Intermediary Report

As of June 30, 2011

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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 2011 amounted to €870 million, similar to that of the first half of 2010.
Operating profit declined with 19% to €39.1 million (compared with €48.4 million for the first half year of 2010). Net profit attributable to the group was down 18% due to a specific difficulty in DEME's environmental business and amounts to €26.2 million (compared with €32.1 million for the first half of 2010).
The Group's order book rose with 23% to €2,379 million, (compared with €1,939 million at January 1, 2011) of which 60% are realizable after 2011.

1. Order book, revenue and results by division

Construction division

The division's revenue amounted to €363 million, representing a 5% increase compared with €345 million for the first half of 2010. This growth is attributable mainly to the consolidation of Group Terryn from the beginning of the year.

Works on the major projects Liefkenshoek railway tunnels and Coentunnel are being carried out as scheduled. Boring of the two Liefkenshoek railway tunnels was successfully completed at the beginning of July and immersion of the elements for the Amsterdam road tunnel took place on schedule in April and May 2011.

Operating profit was €5.1 million, compared with €6 million at June 30, 2010.

Net profit amounted to €4.4 million, compared with €4.9 million at the end of June 2010.

The order book at July 1, 2011 amounts to €1,018 million, up 23% compared with €826 million on January 1, 2011. This growth is attributable to a number of significant orders in the building segment booked by BPC (UP-site tower), CFE Brabant (Pole Star tower) and Bageci (Charleroi police headquarters). CFE International, meanwhile, won orders for a hotel and an administrative building in Chad, as well as, in partnership, the construction of a residential tower block in Nigeria for an oil company.
The order book is however decreasing in civil engineering works where the market is subject to strong pricing pressures.

Real estate development and management services division

Overall, real estate development and management services business remained steady and principally focussed on the residential segment. Commercialisation continued favourably on the projects Bataves (Brussels), Château de Beggen (Luxembourg) and Ocean's Four (Poland). The period also saw the completion of several one-off operations, including the sale of the South Cristal building in Brussels by a company in which CFE owned a minority interest.
During the first half, CFE Immo launched the residential project Brusilia.
Operating profit increased to €3.9 million from €2.6 million at the end of June 2010, and net profit was €2.7 million, up from €0.9 million at the end of June 2010.

Multitechnics division

The division's revenue rose 28% (26% on a constant consolidation scope basis) to nearly €88 million, compared with €69 million at the end of June 2010.
Operating profit increased appreciably to over €3.6 million, compared with €2.1 million at the end of June 2010. Almost all the division's companies show positive and growing operating results.
Net profit doubled to €2.1 million, compared with €1 million in June 2010.
The order book increased with almost 10% (8% on a constant consolidation scope basis) to €141 million, compared with €128 million at January 1, 2011. The strongest growth was recorded by VMA's industry department.

Dredging and environment division

(The figures given below for DEME are at 100%. CFE owns 50% of that company's capital.)

DEME's revenue was €825 million, down 7% from €888 million for the first half of 2010 principally as a result of the timing projects are carried out.

Operating profit fell 24% to €61.8 million, compared with €81.3 million at the end of June 2010. As announced in the press release of May 18, 2011, the decline was due to an exceptional loss on the soil sanitation project in Santos, Brazil. The contract was terminated during the second quarter of 2011 and all losses have been recognised in the half-yearly financial statements. DEME's other business activities continued to perform to their usual standard and the company's fleet occupancy rate remained high.

The division's order book significantly improved during the first half year and grew with 25% to €2,422 million (€1,935 million at January 1, 2011). DEME won significant orders in the North Sea, United Arab Emirates, Australia, Russia and Malaysia, thereby replenishing its dredging and maritime civil engineering order book.

Considering these favourable perspectives, DEME continued actively to carry out its investment program. The Congo River, a 30,000 cubic metre suction hopper dredger, was named in July 2011 and is now operational, as is the Flintstone, a fall pipe vessel that will be used for deep sea rock placement projects. Six other units are currently under construction.

Considering the significant demand of offshore windfarms, DEME signed a partnership agreement (50/50) with Hochtief in view of building and operating vessels specialized in installing offshore windfarms. In the frame of this partnership, a lifting vessel, the Innovation I, with a capacity of 8,000 tons will be built by mid-2012.

PPP – Concessions division

The Coentunnel project in Amsterdam and the Liefkenshoek railway tunnel in Antwerp are still under construction. The design studies for the schools in the German-speaking Community of Belgium have started and requests for building permits have been submitted. The first half year was therefore spent on new studies and proposal submissions, with CFE winning the order for the Charleroi police headquarters in June.
In Tunisia, works related to the marina and real estate property development project (Bizerte Cap 3000) had been suspended due to political instability in the country. These works have been resumed during the first half year 2011.
Rent-A-Port continued to develop during the first half year of 2011 its projects in Nigeria and in Oman.
The division generated an operating loss of €1.4 million, attributable mainly to the cost of studies. It also generated a net loss of €1.7 million, compared with a loss of €1.0 million at the end of June 2010.

2. Comments on the condensed consolidated statement of financial position, cash flow and CAPEX

Net financial debt (*) at the end of June 2011 amounts to €336 million, compared with €248 million at the end of 2010. This figure is made up of long-term debt of €312 million and net short-term debt of €24 million.
Cash flows from investing activities amounted to €84 million for the first half of the year, compared with €145 million for the first half of 2010. Most of these investments are related to DEME's investment programme.
The increase in working capital requirement with €69 million is mainly related to dredging activities, as well as to CFE's construction and multitechnics divisions. The Group's cash position should, however, improve slightly during the second half year.
After distribution of the dividend related to the financial year 2010 (€16.4 million), equity amounts to €480.6 million, compared with €475.5 million at the end of 2010.
CFE has confirmed middle-term credit facilities totalling €125 million, of which €85 million were unused at June 30, 2011, for its general financing needs. DEME's investments in dredgers and other marine works equipment are financed in a specific way.

3. 2011 outlook

The turnover of the group should be comparable to the one of 2010. With respect to the net result, the activity during the second half year should be able to recuperate, all or at least a significant part of the observed difference at end of June 2011.

4. Risks and uncertainties

Risks related to the sector of activity described in the annual report 2010 are still applicable during the second halfyear 2011.

5. Transactions with related parties

In the first half year of 2011, there was no significant variation in the nature of transactions with related parties compared to December, 31 2010.

6. Shareholder base

In application of the requirements of article 74 of the Belgian law of April 1, 2007 VINCI Construction informed CFE on August 19, 2011 that no changes occurred since the last notification of August 19, 2009 in the number of shares held, still representing 46.84% of the share capital of CFE.

7. Corporate governance

The Ordinary Shareholders' Meeting of May 5, 2011 renewed the appointment of SPRL Ciska Servais, represented by Ms Ciska Servais, as director for a period of four years ending immediately after the Ordinary Shareholders' Meeting in 2015.
SPRL Ciska Servais, represented by Ms Ciska Servais, meets the independence criteria defined by Article 526c of the Belgian Company Code and Corporate Governance Code.

Informed of the consequences of the law of December 20, 2010, which was published on April 5, 2011 and will come into force on January 1, 2012, the Board of Directors has decided to convene an Extraordinary Shareholders' Meeting on October 26, 2011 in order to change the company's Articles of Association and bring them into line with the new law.
The agenda will therefore include:

- shareholders' right to put items on the agenda;
- the right to participate and vote in a shareholders' meeting;
- the conditions for being represented at a shareholders' meeting (proxy);
- the possibility of remote attendance at a shareholders' meeting and/or remote voting before the meeting;
- directors and the statutory auditor to answer shareholders' written questions;
- the content of minutes of shareholders' meetings;

(*) Net financial debt does not include the fair value of derivative instruments, which amounts to €14.9 million.

- adapting the terminology used and renumbering the Articles.

Summarized consolidated financial statements and notes

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended June 30 (In thousand Euro)	Note	June 2011	June 2010
Revenue		**870,388**	**869,500**
Revenue from auxiliary activities	6	22,956	21,776
Purchases		(522,541)	(525,257)
Wages, salaries & social charges		(168,080)	(161,434)
Other operating charges		(114,144)	(111,934)
Depreciations		(49,449)	(44,220)
Goodwill depreciation			
Operating result		**39,130**	**48,431**
Gross financial debt charges	18	(6,048)	(6,110)
Financial income from cash investments	18	1,788	2,975
Other financial charges	7	(13,775)	(19,763)
Other financial income	7	7,974	15,951
Financial result		**(10,061)**	**(6,947)**
Profit before taxes for the period		**29,069**	**41,484**
Income tax expense	9	(6,199)	(8,560)
Result of the period		**22,870**	**32,924**
Share in the result of associated companies		245	(15)
Result (including non-controlling interests) for the period		**23,115**	**32,909**
Part in the non-controlling interests	8	3,120	(767)
Net result of the group		**26,235**	**32,142**
Result for the period (including non-controlling interests)		**23,115**	**32,909**
Financial instruments : change in fair values		2,823	(5,941)
Currency translation differences		(2,832)	9,903
Deferred taxes		(1,151)	1,932
Change in consolidation mode (net of deferred taxes)		-	-
Other elements of the comprehensive income		**(1,160)**	**5,894**
Comprehensive income		**21,955**	**38,803**
- Attributable to the group		25,196	37,982
- Attributable to non-controlling interests		(3,241)	821
Net result of the group per share (EUR) (diluted and basic)		2.00	2.46
Comprehensive income of the group per share (EUR) (diluted and basic)		1.92	2.90

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June (In thousand Euro)	Note	2011	June 2010
Intangible assets		9,171	8,752
Goodwill	5	27,836	27,893
Property, plant and equipment	10	786,164	750,470
Property investments	11	23,101	10,677
Investments in associated companies	12	14,558	14,100
Other non current financial assets		30,380	25,324
Non current derivative instruments		275	210
Other non current assets		10,191	9,859
Non current deferred tax assets	9	6,523	7,033
Total non current assets		**908,199**	**854,318**
Inventories	14	130,955	160,566
Trade receivables and other operating receivables	13	747,458	661,292
Other current assets	13	37,885	28,978
Current derivative instruments		421	257
Current financial assets		69	55
Cash and cash equivalents	18	157,653	175,518
Total current assets		**1,074,441**	**1,026,666**
Total assets		**1,982,640**	**1,880,984**
Issued capital		21,375	21,375
Share premium		61,463	61,463
Gain on revaluation		1,088	1,088
Hedging reserves		(1,296)	(2,968)
Retained earnings		393,153	383,283
Translation differences		(891)	1,820
Equity – Part of the Group CFE		474,892	466,061
Non-controlling interests		5,679	9,385
Equity		**480,571**	**475,446**
Pensions and employee benefits		17,124	17,784
Provisions	15	11,412	13,545
Other non current liabilities		55,273	57,998
Financial debts	18	311,664	284,104
Non current derivative instruments		13,618	16,560
Deferred tax liabilities	9	7,797	7,934
Total non current liabilities		**416,888**	**397,925**
Provisions for termination losses	15	15,253	17,817
Provisions for other current risks	15	24,583	26,970
Trade payables & other operating liabilities	13	589,931	543,299
Tax liability due for payment		35,542	32,862
Current financial debts	18	181,570	139,663
Current derivative instruments		2,006	4,787
Other current liabilities	13	236,296	242,215
Total current liabilities		**1,085,181**	**1,007,613**
Total equity and liabilities		**1,982,640**	**1,880,984**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

For the period ended June 30 (In thousand Euro)	Note	June 2011	June 2010
Operating activities			
Net profit		26,235	32,142
Depreciation of intangible assets, property, plant & equipment (PPE) and investment property		49,449	44,220
Loss/(profit) on current and non current financial assets		**7**	**(5)**
Net increase/decrease of provisions		(7,097)	553
Impairment losses on current and non current assets		(817)	1,715
Foreign exchange difference not realized (gain)/loss		(3,470)	1,809
Interest & investment income		(1,788)	(2,975)
Interest expense		7,174	6,259
Fair-value adjustment on derivatives		(629)	9,329
Loss/(profit) on sale of property, plant & equipment		(882)	(1,791)
Income tax expense		6,199	8,560
Non-controlling interests		(3,108)	767
Share in the result of companies consolidated by the equity method		(245)	15
Cash flow from operating activities before changes in working capital		**71,028**	**100,598**
Decrease/(increase) in trade receivables and other current and non current receivables		(127,287)	(12,117)
Decrease/(increase) in inventories		29,670	(21,820)
Increase/(decrease) in trade payables and other current and non current payables		29,110	(16,746)
Cash flow from operating activities		**2,521**	**49,915**
Interest paid		(7,174)	(6,259)
Interest received		1,788	2,975
Income tax paid/received		(3,834)	(7,039)
Net cash flow from operating activities		**(6,699)**	**39,592**
Investment activities			
Proceeds from the sale of fixed assets		5,772	3,151
Acquisition of fixed assets		(89,094)	(139,125)
Change in the shareholding percentage of controlled entities	5	0	(6,990)
Acquisition/Disposal of subsidiaries, net of cash acquired		(395)	757
Capital increase in companies consolidated by the equity method			(3,050)
Cash flow from investing activities		**(83,717)**	**(145,257)**
Financing activities			
Proceeds from borrowings		74,661	173,650
Debts reimbursements		12,973	(34,936)
Dividends paid		(16,365)	(15,711)
Cash flow from financing activities		**71,269**	**123,003**
Net Increase/(Decrease) of cash		(19,147)	17,338
Cash and cash equivalents at the beginning of the year		175,518	170,546
Translation differences		1,282	(1,699)
Cash and cash equivalents at the end of the year		157,653	186,185

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2011

(In thousand Euro)	Issued Capital	Share premium	Retained earnings	Results directly recognized in Equity	Gain on revaluation	Translation differences	Equity Part of the group	Non controlling interests	Total
As per December 31, 2010	**21,375**	**61,463**	**383,283**	**(2,968)**	**1,088**	**1,820**	**466,061**	**9,385**	**475,446**
Comprehensive income of the period			**26,235**	**1,672**		**(2,711)**	**25,196**	**(3,241)**	**21,955**
Dividends paid to shareholders			(16,365)				(16,365)		(16,365)
Non controlling interests								(465)	(465)
As per June 30, 2011	**21,375**	**61,463**	**393,153**	**(1,296)**	**1,088**	**(891)**	**474,892**	**5,679**	**480,571**

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	Non controlling 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								(4,573)	(4,573)
Change in the interest percentage of controlled entities and dividends from non controlling 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**

The effect reported under "business combination" is the result of the acquisition of a stake of 55.04% in the group Terryn on June 3, 2010.

The effect listed under “change in the interest percentage of controlled entities” is the result of the increase from 25% to 100% of the shareholding in the company Druart in 2010.

CAPITAL AND RESERVES

The issued capital on 30 June 2011 is represented by 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’ Meeting.

On February 23 2011 the Board of Directors proposed a dividend of 16,365 thousand Euro, corresponding to 1.25 euro gross per share. The proposal has been approved by the General Shareholders Meeting on May 5, 2011. The 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 2011**	**June 2010**
Net profit attributable to shareholders	26,235	32,142
Weighted average of the number of ordinary shares	13,092,260	13,092,260
Basic (diluted) profit by share in Euro	**2.00**	**2.46**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE EXERCISE ENDED AT JUNE 30, 2011

Preamble

The Board of Directors authorized the issue of the interim condensed consolidated financial statements on August 25, 2011.

MAIN TRANSACTIONS FOR THE SIX FIRST MONTHS OF 2011 AND THE SIX FIRST MONTHS OF 2010 WITH EFFECT ON THE SCOPE OF THE GROUP CFE

TRANSACTIONS FOR THE SIX FIRST MONTHS OF 2011

1. Construction segment

None.

2. Multitechnical segment

None.

3. Real estate and associated services segment

On January 31, 2011, the company SFE, a subsidiary of the group CFE, has acquired 20% of the shares of the new company under Moroccan law CME (Compagnie Marocaine des Energies Eoliennes solaires et Biomasses).

On March 17, 2011, the company BPI subsidiary of the group CFE, has acquired 45% of the shares of the new company under Polish law Athoria which aims to develop a construction project in Poland.

On April 4, 2011, the company CFE Immo, a subsidiary of the group CFE, has acquired 25% of the shares of a public limited company under Belgian law Grand Poste, in order to develop a shopping center project in Liège.

On April 11, 2011, the group CFE has acquired 50% of the shares of Brusilia-Building NV, which was not yet in his possession. This company is now 100% owned by the group CFE and consolidated by the full consolidation method.

On June 6, 2011, the company CFE Immo, a subsidiary of the group CFE, has acquired 40% of the shares of the companies under Luxembourg law Bayside Finance SARL and Bedford Finance SARL who hold together the shares of the Belgian companies VM Property I NV, VM Property II BVBA and Van Maerlant Residential NV. These companies were acquired in connection with the development of an office and residential project in Brussels

During the first half of 2011, the group CFE has also acquired 50% of the shares of the companies under Cyprus law Lockside LTD en Liveway LTD, and under Nigerian law Cobel Contracting Nigeria LTD. These acquisitions were made in the context of the development of a construction project in Nigeria.

On March 31, 2011, the company CFE Immo, a subsidiary of the group CFE, sold his shares, namely 28%, of the Administratief and Maritiem Centrum Antwerp NV ("AMCA").

On June 30, 2001, the company Construction Management, a subsidiary of the group CFE, has sold all his shares, namely 39%, of the Société de Développement du Bois de Péronne NV.

4. Dredging and environment segment

During the first half year of 2011, the joint venture DEME has acquired through its subsidiary:
- a 50% shareholding in company under Belgian law Terranova NV, whose objective is to conduct research into the treatment of waste;
- a 51% shareholding in company under Belgian law MSB NV, and
- a 19% shareholding in company under Belgian law Otary RS NV whose goal is the development and operation of wind farms.

In addition, Ecoterres Holding NV, a 74.9% subsidiary of DEME, has acquired all the shares of the public limited company under Belgian law Agroviro from the companies Dredging International NV and DEME NV. Agroviro specializes in cleaning up sludge. On June 30, 2011, the company is fully consolidated by the recognition of non-controlling interests of 25.1%.

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 Roeselaere 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: “Château de Beggen SA” and “Blauenberg SA”, in order to develop several residential projects (14 residences including about 170 apartments and 191 parking) on land that they own.

On May 17, 2010, the company CLI also acquired 50% of the limited company under Luxembourg law “Rondriesh 123” in order to develop an office project on a land belonging that they own.

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%.
The South City complex can accommodate almost 31,000 m² of offices and a hotel with 142 rooms.
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 that has been completed. The rest of the complex will be completed in the coming months.

4. Dredging and environment segment

None.

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, 2010.

The retained accounting principles are the same that the principle used for the yearly consolidated financial statement at December 31, 2010, except for:

- 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 Company decided to not anticipate the application standards and interpretations here below that are not mandatory on June 30, 2011.

- IFRS 9 *Financial Instruments* (applicable for annual periods beginning on or after 1 January 2013)
- IFRS 10 *Consolidated Financial Statements* (applicable for annual periods beginning on or after 1 January 2013)
- IFRS 11 *Joint Arrangements* (applicable for annual periods beginning on or after 1 January 2013)
- IFRS 12 *Disclosures of Interests in Other Entities* (applicable for annual periods beginning on or after 1 January 2013)
- IFRS 13 *Fair Value Measurement* (applicable for annual periods beginning on or after 1 January 2013)
- Amendment to IFRS 1 *First Time Adoption of International Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters* (applicable for annual periods beginning on or after 1 July 2011)
- Amendment to IFRS 7 *Financial Instruments: Disclosures – Derecognition* (applicable for annual periods beginning on or after 1 July 2011)
- Amendment to IAS 1 *Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income* (applicable for annual periods beginning on or after 1 July 2012)
- Amendment to IAS 12 *Income Taxes – Deferred Tax: Recovery of Underlying Assets* (applicable for annual periods beginning on or after 1 January 2012)

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 NV, Coentunnel Company NV and C-Power at DEME.

Evolution of the consolidation scope

Number of entities	June 2011	December 2010
Global method of consolidation	56	57
Proportionate method of consolidation	155	138
Equity method	11	14
Total	**222**	**209**

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 elimination process is:

- 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 gains coming from these operations are recognized in the section "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 derivative products used for hedging investments in foreign subsidiaries are recorded under translation differences in equity.

3. RULES AND EVALUATION METHODS

3.1. RECOURSE TO ESTIMATES

The 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 use of estimates concerns in particular following elements:

- valuation of the result according to the progress of the construction contracts;
- valuations used for tests of impairments;
- valuation of share-based payments (costs IFRS 2);
- valuations of pensions;
- valuations of the provisions;
- valuation 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 REPORTS

Pensions benefits obligations

No actuarial calculations have been made for the condensed interim consolidated account. The cost of employee benefits for the first six months is equal to half of the net charges for 2011 on the basis of actuarial assumptions at December 31, 2010.

4. SEGMENT REPORTING

4.1 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Sales		**EBIT**				**Financial result**		**Taxes**			
	June 2011	June 2010	June 2011	% Sales	June 2010	% Sales	June 2011	June 2010	June 2011	Rate	June 2010	Rate
Construction	363,464	344,719	5,103	1.4%	6,038	1.8%	(936)	(385)	(342)	8.2%	(729)	12.9%
Construction – non recurrent												
Real estate development and associated services	13,831	10,136	3,898	28.2%	2,628	25.9%	(969)	(1,719)	(417)	13.3%	(51)	5.7%
Eliminations : construction – real estate	*(2,694)*	*5,000*	*(374)*		*(274)*				*115*		*53*	
Multitechnics	87,788	68,699	3,645	4.2%	2,094	3%	(254)	(110)	(1,191)	35.1%	(839)	42.3%
Multitechnics – non recurrent												
PPP - Concessions	1,056	1,162	(1,366)	(129.4%)	(1,609)	(138.5%)	(310)	398	(2)	(0.1%)	122	9.7%
Eliminations : Construction – other	*(5,705)*	*(3,853)*	*(500)*		*(406)*							
Dredging and environment	412,748	443,912	30,919	7.5%	40,628	9.2%	(8,790)	(4,999)	(4,357)	19.5%	(7,074)	19.8%
Eliminations between dredging and other segments	*(100)*	*(274)*	*(73)*									
Correction DEME			*(547)*		*(269)*						*(18)*	
Holding			(1,575)		(399)		1,197	(132)	(5)	(1.5%)	(24)	(4.5%)
Other non recurrent elements												
Total consolidated	**870,388**	**869,501**	**39,130**	**4.5%**	**48,431**	**5.6%**	**(10,062)**	**(6,947)**	**(6,199)**	**17.0%**	**(8,560)**	**20.6%**

	Share in the results of associated companies		Result of the group				Non cash elements		EBITDA			
	June 2011	June 2010	June 2011	% Sales	June 2010	% Sales	June 2011	June 2010	June 2011	% Sales	June 2010	% Sales
Construction			4,377	1.2%	4,925	1.4%	3,481	3,043	8,584	2.4%	9,081	2.6%
Construction – non recurrent												
Real estate development and associated services	207	(3)	2,728	19.7%	902	8.9%	(2,051)	3,766	2,054	14.8%	6,391	63.0%
Eliminations : construction – real estate			(259)		(221)				(374)		(274)	
Multitechnics			2,122	2.4%	997	1.5%	1,382	1,979	5,027	5.7%	4,073	5.9%
Multitechnics – non recurrent												
PPP - Concessions	(129)	(44)	(1,715)	(162.4%)	(1,024)	(88.1%)	240	185	(1,254)	(118.8%)	(1,468)	(126.4%)
Eliminations : Construction - other			(500)		(406)				(500)		(406)	
Dredging and environment	167	32	20,485	5.0%	27,810	6.3%	38,041	37,332	69,127	16.7%	77,993	17.6%
Eliminations between dredging and other segments			(73)						(73)			
Correction DEME			(547)		(287)				(547)		(269)	
Holding			(383)		(556)		1,082	(251)	(493)		(649)	
Other non recurrent elements												
Total consolidated	**245**	**(15)**	**26,235**	**3.0%**	**32,142**	**3.7%**	**42,175**	**46,054**	**81,551**	**9.4%**	**94,471**	**10.9%**

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

4.2 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At June 30th 2011 (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	19	16,965	9,941	0	0	0	**27,836**
Property, plant and equipment	46,649	5,743	11,022	714,641	7,913	196	0	**786,164**
Long term loans to consolidated companies of the group	16,802	0	0	0	0	49,720	(66,522)	**0**
Other non-current financial assets	1,006	8,203	50	15,123	4,727	1,271	0	**30,380**
Other non current assets	5,503	14,830	3,819	19,978	11,198	173,304	(164,813)	**63,819**
Inventories	9,297	110,773	5,649	4,590	0	646	0	**130,955**
Cash and cash equivalent	47,138	8,796	5,973	87,101	1,521	7,124	0	**157,653**
Internal cash position – cash pooling - assets	58,320	663	7,587	0	0	146,208	(212,778)	**0**
Other current financial assets – companies of the group								
Other current assets	409,615	37,084	75,069	277,102	6,524	12,985	(32,546)	**785,833**
Total assets	**595,241**	**186,111**	**126,134**	**1,128,476**	**31,883**	**391,454**	**(476,659)**	**1,982,640**
LIABILITIES								
Equity	41,931	34,930	53,100	325,822	887	184,502	(160,601)	**480,571**
Non current borrowing to consolidated companies of the group	46,703	1,608	450	0	1,095	16,666	(66,522)	**0**
Non current financial debt	4,622	5,989	4,090	219,661	2,803	74,500	0	**311,665**
Other non current liabilities	47,158	16,929	762	36,070	0	8,516	(4,212)	**105,223**
Current financial debts	2,080	3,516	1,020	168,657	1,735	4,562	0	**181,570**
Internal cash position – cash pooling - liabilities	25,079	97,921	13,387	0	9,826	66,565	(212,778)	**0**
Other current liabilities	427,668	25,218	53,325	378,266	15,537	36,143	(32,546)	**903,611**
Total equity and liabilities	**595,241**	**186,111**	**126,134**	**1,128,476**	**31,883**	**391,454**	**(476,659)**	**1,982,640**

At December 31st, 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	911	77	16,964	9,941	0	0	0	**27,893**
Property, plant and equipment	47,024	1,890	11,387	682,968	6,978	223	0	**750,470**
Long term loans to consolidated companies of the group	16,795	0	0	0	0	49,981	(66,776)	**0**
Other non current financial assets	968	7,404	50	8,857	4,420	3,625	0	**25,324**
Other non current assets	3,787	3,365	3,858	20,303	11,013	171,747	(163,442)	**50,631**
Inventories	13,730	137,148	4,868	4,173	0	647	0	**160,566**
Cash and cash equivalent	49,308	10,537	3,239	94,480	1,932	16,022	0	**175,518**
Internal cash position – cash pooling – assets	89,048	661	8,901	0	0	134,299	(232,909)	**0**
Other current financial assets – companies of the group								
Other current assets	331,988	46,699	64,683	253,966	2,822	27,251	(36,827)	**690,582**
Total assets	**553,559**	**207,781**	**113,950**	**1,074,688**	**27,165**	**403,795**	**(499,954)**	**1,880,984**
LIABILITIES								
Equity	46,032	33,367	52,180	326,029	(3,123)	181,024	(160,063)	**475,446**
Non current borrowing to consolidated companies of the group	47,482	1,528	0	0	1,084	16,682	(66,776)	**0**
Non current financial debt	4,852	5,083	4,061	215,459	664	53,985	0	**284,104**
Other non current liabilities	44,682	16,068	771	47,543	0	8,137	(3380)	**113,821**
Current financial debts	1,887	13,322	1,515	119,589	2,261	1,089	0	**139,663**
Internal cash position – cash pooling - liabilities	17,248	95,186	5,978	0	15,885	98,612	(232,909)	**0**
Other current liabilities	391,376	43,227	49,445	366,068	10,394	44,266	(36,826)	**867,950**
Total equity and liabilities	**553,559**	**207,781**	**113,950**	**1,074,688**	**27,165**	**403,795**	**(499,954)**	**1,880,984**

4.3 CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

At December 30th 2011 (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	7,660	1,173	5,102	59,703	(1,538)	(1,072)	**71,028**
Cash flow from operating activities	(32,191)	8,097	(4,720)	22,523	6,215	(6,623)	**(6,699)**
Cash flow from investing activities	(7,715)	(3,751)	(1,253)	(67,187)	(2,192)	(1,619)	**(83,717)**
Cash flow from financing activities	1,498	(1,879)	(1,295)	36,002	2,920	34,023	**71,269**
Net increase/(decrease) of cash	(38,408)	2,467	(7,268)	(8,662)	6,943	25,781	**(19,147)**

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 operating activities before changes in working capital	8,303	5,479	4,087	84,783	(769)	(1,285)	**100,598**
Cash flow from operating activities	1,846	(30,882)	25,231	32,598	1,567	9,232	**39,592**
Cash flow from investing activities	(11,630)	752	(4,379)	(125,713)	(3,439)	(848)	**(145,257)**
Cash flow from 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**

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

4.4. OTHER INFORMATION

At June 30th 2011 (In thousand Euro)	Construction	Real Estate & associated services	Multi-technical	Dredging and environment	Concessions-PPP	Holding and eliminations	Total consolidated
Amortizations	(8,568)	(155)	(1,643)	(38,109)	(240)	(734)	**(49,449)**
Investments	8,262	85	1,245	76,580	2,265	1,619	**90,056**

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**

REVENUE BREAKDOWN GENERATED BY THE CONSTRUCTION DIVISION

(In thousand Euro)	June 2011	June 2010
Building	212,746	198,244
Civil engineering	120,636	114,947
Roads	23,435	22,124
Other	6,647	9,404
Total	**363,464**	**344,719**

4.5 GEOGRAPHICAL SECTOR

REVENUE OF CFE GROUP AT JUNE 30

(In thousand Euro)	June 2011	June 2010
Belgium	447,092	399,501
Europe	223,327	232,265
Middle East	24,396	77,063
Asia	24,716	35,698
Oceania	10,633	32,962
Africa	97,693	60,935
Americas	42,531	31,076
Total consolidated	**870,388**	**869,500**

5. ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

ACQUISITIONS AS OF JUNE 30, 2011

Acquisitions of subsidiaries made during the first half of 2011 have been described above in the section “preamble”.

The acquisitions realized in the division “Real estate & associated services” are not business combinations and therefore the full price paid has been allocated to land and buildings in stock.

In addition, the joint venture DEME has achieved business combinations by gaining control of the company Terranova NV and MSB NVSA and acquired a significant influence in the company Otary RS NV.

COMPREHENSIVE INCOME

6. REVENUE FROM AUXILIARY ACTIVITIES AND OTHER OPERATING CHARGES

Revenues from auxiliary activities amount to 22,956 thousand Euro (2010: 21,776 thousand Euro) and included gains on property, plant and equipment for 1,523 thousand Euro (2010: 2,464 thousand Euro), as well as rent income, recharges of costs and other compensation for 21,433 thousand Euro (2010: 19,312 thousand Euro). Compared to last year, revenues from auxiliary activities are decreased by almost 5.4%.

7. OTHER FINANCIAL CHARGES AND INCOME

As of June 30, (In thousand Euro)	**2011**	**2010**
Fair value adjustment	(48)	(9,329)
Exchange gain (loss) realized / not realized	(3,651)	7,879
Dividends from non-consolidated companies	0	1
Other financial income and charges	(2,102)	(2,363)
Total consolidated	**(5,801)**	**(3,812)**

The evolution of the exchange gain (loss) realized/not realized in the first half year of 2011 compared to the same period in 2010 is mostly explained to the valuation of the Euro against other foreign currencies in DEME

8. NON-CONTROLLING INTERESTS

As of June 30, 2011 the part of non-controlling interests in the result amounts to 3,120 thousand Euro (June 2010: (767) thousand Euro) and is mainly related to DEME.

9. INCOME TAX EXPENSES

The tax charges amount to 6,199 thousand Euro for the first half year 2011 (June 2010: 8,560). The effective tax rate is 21.3% (June 2010: 20.6%).

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, 2011 (In thousand Euro)	Land & buildings	Installations & equipments	Furniture & fittings	Other tangible assets	Under construction	Total
Acquisition cost						
Balance at the end of the previous period	**55,803**	**1,089,104**	**40,786**	**0**	**209,251**	**1,394,944**
Effect of foreign currency fluctuations	(179)	(5,080)	(189)	0	(261)	(5,709)
Acquisitions through business combinations	0	0	0	0	0	0
Acquisitions	2,689	29,439	2,403	0	51,982	86,513
Transfers from one asset to another	3,657	349	(81)	0	(74)	3,851
Disposals	(102)	(7,242)	(1,236)	0	(339)	(8,919)
Change in the consolidation scope	0	0	0	0	0	0
Balance at the end of the year	**61,868**	**1,106,570**	**41,683**	**0**	**260,559**	**1,470,680**
Depreciations & impairment						
Balance at the end of the previous period	**(21,250)**	**(589,094)**	**(32,395)**	**0**	**(1,735)**	**(644,474)**
Effect of foreign currency fluctuations	49	2,141	136	0	37	2,363
Acquisitions through business combinations	0	0	0	0	0	0
Depreciations	(1,229)	(45,419)	(1,968)	0	(10)	(48,626)
Transfers from one asset to another	338	310	238	0	15	901
Disposals	102	4,043	1,082	0	93	5,320
Change in the consolidation scope	0	0	0	0	0	0
Balance at the end of the period	**(21,990)**	**(628,019)**	**(32,907)**	**0**	**(1,600)**	**(684,516)**
Net carrying amount						
At January, 1 2011	**34,553**	**500,010**	**8,391**	**0**	**207,516**	**750,470**
At June, 30 2011	**39,878**	**478,551**	**8,776**	**0**	**258,959**	**786,164**

On 30 June, 2011, the acquisitions of tangible assets amount to 86,513 thousand Euro, and are mainly related to DEME (76,432 thousand Euro) resulting from the execution of the multi-annual investment strategy with committed investments amounting to 312 millions Euro. Disbursments related to these fixed assets amount to 89,915 thousand Euro for the first half year 2011.

The investments for the first half year 2011 decreased by 22,756 thousand Euro compared to end of June 2010. This is mainly related to DEME.

The investments of DEME in maintenance (specific component) amount to 7,790 thousand Euro.

The amount of properties, plants, and equipments constituting a guarantee for some borrowing amounts to 287,757 thousand Euro (December 2010: 302,713 thousand Euro).

As of June 30, 2010 (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**

11. PROPERTY INVESTMENTS

(In thousand Euro)	Gross Value	Depreciations	Net Value
Net value at 01/01/2011	**21,998**	**(11,321)**	**10,677**
Translation differences	(16)	(7)	(23)
Depreciations and impairment / reversal		(62)	(62)
Acquisitions	1,327		1,327
Disposals	(207)		(207)
Transfers between investment properties, fixed assets in inventory, and fixed assets in use	12,577	(1,188)	11,389
Net value at 30/06/2011	**35,679**	**(12,578)**	**23,101**

As of June 30 2011, the property investments at the balance sheet amount to 23,101 thousand Euro (December 2010: 10,677 thousand Euro) and have a fair value at least equal to their net book value.

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 in the statement of comprehensive income related to investment properties.

(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**

12. ASSOCIATED COMPANIES

On June 30, 2011, associated companies amount to 14,558 thousand Euro (December 2010: 14,100 thousand Euro) in the statement of financial position.

13. CONSTRUCTION CONTRACTS

The amount of incurred costs increased by profits and decreased by recognized losses as well as by progress billing is determined by contract.

(In thousand Euro)	30 juin 2011	31 décembre 2010
Balance sheet data		
Construction contracts in progress, assets	83,996	44,939
Construction contracts in progress, liabilities	(33,708)	(30,296)
Construction contracts in progress, net	**50,288**	**14,643**
Total income and expenses to date recognized on contracts in progress		
Costs incurred plus profits recognized, less losses recognized to date	1,977,488	2,009,678
Less invoices issued	(1,927,200)	(1,995,035)
Construction contracts in progress, net	**50,288**	**14,643**

14. INVENTORIES

On June 30, 2011 the inventories amount to 130,955 thousand Euro (December 2010: 160,566 thousand Euro) and are detailed as follow:

(In thousand Euro)	June 30, 2011	December 31, 2010
Raw materials and consumables	13,982	15,204
Raw material and consumables (impairment losses)	(725)	(725)
Finished products and goods purchased for resale	120,172	149,254
Finished products (impairment losses)	(2,474)	(3,167)
Stocks	**130,955**	**160,566**

The decrease in the category finished products and goods purchased for resale is mainly explained by the continuity of the production of the sites in real estate.

15. PROVISIONS OTHER THAN PENSIONS AND NON CURRENT EMPLOYEE BENEFITS

On June 30, 2011 these provisions amount to 51,248 thousand Euro, which represents a decrease of 7,084 thousand Euro compared to the end of December 2010 (58,332 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	**17,817**	**9,458**	**17,512**	**13,545**	**58,332**
Effect of foreign currency fluctuations	53	45	(8)	(3)	87
Actualization effect					
Transfer from one category to another	0	0	(19)	19	0
Provisions recognized	5,248	746	1,940	382	8,316
Provisions used	(6,780)	(492)	(3,958)	(2,531)	(13,761)
Provisions reversed	(1,085)	(313)	(328)	0	(1,726)
Closing balance	**15,253**	**9,444**	**15,139**	**11,412**	**51,248**

of which	current:	39,836
	non-current:	11,412

The provision for termination losses decreased with 2,564 thousand Euro and amount to 15,253 thousand Euro on June 30, 2011. These provisions are recognized when the expected economic benefits of certain contracts are lower than the unavoidable cost of meeting its obligations to them. The use of termination losses is related with the execution of the related contract.

The provision for after-sale service decreased by 14 thousand Euro to reach 9,444 thousand Euro on June 30, 2011.

The provision for other current risks decreased by 2,373 thousand Euro and amounts to 15,139 thousand Euro at June 30, 2011. This category includes provisions for customer claims (6,316 thousand Euro), for social litigation (5 thousand Euro), for remaining work (1,385 thousand Euro) and provisions for other risks (7,433 thousand Euro). Since negotiations with customers are still in progress, we cannot give more information about the considered assumptions, nor on the time of the probable cash outflow.

The other non-current risks include provisions for restructuring for an amount of 11,412 thousand Euro at the end of June 2011.

16. CONTINGENT ASSETS AND LIABILITIES

According to the available information, we have no knowledge of 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

On June 30, 2011, 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)	30/06/2011			31/12/2010		
	Non-current	Current	Total	Non-current	Current	Total
Bank loans and other financial debt	(220,770)	(65,855)	(286,625)	(216,283)	(70,611)	(286,894)
Credit lines used	(74,500)		(74,500)	(49,851)	-	(49,851)
Loans related to finance lease	(16,395)	(4,056)	(20,451)	(17,969)	(4,506)	(22,475)
Total long term financial debts	(311,665)	(69,911)	(381,576)	(284,103)	(75,117)	(359,220)
Short term financial debts	-	(111,659)	(111,659)	-	(64,547)	(64,547)
Short term bank deposits	-	50,791	50,791	-	78,140	78,140
Cash at bank and in hand	-	106,862	106,862	-	97,378	97,378
Total short term net financial debt (or availabilities)	-	45,994	45,994	-	110,971	110,971
Total net financial debt	(311,665)	(23,917)	(335,582)	(284,103)	35,854	(248,249)
Derivatives - interest rate hedge	(3,413)	(2,006)	(5,419)	(6,420)	(1,711)	(8,131)

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	(65,855)	(35,177)	(49,218)	(83,222)	(53,124)	(29)	(286,625)
Credit lines used	-	(59,500)	-	(15,000)	-	-	(74,500)
Loans related to finance lease	(4,056)	(2,289)	(3,299)	(3,805)	(6,922)	(80)	(20,451)
Total long term financial debt	**(69,911)**	**(96,966)**	**(52,517)**	**(102,027)**	**(60,046)**	**(109)**	**(381,576)**
Short term financial debts	(111,659)	-	-	-	-	-	(111,659)
Short term bank deposits	50,791	-	-	-	-	-	50,791
Cash at bank and in hand	106,862	-	-	-	-	-	106,862
Total short term financial debt	**45,994**	-	-	-	-	-	**45,994**
Total net financial debt	**(23,917)**	**(96,966)**	**(52,517)**	**(102,027)**	**(60,046)**	**(109)**	**(335,582)**

18.3. CREDIT LINES AND LONG TERMS BANK LOANS.

The group CFE (excluding DEME) has on June 30, 2011 credit facilities (“syndicated loan” signed in April 2008) for 91 million Euro, terminating in April 2013. On June 30, 2011, these credit facilities were utilized for 22 million Euro.

Moreover, the group CFE has on June 30, 2011 confirmed bank credit lines for 51.9 million Euro of which 19.2 million Euro were utilized at the end of June 2011.

Regarding the financing of the construction of the railway between Zaventem and Antwerp, the group CFE has a revolver credit line of 40 million Euro of which 33.5 million Euro were utilized at the end of June 2011.

The bank loans and other financial debts mainly relate to DEME or to real estate projects and are without recourse towards CFE.

18.4. FINANCIAL COVENANTS

The "syndicated loan" at the International Finance Center CFE 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 2010 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	19,157	48.37%	4.28%	267,468	78.21%	3.08%	286,625	75.12%	3.16%
Credit line used	-	0.00%	-	74,500	21.79%	2.36%	74,500	19.52%	2.36%
Loans related to finance lease	20,451	51.63%	4.18%	-	0.00%	-	20,451	5.36%	4.18%
Total	**39,608**	**100.00%**	**4.23%**	**341,968**	**100.00%**	**2.93%**	**381,576**	**100.00%**	**3.06%**

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	270,256	83.36%	4.30%	16,369	52.18%	4.89%	-	0.00%	-	286,625	75.12%	4.33%
Credit line used	33,500	10.33%	5.15%	15,000	47.82%	2.63%	26,000	100.00%	2.21%	74,500	19.52%	3.61%
Loans related to finance lease	20,451	6.31%	4.18%	-	0.00%	-	-	0.00%	-	20,451	5.36%	4.18%
Total	**324,207**	**100.00%**	**4.38%**	**31,369**	**100.00%**	**3.81%**	**26,000**	**100.00%**	**2.21%**	**381,576**	**100.00%**	**4.18%**

Repartition of the long term financial debts by currency

The outstanding debts by currency are:

(thousand of Euro)	June 2011	December 2010
Euro	371,547	350,426
US Dollar	1,382	1,713
Other currencies	8,647	7,081
Total long term debts	**381,576**	**359,220**

Cost of net financial debt

(thousand of Euro)	June 2011	June 2010
Income from availabilities	1,788	2,975
Derivative instruments	1,184	148
Interest charges	(7,174)	(6,259)
Total consolidated	**(4,202)**	**(3,137)**

20. COMMITMENTS GRANTED

The total amount of commitments granted other than guarantees for the period ended June 30, 2011 is 569,924 thousand Euro (December 2010: 576,005 thousand Euro) and is detailed by nature as follows:

- satisfactory execution (including performance bonds) for an amount of 315,444 thousand Euro (2010: 328,550 thousand Euro) includes the guarantees in connection with the completion of the works. In case of failure of the manufacturer, the bank agrees to indemnify the customer in the amount of the guarantee;
- quotes for 19,550 thousand Euro (2010: 4,399 thousand Euro) cover the guarantees given in connection with tenders for works contracts;
- advance reimbursements of 41,464 thousand Euro (2010: 23,383 thousand Euro) regard guarantees delivered by the bank to a client who guarantees the restitution of advances on contracts;
- retention guarantees of 26,475 thousand Euro (2010: 49,169 thousand Euro) include the guarantees issued by the bank to customers replacing the holdback;
- commitments granted to suppliers for 48,050 thousand Euro (2010: 49,175 thousand Euro) as guarantees the payment of debts for the construction of dredgers;
- other commitments granted for an amount of 118,941 thousand Euro (2010: 121,329 thousand Euro).

21. COMMITMENTS RECEIVED

Commitments received by the group CFE amounted to 104,573 thousand Euro (2010: 106,208 thousand Euro).

22. CLAIMS

The CFE group has a number of claims that we qualify as normal for the construction industry. 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.

The consolidated condensed financial statement at June 30, 2011 includes a receivable of 12.5 million Euro, whose payment terms were the subject of a Memorandum of Understanding. The latter states that the debt must be paid no later than October 31, 2011. The CFE group is confident about the recoverability of this receivable.

23. RELATED PARTIES

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

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

In the first half year of 2011, there was no significant variation in the nature of transactions with related parties compared to December, 31 2010.

24. SUBSEQUENT EVENTS

None.

25. IMPACT OF FOREIGN CURRENCIES

The international activities of the group CFE for the construction, real estate & associated services and multi-technical 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 realize a large part of its business internationally. These activities are mainly in US Dollars or in currencies strictly related to the US Dollar. DEME uses financial instruments to hedge exchange rate risk.

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, 2011.

27. SEASONAL NATURE OF THE BUSINESS

The activity of construction is seasonal and depends on the climatic conditions of the winter. However, taking into account the diversification of the CFE group, the impact is relatively limited

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

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

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

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 1 to 27 (jointly the "interim financial information") of Compagnie d'Entreprises CFE, NV ("the company") and its subsidiaries (jointly "the group") for the six-month period ended 30 June 2011. 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 2011 is not prepared, in all material respects, in accordance with IAS 34 "*Interim Financial Reporting"* as adopted by the EU.

Diegem, 25 August 2011

The statutory auditor

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