'Green Passport', provided by the American Bureau of Shipping (ABS).

The 26,100 kW self-propelled rock cutter dredge 'Ambiorix', which was named in the port of Rotterdam in May, is one of the most powerful and advanced cutter suction dredges in the world. The 123.8 m long vessel is suitable

for dredging in heavy soil and hard rock, in water depths up to minus 35 m. The flexible spud carrier includes a spud force limiting system which enables dredging during challenging weather conditions. She also has a barge loading system and is equipped with a 'remote view' system, enabling the permanent online monitoring of the dredging process from head offices in Antwerp.

On 3 September the world's most powerful heavy-lift jack-up vessel 'Innovation' was named in Bremerhaven, Germany, on behalf of HGO InfraSea Solutions, a joint company of Hochtief Solutions and GeoSea. With her high-performance 1,500 ton crane and a load capacity of up to 8,000 tons, the 'Innovation' enables safe loading and installation of 6 MW+ wind turbines with overall heights of more than 120 m as well as heavy foundations in water depths of up to 65 m.

Two auxiliary vessels that were named in the port of Ostend, the 'Aquata' and 'Arista', provide the means for an important business extension. Both 26 m long 'fast crew supply' vessels are equipped with a 3 ton crane and can carry very large loads in comparison with

similar vessels. They are an essential link in the strategy of 'Offshore & Wind Assistance' to supply and maintain offshore wind farms.

In November, the new sea-going heavy-duty cutter suction dredge 'Amazone' was named in Singapore. With an installed power of 12,860 kW, the 'Amazone' is specifically equipped for dredging hard rock formations in water depths of up to minus 30 m. This sister ship of CSD 'Al Jarraf' has an integrated barge loading facility and her increased discharge power allows for covering significantly larger distances between the dredging area and the reclamation zone when pumping ashore.

The heavy floating crane for offshore lifting, 'Rambiz 4000', which is being built in joint ownership, will join our fleet in 2014.



02



03

01 *Amazone - Singapore*

The new heavy-duty cutter suction dredger 'Amazone' was named at Marina Bay Cruise Centre in Singapore by Mrs. Monique Marcourt, spouse of Mr. Jean-Claude Marcourt, Vice-president and Minister for Economy, SME's, Foreign Trade and new Technologies of the Walloon Government.

02-03

Neptune - Ostend - Belgium

Early last year, Mrs Isabel Casteleyn, partner of Federal State Secretary for Energy and the Environment Melchior Wathelet named GeoSea's jack-up vessel 'Neptune' in the Port of Ostend.

04 *Peter The Great -*

Deest - the Netherlands

The new backhoe dredger 'Peter the Great' was launched successfully on the Ravenstein shipyard in Deest, the Netherlands.



05



06



07



08

05 *Aquata and Arista - Ostend - Belgium*

OWA's first maintenance vessels 'Aquata' and 'Arista' were named by Belgian sailor and olympic medal winner Evi Vanacker and Mrs. Sabine Cartrysse last November.


06 *Ambiorix - Rotterdam - the Netherlands*

'Ambiorix', one of the most powerful and advanced cutter suction dredgers in the world, was named by Mrs. Marie-Claire van Haaren-Donnet, spouse of the late Paul van Haaren, managing director of Ackermans & van Haaren until 1981 in the port of Rotterdam.

07-08

Innovation' - Bremenhaven - Germany

The heavy-lift jack-up vessel 'Innovation' was named in Bremerhaven by Europe's First Lady Mrs Geertrui Van Rompuy-Windels.

A teal-tinted photograph of a coastal scene. In the foreground, waves are breaking onto a sandy beach. In the middle ground, a lighthouse stands on a rocky outcrop. To the left, there are buildings and a fence. The background shows a forested hillside under a clear sky.

General information

04

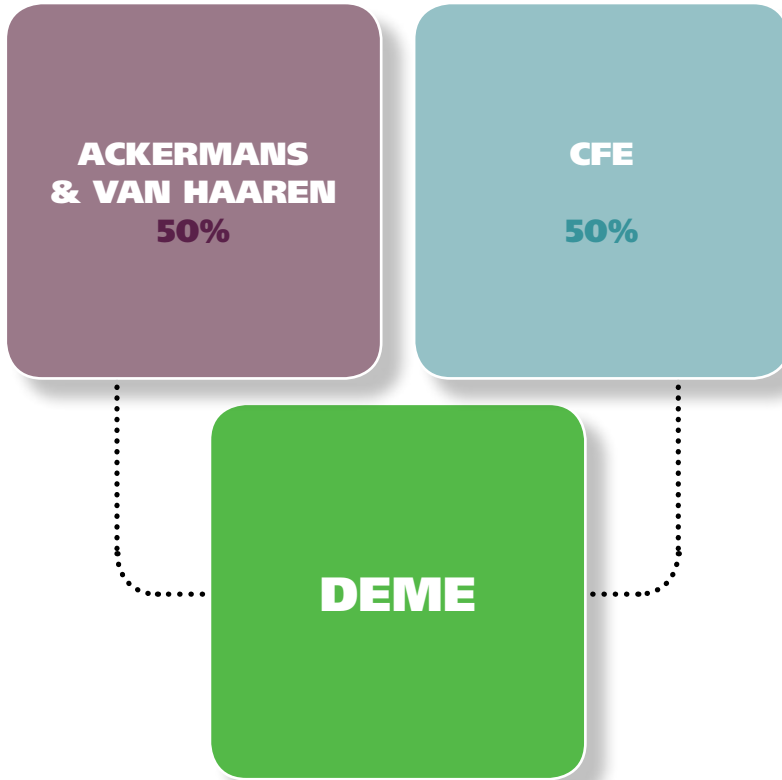
GENERAL INFORMATION



GROUP STRUCTURE

Dredging and land reclamation

Deepening and maintaining navigation channels, dredging for major port infrastructure development, sand winning and reclamation of new industrial or residential areas, artificial islands, beaches and coastal development.



Dredging International N.V
and its branches in Middle East, the Netherlands,
The Philippines, Venezuela

Baggerwerken Decloedt en Zoon N.V.
de Vries & van de Wiel - Kust- en oeverwerken B.V.

D.I. Asia Pacific Pte. Ltd. (DIAP)
Dredging International India Pvt. Ltd.
Dredging International U.K. Ltd.
Nordsee Nassbagger- und Tiefbau GmbH
Società Italiana Dragaggi S.p.A. (SIDRA)
Société de Dragage International "S.D.I." S.A.
Dredging International Services Nigeria Ltd.
Dredging International de Panama S.A.
Dredging International Mexico S.A.
Dragagem Angola Serviços Lda.
Mordraga Ltd.
Dragabras Serviços de Dragagem Ltda.
Dredging International (Australia) Pty. Ltd.
International Seaport Dredging Pvt. Ltd. (India)
Dredging International Luxembourg S.A.
Middle East Dredging Company QSC ("MEDCO")
Dredging International España S.A.
Dredging International South Africa Ltd.

Marine and civil engineering

Offshore related services, such as trenching and backfilling and landfall constructions for pipeline installation, precise stone dumping for protection/stabilisation of pipelines in deep waters; marine drilling and monopile jackets installation, breakwater and harbour dam construction; marine heavy-lifting and salvage operations.

[Tideway Offshore and Marine Contractors B.V.](#)

[Tideway Luxembourg S.A.](#)

[GeoSea N.V.](#)

[O.W.A. N.V. \(Offshore Wind Assistance\)](#)

[GeoSea Luxembourg S.A.](#)

[Scaldis Salvage & Marine Contractors N.V.](#)

[GeoSea Australia Ltd.](#)

[GeoSea branch Germany](#)

[OceanfLORE N.V.](#)

[HGO Infrasea Solutions GMBH & CO. KG](#)

[Normalux Maritime S.A.](#)

Terminal and marine services

General terminal and port services, towing and general vessel assistance, terminal/navigation aids and buoy maintenance, single point mooring marine support, maintenance dredging, hydrographic survey, safety/security and environmental protection, general management and consultancy, project financing.

[CTOW N.V.](#)

Fluvial and marine aggregates

Winning, transport and dry shore delivery of marine aggregates. Washing, processing and grading of sand and gravel for supply to the construction industry.

[DEME Building Materials N.V.](#)

[DEME Building Materials B.V.](#)

[DEME Building Materials Ltd.](#)

[OAM-DEME Mineralien G.m.b.H.](#)

[CBD S.A.S.](#)

Project development and concessions and renewable energy

The upstream development of new offshore infrastructure projects (energy, coastal development, ports, ...) including engineering, design and construction, either in an alliancing or in a Public-Private-partnership context.

[Power@Sea N.V.](#)

[C-Power N.V.](#)

[DEME Blue Energy. N.V.](#)

[Energies du Nord S.A.S.](#)

[OTARY N.V.](#)

[Rebo N.V.](#)

[Rentel N.V.](#)

[Seastar N.V.](#)

[Mermaid N.V.](#)

Environmental techniques

Environmental dredging, in-situ and ex-situ cleaning and treatment of contaminated dredged materials and polluted soils and brownfield rehabilitation.

[DEC N.V. \(DEME Environmental Contractors\) and its branches in Sweden, Ireland, Italy](#)

[Ecoterres S.A.](#)

[Sedisol S.A.](#)

[Kalis S.A.](#)

[de Vries & van de Wiel B.V.](#)

[GRC N.V. \(Grondrecyclage Centrum\)](#)

[DEME Environmental Contractors U.K. Ltd.](#)

[Terramundo Ltd.](#)

[Extract - Ecoterres S.A.](#)

[DEC Canada Ltd.](#)

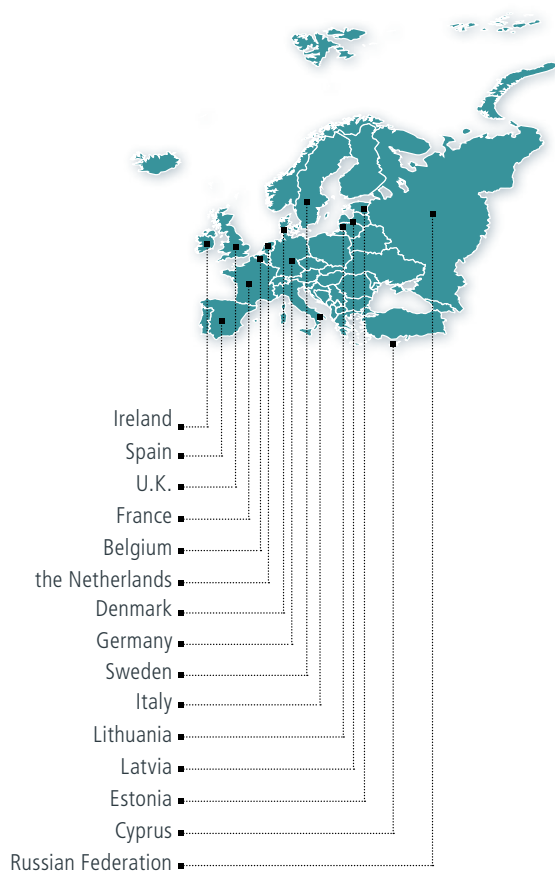
[Purazur N.V.](#)

OMNIPRESENCE ON THE GLOBE

DEME has a network of branch offices and agencies on all continents. Today, the company is active in over 50 different countries.

Europe

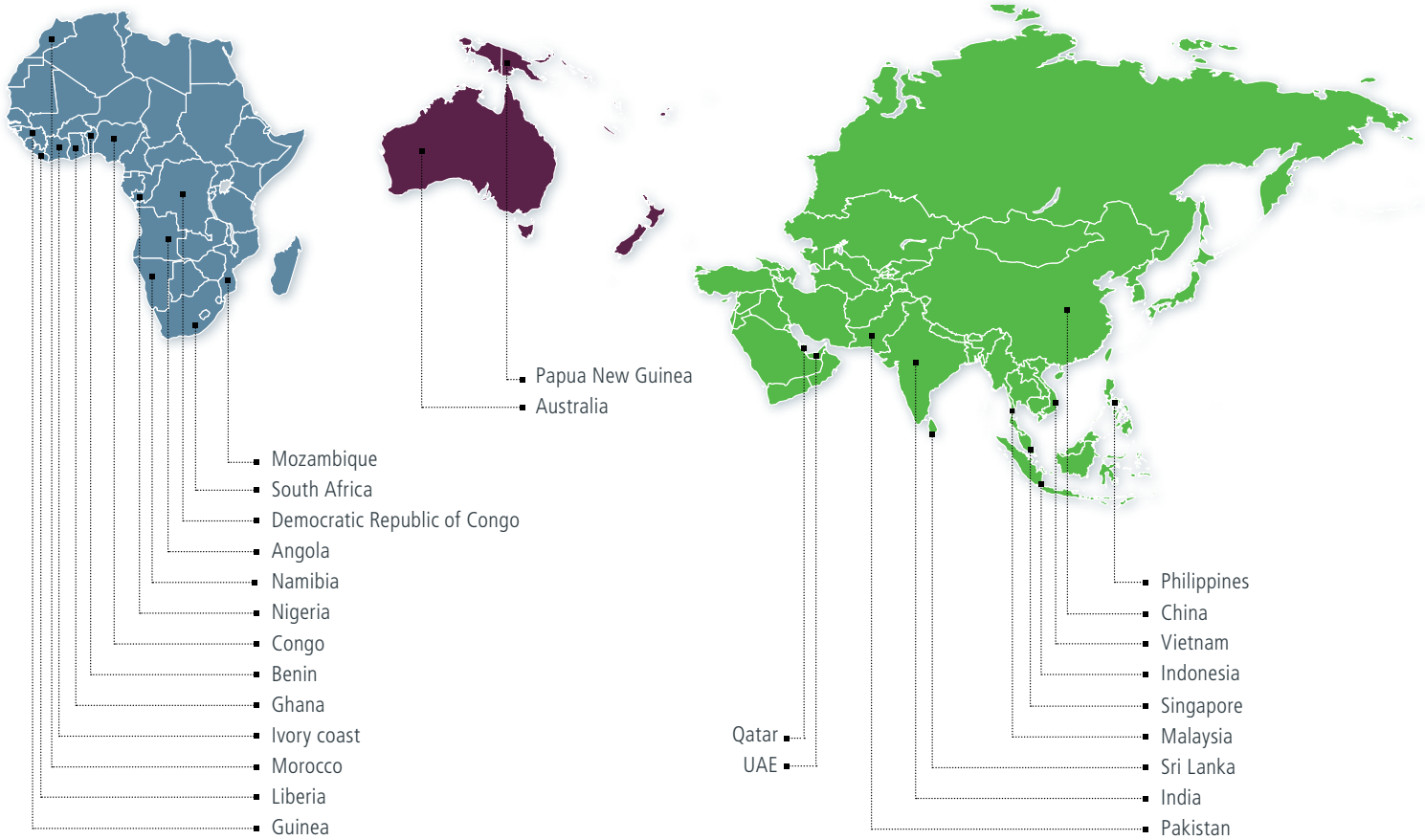
Americas



Africa

Oceania

Asia and Middle East



“Worldwide know-how,
expertise and partnership”

DEME FLEET AND EQUIPMENT

1 Trailing Suction Hopper Dredgers

Congo River	30,000 m ³
Pearl River	24,130 m ³
Nile River	17,000 m ³
Lange Wapper	13,700 m ³
Uilenspiegel	13,700 m ³
Brabo	11,650 m ³
Breughel	11,650 m ³
Vlaanderen XVIII	11,300 m ³
Breydel	9,000 m ³
Antigoon	8,400 m ³
Marieke	5,600 m ³
Reynaert	5,600 m ³
Artevelde	5,600 m ³
Pallierter	5,320 m ³
Vlaanderen XX**	5,072 m ³
Charlemagne	5,000 m ³
Victor Horta	5,000 m ³
Atlantico Due	4,200 m ³
Mellina	3,650 m ³
Jade River	3,281 m ³
Orwell	2,575 m ³
Vlaanderen I	2,065 m ³
Vlaanderen XXI	1,635 m ³

2 Cutter Suction Dredgers

D'Artagnan	28,200 kW
Ambiorix	28,200 kW
Al Jarraf **	12,860 kW
Amazone	12,860 kW
Vlaanderen XIX	11,728 kW
Al Mahaar**	11,224 kW
Rubens	10,896 kW
Kaveri	9,862 kW
Ganga	6,250 kW
Cap Martin	5,541 kW
Wombat	5,341 kW
Kallo	4,276 kW
Kalis II**	2,637 kW
Vlaanderen XVI	1,786 kW
Seckin	1,180 kW
Bilba	1,153 kW
Mudsnapper	580 kW
Pixy	465 kW
Blani DC 203	441 kW

3 Bucket Dredger

Adriatico	1000 l
-----------	--------

4 Backhoe Dredgers

Samson	3,854 kW
Pinocchio	2,600 kW
Peter The Great**	1,964 kW
Big Boss	1,928 kW
Delilah	856 kW
Zenne	805 kW

5 Grab/Clamshell Dredgers and Crane Pontoons

Johanna + Manitowoc 4600 Serie 3
De Bever + Hitachi 1200
PDC II + Manitowoc 4100**
De Otter
Bayard II + Hitachi 1200

6 Water Injection Dredgers (W.I.D)

Dhamra	12,000 m ³ /h
Parakeet	10,000 m ³ /h
Alligator	10,000 m ³ /h

7 Dredging Ploughs

Alligator
Aramis
Buckingham
Parakeet
Dhamra

8 Lifting Vessels

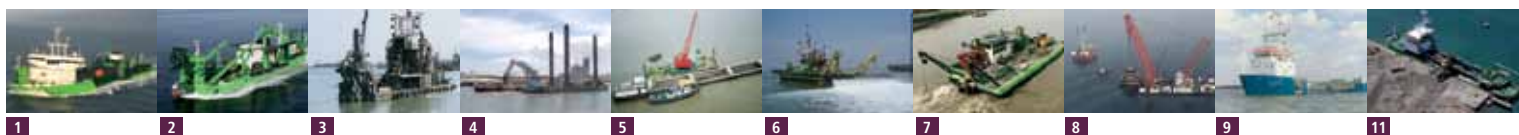
Rambiz II* **	4,000 t
Rambiz**	3,300 t
Zeebrugge I	60 t

9 D.P. Side Stone Dumping Vessel

Pompei**	1,850 t
----------	---------

10 Spreader Pontoons

Bayard II (DP/DT controlled)
Adriatico (different purposes)
Thornton I (DP/DT controlled)
De Otter



1

2

3

4

5

6

7

8

9

11

11 Self-propelled Split Hoppers

Sloeber	2,735 m ³
Pagadder	2,735 m ³
Krankeloon	2,700 m ³
Pantagruelle	2,000 m ³
DI 68	1,000 m ³
DI 69	1,000 m ³
Vlaanderen VII	1,000 m ³
Vlaanderen VIII	1,000 m ³

12 Transportation Barge

Swalm	623 m ³
-------	--------------------

13 Booster Stations

DI 509**	4,472 kW
DI 508	2,700 kW
Fortuna	1,407 kW
DI 510	1,275 kW
DI 511	1,275 kW
DC 512-Blani (DEC)	350 kW

14 DP2 Self Propelled Heavy Lift Jack-Up Vessels

Innovation **	(crane) 1,500 t
	8,000 t
Neptune	(crane) 600 t
	2,500 t
Goliath	(crane) 400 t
	1,600 t

15 Self-Elevating Platforms

Buzzard	1,300 t
Vagant	1,000 t
De Zeebouwer	600 t
Halewijn	220 t
Tijl II	200 t
Nele**	50 t

16 Marine Construction Vessels

Thornton I: DP/DT multipurpose work barge

17 D.P. Fallpipe Vessels

Flintstone	19,000 t
Seahorse	18,000 t
Tideway Rollingstone	13,000 t

18 Soil Recycling Centres

GRC Kallo (B)**, GRC Brugge (B), GRC Zolder (B), Terramundo (U.K.), Petit Try (B), Filterres (B)**

19 Sediment Recycling Centres

SRC Ruisbroek (B), SRC Zeebrugge (B), SRC Krankeloon (B), Sedisol (B)**

20 Soil Treatment Plants

Mobile thermal desorption plant	25 t/h
Mobile soil washing plant 'SWI I'	40 t/h
Mobile soil washing plant 'SWI II'	40 t/h
Mobile soil washing plant 'SWI III'	50 t/h
Mobile soil washing plant 'SWI IV'	50 t/h
Mobile immobilisation plant	40 t/h
Mobile immobilisation plant	100 t/h

21 Mechanical Sediment Dewatering and Treatment Plants

Mobile filter presses	
2 belt presses	
Mobile immobilisation plant	100 t/h
Soft soil improvement plant	300 t/h

22 Drilling Rigs

Drilling Rig AC	173 kW
Drilling Rig PBA 612	273 kW
Drilling Rig PBA 928	403 kW
Directional Drilling Rig 80	150 kW

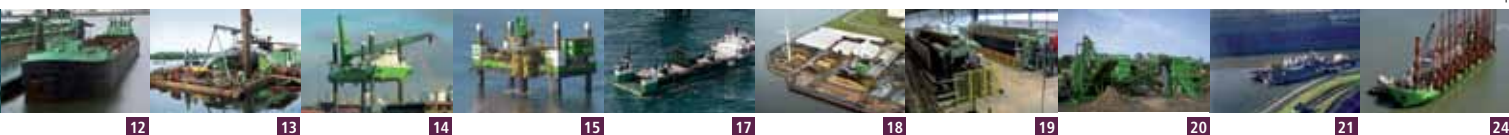
23 Inland Sandwinning Vessels (de Vries & van de Wiel)

TSDH Piet Hein	1,050 m ³
TSDH Zeeland	650 m ³
Six hopper dredgers Grinza	540-750 m ³
CSD Ameland	679 kW
Sand loading dredger Texel	1,193 kW
Barge unloading dredgers Vlieland and Texel	679-1,193 kW
Plough suction dredger Eureka	1,225 kW
Earth presser VW 18	746 kW
Backhoe dredger IJburg	5 m ³
6 VW Backhoe dredgers	1,5-3 m ³
31 Transportation barges	up to 1,063 m ³

24 Self Propelled Drill and Blast Vessel

Yuan Dong 007** 10 drilling towers

* under construction
** co-ownership



12

13

14

15

17

18

19

20

21

24

OFFICES WORLDWIDE

Belgium

DEME N.V.

Haven 1025 – Scheldedijk 30, 2070 Zwijndrecht
T +32 3 250 52 11 – F +32 3 250 56 50
info@deme.be – www.deme.be

DREDGING INTERNATIONAL N.V.

Haven 1025, Scheldedijk 30, 2070 Zwijndrecht
T +32 3 250 52 11 – F +32 3 250 56 50
info@deme.be – www.deme.be

BAGGERWERKEN DECLOEDT EN ZOON N.V.

Slijkensesteenweg 2, 8400 Ostend
T +32 59 24 21 40 – F +32 59 24 21 80
infodecloedt@deme.be – www.decloedt.be

SCALDIS SALVAGE AND MARINE CONTRACTORS N.V.

North Trade Building, Noorderlaan 133, bus 31, 2030 Antwerp
T +32 3 541 69 55 – F +32 3 541 81 93
mail@scaldis-smc.com – www.scaldis-smc.com

DEC N.V. (DEME ENVIRONMENTAL SOLUTIONS)

Haven 1025, Scheldedijk 30, 2070 Zwijndrecht
T +32 3 250 54 11 – F +32 3 250 52 53
infodec@deme.be – www.decnv.com

ECOTERRES HOLDING S.A.

Haven 1025, Scheldedijk 30, 2070 Zwijndrecht
T +32 3 250 54 11 – F +32 3 250 52 53
infodec@deme.be

ECOTERRES S.A.

Avenue Jean Mermoz 3c, 6041 Gosselies
T +32 71 25 60 41 – F +32 71 25 60 44
info@ecoterres-deme.be – www.ecoterres.be

DEME BUILDING MATERIALS N.V. (DBM)

Haven 1025, Scheldedijk 30, 2070 Zwijndrecht
T +32 3 250 54 23 – F +32 3 250 55 22
infodbm@deme.be – www.dbmnv.be

GEOSEA N.V. (GEOTECHNICAL & OFFSHORE SOLUTIONS)

Haven 1025, Scheldedijk 30, 2070 Zwijndrecht
T +32 3 250 53 12 – F +32 3 250 55 41
infogoc@deme.be – www.geosea.be

POWER@SEA N.V.

Haven 1025, Scheldedijk 30, 2070 Zwijndrecht
T +32 3 250 57 29
poweratsea@poweratsea.com – www.poweratsea.com

M.D.C.C INSURANCE BROKERS N.V.

Avenue Hermann-Debrouxlaan 40-42, 1160 Brussels
Haven 1025, Scheldedijk 30, 2070 Zwijndrecht
T +32 3 250 52 11 – F +32 3 250 56 50

DEME COORDINATION CENTER N.V.

Haven 1025, Scheldedijk 30, 2070 Zwijndrecht
T +32 3 250 54 14 – F +32 3 250 56 55
info@deme.be



GRC KALLO N.V.

Haven 1562, St. Jansweg 10, 9130 Kallo
T +32 3 570 90 30 – F +32 3 570 90 39
info@grckallo.be – www.grckallo.be

GRC ZOLDER N.V.

Westlaan 262, 3550 Heusden-Zolder
T +32 13 31 50 06 – F +32 13 31 50 07
info@grczolder.be – www.grczolder.be

FASIVER C.V.B.A.

Scheldekanaaltragel z/n, 9052 Zwijnaarde
T +32 9 241 50 00 – F +32 9 248 03 26
infodec@deme.be – www.decnv.com

OWA N.V. (OFFSHORE & WIND ASSISTANCE)

Haven 1025, Scheldedijk 30, 2070 Zwijndrecht
T +32 3 250 53 12 – F +32 3 250 55 41
owa@deme.be

KALIS S.A.

Avenue Jean Mermoz 3c, 6041 Gosselies
T +32 81 22 31 69 – F +32 81 22 32 02
info@kalis-deme.be

SEDISOL S.A.

Rue Francisco Ferrer 245, 6240 Farciennes
T +32 71 39 09 39 – F +32 71 39 27 29
info@sedisol.be

DEME BLUE ENERGY (DBE) N.V.

Haven 1025, Scheldedijk 30, 2070 Zwijndrecht
T +32 3 250 52 11 – F +32 3 250 56 50
info@deme.be – www.deme.be

PURAZUR N.V.

Haven 1025, Scheldedijk 30, 2070 Zwijndrecht
T +32 3 253 30 11 – F +32 3 250 52 53
info@purazur.be – www.purazur.be

CTOW N.V.

Haven 1025, Scheldedijk 30, 2070 Zwijndrecht
T +32 3 250 52 11 – F +32 3 250 56 50
info@ctow.be – www.ctow.be

TERRANOVA NV

Callemanputtestraat 84, Haven 6660A, 9940 Evergem
T +32 9 250 56 80 – F +32 9 259 23 66

HIGH WIND N.V.

Haven 1025, Scheldedijk 30, 2070 Zwijndrecht
T +32 3 250 53 12 – F +32 3 250 55 41
info@high-wind.eu

Cyprus

DREDGING INTERNATIONAL SERVICES (CYPRUS) LTD.

15 Aglantzias Avenue, 2nd Floor, CY-2018 Nicosia
T +357 22421111 – F +357 22330418
www.deme.be

DREDGING INTERNATIONAL (CYPRUS) LTD.

15 Aglantzias Avenue, 2nd floor, CY-2108 Nicosia
T +357 22421111 – F +357 22330418
www.deme.be

Finland

DI SUOMI FINLAND – DREDGING INTERNATIONAL N.V. - SIVULIIKE SUOMESSA

Unioninkatu 22, 00130 Helsinki
T +358 7 310 101 587 – F +358 9 612 3165
info@disf-deme.fi



France**SOCIETE DE DRAGAGE INTERNATIONAL S.D.I. S.A.**

Parc du Pont Royal, 251 Avenue du Bois, Bâtiment I, 59130 Lambersart
T +33 3 20 10 87 30 – F +33 3 20 34 77 08
info@sdi-deme.fr – www.sdi-deme.fr

G.I.E GRANULATS DE LA MANCHE ORIENTALE (G.M.O.)

Parc du Pont Royal, 251 Avenue du Bois, Bâtiment I, 59130 Lambersart
T +33 3 20 10 87 30 – F +33 3 20 34 77 08
infodbm@deme.be

CBD S.A.S.

Rue Louis le Sénéchal, 62250 Ferques
T +33 3 21 99 67 84 – F +33 3 21 99 67 10
infodbm@deme.be – www.dbmnv.be

EXTRACT-ECOTERRES S.A.S.

87 rue Paul Bert, 94290 Villeneuve-le-Roi
T +33 1 49 61 90 00 – F +33 1 49 61 98 31
extract@vinci-construction.fr – www.extract-ecoterres.fr

ENERGIES DU NORD S.A.S.

Parc du Pont Royal, 251 Avenue du Bois, Bâtiment I, 59130 Lambersart
T +33 3 20 10 87 30 – F +33 3 20 34 77 08

Germany**NORDSEE NASSBAGGER- UND TIEFBAU GMBH**

Anne-Conway-Strasse 9, 28359 Bremen
T +49 421 33 00 590 – F +49 421 33 00 59 20
info@nordsee-deme.de

OAM-DEME MINERALIEN GMBH

Papenwisch 33,
22927 Großhansdorf
www.dbmnv.be

**GEOSEA NV BRANCH GERMANY
GEOTECHNICAL & OFFSHORE SOLUTIONS**

Anne-Conway-Strasse 9, 28359 Bremen
T +49 421 33 00 590 – F +49 421 33 00 59 20

Italy**SOCIETA ITALIANA DRAGAGGI S.P.A. "SIDRA"**

Via Carlo Zucchi 25, 00165 Roma
T +39 06 66 04 951 – F +39 06 66 04 95 49
info@sidra-deme.it – www.sidra.it

**DEC N.V. (DEME ENVIRONMENTAL CONTRACTORS)
ITALY BRANCH**

Via Carlo Zucchi 25, 00165 Roma
T +39 66 04 951 – F +39 660 49 549
infodec@deme.be, www.decnv.com

Latvia**DREDGING INTERNATIONAL N.V. LATVIAN BRANCH**

Kr. Valdemara street 21, 1010 Riga

Luxembourg**DREDGING INTERNATIONAL LUXEMBOURG S.A.**

Bâtiment ALTO, Route des Trois Cantons 11, 8399 Windhof
T +352 26 39 30 55 – F +352 26 39 30 56

**GEOSEA LUXEMBOURG S.A.
(GEOTECHNICAL & OFFSHORE SOLUTIONS)**

Bâtiment ALTO, Route des Trois Cantons 11, 8399 Windhof
T +352 26 39 30 55 – F +352 26 39 30 56
infogoc@deme.be

TIDEWAY LUXEMBOURG S.A.

Bâtiment ALTO, Route des Trois Cantons 11, 8399 Windhof
T +352 26 39 30 55 – F +352 26 39 30 56
info@deme.be – www.deme.be

Portugal**DREDGING INTERNATIONAL PORTUGAL BRANCH**

Rua Buenos Aires 39, 1200 623 Lisboa
T +351 21 39 28 840 – F +351 21 39 56 739
portugal.branch@deme.be

Russia**DREDGING INTERNATIONAL RUSSIA**

Mezhevoy kanal 3, Building 2, rooms 313 – 320, Saint-Petersburg 198000
T +7 812 32 64 513 – F +7 812 32 64 512
dirussia@deme.be

MORDRAGA LLC

Mezhevoy kanal 3, Building 2, rooms 313 – 320, Saint-Petersburg 198000
T +7 812 32 64 513 – F +7 812 32 64 512
info@mordraga.ru – www.mordraga.ru

TIDEWAY MOSCOW

Nauchniy proezd 19 Office 501, 117246 Moscow
T +7 495 730 09 83 – F +7 495 730 09 83
cherepanova.natalia@deme.be

Spain**DREDGING INTERNATIONAL N.V. – SUCURSAL EN ESPAÑA**

Juan Ramón Jiménez 8, 1º, Despacho 2, 28036 Madrid
T +34 91 345 70 70 – F +34 91 350 47 52
di.esp@deme.be

DREDGING INTERNATIONAL ESPAÑA S.A.

Juan Ramón Jiménez 8, 1º, Despacho 2, 28036 Madrid
T +34 91 345 70 70 – F +34 91 350 47 52
di.esp@deme.be

Sweden**DEC N.V. (DEME ENVIRONMENTAL CONTRACTORS)
SCANDINAVIA AND BALTIC STATES BRANCH**

Terminalgatan 8, 235 39 Vellinge
T +46 40 45 16 27 – F +46 40 45 48 24
van.den.bossche.peter@deme.be, www.decnv.com

*the Netherlands***TIDEWAY B.V.**

Minervum 7442, 4817 ZG Breda, P.O. Box 7074, 4800 GB Breda
T +31 76 52 04 140 – F +31 76 52 04 150
info@tideway-deme.nl – www.tideway.nl

DE VRIES & VAN DE WIEL B.V.

Harmenkaag 9, 1741 LA Schagen, P.O. Box 218, 1740 AE Schagen
T +31 224 21 12 11 – F +31 224 21 12 99
info@vw-deme.nl – www.vw-deme.nl

DE VRIES & VAN DE WIEL KUST- EN OEVERWERKEN B.V.

Admiraal Lucashof 6A, 3115 HM Schiedam, P.O. Box 958, 3100 AZ Schiedam
T +31 10 204 00 70 – F +31 10 204 00 79
info@vw-kustenoeverwerken.nl – www.vw-deme.nl

DEME BUILDING MATERIALS B.V. (DBM)

Europaweg-Zuid 4, Havennr 9890, 4389 PD Vlissingen-Oost, P.O. Box 117,
4380 AC Vlissingen
T +31 113 67 66 00 – F +31 113 67 66 01
infodbm@deme.be – www.dbmnv.be

OCEANFLORE B.V.

Smitweg 6, 2961 AW Kinderdijk, P.O. Box 9, 2960 AA Kinderdijk
T +31 786 91 09 11

*United kingdom***DREDGING INTERNATIONAL U.K. LTD.**

Gate 3, The Manorway, Stanford-Le-Hope, SS17 9PA Essex
T +44 1342 32 30 00
info@diuk-deme.co.uk

DEME BUILDING MATERIALS LTD. (DBM)

Gate 3, The Manorway, Stanford-Le-Hope, SS17 9PA Essex
T +44 1342 32 30 00 – F +44 1342 32 60 00
infodbm@deme.be

TERRAMUNDO LTD.

Off Huntsman Drive, Port Clarence, Landfill Site, Middlesbrough TS2 1 UE Cleveland
T +44 78 43 44 77 13
info@decukltd.com – www.terramundo.co.uk

**DEC NV (DEME ENVIRONMENTAL CONTRACTORS)
UNITED KINGDOM & IRELAND BRANCH**

Gate 3, The Manorway, Stanford-Le-Hope, SS17 9PA Essex
T +44 1342 32 30 00
infodec@deme.be, www.decnv.com

**DEME ENVIRONMENTAL CONTRACTORS
U.K. LTD. BUSINESS OFFICE**

Gate 3, the Manorway Stanford Le Hope Essex, SS17 9PA
T +44 1342 32 30 00
Info@decukltd.com, www.decukltd.com

*Angola***DRAGAGEM ANGOLA SERVIÇOS LIMITADA**

Largo do Cambambe #2, Cruzeiro, Luanda
T +244 222 442 290 – F +244 222 440 222
luanda-office@deme.be

*Ghana***DREDGING INTERNATIONAL SERVICES LTD. –
BRANCH OFFICE GHANA**

No. 2, Ankuah Mensah Street, Dzorwulu, Accra
T +233 30 2 766 131 – F +233 30 2 766 132
dredgingghana@deme.be

*Nigeria***DREDGING INTERNATIONAL SERVICES NIGERIA LTD. –
PORT HARCOURT OFFICE**

1 Kolokuma Street, Borikiri, Port Harcourt, P.O. Box 054
T +234 84 230 334 – F +234 84 232 997

**DREDGING INTERNATIONAL SERVICES NIGERIA LTD. –
LAGOS OFFICE**

35A Alfred Rewane Road, Falomo Ikoyi, Lagos
T +234 1463 08 98/99 – F +234 1463 08 97

*Bahrain***DREDGING INTERNATIONAL BAHREIN**

Dream Building 49, Flat 45, Road 2701, Block 327, Adliya
T +973 1 7714361 – F +973 1 7714391
jeuniaux.frank@deme.be

*Kingdom of saudi arabia***DREDGING INTERNATIONAL SAUDI ARABIA CO LTD.**

Al Khobar 31952, P.O. Box 1280
T +966 3 8941700 – F +966 3 8952597
salah.mohamed@deme.be

*Libya***SOCIETA' ITALIANA DRAGAGGI LIBYAN BRANCH**

Al Motahedoon LLC, Adol Street, Ben Ashour, P.O. Box 6871 Tripoli

*Qatar***MEDCO QSC**

Al Fardan Plaza Building, 4th Floor, Al Fardan Plaza, Al Sadd, Doha, Qatar,
P.O. Box 24745, Doha
T +974 4442 67 62 – F +974 4442 67 52
info@medcodredging.com

United arab emirates**DREDGING INTERNATIONAL DUBAI**

Corniche Tower, 2nd Floor, Flat 214, Dubai
T +971 4 39 75 650 – F +971 4 39 75 855
di_dub@emirates.net.ae

DREDGING INTERNATIONAL ABU DHABI

Mohammed Qiran Al Mansoori Building
Next Zayed University Street 20, Sector 6, Zone 1, Mezzanine 2, Abu Dhabi,
P.O. Box 53804
T +971 244 59 231 – F +971 244 59 232
abudhabi@deme.com

MEDCO ABU DHABI

Unit C-905 (Upper Level), Abu Dhabi Islamic Bank Building
Bainunah Street, Al Bateen Area, Abu Dhabi, P.O. Box 53140
T +971 2 658 3144 – F +971 2 658 3155
UAE@medcodredging.com

Australia**DREDGING INTERNATIONAL AUSTRALIA PTY LTD. – BRISBANE**

Level 1, Building 7B, 107 Miles Platting Road, Eight Mile Plains, Brisbane,
Queensland 4113
T +61 7 3340 4040 – F +61 7 3219 0758
info@di-deme.com.au

DREDGING INTERNATIONAL AUSTRALIA PTY LTD – PERTH

The Equus Building, Suite 162, Level 3, 580 Hay Street, PERTH WA 6000
T +61 8 6330 4600 – F +61 8 9325 4601
Arien.bert@deme.be, www.deme.be

**GEOSEA AUSTRALIA PTY LTD
(GEOTECHNICAL & OFFSHORE SOLUTIONS)**

Level 1 Unit 7B, 107 Miles Platting Road, Eight Miles Plains, Queensland 4113
T +61 7 3340 4040 – F +61 7 3219 0758

TIDEWAY BV AUSTRALIA

The Equus Building, Suite 162, Level 3, 580 Hay Street, Perth Western Australia 6000
T +61 8 6330 4680 – F +61 8 9325 4601
www.deme.be

China**DREDGING INTERNATIONAL MANAGEMENT CONSULTING
(SHANGHAI) LTD.**

6F, 21st Century Tower, 210 Century Avenue, Pudong, Shanghai 200120
T +86 21 5172 0927 – F +86 21 5172 0966
dimc@diap-deme.com

Hong kong**DREDGING INTERNATIONAL HONG KONG**

Level 15, Nexus Building, 41 Connaught Road Central
T +852 28 05 23 26 – F +852 28 05 29 27
dihk@diap-deme.com

FAR EAST DREDGING LTD. (FED)

Level 15, Nexus Building, 41 Connaught Road Central
T +852 28 05 23 26, F +852 28 05 29 27
dihk@diap-deme.com

India**INTERNATIONAL SEAPORT DREDGING LTD. (ISD)**

5th Floor Chellam Towers, Old N°62, New N°113, Dr Radhakrishnan Salai,
Chennai 600 004, Tamil Nadu
T +91 44 431 29 900 – F +91 44 431 29 901
isdpl@isdpl.com

DREDGING INTERNATIONAL INDIA PVT LTD.

E-13, Upper Ground Floor, Hauz Khas Market, New Delhi 110 016
T +91 11 41 06 95 23 – F +91 11 26 51 21 64
info@deme.be

Malaysia**TIDEWAY DI SDN BHD**

Level 20, Menara Standard Chartered, 30 Jalan Sultan Ismail, 50250 Kuala Lumpur
T +60 3 21 17 53 68 – F +60 3 21 17 53 69
twdi@diap-deme.com

Singapore**DREDGING INTERNATIONAL ASIA PACIFIC PTE LTD. (DIAP)**

371 Beach Road, #24-08 Keypoint, Singapore 199597
T +65 68 63 21 08 – F +65 68 63 11 08
info@diap-deme.com



Taiwan

DREDGING INTERNATIONAL TAIWAN

5th Floor, No.3, Lane 51, Section 1 – Da'An Road, Da'An District, Tapei City 106
T +886 2 23 46 04 08 – F +886 2 23 46 04 12
ditb-tw@diap-deme.com

Vietnam

DREDGING INTERNATIONAL VIETNAM

Suite 503, 5th Floor, Building B, La Thanh Hotel, 218 Doi Can Street, Ba Dinh District, Hanoi
T +84 4 376 74 186 – F +84 4 376 74 185
divn@diap-deme.com

Brazil

DRAGABRAS SERVIÇOS DE DRAGAGEM LTDA

Av. Almirante Barroso 63/2309, Rio de Janeiro-RJ, CEP 20031-913
T +55 21 22 92 83 40 – F +55 21 22 92 83 42
info@dragabras-deme.com.br – www.dragabras-deme.com.br

Mexico

DREDGING INTERNATIONAL MÉXICO SA DE CV

Calle Montecito N° 38, Piso 33, Oficina 27, Col. Nápoles, CP 03810, México, Distrito Federal
T +52 55 9000 75 00 (Ext.400) – F +52 55 9000 52 92 (Ext.302)
dimex@deme.be, www.deme.be

Venezuela

DREDGING INTERNATIONAL N.V. SUCURSAL VENEZUELA

Av. Fco. De Miranda, Torre KPMG, piso 8, oficina 'Anexo A' Caracas
T +58 (212) 2777811 – F +58 (212) 2636350
venezuela.branch@deme.be

Ukraine

DREDGING INTERNATIONAL UKRAINE LLC

Mytna Squara 1 – A Office 309, Odessa 65026
T +38 048 740 58 45 – M +38 067 485 80 77
vladimir.polukhin@deme.be

Papua New Guinea

DREDECO (PNG) LTD.

6th Floor, Credit House, Cuthbertson Street, Port Moresby, N.C.D.



Consolidated financial statements

according to

- International Financial Reporting Standards (IFRS) page 112
- Belgian Generally Accepted Accounting Principles (Belgian GAAP) page 116

05

**CONSOLIDATED
FINANCIAL
STATEMENTS**



IFRS

CONSOLIDATED BALANCE SHEET*as of December 31, 2012 and 2011*

Assets (in thousands of euro)	2012	2011
NON-CURRENT ASSETS	1,901,174	1,736,550
Intangible assets	15,287	10,325
Goodwill	19,936	19,936
Property, plant & equipment	1,793,258	1,650,713
Land and buildings	37,875	33,178
Plant, machinery and equipment	1,716,519	1,320,475
Furniture and vehicles	8,049	7,247
Leasing and similar rights	19,068	20,172
Other	199	7,686
Under construction and advance payments	11,548	261,955
Financial assets	45,586	42,280
Financial derivatives	97	383
Other financial assets	45,489	41,897
Loans and receivables	4,309	2,344
Deferred tax assets	22,798	10,952
CURRENT ASSETS	824,270	759,758
Inventories	70,764	80,810
Raw materials & consumables	33,413	16,277
Work in progress	37,351	64,533
Amounts receivable	539,462	498,941
Trade receivables	500,583	456,247
Other receivables	38,879	42,694
Financial assets	35,199	31,252
Financial derivatives	3,017	1,297
Short term deposits	32,182	29,955
Cash & cash equivalents	162,348	135,199
Deferred charges and accrued income	16,497	13,556
TOTAL ASSETS	2,725,444	2,496,308

IFRS

CONSOLIDATED BALANCE SHEET*as of December 31, 2012 and 2011*

Group equity and liabilities (in thousands of euro)	2012	2011
SHAREHOLDERS' EQUITY	773,739	731,011
Issued capital	31,024	30,937
Share premium	4,945	4,242
Reserves and retained earnings	759,333	710,724
Hedging reserve	(34,360)	(23,291)
Cumulative translation adjustment	12,797	8,399
MINORITY INTERESTS	14,361	14,221
GROUP EQUITY	788,100	745,232
NON-CURRENT LIABILITIES	654,853	666,165
Employee benefit obligations	18,536	19,498
Financial liabilities	600,139	621,658
Subordinated loans	13,254	14,161
Finance leases	15,317	20,230
Credit institutions	565,264	581,756
Other loans	6,304	5,511
Financial derivatives	36,178	25,009
CURRENT LIABILITIES	1,282,491	1,084,911
Financial liabilities	336,261	194,542
Current portion of non-current financial liabilities	149,187	119,637
Credit institutions	77,338	405
Other current financial liabilities	109,736	74,500
Financial derivatives	15,320	15,681
Trade payables	690,198	657,980
Advances received on contracts in progress	145,852	116,161
Remuneration and social security	32,315	43,696
Taxes	44,391	37,580
Other amounts payable	10,633	8,946
Accrued charges and deferred income	7,521	10,325
TOTAL GROUP EQUITY AND LIABILITIES	2,725,444	2,496,308

IFRS

CONSOLIDATED PROFIT AND LOSS ACCOUNT*as of December 31, 2012 and 2011*

(in thousands of euro)	2012	2011
Revenues	1,914,307	1,820,816
Turnover	1,914,922	1,765,812
Movement in contracts in progress	(27,182)	28,758
Other operating income	26,568	26,246
Operating expenses	(1,773,888)	(1,683,673)
Operating costs	(1,242,239)	1,240,836
Personnel expenses	(321,212)	279,602
Depreciation and amortization expenses	(210,437)	163,235
OPERATING RESULT	140,419	137,143
FINANCIAL RESULT	(45,026)	(21,098)
Net finance cost	(33,281)	20,958
Other financial charges and income	(11,745)	140
RESULT FROM ORDINARY ACTIVITIES BEFORE TAXES	95,393	116,045
EXTRAORDINARY RESULT on fixed assets	31	24
PROFIT BEFORE TAXATION	95,424	116,069
Income taxes and deferred taxes	(4,931)	(15,356)
RESULT FROM ORDINARY ACTIVITIES AFTER TAXES	90,493	100,713
Result associated companies	(34)	558
NET GROUP PROFIT	90,459	101,271
attributable to:		
Minority interests	1,059	(2,852)
Shareholders	89,400	104,123



BELGIAN GAAP

CONSOLIDATED BALANCE SHEET*as of December 31, 2012 and 2011*

Assets (in thousands of euro)	2012	2011
FIXED ASSETS	1,738,990	1,606,007
Intangible assets (note 5)	12,120	11,564
Positive consolidation differences (note 9)	6,130	7,469
Tangible fixed assets (note 6)	1,643,584	1,523,136
Land and buildings	37,875	33,178
Plant, machinery and equipment	1,567,446	1,289,577
Furniture and vehicles	8,049	7,197
Leasing and other similar rights	18,568	21,209
Other tangible assets	98	7,686
Assets under construction and advance payments	11,548	164,289
Financial assets (note 7)	77,156	63,838
Enterprises accounted for using the equity method	70,015	55,254
Participating interests	55,188	41,913
Amounts receivable	14,827	13,341
Other enterprises	7,141	8,584
Participating interests and shares	2,063	3,527
Amounts receivable	5,078	5,057
CURRENT ASSETS	832,231	757,130
Amounts receivable after one year	21,552	13,404
Other amounts receivable	4,309	2,344
Deferred tax assets	17,243	11,060
Stocks and contracts in progress	69,956	73,204
Stocks raw materials and consumables	33,153	10,777
Contracts in progress	36,803	62,427
Amounts receivable within one year	538,534	496,340
Trade debtors	499,430	453,391
Other amounts receivable	39,104	42,949
Own shares and other investments	34,668	29,955
Own shares	2,486	-
Other investments	32,182	29,955
Cash at bank and in hand	152,805	134,648
Deferred charges and accrued income	14,716	9,579
TOTAL ASSETS	2,571,221	2,363,137

The accompanying notes to the financial statements are an integral part of this consolidated balance sheet.

BELGIAN GAAP

Liabilities (in thousands of euro)	2012	2011
CAPITAL AND RESERVES	762,416	693,117
Capital	31,024	30,937
Share premium account	4,945	4,242
Consolidated reserves (note 8)	718,263	654,177
Negative consolidation differences (note 9)	1,233	1,233
Translation differences	6,951	2,528
MINORITY INTERESTS	10,597	10,387
Minority interests	10,597	10,387
PROVISIONS AND DEFERRED TAXES	9,124	9,141
Provisions for liabilities and charges	9,124	9,141
Pensions and similar obligations	987	905
Major repairs and maintenance	7,514	7,735
Other liabilities and charges	623	501
Deferred tax liabilities	-	-
CREDITORS	1,789,084	1,650,492
Amounts payable after one year (note 10)	509,296	550,637
Financial debts	509,296	550,637
Subordinated loans	1,825	297
Leasing and other similar obligations	14,890	19,771
Credit institutions	486,277	525,058
Other loans	6,304	5,511
Amounts payable within one year	1,273,115	1,089,927
Current portion of amounts payable after one year (note 10)	140,128	119,606
Financial debts	187,074	74,905
Credit institutions	77,338	405
Other loans	109,736	74,500
Trade debts	683,627	652,600
Suppliers	683,627	652,600
Advances received on contracts in progress	145,851	116,161
Amounts payable regarding taxes, remuneration and social security	76,635	81,205
Taxes	44,320	37,509
Remuneration and social security	32,315	43,696
Other amounts payable	39,800	45,450
Accrued charges and deferred income	6,673	9,928
TOTAL LIABILITIES	2,571,221	2,363,137

BELGIAN GAAP**CONSOLIDATED PROFIT AND LOSS ACCOUNT***as of December 31, 2012 and 2011*

(in thousands of euro)	2012	2011
Operating income	1,905,458	1,823,563
Turnover	1,905,198	1,765,812
Increase (+), decrease (-) in contracts in progress	(25,623)	31,928
Fixed assets - own construction	508	89
Other operating income	25,376	25,734
Operating charges	(1,760,186)	(1,680,210)
Raw materials and consumables	986,648	969,727
<i>Purchases</i>	1,009,024	972,157
<i>Increase (-), decrease (+) in stocks</i>	(22,376)	(2,430)
Services and other goods	284,713	286,992
Remuneration, social security costs and pensions	318,107	275,144
Depreciation and other amounts written off on intangible and tangible fixed assets	159,124	121,371
Increase (+), decrease (-) in amounts written off on stocks, contracts in progress and trade debtors	732	1,801
Increase (+), decrease (-) in provisions for liabilities and charges	(17)	1,202
Other operating charges	10,879	23,973
OPERATING PROFIT	145,272	143,353
Financial income	10,613	18,122
Income from current assets	3,293	3,226
Other financial income	7,320	14,896
Financial charges	(54,149)	(40,963)
Interests and other debt charges	34,092	24,164
Amounts written off on positive consolidation differences	1,339	1,339
Other financial charges	18,718	15,460
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	101,736	120,512
Extraordinary income	31	773
Gain on disposal of fixed assets	31	232
Other extraordinary income	-	541
Extraordinary charges	-	-
Loss on disposal of fixed assets	-	-
Other extraordinary charges	-	-
PROFIT FOR THE FINANCIAL PERIOD BEFORE TAXATION	101,767	121,285
Transfer from (to) deferred taxes	7,639	(2,521)
Income taxes	(14,121)	(14,680)
Income taxes	14,922	15,343
Adjustment of income taxes and write-back of tax provisions	801	663
PROFIT FOR THE FINANCIAL PERIOD	95,285	104,084
Share in the result of the enterprises accounted for using the equity method	18	553
CONSOLIDATED PROFIT	95,303	104,637
Share of third parties	1,122	(3,137)
Share of the group	94,181	107,774

The accompanying notes to the financial statements are an integral part of this consolidated profit and loss account.

BELGIAN GAAP**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS***as of December 31, 2012 and 2011***1. General**

The consolidated financial statements of Dredging, Environmental & Marine Engineering (D.E.M.E.), N.V. and subsidiaries have been prepared in accordance with the Belgian Royal Decree on consolidated accounts dated March 6, 1990 (updated with the Royal Decree of January 30, 2001). The provisions of the Royal Decree may deviate from generally accepted accounting principles applicable in other countries. The original text of these consolidated financial statements is in the Dutch language. The accompanying notes include all relevant footnote information required by the Royal Decree. The accompanying notes give only additional information on the consolidated figures according to Belgian Generally Accepted Accounting Principles (Belgian GAAP).

2. Consolidation criteria

The companies in which D.E.M.E., N.V. owns either directly or indirectly through its subsidiaries, more than half of the share capital are included in the consolidated financial statements according to the full integration method.

The proportional consolidation method has been used for joint subsidiaries that are controlled by mutual agreement by two or more parties with a common interest.

Intercompany receivables, payables as well as revenues and charges have been eliminated.

Reserves include the reserves of D.E.M.E., N.V. at the time of first consolidation, as well as the group share in the results of consolidated enterprises and the result of D.E.M.E., N.V. after appropriation of the result of the latter.

The consolidation differences represent the difference between the acquisition value of participations and the group share in the shareholders' equity of the relating companies. The balance sheets of foreign subsidiaries have been translated into euro at the exchange rates prevailing at the balance sheet date, whereas the income statements of foreign subsidiaries have been translated into euro at the average exchange rates of the year.

3. Significant subsidiaries**A. MAIN SUBSIDIARIES (FULLY CONSOLIDATED)**

Name	Place	Percentage of shareholding as of 31/12/2012
Dredging International, N.V.	Zwijndrecht, Belgium	100%
Baggerwerken Decloedt en Zoon, N.V.	Ostend, Belgium	100%
D.E.M.E. Coordination Center, N.V.	Zwijndrecht, Belgium	100%
M.D.C.C. Insurance Brokers, N.V.	Brussels, Belgium	100%
D.E.M.E. Building Materials, N.V.	Zwijndrecht, Belgium	100%
D.E.M.E. Blue Energy, N.V.	Zwijndrecht, Belgium	69.99%
D.E.M.E. Environmental Contractors, N.V.	Zwijndrecht, Belgium	74.9%
Grondrecyclagecentrum Kallo, N.V.	Zwijndrecht, Belgium	52.43%
Scaldis Salvage & Marine Contractors, N.V.	Antwerp, Belgium	54.37%
Ecoterres Holding, S.A.	Gosselies, Belgium	74.9%
Ecoterres, S.A.	Gosselies, Belgium	74.9%
GeoSea, N.V.	Zwijndrecht, Belgium	100%
Combined Marine Terminal Operations Worldwide, N.V.	Zwijndrecht, Belgium	54.37%
Purazur, N.V.	Zwijndrecht, Belgium	74.9%
Offshore Wind Assistance, N.V.	Zwijndrecht, Belgium	100%
High Wind, N.V.	Zwijndrecht, Belgium	60%
Dredging International Services Cyprus, Ltd.	Nicosia, Cyprus	100%
Société de Dragage International, S.A.	Lambersart, France	100%
Energies du Nord, SAS	Lambersart, France	100%
Nordsee Nassbagger- und Tiefbau, GmbH	Bremen, Germany	100%
Dredging International (UK), Ltd.	West Sussex, Great Britain	100%
D.E.M.E. Building Materials, Ltd.	West-Sussex, Great Britain	100%
D.E.M.E. Environmental Contractors UK, Ltd.	Weybridge, Surrey, Great-Britain	74.9%
Mordraga, Ltd.	St. Petersburg, Russia	100%
Sidra, Spa	Rome, Italy	100%
Safindi, S.A.	Windhof, Luxembourg	100%

Name	Place	Percentage of shareholding as of 31/12/2012
Dredging International Luxembourg, S.A.	Windhof, Luxembourg	100%
GeoSea Luxembourg, S.A.	Windhof, Luxembourg	100%
Tideway Luxembourg, S.A.	Windhof, Luxembourg	100%
D.E.M.E. Building Materials, B.V.	Flushing, The Netherlands	100%
Tideway, B.V.	Breda, The Netherlands	100%
D.E.M.E. Offshore Services, B.V.	Breda, The Netherlands	100%
De Vries & van de Wiel, B.V.	Schagen, The Netherlands	70.41%
De Vries & van de Wiel - Kust- en Oeverwerken, B.V.	Schiedam, The Netherlands	85.2%
D.I. Australia Pty., Ltd.	Queensland, Australia	100%
GeoSea Australia, Pty.	Brisbane, Australia	100%
Far East Dredging, Ltd. (FED)	Hong Kong	100%
D.I. India, Pvt Ltd.	New Delhi, India	99.78%
International Seaport Dredging, Pty. Ltd.	Chennai, India	86%
D.E.M.E. Environmental Contractors Canada, Ltd.	Toronto, Canada	74.9%
Dredging International Asia Pacific Pte., Ltd. (DIAP)	Singapore	100%
D.I. Mexico, S.A.	Mexico D.F., Mexico	100%
Dredging International Services (Nigeria), Ltd.	Lagos, Nigeria	100%
Dragagem Angola Serviços, Lda.	Luanda, Angola	100%
Dredging International de Panama, S.A.	Panama, Panama	100%
Dragabras Serviços de Dragagem, Ltda.	Rio de Janeiro, Brazil	100%
Dredging International (Bulgaria) Services, EOOD	Sofia, Bulgaria	100%
Dredging International España, S.A.	Madrid, Spain	100%

B. MAIN JOINT SUBSIDIARIES - PROPORTIONALLY CONSOLIDATED SUBSIDIARIES

Sédisol, S.A.	Charleroi, Belgium	37.45%
Fasiver, C.V.B.A.	Ghent, Belgium	37.45%
Terranova, N.V.	Zwijndrecht, Belgium	43,73%
Silvamo, N.V.	Koekelare, Belgium	37.45%
Deeproek, C.V.	Breda, The Netherlands	50%
Oceanflore, B.V.	Kinderdijk, The Netherlands	50%
Middle East Dredging Company, Q.S.C.	Doha, Qatar	44.1%
Extract - Ecoterres, S.A.	Villeneuve-le-Roi, France	37.45%
Terramundo, Ltd.	Middlesborough, Great Britain	37.45%
D.E.M.E. Brasil Serviços de Dragagem, Ltda.	Rio de Janeiro, Brazil	50%
Terrasea Environmental Solutions, LLC	Delaware, USA	37,45%
Normalux Maritime, S.A.	Windhof, Luxembourg	37,50%
Novadeal, Ltd.	Nicosia, Cyprus	50%

C. MAIN SUBSIDIARIES ACCOUNTED FOR USING THE EQUITY METHOD

C-Power, N.V.	Zwijndrecht, Belgium	11.21%
C-Power Holdco, N.V.	Zwijndrecht, Belgium	18.83%
Power@sea, N.V.	Zwijndrecht, Belgium	48.90%
Renewable Energy Base Ostend, N.V.	Ostend, Belgium	25,50%
Otary RS, N.V.	Ostend, Belgium	18,61%
Rentel, N.V.	Ostend, Belgium	18,61%
HGO Infrasea Solutions, GmbH	Bremen, Germany	50%

4. Summary of significant accounting policies

Presentation of financial statements

The consolidated financial statements are presented after appropriation of the results of the parent company, as mentioned in Note 8.

Intangible assets

Intangible assets are stated at acquisition cost and are depreciated according to the straight-line method over 5 years. Concessions are depreciated over their lifetime using the straight-line method.

Tangible fixed assets

Tangible fixed assets are stated at acquisition cost and are depreciated according to the straight-line method over their estimated useful lives (in years) as follows:

- Buildings: 25 year
- Trailing suction hopper dredgers and cutter suction dredgers: 18 years and a rest value of 5 %
- Fallpipe vessels: 21 years and a rest value of 5 %
- Self-propelled jackup platforms: 20 years and a rest value of 5 %
- Bucket dredgers and self-propelled hopper and transportation barges: 25 years and a rest value of 5 %
- Backhoe dredgers, pontoons, other barges, auxiliaries and booster stations: 18 years*
- Cranes: 12 years and a rest value of 5 %
- Earth moving material: 5 years*
- Pipelines: 3 years*
- Site equipment and installations: 5 years
- Transportation equipment: 3 years
- Office equipment and furniture: 10 years
- Computers: 3 years

* without residual value

Depreciation of vessels starts at first use. Spare parts delivered at that time are depreciated the same way as the vessel itself. After delivery of a new vessel, the net increase in spare parts is recorded as an investment in tangible fixed assets, up to 8 % of the original acquisition cost of the vessel. These spare parts are depreciated over the remaining economic lifetime of the respective vessels.

Interests born during construction of floating material are activated and depreciated the same way as the vessel. Second-hand material is depreciated over the estimated economic lifetime.

Financial fixed assets

Financial fixed assets are stated at acquisition cost and receivables are stated at nominal value. A write-off is recorded in case of a permanent impairment in value.

Stocks

Warehouse stocks are stated according to the average price method.

Contracts in progress and joint-ventures

Results on contracts in progress are accounted for pro rata the progress of the contract. To the extent that the total result on contracts in progress cannot be considered as reasonably predictable and certain, profits on such contracts are only recorded for at the delivery of the work. Provisions are recorded in case of expected losses. The financial statements of joint ventures are accounted for as follows:

- | | |
|-------------------|---|
| Balance sheet: | the company records its ownership share in the total assets and total liabilities of the joint ventures in the corresponding financial statement captions, after elimination of reciprocal balances. |
| Income statement: | the company records its proportionate share in the revenues and expenses of the joint ventures in the corresponding financial statement captions, after elimination of reciprocal balances. Results on sales and services rendered to joint ventures are recognised at the time of billing. |

Amounts receivable and liabilities

Amounts receivable and liabilities are stated at nominal value. A write-off is recorded in case the amounts receivable are uncollectable. All interests for late payments due to the company by right (i.e. only the interests on accepted receivables) are recorded as income pro rata temporis.

Current investments

Term deposits are stated at nominal value. Shares and obligations are stated at acquisition cost. A write-off is recorded when the realisation value at closing is lower than the acquisition cost.

Translation of foreign currencies

Monetary assets and liabilities denominated in foreign currencies as well as the financial statements of the foreign branches are translated at the prevailing rates of exchange as of the balance sheet date. Exchange rate differences are recorded in the income statement.

Deferred taxes

Deferred taxes are accounted for with respect to temporary differences which originate from the differences between the periods in which transactions affect local taxable income and the periods in which they enter into the determination of consolidated income. When computing the net deferred taxes, accumulated fiscal losses on group level and unused dividend exemption taxation (DBI) are taken into account.

General

When assets or liabilities are adapted or recomputed before they are consolidated, the depreciations, less-values and results out of transfers are booked based on the adapted or recomputed values.

Other operating income

Other operating income also includes the plus-value on the recurrent sale of tangible fixed assets.

Stock option plan

Outstanding stock options as of December 31, 2012
Plan 2 (2002): 12,575 options with exercise price 62.5 euro.

Subsequent Events

DEME successfully emitted a 6 year corporate bond of 200 Mio euro after balance sheet closing date.

5. Intangible assets (in thousands of euro)

	Research and development expenses	Concessions, patents, licences, etc.	Total
Acquisition cost at January 1, 2012	1,225	16,347	17,572
Movements during the year:			
Acquisitions, including fixed assets, own production	508	1,101	1,609
Sales and disposals	(87)	(169)	(256)
Transfers from one heading to another	-	-	-
Translation differences	-	(52)	(52)
Change in consolidation scope and other	-	-	-
At December 31, 2012	1,646	17,227	18,873
Depreciation and amounts written off at January 1, 2012	949	5,059	6,008
Movements during the year:			
Recorded	-	885	885
Written down after sales and disposals	-	(107)	(107)
Transfers from one heading to another	-	-	-
Translation differences	-	(33)	(33)
Change in consolidation scope and other	-	-	-
At December 31, 2012	949	5,804	6,753
Net book value at the end of the year	697	11,423	12,120

6. Tangible fixed assets (in thousands of euro)

	Land and buildings	Plant machinery and equipment	Furniture and vehicles	Leasing and similar rights	Other tangible assets	Assets under construction
Acquisition cost at January 1, 2012	59,007	2,289,021	27,502	45,625	10,629	164,289
Movements during the year:						
Acquisitions, including fixed assets, own production	2,275	128,362	3,798	563	-	159,948
Sales and disposals	-	(36,237)	(2,392)	(3,081)	-	(11,805)
Transfers from one heading to another	4,728	296,315	122	(258)	-	(300,906)
Translation differences	46	(3,099)	(64)	(61)	(179)	22
Change in consolidation scope and other	-	-	-	-	-	-
At December 31, 2012	66,056	2,674,362	28,966	42,788	10,450	11,548
Depreciation and amounts written off at January 1, 2012	25,829	999,444	20,305	24,416	2,943	-
Movements during the year:						
Recorded	2,288	142,817	2,857	2,800	7,477	-
Written down after sales and disposals	-	(33,707)	(2,224)	(3,081)	(24)	-
Transfers from one heading to another	46	(169)	4	119	-	-
Translation differences	18	(1,469)	(25)	(34)	(44)	-
Change in consolidation scope and other	-	-	-	-	-	-
At December 31, 2012	28,181	1,106,916	20,917	24,220	10,352	-
Net book value at the end of the year	37,875	1,567,446	8,049	18,568	98	11,548

7. Financial assets (in thousands of euro)

	Enterprises accounted for using the equity method	Other enterprises
1. SHARES:		
Aquisition cost at January 1, 2012	41,913	3,597
Movements during the year:		
Acquisitions	13,257	97
Sales and disposals	-	(1,561)
Translation differences	-	-
Movements in capital and reserves of the enterprises accounted for using the equity method	18	-
At December 31, 2012	55,188	2,133
Amounts written down at January 1, 2012	-	70
Movements during the year:		
Sales and disposals	-	-
At December 31, 2012	-	70
Net book value at December 31, 2012	55,188	2,063
2. AMOUNTS RECEIVABLE:		
Net book value at January 1, 2012	13,341	5,057
Movements during the year:		
Additions	1,707	45
Reimbursements	(221)	(24)
Translation differences	-	-
Net book value at the end of the year	14,827	5,078

8. Reserves (in thousands of euro)

Balance at January 1, 2012	654,177
Movements during the year:	
Share of the group in the result	94,181
Dividends	(30,095)
Balance at December 31, 2012	718,263

9. Consolidation differences (in thousands of euro)

	Positive consolidation differences	Negative consolidation differences
Net book value at January 1, 2012	7,469	1,233
Movements during the year:		
Increase in percentage held	-	-
Decrease in percentage held	-	-
Write-downs	(1,339)	-
Other modifications	-	-
Net book value at the end of the year	6,130	1,233

10. Amounts payable (in thousands of euro)

Split of amounts payable originally payable after one year, according to their residual term.

	Due within one year	Due between one and five years	Due over five years
Subordinated loans	-	1,825	-
Leasing and other similar obligations	3,150	8,895	5,995
Credit institutions	134,184	426,634	59,643
Other loans	2,794	6,304	-
Total financial debts	140,128	443,658	65,638

11. Payroll data

Average number of persons employed during the year:

	Fully consolidated enterprises		Proportionally consolidated enterprises	
	2012	2011	2012	2011
Workers	1,973	1,907	1	1
Employees	1,921	1,808	70	54
Management personnel	45	44	1	1
Total	3,939	3,759	72	56

12. Rights and commitments not reflected in the balance sheet (in thousands of euro)

Amount of real guarantees, given or irrevocably promised by the enterprises included in the consolidation on their own assets, as security for debts and commitments, of enterprises included in the consolidation.	1,217,903
Bank guarantees or corporate guarantees as security for commitments of enterprises included in the consolidation.	803,289
Commitments to acquire fixed assets	28,149
Commitments from transactions related to: <ul style="list-style-type: none"> • prices of raw materials or goods purchased for resale • interest rates • exchange rates 	1,775 46,732 (123)

STATUTORY AUDITOR'S REPORT

to the shareholders' meeting on the consolidated financial statements for the year ended 31 December 2012

To the Shareholders

As required by law and the company's articles of association, we are pleased to report to you on the audit assignment which you have entrusted to us. This report includes our opinion on the consolidated financial statements together with the required additional comments and information.

Unqualified audit opinion on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Dredging Environmental & Marine Engineering NV ("the company") and its subsidiaries (jointly "the group") for the year ended 31 December 2012, prepared in accordance with accounting principles applicable in Belgium, which show total consolidated assets of 2,571,221(000) EUR and a consolidated profit (group share) for the year of 94,181(000) EUR.

The board of directors of the company is responsible for the preparation of the consolidated financial statements. This responsibility includes among other things: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with legal requirements and auditing standards applicable in Belgium, as issued by the "Institut des Reviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren". Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

In accordance with these standards, we have performed procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the group's internal control. We have assessed the basis of the accounting policies used, the reasonableness of accounting estimates made by the company and the presentation of the consolidated financial statements, taken as a whole.

Finally, the board of directors and responsible officers of the company have replied to all our requests for explanations and information. We believe that the audit evidence we have obtained provides a reasonable basis for our opinion.

In our opinion the consolidated financial statements as of 31 December 2012 give a true and fair view of the group's assets, liabilities, financial position and results, in accordance with accounting principles applicable in Belgium.

Additional comments and information

The preparation and the assessment of the information that should be included in the directors' report on the consolidated financial statements are the responsibility of the board of directors.

Our responsibility is to include in our report the following additional comments and information which do not change the scope of our audit opinion on the consolidated financial statements:

- The directors' report on the consolidated financial statements includes the information required by law and is in agreement with the consolidated financial statements. However, we are unable to express an opinion on the description of the principal risks and uncertainties confronting the group, or on the status, future evolution, or significant influence of certain factors on its future development. We can, nevertheless, confirm that the information given is not in obvious contradiction with any information obtained in the context of our appointment.
- The consolidated balance sheet and income statement in this brochure also includes, for information purposes only, the consolidated figures according to International Financial Reporting Standards (IFRS). These figures have been prepared by the Board of Directors of DEME for consolidation purposes by DEME's shareholders. We have reviewed these figures in this perspective and confirm that we have not identified any material adjustments that should have been recorded in the IFRS balance sheet and income statement included in this brochure. This brochure only includes the consolidated IFRS balance sheet and income statement and therefore is not to be considered as financial statements fully complying with IFRS.

29 March 2013

**The Statutory Auditor,
DELOITTE Reviseurs d'Entreprises**

SC s.f.d. SCRL

Represented by



Luc Van Coppenolle



“DEME,
providing
sustainable
solutions for
present and future
challenges”



Compiled and coordinated by DEME

Communications Department DEME

Final editing

Ann Wittemans

Design and realisation

Studio Lineair

Photos

We wish to thank all members of our personnel who provided us with pictures of the works.

Special thanks to photographers Tom D'Haenens, Wolfhard Scheer and Nacho Guani.



DEME

**Dredging, Environmental
& Marine Engineering**

Haven 1025, Scheldedijk 30,
2070 Zwijndrecht, Belgium
T +32-(0)3-25 05 211
F +32-(0)3-25 05 650
Email: info@deme.be
www.deme.be