Intermediary Report

As of June 30, 2010

Table of contents

Intermediary report of the group CFE

Management report

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

Consolidated revenue for the first half of 2010 amounted to €870 million, up 12% on the €777 million reported for the first half of 2009.
Operating profit was €48.4 million, up 4% against the €46.5 million reported for the first half of 2009. Taking into account the decrease of the share in the results of associated companies, the net profit attributable to the group went down with 6% and amounted to €32.1 million from €34.3 million for the first half of 2009.
The group's order book remained at a high level: €2,020 million at July 1, 2010, compared with €2,024 million at January 1, 2010.

1. Order book, revenue and results by division

Construction division

The division's sales fell 9% to €345 million, compared with €380 million for the first half of 2009. Activity declined significantly in Luxembourg and to a lesser extent in Central Europe, reflecting the economic climate.
The activity in the building sector was affected by bad weather in January and February, which led to the temporary suspension of many construction sites. Despite the difficult winter conditions, civil engineering activity was up slightly.
Operating profit fell to €6 million, against €15.2 million at June 30, 2009. This decline was far from general since MBG, CFE Brabant, BPC and GEKA continued to generate satisfactory results. However, the impact of the economic crisis and the fall in sales significantly reduced the contribution to profit from companies in Poland and Luxembourg. With regard to major projects, the situation on the Diabolo and Liefkenshoek railway tunnel evolved satisfactorily. On an important site in the Netherlands, the situation is more difficult and an agreement was reached with the client extending the delivery cycle and settling some contractual issues. No margin was recognised on the new international projects (in Chad and Tunisia) as they were still in their start-up phase.
The net profit amounted to €4.9 million (€11.2 million at June 30, 2009).
The construction division's order book stood at €873 million at July 1, 2010, compared with €845 million at January 1, 2010, representing 3.3% growth on an actual basis and 1% growth on a constant consolidation scope basis. The order book for exports outside Europe increased by almost €50 million but was down by some €40 million for Central Europe and the Benelux countries on a constant consolidation scope basis, the decline being attributable mainly to the execution of major civil engineering contracts won in previous periods. There was an overall trend towards stabilisation in the order book for companies operating in the building sector.
During the month of June, CFE acquired a majority shareholding in Terryn, Belgium's market leader in bonded laminates. This acquisition, in the amount of €10.9 million, aims to meet changes in the construction market in terms of sustainable development.

Real estate development and management services division

Real estate development and management services business remained steady, with a satisfactory level of sales of residential projects.
At the end of the first half, the first building of the "South City" complex near the Midi railway station in Brussels was sold. BPI, a minority shareholder in the project, generated a capital gain on this transaction, which contributed to an improvement in the division's net profit. Net profit amounted to €0.9 million, against €0.6 million in June 2009.
Also at the end of the first half, CLi, the real estate development subsidiary operating in Luxembourg, acquired a 25% holding in the "Château de Beggen" residential project and a 50% holding in the "Ronndriesch" office building project. Development of these projects will boost the group's construction activity in that country since CLE, the Luxembourg construction subsidiary, is in charge of the works.

Dredging and environment division

(The figures given below for DEME are at 100%; CFE owns 50% of that company's capital.)
Revenue rose sharply to €888 million from €647 million in June 2009.
Operating profit was €81.3 million, against €59.5 million in June 2009, and DEME's net profit was €55.6 million.
DEME's order book remained at a high level: €2,073 million (at 100%) compared with €2,122 million at the beginning of the year. Many new orders were booked during the period, including in Mexico, Russia, Germany and the United Kingdom, as well as India and Malaysia.
DEME continued to carry out its investment programme. The Flintstone, a fall pipe vessel with a load capacity of 19,000 tonnes and the ability to place rocks at a great depth, was launched at the end of April. The vessel, which will be used in the company's oil and gas business activity, will be fully operational during the first half of 2011.
A complementary investment programme for three new units totalling €260 million was approved. The new units are scheduled for delivery in mid-2010.

Multitechnics division

Revenue remained stable, amounting to €69 million, against €64 million for the first half of 2009. This change reflects the impact of the first consolidation of Van De Maele Multi-Techniek.
The operating profit of VMA, Van De Maele Multi-Techniek and companies operating in railway signalling and electrification remained on target, but the markets for service sector electricity and air conditioning continued to be difficult. The operating profit, in progression, was €2.1 million, compared with €0.2 million in 2009. Note that the air conditioning company generated a significant loss during the first half of 2009.
The division's order book demonstrated similar stability and amounted to €104 million, against €109 million at the beginning of the year.
During the first quarter, CFE exercised the option enabling it to acquire the remainder of Druart's share capital, representing an investment of €3.05 million.

PPP – Concessions division

The design and construction works for the Liefkenshoek railway tunnel in Antwerp and the Coentunnel in Amsterdam are under way. Operations started at the car park in Turnhout developed in partnership with VINCI Park.
CFE continued to study new public-private partnership projects, in particular those involving schools in the German-speaking part of Belgium, the A15 motorway project in Rotterdam and the hospital in Antwerp. Final proposals for the first two of these projects have been submitted, with decisions expected during the fourth quarter.

Rent-A-Port continued to provide port services and facilities development and the joint-venture company formed by the Omani government and the Antwerp Port consortium won the concession for Duqm port in Oman.
The division generated an operating loss, mainly due to the cost of studies under way (€-1.6 million).
Net profit amounted to €-1.0 million.

2. Notes to the condensed consolidated financial statements, cash flow and Capex tables

Net financial debt (*) at the end of June 2010 was €-278 million, against €-152 million at the end of December 2009. This debt is made up of long-term debt of €323 million offset by net short-term cash of €45 million.
Cash flows from investing activities for the first half of the year amounted to €145 million, compared with €101 million for the first half of 2009. These investments amounted to €126 million for DEME, which continued to implement the programme approved at the beginning of 2009, and to €19 million at CFE, which namely acquired the remainder of Druart's share capital and a majority shareholding in Terryn, Belgium's market leader in bonded laminates, during the first half of the year.
Driven by major projects at both DEME and CFE, as well as the real estate developments described above, working capital requirement increased by €61 million.
Equity in progression with €14.1 million amounted to €437.9 million (€423.8 million at the end of 2009).
CFE has confirmed long-term credit facilities totalling more than €135 million, of which €50 million were unused at June 30, 2010.
DEME's investments in dredgers and other marine works equipment are financed under separate arrangements.

3. 2010 outlook

Revenue is expected to be slightly up on that of the previous period, while net profit should be close to that of 2009.

4. Shareholder base

In application of the regulations governing transparency (Clause II of the Law of May 2, 2007 and the Royal Decree of February 14, 2008), Compagnie d'Entreprises CFE received notification from JPMorgan Asset Management Holdings Inc. on April 26, 2010 regarding a shareholding in the company. The notification advised that, as of April 13, 2010, JPMorgan Asset Management (UK) Limited, headquartered at 245 Park Avenue, New York, NY 10167, USA, held 401,433 voting rights attached to Compagnie d'Entreprises CFE shares, i.e. 3.07% of the company's voting rights.
On April 28, 2010, JPMorgan Asset Management Holdings Inc. advised Compagnie d'Entreprises CFE that JPMorgan Asset Management (UK) Limited held 391,824 shares in the company, giving it 2.99% of the company's voting rights as of April 23, 2010. Through its sale of shares, JPMorgan Asset Management (UK) Limited reduced its interest in Compagnie d'Entreprises CFE to below the 3% notification threshold set in the company's Articles of Association.

5. Corporate governance

The Ordinary Shareholders' Meeting of May 6, 2010 renewed the appointment of Bernard Huvelin as director for four years. It also appointed as directors, for the same period, Jean Rossi, representing VINCI Construction, and SA Consuco, represented by Alfred Bouckaert. SA Consuco meets the independence criteria defined in Article 526 ter of the Belgian Company Code and Belgium's Corporate Governance Code. The Shareholders' Meeting also appointed as director for four years SA C.G.O., represented by Philippe Delaunois. This company is not considered an independent director as its representative has served on the board for more than three consecutive terms.
Given the enlargement of the Board of Directors, the total annual amount of Directors' Fees was set at €325,000.
The Shareholders' Meeting also renewed the appointment of Deloitte, Reviseurs d'Entreprises, SC s.f.d. SCRL as Auditor for a period of three years. SCRL will be represented by Pierre-Hugues Bonnefoy.
The Extraordinary Shareholders' Meeting of May 6 renewed the authorisation granted to the Board to increase the company's share capital by a maximum of €2,500,000.

Summarized consolidated financial statements and notes

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended June 30 (In thousand Euro)	Note	June 2010	June 2009
Revenue		**869,500**	**776,555**
Revenue from auxiliary activities	6	21,776	27,251
Purchases		(525,257)	(455,466)
Wages, salaries & social charges		(161,434)	(153,950)
Other operating charges		(111,934)	(109,674)
Depreciations		(44,220)	(38,263)
Operating result		**48,431**	**46.453**
Gross financial debt charges	18	(6,110)	(7,769)
Financial income from cash investments	18	2,975	2,612
Other financial charges	7	(19,763)	(10,710)
Other financial income	7	15,951	9,679
Financial result		**(6,947)**	**(6,188)**
Profit before taxes for the period		**41,484**	**40,265**
Income tax expense	9	(8,560)	(7,022)
Result of the period		**32,924**	**33,243**
Share in the result of associated companies		(15)	1,161
Result (including noncontrolling interests) for the period		**32,909**	**34,404**
Part in the noncontrolling interests	8	(767)	(120)
Net result of the group		**32,142**	**34,284**

	June 2010	June 2009
Result for the period (including noncontrolling interests)	**32,909**	**34,404**
Financial instruments : change in fair values	(5,941)	(1,623)
Currency translation differences	9,903	610
Deferred taxes	1,932	0
Change in consolidation mode (net of deferred taxes)		11,108
Other elements of the comprehensive income	**5,894**	**10,095**
Comprehensive income	**38,803**	**44,499**
- Attributable to the group	37,982	44,379
- Attributable to noncontrolling interests	821	120
Net result of the group per share (EUR) (diluted and basic)	2.46	2.62
Comprehensive income per share (EUR) (diluted and basic)	2.96	3.40

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the period ended June 30 (In thousand Euro)	Note	June 2010	December 2009
Intangible assets		8,233	6,913
Goodwill	5	34,419	25,791
Property, plant and equipment	10	678,268	600,858
Property investments	11	14,984	13,306
Investments in associates	12	7,633	8,432
Other non current financial assets		13,772	14,824
Fair value of derivative instruments assets		0	26
Other non current assets	9	8,974	6,774
Deferred tax assets		9,810	3,598
Total non current assets		**776,093**	**680,522**
Inventories	14	173,847	147,060
Trade receivables and other operating receivables	13	731,926	674,327
Other current assets	13	37,315	38,148
Fair value of derivative instruments – Current assets		283	154
Current financial assets		1,058	55
Cash and cash equivalents	18	186,185	170,546
Total current assets		**1,130,614**	**1,030,290**
Total assets		**1,906,707**	**1,710,812**
Issued capital		21,375	21,375
Share premium		61,463	61,463
Gain on revaluation		1,088	1,088
Reserves related to hedging instruments		(6,469)	(2,460)
Retained earnings		352,069	336,805
Translation differences		4,921	(4,928)
Equity - Part of the group		434,447	413,343
Noncontrolling interests		3,477	10,428
Equity		**437,924**	**423,771**
Pensions and other employee benefits		18,814	18,601
Provisions	15	1,685	2,298
Other non current liabilities		34,478	32,798
Financial debts	18	323,336	228,092
Fair value of derivative instruments liabilities - non current	5	18,681	4,082
Deferred tax liabilities	9	4,165	2,529
Total non current liabilities		**401,159**	**288,400**
Provisions for termination losses	15	19,463	18,890
Provisions for other current risks	15	35,077	34,916
Trade payables & other operating liabilities	13	556,703	548,172
Tax liability due for payment		11,481	22,245
Current financial debts	18	140,923	94,753
Other current liabilities		19,401	8,594
Fair value of derivative instruments liabilities - current		284,576	271,072
Total current liabilities		**1,067,624**	**998,642**
Total Equity and liabilities		**1,906,707**	**1,710,812**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

For the period ended June 30 (In thousand Euro)	Note	June 2010	June 2009
Operating activities			
Net profit		32,142	34,284
Depreciation of intangible assets, property, plant & equipment (PPE) and investment property		44,220	38,431
Loss/(profit) on current and non current financial assets		(5)	
Net increase/decrease of provisions		553	2,584
Write-off on current and non current assets		1,715	(1,216)
Foreign exchange difference not realized (gain)/loss		1,809	(1,690)
Interest & investment income		(2,975)	(2,612)
Interest expense		6,259	7,075
Fair-value adjustment on derivatives		9,329	4,182
Loss/(profit) on sale of property, plant & equipment		(1,791)	(164)
Income tax expense		8,560	7,022
Noncontrolling interests		767	120
Share in the result of companies consolidated by the equity method		15	(1,161)
Cash flow from operating activities before changes in working capital		**100,598**	**86,855**
Decrease/(increase) in trade receivables and other current and non current receivables		(12,117)	67,008
Decrease/(increase) in inventories		(21,820)	(9,153)
Increase/(decrease) generated in trade payables and other short term payables		(16,746)	(88,760)
Cash flow from operating activities		**49,915**	**55,950**
Interest paid		(6,259)	(7,075)
Interest received		2,975	2,612
Income tax paid/received		(7,039)	784
Net cash flow from operating activities		**39,592**	**52,271**
Investment activities			
Proceeds from the sale of fixed assets		3,151	4,438
Acquisition of fixed assets		(139,125)	(105,061)
Change in the shareholding percentage of controlled entities		(3,050)	
Acquisition/Disposal of subsidiaries, net of cash acquired	5	(6,990)	(323)
Capital increase in companies consolidated by the equity method		757	(295)
Cash flow from investing activities		**(145,257)**	**(101,241)**
Financing activities			
Proceeds from borrowings		173,650	56,351
Debts reimbursements		(34,936)	(24,581)
Dividends paid		(15,711)	(15,711)
Cash flow from financing activities		**123,003**	**16.059**
Net Increase/(Decrease) of cash		**17,338**	**(32,911)**
Cash and cash equivalents at the beginning of the year		170,546	201,164
Translation differences		(1,699)	(603)
Cash and cash equivalents at the end of the year		186,185	167,650

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2009

(In thousand Euro)	Issued Capital	Share premium	Retained earnings	Results directly recognized in Equity	Gain on revaluation	Translation differences	Equity Part of the group	Noncontrolling interests	Total
As per December 31, 2008	**21,375**	**61,463**	**290,788**	**(11,980)**	**1,088**	**(5,033)**	**357,701**	**10,516**	**368,217**
Comprehensive income of the period			**34,284**	**9,485**		**610**	**44,379**	**120**	**44,499**
Dividends paid to shareholders			(15,711)				(15,711)		(15,711)
Change in the consolidation scope & dividends of minorities								(1,453)	(1,453)
As per June 30, 2009	**21,375**	**61,463**	**309,361**	**(2,495)**	**1,088**	**(4,423)**	**386,396**	**9,183**	**395,552**

The change on the consolidation scope results from the fact that the company Locorail Ltd is now consolidated by the equity method

For the year ended June 30, 2010

(In thousand Euro)	Issued Capital	Share premium	Retained earnings	Results directly recognized in Equity	Gain on revaluation	Translation differences	Equity Part of the group	Noncontrolling interests	Total
As per December 31, 2009	**21,375**	**61,463**	**336,805**	**(2,460)**	**1,088**	**(4,928)**	**413,343**	**10,428**	**423,771**
Comprehensive income of the period			**32,142**	**(4,009)**		**9,849**	**37,982**	**821**	**38,803**
Dividends paid to shareholders			(15,711)				(15,711)		(15,711)
Business combinations (note 5)								(4,573)	(4,573)
Modification in the interest percentage of controlled entities and dividends from noncontrolling interests.			(1,167)				(1,167)	(3,199)	(4,366)
As per June 30, 2010	**21,375**	**61,463**	**352,069**	**(6,469)**	**1,088**	**4,921**	**434,447**	**3,477**	**437,924**

CAPITAL AND RESERVES

The capital on 30 June 2010 is composed of 13,092,260 ordinary shares. These shares are without any nominal value. The shareholders of ordinary shares have the right to receive dividends and the right of one vote per share at the General Shareholders' Assembly.

In February 24, 2010 the Board of Directors proposed a dividend of 15,711 thousand Euro, corresponding to EUR 1.2 gross per share. This proposal has been approved by the General Shareholders Assembly on May 6, 2010. This dividend has been paid.

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

It is calculated as follow:

NET RESULT PER SHARE

(In thousand Euro)	**June 2010**	**June 2009**
Net profit attributable to shareholders	32,142	34,284
Weighted average of the number of ordinary shares	13,092,260	13,092,260
Basic (diluted) profit by share in Euro	**2.46**	**2.62**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE EXERCISE ENDED AT JUNE 30, 2010

Preamble

The Board of Directors authorized the issue of the interim condensed consolidated financial statements on August 26, 2010.

MAIN TRANSACTIONS FOR THE SIX FIRST MONTHS OF 2010 AND THE SIX FIRST MONTHS OF 2009 WITH EFFECT ON THE SCOPE OF THE GROUP CFE

TRANSACTIONS FOR THE SIX FIRST MONTHS OF 2010

1. Construction segment

On June 3, 2010, the group CFE has acquired a 55.04% shareholding in the Group Terryn for an amount of 10.9 millions of Euros. This group is based in Moorslede near Roselaere and is the Belgian market leader in the production and construction of bonded laminate structure for the industrial and tertiary sectors.
Group Terryn realize a yearly turnover of about 30 millions Euros. The group operates in the Benelux and in other European countries, and generated an average yearly EBITDA of more than 3 millions Euros during the past three years

2. Multitechnical segment

On February 12, 2010, the group CFE acquired 37.5% of the company "Etablissements Druart Ltd" ("Druart") for an amount of 3.050 thousands of Euros, increasing its shareholding to 100%. By this purchase, CFE becomes also 100% shareholder of the company Prodfroid Ltd of which Druart holds 99.91% of the shares.

3. Real estate and associated services segment

On May 17, 2010, the company CLI, subsidiary of the group CFE, acquired 25% of two limited companies in Luxemburg: the Ltd "Château de Beggen" and the Ltd "Blauenberg", in order to develop several residential projects (14 residences including about 170 apartments and 191 parking) on lands on which there are the owners.

On 17 May 2010, CLI also acquired 50% of the limited companies "Rondriesh 123" in Luxemburg in order to develop offices projects on a land belonging to this company.

On June 30, 2010, the group CFE, through its subsidiaries BPI and Espace Midi, sold South City Office Fonsny to Integrale and Ogeo Fund. The quota of CFE in this project was 20%.
South City complex was an immediate commercial success (the whole of the complex being 100% rented prior to delivery). It has in total nearly 31,000 square meters of offices and a 142-room hotel.
The Fonsny building (the property of South City Office Fonsny SA), consisting of 13,200 square meters of offices and 3 commercial properties, is the first building of the South City complex to be completed. The balance of the complex will be completed in the coming months.

4. Dredging and environment segment

Nothing.

TRANSACTIONS FOR THE SIX FIRST MONTHS OF 2009

1. Construction segment

Nothing.

2. Multitechnical segment

February 6, 2009, the company Druart Ltd and Nizet Ltd, subsidiaries of the group CFE, acquired the total of the capital, this means 1,100 shares, of the company Prodfroid Ltd, specialised in the implementation of air conditioning and industrial and commercial cooling.

3. Real estate and associated services segment

At the end of the first semester 2009, the group CFE has diluted 50% of its participation in the company Immoange Ltd. This company now held by 50% is consolidated by the proportional method of accounting.

4. Dredging and environment segment

Nothing.

ACCOUNTING PRINCIPLES AND EVALUATION METHOD

1. GENERAL PRINCIPLES

The interim condensed consolidated financial statements have been presented in a condensed way in accordance with IAS 34 – Interim financial reporting. Consequently, the statements presented relate to significant elements of the semester and must be read together with the consolidated financial statement at December 31, 2009.

The retained accounting principles are the same that the principle used for the yearly consolidated financial statement at December 31, 2009, except for:

- IFRS 3 Business Combinations (applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009). This Standard replaces IFRS 3 Business Combinations as issued in 2004.
- Improvements to IFRS (2008-2009) (normally applicable for annual periods beginning on or after 1 January 2010)
- Amendment to IFRS 1 First Time Adoption of International Financial Reporting Standards – Additional exemptions (applicable for annual periods beginning on or after 1 January 2010)
- Amendment to IFRS 2 Share-based Payment – Group Cash-settled Share-based Payment Transactions (applicable for annual periods beginning on or after 1 January 2010)
- Amendment to IAS 27 Consolidated and Separate Financial Statements (applicable for annual periods beginning on or after 1 July 2009). This Standard amends IAS 27 Consolidated and Separate Financial Statements (revised 2003).
- Amendments to IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items (applicable for annual periods beginning on or after 1 July 2009).
- IFRIC 12 Service Concession Arrangements (applicable for annual periods beginning on or after 1 April 2009)
- IFRIC 15 Agreements for the construction of real estate (applicable for annual periods beginning on or after 1 January 2010)
- IFRIC 16 Hedges of a net investment in a foreign operation (applicable for accounting years beginning on or after 1 July 2009)
- IFRIC 17 Distributions of Non-cash Assets to Owners (applicable for annual periods beginning on or after 1 November 2009)
- IFRIC 18 Transfers of Assets from Customers (applicable for annual periods beginning on or after 1 November 2009)

The Company decided to not anticipate the application standards and interpretations here below that are not mandatory on June 30, 2010.

- IFRS 9 Financial Instruments (applicable for annual periods beginning on or after 1 January 2013)
- Improvements to IFRS (2009-2010) (normally applicable for annual periods beginning on or after 1 January 2011)
- Amendment to IFRS 1 First Time Adoption of International Financial Reporting Standards – IFRS 7 exemptions (applicable for annual periods beginning on or after 1 July 2010)
- Amendment to IAS 24 Related Party Disclosures (applicable for annual periods beginning on or after 1 January 2011). This Standard supersedes IAS 24 Related Party Disclosures as issued in 2003.
- Amendments to IAS 32 Financial Instruments: Presentation – Classification of Rights Issues (applicable for annual periods beginning on or after 1 February 2010)
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (applicable for annual periods beginning on or after 1 July 2010)
- Amendment to IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction – Prepayments of a Minimum Funding Requirement (applicable for annual periods beginning on or after 1 January 2011)

The potential impacts of these standards and interpretations on the consolidated accounts of the group are being determined.

2. CONSOLIDATION METHODS

2.1. CONSOLIDATION SCOPE

Companies in which the group CFE holds directly or indirectly more than one half of the voting rights allowing the control are consolidated according to the global method of consolidation.
Companies on which the group CFE exerts a jointly control with other shareholders are consolidated according to the proportionate method of consolidation. This relates in particular to DEME, Rent a Port and some entities of the Real Estate and Associated Services segment.
Companies on which the group CFE exerts a significant influence are consolidated according to the equity method. This relates in particular to Locorail, Coentunnel Company and C-Power at DEME.

Evolution of the consolidation scope

	June 2010	December 2009
Global method of consolidation	55	50
Proportionate method of consolidation	133	124
Equity method	11	10
Total	**199**	**184**

2.2. INTRA-GROUP OPERATIONS

Reciprocal transactions and operations of assets, liabilities, profit and loss between integrated companies are eliminated in the consolidated accounts. This operation is realized:

Totally if the operation is realized between two subsidiaries
In proportion of the proportionate consolidated company's integration rate if the operation is realized between a globally integrated company and a proportionate integrated company
In proportion of the associate's integration rate in the case of an internal result realized between a global integrated company and a company consolidated according to the equity method.

2.3. CONVERSION OF FINANCIAL STATEMENTS FOR FOREIGN COMPANIES AND ESTABLISHMENTS.

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

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

2.4. FOREIGN CURRENCIES TRANSACTIONS

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

The exchange gains and losses on loans denominated in foreign currencies or on exchange derivatives products used at ends of participations in the foreign subsidiary companies covering are recorded in the heading "translation differences" in the equity.

3. RULES AND EVALUATION METHODS

3.1. RECOURSE TO ESTIMATES

The establishment of financial statements according to IFRS standards requires to carry out estimates and to formulate assumptions which affect the amounts appearing in the financial statements.

These estimates considerate an assumption of continuity of operations and are established according to information available during their establishment. The estimates can be revised if the circumstances on which they were founded evolve/move or in consequence of new information. The real results can be different from these estimates.

The se of estimates is concerning in particular following elements:

- evaluation of the result at construction contracts advancement;
- evaluations retained for the tests of impairments;
- valorization of share-based payments (costs IFRS 2);
- evaluations of pensions;
- evaluations of the provisions;
- valorization of the financial instruments at fair value, based on the market to market approach received from financial institutions.

3.2. RULES AND SPECIFIC EVALUATION METHOD APPLIED BY THE GROUP IN THE FRAMEWORK OF INTERIM REPPORTS

Pensions benefits obligations

No actuarial calculations have been made for the condensed interim consolidated account. The pension charges for the first semester are equal to the halve of net charges calculated for 2010 on the basis of actuarial assumption at December 31, 2009.

4. SEGMENT REPORTING

4.1 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

OPERATING SEGMENTS

	Sales		**EBIT**				**Financial result**		**Taxes**			
	June 2010	June 2009	June 2010	% Sales	June 2009	% Sales	June 2010	June 2009	June 2010	Rate	June 2009	Rate
Construction	344,719	380,097	6,038	1.8%	15,244	4.0%	(385)	(1,518)	(729)	12.9%	(2,531)	18.4%
Real estate development and management services	10,136	12,917	2,628	25.9%	2,357	18.2%	(1,719)	(2,289)	(51)	5.7%	(203)	25.8%
Eliminations : construction – real estate	*5,000*	*1,842*	*(274)*		*11*				*53*		*(15)*	
Multitechnics	68,699	63,886	2,094	3%	194	0.3%	(110)	(141)	(839)	42.3%	(686)	586.2%
PPP - Concessions	1,162	1,662	(1,609)	(138.5%)	(656)	(39.5%)	398	39	122	9.7%	(258)	230.1%
Dredging and environment	443,912	323,643	40,628	9.2%	29,740	9.2%	(4,999)	(2,442)	(7,074)	19.8%	(6,116)	21.7%
Eliminations : construction - dredging	*(274)*	*(1,760)*										
Correction DEME			*(269)*		*(430)*			*(7)*	*(18)*		*2,896*	
Eliminations : Construction - other	*(3,853)*	*(5,733)*	*(406)*									
Holding		0	(399)		(7)		(132)	170	(24)	(4.5%)	(109)	67.0%
Total consolidated	**869,501**	**776,555**	**48,431**	**5.6%**	**46,453**	**6.0%**	**(6,947)**	**(6,188)**	**(8,560)**	**20.6%**	**(7,022)**	**17.4%**
Total consolidated with comparable structure	**869,501**	**783,395**										

	Share in the results of associates		**Result of the group**				**Non cash elements**		**EBITDA**			
	June 2010	June 2009	June 2010	% Sales	June 2009	% Sales	June 2010	June 2009	June 2010	% Sales	June 2009	% Sales
Construction			4,925	1.4%	11.197	2.9%	3,043	4,667	9,081	2.6%	19,911	5.2%
Real estate development and management services	(3)	688	902	8.9%	582	4.5%	3,766	64	6,391	63.0%	3,109	24.1%
Eliminations : construction – real estate			(221)		(4)				(274)	(13.6%)	10	
Multitechnics			997	1.5%	(569)	(0.9%)	1,979	1,381	4,073	5.9%	1,575	2.5%
PPP - Concessions	(44)	617	(1,024)	(88.1%)	(146)	(8.8%)	185	110	(1,468)	(126.4 %)	71	4.3%
Dredging and environment	32	(144)	27,810	6.3%	20.711	6.4%	37,332	33,027	77,993	17.6%	62,623	19.3%
Eliminations : construction - dredging												
Correction DEME			(287)		2.459				(269)		(430)	
Eliminations : Construction - other			(406)						(406)			
Holding			(556)		54		(251)	(251)	(649)		(258)	
Total consolidated	**(15)**	**1,161**	**32,142**	**3.7%**	**34.284**	**4.4%**	**46,054**	**38,998**	**94,471**	**10.9%**	**86,611**	**11.2%**

EBITDA/segment = EBIT + amortization + other non cash elements+ share in the result of associated companies

Turnover generated by the sales of goods at 30 June 2010 amount to 3,585 thousand Euros (June 2009: 3,541 thousand Euros). It comes from the sales realized by Voltis.

4.2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

At June 30th 2010 (In thousand Euro)	Construction	Real Estate & associated services	Multi-technical	Dredging and environment	Concessions -PPP	Holding and eliminations	Inter activities eliminations	Total consolidated
ASSETS								
Goodwill	5,970	77	16,965	11,407	0	0	0	**34,419**
Property, plant and equipment	32,579	2,016	11,237	623,953	7,912	571	0	**678,268**
Long term loans to consolidated companies of the group	18,755	0	0	0	0	55,495	(74,250)	**0**
Other non-current financial assets	859	6,935	48	3,333	1,298	1,299	0	**13,772**
Other heading of non current assets	962	4,691	3,918	14,504	15,019	169,303	(158,763)	**49,634**
Inventories								
Cash and cash equivalent	14,556	148,516	4,161	5,968	0	646	0	**173,847**
Internal cash position – cash pooling - assets	67,786	5,759	3,465	85,435	666	23,074	0	**186,185**
Other current financial assets – companies of the group	69,014	669	13,102	0	0	134,399	(217,184)	**0**
Other heading of current assets	357,846	40,002	59,202	318,630	2,758	27,621	(35,477)	**770,582**
Total assets	**568,327**	**208,665**	**112,098**	**1,063,230**	**27,653**	**412,408**	**(485,674)**	**1,906,707**
LIABILITIES								
Equity	39,225	30,875	51,010	293,020	4,461	178,095	(158,762)	**437,924**
Non current financial debt	5,166	2,637	4,520	228,000	13	83,000	0	**323,336**
Non current borrowing to consolidated companies of the group	52,027	3,489	0	0	1,067	17,667	(74,250)	**0**
Other heading of non current liabilities	39,654	11,771	461	25,535	3	399	0	**77,823**
Current financial debts	1,439	20,298	659	113,040	1,215	4,272	0	**140,923**
Internal cash position – cash pooling - liabilities	15,792	101,698	6,152	0	10,798	82,744	(217,184)	**0**
Other heading of current liabilities	415,024	37,897	49,296	403,635	10,096	46,231	(35,478)	**926,701**
Total equity and liabilities	**568,327**	**208,665**	**112,098**	**1,063,230**	**27,653**	**412,408**	**(485,674)**	**1,906,707**

At December 31st 2009 (In thousand Euro)	Construction	Real Estate & associated services	Multi-technical	Dredging and environment	Concessions -PPP	Holding and eliminations	Inter activities eliminations	Total consolidated
ASSETS								
Goodwill	911	77	16,965	7,838	0	0	0	**25,791**
Property, plant and equipment	26,800	1,662	11,666	553,586	6,490	654		**600,858**
Long term loans to consolidated companies of the group	31,729	0	0	0	0	50,694	(82,423)	**0**
Other non-current financial assets	676	6,995	47	3,285	1,446	3,415	(1,040)	**14,824**
Other heading of non current assets	2,541	5,876	3,412	8,439	12,107	155,428	(148,754)	**39,049**
Inventories	20,648	117,090	3,643	5,032	0	647	0	**147,060**
Cash and cash equivalent	68,333	6,882	2,025	67,312	1,668	24,326	0	**170,546**
Internal cash position – cash pooling - assets	74,089	669	14,625	0	0	116,482	(205,865)	**0**
Other current financial assets – companies of the group	0	0	0	0	0	0	0	**0**
Other heading of current assets	361,847	40,382	63,250	257,675	3,273	28,026	(41,769)	**712,684**
Total assets	**587,574**	**179,633**	**115,633**	**903,167**	**24,984**	**379,672**	**(479,851)**	**1,710,812**
LIABILITIES								
Equity	33,228	27,449	51,711	278,523	3,832	172,642	(143,614)	**423,771**
Non current financial debt	1,851	11,443	3,684	172,104	1,050	39,000	(1,040)	**228,092**
Non current borrowing to consolidated companies of the group	50,680	76	0	0	0	31,667	(82,423)	**0**
Other heading of non current liabilities	30,141	11,500	830	20,524	1,959	493	(5,140)	**60,307**
Current financial debts	5,656	11,671	1,832	74,382	911	86	0	**94,538**
Internal cash position – cash pooling - liabilities	21,895	75,957	8,368		10,262	89,383	(205,865)	**0**
Other heading of current liabilities	444,123	41,537	49,208	357,634	6,970	46,401	(41,769)	**904,104**
Total equity and liabilities	**587,574**	**179,633**	**115,633**	**903,167**	**24,984**	**379,672**	**(479,851)**	**1,710,812**

4.3 CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

At December 30th 2010 (In thousand Euro)	Construction	Real Estate & associated services	Multi-technical	Dredging and environment	Concessions-PPP	Holding and eliminations	Total consolidated
Cash flow from (used in) operating activities before changes in working capital	8,303	5,479	4,087	84,783	(769)	(1,285)	**100,598**
Cash flow from (used in) operating activities	1,846	(30,882)	25,231	32,598	1,567	9,232	**39,592**
Cash flow from (used in) investing activities	(11,630)	752	(4,379)	(125,713)	(3,439)	(848)	**(145,257)**
Cash flow from (used in) financing activities	9,270	28,975	(1,030)	94,554	870	(9,636)	**123,003**
Net increase/(Decrease) of cash	(514)	(1,155)	19,822	1,439	(1,002)	(1,252)	**17,338**

At June 30th 2009 (In thousand Euro)	Construction	Real Estate & associated services	Multi-technical	Dredging and environment	Concessions-PPP	Holding and eliminations	Total consolidated
Cash flow from operating activities before changes in working capital	18,509	1,540	1,675	64,813	(506)	824	**86,855**
Cash flow from (used in) operating activities	(6,094)	(1,150)	6,974	59,055	1,460	(7,974)	**52,271**
Cash flow from (used in) investing activities	(6,649)	331	(1,387)	(90,928)	(4,418)	1,810	**(101,241)**
Cash flow from (used in) financing activities	(2,994)	3,538	(5,131)	17,060	3,126	460	**16,059**
Net increase/(Decrease) of cash	(15,737)	2,719	456	(14,813)	168	(5,704)	**(32,911)**

Cash flows from financing activities include cash pooling loans and borrowing with other segments. A positive amount means a use of liquidities in the cash pooling. This heading is also influenced by external financings in particular in the Real Estate and other services, Holding, and dredging segments.
The dredging segment is not concerned by the cash pooling.

4.4. OTHER INFORMATION

At June 30th 2010 (In thousand Euro)	Construction	Real Estate & associated services	Multi-technical	Dredging and environment	Concessions-PPP	Holding and eliminations	Total consolidated
Amortizations	(4,845)	(163)	(1,751)	(36,949)	(185)	(326)	**(44,220)**
Investments	5,084	411	1,406	127,933	3,443	848	**139,125**

At June 30th 2009 (In thousand Euro)	Construction	Real Estate & associated services	Multi-technical	Dredging and environment	Concessions-PPP	Holding and eliminations	Total consolidated
Amortizations	(3,060)	(1,038)	(1,363)	(32,373)	(110)	(319)	**(38,263)**
Investments	7,082	61	1,106	75,991	4,109	188	**88,537**

REVENUE BREAKDOWN GENERATED BY THE CONSTRUCTION DIVISION

(In thousand Euro)	June 2010	June 2009
Building	198,244	257,368
Civil engineering	114,947	94,812
Roads	22,124	19,384
Other	9,404	8,533
Total	**344,719**	**380,097**

4.5 GEOGRAPHICAL SECTOR

REVENUE OF CFE GROUP AT JUNE 30

(In thousand Euro)	June 2010	June 2009
Belgium	399,501	371,539
Europe	232,265	208,864
Middle East	77,063	56,876
Asia	35,698	30,262
Oceania	32,962	22,278
Africa	60,935	45,756
Americas	31,076	40,980
Total consolidated	**869,500**	**776,555**

5. ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

ACQUISITIONS AS OF JUNE 30, 2010

<u>Fair value of assets and liabilities of subsidiaries acquired within the period</u>

(In thousand Euro)

(In thousand Euro)	Fair Value	Accounting value
Fixed assets	5,467	5,467
Other non current assets	141	141
Other non current financial assets	12	12
Inventories	4,967	5,008
Trade receivables and other operating receivables	9,238	4,166
Other current assets	82	82
Non current provisions	(17)	(17)
Non current financial debts	(2,362)	(2,362)
Other non current liabilities	(68)	(68)
Non current derivatives	(1,014)	-
Non current deferred tax liabilities	(1,801)	(96)
Current provisions	(4)	(4)
Trade payable and other operating debts	(1,530)	(1,530)
Current financial debts	(759)	(759)
Income tax payable	(541)	(541)
Other current liabilities	(4,309)	(4,309)
Cash and cash equivalents	3,872	3,872
Fair value of assets and liabilities	**12,388**	**9,062**
Noncontrolling interests	5,570	
Acquisition price	**11,876**	
Non allocated Goodwill	**5,058**	
Purchase price paid	(10,862)	
Acquired cash	3,872	
Cash Flow	**(6,990)**	

On June 3, 2010, the group CFE has acquired a 55.04% shareholding in the Group Terryn, Belgian market leader in the production and construction of bonded laminate structure for the industrial and tertiary sectors.

The acquisition of this shareholding, realized for an amount of 11,876 thousands Euro of which 10,862 thousand Euro has been paid end of June, aims CFE to strengthen its capacity to respond to the growing trend for sustainable development in the market and enable to combine Terryn's expertise as Belgian market leader in bonded laminates with its own expertise in real estate and sustainable development.

The CFE group own and control, from this date, the equivalent of 55.04% of this company. This company is consolidated following the global consolidation method.

The consideration has been estimated considering the contractual elements and in particularly the right of the noncontrolling interests to sell its shares in 3 steps, being en of 2016, 2017 and 2018. The debt relative to this put option for 9,783 thousand euro has been accounted for under the heading "fair value of derivate instruments liabilities – non current" and in minus of the noncontrolling interests in shareholders equity.

As the acquisition of the Group Terryn was realized close to the authorization date of these financial statements and hence the determination of the fair values of the acquired assets and liabilities is still in progress, the initial recognition of this acquisition for this period has been calculated in a provisional way. Consequently, the fair values assigned to the assets and liabilities can still be changed within 12 month as from the acquisition date.

With the assumption that this regroupings had taken place on January 1, 2010, the impact on the turnover would have been in the range of 16 millions Euro and 1 million Euro on the net result.

The increase in non allocated goodwill for 8,628 thousand Euro is a result of this acquisition and a business combination realized at DEME, a joint venture of group CFE.

COMPREHENSIVE INCOME

6. REVENUE FROM AUXILIARY ACTIVITIES AND OTHER OPERATING CHARGES

Revenues from auxiliary activities amount to 21,776 thousand Euro (June 2009: 27,251 thousand Euro) and include gains on property, plant and equipment (2,464 thousand Euro – June 2009 : 648 thousand Euro), like revenues from locations, other indemnisations and reinvoicing of charges and fees (19,312 thousand Euro - 2009 : 26,603 thousand Euro). Revenues from auxiliary activities decreased by almost 20.1% in comparison to last year.

7. OTHER FINANCIAL CHARGES AND INCOME

As of June 30, (In thousand Euro)	2010	2009
Fair value adjustment	(9,329)	(1,166)
Exchange gain (loss) realized / not realized	7,879	1,184
Dividends from non-consolidated companies	1	1
Other financial income and charges	(2,363)	(1,050)
Total consolidated	**(3,812)**	**(1,031)**

The evolution of the exchange gain (loss) realized/not realized at the first half year of 2010 in comparison to the same period in 2009 is mostly explained by the valorization of the Euro compared to other foreign currency by DEME

8. NONCONTROLLING INTERESTS

As of June 30, 2010 the part of noncontrolling interests in the result amounts to -767 thousand Euro (June 2009: -120 thousand Euro) and is mainly related to DEME.

9. INCOME TAX EXPENSES

The tax charges amount to 8.560 thousand Euro for the first semester 2010 (June 2009: 7,022). The effective tax rate is 20.6% (June 2009: 17.4%). The variation of the effective tax rate is due to the fact that CFE had the same approach as its subsidiary DEME with regard to the recognition of definitively taxed revenues coming from European Union. This is the consequence of the Cobelfret decree and the circulaire of June 23, 2009. This led to the recognition of deferred tax assets by the subsidiary DEME that was previously cancelled at the segment level (impact of 2.5 millions Euro).

Besides, the effective tax rate has been influenced by the recognition of deferred tax assets on the fair value of financial instruments and the utilization of previously unrecognized losses.

This tax rate is lower than the theoretical tax rate (33.99%) which is mainly due to the fact of lower tax rate for foreign subsidiaries and to the use of previously non recognized losses.

STATEMENT OF FINANCIAL POSITION

10. PROPERTY, PLANT & EQUIPMENT

As of June 30, (In thousand Euro)	Land & buildings	Installations & equipments	Furniture & fittings	Other tangible assets	Under construction	Total
Acquisition cost	**37,326**	**992,169**	**44,988**	**-**	**121,247**	**1,195,730**
Balance at the end of the previous period	510	10,401	451		296	11,658
Effect of foreign currency fluctuations	7,563	3,185	5,631			16,379
Acquisitions through business combinations	3,271	41,975	2,396		61,627	109,269
Acquisitions	13,203	33,565	33		(37,323)	9,478
Transfers from one asset to another	(10,156)	(5,607)	(1,565)		(698)	(18,026)
Disposals		17,511	180			17,691
Change in the consolidation scope	**51,717**	**1,093,199**	**52,114**	**-**	**145,149**	**1,342,179**
Balance at the end of the year						
Depreciations & impairment						
Balance at the end of the previous period	**(20,489)**	**(539,063)**	**(35,320)**	**-**	**-**	**(594,872)**
Effect of foreign currency fluctuations	(94)	(4,289)	(305)			(4,688)
Acquisitions through business combinations	(4,584)	(2,948)	(3,446)			(10,978)
Depreciations	(758)	(40,782)	(2,223)		(42)	(43,805)
Transfers from one asset to another	162	(74)	34			122
Disposals	43	4,942	1,369			6,354
Change in the consolidation scope		(15,889)	(154)			(16,043)
Balance at the end of the period	**(25,720)**	**(598,103)**	**(40,045)**		**(42)**	**(663,910)**
Net carrying amount						
At January, 1 2010	**16,837**	**453,106**	**9,668**	**0**	**121,247**	**600,858**
At June, 30 2010	**25,997**	**495,096**	**12,069**	**0**	**145,107**	**678,268**

On 30 June, 2010, the acquisitions of tangible assets amount to 109,269 thousand Euro, and are mainly related to DEME (100,123 thousand Euro) resulting from the execution of the multi-annual investment strategy whereas the amounts of the involved investments amounts to 197 millions Euro. Payments related to these fixed assets amount to 137,054 thousand Euro for the first half year 2010.

The investments for the first half year 2010 increased by 20,372 thousand Euro compared to end of June 2009. This is mainly related to DEME.

The investments of DEME in maintenance (specific component) amount to 10,370 thousand Euro.

The amount of properties, plants, and equipments constituting a guarantee for some borrowing comes to 153,371 thousand Euro (2009: 144,447 thousand Euro).

Exercise at June 30, 2009 (In thousand Euro)	Land & buildings	Installations & equipments	Furniture & fittings	Other assets	Under construction	Total
Acquisition cost						
Balance at the end of the previous period	**36,072**	**876,584**	**43,162**	**-**	**74,108**	**1,029,926**
Exchange differences	7	1,267	(48)		392	1,618
Acquisitions through business combinations		25	168			193
Acquisitions	1,519	42,289	1,314		43,414	88,537
Disposals		(8,719)	(1,236)		(3,610)	(13,565)
Transfers	(25)	9,922	(70)		(9,869)	(42)
Balance at the end of the year	**37,574**	**921,368**	**43,290**		**104,435**	**1,106,667**
Depreciations & impairment						
Balance at the end of the period	**(18,986)**	**(477,252)**	**(32,844)**	**-**	**104,435**	**(529,082)**
Exchange differences	(4)	(304)	30			(278)
Acquisitions through business combinations		(21)	(131)			(151)
Depreciations	(484)	(34,195)	(2,189)			(36,869)
Disposals		5,519	1,383			6,591
Transfers	83	(91)	35			27
Balance at the end of the period	**(19,391)**	**(506,343)**	**(33,716)**	**-**	**-**	**(559,450)**
Net carrying amount						
At January 1, 2009	**17,086**	**399,332**	**10,318**	**-**	**74,108**	**500,844**
At June 30, 2009	**18,183**	**415,026**	**9,573**		**104,435**	**547,217**

11. PROPERTY INVESTMENTS

(In thousand Euro)	Gross Value	Depreciations	Net Value
Net value at 01/01/2010	**20,026**	**(6,720)**	**13,306**
Translation differences	(90)	6	(84)
Depreciations and impairment / reversal		(69)	(69)
Acquisitions	2,213		2,213
Disposals	(382)		(382)
Transfers between investment properties, fixed assets in inventory, and fixed assets in use			
Net value at 30/06/2010	**21,767**	**(6,783)**	**14,984**

As of June 30 2010, the property investments at the balance sheet amount to 14,984 thousand Euro (2009: 13,306 thousand Euro) and have an estimated fair value of 14,831thousand Euro (2009: 13,223 thousand Euro).

Property investments are depreciated in accordance with the same valuation rules as of property, plant & equipment items.
During the period there are no elements included as investment properties in the statement of comprehensive income.

(In thousand Euro)	Gross Value	Depreciations	Net Value
Net value at 01/01/2009	**12,368**	**(6,713)**	**5,655**
Change in the consolidation scope	3,620		3,620
Translation differences	(92)	(4)	(96)
Depreciations and impairment / reversal		(1,019)	(1,019)
Transferts	(424)		(424)
Net value at 30/06/2009	**15,472**	**(7,736)**	**7,736**

12. ASSOCIATED COMPANIES

On June 30, 2010, associated companies appeared in the statement of financial position for an amount of 7,653 thousand Euro (2009: 8,432 thousand Euro). The variation is primarily related to the capital decrease in a project company.

13. CONSTRUCTION CONTRACTS

(In thousand Euro)	**June 30, 2010**	**December 31, 2009**	**June 30, 2009**
Cumulated costs entered in contracts	1,804,037	1,355,717	1,525,156
Contract charges incurred and profits realized until the period	1,848,754	1,382,705	1,577,003
Progress billings	1,827,509	1,358,454	1,512,389
Gross amount due by the clients	59,772	50,222	98,633
Gross amount due to the clients	(38,527)	(25,971)	(34,019)
Advances received - construction contracts	(83,074)	(65,826)	(67,331)

The advances received on construction contracts are disclosed in the heading "other current liabilities". The increase is mainly explained by the advance received in the framework of dredging and environment contracts.

The amount of the incurred charges increased with the profits and reduced by the recorded losses, as well as the progress billings, is presented contract by contract.

The "Gross amount due by the clients" and the "Gross amounts due to the clients" include the "still to be invoiced" part of the headings: "trades receivables and other operating receivables" and "trades payables and other operating payables" from the financial statements. Furthermore, those headings also include "other current assets" and "other current liabilities" related to the work sites in progress.

The increase of the heading "Gross amount due by the clients" is primarily related to the partial financing of the Diabolo project.

Currently, the group CFE is in negotiation with subcontractors to solve in a friendly and simultaneous way the claims relating to the overcosts on an important site in Luxemburg. Taking into account the uncertainty of these negotiations and consequently the uncertainty on any additional profit and losses that could result from this, no provision or additional revenue has been recognized on this site. The group CFE estimates, on the basis of current information, that the risk of an additional outflow is very low.

14. INVENTORIES

As of June 30, 2010 the inventories amount to 173,847 thousand Euro (2009: 147,060 thousand Euro) and are detailed as follow:

(In thousand Euro)	**June 30, 2010**	**December 31, 2009**
Raw materials and consumables	13,553	13,319
Raw material and consumables (w/o)	(725)	(725)
Finished products	163,972	136,758
Finished products (w/o)	(2,953)	(2,292)
Stocks	**173,847**	**147,060**

The evolution of the heading raw materials and consumables is explained by the continuity in the production of real estates building sites.

As of June 30, 2010, 82 thousand Euro of stock write-off have been reversed.

15. PROVISIONS OTHER THAN PENSIONS AND NON CURRENT EMPLOYEE BENEFITS

As of June 30, 2010 these provisions amount to 56,226 thousand Euro, which represents an increase of 122 thousand Euro compared to end December 2009 (56,104 thousand Euro).

(In thousand Euro)	Termination losses	After - sale service	Other current risks	Other non current risks	Total
Balance at the end of the previous period restated	**18,890**	**8,526**	**26,390**	**2,298**	**56,104**
Effect of foreign currency fluctuations	(74)	(62)	24	2	(110)
Actualization effect					
Transfer from one heading to another	360			-360	0
Provisions recognized	7,499	766	5,511	226	14,002
Provisions used	(7,134)	(409)	(5,669)	(481)	(13,693)
Provisions reversed (not used)	(77)				(77)
Closing balance	**19,464**	**8,821**	**26,256**	**1,685**	**56,226**

of which	current:	54,541
	non-current:	1,685

The provision for termination losses increased by 574 thousand Euro and amounted to 19,464 thousand Euro at June 30, 2010. A provision for termination losses is accounted for when the expected economic benefits of the contract is lower than the unavoidable related costs in respect of the contract's obligations. The use of termination losses is related with the execution of the related contract.

The provision for after-sale service increased by 295 thousand Euro to reach 8,821 thousand Euro at June 30, 2010. The increase is explained mainly by additional provisions for decennial guarantees recognized namely in Poland, Belgium and Luxemburg.

The provision for other current risks decreased by 134 thousand Euro and amounts to 26,256 thousand Euro at June 30, 2010. This heading includes provisions for client claims (5,765 thousand Euro), remaining work to be done (1,542 thousand Euro) provisions for social litigation (172 thousand Euro) and provisions for other risks (18,777 thousand Euro). Since negotiations with customers are still in progress, we cannot give more information about the considered assumptions, nor on the time of the probable outflow.

The other non-current risks include provisions for restructuring for an amount of 712 thousand Euro at end June 2010.

16. CONTINGENT ASSETS AND LIABILITIES

According to information available we don't know any contingent assets or liabilities between the closing date and the date where the financial statements were approved by the board of directors.

17. FINANCIAL INSTRUMENTS

As of June 30, 2010, the derivative financial instruments have been estimated at their fair values, and hedge accounting has been applied in accordance with IAS 39.

18. INFORMATION RELATED TO THE NET FINANCIAL DEBT

18.1. THE NET FINANCIAL DEBT, AS DEFINED BY DE GROUP, IS ANALYZED AS FOLLOW:

(in thousand Euro)	30/06/2010			31/12/2009		
	Non-current	Current	Total	Non-current	Current	Total
Bank loans and other financial debt	(224,648)	(65,401)	(290,049)	(170,814)	(51,302)	(222,116)
Credit lines used	(79,851)	-	(79,851)	(38,861)		(38,861)
Loans related to finance lease	(18,837)	(3,969)	(22,806)	(18,417)	(4,995)	(23,412)
Total long term financial debts	(323,336)	(69,370)	(392,706)	(228,092)	(56,297)	(284,389)
Short term financial debts	-	(71,553)	(71,553)	-	(38,455)	(38,455)
Short term bank deposits	-	69,810	69,810	-	91,853	91,853
Cash at bank and in hand	-	116,375	116,375	-	78,693	78,693
Total short term net financial debt (or availabilities)	-	114,632	114,632	-	132,091	132,091
Total net financial debt	(323,336)	45,262	(278,074)	(228,082)	75,794	(152,298)
Derivatives - interest rate hedge	(8,898)	(2,722)	(11,620)	(3,909)	(2,652)	(6,561)
Derivatives - others	(9,783)		(9,783)	-	-	-

18.2. FINANCIAL DEBT MATURITY

(in thousand Euro)	Due within the year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Between 5 and 10 years	More than 10 years	Total
Bank loans and other financial debt	(65,401)	(42,631)	(52,079)	(70,536)	(57,566)	(1,836)	(290,049)
Credit lines used	-	-	(79,851)	-	-	-	(79,851)
Loans related to finance lease	(3,969)	(5,130)	(3,130)	(3,167)	(7,300)	(110)	(22,806)
Total long term financial debt	(69,370)	(87,612)	(95,209)	(73,703)	(64,866)	(1,936)	(392,706)
Short term financial debts	(71,553)	-	-	-	-	-	(71,553)
Short term bank deposits	69,810	-	-	-	-	-	69,810
Cash at bank and in hand	116,375	-	-	-	-	-	116,375
Total short term financial debt	114,632	-	-	-	-	-	114,632
Total net financial debt	45,262	(87,612)	(95,209)	(73,703)	(64,866)	(1,936)	(278,074)

18.3. CREDIT LINES AND LONG TERMS BANK LOANS.

The group CFE (excluding DEME) disposes at June 30, 2009 of 100 million Euro credit facility ("Club Deal" signed in April 2008), due in April 2013 with an option to extend for two years. On June 30, 2010, 40 millions were utilized.

Moreover, the group CFE disposes at June 30, 2009 confirmed bank credit lines for 5 million Euro. At June 30, these lines were entirely utilized.

As far as the financing of the construction of the railway axis between Zaventem and Antwerp is concerned, the group CFE obtained a revolving credit line of 40 million Euro of which 40 million Euro utilized at the end of June 2009.

The bank loans and other financial debts mainly relate to DEME or real estate projects credit facilities and are without recourse against CFE

18.4. FINANCIAL COVENANTS

The "Club Deal" at the International Coordination Center of CFE ("CCI") is subject to specific covenants which are taking into account the equity and its relation with the financial debt as well as the generated cash-flow. These covenants are fully respected.

19. INFORMATIONS RELATIVE TO THE FINANCIAL RISK MANAGEMENT

The policy and the risk management procedures defined by the group are the same as the one's declared in the 2009 annual report.

Effective average interest rate **before** considering derivative products

	Fixed rate			Floating rate			Total		
Type of debts	Amounts	Quota	Rate	Amounts	Quota	Rate	Amounts	Quota	Rate
Bank loans and other financial debts	32,061	59.21%	4.77%	257,988	76.36%	2.33%	290,049	73.86%	1.97%
Credit line used	-	0.00%	-	79,851	23.64%	1.30%	79,851	20.32%	1.30%
Loans related to finance lease	22,806	40.79%	4.36%	-	0.00%	-	22,806	5.81%	4.36%
Total	**54,867**	**13.97%**	**4.60%**	**337,839**	**86,03%**	**1.51%**	**392,706**	**100.00%**	**1.98%**

Effective average interest rate **after** considering floating derivative products

	Fixed rate			Floating rate			Floating rate capped + inflation			Total		
Type of debts	Amounts	Quota	Rate	Amounts	Quota	Rate	Amounts	Quota	Rate	Amounts	Quota	Rate
Bank loans and other financial debts	241,077	79.52%	4.43%	43,972	100.00%	2.29%	5,000	11.15%	1.79%	290,049	73.86%	4.06%
Credit line used	40,000	13.19%	4.90%	-	0.00%	-	39,851	88.85%	1.29%	79,851	20.32%	3.36%
Loans related to finance lease	22,806	7.29%	4.36%	-	0.00%	-	-	0.00%	-	22,806	5.81%	4.36%
Total	**303,883**	**77.38%**	**4.52%**	**43,972**	**11.20%**	**2.29%**	**44.851**	**11.42%**	**1.35%**	**392,706**	**100.00%**	**3.93%**

Repartition of the long term financial debts by currency

The outstanding debts (without considering finance lease debts which are mainly in Euro) by currency are:

(thousand of Euro)	June 2010	December 2009
Euro	359,344	276,938
US Dollar	2,101	1,989
Other currencies	8,455	5,453
Total long term debts	**369,900**	**284,380**

Cost of net financial debt

(thousand of Euro)	June 2010	June 2009
Income from availabilities	2,975	2,612
Derivative instruments	148	1,919
Interest charges	(6,259)	(7,076)
Total consolidated	**(3,137)**	**(2,545)**

20. COMMITMENTS GRANTED

The total amount of commitments accorded other than guarantees for the period ending June 30, 2010 is 624,900 thousand Euro (2009: 446,500 thousand Euro) and is detailed by nature as follows:

- good execution (including performance bonds) for an amount of 374,300 thousand Euro (2009: 308,700 thousand Euro) includes the guarantees accorded as part of work markets. In the event of constructor default, the bank shall pay compensation to the client for an amount equal to the guarantee.
- submission for 22,500 thousand Euro (2009: 20,800 thousand Euro) of guarantees granted in the context of adjudications related to the work markets.
- advance reimbursement of 90,150 thousand Euro (2009: 46,700 thousand Euro) regarding guarantees delivered by the bank to a client who guarantees the restitution of advances on contracts.
- the deduction of a guarantee of 20,750 thousand Euro (2009: 19,600 thousand Euro) includes the guarantees delivered by the bank to a client who takes the place of the guarantee deduction.
- commitments granted to a supplier for 44,780 thousand Euro (2009: 7,800 thousand Euro) as a warranty for the debt payment for the construction ships.
- other commitments accorded for an amount of 72,420 thousand Euro (2009: 42,900 thousand Euro).

21. COMMITMENTS RECEIVED

Commitments received by the group CFE amounted to 74,000 thousand Euro (2009: 84,100 thousand Euro).

22. CLAIMS

The group CFE is exposed to a number of claims that we qualify as normal for the construction segment. In most of the cases, the group CFE expects to conclude a transactional convention with the adverse part, which substantially reduced the number of procedures.

23. RELATED PARTIES

The transactions with related parties concerns mainly the operations with the entities in which CFE has a significant influence or a joint control.

The transactions between related parties are executed at arm’s length.

At 1st half of 2010, there was no significant variation in the nature of transactions with related parties compared to December, 31 2009.

24. SUBSEQUENT EVENTS

Nothing.

25. IMPACT OF FOREIGN CURRENCIES

The international activities of the group CFE for the construction, promotion & real estate and multitechnical segments are mainly within the Euro zone. As a consequence, the exposure to exchange risk and the impact on financial statements are limited. However, the dredging and environment segment carry out most activities within an international context. These activities are mainly in US Dollars or in currencies strictly related to the US Dollar. DEME use to practice currency rate hedging

26. RESEARCH AND DEVELOPMENT

Outside of research and development within the context of DBFM contracts (“Design, Build, Finance, Maintain”) that CFE has signed and the conception and realisation of the construction of the maritime-equipment has been realised by DEME, no other particular research and development activity has been recognized for the six months period ended June 30, 2010.

27. SEASONAL NATURE OF THE BUSINESS

The activity of construction is seasonal and depends on the climatic conditions of the winter. But this impact is small considering the diversification of the activities of the group CFE.

Sales levels and results in the first half cannot therefore be extrapolated to the full financial year. The seasonal nature of business is reflected in a net use of cash over the first half of the year.

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

Group income and expenses from normal business operations that are a seasonal, cyclical or occasional nature are accounted for using the same accounting methods as those adopted for the full-year financial statements. They are neither recognized in advance nor deferred in the interim financial statement.

28. STATUTORY AUDITORS REPORT

We have performed a limited review of the accompanying consolidated condensed balance sheet, condensed statement of comprehensive income, condensed cash flow statement, condensed statement of changes in equity and selective notes 1to 27 (jointly the “interim financial information”) of Compagnie d’entreprises CFE, SA (“the company”) and its subsidiaries (jointly “the group”) for the six-month period ended 30 June 2010. The board of directors of the company is responsible for the preparation and fair presentation of this interim financial information. Our responsibility is to express a conclusion on this interim financial information based on our review.

The interim financial information has been prepared in accordance with IAS 34, *“Interim Financial Reporting*” as adopted by the EU.

Our limited review of the interim financial information was conducted in accordance with the recommended auditing standards on limited reviews applicable in Belgium, as issued by the ”Institut des Réviseurs d’Entreprises/Instituut van de Bedrijfsrevisoren”. A limited review consists of making inquiries of group management and applying analytical and other review procedures to the interim financial information and underlying financial data. A limited review is substantially less in scope than an audit performed in accordance with the auditing standards on consolidated annual accounts as issued by the ”Institut des Réviseurs d’Entreprises/Instituut van de Bedrijfsrevisoren”. Accordingly, we do not express an audit opinion.

Based on our limited review nothing has come to our attention that causes us to believe that the interim financial information for the six-month period ended 30 June 2010 is not prepared, in all material respects, in accordance with IAS 34 “*Interim Financial Reporting”* as adopted by the EU.

Diegem, 25 August 2010

The statutory auditor

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