

Intermediary Report

As of June 30, 2013

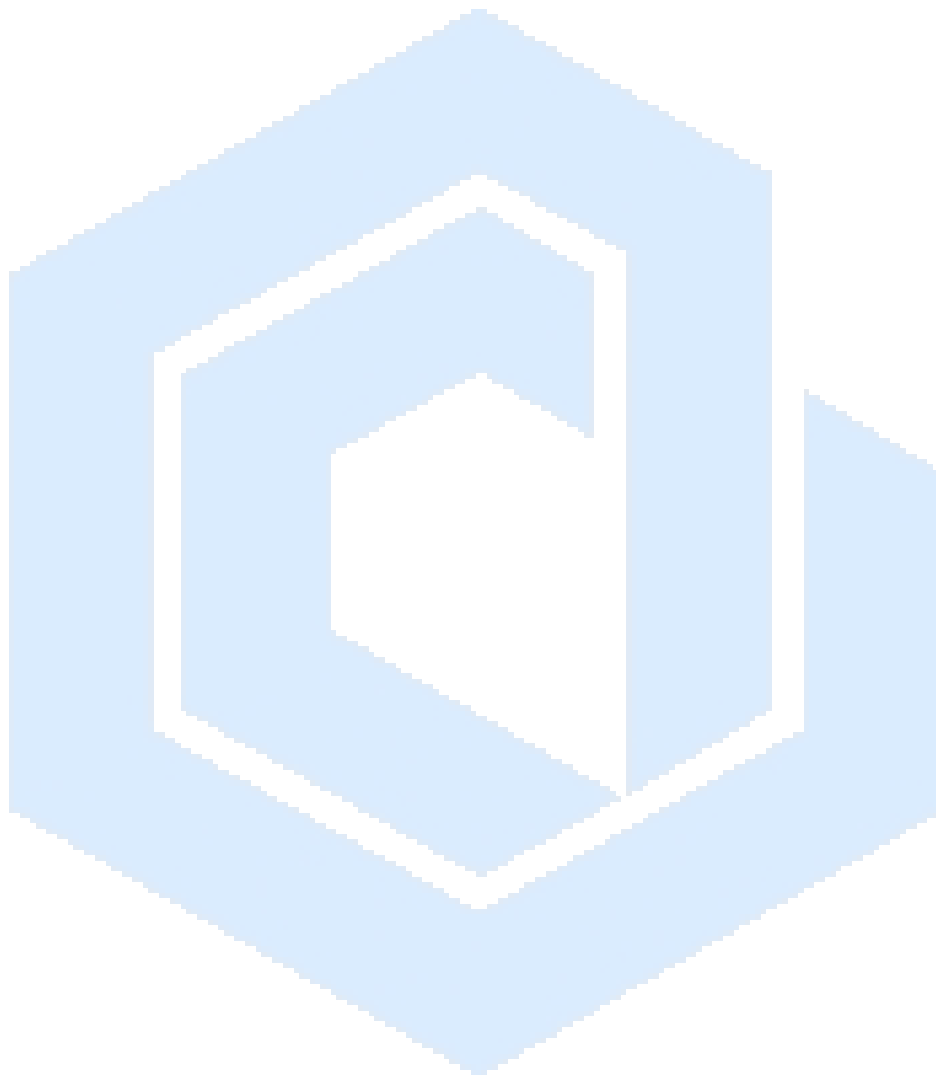


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The management report should be read together with the interim condensed consolidated financial statements of the group CFE.

The Board of Directors of CFE examined and approved the H1 2013 financial statements at its meeting on August 27, 2013.

1. Key figures in the first half of 2013

Consolidated revenue at June 30 by division

in €millions	At June 30		% change
	2013	2012	
Contracting	463.0	439.9	+5.3%
-Construction	341.1	324.6	+5.1%
-Rail-Road	44.2	41.1	+7.5%
-Multitechnics	77.7	74.2	+4.7%
Real Estate Development and Management Services	6.7	16.8	n.s.
Dredging and Environment	603.5	452.0	+33.5%
PPP - Concessions	2.9	6.5	n.s.
Holding company and consolidation adjustments	6.8	-9.3	n.s.
Total	1,082.8	905.9	+19.5%

Operating income by division

in €thousands	At June 30		% change
	2013	2012	
Contracting	-11,928	-126	n.s.
-Construction	-7,246	-1,698	n.s.
- Rail-Road	1,403	1,681	-16.5%
-Multitechnics	-6,085	-109	n.s.
Real Estate Development and Management Services	1,171	5,003	n.s.
Dredging and Environment	35,193	24,866	+41.5%
PPP - Concessions	-106	1,885	n.s.
Holding company and consolidation adjustments	-3,281	-2,363	n.s.
Goodwill amortisation	-1,660	-	n.s.
Total	19,389	29,265	-33.7%

Net income attributable to the Group by division

in €thousands	At June 30		% change
	2013	2012	
Contracting	-15,107	-1,418	n.s.
-Construction	-8,972	-1,725	n.s.
- Rail-Road	799	1,034	-22.7%
-Multitechnics	-6,934	-727	n.s.
Real Estate Development and Management Services	17	2,778	n.s.
Dredging and Environment	16,437	13,142	+25.1%
PPP - Concessions	2,091	823	n.s.
Holding company and consolidation adjustments	-1,560	-1,282	n.s.
Goodwill amortisation	-1,660	-	n.s.
Total	218	14,043	n.s.

Consolidated order book by division

in €millions	At June 30		% change
	June 30, 2013	December 31, 2012	
Contracting	1,236.6	1,195.6	+3.4%
-Construction	992.1	964.2	+2.9%
- Rail-Road	81.8	65.8	+24.3%
-Multitechnics	162.7	165.6	-1.8%
Real Estate Development and Management Services	20.5	14.1	n.s.
Dredging and Environment	1,477.0	1,658.5	-10.9%
PPP - Concessions	-	-	-
Holding company and consolidation adjustments	-	-	-
Total	2,734.1	2,868.2	-4.7%

CFE's consolidated revenue at June 30, 2013 totalled €1,082.8 million, i.e. grew 19.5% from June 30, 2012 (19.3% at constant consolidation area).

Revenue in the Contracting business line rose 5.3% (4.8% at constant consolidation area) up to €463 million, including the Construction division (€341.1 million), the Rail-Road division (€44.2 million) and the Multitechnics division (€77.7 million).

Revenue contracted at Real Estate Development and Management Services but not to a significant extent, because the level of business and commercialisation remained satisfactory.

Revenue at Dredging and Environment grew 33.5% and climbed to (CFE share) €603.5 million.

Operating income amounted to €9.4 million, down 33.7% from June 30, 2012. The decline was mainly due to construction and Multitechnics operations. PPP - Concessions and Rail-Road delivered good results, while the dredging business, after a tough first half, grew after large contracts in Qatar and Australia did not start up until the end of the first half of 2013.

Net income attributable to the Group totalled €0.2 million versus €4.0 million at June 30, 2012.

Year-to-date order intake at June 30, 2013 totalled €949 million, including €504 million in Contracting and €422 million in Dredging and Environment.

The **order book** came in at €2,734.1 million, down 4.7% from December 31, 2012. The decline was accounted for by Dredging and Environment where order intake dropped 10.9%.

2. Analysis income by division, revenue and order book

Construction division

Revenue

in €millions	H1 2013	H1 2012	% change
Civil engineering	68.8	77.7	-11.5%
Buildings, Benelux	222.5	215.8	+3.1%
Buildings, International	49.8	31.1	+60.1%
Total	341.1	324.6	+5.1%

H1 revenue rose slightly. Within the business line, however, there were significant differences in revenue:

- Revenue declined in civil engineering in Benelux, as the trend witnessed for more than a year persisted, as the market remains under pressure;
- Revenue fell in Buildings in Benelux in most subsidiaries, due to the exceptionally bad weather conditions during the winter but business picked up at BPC and MBG;
- Buildings revenue rebounded in Poland;
- Buildings revenue grew outside Europe.
This growth, nonetheless, was lower than expected owing to the delayed launch of a project in Chad.

Operating income

The business line's operating income contracted sharply and a €7.2 million loss was recorded. This loss was accounted for by:

- The exceptional weather conditions that prevailed at the start of the year that led to direct losses on building sites and overheads not being covered;
- A substantial loss incurred on a site, in Eastern Belgium;
- A lack of business in civil engineering;
- The postponement of projects in Chad and the delays recorded in waiting for contract amendments to be approved.

In the Netherlands, with respect to a large project in Amsterdam, the negotiations begun in early 2013 with the customer, in order to find a balanced and definitive solution, led to an agreement between all the parties involved.

Net income attributable to the Group

The net income was negative (a €0.0 million loss to be compared with a €1.7 million loss in the first half of 2012).

Order book

in €millions	At June 30, 2013	Au December 31, 2012	% change
Civil engineering	186.1	190.6	-2.4%
Buildings, Benelux	550.4	527.8	+4.3%
Buildings, International	255.6	245.8	+4%
Total	992.1	964.2	+2.9%

Noteworthy major trends are as follows:

- Problems are being met in terms of renewing the order book in civil engineering in a contracting market. The situation has stabilised in Flanders and the Netherlands;
- The order book was boosted at BPC resulting from a significant contract won in Brussels ("Le Toison d'Or" building) and order intake improved in renovation at Amart, while it sagged at the other Belgian subsidiaries.
- In the Grand Duchy of Luxembourg, after a few lean years, CLE's order book renewed with a satisfactory level;
- The order book was significantly renewed in Poland after business contracted markedly in 2011 and 2012;
- The order book grew at Buildings, international.
- CFE International booked a major order in Chad during the first half (university of Toukra – phase 2).

Rail-Road division

Revenue

The Rail-Road division's revenue grew 7.5% and climbed to €44.2 million. The rail business enjoyed an increase, while business in the roads component decreased slightly due to the harsh winter conditions.

Operating income

Operating income came in at €1.4 million versus €1.7 million in the first half of 2012, i.e. contracted 16.5%. Generally speaking, income was satisfactory in the rail business, while the road business was impacted for its part by the harsh winter.

Net income attributable to the Group

Net income climbed to €0.8 million from €1.0 million in the first half of 2012.

Order book

The order book totalled €31.8 million, i.e. grew 24.3% from December 31, 2012. This increase was mainly accounted for by roads and rail signalling.

The current outlook remains upbeat, as major calls for tenders are under way in the rail business.

Multitechnics division

Revenue

Revenue at the Multitechnics division totalled €77.7 million, i.e. up 4.7% relative to the previous year (2.2% at constant consolidation area). Revenue in international operations, driven by VMA that won contracts in Turkey, Poland and Hungary from major car manufacturers, enjoyed growth while some subsidiaries recorded a sag in revenue in Belgium.

Operating income

An operating loss of €6.1 million was recorded (to be compared with the €0.1 million operating loss in the first half of 2012). This loss was mainly attributable to a subsidiary located in Western Flanders which has undergone restructuring.

This situation led CFE to totally write off this company's goodwill (a €1.7 million loss).

Net income attributable to the Group

Net income attributable to the Group, for its part, consisted in a €6.9 million loss to be compared with a €0.7 million loss in the first half of 2012. This loss does not include the impairment of the goodwill.

Order book

The order book amounted to €162.7 million at June 30, in other words decreased 1.8% in comparison with December 31, 2012. A similar trend as in revenue was witnessed.

Real Estate Development and Management Services

In a somewhat calmer although still steady residential market, numerous projects have just been launched in Uccle (Ilya project), in the Grand Duchy of Luxembourg (serviceflats in Bettembourg) and in Poland (Obosowa project in Warsaw).

Real estate portfolio decreased slightly despite the launch of the afore-mentioned sites, while marketing of residential projects under way (Belview in Brussels, Gdansk in Poland) continued at a sustained pace. Properties at marketing stage remained low (15%), and the increase resulted from the delivery of a building during the first half (Brusilia).

Properties at development stage decreased, while simultaneously CFE acquired a 33% stake in the Kons Gallery project in Luxembourg. Construction works are scheduled to start on this project, in which a significant portion of the office space has been rented to a well-known bank, in early 2014.

Change in value of real estate projects

in €millions	At June 30, 2013	At December 31, 2012
Properties at marketing stage	24	19
Properties at construction stage	46	45
Properties at development stage	95	102
Total	165	166

Operating income

The fact that some transactions were postponed to the second half of 2013 temporarily weighed on operating income. It totalled €1.2 million versus € million in the first half of 2012.

Net income attributable to the Group

Net income was slightly positive while it amounted to €2.8 million at June 30, 2012.

The major development in the first half of 2013 was the disposal to CB-Richard Ellis of the (66%) stake held by CFE in Sogesmaint-CB Richard Ellis, a "Facility and Property management" company.

This divestment did not have a material impact in terms of revenue and income.

At the same time, CFE decided to develop, under the name of Sogesmaint, an integrated Facility, Property & Project Management business in synergy with the Group's sectors of activity. Sogesmaint's business will be focused on sustainable development, and will offer customers the various services provided by the Group in the fields of renovation and energy optimisation.

Dredging and Environment division

(The figures shown below for DEME, which is owned 50% by CFE, are at 100%)

Revenue

DEME's revenue amounted to €1,207 million, i.e. up 33.5% relative to the previous year (€904 million).

At the end of the first quarter 2013, the major projects in Qatar and Australia were launched at last while the installation of foundations for offshore wind turbines in the North Sea for C-Power was completed at the end of the first half.

Changes in revenue by business line

As %	H1 2013	H1 2012
Capital dredging	52%	48%
Maintenance dredging	10%	17%
Fallpipe and landfalls	7%	13%
Environment	6%	9%
Marine works	25%	13%
Total (€millions)	1,207.0	904.1

Changes in revenue by geographical area

As %	H1 2013	H1 2012
Europe (EU)	44%	49%
Europe (non EU)	1%	4%
Africa	10%	14%
Americas	3%	6%
Asia and Oceania	30%	17%
Middle East	11%	6%
India and Pakistan	1%	4%
Total (€millions)	1,207.0	904.1

Operating income

The first half of 2013 was impacted by tough weather conditions and by the fact that the fleet was less occupied while waiting for the launch of major projects in Qatar and Australia.

EBITDA increased, nevertheless, by 26.3% in the first half and reached €181.1 million versus €144.6 million in the first half of 2012.

Operating income grew at a strong pace and totalled €1.9 million (€1.2 million in the first half of 2012).

Net income attributable to the Group

Net income increased 24% and totalled €3.4 million versus €2.7 million in the first half of 2012.

The 2008-2012 investment plan has been completed. DEME's net financial debt at June 30, 2013, impacted by the payment of substantial maturities related to the afore-mentioned plan, totalled €22 million, versus €742 million at December 31, 2012.

In early 2013, DEME issued a bond for €200 million. This bond is aimed at refinancing part of the existing debt, while ensuring diversity of financing sources as well as extending the maturity of debt, enjoyed a noteworthy success since the bond was entirely subscribed.

Order book

DEME's order book contracted (-10.9%). It totalled €2,954 million (versus €3,317 million at December 31, 2012). Given the exceptional orders booked in the previous period (Wheatstone and Doha Port) this decline is logical and was expected.

In the first half, GeoSea pressed ahead with its development in the field of renewable energies by winning a contract, in the United Kingdom, for the installation of 35 foundations for windmills and in Germany for the installation of 77 foundations with scour protection.

In early July, DEME was awarded €250 million in orders for energy-related fields. Around €100 million is already included in the afore-mentioned order book.

PPP – Concessions division

The PPP – Concessions division, driven by Rent-A-Port, reported satisfactory results. Net income attributable to the Group improved and amounted to €2.1 million (versus €0.8 million in the first half of 2012).

CFE-specific business has focused on new studies, as the bid for the Haren jail failed.

3. Comments consolidated statement of financial position, cash flow and investments

Net financial debt ^(*) amounted to €24.7 million, versus €20 million at June 30, 2012 and €400 million at December 31, 2012. This debt breaks down into, first, long-term debt of €584 million made up mainly of the bond issued by CFE (€100 million), the bond issued by DEME (€200 million or €100 million with respect to CFE's share), loans covering the acquisition of DEME ships, and on the other hand, a positive net cash position of €9 million. Cash flow from investments amount to €39 million for the year, to be compared with €128 million in the first half of 2012. These investments mainly concern DEME's investment programme.

The €127 million increase in working capital requirements is explained by:

- Substantial payments by DEME, during the first half, in respect of acquisitions of dredgers;
- The acquisition of the Kons Gallery property in Luxembourg;
- The pre-financing of the "Charleroi police headquarters" and "Tritomas" construction projects during the construction period;
- The impact of the harsh winter;
- A lengthening in customers' payment delays.

Equity, after paying out the dividend for the 2012 period (€15.1 million), amounted to €15 million.

CFE has, for its part, confirmed long-term credit facilities for its general financing needs totalling €100 million, of which €75 million had not been drawn down at June 30, 2013. The funding of PPP – Concessions projects is covered by specific loans and are without recourse against the company. DEME's acquisitions of dredgers and other marine equipment are subject to separate financing arrangements secured on those assets.

Period ended at June 30 (€thousands)	2013	2012
Cash flow from operating activities	-65,127	62,930
Cash flow from investing activities	-38,995	-127,605
Cash flow from financing activities	67,354	60,122
Net increase/(decrease) in cash position	-36,768	-4,553
Equity excluding non-controlling interests at opening at December 31	524,612	501,702
Equity excluding non-controlling interests at closing at June 30	511,740	498,859
Net income attributable to the Group in H1	218	14,043
ROE	0.0%	2.8%

Data per share

	June 30, 2013	June 30, 2012
Total number of shares	13,092,260	13,092,260
Operating income after deduction of net financial expenses, per share	0.22	1.45
Net income attributable to the Group per share	0.02	1.07

^(*) Net financial debt does not include the fair value of derivative instruments that at June 30, 2013 amounted to a liability of €32 million.

4. Main trends

The first half was particularly demanding in the Construction and Multitechnics divisions.

Accordingly, the full-year 2013 revenue should grow but in view of the foregoing comments about the Construction and Multitechnics divisions, the expected full-year income will be lower than in the previous year.

The outlook for the other business lines, by contrast, remains favorable in particular in the dredging division.

5. Share information

At December 31, 2012, CFE's share capital consisted in 13,092,260 shares.

Each share confers one voting right. No convertible bonds or warrants were issued. The financial institutions through whom owners of financial instruments may exercise their financial rights are: BNP Paribas Fortis, Banque Degroof and ING Belgique. Banque Degroof has been designated as the Main Paying Agent.

6. Risks and uncertainties

Risks related to the sector of activity described in the annual report 2012 are still applicable during the second halfyear 2013.

7. Transactions with related parties

In the first half year of 2013, there was no significant variation in the nature of transactions with related parties compared to December, 31 2012.

8. Shareholder base

On August 12, 2013, Vinci Construction informed CFE, in compliance with the provisions of Article 74 of the Belgian law of April 1, 2007, that no change had occurred in its equity interest since the previous notification on August 16, 2012, when its stake in CFE stood at 46.84%.

9. Corporate governance

The Ordinary Shareholders' Meeting held on May 2, 2013 renewed the terms of office of the following Directors: Ph. Delusinne, J. Steyaert (both are independent Directors), the terms of office of R. Francioli, Ch. Labeyrie (Directors) and R. Bentégeat (Managing Director).

Interim condensed consolidated financial statements and notes

CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the period ended June 30 (In thousand Euro)	Note	June 2013	June 2012 (*)
Revenue		1,082,781	905,910
Revenue from auxiliary activities	6	39,903	26,310
Purchases		(708,418)	(547,210)
Remuneration and social security payments		(205,582)	(186,219)
Other operating expenses		(125,491)	(115,890)
Depreciation and amortization		(62,144)	(53,636)
Goodwill impairment		(1,660)	-
Operating income		19,389	29,265
Cost of gross financial debt	7	(12,907)	(10,100)
Financial income from cash investments	7	2,545	3,022
Other financial expenses	7	(11,954)	(11,109)
Other financial income	7	5,767	7,885
Net financial income/expense		(16,549)	(10,302)
Pre-tax income for the period		2,840	18,963
Income tax expense	9	(6,873)	(3,164)
Net income for the period		(4,033)	15,799
Share in the result of associated companies		4,031	(1,384)
Net income (including income attributable to owners of non-controlling interests)		(2)	14,415
Attributable to owners of non-controlling interests	8	220	(372)
Net income of the group		218	14,043
Net income of the group per share (EUR) (diluted and basic)		0.02	1.07

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended June 30 (In thousand Euro)	Note	June 2013	June 2012 (*)
Net income of the group		218	14,043
Net income (including income attributable to owners of non-controlling interests)		(2)	14,415
Changes in fair value related to hedging instruments		6,108	(5,919)
Currency translation differences		(1,703)	2,791
Deferred taxes		(1,769)	1,450
Change in consolidation method (net of deferred taxes)		0	0
Other elements of the comprehensive income to be reclassified to profit or loss in subsequent periods		2,636	(1,678)
Remeasurement on defined benefit plans		0	(3,078)
Other elements of the comprehensive income not to be reclassified to profit or loss in subsequent periods		0	(3,078)
Other elements of the comprehensive income directly accounted in equity		2,636	(4,756)
Comprehensive income:		2,634	9,659
- Attributable to owners of the parent		3,053	9,282
- Attributable to owners of non-controlling interests		(419)	377
Net income attributable to owners of the parent per share (EUR) (diluted and basic)		0.23	0.71

(*) Amounts amended in accordance with the change in accounting principle related to the amended IAS 19, Employee benefit as explained in note 3.2.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June (In thousand Euro)	Note	June 2013	December 2012 (*)
Intangible assets		11,993	12,651
Goodwill		31,740	33,401
Property, plant and equipment	10	958,727	980,434
Investment property	11	2,372	2,056
Investments in associated companies	12	23,840	18,364
Other non current financial assets		73,041	56,586
Derivative instruments - Non current assets		0	0
Other non current assets		6,075	9,283
Deferred tax assets		32,020	22,787
Total non current assets		1,139,808	1,135,562
Inventories	14	194,325	186,534
Trade and other operating receivables		845,068	732,466
Other current assets		84,952	84,240
Derivative instruments – Current assets	17	0	0
Current financial assets		208	153
Cash and cash equivalents	18	221,941	260,602
Total current assets		1,346,494	1,263,995
Total assets		2,486,302	2,399,557
Share capital		21,375	21,375
Share premium		61,463	61,463
Revaluation surplus		1,088	1,088
Consolidated reserves and reserve related to hedging instruments		(13,334)	(17,673)
Retained earnings		437,367	452,205
Currency translation differences		3,781	6,154
Equity attributable to owners of the parent		511,740	524,612
Equity attributable to non-controlling interests		3,587	6,227
Equity		515,327	530,839
Retirement benefit obligations and employee benefits		21,451	21,239
Provisions	15	11,245	10,679
Other non current liabilities		58,141	70,745
Bond		199,831	100,000
Financial liabilities	18	384,135	379,120
Derivative instruments - Non current liabilities		26,914	32,853
Deferred tax liabilities		13,791	13,789
Total non current liabilities		715,508	628,425
Provisions for onerous contracts	15	12,377	11,652
Provisions for other current risks	15	21,383	24,168
Trade & other operating payables	13	648,252	689,475
Income tax payable		33,588	21,579
Current financial liabilities	18	162,650	181,474
Derivative instruments – Current liabilities		5,758	4,201
Other current liabilities	13	371,459	307,744
Total current liabilities		1,255,467	1,240,293
Total equity and liabilities		2,486,302	2,399,557

(*) Amounts amended in accordance with the change in accounting principle related to the amended IAS 19, Employee benefit as explained in note 3.2.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

For the period ended June 30 (In thousand Euro)	Note	June 2013	June 2012 (*)
Operating activities			
Net income of the group		218	14,043
Depreciation and amortization of intangible assets, property, plant & equipment (PPE) and investment property		62,144	53,636
Loss/(profit) on current and non current financial assets		0	(68)
Net provision expense		(2,275)	(6,575)
Impairment on current and non current assets		3,249	(1,902)
Unrealized foreign exchange (gains)/losses		1,316	(1,710)
Interest income & income from financial assets		(2,545)	(3,286)
Interest expense		13,029	9,816
Change in fair value of derivative instruments		649	1,504
Income/(losses) from sales of property, plant & equipment		(1,275)	(956)
Tax expense for the year		6,873	3,164
Income attributable to non-controlling interests		(256)	372
Share in the result of associated companies		(4,031)	1,384
Cash flow from operating activities before changes in working capital		77,096	69,422
Decrease/(increase) in trade receivables and other current and non current receivables		(157,482)	(135,902)
Decrease/(increase) in inventories		(4,010)	(2,286)
Increase/(decrease) in trade payables and other current and non current payables		34,062	145,342
Cash flow from operating activities		(50,334)	76,586
Interest paid		(13,029)	(9,816)
Interest received		2,545	3,022
Income tax paid/received		(4,309)	(6,862)
<u>Net cash flow from operating activities</u>		<u>(65,127)</u>	<u>62,930</u>
Investing activities			
Sales of non-current assets		3,069	8,754
Purchases of non-current assets		(42,028)	(131,680)
Acquisition of subsidiaries net of cash acquired	5	0	(3,997)
Capital decrease/(increase) in associated companies		(460)	(682)
Disposal of subsidiaries	5	424	0
<u>Cash flow from investing activities</u>		<u>(38,995)</u>	<u>(127,605)</u>
Financing activities			
Borrowings		170,165	216,006
Reimbursements of borrowings		(85,332)	(140,828)
Dividends paid		(15,056)	(15,056)
Change in the interest percentage of controlled entities	5	(2,423)	0
<u>Cash flow from financing activities</u>		<u>67,354</u>	<u>60,122</u>
Net Increase/(Decrease) in cash position		(36,768)	(4,553)
Cash and cash equivalents at start of the year		260,602	208,347
Exchange rate effects		(1,893)	2,332
Cash and cash equivalents at end of period		221,941	206,126

(*) Amounts amended in accordance with the change in accounting principle related to the amended IAS 19, Employee benefit as explained in note 3.2.

Purchases and sales of subsidiaries net of cash acquired do not include entities that are not a business combination (segment real estate & 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, 2013

(thousand Euro)	Share Capital	Share premium	Retained earnings	Consolidated reserves and reserve related to hedging instruments	Defined benefits pension plans	Revaluation surplus	Currency Translation differences	Equity attributable to owners of the parent	Non-controlling interests	Total
December 2012	21,375	61,463	460,012	(17,673)	0	1,088	6,154	532,419	6,227	538,646
IAS19 amended			294		(8,101)			(7,807)		(7,807)
After amendment IAS19	21,375	61,463	460,306	(17,673)	(8,101)	1,088	6,154	524,612	6,227	530,839
Comprehensive income for the period			218	4,339	0		(1,504)	3,053	(419)	2,634
Dividends paid to shareholders			(15,056)					(15,056)		(15,056)
Dividends from non-controlling interests									(462)	(462)
Change in consolidation scope							(869)	(869)	(1,759)	(2,628)
June 2013	21,375	61,463	445,468	(13,334)	(8,101)	1,088	3,781	511,740	3,587	515,327

For the year ended June 30, 2012 (*)

(milliers d'euros)	Share Capital	Share premium	Retained earnings	Consolidated reserves and reserve related to hedging instruments	Defined benefits pension plans	Revaluation surplus	Currency Translation differences	Equity attributable to owners of the parent	Non-controlling interest	Total
December 2011	21,375	61,463	425,999	(11,646)	0	1,088	3,423	501,702	7,059	508,761
IAS19 amended					(1,954)			(1,954)		(1,954)
After amendment IAS19	21,375	61,463	425,999	(11,646)	(1,954)	1,088	3,423	499,748	7,059	506,807
Comprehensive income for the period			14,043	(4,469)	(3,078)		2,786	9,282	377	9,659
Dividends paid to shareholders			(15,056)					(15,056)		(15,056)
Dividends from non-controlling interests									(792)	(792)
June 2012	21,375	61,463	424,986	(16,115)	(5,032)	1,088	6,209	493,974	6,644	500,618

(*) Amounts amended in accordance with the change in accounting principle related to the amended IAS 19, Employee benefit as explained in note 3.2.

CAPITAL AND RESERVES

The share capital on 30 June 2013 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 27, 2013 the Board of Directors proposed a dividend of 15,056 thousand Euro, corresponding to 1.15 euro gross per share. The proposal has been approved by the General Shareholders Meeting on May 2, 2013. The dividend has been paid.

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

It is calculated as follows :

NET RESULT PER SHARE (In thousand Euro)	2013	2012
Net income attributable to shareholders	218	14,043
Comprehensive income attributable to owners of the parent	3,053	9,282
Number of ordinary shares at closing date	13,092,260	13,092,260
Weighted average of the number of ordinary shares	13,092,260	13,092,260
Basic (diluted) income by share in Euro	0.02	1.07
Comprehensive income attributable to owners of parent by share in Euro	0.23	0.71

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Preamble

The Board of Directors authorized the issue of the interim condensed consolidated financial statements on August 27, 2013.

MAIN TRANSACTIONS FOR THE SIX FIRST MONTHS OF 2013 AND THE SIX FIRST MONTHS OF 2012 WITH EFFECT ON THE SCOPE OF THE GROUP CFE

TRANSACTIONS FOR THE SIX FIRST MONTHS OF 2013

1. Construction segment

None.

2. Multitechnics segment

On January 28th, 2013, CFE Group acquired the remaining shares of Elektro Van De Maele NV (35%). This company, which was renamed VMA West NV, is now held at 100%. The consolidation method remains unchanged.

On May 28th, 2013, CFE Group decided to apply its purchase option on the remaining shares of SA Brantegem, specialized in HVAC and sanitary installations, and to acquire the remaining shares held outside the Group (35%). The company Brantegem SA is now held at 100%. The consolidation method is still unchanged.

On June 7th, 2013, the company Prodfroid SA, specialized in industrial cooling systems and air-conditioning systems, changed its name to Procool SA.

3. Real estate and associated services segment

On February 28th, 2013, CFE acquired through its subsidiary CLI, and in partnership with other real estate companies, 33.3% of PEF KONS INVESTMENT SA in order to develop a project of offices, shops and housing ("Projet Kons Gallery"). This company is integrated under the equity method.

On March 1st, 2013, CFE Immo, subsidiary of CFE Group, acquired 50% of the shares in Rederij Marleen BVBA and Rederij Ishtar BVBA for a real estate operation on fields located in Ostende.

On June 13th, 2013, CFE Group disposed of its participation (66%) in its Property & Facility Management subsidiary Sogesmaint CB Richard Ellis SA to CBRE. CFE Group also rebought its participation held by Sogesmaint-CB Richard Ellis in its Luxemburg subsidiary and rebought some Property & Facility Management contracts in Belgium.

4. Dredging and environment segment

During the 1st semester, DEME acquired through its subsidiaries:

- 100% of the newly created company DEME Concessions, which is fully integrated, and
- 35% of the newly created company Bluepower which is consolidated under the proportional method.

5. PPP-Concessions segment

None.

6. Rail and road segment

None.

TRANSACTIONS FOR THE SIX FIRST MONTHS OF 2012

1. Construction segment

During the 1st semester of 2012, Aannemingen Van Wellen transferred its Road activities in the new segment "rail & road". Although the activities "Construction" and "rail & road" are in only one legal entity "Aannemingen Van Wellen NV", those activities are now respectively disclosed in the segments "Construction" and "rail & road".

The branch CFE EcoTech, previously presented in the segment Construction is presented in the segment multitechnical as from this year.

2. Multitechnics segment

During the 1st semester of 2012, the branch CFE EcoTech, specialized in the waste water treatment, joined the segment multitechnical. Its activities are closely related to the electro-technical activities performed by the entities within the segment "multitechnical".

The companies Engema and Louis Stevens & Co, previously presented in the segment multitechnical, were also transferred in the new segment "rail & road".

3. Real estate and associated services segment

On February 15th, 2012, CFE Group acquired, through its polish subsidiary, 47% of the shares in Immomax2 Sp. Z.o.o. This company is working on a residential building in Gdansk.

On February 23rd, 2012, the company BPI, a subsidiary of CFE Group, acquired 50% of the shares in "Les jardins de Oisquercq SPRL" with the objective to perform a real estate operation on a land located in Oisquercq (Tubize).

During the 1st quarter of 2012, the subsidiaries VM Property I SA and VM Property II SPRL, which are held at 40% by CFE Group, created VM Office SA in order to develop the "office" part in the real estate project Van Maerlant located in Brussels.

On April 27th, 2012, CFE Immo, CFE group's subsidiary, acquired 50% of the shares of Immo Keyenveld 1 SA, Immo Keyenveld 2 SA, Immo PA 33 1 SA, Immo PA 33 2 SA, Immo PA 44 1 SA, Immo PA 44 2 SA. Those companies were recently created for the project Solvay which consists in rebuilding the Solvay's former social building located in Ixelles.

On May 29th, 2012, through its subsidiary Sogesmaint-CBRE, CFE Group acquired 32.34% of the shares in Sogesmaint-CBRE Company Management, company recently created as a private company with limited responsibility.

4. Dredging and environment segment

During the 1st semester of 2012, the joint-venture DEME acquired through its subsidiaries:

- 22.5% of the company Terranova Solar NV recently created. This company is integrated following the equity method, and

5. PPP-Concessions segment

None.

6. Rail and road segment

On February 22nd, 2012, CFE Group has acquired 100% of the company Remacom NV located in Ghent. This company is specialized in the laying of rail tracks.

ACCOUNTING PRINCIPLES AND EVALUATION METHOD

1. GENERAL POLICIES

IFRS AS ADOPTED BY THE EUROPEAN UNION

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, 2012.

The retained accounting principles are the same that the principles used for the yearly consolidated financial statement at December 31, 2012, except for:

- Amendment of IAS 19 Employee Benefit. The changes resulting from the application of IAS 19 revised are described in note 3.2.

STANDARDS AND INTERPRETATIONS APPLICABLE FOR THE ANNUAL PERIOD BEGINNING ON 1 JANUARY 2013

- IFRS 13 Fair Value Measurement (applicable for annual periods beginning on or after 1 January 2013)
- Improvements to IFRS (2009-2011) (normally applicable for annual periods beginning on or after 1 January 2013)
- Amendments to IFRS 1 First Time Adoption of International Financial Reporting Standards – Government Loans (applicable for annual periods beginning on or after 1 January 2013)
- Amendments 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)
- Amendments 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 January 2013)
- Amendments to IFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities (applicable for annual periods beginning on or after 1 January 2013)
- Amendments to IAS 12 Income Taxes – Deferred Tax: Recovery of Underlying Assets (applicable for annual periods beginning on or after 1 January 2013)
- Amendments to IAS 19 Employee Benefits (applicable for annual periods beginning on or after 1 January 2013)

The application of these standards does not have a significant impact on the consolidated accounts except for the application of the IAS 19 amended “Employee Benefit”.

STANDARDS AND INTERPRETATIONS PUBLISHED, BUT NOT YET APPLICABLE FOR THE ANNUAL PERIOD BEGINNING ON 1 JANUARY 2013

The Company decided to not anticipate the application standards and interpretations here below that are not mandatory on June 30, 2013:

- Amendments to IFRS 10, IFRS 12 and IAS 27 – Consolidated Financial Statements and Disclosure of Interests in Other Entities: Investment Entities (applicable for annual periods beginning on or after 1 January 2014, but not yet endorsed in EU)
- IFRS 10 Consolidated Financial Statements (applicable for annual periods beginning on or after 1 January 2014)
- IFRS 11 Joint Arrangements (applicable for annual periods beginning on or after 1 January 2014)
- IFRS 12 Disclosures of Interests in Other Entities (applicable for annual periods beginning on or after 1 January 2014)
- IFRS 9 Financial Instruments and subsequent amendments (applicable for annual periods beginning on or after 1 January 2015, but not yet endorsed in EU)
- IAS 27 Separate Financial Statements (applicable for annual periods beginning on or after 1 January 2014)
- IAS 28 Investments in Associates and Joint Ventures (applicable for annual periods beginning on or after 1 January 2014)
- Amendments to IAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities (applicable for annual periods beginning on or after 1 January 2014, but not yet endorsed in EU)
- Amendments to IAS 36 – Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Asset (applicable for annual periods beginning on or after 1 January 2014, but not yet endorsed in EU)
- Amendments to IAS 39 – Financial Instruments – Novation of Derivatives and Continuation of Hedge Accounting (applicable for annual periods beginning on or after 1 January 2014)
- IFRIC 21 – Levies (applicable for annual periods beginning on or after 1 January 2014, but not yet endorsed in EU)

The potential impacts of these standards and interpretations on the group's consolidated financial statements are being determined. The group does not expect any material changes other than those arising from the application of

- IFRS 10 and 11, which redefine the notion of control and the criteria for selecting the method for consolidating entities. From 2014, a larger number of subsidiaries will be accounted for under the equity method. This will affect the presentation of the financial statements, but the group's net income and net assets will not be affected. These new standards mean that it will no longer be possible to account for DEME using the proportional method. DEME will have to be accounted for under the equity method. DEME's contribution to the current balance sheet and income statement is presented in Note 4. Segment reporting

2. CONSOLIDATION METHODS

2.1. SCOPE OF CONSOLIDATION

Companies in which the Group holds, whether directly or indirectly, the majority of voting rights enabling control to be exercised, are fully consolidated. Companies over which the Group exercises joint control with another entity are proportionally consolidated. This relates in particular to temporary associations, DEME, Rent-A-Port and some entities in the Real Estate & Management Services division. Companies over which the Group exercises significant influence are accounted for under the equity method. This mainly concerns Locorail SA, Coentunnel Company BV, PPP Schulen Eupen SA, PEF Kons Investment SA, Van Maerlant Offices SA, Van Maerlant Property I SA & II SPRL, Van Maerlant Residential SA and C-Power NV, by DEME.

Evolution of the consolidation scope

Number of entities	June 2013	December 2012
Full consolidation	58	59
Proportional consolidation	164	160
Equity method	30	29
Total	252	248

2.2. INTRAGROUP TRANSACTIONS

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

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

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

In 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 revenues and other financial expenses in the income statement.

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

3. RULES AND EVALUATION METHODS

3.1. RECOURSE TO ESTIMATES

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

The use of estimates concerns in particular the 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. CHANGE IN ACCOUNTING METHOD: APPLICATION OF IAS 19 AMENDED “EMPLOYEE BENEFITS”

As of January 1st, 2013, the group applied the principles described in the rule IAS 19 amended “Employee Benefits” which implies several changes on the accounting methods related to the pension benefits which includes:

- the recognition in balance sheet of all pension benefits given to the Group’s employees. The “corridor” method and the possibility to recognize in the income statement the cost of services incurred during the average acquisition period of the rights by the employees are no longer available;
- interest income from pension plan assets is now calculated using the discount rate used to calculate obligations with respect to defined-benefit plans;
- the impacts of the amendments in pension plans must be recorded in income statement;
- the consequences of the new estimates must be recorded in other elements of the comprehensive income: actuarials gains and losses on the pension obligation, over-performance (under-performance) of the plan assets, which is the gap between the effective return of the plan assets and the return calculated based on the actualization rate of the actuarial liability, and the variation of the ceiling effect of the assets. Those impacts are presented in the group comprehensive income.

The comparative financial statements have been modified in accordance with the rule IAS 19 amended “Employee Benefits”. The impacts on the 2012 financial statements are the following:

	December 2012, published	Amendment IAS 19	December 2012, revised
Equity, including :			
<i>Report from previous year</i>	538,646	(7,807)	530,839
<i>Other elements of comprehensive income</i>		294	
		(8,101)	
Liabilities, including :			
<i>Pensions and employee benefits</i>	13,432	7,807	21,239

4. SEGMENT REPORTING

4.1 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME HIGHLIGHTS

At June 30	Revenue		EBIT				Net financial income/expense			Tax		
	2013	2012	2013	% Sales	2012	% Sales	2013	2012	2013	Rate	2012	Rate
Construction	341,109	324,607	(7,246)	(2.12%)	(1,698)	(0.52%)	(347)	(595)	(1,283)	(16.90%)	177	7.72%
Real estate development and associated services	6,654	16,754	1,171	17.60%	5,003	29.86%	(2,361)	(1,609)	(119)	(10.00%)	(509)	15.00%
Multitechnics	77,674	74,157	(6,085)	(7.83%)	(109)	(0.15%)	(200)	(149)	(649)	(10.33%)	(429)	(166.2%)
Rail & Road	44,163	41,146	1,403	3.18%	1,681	4.09%	(116)	(216)	(488)	37.92%	(432)	29.49%
PPP - Concessions	2,939	6,489	(106)	(3.61%)	1,885	29.05%	(268)	(206)	(44)	(11.76%)	(1)	0.06%
Dredging and environment	603,478	452,046	35,997	5.96%	25,581	5.66%	(15,073)	(8,948)	(4,195)	20.05%	(1,693)	10.18%
<i>Correction DEME</i>			<i>(804)</i>		<i>(715)</i>							
Holding			(3,463)		(2,446)		1,816	1,157	(7)	(0.43%)	(141)	(10.94%)
<i>Eliminations between segments</i>	<i>6,764</i>	<i>(9,289)</i>	<i>182</i>		<i>200</i>				<i>(88)</i>		<i>(136)</i>	
<i>IAS 19 amended</i>					<i>(117)</i>			<i>264</i>				
Other non-recurring elements			(1,660)									
Total consolidated	1,082,781	905,910	19,389	1.79%	29,265	3.24%	(16,549)	(10,302)	(6,873)	(242.01%)	(3,164)	(16.82%)

At June 30	Share of income/(loss) of investments in associated companies		Net profit attributable to owners of the parent				Non cash items			EBITDA		
	2013	2012	2013	% Sales	2012	% Sales	2013	2012	2013	% Sales	2012	% Sales
Construction		0	(8,972)	(2.63%)	(1,725)	(0.53%)	2,957	(4,490)	(4,289)	(1.26%)	(6,188)	(1.91%)
Real estate development and associated services	1,333	(134)	17	0.26%	2,778	16.58%	(709)	(104)	1,795	26.98%	4,765	28.44%
Multitechnics		0	(6,934)	(8.93%)	(727)	(0.98%)	2,307	1,331	(3,778)	(4.86%)	1,222	1.65%
Rail & Road		0	799	1.81%	1,034	2.51%	1,747	1,195	3,150	7.13%	2,876	6.99%
PPP - Concessions	2,411	(888)	2,091	71.15%	823	12.68%	88	35	2,393	81.43%	1,032	16%
Dredging and environment	287	(362)	17,241	2.86%	13,892	3.07%	54,272	46,497	90,556	15.01%	71,716	15.86%
<i>Correction DEME</i>			<i>(804)</i>		<i>(750)</i>				<i>(804)</i>		<i>(715)</i>	
Holding		0	(1,654)		(1,493)		795	627	(2,668)		(1,819)	
<i>Eliminations between segments</i>			<i>94</i>		<i>64</i>				<i>182</i>		<i>200</i>	
Amendment IAS 19					147							
Other non-recurring elements			(1,660)				1,660					
Total consolidated	4,031	(1,384)	218	0.02%	14,043	1.53%	63,118	45,091	86,538	7.99%	73,089	8.07%

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, 2013

(In thousand Euro)	Construction	Real Estate & associated services	Multi-technical	Rail & Road	PPP-Concessions	Dredging and environment	Holding and eliminations	Inter activities eliminations	Total consolidated
ASSETS									
Goodwill	911	11	15,174	5,676	0	9,968	0	0	31,740
Property, plant and equipment	42,638	5,162	7,068	10,041	15,545	874,809	3,464	0	958,727
Long term loans to consolidated companies of the group	19,056	0	0	0	0	0	96,422	(115,478)	0
Other non current financial assets	27,716	18,485	47	864	7,547	11,081	7,301	0	73,041
Other non current assets	5,353	5,118	3,417	860	10,814	41,686	190,336	(181,284)	76,300
Inventories	11,840	154,872	7,507	1,857	0	17,603	646	0	194,325
Cash and cash equivalent	55,339	11,032	1,072	124	990	143,822	9,562	0	221,941
Internal cash position – cash pooling – assets	55,760	11,167	5,907	5,468	7,508	0	127,515	(213,325)	0
Other current financial assets – companies of the group									
Other current assets	469,530	34,122	73,712	55,107	3,608	298,040	28,652	(32,543)	930,228
Total assets	688,143	239,969	113,904	79,997	46,012	1,397,009	463,898	(542,630)	2,486,302
LIABILITIES									
Equity	20,211	8,400	34,288	25,069	7,640	389,841	211,022	(181,144)	515,327
Non current borrowing to consolidated companies of the group	20,400	58,386	4,550	0	15,685	0	16,667	(115,688)	0
Bond	0	0	0	0	0	99,831	100,000	0	199,831
Non current financial debt	18,307	24,346	2,572	3,053	5,953	304,915	25,000	(11)	384,135
Other non current liabilities	40,697	23,343	1,002	1,216	4,476	48,782	11,945	81	131,542
Current financial debts	1,867	(1)	1,474	688	243	150,028	8,351	0	162,650
Internal cash position – cash pooling - liabilities	40,629	81,137	7,046	6,147	3,307	0	74,847	(213,113)	0
Other current liabilities	546,032	44,358	62,972	43,824	8,708	403,612	16,066	(32,755)	1,092,817
Total equity and liabilities	688,143	239,969	113,904	79,997	46,012	1,397,009	463,898	(542,630)	2,486,302

At December 31 st , 2012 (*) (In thousand Euro)	Construction	Real Estate & associated services	Multi-technical	Rail & Road	PPP-Concessions	Dredging and environment	Holding and eliminations	Inter activities eliminations	Total consolidated
ASSETS									
Goodwill	911	11	16,834	5,677	0	9,968	0	0	33,401
Property, plant and equipment	43,542	5,054	7,493	10,161	15,754	895,156	3,274	0	980,434
Long term loans to consolidated companies of the group	19,290	0	0	0	(12,741)	0	106,256	(112,805)	0
Other non current financial assets	16,521	20,741	48	647	5,604	9,916	3,109	0	56,586
Other non current assets	9,145	2,517	3,810	826	8,254	31,537	187,316	(178,264)	65,141
Inventories	11,877	147,960	7,225	2,119	0	16,706	647	0	186,534
Cash and cash equivalent	64,853	10,847	4,771	(1,077)	2,674	97,220	81,314	0	260,602
Internal cash position – cash pooling – assets	86,882	616	5,774	5,889	0	0	117,715	(216,876)	0
Other current financial assets – companies of the group									
Other current assets	351,286	46,312	69,556	56,326	9,202	291,712	19,066	(26,601)	816,859
Total assets	604,307	234,058	115,511	80,568	28,747	1,352,215	518,697	(534,546)	2,399,557
LIABILITIES									
Equity	26,059	12,422	43,327	27,680	3,897	371,488	224,090	(178,124)	530,839
Non current borrowing to consolidated companies of the group	18,856	56,148	5,000	0	1,202	0	29,408	(110,614)	0
Non current financial debt	2,540	25,803	2,267	2,959	10,511	300,070	135,000	(30)	479,120
Other non current liabilities	52,025	26,910	787	1,245	4,620	54,436	11,582	(2,301)	149,304
Current financial debts	1,427	(1)	3,489	796	2,191	168,130	5,442	0	181,474
Internal cash position – cash pooling - liabilities	30,896	71,828	4,508	6,766	5,881	0	98,408	(218,287)	0
Other current liabilities	472,504	40,948	56,133	41,122	445	458,091	14,767	(25,190)	1,058,820
Total equity and liabilities	604,307	234,058	115,511	80,568	28,747	1,352,215	518,697	(534,546)	2,399,557

(*) Amounts amended in accordance with the change in accounting principle related to the amended IAS 19, Employee benefit as explained in note 3.2.

4.3 CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

At June 30 th 2013 (In thousand Euro)	Construction	Real Estate & associated services	Multi-technical	Rail & Road	PPP-Concessions	Dredging and environment	Holding and eliminations	Total consolidated
Cash flow from operating activities before changes in working capital	(4,581)	(1,855)	(3,836)	2,974	(517)	86,366	(1,455)	77,096
Cash flow from operating activities	(8,396)	1,450	336	6,202	(12,374)	(4,885)	(47,460)	(65,127)
Cash flow from investing activities	(2,280)	424	(881)	(1,580)	(479)	(33,548)	(651)	(38,995)
Cash flow from financing activities	1,489	(1,424)	(3,154)	(3,421)	11,171	86,332	(23,639)	67,354
Net increase/(decrease) of cash	(9,187)	450	(3,699)	1,201	(1,682)	47,899	(71,750)	(36,768)
At June 30 th 2012 (In thousand Euro)	Construction	Real Estate & associated services	Multi-technical	Rail & Road	PPP-Concessions	Dredging and environment	Holding and eliminations	Total consolidated
Cash flow from operating activities before changes in working capital	(6,829)	3,327	1,249	2,590	1,987	68,813	(1,715)	69,422
Cash flow from operating activities	31,024	269	(1,003)	0	(5,496)	64,330	(26,194)	62,930
Cash flow from investing activities	(2,770)	(6)	(1,098)	(927)	(629)	(116,176)	(5,999)	(127,605)
Cash flow from financing activities	(35,650)	(1,554)	(351)	(2,218)	7,048	62,530	30,317	60,122
Net increase/(decrease) of cash	(7,396)	(1,291)	(2,452)	(3,145)	923	10,684	(1,876)	(4,553)

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 30 th 2013 (In thousand Euro)	Construction	Real Estate & associated services	Multi- technical	Rail & Road	PPP- Concessions	Dredging and environment	Holding and eliminations	Total consolidated
Amortizations	(3,168)	(127)	(1,717)	(1,756)	(88)	(54,559)	(729)	(62,144)
Investments	2,440	894	1,574	1,619	238	35,507	651	42,923
At June 30 th 2012 (In thousand Euro)	Construction	Real Estate & associated services	Multi- technical	Rail & Road	PPP- Concessions	Dredging and environment	Holding and eliminations	Total consolidated
Amortizations	(3,216)	(116)	(1,312)	(1,598)	(114)	(46,692)	(588)	(53,636)
Investments	3,592	19,003	1,204	1,556	292	123,541	1,500	150,688

The investments include the acquisitions done for the purpose of the group investments and the acquisitions done by the segments Real Estate & associated services and PPP-concessions for their operational activities.

REVENUE BREAKDOWN GENERATED BY THE CONSTRUCTION DIVISION

(In thousand Euro)	June 2013	June 2012
Building - Benelux	222,469	215,809
Civil engineering	68,818	77,691
Buildings - International	49,822	31,107
Total	341,109	324,607

4.5 GEOGRAPHICAL SECTOR

REVENUE OF CFE GROUP AT JUNE 30

(In thousand Euro)	June 2013	June 2012
Belgium	525,671	467,923
Other Europe	203,303	202,347
Middle East	66,287	34,044
Asia	25,635	28,274
Oceania	160,114	70,215
Africa	82,233	75,962
Americas	19,538	27,145
Total consolidated	1,082,781	905,910

5. ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

ACQUISITIONS AS OF JUNE 30, 2013

Fair value of assets and liabilities of entities acquired during the period:

None.

The acquisition of the remaining minority interests in Elektro Van De Maele NV and Brantegem NV is considered as a financing operation. As such these transactions are presented as financing operation in the cashflow statement, in the caption "Change in the shareholding percentage of controlled entities".

The acquisitions performed within the sector "Real Estate & associated services" are not considered as business combinations. As a consequence, the price paid is entirely allocated to the lands and buildings held in inventories.

DISPOSALS AS OF JUNE 30, 2013

On June 13th, 2013, CFE Group decided to dispose of its shares (66%) in its Property & Facility Management subsidiary Sogesmaint-CB Richard Ellis SA to CBRE.

This business combination contribute for 7 thousand Euro to the net group result at June 30th, 2012.

(In thousand Euro)	<u>Fair value</u>
Property, plant and equipment	184
Other non current assets	19
Other non current financial assets	124
Trade & other operating receivables	3,968
Other current assets	(168)
Other current financial assets	(100)
Other non current liabilities	(2,156)
Non current financial debt	221
Current provisions	(16)
Trade payables and other operating debts	(1,255)
Other current liabilities	(386)
Fair-value of assets and liabilities	435

COMPREHENSIVE INCOME

6. REVENUE FROM AUXILIARY ACTIVITIES

Revenues from auxiliary activities amount to 39,903 thousand Euro (June 2012: 26,310 thousand Euro) and included gains on property, plant and equipment for 1,306 thousand Euro (June 2012: 1,377 thousand Euro), as well as rent income, recharges of costs and other compensation for 38,597 thousand Euro (June 2012: 24,933 thousand Euro). Compared to last year, revenues from auxiliary activities are decreased by almost 52%.

7. NET FINANCIAL INCOME/EXPENSE

As of June 30 (in thousand Euro)	2013	2012
Cost of financial debt	(10,362)	(7,078)
Derivative instruments - fair value adjustments through profit and loss	452	(121)
Derivative instruments used as hedging instruments	0	0
Assets measured at fair value	0	0
Available-for-sale financial instruments	0	0
Assets and liabilities at amortized cost - income from availabilities	2,545	3,022
Assets and liabilities at amortized cost - interest charges	(13,359)	(9,979)
Other financial income and expense	(6,187)	(3,224)
Realized / unrealized translation gains/(losses)	(2,581)	(656)
Dividends received from non-consolidated companies	(8)	0
Impairment of financial assets	87	68
Other	(3,685)	(2,636)
Financial result	(16,549)	(10,302)

The evolution of the exchange gain (loss) realized/not realized in the first half year of 2013 compared to the same period in 2012 is mostly explained by the valuation of the Euro against other foreign currencies in DEME.

8. NON-CONTROLLING INTERESTS

As of June 30, 2013 the part of non-controlling interests in the result amounts to 220 thousand Euro (June 2012: (372) thousand Euro) and is mainly related to DEME.

9. INCOME TAX

The tax expense amounts to 6,873 thousand Euro for the first half year 2013 (June 2012: 3,164 thousand Euro). The effective tax rate is 242 % (June 2012: 16.7%).

This tax rate is higher than the theoretical tax rate 33.99% (Belgian corporate tax rate) which is mainly due to the fact that the losses recorded by some subsidiaries didn't lead to the recognition of deferred tax assets as it is not certain that a possible future taxable profit would be high enough to recover their fiscal losses.

STATEMENT OF FINANCIAL POSITION

10. PROPERTY, PLANT & EQUIPMENT

As of June 30, 2013 (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	78,328	1,581,476	52,969	0	18,155	1,730,928
Effect of foreign currency fluctuations	(264)	(1,124)	(99)	0	(432)	(1,919)
Acquisitions through business combinations	0	0	0	0	0	0
Acquisitions	3,793	31,489	3,332	0	3,268	41,882
Transfers from one asset to another	2,653	(1,516)	1,317	0	(1,857)	597
Disposals	(14)	(14,592)	(1,831)	0	0	(16,437)
Change in the consolidation scope	(140)	0	(350)	0	0	(490)
Balance at the end of the year	84,356	1,595,733	55,338	0	19,134	1,754,561
Depreciations & impairment						
Balance at the end of the previous period	(26,261)	(682,702)	(40,348)	0	(1,183)	(750,494)
Effect of foreign currency fluctuations	81	674	56	0	62	873
Acquisitions through business - combinations	0	0	0	0	0	0
Depreciations	(1,501)	(56,541)	(2,832)	0	(1)	(60,875)
Transfers from one asset to another	(587)	941	(879)	0	0	(525)
Disposals	9	13,448	1,387	0	0	14,844
Change in the consolidation scope	59	0	284	0	0	343
Balance at the end of the period	(28,200)	(724,180)	(42,332)	0	(1,122)	(795,834)
Net carrying amount						
At January, 1 2013	52,067	898,774	12,621	0	16,972	980,434
At June, 30 2013	56,156	871,553	13,006	0	18,012	958,727

On June 30, 2013, the acquisitions of tangible assets amount to 41,882 thousand Euro, and are mainly related to DEME (35,392 thousand Euro).

The net value of the fixed assets held in leasing amounts to 18,386 thousand Euro (2012: 18,859 thousand Euro). Those contracts relate mainly to DEME, the building of the subsidiary Louis Stevens & Co NV and the buildings and equipments of Group TerryN and its subsidiaries.

The investments for the first half year 2013 decreased by 88,759 thousand Euro compared to end of June 2012. This is mainly due to the fact that the investment plan of DEME come to an end in 2012.

The amount of property, plant, and equipment constituting a guarantee for some borrowing amounts to 323,215 thousand Euro (December 2012: 318,943 thousand Euro).

As of June 30, 2012 (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	72,416	1,326,661	48,974	0	135,904	1,583,955
Effect of foreign currency fluctuations	91	1,802	82	0	(21)	1,954
Acquisitions through business combinations	14	2,140	465	0	0	2,619
Acquisitions	2,993	47,489	2,734	0	77,101	130,317
Transfers from one asset to another	273	145,864	(178)	0	(146,253)	(294)
Disposals	0	(9,742)	(1,666)	0	(6,068)	(17,476)
Change in the consolidation scope	0	0	0	0	0	0
Balance at the end of the year	75,787	1,514,214	50,411	0	60,663	1,701,075
Depreciations & impairment						
Balance at the end of the previous period	(24,546)	(620,121)	(38,425)	0	(1,245)	(684,337)
Effect of foreign currency fluctuations	(30)	(724)	(69)	0	38	(785)
Acquisitions through business combinations	(1)	(2,002)	(357)	0	0	(2,360)
Depreciations	(1,090)	(49,626)	(2,213)	0	(8)	(52,937)
Transfers from one asset to another	(23)	173	200	0	0	350
Disposals	1	8,288	1,419	0	0	9,708
Change in the consolidation scope	0	0	0	0	0	0
Balance at the end of the period	(25,689)	(664,012)	(39,445)	0	(1,215)	(730,361)
Net carrying amount						
At January, 1 2012	47,870	706,540	10,549	0	134,659	899,618
At June, 30 2012	50,098	850,202	10,966	0	59,448	970,714

11. INVESTMENT PROPERTY

(In thousand Euro)	Gross Value	Depreciations	Net Value
Net carrying amount at January 1st, 2013	15,182	(13,126)	2,056
Translation differences	0	0	0
Depreciations and impairment / reversal	0	(9)	(9)
Acquisitions	493	0	493
Disposals	(3,203)	3,035	(168)
Transfers between investment property, fixed assets in inventory and fixed assets in use	0	0	0
Net carrying amount at June 30th, 2013	12,472	(10,100)	2,372

As of June 30, 2013, the investment property at the balance sheet amount to 2,372 thousand Euro (December 2012: 2,056 thousand Euro) and have a fair value which equals at least to their net book value.

Investment property is depreciated 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 property.

(In thousand Euro)	Gross Value	Depreciations	Net Value
Net carrying amount at January 1st, 2012	20,226	(13,159)	7,067
Translation differences	(163)	0	(163)
Depreciations and impairment / reversal	0	(10)	(10)
Acquisitions	18,997	0	18,997
Disposals	0	0	0
Transfers between investment property, fixed assets in inventory and fixed assets in use	(169)	23	(146)
Net carrying amount at June 30th, 2012	38,891	(13,146)	25,745

12. ASSOCIATED COMPANIES

On June 30, 2013, associated companies amount to 23,840 thousand Euro (December 2012: 18,364 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.

Costs and revenues of construction contracts are recognised in expenses and revenue respectively based on the percentage of completion of the contract activity at the closing date. The percentage of completion is calculated using the "cost to cost" method. An expected loss on a construction contract is recognised as an expense immediately.

(in thousand Euro)	June 30 th , 2013	December 31 st , 2012
Balance sheet data		
Construction contracts in progress – assets	71,431	58,867
Construction contracts in progress – liabilities	(12,787)	(23,237)
Construction contracts in progress – net	58,645	35,630
Total income and expenses to date recognised on contracts in progress		
Costs incurred plus profits recognized less losses recognized to date	2,389,845	2,472,895
Less invoices issued	(2,331,200)	(2,437,265)
Construction contracts in progress – net	58,645	35,630

14. INVENTORIES

On June 30, 2013, the inventories amount to 194,325 thousand Euro (December 2012: 186,534 thousand Euro) and are detailed as follow:

(In thousand Euro)	June 30, 2013	December 31, 2012
Raw materials and consumables	29,625	27,534
Raw material and consumables (impairment losses)	(725)	(725)
Finished products and goods purchased for resale	168,203	162,074
Finished products (impairment losses)	(2,778)	(2,349)
Stocks	194,325	186,534

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

On June 30, 2013 these provisions amount to 45,005 thousand Euro, which represents a decrease of 1,494 thousand Euro compared to the end of December 2012 (46,499 thousand Euro).

(In thousand Euro)	Onerous contracts	After - sale service	Other current risks	Other non current risks	Total
Balance at the end of the previous period	11,652	11,727	12,441	10,679	46,499
Effect of foreign currency fluctuations	(11)	(23)	(43)	0	(77)
Actualization effect					
Transfer from one category to another					
Provisions recognized	3,633	893	661	843	6,030
Provisions used	(2,626)	(1,338)	(2,935)	(218)	(7,117)
Provisions reversed	(271)	0	0	(59)	(330)
Closing balance	12,377	11,259	10,124	11,245	45,005
of which current:	33,760				
non-current:	11,245				

The provision for onerous contracts increased by 725 thousand Euro and amount to 12,377 thousand Euro on June 30, 2013. These provisions are recognized when the expected economic benefits of certain contracts are lower than the unavoidable cost of meeting its obligations. The use of onerous contracts is related with the execution of the related contract.

The provision for after-sale service decreased by 468 thousand Euro to reach 11,259 thousand Euro on June 30, 2013.

The provision for other current risks decreased by 2,317 thousand Euro and amounts to 10,124 thousand Euro at June 30, 2013. This category includes provisions for customer claims (4,784 thousand Euro), for social litigation (98 thousand Euro), for remaining work (472 thousand Euro) and provisions for other risks (4,770 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 which amount to 11,245 thousand Euro at the end of June 2013 include, among others, a provision for restructuring.

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

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

On June 30, 2013, the derivative financial instruments have been estimated at their fair values.

18. NET FINANCIAL DEBT

18.1. THE NET FINANCIAL DEBT, AS DEFINED BY DE GROUP, BREAKS DOWN AS FOLLOW:

(In thousand Euro)	30/06/2013			31/12/2012		
	Non-current	Current	Total	Non-current	Current	Total
Bank loans and other financial debt	(345,885)	(90,229)	(436,114)	(331,016)	(76,807)	(407,823)
Bonds	(199,831)	0	(199,831)	(100,000)	(2,519)	(102,519)
Drawings on credit facilities	(25,000)	0	(25,000)	(35,000)	(3,000)	(38,000)
Borrowings under finance leases	(13,250)	(2,903)	(16,153)	(13,104)	(3,482)	(16,586)
Total long-term financial debt	(583,966)	(93,132)	(677,098)	(479,120)	(85,808)	(564,928)
Short-term financial debt	-	(69,518)	(69,518)	-	(95,665)	(95,665)
Cash equivalents	-	83,279	83,279	-	59,280	59,280
Cash	-	138,662	138,662	-	201,322	201,322
Net short-term financial debt/(cash)	-	152,423	152,423	-	164,937	164,937
Total net financial debt	(583,966)	59,291	(524,675)	(479,120)	79,129	(399,991)
Derivative instruments used as interest-rate hedges	(17,131)	(2,614)	(19,745)	(23,070)	(3,375)	(26,445)

18.2. DEBT MATURITY SCHEDULE

(In thousand Euro)	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Between 5 and 10 years	More than 10 years	Total
Bank loans and other financial debt	(90,229)	(123,873)	(60,913)	(87,325)	(73,774)	0	(436,114)
Bonds	0	0	0	(100,000)	(99,831)	0	(199,831)
Drawings on credit facilities	0	0	(25,000)	0	0	0	(25,000)
Borrowings under finance leases	(2,903)	(3,400)	(2,033)	(3,628)	(4,131)	(58)	(16,153)
Total long-term financial debt	(93,132)	(127,273)	(87,946)	(190,953)	(177,736)	(58)	(677,098)
Short-term financial debt	(69,518)	-	-	-	-	-	(69,518)
Cash equivalents	83,279	-	-	-	-	-	83,279
Cash	138,662	-	-	-	-	-	138,662
Net short-term financial debt	152,423	-	-	-	-	-	152,423
Change in net financial debt	59,291	(127,273)	(87,496)	(190,953)	(177,736)	(58)	(524,675)

18.3. CREDIT FACILITIES AND LONG TERM BANK LOANS

At 30 June 2013, the CFE group had confirmed long-term bank credit facilities of 100 million Euro, of which 25 million Euro were drawn at the end of June 2013.

On 21 June 2012, CFE issued 100 million Euro of bonds maturing on 21 June 2018 and paying a coupon of 4.75%.

On February 14th, 2013, DEME issued 200 million Euro of bonds (amount at 100%) maturing on 14 February 2019 and paying a coupon of 4.145%.

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

18.4. FINANCIAL COVENANTS

Bilateral loans are subject to specific covenants that take into account factors such as financial debt and the ratio of debt to equity or non-current assets, as well as cash flow. The group complied with all these covenants at end of June 2013.

19. FINANCIAL RISK MANAGEMENT

19.1. INTEREST RATE RISK

The policy and the risk management procedures defined by the group are the same as the one's declared in the 2012 annual report.

Effective average interest rate before considering derivative products

Type of debts	Fixed rate			Floating rate			Total		
	Amounts	Quota	Rate	Amounts	Quota	Rate	Amounts	Quota	Rate
Bank loans and other financial debts	22,701	9.51%	2.72%	413,413	94.30%	2.31%	436,114	64.41%	2.34%
Bonds	199,831	83.72%	4.45%	0	0.00%	0.00%	199,831	29.51%	4.45%
Credit line used	0	0.00%	0.00%	25,000	5.70%	1.67%	25,000	3.69%	1.67%
Loans related to finance lease	16,153	6.77%	3.75%	0	0.00%	0.00%	16,153	2.39%	3.75%
Total	238,685	100.00%	4.24%	438,413	100.00%	2.28%	677,098	100.00%	2.97%

Effective average interest rate after considering floating derivative products

Type of debts	Fixed rate			Floating rate			Floating rate capped + inflation			Total		
	Amounts	Quota	Rate	Amounts	Quota	Rate	Amounts	Quota	Rate	Amounts	Quota	Rate
Bank loans and other financial debts	391,824	63.42%	4.07%	44,290	74.70%	2.90%	0	0	0.00%	436,114	64.41%	3.95%
Bonds	199,831	32.35%	4.45%	0	0.00%	0.00%	0	0	0.00%	199,831	29.51%	4.45%
Credit line used	10,000	1.62%	2.78%	15,000	25.30%	1.72%	0	0	0.00%	25,000	3.69%	2.14%
Loans related to finance lease	16,153	2.61%	3.75%	0	0.00%	0.00%	0	0	0.00%	16,153	2.39%	3.75%
Total	617,808	100.00%	4.17%	59,290	100.00%	2.60%	0	0	0.00%	677,098	100.00%	4.03%

19.2. REPARTITION OF THE LONG TERM FINANCIAL DEBTS BY CURRENCY

The outstanding debts by currency are:

(In thousand Euro)	June 2013	December 2012
Euro	672,195	557,582
US Dollar	661	2,511
Other currencies	4,242	4,835
Total long term debts	677,098	564,928

19.3. BOOK VALUE AND FAIR VALUE BY ACCOUNTING CATEGORY

June 2013 (In thousand Euro)	Financial instruments – non hedge	Derivatives instruments qualified as hedging instruments	Instruments available for sale	Loans & Receivables / Liabilities at amortized cost	Total net book value	Measurement of fair value of financial assets by level	Fair value of the category
Non current financial assets			1,258	71,783	73,041		73,041
Investments (1)			1,258		1,258		1,258
Financial loans & receivables				71,783	71,783		71,783
Interest rates derivatives – cash- flow hedges							
Current financial assets	208			1,067,009	1,067,217		1,067,217
Interest rates derivatives – non hedge							
Trade and other operating receivables				845,068	845,068		845,068
Cash management financial assets	208				208		208
Cash equivalents (2)				83,279	83,279		83,279
Cash at bank & in hand (2)				138,662	138,662		138,662
Total assets	208	-	1,258	1,138,792	1,140,258		1,140,258
Non current financial debts	9,783	17,131		558,966	585,880		593,799
Bond				199,831	199,831		207,750
Financial debts				359,135	359,135		359,135
Interests rates derivatives – cash- flow hedges		17,131			17,131	Niveau 2	17,131
Other derivatives instruments	9,783				9,783	Niveau 3	9,783
Current financial debts	5,758			835,902	841,660		841,660
Interest rate derivatives – highly probable projected cash flow hedges	649				649	Niveau 2	649
Interest rate derivatives – cash flow hedges	,203				1,203	Niveau 2	1,203
Exchange rate derivatives – non cash flow hedges	3,906				3,906	Niveau 2	3,906
Other derivatives instruments – non hedge							
Trade payables and other operating debts				648,252	648,252		648,252
Financial debts				187,650	187,650		187,650
Total liabilities	15,541	17,131		1,394,868	1,427,540		1,435,459

(1) Included in “other non current financial assets” and “other non current assets”

(2) included in “cash and cash equivalents”

20. OTHER COMMITMENTS GIVEN

The total amount of commitments granted other than guarantees for the period ended June 30, 2013, is 754,227 thousand Euro (December 2012: 743,636 thousand Euro) and is detailed by nature as follows:

(In thousand Euro)	June 2013	December 2012
Performance guarantees and performance bonds (a)	557,852	523,470
Bid bonds (b)	4,646	7,303
Repayment of advance payments (c)	10,323	11,227
Retentions (d)	58,071	74,094
Deferred payments to subcontractors and suppliers (e)	17,458	17,909
Other commitments given - including 53,428 thousand Euro of corporate guarantees at DEME	105,877	109,633
Total	754,227	743,636

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

21. OTHER COMMITMENTS RECEIVED

(In thousand Euro)	June 2013	December 2012
Performance guarantees and performance bonds	48,819	47,061
Other commitments received	7,774	13,406
Total	56,593	60,467

22. LITIGATION

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 counterparty, which substantially reduces the number of procedures.

Currently, negotiations are on-going regarding some receivables. At the moment, it is not possible to assess the potential asset. In the Netherlands, with respect to a large project in Amsterdam, the negotiations begun in early 2013 with the customer, in order to find a balanced and definitive solution, led to an agreement between the parties in early May. This agreement is being formalised with the customer and the banks that are providing funding. Finalisation of the agreement will enable the consortium in charge of the project to gain access once more to the planned funding.

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 2013, there was no significant variation in the nature of transactions with related parties compared to December 31, 2012.

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

The research and development within CFE is related to the DBFM contracts (“Design, Build, Finance, Maintain”). For DEME, the research and development relate to the improvement of the efficiency of the maritime-equipment. This company also lead a program in partnership with Belgian universities and the Flemish Region in order to develop the production of eco-friendly energy in the maritime-environment.

27. SEASONAL NATURE OF THE BUSINESS

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

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

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

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

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 SA (“the company”) and its subsidiaries (jointly “the group”) for the six-month period ended 30 June 2013. 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 international financial reporting standard IAS 34 – Interim Financial Reporting as adopted by the European Union.

Our limited review of the interim financial information was conducted in accordance with international standard ISRE 2410 – Review of interim financial information performed by the independent auditor of the entity. 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 International Standards on Auditing (ISA). Accordingly, we do not express an audit opinion on the interim financial information.

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 2013 is not prepared, in all material respects, in accordance with IAS 34 – Interim Financial Reporting as adopted by the European Union.

Diegem, 27 August 2013

The statutory auditor

DELOITTE Bedrijfsrevisoren / Reviseurs d’Entreprises

BV o.v.v.e. CVBA / SC s.f.d. SCRL

Represented by Pierre-Hugues Bonnefoy