Key Figures

KEY FIGURES

IN MILLION EURO	IFRS					
	2011	2012	2013	PRO FORMA 2013 DEME 100%	2014	2015
Revenue	1,793.8	1,898.3	2,267.3	3,346.1	3,510.5	3,239.4
EBITDA (3)	181.6	199.1	213.2	460.9	479.5	504.9
Operating result (EBIT) (1)	84.9	81.2	67.2	166.4	240.5	265.7
Profit before tax (1)	69.2	52.5	28.0	110.2	224.8	233.1
Net result part of the group (1)	59.1	49.4	7.9	61.7	159.9	175.0
Net result part of the group (2)	59.1	49.4	−81.2	−27.4	159.9	175.0
Equity part of the group	501.7	524.6	1,193.2	1,193.2	1,313.6	1,423.3
Net financial debt	350.8	400.0	781.4	614.1	188.1	322.7

(1) *Before* items specific to the capital increase and the treatment of goodwill arising from the consolidation of the additional 50% stake in DEME arising from the contribution in kind and capital increase.

(2) *After* items specific to the capital increase and the treatment of goodwill arising from the consolidation of the additional 50% stake in DEME arising from the contribution in kind and capital increase.

(3) EBITDA: EBIT + amortization and depreciation + other non-cash items (under IFRS)
The definition of EBITDA was changed as follows as from 2014 (including for restatement of the comparative figures of 2013): operating income on activities + amortization and depreciation + other non-cash items. As opposed to the operating income (EBIT), the operating income on activities does not include the earnings from associates and joint ventures.

RATIOS

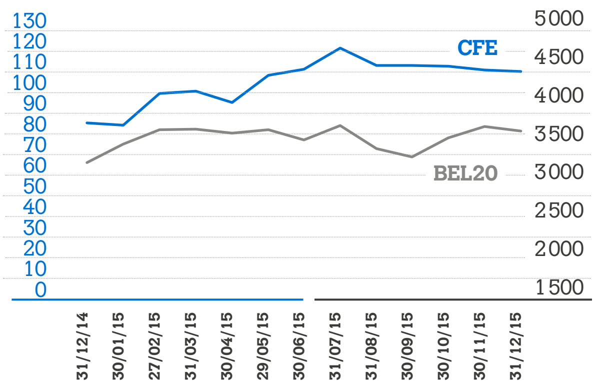
	IFRS						
	2011	2012 (*)	2013 (PUB-LISHED) (**)	2013 DEME 50% (**)	2013 PRO FORMA DEME 100% (**)	2014	2015
EBIT/ revenue	4.7%	4.3%	3.0%	1.7%	5.0%	6.9%	8.2%
EBITDA / revenue	10.1%	10.5%	9.4%	−1.0%	13.8%	13.7%	15.6%
Net result part of the group / revenue	3.3%	2.6%	0.3%	0.8%	1.8%	4.6%	5.4%
Net result part of the group / equity part of the group	11.8%	9.4%	0.7%	0.7%	5.2%	12.2%	12.3%

(*) Amounts restated resulting from the change in accounting method arising from the application of IAS 19 revised.

(**) Before items specific to the capital increase and the treatment of goodwill arising from the consolidation of the additional 50% stake in DEME arising from the contribution in kind and capital increase, and restated in accordance with changes in accounting methods following the implementation of IFRS 10 and 11.

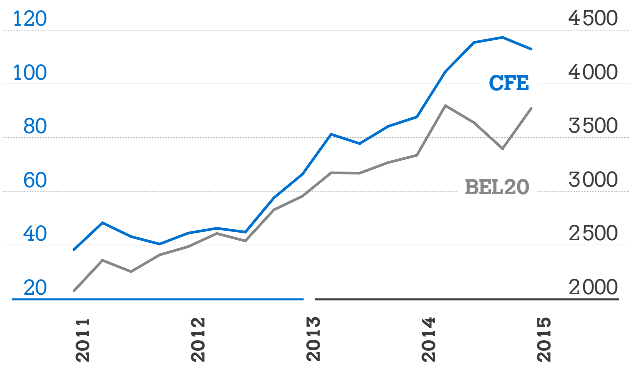
TREND COMPARING THE CFE SHARE PRICE AND THE BEL20 INDEX

For the year 2015



TREND COMPARING THE CFE SHARE PRICE AND THE BEL20 INDEX

Over the last five years



DATA IN € PER SHARE

	2011	2012 (*)	2013 (**)	2014	2015
Number of shares at 31/12	13,092,260	13,092,260	25,314,482	25,314,482	25,314,482
Operating result (EBIT)	6.49	6.22	N/A **	9.5	10.5
Net result part of the group	4.51	3.75	N/A **	6.32	6.9
Gross dividend	1.15	1.15	1.15	2.00	2.40
Net dividend	0.8625	0.8625	0.8625	1.50	1.752
Equity	38.3	40.1	47.1	52.2	56.7

(*) Amounts restated resulting from the change in accounting method arising from the application of IAS 19 revised.

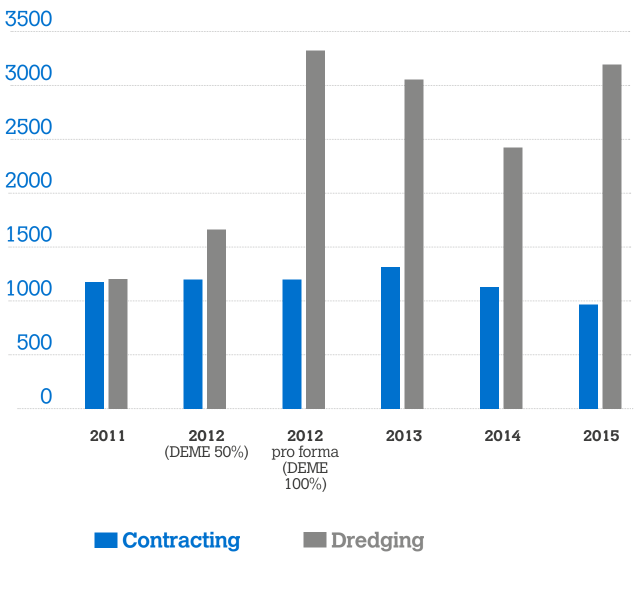
(**) Not meaningful following the change in scope and items relating to the capital increase and the treatment of goodwill.

SHARE PRICE DATA

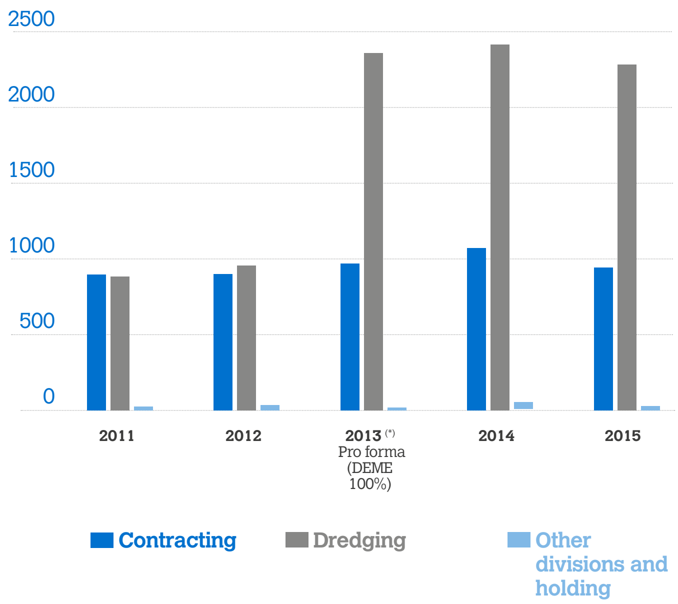
		2011	2012	2013	2014	2015
Lowest price	EUR	35.03	36.25	41.00	62.80	83.0
Highest price	EUR	59.78	49.49	66.64	89.70	127.7
Price at the close of the FY	EUR	37.99	43.84	64.76	85.02	109.1
Average volume per day	NUMBER SHARES	15,219	11,672	14,628	15,015	16,128
Market capitalisation at 31/12	MIL. EUR	497.4	573.96	1,639.4	2,152.2	2,761.8

DATA BY DIVISION

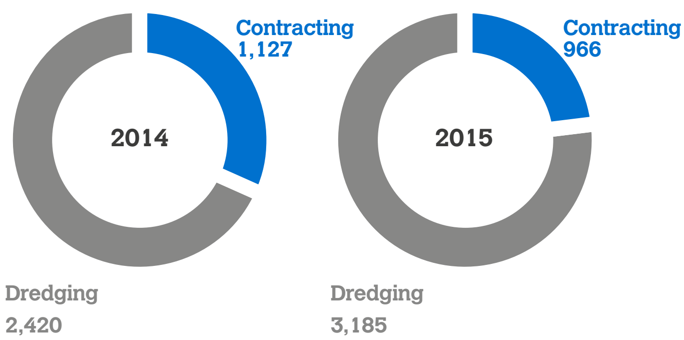
EVOLUTION OF THE
ORDER BOOK
IN € MILLION



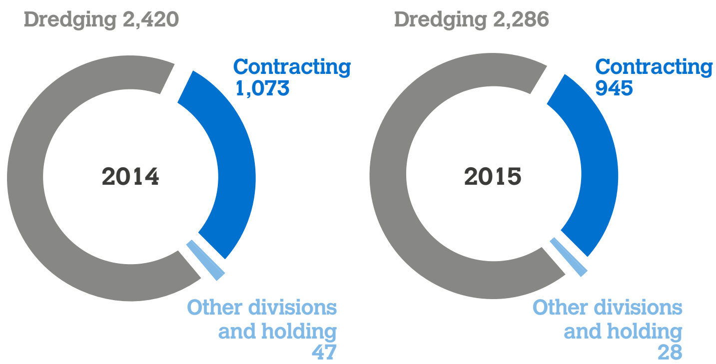
EVOLUTION OF THE
REVENUE
IN € MILLION



EVOLUTION OF THE
ORDER BOOK
IN € MILLION

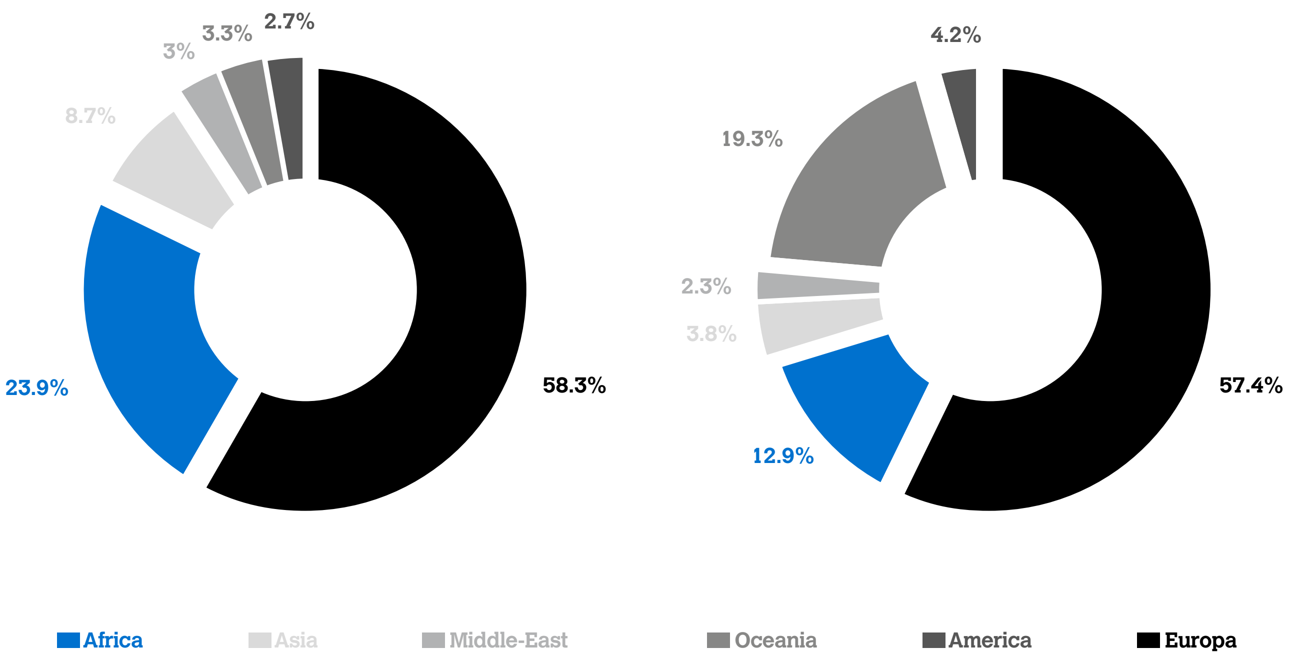


EVOLUTION OF THE
REVENUE
IN € MILLION



(*) Amounts restated in accordance with changes in accounting methods following the implementation of IFRS 10 and IFRS 11.

EVOLUTION OF
ACTIVITY OF THE CFE GROUP
BY GEOGRAPHICAL AREA



EVOLUTION OF THE
OPERATING RESULT (*)
IN € MILLION

	CONTRACTING	REAL ESTATE	DREDGING	OTHER DIVISIONS AND HOLDING	TOTAL
2011	12.5	9.4	67.6	-4.6	84.9
2012	5	10.4	69.1	-3.3	81.2
2013 (published)	-29.5	3.8	105.1	-12.2	67.2
2013 Pro forma DEME at 100% (**)	-29.5	3.7	202.2	-10.0	166.4
2014	-7.5	7.1	241.2	-0.3	240.5
2015	-34.9	7.7	298.2	-5.3	265.7

(*) Including results of associated companies and joint ventures.
(**) Amounts restated in accordance with changes in accounting methods following the implementation of IFRS 10 and IFRS 11.
The Contracting division integrates the Construction, Multitechnics and Rail infra activities.

Management Report of the Board of Directors

Fabien De Jonge
Chief Financial Officer
CFE

Philippe Berlamont
Group Controller & Consolidation
CFE

PAGE

A. REPORT ON THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR

CFE's board of directors met on 24 February 2016 to finalize the financial statements for the year ended 31 December 2015, which will be submitted to the forthcoming general meeting of shareholders on 4 May 2016.

2015 KEY FIGURES

IN MILLION €	2015	2014	CHANGE 2015/2014
Revenue	3,239.4	3,510.5	-7.7%
Self-financing capacity (EBITDA)	504.9	479.5	+5.3%
% of revenue	15.6%	13.7%	
Operating income on activities	228.9	220.4	+3.9%
% of revenue	7.1%	6.3%	
Operating income (including earnings from associates and joint ventures) (EBIT)	265.7	240.5	+10.5%
% of revenue	8.2%	6.9%	
Net result part of the group	175.0	159.9	+9.4%
% of revenue	5.4%	4.6%	
Earnings per share (in €)	6.91	6.32	+9.4%
Gross dividend per share (in €) (*)	2.40	2.00	+20.0%
Equity	1,423.3	1,313.6	+8.4%
Net financial debt	322.7	188.1	+71.6%
Order book at 31 December	4,160.3	3,565.8	+16.7%

(*) Amount to be submitted for approval to the annual general meeting of 4 May 2016.

2. ANALYSIS BY DIVISION

DREDGING AND ENVIRONMENT DIVISION

KEY FIGURES

IN MILLION €	2015			2014			CHANGE 2015/2014
	DEME	RESTATE-MENTS DEME (**)	TOTAL	DEME	RESTATE-MENTS DEME (**)	TOTAL	
Revenue	2,286.1	0.0	2,286.1	2,419.7	0.0	2,419.7	-5.6%
EBITDA	489.2	0.0	489.2	443.6	2.2	445.8	9.7%
Operating income (*)	305.7	-7.5	298.2	248.9	-7.8	241.1	23.7%
Net result share of the group	199.2	2.1	201.3	168.9	2.4	171.3	17.5%
Net financial debt	269.5	5.5	275.0	126.8	7.3	134.1	105.1%
Order book	3,185.0	0.0	3,185.0	2,420.0	0.0	2,420.0	31.6%

(*) Including results of associated companies and joint ventures

(**) Restatements following the implementation of PPA in 2014

KEY FIGURES ACCORDING TO THE ECONOMIC APPROACH

The key figures shown below are presented according to the economic approach whereby the jointly controlled companies are proportionally consolidated (accounting rules applicable before 1 January 2014).

IN MILLION €	2015	2014	CHANGE 2015/2014
Revenue	2,351.0	2,586.9	-9.1%
EBITDA	558.4	501.5	11.3%
Operating income on activities (*)	318.4	259.1	22.9%
Net result share of the group	199.2	168.9	17.9%
Investments	373.1	176.5	111.4%
Net financial debt	266.7	212.8	25.3%

(*) Excluding results of associated companies and joint ventures

REVENUE (ECONOMIC APPROACH)

DEME's revenue amounted to €2,351 million, i.e. down 9.1% on 2014. The previous year was marked by an exceptional level of activity in Australia (Wheatstone) and Qatar (New Doha Port).

During the third quarter of 2015, DEME successfully completed the deepening and widening of a section of the Suez Canal at Great Bitter Lake. This involved dredging 40 million m^3 in just 10 months.

In Singapore, DEME realized two major projects: the extension of Jurong Island (JIWE), which is progressing according to plan, and the mega project Tuas Terminal – Phase 1 (TTP1), which began in the summer of 2015 and will take six years.

In Yamal, Russia, the second phase of the dredging works was completed in October 2015.

2015 was also a busy year for GeoSea, the subsidiary specializing in offshore marine engineering. Several major projects were carried out to the customers' satisfaction, primarily in Germany (Godewind project) and the United Kingdom (Kentish Flat Extension project). GeoSea has also just started construction work on the 'Nordsee One' offshore wind farm in the North Sea, off the German coast (transport and installation of 54 wind turbines).

EVOLUTION OF ACTIVITY BY BUSINESS AREA (ECONOMIC APPROACH)

IN %	2015	2014
Capital dredging	48%	55%
Maintenance dredging	11%	11%
Fallpipe and landfalls	9%	9%
Environment	9%	7%
Marine works	23%	18%
Total	**2,351**	**2,587**

EVOLUTION OF ACTIVITY BY GEOGRAPHICAL AREA (ECONOMIC APPROACH)

IN %	2015	2014
Europe (EU)	33%	34%
Europe (non-EU)	10%	7%
Africa	30%	14%
Americas	4%	6%
Asia-Pacific	12%	30%
Middle East	7%	8%
India and Pakistan	4%	1%
Total	**2,351**	**2,587**

EBITDA AND OPERATING INCOME

Despite the decrease in revenue, EBITDA and operating income increased significantly compared to 2014.

The execution and/or finalization of important projects have contributed greatly to this exceptional performance.

ORDER BOOK

The order book (€3,185 million as of 31 December 2015) shows a 31.6% growth compared to 31 December 2014.

During the first six months, DEME won major orders in Singapore (TTP1 project worth € one billion), Nigeria (Eko Atlantic project) and in Belgium (maintenance dredging of the river Scheldt).

During the second half of the year, GeoSea was awarded two major projects in the United Kingdom : the Galloper and Race Bank projects worth respectively €342 and 109 million. Works will begin in 2016.

INVESTMENTS AND NET FINANCIAL DEBT

Investments in 2015 amounted to €373.1 million according to the economic approach. These mainly involve the acquisition of the offshore assets of Hochtief, such as the pontoons 'Wismar', 'Bremen' and 'Stralsund', the jack-up vessel 'Thor', and 50% of the shares of HGO Infra Sea, owner of the jack-up vessel 'Innovation', the most powerful self elevating platform for offshore windfarm construction.

In the last few months, DEME has also started building six new vessels:

- The self-propelled jack-up vessel 'Apollo'
- The multipurpose vessel 'Living Stone'
- The trailing suction hopper dredger 'Bonny River' (14,500 m^3)
- The trailing suction hopper dredger 'Scheldt River' (8,000 m^3)
- The trailing suction hopper dredger 'Minerva' (3,500 m^3)
- The crane vessel 'Rambiz 4000' (in joint venture)

Those vessels, for which down payments were made in 2015, will progressively join DEME's fleet from 2017 onwards.

The slight increase in working capital requirement and the abovementioned investments were largely offset by the operating cash flow.

DEME's net financial debt amounted to €266.7 million (economic approach), or €53.9 million up on the previous year.

NEW DIVISION

At the end of the financial year, DEME decided to set up a new division, comprising two new subsidiaries: DEME Infra Sea Solutions (DISS) and DEME Infra Marine Contractor (DIMCO), specializing in marine and river civil engineering. The establishment of this new division is inspired by DEME's aim to offer its customers global and integrated solutions in dredging and marine civil engineering.

As part of this process, the entities CFE Nederland BV and GEKA Bouw BV, direct subsidiaries of CFE, were repositioned under DIMCO at the end of the year. At the same time, part of the civil engineering staff of CFE was transferred to DIMCO.

CONTRACTING DIVISION

KEY FIGURES

IN MILLION €	2015	2014	CHANGE 2015/2014
Revenue	**945.1**	**1,073.3**	**-11.9%**
Operating income (*)	**-34.9**	**-7.5**	**-**
Net result share of the group	**-34.1**	**-14.5**	**-**
Order book	**966.0**	**1,127.2**	**-14.3%**

(*) Including results of associated companies and joint ventures.

REVENUE

IN MILLION €	2015	2014	CHANGE IN %
Construction	**741.1**	**805.3**	**-8.0%**
Civil Engineering	91.8	116.3	-21.1%
Buildings, Benelux	531.7	523.1	+1.6%
Buildings, International	117.6	165.9	-29.1%
Multitechnics and Rail Infra	**204.0**	**268.0**	**-23.9%**
Total Contracting	**945.1**	**1,073.3**	**-11.9%**

Revenue amounted to €945.1 million, down 11.9% (-8.1% on a like-for-like basis).

Civil engineering saw a further decline in activity, particularly in Flanders, as market conditions remain very difficult in Belgium.

Buildings revenue in Belgium, however, improved slightly in 2015, primarily at CFE Bouw Vlaanderen, where revenue reached an all-time high.

International activity contracted considerably in Sub-Saharan Africa with the interruption of the Ministry of Finance project in Chad.

The sale of the road-building operations at the beginning of the year had an impact of €44.6 million on the revenue of the Multitechnics and Rail Infra segment.

OPERATING INCOME

The division's operating income decreased sharply in 2015. The loss amounted to €34.9 million, compared to €7.5 million in 2014.

Several factors account for this loss:

- additional problems encountered on the Brussels-South wastewater treatment plant project and the Eko Tower project in Lagos, Nigeria,
- execution of several difficult building projects in Brussels,
- end of the restructuring process in Hungary and Slovakia, which still weighed on the figures.

Those negative results should not, however, eclipse the good performance of VMA, CFE Bouw Vlaanderen, CFE Polska, BPC Wallonie and the entities of the Rail Infra segment.

ORDER BOOK

IN MILLION €	2015	2014	CHANGE IN %
Construction	***800.8***	***945.3***	***-15.3%***
Civil Engineering	*50.6*	*169.3*	*-70.1%*
Buildings, Benelux	*601.0*	*651.0*	*-7.8%*
Buildings, International	*149.2*	*125.1*	*19.3%*
Multitechnics and Rail Infra	***165.2***	***181.8***	***-9.2%***
Total Contracting	***966.0***	***1,127.2***	***-14.3%***

The order book shrank by 14.3%.

The decline was particularly marked in civil engineering as a result of the transfer of the marine and river civil engineering activities to DEME.

The order book of the Construction division in Belgium remained substantial thanks to several contracts such as the Agora project in Louvain-la-Neuve, the Palatium project in Brussels, and the finishing works at AZ Sint-Maarten hospital in Mechelen.

Order intake was also high in Luxembourg (such as the contract for the French Lyceum) and in Poland, where the order book grew by more than 170%.

In Nigeria, CFE won a supply contract for a local property developer.

RISK ON CHAD

In the second half of the year, the Grand Hotel was completed to the customer's satisfaction, resulting in €6 million receipts. At the same time, CFE, in close consultation with the Chadian authorities, continues its efforts to look for a solution to the issue of settling the outstanding balance of receivables.

CFE's net exposure on that country amounts to just over €60 million.

REORGANIZATION OF THE CONTRACTING DIVISION

During the second half of 2015, the operations of Multitechnics, Rail Infra and Buildings in Belgium, Luxembourg, Poland and Tunisia were repositioned under CFE Contracting SA, the leading company of the division and wholly-owned subsidiary of CFE SA.

The board of directors entrusted the daily management of CFE Contracting to an executive committee composed of four members and led by Raymund Trost, CEO of CFE Contracting.

At the end of the year, the marine and river civil engineering activities of CFE were transferred to DIMCO.

This internal reorganization is coupled with a change in the scope of the Contracting division with effect from 1 January 2016. This will be exclusively confined to the activities carried out by CFE Contracting and its subsidiaries. The activities of CFE that have not been transferred to CFE Contracting or to DEME will from now on be reported together under the Holding segment. This concerns the non-marine civil engineering projects in progress in Belgium and the International Building activities outside Luxembourg, Poland and Tunisia.

The table below shows the key figures of the Contracting division in its new configuration (pro forma figures).

IN MILLION €	2015
Revenue	*718.9*
Net result after tax	*9.7*
Orderbook	*836.3*

REAL ESTATE DIVISION

KEY FIGURES

IN MILLION €	2015	2014	CHANGE 2015/2014
Revenue	*27.2*	*45.6*	*-40.4%*
Operating income (*)	*7.7*	*7.1*	*+8.5%*
Net result share of the group	*7.0*	*4.3*	*+ 62.8%*

(*) Including earnings from associates and joint ventures

EVOLUTION OF REAL ESTATE PROJECTS

IN MILLION €	31 DECEMBER 2015	31 DECEMBER 2014
Properties being marketed	*14*	*16*
Properties under construction	*34*	*57*
Properties in development	*71*	*61*
Total	*119*	*134*

ACQUISITIONS

During the financial year, several building lots were successfully acquired in Luxembourg (Route d'Esch project in Luxembourg City) and in Belgium, where BPI will develop the 'Voltaire' project in Schaerbeek and the 'Les Rives' project in Anderlecht (in joint venture).

KEY TRANSACTIONS

BPI successfully launched the third and fourth phases of the residential project 'Ocean Four' in Gdansk and of a first residential building on the Erasmus Gardens site in Anderlecht. In Ostend, the third phase of the 'Oosteroever' project has started.

In August, Belgian Land took a 50% stake in the second phase of the project 'Les Hauts Prés' in Uccle (200 residential units to be developed from 2016 onwards).

In the second half of the year, BPI handed over a nursing home on the former Solvay site in Ixelles to an institutional investor. Several land positions were also sold during the year.

In Luxembourg, the new head office of G4S was completed to the customer's satisfaction.

NET RESULT

The sustained pace of sales of the projects in progress and disposals realized during the year account for the strong growth in net result (+62.8%).

REORGANIZATION OF THE REAL ESTATE DIVISION

During the financial year, all real estate projects of the group were positioned under BPI, the new leading company of the Real Estate division.

PPP - CONCESSIONS DIVISION

KEY FIGURES

IN MILLION €	2015	2014	CHANGE 2015/2014
Revenue	1.4	0.8	+75.0%
Operating income (*)	1.3	2.5	-48.0%
Net result share of the group	1.1	2.2	-50.0%

(*) Including results of associated companies and joint ventures

2015 was a year of transition for Rent-A-Port, and was devoted primarily to the launch of site preparation works in Oman (Duqm port area) and in Vietnam, where new extensions of the concession in the port area of Dinh Vu were secured at the end of 2014.

As of 1 January 2016, the financial statements of the entities of the PPP-Concessions division will be incorporated in the 'Holding' segment.

HOLDING & ELIMINATIONS

IN MILLION €	2015	2014	CHANGE 2015/2014
Net result part of the group	-0.3	-2.7	N.S.
Elimination among divisions	0.0	-0.4	N.S.
Total Holding & Eliminations	-0.3	-3.1	N.S.

The restructuring costs, financial charges and asset depreciations more than outweighed the €8.7 million capital gain realized on the sale of Aannemingen Van Wellen NV to the Willemen group.

As of 1 January 2016, the activities of CFE SA that have not been transferred, including PPP-Concessions, will be reported under the Holding segment.

3. OVERVIEW OF THE RESULTS

3.A.1. CONSOLIDATED STATEMENT INCOME AND OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER (IN THOUSANDS €)	2015	2014
Revenue	**3,239,406**	**3,510,548**
Revenue from auxiliary activities	109,005	80,518
Purchases	-1,831,454	-2,093,355
Wages, salaries & social charges	-547,043	-583,211
Other operating charges	-482,581	-449,834
Depreciations	-255,312	-243,746
Goodwill Impairment	-3,116	-521
Operating income on activities	**228,905**	**220,399**
Earnings from associates and joint ventures	36,759	20,124
Operating income	**265,664**	**240,523**
Gross financial cost	-31,720	-31,909
Other financial expenses and income	-869	16,156
Financial result	**-32,589**	**-15,753**
Result before taxes	**233,075**	**224,770**
Income tax expense	-59,051	-65,249
Result of the year	**174,024**	**159,521**
Non-controlling interests	937	357
Result – share of the group	**174,961**	**159,878**

YEAR ENDED 31 DECEMBER (IN THOUSANDS €)	2015	2014
Result of the year	174,024	159,521
Financial instruments – change in fair values	-6,366	-8,750
Currency translation differences	-4,088	-2,126
Deferred taxes	1,783	2,974
Other elements of the comprehensive income to be reclassified to profit or loss in subsequent period	**-8,671**	**-7,902**
Remeasurement on defined benefit plans	-197	-1,679
Deferred taxes	1,099	-997
Other elements of the comprehensive income not to be reclassified to profit or loss in subsequent period	**902**	**-2,676**
Total elements of the comprehensive income directly accounted in equity	**-7,769**	**-10,578**
Comprehensive income	**166,255**	**148,943**
- attributable to the group	166,489	149,586
- attributable to non-controlling interests	-234	-643
Net result per share (€) (basic and diluted)	6.91	6.32
Comprehensive income per share (€) (basic and diluted)	6.58	5.91

3.A.2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

YEAR ENDED 31 DECEMBER (IN THOUSANDS €)	2015	2014
Intangible assets	97,886	98,491
Goodwill	175,222	177,082
Property, plant and equipment	1,727,679	1,503,275
Associates and joint ventures	151,377	159,290
Other non-current financial assets	129,501	109,341
Non-current derivative instruments	1,381	674
Other non-current assets	19,280	20,006
Deferred tax assets	103,345	115,322
Total non-current assets	**2,405,671**	**2,183,481**
Inventories	77,946	105,278
Trade receivables and other operating receivables	1,192,977	1,082,504
Other current assets	125,029	104,554
Current derivative instruments	8,514	4,220
Current financial assets	70	467
Assets held for sale	0	31,447
Cash and cash equivalents	491,952	703,501
Total current assets	**1,896,488**	**2,031,971**
Total assets	**4,302,159**	**4,215,452**
Issued capital	41,330	41,330
Share premium	800,008	800,008
Retained earnings	607,012	488,890
Defined benefits plans	−7,448	−8,350
Consolidated reserves and reserve related to hedging instruments	−10,710	−6,127
Translation differences	−6,915	−2,124
Equity – part of the group CFE	**1,423,277**	**1,313,627**
Non-controlling interests	11,123	7,238
Equity	**1,434,400**	**1,320,865**
Pensions and employee benefits	41,054	41,806
Provisions	44,854	40,676
Other non-current liabilities	17,145	80,665
Bond	305,216	306,895
Financial debts	398,897	378,065
Non-current derivative instruments	33,359	12,922
Deferred tax liabilities	150,053	139,039
Total non-current liabilities	**990,578**	**1,000,068**
Provisions for other current risks	64,820	48,447
Trade payables & other operating liabilities	1,184,886	1,099,309
Tax liability due for payment	88,215	80,264
Current financial debts	110,558	206,671
Current derivative instruments	35,146	24,948
Liabilities held for sale	0	19,164
Other current liabilities	393,556	415,716
Total current liabilities	**1,877,181**	**1,894,519**
Total equity and liabilities	**4,302,159**	**4,215,452**

3.A.3. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, CASH FLOW AND CAPEX TABLES

CFE's equity further increased in 2015 to €1,434.4 million compared to €1,320.9 million at year-end 2014.

The net financial debt(*) amounted to €322.7 million, which is €134.6 million up on 31 December 2014. This debt breaks down into a long-term debt of €814.7 million and a positive net cash position of €492 million.

CFE has, for its part, confirmed medium-term credit facilities for its general financing needs totalling €125 million, of which €75 million had not been drawn down at year-end 2015. Both CFE and DEME are in compliance with the 'banking covenants'.

(*) Net financial debt does not include the fair value of derivative instruments which at 31 December 2015 amounted to a liability of €59 million.

YEAR ENDED 31 DECEMBER (IN THOUSANDS €)	2015	2014
Cash flows relating to operating activities	**334,981**	**606,725**
Cash flows relating to investing activities	**-258,879**	**-163,607**
Cash flows relating to financing activities	**-288,024**	**-177,548**
Net increase/decrease in cash position	-211,921	265,570
Shareholders' equity (excluding non-controlling interests) at start of period	1,313,627	1,193,153
Shareholders' equity (excluding non-controlling interests) at end of period	1,423,277	1,313,627
Net result share of the group for the period	174,961	159,878
ROE	13.3%	13.4%

3.A.4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS OF 31 DECEMBER 2015

(THOUSANDS €)	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	DEFINED BENEFITS PLANS	RESERVES RELATED TO HEDGING INSTRUMENTS	TRANSLATION DIFFERENCES	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	TOTAL
December 2014	**41,330**	**800,008**	**488,890**	**-8,350**	**-6,127**	**-2,124**	**1,313,627**	**7,238**	**1,320,865**
Comprehensive income for the period			**174,961**	**902**	**-4,583**	**-4,791**	**166,489**	**-234**	**166,255**
Dividends paid to shareholders			-50,626				**-50,626**		**-50,626**
Dividends paid to non-controlling interests								-2,094	**-2,094**
Change in consolidation scope			-6,213				**-6,213**	6,213	**0**
December 2015	**41,330**	**800,008**	**607,012**	**-7,448**	**-10,710**	**-6,915**	**1,423,277**	**11,123**	**1,434,400**

3.A.5. KEY FIGURES PER SHARE

	31 DECEMBER 2015	31 DECEMBER 2014
Total number of shares	**25,314,482**	**25,314,482**
Operating result after deduction of the net financial charges per share	9.21	8.88
Net result part of the group per share	**6.91**	**6.32**

3.B.1. PROFIT AND LOSS ACCOUNT CFE SA (BELGIAN STANDARDS)

(IN THOUSANDS €)	2015	2014
Turnover and other income	273,031	376,996
Operational result	-9,445	505
Net financial result	66,910	47,561
Current result	57,465	48,066
Exceptional revenues	108,529	4
Exceptional costs	-41,606	-11,131
Result before taxes	124,388	36,939
Taxes	-374	113
Result of the year	**124,014**	**37,052**

There was a substantial decline in the revenue of CFE SA. This is explained by the disposal of the 'Buildings Flanders' segment on 1 July 2015 and by the shrinking activity in civil engineering and building in the Brussels Region.

The operating result was adversely affected by heavy losses on the Brussels-South wastewater treatment plant project and by the execution of some difficult projects in Brussels.

The increase in dividends received from the subsidiaries accounts for the upward trend in the financial result.

The extraordinary income and charges consist primarily of capital gains and losses on the disposal of subsidiaries of the Real Estate and Contracting divisions. Except for the transaction with the Willemen group, those disposals relate to intra-group transfers that have no impact on the consolidated statements.

3.B.2. BALANCE SHEET CFE NV AFTER APPROPRIATION (BELGIAN STANDARDS)

(IN THOUSANDS €)	31 DECEMBER 2015	31 DECEMBER 2014
Assets		
Fixed assets	**1,332,944**	1,408,686
Current assets	**327,577**	330,753
Total assets	**1,660,521**	**1,739,439**

(IN THOUSANDS €)	31 DECEMBER 2015	31 DECEMBER 2014
Equity and liabilities		
Equity	**1,193,150**	1,129,891
Provisions and deferred taxes	**58,923**	61,553
Non-current liabilities	**152,580**	113,439
Current liabilities	**255,868**	434,556
Total equity and liabilities	**1,660,521**	**1,739,439**

4. DIVIDEND

At the general meeting of shareholders on 4 May 2016, CFE's board of directors will propose a gross dividend of €2.40 per share, representing a net dividend of €1.752, or a total distribution of €60,754,756.

B. CORPORATE GOVERNANCE STATEMENT

1. CORPORATE GOVERNANCE

The Company has adopted the Belgian Corporate Governance Code (2009) as its reference code.

CFE's corporate governance charter, established on the basis of this reference code, may be consulted on the Company's website (www.cfe.be).

The corporate governance charter was modified on 25 February 2016. Apart from some cosmetic changes in the text of the charter, the main amendments are the following:

- The number of divisions have been reduced from four to three, namely Dredging and Environment, Contracting, and Real Estate;
- The rules of conduct in financial transactions;
- The age limit for directors;
- Evaluation of the performance of directors

CFE's approach to corporate governance goes beyond compliance with the Code, taking the view that it is essential to base the conduct of its activities on an ethical approach to behaviour and decision-making and a strongly embedded corporate governance culture.

2. COMPOSITION OF THE BOARD OF DIRECTORS

As at 31 December 2015, CFE's Board of Directors consisted of 13 members, whose terms of office began on the dates listed below and will expire immediately after the general meetings of shareholders in the years listed below:

	START OF TERM	END OF TERM
C.G.O. SA, represented by Philippe Delaunois (*)	06,05,2010	2016
Renaud Bentégeat (**)	18,09,2003	2017
Piet Dejonghe (**)	24,12,2013	2017
Luc Bertrand	24,12,2013	2017
John-Eric Bertrand	24,12,2013	2017
Jan Suykens	24,12,2013	2017
Koen Janssen	24,12,2013	2017
Alain Bernard	24,12,2013	2017
Philippe Delusinne	07,05,2009	2016
Christian Labeyrie	06,03,2002	2016
Consuco SA, represented by Alfred Bouckaert	06,05,2010	2016
Ciska Servais SPRL, represented by Ciska Servais	03,05,2007	2019
Jan Steyaert	07,05,2009	2016

(*) Philippe Delaunois was a member of CFE's Board of Directors in a personal capacity from 5 May 1994 to 6 May 2010

(**) Managing director responsible for day-to-day operations

The Board of Directors will propose to the Ordinary General Meeting of 4 May 2016 to proceed with the nomination of Leen Geirnaerdt as Director for a period of four years. Leen Geirnaerdt complies with the independence criteria under the terms of Article 526c ter of the Companies Code and of the Belgian Corporate Governance 2009.

Leen Geirnaerdt (1974) joined the Executive Board of USG People N.V. as Chief Financial Officer on 1 November 2010. Leen Geirnaerdt started her career at PricewaterhouseCoopers, where she worked as an auditor and manager for six years before moving to Solvus Resource Group in the position of Corporate Controller. After the acquisition of Solvus NV by USG People, Leen Geirnaerdt held various senior management positions, including that of General Manager of USG People Belgium's Shared Service Center Transactions & Support from 2008. Leen Geirnaerdt studied Applied Economics with an Accountancy option at the University of Antwerp.

2.1. CORPORATE OFFICES AND DUTIES OF BOARD MEMBERS

DIRECTORS

The table below summarizes the mandates and duties of the 13 Board members as at 31 December 2015.

C.G.O. SA, represented by Philippe Delaunois	**Chairman of the Board of Directors** **Director**
CFE Avenue Herrmann-Debroux 40-42 B-1160 Brussels	Philippe Delaunois was born in 1941. He has degrees in civil engineering and metallurgy from Mons Polytechnic University and in commercial engineering from Mons State University. He is also a graduate of Harvard Business School. He spent most of his career in the steel industry, and until 1999 was managing director and general manager of Cockerill-Sambre. He is an Officer of the Order of Leopold (Belgium) and Chevalier of the Légion d'Honneur (France), and won a Manager of the Year award in 1989. He was chairman of the Union Wallonne des Entreprises (Walloon Business Association) from 1990 to 1993, and has been Honorary Consul of Austria for Hainaut and Namur since 1990. **Corporate offices:** a- Listed companies: Director of SABCA b- Non-listed companies: Director of mutual pension insurance company Intégrale Director of CLi Director of CLE Director of DEME Director of ETEC Director of Grottes de Han Director of Nethys Director of G-TEC c- Associations: Director of Europalia ASBL Director of Ordre de Léopold ASBL Director of Chapelle Musicale Reine Elisabeth

Renaud Bentégeat | **Managing Director**

CFE
Avenue Herrmann-Debroux
40-42
B-1160 Brussels

Renaud Bentégeat was born in 1953 and holds a bachelor's degree in public law, a Master's degree (DEA) in public law, a Master's degree (DEA) in political analysis and a diploma from the Political Studies Institute of Bordeaux.
He began his career in 1978 at Campenon Bernard. He was then successively appointed head of the legal department, director of communication, administrative director and secretary-general responsible for legal services, communication, administration and human resources for Compagnie Générale de Bâtiment et de Construction (CBC).
From 1998 to 2000, he was director of building for the Greater Paris region at Campenon Bernard SGE, before being promoted to deputy general manager of VINCI Construction in Central Europe, and managing director of Bâtiments et Ponts Construction and Bâtipont Immobilier in Belgium. He has been managing director of CFE since 2003.
Renaud Bentégeat is an Officer of the Order of Leopold (Belgium), and Chevalier of the Légion d'Honneur and Chevalier of the Ordre National du Mérite (France).

Corporate offices:
a - Listed companies:
- Managing Director of CFE

b - Non-listed companies:
- Director of Bavière Developpement
- Director of Bizerte CAP 3000
- Director of CFE BBW
- Director of CLi
- Director of IFC
- Director of CFE Polska
- Director of CIW
- Director of CLE
- Director of DEME
- Director of Rent-A-Port
- Director of RAP-Energy
- Director of Promotion Léopold
- Director of SFE
- Member of the Supervisory Board of Solvay Brussels School

c - Associations:
- President of the Chambre Française de Commerce et d'Industrie de Belgique (French Chamber of Commerce and Industry of Belgium)
- Director of the Association des Entrepreneurs Belges de Grands Travaux (ADEB-VBA) (Association of Belgian Construction Contractors)
- Foreign Trade Adviser for France
- Director of CCI France International

Piet Dejonghe

Managing Director as of 15 January 2015

Ackermans & van Haaren
Begijnenvest 113
B- 2000 Antwerp

Piet Dejonghe was born in 1966 and has a degree in law (KU Leuven, 1989), a postgraduate degree in management (KU Leuven, 1990) and an MBA from INSEAD (1993). Before joining Ackermans & van Haaren in 1995, he worked as a lawyer at Loeff Claeys Verbeke and as a consultant at Boston Consulting Group.

Corporate offices:

a - Listed companies:
- Member of the Executive Committee, Ackermans & van Haaren
- Director of Groupe Flo

b - Non-listed companies:
- Chairman of the Board of Directors, Distriplus
- Director of Baloise Belgium
- Director of Bank J.Van Breda & C°
- Director of Brinvest
- Director of Delen Private Bank
- Director of Delen Private Bank Luxembourg
- Director of Financière Flo
- Director of Finaxis
- Director of GB-INNO-BM
- Director of GIB Corporate Services
- Director of Groupe Financière Duval
- Director of Holding Groupe Duval
- Director of Ligno Power
- Director of Profimolux
- Director of Sofinim
- Director of BPI, CFE Bouw Vlaanderen, CFE Contracting, CFE Infra, CLE

c - Associations:
- Member of the Board of Directors of SOS-Villages d'Enfants Belgique

Luc Bertrand

Ackermans & van Haaren
Begijnenvest 113
B- 2000 Antwerp

Member of the Appointments and Remuneration Committee

Director

Luc Bertrand was born in 1951 and in 1974 obtained a commercial engineering degree from KU Leuven. He started his career at Bankers Trust, where he worked as Vice-President and Regional Sales Manager, Northern Europe. In 1985, he was appointed director of Ackermans & van Haaren and has worked at Ackermans & van Haaren since 1986.

Corporate offices:

a - Listed companies:

- Director and Chairman of the Executive Committee, Ackermans & van Haaren
- Chairman of the Board of Directors, Leasinvest Real Estate
- Director of Atenor Group
- Director of Groupe Flo
- Director of Sipef

b - Non-listed companies:

- Chairman of the Board of Directors, Agidens International
- Chairman of the Board of Directors, DEME
- Chairman of the Board of Directors, Dredging International
- Chairman of the Board of Directors, Finaxis
- Chairman of the Board of Directors, Sofinim
- Chairman of the Board of Directors, Tour & Taxis (Openbaar Pakhuis, Parking)
- Chairman of the Board of Directors, Algemene Aannemingen Van Laere
- Director of Anfima
- Director of AvH Coordination Center
- Director of Axe Investments
- Director of Baarbeek
- Director of Bank J.Van Breda & C°
- Director of Belfimas
- Director of BOS
- Director of Brinvest
- Director of Delen Investments CVA
- Director of Delen Private Bank
- Director of DEME Coordination Center
- Director of Extensa Group
- Director of Groupe Financière Duval
- Director of Holding Groupe Duval (FR)
- Director of ING Belgium
- Director of JM Finn & Co (UK)
- Director of Leasinvest Immo Lux Sicav
- Director of Manuchar
- Director of Profimolux
- Director of Rent-A-Port
- Director of RAP-Energy
- Director of Scaldis Invest
- Director of Tour & Taxis (Projet T&T)

c - Associations:

- Chairman of Guberna (Belgian Governance Institute)
- Chairman of Middelheim Promotors
- Vice-Chairman of VOKA
- Member of the Board of Directors, INSEAD Belgique
- Member of the Board of Directors, Institut de Duve
- Member of the Board of Directors, Institut de Médecine Tropicale
- Member of the Board of Directors, KU Leuven
- Member of the Board of Directors, Musée Mayer van den Bergh
- Member of the Board of Directors, VKW Synergia
- Member of the Board of Directors, Vlerick Leuven Gent School

John-Eric Bertrand

Ackermans & van Haaren
Begijnenvest 113
B- 2000 Antwerp

Member of the Audit Committee as of 15 January 2015

Director

John-Eric Bertrand was born in 1977 and has a degree in commercial engineering (UCL 2001, magna cum laude), a Master's degree in International Management (CEMS, 2002), and an MBA from INSEAD (2006). Before joining Ackermans & van Haaren in 2008 as investment manager, John-Eric Bertrand worked as a senior auditor at Deloitte and as a senior consultant at Roland Berger Strategy Consultants. He has been on the Executive Committee of AvH since 1 July 2015.

Corporate offices:

a - Listed companies:
- Director of Sagar Cements
- Member of the Executive Committee, Ackermans & van Haaren

b - Non-listed companies:
- Director of Alfa Park
- Director of Agidens International
- Director of Oriental Quarries & Mines
- Director of Algemene Aannemingen Van Laere
- Director of Bracht, Deckers & Mackelbert (BDM)
- Director of Assurances Continentales (Asco)
- Director of Holding Groupe Duval
- Director of AvH Resources India
- Director of Groupe Thiran
- Director of Telemond Holding
- Director of Henschel Engineering
- Director of Telehold
- Member of the Investment Committee of Inventures

c - Associations:
- Director of Belgian Finance Club

Koen Janssen

Ackermans & van Haaren
Begijnenvest 113
B- 2000 Antwerp

Director

Koen Janssen was born in 1970 and has a degree in civil engineering and electromechanics (KU Leuven, 1993), along with an MBA from IEFSI (France, 1994). He worked for Recticel, ING Investment Banking and ING Private Equity before joining Ackermans & van Haaren in 2001.

Corporate offices:

a- Listed companies:
- Member of the Executive Committee, Ackermans & van Haaren

b- Non-listed companies:
- Chairman of the Board of Directors, Société Nationale de Transport par Canalisations
- Director of Bedrijvencentrum Regio Mechelen
- Director of Canal Re (branch of SNTC)
- Director of DEME
- Director of Dredging International
- Director of Ligno Power
- Director of Napro (JV SNTC-Air Products)
- Director of Nitraco (JV SNTC-Praxair)
- Director of NMC
- Director of Quinten Matsys (branch of SNTC)
- Director of Rent-A-Port
- Director of RAP-Energy
- Director of Sofinim Lux
- Director of Terryn Group

Jan Suykens

Ackermans & van Haaren
Begijnenvest 113
B- 2000 Antwerp

Director

Jan Suykens was born in 1960 and has a degree in applied economics (UFSIA, 1982) and an MBA from Columbia University (1984). He worked for several years in corporate and investment banking at Générale de Banque before joining Ackermans & van Haaren in 1990.

Corporate offices:

a - Listed companies:
- Member of the Executive Committee, Ackermans & van Haaren
- Director of Leasinvest Real Estate

b - Non-listed companies:
- Chairman of the Board of Directors, Anima Care
- Chairman of the Board of Directors, Bank J.Van Breda & C°
- Chairman of the Board of Directors, HPA-Residalya
- Vice-Chairman of the Board of Directors, Delen Private Bank
- Director of ABK bank
- Director of Anfima
- Director of AvH Coordination Center
- Director of Batipont Immobilier (BPI)
- Director of Corelio
- Director of Delen Private Bank Luxembourg
- Director of DEME
- Director of Extensa
- Director of Extensa Group
- Director of Finaxis
- Director of JM Finn & Co (UK)
- Director of Leasinvest Immo Lux SICAV-FIS
- Director of Mediacore
- Director of Profimolux
- Director of Project TT
- Director of Sofinim
- Director of T&T Openbaar Pakhuis
- Director of T&T Parking
- Director of Algmene Aannemingen Van Laere

c - Associations:
- Director of Antwerp Management School
- Director of De Vrienden van het Rubenshuis

Alain Bernard

DEME
Haven 1025
Scheldedijk 30
B-2070 Zwijndrecht

Director

Alain Bernard was born in 1955 and has a degree in civil engineering and construction (KU Leuven, 1978), along with a degree in civil engineering and industrial management (KU Leuven, 1979). Mr Bernard joined the DEME Group in 1980 as project manager. He was CEO of Dredging International and COO of the DEME group between 1996 and 2006. Alain Bernard was appointed CEO of the DEME group in 2006.

Corporate offices:

a - Listed companies:
- Member of the Steering Committee of CFE

b - Non-listed companies:
- Chief Executive Officer and Director, DEME
- Director of various DEME Group subsidiaries
- Director of Aquafin

c - Associations:
- Royal Belgian Shipowners' Association, FIT (Flanders Investment & Trade)
- Chairman of the Belgian Dredging Association

Philippe Delusinne	**Independent Director**

RTL Belgium
Avenue Jacques Georgin 2
B-1030 Brussels

Member of the Audit Committee

Philippe Delusinne was born in 1957 and holds a diploma in Marketing & Distribution from ISEC Brussels and a Short MBA from the Sterling Institute of Harvard University.
He began his career as an account executive at Ted Bates, and subsequently held the positions of account manager at Publicis, client services director at Impact FCB, deputy general manager at McCann Erikson, and Chief Executive Officer of Young & Rubicam in 1993. He has been Chief Executive Officer of RTL Belgium since March 2002.

Corporate offices:
a - Listed companies:
- Member of the Supervisory Board of M6

b - Non-listed companies:
- Managing Director of RTL Belgium
- Managing Director of Radio H
- Permanent representative of CLT-UFA
- Managing Director of INADI and Cobelfra
- CEO of RTL Belux & Cie SECS
- Managing Director of RTL Belux
- Chairman and Managing Director, IP Belgium
- Chairman of Home Shopping Service Belgium
- Permanent representative of CLT-UFA
- Chairman and Managing Director, New Contact
- Director of CLT-UFA
- Director of Agence Télégraphique Belge de Presse
- Director of MaRadio.be SCRL
- Director of the Belgian Association for Self-Regulation of Journalistic Ethics

c - Associations:
- Member of the Audiovisual High Council (Belgium)
- Chairman of the Théâtre Royal de La Monnaie
- Chairman of Les Amis des Musées Royaux des Beaux-Arts de Belgique ASBL (Friends of the Royal Museums of Fine Arts of Belgium)

Christian Labeyrie	**Director**

VINCI
1, cours Ferdinand-de-Lesseps,
F-92851Rueil-Malmaison
Cedex

Member of the Audit Committee

Born in 1956, Christian Labeyrie is Executive Vice-President and Chief Financial Officer of the VINCI group, and a member of its Executive Committee. Before joining VINCI in 1990, he held various positions in the Rhône-Poulenc and Schlumberger groups. He began his career in the banking industry. Christian Labeyrie is a graduate of HEC, the Escuela Superior de Administración de Empresas (Barcelona) and McGill University (Canada), and holds a DECS diploma (advanced accounting degree). He is a Chevalier of the Légion d'Honneur and a Chevalier of the Ordre National du Mérite.

Corporate offices:
a - Listed companies:
- Member of the Executive Committee of the VINCI Group

b - Non-listed companies:
- Director of ASF
- Director of Eurovia
- Director of VINCI Deutschland
- Director of Arcour
- Director of the Stade de France consortium
- Director of VFI
- Director of Amundi Convertibles Euroland of the Crédit Agricole Asset Management
- Director of VINCI USA Holding Inc.
- Chairman of ASF Holding
- Chairman of Cofiroute Holding
- Permanent representative of VINCI Innovation
- Permanent representative of VINCI at Escota

Consuco SA, represented by Alfred Bouckaert

Avenue de Foestraets 33A
B-1180 Brussels

Member of the Audit Committee

Member of the Appointments and Remuneration Committee

Independent Director

Born in 1946, Alfred Bouckaert has a degree in economics from KUL (Catholic University of Leuven). He started his career in 1968 as a stockbroker at JM Finn & Co in London. In 1972, he joined Chase Manhattan Bank where he held various commercial and credit posts before becoming commercial banking manager for Belgium. He was appointed general manager for Chase in Copenhagen (Denmark) in 1984. Two years later, be became general manager and country manager for Chase in Belgium. In 1989, Chase Manhattan Bank sold its Belgian business to Crédit Lyonnais and Alfred Bouckaert was made responsible for merging the two banks' operating activities in Belgium. In 1994, Crédit Lyonnais asked Alfred Bouckaert to head the bank's European operations. In 1999, he took over the management of AXA Royale Belge and was also appointed country manager for the Benelux countries. He became general manager for Northern Europe (Belgium, Netherlands, Luxembourg, Germany and Switzerland) in 2005 and was a member of AXA's Management Board between October 2006 and May 2010, with responsibility for the Northern, Central and Eastern Europe region. In April 2007, he was appointed chairman of the Board of Directors of AXA Belgium, retaining this position until 27 April 2010.
Between 2011 and 2013, he was chairman of the Board of Directors of Belfius Banque & Assurances.

Corporate offices:

a - Listed companies:
- Director and Chairman of the Investment Committee of Mauritius Union Assurance (MUA), Mauritius

b - Non-listed companies:
- Director of KBL Banque
- Director of Mauritius Commercial Union Ltd.
- Director of Ventosia (investment fund for notaries)
- Director of Vesalius Biocapital II Arkiv
- Chairman of First Retail International
- Director and Chairman of the Risk Management Committee of KBL European Private Banker, Luxembourg

c - Associations:
- Director of the Chambre Française de Commerce et d'Industrie de Belgique (French Chamber of Commerce and Industry of Belgium)
- Director of Institut de Duve (ICP)

Ciska Servais SPRL, represented by Ciska Servais

Boerenlegerstraat 204
B-2650 Edegem

Chair of the Appointments and Remuneration Committee

Independent Director

Ciska Servais is a partner in the law firm Astrea. She is active in the field of administrative law, focusing in particular on environmental and town planning law, real estate law and construction law. She has extensive experience as a consultant in judicial proceedings and negotiations; she teaches university courses and is a regular speaker at seminars.
She graduated with a Bachelor's degree in law from the University of Antwerp (1989), and obtained a Master's degree (LL.M) in international legal cooperation from the Free University of Brussels (VUB) in 1990. She also obtained a special degree in ecology from the University of Antwerp (1991).
She started her internship in 1990 at the law firm Van Passel & Greeve. She became a partner at Van Passel & Vennoten in 1994 and, subsequently, at Lawfort in 2004. In 2006, she co-founded the law firm Astrea.
Ciska Servais publishes mainly on the subject of environmental law, such as on the wastewater treatment decree, environmental liability and regulations regarding the movement of soil. She is a member of the Antwerp Bar Association.

Corporate offices:

a - Listed companies:
- Independent Director of Montea Comm. VA
- Vice-Chair of the Board, Montea Comm. VA
- Chair of the Remuneration Committee, Montea Comm. VA
- Member of the Audit Committee, Montea Comm. VA

b - Non-listed companies:
- Astrea BV CVBA

Jan Steyaert Mobistar Avenue du Bourget 3 B-1140 Brussels Chairman of the Audit Committee	**Independent Director** Born in 1945, Jan Steyaert has worked in the telecom industry for most of his career. He started his career as a company auditor. In 1970, he joined Telindus (a listed company) where he successively held the positions of Chief Financial Officer, Chief Executive Officer and Chairman of the Management Board of the Telindus Group and its affiliated companies until 2006. He has been a member of the Board of Directors of Mobistar since its creation in 1995 and has been its chairman since 2003. He is an Officer of the Order of Leopold II and was appointed a Chevalier in the Order of the Crown. **Corporate offices:** a - Listed companies: Chairman of the Board of Directors, Mobistar b - Non-listed companies: Director of Portolani Director of Automation Director of CGT Consulting Director of e-Novates Director of Blue Corner Director of 4iS Member of the Advisory Committee, Royal Federation of Belgian Notaries c - Associations: Chairman of the Dhondt-Dhaenens Foundation and Museum in Deurle Director of Anima Eterna VZW Director of VVW VZW Director of Jeugd en Muziek Brussel VZW

2.2. EVALUATION OF THE INDEPENDENCE OF DIRECTORS

Of the 13 members of the Board of Directors as at 31 December 2015, nine cannot be considered as independent under the terms of Article 526c of the Companies Code and the Belgian Corporate Governance Code. They are:

- Renaud Bentégeat and Piet Dejonghe, who are managing directors of the company;
- Alain Bernard, who is managing director of DEME and member of the Steering Committee of CFE;
- Luc Bertrand, Jan Suykens, Koen Janssen and John-Eric Bertrand, who represent the controlling shareholder, Ackermans & van Haaren;
- Christian Labeyrie, who represents VINCI Construction, which owns 12.11% of the company's shares;
- C.G.O. SA, represented by Philippe Delaunois, who has held more than three consecutive mandates.

As at 31 December 2015, the independent directors are : Philippe Delusinne, Ciska Servais SPRL, represented by Ciska Servais, Jan Steyaert and Consuco SA, represented by Alfred Bouckaert.

It should be noted that all independent directors of CFE were able to carry out their assignment with complete independence of judgment in 2015.

2.3. LEGAL SITUATION OF CORPORATE OFFICERS

None of CFE's directors (i) has received a public sanction or penalty from the regulatory authorities, (ii) has been involved in a bankruptcy, receivership or liquidation or (iii) has been prevented by a court of law from acting as a member of an administrative, management or supervisory body of a public company or from participating in the management or business decisions of a public company.

2.4. CONFLICTS OF INTEREST

2.4.1. RULES OF CONDUCT

All directors are required to show independence of judgment, whether they are executive directors or not, and in the case of non-executive directors, whether they are independent or not.

Every director must organize his or her personal and professional affairs in such a way as to avoid any direct or indirect conflict of interest with the company.

The Board of Directors is particularly mindful of potential conflicts of interest with a director or a group company, and takes particular care to apply the special procedures provided for in Articles 523 and 524 of the Companies Code.

Transactions or other contractual relationships between the company, including its affiliated companies, and the directors must be concluded on normal market terms.

Non-executive directors are not authorized to conclude agreements with the company, whether directly or indirectly, relating to the supply of paid services, without the express consent of the Board of Directors. They must consult the Chairman, who decides whether or not to submit the exemption request to the Board of Directors.

2.4.2. APPLICATION OF PROCEDURES

As far as CFE is aware, no director has found himself in a situation of conflict of interest this year.

Certain directors hold offices in other companies whose activities sometimes compete with those of CFE.

2.5. ASSESSMENT OF THE BOARD OF DIRECTORS, ITS COMMITTEES AND MEMBERS

2.5.1. METHOD OF ASSESSMENT

With the assistance of the Appointments and Remuneration Committee, and if necessary that of outside experts, the Board of Directors, under the direction of its Chairman, regularly assesses its composition, its size and the way it functions, as well as the composition, size and operation of its specialist committees. The purpose of these assessments is to contribute to the continuous improvement of the company's governance while taking changing circumstances into account.

During these assessments, the Board of Directors checks, among other things, whether important matters are adequately prepared and discussed both by the Board itself and by its specialist committees.

It checks whether every director makes an effective contribution having regard to his skills, his attendance at meetings and his constructive involvement in discussions and decision-making, and also whether the current composition of the Board of Directors and its specialist committees is desirable.

The Board of Directors draws conclusions from this assessment of its performance by acknowledging its strengths and addressing its weaknesses. If necessary, this may involve a proposal to appoint new members, a proposal not to re-elect existing members or the adoption of any measure considered appropriate to ensure that the Board of Directors functions effectively. The same applies to the specialist committees.

Once a year, the non-executive directors carry out an assessment of their interaction with the executive management. For this purpose, they meet once a year without the managing directors or any other executive directors attending.

2.5.2. ASSESSMENT OF PERFORMANCE

The next assessment of the functioning and performance of the Board of Directors will take place in the course of the 2016 financial year.

3. OPERATION OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

3.1. THE BOARD OF DIRECTORS

ROLE AND POWERS OF THE BOARD OF DIRECTORS

Role of the Board of Directors

The Board of Directors performs its duties in the interest of the Company.

The Board of Directors determines the Company's direction and values, its strategy and its key policies. It examines and approves related significant operations, ensures that they are properly executed and defines any measures needed to carry out its policies. It decides on the level of risk it is prepared to take.

The Board of Directors focuses on the long-term success of the Company by providing entrepreneurial leadership and by assessing and managing risks.

The Board of Directors ensures that the financial and human resources needed by the Company to achieve its objectives are available, and it puts in place the structures and means required to achieve these objectives. The Board of Directors pays special attention to social responsibility, gender balance and respect for diversity within the Company.

The Board of Directors approves the budget and examines and closes the accounts.

The Board of Directors:

- approves the general internal control and risk management system and checks that this system is correctly implemented;
- takes all measures needed to ensure the integrity of the financial statements;
- supervises the activities of the Statutory Auditor;
- reviews the performance of the managing directors;
- ensures that the specialist committees of the Board of Directors function properly and efficiently.

Powers of the Board of Directors

(i) General powers of the Board of Directors
With the exception of powers expressly reserved for the general meeting of shareholders and within the limits of the Company's objectives, the Board of Directors has the power to carry out all actions that are needed or useful to meet the Company's objectives. The Board of Directors reports on the exercise of its responsibilities and management to the general meeting of shareholders. It prepares the resolutions to be put to the general meeting of shareholders.

(ii) Powers of the Board of Directors with regard to capital increases (authorised capital)
Following the authorisation given by the general meeting of shareholders of 6 May 2010 and renewed by the general meeting of shareholders of 30 April 2014, the Board of Directors is authorised to increase the Company's capital – in one or more operations – by up to €2,500,000, excluding issue premiums, by means of cash or non-cash contributions, by incorporation of reserves and with or without the issue of new shares. Within the scope of the authorised capital, the Board of Directors may decide to issue shares, in which case it determines the terms of issue of the new shares and, in particular, the issue price.

The authorised capital of CFE allows the issue of 1,531,260 additional shares in the event of a capital increase with issue of shares on the basis of their par value.

This authorization expires five years after the date of publication of the decision of the general meeting of 30 April 2014 in the Annexes to the "Belgian Gazette". As publication took place on 22 May 2014, the present authorization will expire on 21 May 2019.

(iii) Powers of the Board of Directors with regard to acquisition of treasury shares

The general meeting of shareholders of 30 April 2014 authorised CFE's Board of Directors to acquire CFE treasury shares. The nominal value or, where there is no nominal value, the accountable par of the shares being acquired must not exceed 20% of the company's subscribed capital, i.e. €8,265,896.40. The shares can be purchased at a minimum price per share equal to the lowest closing price during the twenty (20) days preceding the date of acquisition of the CFE shares, minus ten percent (10%), and at a maximum price per share equal to the highest closing price during the twenty (20) days preceding the date of acquisition of the CFE shares, plus ten percent (10%).

This authorization expires on 23 May 2019.

The agreement of the general meeting of shareholders is not required for the acquisition of treasury shares by CFE with a view to distributing them to employees.

(iv) Powers of the Board of Directors with regard to the issuing of bonds

Subject to the application of the relevant legal provisions, the Board of Directors may decide to create and issue bonds, which may be bonds convertible into shares.

OPERATING PROCEDURES OF THE BOARD OF DIRECTORS

The Board of Directors is organised so as to ensure that decisions are taken in the interest of the Company and that work is executed efficiently.

Meetings of the Board of Directors

The Board of Directors meets regularly and with sufficient frequency to perform its obligations effectively. It also meets whenever required in the interest of the Company.
In 2015, the Board of Directors considered all major issues concerning CFE. It met six times.

In particular, the Board of Directors:

- approved the financial statements for 2014 as well as the financial statements for the first half of 2015;
- examined the 2015 budget and the updates to that budget;
- examined the 2016 budget;
- reviewed matters that were presented at Risk Committee meetings;
- examined the financial situation of CFE and changes in its debt levels and its working capital requirement;
- examined the evolution of real estate projects and approved the acquisition and sale of several real estate projects worth more than five million euros;
- decided the remuneration and bonus arrangements for the managing directors and executives, following a proposal by the Appointments and Remuneration Committee;
- decided to appoint a CEO for CFE Contracting, following a proposal by the Appointments and Remuneration Committee.

The table below indicates the individual attendance rate of directors at Board meetings in 2015.

Directors	*ATTENDANCE/ TOTAL NUMBER OF MEETINGS*
C.G.O. SA, represented by Philippe Delaunois	6/6
Renaud Bentégeat	6/6
Luc Bertrand	6/6
Piet Dejonghe	6/6
Jan Suykens	6/6
Koen Janssen	6/6
John-Eric Bertrand	6/6
Christian Labeyrie	6/6
Philippe Delusinne	6/6
Consuco SA, represented by Alfred Bouckaert	5/6
Ciska Servais SPRL, represented by Ciska Servais	6/6
Jan Steyaert	5/6
Alain Bernard	6/6

The decision-making process within the Board of Directors

Except in the case of force majeure resulting from wars, uprisings or other public disturbances, the Board of Directors can only validly take decisions if at least half of the members are present or represented. Board members who are unable to attend a meeting may be represented by another Board member in accordance with the relevant laws and regulations; each member may only hold one proxy. Letters, faxes or other means of communication conveying the proxy vote are attached to the minutes of the Board meeting at which they are used.

If so decided by the chairman of the Board, meetings may be attended by all or some of the members via audio or video conference. These members are deemed to be present for the purpose of calculating quorum and majority.

Resolutions are passed by majority vote of the members present or represented.

In the event that members need to abstain from taking part in deliberations as a result of legal considerations, the said resolutions will be passed by majority vote of the other members present or represented.

In the event of a tie, the chairman of the meeting will have the casting vote.

After each meeting, the deliberations are recorded in minutes signed by the chairman of the Board of Directors and by a majority of the Board members who took part in the deliberations.

The minutes summarise the discussions, specify the decisions taken and, if applicable, any reservations raised by the board members.

They are recorded in a special register kept at the Company's head office.

The main characteristics of the Board of Directors' assessment process are stipulated in the internal regulations published in the Company's Corporate Governance Charter.

3.2. THE APPOINTMENTS AND REMUNERATION COMMITTEE

At 31 December 2015, this committee comprised:

- Ciska Servais BVBA, represented by Ciska Servais, chair (*)
- Luc Bertrand
- Consuco SA, represented by Alfred Bouckaert (*)

The committee met four times in 2015.

Over the course of the financial year, the committee examined:

- the fixed and variable remuneration paid to the managing directors;
- the fixed and variable remuneration paid to senior management;
- the annual remuneration report (under Belgium's Act of 6 April 2010);
- the remuneration of the directors;
- the appointment of the CEO of CFE Contracting
- the introduction of a stock option plan at CFE Contracting

The table below indicates the individual attendance rate of the members of the Appointments and Remuneration Committee at meetings in 2015.

Members	ATTENDANCE/ TOTAL NUMBER OF MEETINGS
Ciska Servais BVBA, represented by Ciska Servais, chair (*)	4/4
Luc Bertrand	4/4
Consuco SA, represented by Alfred Bouckaert (*)	3/4

Members of the Appointments and Remuneration Committee are paid €1,000 per meeting. The chair is paid €2,000 per meeting.

The main characteristics of the Appointments and Remuneration Committee's assessment process are set out in the internal regulations published in the Company's corporate governance charter.

3.3. THE AUDIT COMMITTEE

At 31 December 2015, this committee comprised:

- Jan Steyaert, chair (*)
- Philippe Delusinne (*)
- Consuco SA, represented by Alfred Bouckaert (*)
- John-Eric Bertrand
- Christian Labeyrie

On 15 January 2015, Piet Dejonghe was replaced by John-Eric Bertrand.

CFE's Board of Directors pays particular attention to ensuring that Audit Committee members have financial, accounting and risk management skills.

The Audit Committee is chaired by Jan Steyaert, who meets the independence criteria defined in Article 526c of Belgium's Companies Code.

Jan Steyaert has a degree in economics and finance. He has held various professional posts, including working for an auditing firm and for Telindus, a listed company, where he was CFO before becoming CEO and then chairman of the Board of Directors. This confirms Jan Steyaert's competence in terms of accounting and auditing.

The Statutory Auditor participates in the work of the Audit Committee when the committee so requests.

This committee met four times during the 2015 financial year.

It examined:

- the financial statements for full-year 2014 and for the first half of 2015 ;
- the quarterly financial statements for the first and third quarters of 2015 ;
- the draft 2016 budget before it was presented to the Board of Directors ;
- the reports of the internal auditor ;
- the changes in the group's cash position ;
- the group's off-balance sheet commitments, in particular the bank guarantees.

The Audit Committee paid particular attention to the group's internal control and monitored steps taken by CFE to improve it.

(*) Independent directors

The table below indicates the individual attendance rate of the members of the Audit Committee at meetings in 2015.

Members	ATTENDANCE/ TOTAL NUMBER OF MEETINGS
Jan Steyaert (*)	4/4
Philippe Delusinne (*)	4/4
John-Eric Bertrand	4/4
Consuco SA, represented by Alfred Bouckaert (*)	3/4
Christian Labeyrie	4/4

Members of the Audit Committee are paid €1,000 per meeting. The chair is paid €2,000 per meeting.

The main characteristics of the Audit Committee's assessment process are set out in the internal regulations published in the Company's corporate governance charter.

4. SHAREHOLDER BASE

4.1. EQUITY AND SHAREHOLDER BASE

At the end of the financial year, CFE's share capital amounted to €41,329,482.42, divided into 25,314,482 shares, with no declared par value. The Company's shares are registered or in electronic form.

The shares are registered until fully paid up. Once fully paid up, they may be converted into shares in electronic form, at the choice and expense of the shareholder.

The registry of registered shares is kept in electronic form and in hard copy. Management of the electronic registry has been entrusted to Euroclear Belgium (CIK SA).

Registered shares may be converted into shares in electronic form and vice-versa on request by their holders and at their expense. Shares in electronic form are converted into registered shares by making the corresponding entry in the register of CFE shareholders. Registered shares are converted into shares in electronic form by entering them into an account in the name of their owner or holder opened with an approved account-keeper or clearing house.

In accordance with the Act of 14 December 2005 on the abolition of bearer shares, CFE shares that had not yet been converted as of right or by their holders by 1 January 2014 were automatically converted into shares in electronic form and registered in a securities account by CFE in its own name.

As of that date, the rights attached to the shares have been suspended until the holders of those shares come forward and arrange for them to be entered in their name in the registry of registered shares or in a securities account held by an approved account-keeper or clearing house.

In pursuance of the Act of 21 December 2013 and in accordance with the provisions thereof, 18,960 shares of which the holder had not made himself known by the day of the sale were automatically sold on Euronext Brussels in July 2015. The proceeds of the sale have been deposited with the Caisse des Dépôts et Consignations until the persons who are able to validly prove ownership of the shares request repayment.

Persons requesting repayment will be liable for a fine of 10% of the sum or value of the shares in question per year overdue from 1 January 2016.

On 1 January 2026, the sale proceeds for which no repayment has been requested will be forfeited to the State.

CFE's equity base as of 31 December 2015 was as follows:

- registered shares	18,405,021
- shares in electronic form	6,909,461
TOTAL	25,314,482

Shareholders owning 3% or more of the voting rights relating to the shares they hold:

Ackermans & van Haaren NV Begijnenvest 113 B-2000 Antwerp (Belgium)	15,289,521 shares or 60.40%
VINCI Construction SAS 5, cours Ferdinand-de-Lesseps F-92851 Rueil-Malmaison Cedex (France)	3,066,460 shares or 12.11%

During the 2015 financial year, CFE received no transparency notification pursuant to the Act of 2 May 2007.

4.2. SHARES INCLUDING SPECIAL RIGHTS OF CONTROL

At the close of the financial year, no shareholder owned shares with special rights of control.

4.3. VOTING RIGHTS

Ownership of a CFE share entitles the owner to vote in CFE's general meeting of shareholders and automatically assumes approval of CFE's Articles of Association and the decisions of CFE's general meeting of shareholders. Shareholders' liability for the Company's commitments only extends to the value of the shares held.

The Company recognises only one owner per share as concerns the exercise of rights granted to shareholders. The Company may suspend the exercise of the rights attached to shares held jointly or subject to a life interest or pledge, until a single person is designated as beneficiary of these rights in respect of the Company.

Since 1 January 2008, the exercise of any rights attached to physical bearer shares is suspended until they are registered in a securities account or in the register of shareholders.

(*) Independent directors

4.4. EXERCISE OF SHAREHOLDER RIGHTS

The company's shareholders have rights conferred by the Belgian Companies Code and by the articles of association. They have the right to attend any of the company's general meetings of shareholders and to vote in them. Each share gives the right to one vote in a general meeting of shareholders. The conditions for being admitted to a general meeting of shareholders are set out in the company's articles of association and are also stated in the notice of meeting.

The ordinary general meeting of shareholders was held, in accordance with the articles of association, on 7 May 2015. At that meeting, shareholders approved the company's annual financial statements for the year ended 31 December 2014 and the renewal of the term of office as director of Ciska Servais SPRL, represented by Ciska Servais, for four years.

5. INTERNAL CONTROL

5.A INTERNAL CONTROL AND RISK MANAGEMENT

5.A.1 INTRODUCTION

5.A.1.1 Definition – frame of reference

"Internal control may be defined as a system developed by the management body and implemented under its responsibility by executive management. It contributes to good management of the company's activities, the effectiveness of its operations and the efficient use of its resources, as a function of the goals, size and complexity of the company's activities.

More particularly, the internal control system aims to ensure:

- the application (execution and optimisation) of the policies and goals set by the management body (e.g. performance, profitability, protection of resources, etc.);
- the reliability of financial and non-financial information (e.g. preparation of the financial statements, the management report, etc.;
- compliance with laws, regulations and other legal texts (e.g. the Articles of Association)._

(Excerpt from the guidelines relating to the Belgian act of 6 April 2010 and the Belgian Code of Corporate Governance (2009) published by the Corporate Governance Commission - version 10/01/2011, page 8).

Like any other control system however, the internal control system, no matter how well designed and applied, cannot guarantee the absolute elimination of such risks.

5.A.1.2 Scope of application of internal control

The internal control system applies to CFE and the subsidiaries included in its scope of consolidation.

In 2015, the boards of directors of Rent-A-Port, RAP-Energy and Groep Terryn were responsible for internal control at those companies. However, CFE seeks to encourage the application of its own best practices through its representatives on these boards.

5.A.2. ORGANISATION OF INTERNAL CONTROL

CFE's business activities require the teams exercising them to be close to their clients. To enable each entity manager to take the appropriate operating decisions rapidly, a decentralised organisation has been set up in the Dredging, Contracting and Real Estate Development divisions.

CFE's organisational structure necessitates delegating authority and responsibility to operational and functional participants at every level of the organisation. This delegation of powers to the operational and functional management is exercised in compliance with CFE's principles of conduct and operation:

- strict compliance with the rules common to the entire group regarding entering into commitments, taking risks, accepting new business, and reporting financial, accounting and management information;
- transparency and loyalty of managers to their line management and functional departments;
- compliance with all the laws and regulations applicable in

countries where the group operates, regardless of the particular subject;

- communication of the group's rules and guidelines to all employees;
- safety of people (employees, service providers, subcontractors, etc.);
- efforts to enhance financial performance.

Following the legal reorganization of the group, which was finalized in November 2015, internal control is now organized as follows:

- At CFE SA which, besides its role as holding company, groups together the activities of i) Building International (except Poland, Luxembourg and Tunisia), ii) non-marine civil engineering in Belgium, and iii) PPP-Concessions (section 5 A 2.1)
- At DEME NV, which manages the activities of Dredging and Environment (section 5 A 2.2)
- At CFE Contracting SA, which manages the activities of Contracting (section 5 A 2.3)
- At BPI SA, which manages the activities of Real Estate Development (section 5 A 2.4)

5.A.2.1. CFE SA

a. Holding

Participants in the internal control system

- CFE's **Board of Directors** is a collegial body responsible for controlling the company's management, setting strategic guidelines for it and ensuring the company's satisfactory operation. It considers all major matters pertaining to the group. The Board of Directors has set up specialised committees handling the auditing of financial statements, along with remuneration and appointments.
- The **two managing directors**, who are in charge of the daily management of the company, are entrusted with the implementation of the group's strategy as defined by the Board of Directors.
- A Steering Committee for DEME's activities ('**Steering Committee DEME**'), consisting of:
  - a managing director of CFE;
  - DEME's CEO, director of CFE and of DEME;
  - the CFO of CFE

  The role of the Steering Committee DEME is described in section 5.A.2.2.
- The **finance department**, which has a limited structure appropriate to the group's decentralised organisation, is charged with establishing and ensuring correct application of group rules and procedures and decisions made by the managing directors.
- The **management control and consolidation department**, which reports to the group's finance department, is responsible for producing and analysing financial and accounting information for dissemination both inside and outside the group and for ensuring its reliability.

In particular, it is responsible for the:

- production, validation and analysis of the interim and annual consolidated financial statements and provisional data (consolidation of budgets and budget updates);
- definition and monitoring of accounting procedures within the group and application of IFRS standards.

  The management control and consolidation department sets the timetable for the preparation of interim and annual financial statements. These instructions are forwarded to the finance departments of the different entities concerned and accompanied by information or training sessions.

  The management control and consolidation department is responsible for the accounting treatment of complex operations and ensures that they are validated by the Statutory Auditor.
- The **Statutory Auditor** informs the Audit Committee of any observations concerning the interim and annual financial statements before they are presented to the Board of Directors.

Procedures relating to monitoring operations

The divisions have their own operations control systems suited to the specific features of their activity.

Key performance indicators relating to sales, order intake, the order book and net financial debt is drawn up every month by the finance department on the basis of information provided by the various operational entities.

The managers of the various entities prepare a monthly report on key facts.

The budget procedure is common to all the group's divisions and their subsidiaries. It includes four annual meetings:

- the initial budget presented in November of year N-1;
- the first budget update presented in April of year N;
- the second budget update presented in July/August of year N;
- the third update presented in October of year N.

These meetings, which are attended by CFE's managing directors, CFE's CFO, the head of management control and consolidation, the CEO of the division concerned, the managing director or general manager of the entity concerned, its COO and CFO, examine:

- the volume of business for the financial year in progress and the status of the order book;
- the latest financial statements that were communicated (balance sheet and income statement);
- the foreseeable profit margin of the profit centre, with details of profit margins per project;
- analysis of the main balance sheet items;
- the analysis of current risks including an exhaustive presentation of legal disputes;
- the status of guarantees given;
- investment or divestment requirements;
- the cash position and projected changes in the next 12 months.

For DEME, Rent-A-Port and RAP-Energy, that information is passed on to CFE through its representatives on the Audit Committees of those entities.

b. Activities that have not been transferred

The two managing directors are charged with monitoring and controlling the activities that have not been transferred, namely PPP-Concessions, non-marine civil engineering in Belgium, and the International Buildings segment except Luxembourg, Poland and Tunisia.

They implement the strategy defined by CFE's Board of Directors, whose prior formal consent is required for each new project.

They are assisted in their task by the CFO, the human resources manager, the civil engineering manager, and by the manager of CFE International.

5.A.2.2. DEME

CFE controls its dredging subsidiary at five different levels:

- The Board of Directors is composed of seven directors, of whom six are also directors of CFE. The Board of Directors controls the management, adopts the half-yearly and annual financial statements, and approves, among other things, the strategy and investment policy of DEME. The Board of Directers met seven times in 2015;
- The Technical Committee is composed of the CEO, COO, CFO and senior management of DEME, as well as two representatives of CFE (a director of CFE and the chairman of CFE's Risk Committee). This committee monitors the main projects and pending lawsuits. It also prepares investment proposals;
- The Risk Committee numbers two representatives of CFE among its members (a director of CFE and the chairman of CFE's Risk Committee), as well as the CEO, COO, CFO and senior management of DEME. The Risk Committee analyzes and approves all binding offers involving an amount of over €100 million (dredging works) or €25 million (non-dredging works);
- The Audit Committee numbers three representatives of CFE among its members (a director, the CFO and the head of management control and consolidation). The Audit Committee reviews the financial statements of DEME, the evolution of the results of the various projects, and the budget updates at each quarterly closing. It may also be convened to review specific financial matters. It met five times in 2015;
- Finally, the Steering Committee DEME which is charged with reviewing the investment proposals prepared by the Technical Committee and preparing the meetings of DEME's Board of Directors.

As in the past, the internal control system of DEME is implemented by its CEO, COO and CFO with the support of the Management Team and under the responsibility of the Board of Directors.

In this connection, DEME has taken several initiatives to strengthen internal control over its activities, such as:

- DEME's new financial reporting system became fully operational in March 2015. It is a fully automatic tool for gathering financial information from its subsidiaries in real time;
- The automation process for invoice handling continued throughout the year;
- The Risk Management unit was strengthened and became the Opportunity and Risk Management department. This department has developed, with the help of external consultants, new tools to identify and monitor in a transparent way the risks and opportunities associated with the projects in both the submission phase and the operational phase. These new tools will be fully implemented in 2016;
- The implementation of a cash pool system within DEME continued: the EURO cash pool for DEME's Belgian entities is already fully operational.

5.A.2.3. CFE Contracting

a. Participants in the internal control system

1. The Board of Directors

The Board of Directors of CFE Contracting is composed of four directors (the two managing directors of CFE, the Chairman of the Executive Committee of CFE Contracting, and a representative of the controlling shareholder). The Board of Directors controls the Executive Committee, adopts the half-yearly and annual financial statements, and defines the division's strategy.

2. Executive Committee

The Executive Committee of CFE Contracting is in charge of the daily management of the division and the implementation of the strategy defined by the Board of Directors.

The Executive Committee is chaired by the CEO of CFE Contracting and comprised as of 31 December 2015 the CFO of CFE, the managing director of CFE Bouw Vlaanderen (who is also general manager of the Multitechnics and Rail Infra), and the managing director of CFE Bâtiment Brabant Wallonie.

3. Risk Committee

Projects with a high risk profile, Construction projects worth more than €50 million, and Multitechnics or Rail Infra projects worth more than €10 million must be approved by the Risk Committee before tendering. The Committee reviews the technical, commercial, contractual and financial risks of the projects that are submitted to its scrutiny.

The Risk Committee comprises the following members:

- the managing directors of CFE;
- the CEO of CFE Contracting;
- the chairman of the Risk Committee of CFE;
- the member of the Executive Committee responsible for the subsidiary or the branch;
- the operational or functional representatives of the entity concerned;
- the CFO of CFE;
- a director representing the controlling shareholder

4. Internal audit

The internal auditor is an independent function, and his main task is to support the management and to help it improve the management of the risks and the opportunities for improvement associated with the various business activities of CFE Contracting.

The internal auditor reports in a functional way to the Audit Committee of CFE by submitting the annual audit plan and presenting the main findings of the audits carried out and a follow-up of the action plans. If necessary, additional audit assignments may be carried out at the request of the Audit Committee or of the Executive Committee. In 2015, the main topics covered by the internal audit were the cash management, IT security, and the management of project completions.

The results of the audits are presented to the members of CFE's Audit Committee and to the Executive Committee of CFE Contracting (in order to agree the corrective actions to be taken).

The internal auditor is also responsible for keeping the risk identification up to date. Such an update was carried out at the end of 2015.

b. Actions taken to improve internal control

In 2015, several initiatives were undertaken to strengthen the internal control of CFE Contracting.

- The adoption by the Executive Committee of a **governance charter** defining the procedures common to all the entities of CFE Contracting. It defines the procedures for internal reporting and control regarding the acceptance of new business, project monitoring, purchases and subcontracting, investments, participations, payments, human resources, communication and ethics. Those principles are reflected in the standard operating procedures of each entity of CFE Contracting;
- The initiation of **projects to optimise the internal processes** and to generalise good practices, more particularly in the areas of tendering, contract management, customer support, process automation, and human resources;
- Continuing implementation of an **integrated management system** (ERP) in several entities of CFE Contracting;
- Update of the risk identification

c. Organisation of internal control in the Construction segment

The different entities of the Construction segment (CFE Bouw Vlaanderen, CFE Bâtiment Brabant Wallonie, CFE Polska, CTE and CLE) have their own **Boards of Directors** composed of the managing directors or general managers of the company concerned, a managing director of CFE, the CFO of CFE, and the CEO of CFE Contracting.

Each entity also has a **Management Committee** responsible for the commercial policy and operational management of the entity.

d. Organisation of internal control in the Multitechnics & Rail Infra segment

The internal control of the Multitechnics and Rail Infra division is structured around **Boards of Directors** organised by cluster (Electro, HVAC and Rail Infra) and composed of the respective general managers, the general manager of the segment, the CEO of CFE Contracting, the CFO of CFE, and a managing director of CFE.

A **Multitechnics Management Committee** (comprising the Electro and HVAC clusters) and a **Rail Infra Management Committee** are in charge of day-to-day operations.

5.A.2.4. BPI

a. Participants in the internal control system

The **Board of Directors** has the powers conferred on it by law. It is composed of the managing director of BPI, three directors of CFE (including the two managing directors), and the CFO of CFE.

The Board of Directors has set up an **Investment Committee** tasked with analysing and approving i) investment (or divestment) projects, and ii) the launch of the construction and/or marketing of all real estate projects. The Investment Committee is composed of the directors of BPI, the company secretary and the CFO of BPI. It should be noted that investments or divestments involving amounts of over €5 million also require the formal consent of the Board of Directors of CFE.

For help with everyday business matters, the **Managing Director** is assisted by a Steering Committee composed of the managing director, the CFO of BPI, the company secretary, the technical director, and the development director.

The real estate projects are systematically reviewed at least once every six weeks at the marketing, technical, legal and financial level.

b. Actions taken to improve internal control

- The Board of Directors of BPI has adopted a **governance charter** defining the internal policies in the area of investment, project monitoring, accounting and financial management, and human resources.
- Progress reporting on real estate projects was completely revised during the course of the financial year.
- The division has started implementing an integrated management system (ERP) that will be rolled out gradually across the entities of BPI during 2016 and 2017.

5.B. RISK FACTORS

5.B.1. OPERATIONAL RISKS

5.B.1.1. Project execution

The main characteristic of the Dredging and Contracting businesses is the commitment made when submitting a proposal to perform a task that is by its nature unique, for a price with predetermined terms and within an agreed time schedule.

The risk factors therefore relate to:

- the price of the task to be performed and in the event of divergence between the anticipated price and the actual price as a result of variations in the unit prices and/or quantities stated in the tender;
- the possibility (or not) of obtaining coverage for additional costs and price increases;
- design, if this is the contractor's responsibility;
- performance of the contract;
- control of the elements included in the cost price;
- project time schedule and deadlines, internal and external factors that may influence the delivery time;
- performance obligations (quality, schedule) and the related direct and indirect consequences;
- warranty obligations (10-year guarantee, maintenance);
- compliance with safety and other workforce-related obligations that are also extended to service providers.

5.B.1.2. Dredging & Environment

Dredging activities are performed by DEME and its subsidiaries.

DEME is one of the world's leading players in dredging. Its market includes both maintenance dredging and capital (infrastructure) dredging. The latter is particularly related to growth in world trade and decisions on the part of governments to invest in major infrastructure projects.

DEME has also developed a range of services for the oil and gas industry, including protection of offshore facilities and protection of deep-water subsea pipelines and cables.

DEME is also a major player in the development of offshore wind farms, operating in two areas:

- as a concession-holder via minority stakes in concessions;
- as a general contractor specialising in the construction and maintenance of offshore wind farms, capable of providing a comprehensive service to its clients.

DEME also operates in the environmental sector through DEC. This company specialises in the treatment of polluted sludge and sediments, along with the remediation of brownfield sites.

At year end DEME decided to create a new division, comprising two new subsidiaries : DEME Infra Sea Solutions (DISS) and DEME Infra Marine Contractor (DIMCO), specializing in marine and river civil engineering. The establishment of this new division is inspired by DEME's aim to offer global and integrated solutions in dredging and marine civil engineering.

Through DBM (DEME Building Materials), DEME is also active in the aggregate supply market.

Operational risks relating to dredging and reclamation works

In its dredging, reclamation and hydraulic civil engineering operations, DEME faces not only the risks described in section 5.B.1.1, but also various specific operational risks related to:

- determining the type and composition of the earth to be dredged;
- weather conditions, including extreme events such as storms, tsunamis and earthquakes;
- wear and tear affecting equipment;
- technical incidents and breakdowns that may affect the performance of vessels;
- project design and engineering;
- changes in the regulatory framework during the contract, and relations with subcontractors, suppliers and partners

Operational risks related to the development of concessions

As stated above, DEME has for several years been developing an offshore wind farm concession business. In this business, DEME faces specific risks related to these investments:

- unstable regulatory framework;
- technological developments;
- the ability to finance these large projects.

Operational risks related to fleet investments

Dredging is primarily a maritime activity, which is characterised by its capital-intensive nature due to the need for regular investments in new vessels in order to keep the fleet at the leading edge of technology. For this reason, DEME is faced with complex investment decisions and specific operational risks relating to these investments:

- technical design of the investment (type of dredger, capacity, power, etc.) and expertise in new technologies;
- time between the investment decision and commissioning of the vessel, and anticipating future market developments;
- control over construction by the shipyard once the investment decision has been made (cost, performance, conformity, etc.);
- occupancy of the fleet and scheduling of activities;
- financing.

DEME has qualified staff with the capacity to design dredgers and design and execute large-scale projects. Given the very nature of the activity and the many external factors to be taken into account, the risks inherent in this business cannot be completely eliminated.

5.B.1.3. Contracting

The Contracting division encompasses the following activities:

Construction

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

Multitechnics & Rail Infra

This division operates mainly in Belgium through three clusters:

- tertiary electricity, electromechanical facilities, telecoms networks, industrial automation, the production of low-voltage panels and high-voltage cabinets, electromechanical work for wastewater treatment and pumping stations;
- HVAC (heating, ventilation and air conditioning) facilities, electrical and HVAC maintenance;
- railway and signalling works, energy transportation, public lighting

CFE Contracting has updated the risk identification that was formulated for the first time in October 2013. The assessment was carried out on the basis of three criteria: impact (financial, human and reputation consequences), frequency of occurrence, and level of control, resulting in a representation by specific area, thereby supplying the management with a tool to monitor the risks associated with its activities.

This risk identification is likely to evolve and will be regularly updated. The internal audit programme is defined on the basis of that risk identification, so as to focus more specifically on the areas that need to be prioritised.

The main risks that were identified during this update were the following:

- the safety of staff and subcontractors working on the sites. Safety is a major concern associated with the Contracting business, and attention to this issue is a priority for all personnel;
- contractual risk, with a consequent potential increase in the number of legal disputes;
- the availability of supervisory staff, such as project leaders and site supervisors, and the management of their skills

The operational risks in the activities of the Contracting division are described in section 5.B.1.1.

5.B.1.4. Real Estate Development

BPI has developed its Real Estate Development business in Belgium, Luxembourg and Poland.

Real estate activity is directly or indirectly affected by certain macro-economic factors (interest rates, propensity to invest, savings, etc.) and political factors (development of supra-national institutions, development plans, etc.) that influence the behaviour of participants in the market, in terms of both supply and demand.

This activity is also characterised by long operating cycles, which means that operators need to anticipate decisions and make long-term commitments.

In addition to general sector risks, each project has its own specific risks:

- choosing land for investment;
- defining the project and its feasibility;
- obtaining the various permits and authorisations;
- controlling construction costs, fees and financing;
- marketing.

5.B.1.5. PPP-Concessions

The PPP-Concessions business consists of carrying out DBFM (Design, Build, Finance, Maintain) projects in Belgium and in the Netherlands and, via 45%-owned subsidiaries Rent-A-Port and RAP-Energy, developing and managing ports, developing offshore wind farms in Belgium, and providing consultancy services regarding port engineering.

The division's activities involve long-term operations (20 years or more) and recurrent cash flows during the maintenance and operational phases of projects, enabling the relevant companies to repay loans.

5.B.2. ECONOMIC CLIMATE

The different divisions of CFE are, by their very nature, subject to strong cyclical fluctuations. Nevertheless, this observation must be qualified for each segment or sub-segment of activity, since the key factors can vary between them.

For example:

- Dredging and marine civil engineering activities are sensitive to the international economic climate, trends in world trade and government investment policy as concerns major infrastructure and sustainable development works. Slower growth in one or more of DEME's markets may adversely affect its business levels and earnings;
- Construction activities and real-estate development activities related to the office property market move in line with the traditional economic cycle, while the residential business depends more directly on general economic conditions, consumer confidence and interest rates.

5.B.3. MANAGEMENT AND WORKFORCE

CFE Contracting suffers from a chronic shortage of qualified supervisory staff and workers. The success of projects, in the study, preparation and execution phases, depends both on employees' qualifications and skills and on their availability in the labour market.

On the talent market, DEME should be able to attract, motivate and retain highly qualified staff to manage projects abroad.

5.B.4. MARKET RISKS

5.B.4.1. Interest-rate risk

CFE, DEME and BPI make major investments extending over long periods of time. In this context and in terms of the availability of long-term credit, project finance or major capital expenditure, those entities apply a policy of interest rate hedging where necessary. Nevertheless, interest-rate risk cannot be entirely eliminated.

5.B.4.2. Exchange-rate risk

Given the international nature of its activities and the fact that some contracts are performed in foreign currencies, the different divisions of the group are exposed to exchange-rate risk. To mitigate this risk, they engage in exchange-rate hedging and forward foreign exchange contracts. Nevertheless, exchange-rate risk cannot be entirely eliminated.

5.B.4.3. Credit risk

To reduce underlying solvency risk, CFE, DEME and CFE Contracting check the solvency of their clients when submitting quotations, regularly monitor accounts receivable, and adjust their positions with them where necessary. For clients showing a material credit risk, down payments and/or bank payment guarantees are required before work starts.

In markets outside Europe, if a country is eligible and the risk can be covered by credit insurance, CFE and DEME obtain coverage from organisations specialising in this area, such as Credendo Group.

Nevertheless, credit risk cannot be entirely eliminated.

While DEME, CFE Contracting and BPI are not significantly exposed to credit risk, CFE is confronted with late payments by the Chadian government. The net exposure amounted to around €60 million at year-end 2015.

5.B.4.4. Liquidity risk

In order to limit the liquidity risk, the entities of the CFE group increased their sources of financing, of which there are four:

- bond issues, totalling €300 million. These consist of Compagnie d'Entreprises CFE SA's €100 million issue of bonds maturing in 2018, and DEME NV's €200 million issue of bonds maturing in 2019. These bonds have enabled CFE to diversify its sources of financing and extend the maturity of its long-term debt;
- new medium-term bilateral credit lines which DEME will use for future financing of its fleet;
- project-finance loans or leases, which DEME uses to finance some of its vessels and which BPI uses to fund its real estate projects;
- bank loans or commercial paper to cover short and medium-term cash requirements.

CFE complied with all of its financial covenants at 31 December 2015, as did DEME.

5.B.5. COMMODITY PRICE RISKS

CFE, DEME and CFE Contracting are potentially exposed to increases in the prices of certain raw materials used in their activities. Nevertheless, such increases should not be likely to have a significantly negative impact on their results. This is because a substantial portion of the contracts of CFE, DEME and CFE Contracting include price revision formulae that enable them to adjust selling prices in line with movements in commodity prices. Furthermore, the activities of CFE Contracting are carried out through a large number of contracts, many of them of short or medium duration which, even in the absence of a price revision formula, limits the impact of a rise in raw material prices. Finally, DEME hedges against rising diesel prices for contracts that do not contain price revision mechanisms.

5.B.6. RISK OF DEPENDENCY ON CUSTOMERS/ SUPPLIERS

Given the group's activities and its organisational structure, which reflects the local nature of its contracts, CFE considers that, overall, it is not dependent on a small number of clients, suppliers or subcontractors.

5.B.7. ENVIRONMENTAL RISKS

In view of the type of work it is asked to do, CFE Contracting may be involved in handling hazardous materials.

CFE Contracting takes all possible safety and health precautions for its workers and takes particular care over this point, although this risk cannot be entirely eliminated.

Like any company involved in dredging and marine activities, DEME pays particular attention to environmental risks, which fall into two categories:

- disruption to flora and/or fauna or accidental pollution, which can never be totally ruled out despite the very strict prevention measures that the company takes in performing its dredging work;
- DEME subsidiaries operating in the environmental field have to decontaminate highly polluted soils, the extent and exact composition of which is not always easy to establish before the contract starts. In addition, the innovative technologies that DEME uses to remediate soils also carry a degree of risk.

Respect for the environment is one of the fundamental values upheld by the different divisions of CFE, which make every effort to limit the negative environmental impact of their activities.

5.B.8. LEGAL RISKS

Given the diversity of their activities and geographical locations, CFE and CFE Contracting are exposed to a complex regulatory environment as concerns the places where services are performed and the fields of activity involved. In particular, they are subject to rules concerning administrative contracts, public and private works contracts and civil liability.

In the construction sector, the builder's liability with respect to 10-year construction guarantees, liability for minor hidden defects and liability for indirect consequential damage – an emerging concept – can be interpreted broadly.

DEME has to deal with a changing and increasingly complex legal framework in certain countries in which it operates.

5.B.9. POLITICAL RISKS

CFE and DEME are exposed to political risks, which fall into various categories: political instability, wars (including civil wars), armed conflicts, terrorism, hostage-taking, extortion and sabotage.

These represent potential threats to the security of CFE's staff and property. As a result, these risks are monitored closely and, if necessary, a project may be stopped if basic security conditions are no longer met. In this case, staff and equipment are transferred to a safer location.

DEME has appointed an Enterprise Security Officer to:

- provide regular updates on potential threats to the security of staff and property;
- help to set up security procedures;
- verify compliance with those procedures;
- coordinate emergency situations when necessary

5.B.10 RISKS RELATING TO THE PROTECTION OF INTELLECTUAL PROPERTY AND KNOW-HOW

DEME has developed specific know-how and innovative technologies in various areas.

To protect its trade secrets and intellectual property relating to its innovations, DEME has filed numerous patent applications covering over 100 specific applications.

5.B.11 RISKS RELATED TO SPECIAL-PURPOSE COMPANIES

To carry out some of their real-estate, public-private partnerships and concession activities, CFE, DEME and BPI participate and will continue to participate in special-purpose companies which provide real guarantees in support of their credit facilities. The risk, in the event of the failure of this type of company and exercise of the guarantee, is that the proceeds from such exercise are not sufficient to cover some or all of the amount of shareholders' equity or equivalent used as collateral for setting up the credit facility.

5.B.12 INTEREST IN DEME

CFE's acquisition of control over DEME on 24 December 2013 in no way alters the fact that DEME remains financially autonomous and so CFE does not advance any money or make any guarantee with respect to DEME or vice-versa.

6. ASSESSMENT OF MEASURES TAKEN BY THE COMPANY IN RESPONSE TO THE DIRECTIVE ON INSIDER TRADING AND MARKET MANIPULATION

CFE's policy on this matter is specified in its corporate governance charter.

A compliance officer (Fabien De Jonge) was appointed and an information programme has been in place since 2006 for senior management and employees who, through their job, have access to privileged information.

The Company systematically informs these people about closed periods and issues regular reminders of the general directives.

7. TRANSACTIONS AND OTHER CONTRACTUAL RELATIONSHIPS BETWEEN THE COMPANY, INCLUDING RELATED COMPANIES, AND DIRECTORS AND EXECUTIVE MANAGERS

The policy on this matter is specified in the corporate governance charter.

There is no service contract binding the Board members with CFE or with any of its subsidiaries.

8. ASSISTANCE AGREEMENT

Ackermans & van Haaren entered into a service contract with CFE and DEME. The fees payable by CFE and by DEME for the 2015 financial year amounted to €150 thousand and €1,126 thousand respectively.

9. AUDIT

The Statutory Auditor is Deloitte Réviseurs d'Entreprises, represented by Pierre-Hugues Bonnefoy.

At the ordinary general meeting of shareholders on 3 May 2013, shareholders renewed the appointment of the Statutory Auditor, Deloitte Réviseurs d'Entreprises, represented by Pierre-Hugues Bonnefoy, for a period of three years, ending at the close of the ordinary general meeting of shareholders in May 2016. The fees paid by CFE amounted to €176 thousand for the 2015 financial year.

Other costs for various assignments invoiced by Deloitte Réviseurs d'Entreprises amounted to €39 thousand.

In addition, during the 2015 financial year, the costs invoiced by Deloitte for consultancy services amounted to €72 thousand.

Deloitte audited the accounts of most of the companies within the CFE group.

For the other main groups and subsidiaries, the Statutory Auditor generally obtained the certification reports of those entities' auditors and/or interviewed them, and also performed certain additional checks.

REMUNERATION PAID TO THE STATUTORY AUDITORS IN RESPECT OF THE WHOLE GROUP IN 2015, INCLUDING CFE:

(IN THOUSANDS €)	DELOITTE		OTHER	
	AMOUNT	%	AMOUNT	%
Audit				
Statutory audit, certification, examination of individual and consolidated accounts	1,412.3	74.04%	586.0	41.35%
Related work and other audits	107.4	5.63%	46.6	3.29%
Subtotal, audit	**1,519.7**	**79.67%**	**632.6**	**44.64%**
Other services				
Legal, tax, corporate	203.7	10.68%	637.0	44.96%
Other	184.1	9.65%	147.4	10.40%
Subtotal, other services	**387.8**	**20.33%**	**784.4**	**55.36%**
Totaal honoraria commissarissen der rekeningen	**1,907.5**	**100%**	**1,417.0**	**100%**

C. REMUNERATION REPORT

CFE's remuneration policy is designed to attract, retain and motivate staff in the office, technical, manual and managerial categories.

To help the Appointments and Remuneration Committee analyse the competitive situation, along with other factors involved in assessing remuneration, the Committee may use the services of internationally renowned remuneration consultants.

In 2015, a few changes were made to CFE's remuneration policy relative to 2014.

1. REMUNERATION OF THE BOARD AND COMMITTEE MEMBERS

1.1. REMUNERATION OF BOARD MEMBERS

CFE's ordinary general meeting of shareholders of 7 May 2015 approved the payment of annual fees to the Chairman of the Board of Directors and each of the other directors to the amount of €100,000 and €20,000 respectively in proportion to the time they were in office.

The general meeting also approved the payment of attendance fees to the directors, with the exception of the Chairman of the Board, to the amount of €2,000 per meeting.

The remuneration of the members of the Audit Committee and the Appointments and Remuneration Committee remain unchanged.

Board directors are also reimbursed for expenses incurred during the execution of their duties, according to conditions set by the Board of Directors.

The amount of fees paid directly or indirectly to the Board members for carrying out their duties within the group was as follows:

(euros)	FEES CFE
C.G.O. SA, represented by Philippe Delaunois	100,000
Renaud Bentégeat	32,000
Piet Dejonghe	32,000
Luc Bertrand	32,000
Koen Janssen	32,000
Christian Labeyrie	32,000
John-Eric Bertrand	32,000
Consuco nv, vertegenwoordigd door Alfred Bouckaert	30,000
Ciska Servais bvba, vertegenwoordigd door Ciska Servais	32,000
Philippe Delusinne	32,000
Jan Suykens	32,000
Alain Bernard	32,000
Jan Steyaert	30,000
Total	**480,000**

No agreement with any non-executive Board director providing for severance pay has come into force or has been extended since 3 May 2010 (the date on which the Belgian Act of 6 April 2010 came into force).

It will be proposed to the general meeting of 4 May 2016 to maintain the same remuneration policy of the directors and the Chairman of the Board of Directors.

1.2. REMUNERATION OF AUDIT COMMITTEE MEMBERS

Jan Steyaert	8,000
Consuco nv, vertegenwoordigd door Alfred Bouckaert	3,000
Philippe Delusinne	4,000
John-Eric Bertrand	4,000
Christian Labeyrie	4,000
Total	**23,000**

1.3. REMUNERATION OF APPOINTMENTS AND REMUNERATION COMMITTEE MEMBERS

The Appointments and Remuneration Committee consists of non-executive directors, most of whom are independent directors.

Ciska Servais SPRL, represented by Ciska Servais	8,000
Luc Bertrand	4,000
Consuco SA, represented by Alfred Bouckaert	3,000
Total	**15,000**

2. CFE MANAGEMENT

The organisation of the CFE group underwent major changes in the course of the 2015 financial year.

At the beginning of the year, the company was led by two managing directors, assisted by two steering committees.

The steering committee representing the non-DEME operations was composed of:

- Renaud Bentégeat
- Piet Dejonghe
- Fabien De Jonge
- Gabriel Marijsse
- Patrick Verswijvel
- Frédéric Claes SA, represented by Frédéric Claes
- Artist Valley SA, represented by Jacques Lefèvre
- Yves Weyts

The other steering committee, representing the DEME operations, was composed of:

- Renaud Bentégeat
- Alain Bernard
- Fabien De Jonge

A new organisation was put in place in November 2015 along with the creation of CFE Contracting, which comprises most of the activities of the CFE group in construction, multitechnics and rail.

The CFE group is now led by the two managing directors, who are tasked with the daily management of the company, under the supervision of the group's Board of Directors.

They are assisted in their task at holding company level by the group's CFO, Fabien De Jonge, the Human Resources manager, Gabriel Marijsse, the civil engineering manager, Patrick Verswijvel, and the international manager D2C Partners, represented by Patrick Bonnetain.

The activities of DEME are overseen by a steering committee, composed as before of Renaud Bentégeat, Alain Bernard and Fabien De Jonge.

The Contracting division is led by an Executive Committee composed of a CEO, Trorema SPRL, represented by Raymund Trost, and three other members, Frédéric Claes SA, represented by Frédéric Claes, Fabien De Jonge and 8822 SPRL, represented by Yves Weyts.

The activities of Real Estate Development are headed by a managing director, Artist Valley SA, represented by Jacques Lefèvre. He is assisted by a steering committee.

3. REMUNERATION OF MEMBERS OF CFE'S EXECUTIVE MANAGEMENT

3.1. REMUNERATION OF RENAUD BENTÉGEAT, MANAGING DIRECTOR

There were changes in the remuneration policy in 2015. Fixed and variable remuneration and other benefits were examined by the Appointments and Remuneration Committee.

After discussions, and specifically an assessment of performance relating to variable remuneration, the Appointments and Remuneration Committee made recommendations to the Board of Directors, which takes decisions on this matter.

The reference period for the annual variable remuneration of the managing director and other steering committee members runs from 1 January to 31 December. Any payments of variable remuneration are made in April of the following year.

In addition to his fee as a Board member, i.e. €32,000, Renaud Bentégeat, managing director, received gross annual remuneration of €300,000 in respect of his executive functions within the CFE group. The remuneration of Renaud Bentégeat is subject to the French legislation.

Renaud Bentégeat, managing director, also has the use of accommodation and a car provided by the company, representing a benefit of €49,306 in 2015. In 2015, he benefits from a pension plan with CFE, for which the employer's contribution amounts to €102,147.

The annual variable remuneration of Renaud Bentégeat is based on the performance of the CFE group as a whole and takes into account the safety performance, financial performance, cash position and reporting quality.

The amount of the annual variable remuneration is capped at 100% of the fixed remuneration.

For the 2015 financial year, it was decided to pay Renaud Bentégeat a bonus of €150,000.

A long-term variable remuneration has been instituted, of which the criteria have been defined by the Appointments and Remuneration Committee. This remuneration will be based on the group's results over three years (2015, 2016 and 2017).

CFE did not award any shares, options or other rights to acquire shares in the company to Renaud Bentégeat, the managing director, in 2015.

3.2. PIET DEJONGHE, MANAGING DIRECTOR, RECEIVED NO REMUNERATION OTHER THAN HIS REMUNERATION AS A DIRECTOR

CFE did not award any shares, options or other rights to acquire shares in the company to Piet Dejonghe, managing director, in 2015.

3.3. REMUNERATION OF THE OTHER MANAGEMENT MEMBERS OF CFE

The remuneration policy is designed to:

- enable the company to attract, motivate and retain high-level and high-potential executive talent,
- foster and reward personal performance.

The proposed fixed and variable remuneration for members of CFE's executive management, other than the managing directors, are scrutinised by the managing directors and the group's HR manager. They are submitted to the Appointments and Remuneration Committee.

The Committee listens to explanations and, after discussions between its members, submits definitive proposals to the Board of Directors, which takes decisions on the matter.

The basic annual salary constitutes fixed remuneration and is based on a scale defined by the CFE Group's wage structure. There is a margin of appreciation as regards matters such as experience, duties, scarcity of technical skills and performance.

For operational members of CFE's executive management, i.e. those responsible for profit centres (subsidiaries), variable remuneration for the 2015 financial year depends on individual performance.

- It is directly related to the financial performance of their area of responsibility, i.e. the relationship between net profit before tax and revenue for the period. This margin is compared with a pay scale featuring multiples of fixed annual remuneration (from zero to 100% of the fixed remuneration), known as the "basic amount".
- Safety performance: quantitative criterion at the rate of 50%, i.e. the accident frequency rate, according to the target set at the beginning of the year in the relevant business area; qualitative criteria at the rate of 50%; the basic amount is reduced by 20% if the target is not achieved.
- Qualitative' performance:
  - compliance with the Group's reporting guidelines, and compliance with procedures by the management and their staff, and
  - responsiveness and constructive attitude to the Group's requirements

  The assessment of this 'qualitative' performance is left to the discretion of the Appointments and Remuneration Committee, and may lead to cancellation of the entire variable remuneration.
- Variable remuneration can therefore range between zero and 100% of fixed annual remuneration.

For functional managers, variable remuneration takes account of several factors:

- the CFE Group's comprehensive income,
- the operational performance of their department,
- possibly attainment of specific targets assigned to them at the start of the year by the managing directors,
- variable remuneration may be zero if performance is unsatisfactory.

The reference period for the variable remuneration runs from 1 January to 31 December. Any payments are made in April of the following year.

Remuneration for the operational members of the steering committee of DEME is set by the Board of Directors of DEME as proposed by the Remuneration Committee of DEME, composed of Renaud Bentégeat and Luc Bertrand.

The variable remuneration is based on four criteria: EBITDA, net result, net financial debt, and safety performance.

In 2015, members of CFE's executive management (other than the managing directors), namely Fabien De Jonge, Gabriel Marijsse, Patrick Verswijvel, D2C Partners represented by Patrick Bonnetain, Alain Bernard, Trorema SPRL represented by Raymund Trost, Fédéric Claes SA represented by Frédéric Claes, Yves Weyts, Artist Valley SA represented by Jacques Lefèvre, received:

Fixed remuneration and fees	2,142,960
Variable remuneration	1,925,585
Payments to insurance plans (pension plans, health and accident insurance)	482,935
Company vehicle expenses	69,318
Total	**4,620,798**

Members of CFE's executive management are covered by various types of pension plan. Some are members of defined-benefit plans, which vary according to whether they joined before or after 1 July 1986.

In order to harmonise the treatment of these members, a supplementary defined-benefit plan was set up in 2007. The IFRS service cost for defined-benefit plans amounted to €238,662 in 2015.

There is also a pension plan that covers members of DEME's steering committee.

CFE has not awarded any shares, options or other rights to acquire shares in the company to steering committee members in 2015.

Nevertheless, the Appointments and Remuneration Committee of the CFE group decided to set up a stock option plan for CFE Contracting. The offer was made on 31 December 2015 to four beneficiaries (Raymund Trost, Frédéric Claes, Fabien De Jonge and Yves Weyts), and the term of the options is seven years.

4. TERMINATION BENEFITS

As regards termination benefit rules, in accordance with the Belgian Corporate Governance Act of 6 April 2010, applying as of 3 May 2010 and as agreed with the managing directors and members of CFE's executive management, the ordinary general meeting of shareholders of 7 May 2015 passed the following resolution:

1. The law relating to employment contracts shall apply to persons with "employee" status, and all other existing agreements shall remain in force.
   For employees who are members of the executive management of CFE and DEME and with whom there was no existing agreement relating to termination benefits before 3 May 2010, the period of notice to be given or the amount of severance pay that will be paid in the event of termination of the employment contract (for reasons other than serious misconduct) by the employer shall be determined, in accordance with the Act of 26 December 2013 relating to the introduction of the single status, published in the "Belgian Gazette" on 31 December 2013.
   - Alain Bernard
   - Fabien De Jonge

- Gabriel Marijsse
- Patrick Verswijvel

2. As regards termination benefits applying after 3 May 2010 and agreed with the managing director and members of CFE's executive management,
   - an agreement came into force on 1 October 2014 for Renaud Bentégeat.

     This agreement, approved by the Board of Directors as proposed by the Appointments and Remuneration Committee, stipulates that if the employment contract is terminated by the employer (for reasons other than serious misconduct) the period of notice to be given or the amount of severance pay that will be paid is to be set at maximum 12 months' remuneration.
   - an agreement came into force on 9 November 2015 for TROREMA SPRL, represented by Raymund Trost.

     This agreement, approved by the Board of Directors as proposed by the Appointments and Remuneration Committee, stipulates that if the employment contract is terminated by the employer (for reasons other than serious misconduct) the period of notice to be given or the amount of severance pay that will be paid is to be set at maximum 6 months' remuneration.
   - an agreement came into force on 1 January 2016 for 8822 SPRL, represented by Yves Weyts.

     This agreement, approved by the Board of Directors as proposed by the Appointments and Remuneration Committee, stipulates that if the employment contract is terminated by the employer (for reasons other than serious misconduct) the period of notice to be given or the amount of severance pay that will be paid is to be set at maximum 12 months' remuneration.
3. Agreements existing before 3 May 2010 were as follows:
   - Frédéric Claes SA, represented by Frédéric Claes:
     The amount payable in the event the contract is terminated is consistent with normal market levels.
   - Artist Valley SA, represented by Jacques Lefèvre:
     The amount payable in the event the contract is terminated is consistent with normal market levels.

5. VARIABLE REMUNERATION OF MEMBERS OF CFE'S EXECUTIVE MANAGEMENT

As regards variable remuneration rules, in accordance with the Belgian Corporate Governance Act of 6 April 2010, for periods beginning after 31 December 2010, the shareholders' meeting of 5 May 2015 passed the following resolution:

> Proposal: For the managing directors and steering committee members, the current legislation, which requires variable remuneration to be spread over three years, and its related criteria are not appropriate (and therefore cannot be easily applied) to a steering committee in which some members are close to retirement or bridging pension age.

This provision remains applicable to members of CFE's executive management.

6. INFORMATION ABOUT THE RIGHT TO CLAW BACK VARIABLE REMUNERATION GRANTED ON THE BASIS OF INCORRECT FINANCIAL INFORMATION PROVIDED BY MEMBERS OF CFE'S EXECUTIVE MANAGEMENT

The contracts between members of CFE's executive management, including those of the managing directors, on the one hand and the company on the other include a right for the company to claw back variable remuneration granted on the basis of incorrect financial information.

D. POLICY REGARDING INSURANCE

CFE systematically takes out comprehensive contractor insurance for all construction sites, which gives sufficient cover for operating and post-construction civil liability. The risk of terrorism is not included in this policy.

E. SPECIAL REPORTS

No special report was prepared in 2015.

F. PUBLIC OFFER TO PURCHASE SHARES

Pursuant to Article 34 of the Belgian Royal Decree of 14/11/2007 concerning the obligations of issuers of financial instruments listed for trading on a regulated market, Compagnie d'Entreprises CFE SA notes that:

i) the Board of Directors is empowered to increase the authorized capital by a maximum amount of €2,500,000, it being noted that exercise of this power is limited, in the event of a takeover bid, by Article 607 of the Companies Code;

ii) the Board of Directors is entitled to acquire up to 20% of CFE's shares.

G. ACQUISITIONS AND DISPOSALS

CFE made no acquisitions in 2015.

On 25 February 2015, the entirety of the shares of Aannemingen Van Wellen NV was sold to Aswebo NV, subsidiary of the Willemen group.

H. CREATION OF BRANCHES

CFE did not set up any branches in 2015.

I. POST-BALANCE SHEET EVENTS

No significant changes have occurred in the financial and commercial situation of the CFE Group since 31 December 2015.

J. RESEARCH AND DEVELOPMENT

DEME carries out ongoing research to increase the efficiency of its fleet. In addition, in partnership with universities and the Flanders region of Belgium, it carried out research into the production of sustainable marine energy. In partnership with private-sector companies, it carries out research into techniques to extract rare materials from the sea.

K. INFORMATION ON BUSINESS TRENDS

The high level of order backlog of DEME will generate a sustained activity in 2016. The EBITDA margin (as percent of the turnover) should come back to the historical average.

The Contracting (new scope) and Real Estate divisions should contribute positively to the operating result of the Group in 2016.

The result of the Holding (including PPP-Concessions activities and activities that have not been transferred) will be strongly dependent on the reimbursement of the outstanding receivables in Chad.

L. AUDIT COMMITTEE

The Audit Committee is chaired by Jan Steyaert, who meets the independence criteria defined in Article 526c of Belgium's Companies Code.

Jan Steyaert has a degree in economics and finance. He has held various professional posts, including working for an auditing firm and for Telindus, a listed company, where he was CFO before becoming CEO and then chairman of the Board of Directors. This confirms Jan Steyaert's competence in terms of accounting and auditing.

M. NOTICE OF THE GENERAL MEETING OF SHAREHOLDERS OF 4 MAY 2016

The Board of Directors invites all shareholders and bondholders to attend the **ordinary general meeting of shareholders**, which shall take place at the company's head office at 40-42 avenue Herrmann-Debroux, 1160 Brussels, **at 3pm on Wednesday 4 May 2016**.

A. AGENDA: ORDINARY BUSINESS

1. BOARD OF DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2015

2. AUDITOR'S REPORT FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2015

3. APPROVAL OF THE ANNUAL ACCOUNTS

Proposed resolution:

Approval of the annual accounts for the financial year ended on 31 December 2015.

4. APPROVAL OF THE CONSOLIDATED ANNUAL ACCOUNTS

Proposed resolution:

Approval of the consolidated annual accounts for the financial year ended on 31 December 2015.

5. APPROPRIATION OF PROFIT - APPROVAL OF DIVIDEND

Proposed resolution:

Approval to distribute a gross dividend of €2.40 per share, corresponding to a net dividend of €1.752 per share. The dividend will be payable as from 26 May 2016.

6. REMUNERATION

6.1. APPROVAL OF THE REMUNERATION REPORT

Proposed resolution:

Approval of the remuneration report as submitted by the Board of Directors.

6.2. ANNUAL REMUNERATION OF THE DIRECTORS AND THE AUDITOR

Proposed resolution:

Approval with effect from 1 January 2016 a remuneration for the chairman of the Board of Directors and for each director, respectively of €100,000 and of €20,000, pro rata temporis of the exercise of their mandate during the year.

Approval of an attendance fee for the directors, with the exception of the chairman, of €2,000 per meeting. The remuneration of the members of the Audit Committee and the Appointments and Remuneration Committee remains unchanged.

Approval to grant the auditor an annual remuneration of €110,000 for his mandate as auditor of the company.

7. DISCHARGE TO DIRECTORS

Proposed resolution:

Discharge to the directors for and in connection with their duties during the financial year ended on 31 December 2015.

8. DISCHARGE TO AUDITOR

Proposed resolution:

Discharge to the auditor for and in connection with his duties during the financial year ended on 31 December 2015.

9. APPOINTMENTS

9.1. The director's mandate of Philippe Delusinne expires at the ordinary general meeting of 4 May 2016.

Proposed resolution:

Approval to renew the mandate of Philippe Delusinne for a period of four (4) years, ending after the annual general meeting of May 2020. Philippe Delusinne meets the independence criteria defined in Article 526c of the Companies Code and in the 2009 Belgian Corporate Governance Code.

9.2. The director's mandate of Christian Labeyrie expires at the ordinary general meeting of 4 May 2016.

Proposed resolution:

Approval to renew this mandate for a period of four (4) years, ending after the annual general meeting of May 2020. Christian Labeyrie does not meet the independence criteria defined in Article 526c of the Companies Code and in the 2009 Belgian Corporate Governance Code.

9.3. Proposed resolution:

Approval of the director's appointment of Leen Geirnaerd for a period of four (4) years, ending after the annual general meeting of May 2020. Leen Geirnaerdt meets the independence criteria defined in Article 526c of the Companies Code and in the 2009 Belgian Corporate Governance Code.

9.4. The auditor's mandate of Deloitte, Reviseurs d'Entreprises, SC s.f.d. SCRL, represented by Pierre-Hugues Bonnefoy, expires at the ordinary general meeting of 4 May 2016.

Proposed resolution:

Under reserve of approval from the works council, approval to renew the auditor's mandate of Deloitte, Reviseurs d'Entreprises, SC s.f.d. SCRL, represented by Michel Denayer and Rik Neckebroeck, for a period of three years, ending after the annual general meeting of 2019.

The director's mandates of Jan Steyaert, of C.G.O. SA, represented by Philippe Delaunois, and of Consuco SA, represented by Alfred Bouckaert, expire at the ordinary general meeting of 4 May 2016.

The Board of Directors especially wishes to thank Mr Philippe Delaunois, Mr Alfred Bouckaert and Mr Jan Steyaert for their support and competence during their tenure as directors of CFE.

B. FORMALITIES FOR ATTENDING THE ORDINARY GENERAL MEETING OF SHAREHOLDERS

1. SHAREHOLDERS WISHING TO ATTEND THE MEETINGS PERSONALLY

Only shareholders who hold CFE shares at the latest on the 14th day prior to the general meetings, namely on 20 April 2016 at midnight (Belgian time) (the "Registration date"), and who confirm their intention to participate in the ordinary general meeting at the latest by 28 April 2016 at midnight (Belgian time), shall be allowed to attend the meeting, either in person or by proxy.

- For holders of registered shares, proof of share ownership on the Registration date shall be evidenced by registration in the CFE register of registered shares on the Registration date. Furthermore, in order to gain admission to the general meeting of shareholders, each shareholder shall be required to fill in the form "Intention de participation"/"Intentie tot deelname", available on the website www.cfe.be, and return it either by letter, for the attention of Mr Fabien De Jonge, Chief Financial Officer, avenue Herrmann-Debroux, 40-42 in 1160 Auderghem, or by e-mail to the following address: general_meeting@cfe.be, at the latest by 28 April 2016 at midnight (Belgian time).
- For holders of dematerialized shares, proof of share ownership shall be evidenced by their registration in a share account maintained by an accredited account holder or clearing house on the Registration date. In addition, each shareholder is required to inform his bank of his intention to participate in the ordinary general meeting as well as of the number of shares he wishes to vote with, at the latest by 28 April 2016 at midnight (Belgian time).

2. SHAREHOLDERS WISHING TO BE REPRESENTED AT THE MEETING

Each shareholder who owns shares on the Registration date may be represented at the ordinary general meeting.

Shareholders who wish to appoint a representative to represent them at the ordinary general meeting shall be required to complete and sign the proxy form, available on the website www.cfe.be, and to return it either by letter, for the attention of Mr Fabien De Jonge, Chief Financial Officer, avenue Herrmann-Debroux, 40-42 in 1160 Auderghem, or by e-mail to the following address: general_meeting@cfe.be, at the latest by 28 April 2016 at midnight (Belgian time).

If the proxy is sent by e-mail, the proxy-holder must submit the signed original before the start of the meeting.

3. SHAREHOLDERS WISHING TO VOTE BY POST

Each shareholder who owns shares on the Registration date may be represented at the ordinary general meeting.

Shareholders who wish to vote by post shall be required to complete and sign the postal voting form, available on the website www.cfe.be, and to send it exclusively by post for the attention of Mr Fabien De Jonge, Chief Financial Officer, avenue Herrmann-Debroux, 42 in 1160 Auderghem, at the latest by 28 April 2016 at midnight (Belgian time). The shareholder must indicate his voting preference on the postal voting form.

4. SHAREHOLDERS WISHING TO ADD NEW ITEMS TO THE AGENDA OR TO FILE RESOLUTION PROPOSALS

One or more shareholders who together hold at least 3% of the share capital may request the inclusion of items on the agenda for the ordinary general meeting of shareholders as well as file resolution proposals concerning the items to be dealt with already included or to be included on the agenda.

Shareholders who wish to exercise this right to add new items to the agenda or to file resolution proposals must satisfy the following conditions:

- send, at the latest by **12 April 2016** at midnight (Belgian time), their written request either by post, for the attention of Mr Fabien De Jonge, Chief Financial Officer, avenue Herrmann-Debroux, 40-42 in 1160 Auderghem, or by e-mail to the following address: general_meeting@cfe.be;
- join to their request the proof that on the date of their request they do in fact hold, separately or jointly, 3% of all shares. They shall, for this purpose, enclose with their letter either a certificate attesting to the registration of corresponding shares in the register of registered shares which they will have previously requested from the company, or a declaration drawn up by the accredited account holder or the clearing house, certifying the registration in an account, in their name, of the number of corresponding dematerialized shares.

- join to their request the new items to be discussed and the relevant resolution proposals in relation to items added or to be added on the agenda.

If one or more shareholders has requested the inclusion of items and/or proposed resolutions on the agenda, CFE shall publish at the latest by **19 April 2016** an agenda prepared according to the same procedure as this agenda. CFE shall also publish at the same time on its website the proxy voting and postal voting forms with any additional topics and related proposals and/or any standalone proposed resolutions added.

Any proxy forms and postal voting forms sent to the company before **19 April 2016** shall remain valid for the items on the agenda to which they relate. Furthermore, within the context of proxy voting, the representative shall be authorized to vote on the new items on the agenda and/or on the new proposed resolutions, without the need for any new proxy, if the proxy form expressly permits it. The proxy form may also specify that in such cases, the representative is obliged to abstain.

5. SHAREHOLDERS WISHING TO ASK QUESTIONS AT THE GENERAL MEETING

Each shareholder has the right to put questions to the directors and/or the auditor during the ordinary general meeting. The questions may be asked orally during the meeting or in writing before the meeting.

Shareholders who wish to ask questions in writing before the meeting shall be required to send an e-mail to the company at the latest by **28 April 2016** at midnight (Belgian time) to the following address: general_meeting@cfe.be. Only written questions asked by shareholders who will have satisfied the formalities for admission to the meeting (see item 1), shall receive an answer during the meeting.

6. RIGHT OF BONDHOLDERS TO ATTEND THE GENERAL MEETINGS

Bondholders may attend the ordinary general meeting with a consultative vote only, by proving they are bondholders by producing, on the day of the general meeting, a certificate issued by the financial intermediary with which they hold their bonds.

7. AVAILABLE DOCUMENTS

Each shareholder and bondholder may obtain free of charge at the registered office of the company (avenue Herrmann-Debroux, 40-42 in 1160 Brussels), during office hours, a complete copy of the financial statements, consolidated financial statements as well as the directors' report, the agenda as well as the forms to vote by proxy and by post, and the form "Intention de participation". Requests for a free copy may also be sent by e-mail to the following address: general_meeting@cfe.be.

8. WEBSITE

All information relating to the general meeting of shareholders of 4 May 2016, including all documents related thereto, are available on the company's website at this address: www.cfe.be.

CONSOLIDATED FINANCIAL STATEMENTS

DEFINITIONS

Capital employed	Intangible assets + goodwill + property, plant and equipment + working capital
Working capital	Inventories + trade receivables and other operating receivables + other current assets + non-current assets held for sale - other current provisions - trade payables and other operating liabilities - tax payables - other current liabilities
Income from operating activities	Turnover + revenue from auxiliary activities + purchases + wages, salaries and social charges + other operational charges and depreciation and goodwill depreciation
Operating income (EBIT)	Income from operating activities + earnings from associates and joint-ventures
EBITDA	Income from operating activities + amortisation and depreciation + other non-cash items

CONSOLIDATED STATEMENT OF INCOME

FOR THE PERIOD ENDED 31 DECEMBER (IN € THOUSANDS)	NOTES	2015	2014
Revenue	4	***3,239,406***	***3,510,548***
Revenue from auxiliary activities	6	*109,005*	*80,518*
Purchases		*(1,831,454)*	*(2,093,355)*
Remuneration and social security payments	7	*(547,043)*	*(583,211)*
Other operating expenses	6	*(482,581)*	*(449,834)*
Depreciation and amortisation	12-14	*(255,312)*	*(243,746)*
Goodwill impairment	13	*(3,116)*	*(521)*
Income from operating activities		***228,905***	***220,399***
Earnings from associates and joint ventures	15	*36,759*	*20,124*
Operating income		***265,664***	***240,523***
Cost of gross financial debt	8	*(31,720)*	*(31,909)*
Other financial expenses & income	8	*(869)*	*16,156*
Net financial income/expense		***(32,589)***	***(15,753)***
Pre-tax income		***233,075***	***224,770***
Income tax expense	10	*(59,051)*	*(65,249)*
Net income for the period		***174,024***	***159,521***
Attributable to owners of non-controlling interests	9	*937*	*357*
Net income share of the group		***174,961***	***159,878***
Net income of the group per share (EUR) (diluted and basic)	11	*6.91*	*6.32*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 DECEMBER (IN € THOUSANDS)	NOTES	2015	2014
Net income share of the group		***174,961***	***159,878***
Net income for the period		***174,024***	***159,521***
Changes in fair value related to hedging instruments		*(6,366)*	*(8,750)*
Currency translation differences		*(4,088)*	*(2,126)*
Deferred taxes	10	*1,783*	*2,974*
Other elements of the comprehensive income to be reclassified to profit or loss in subsequent periods		***(8,671)***	***(7,902)***
Re-measurement on defined benefit plans	23	*(197)*	*(1,679)*
Deferred taxes	10	*1,099*	*(997)*
Other elements of the comprehensive income not to be reclassified to profit or loss in subsequent periods		***902***	***(2,676)***
Other elements of the comprehensive income		***(7,769)***	***(10,578)***
Comprehensive income:		***166,255***	***148,943***
- Attributable to owners of the parent		*166,489*	*149,586*
- Attributable to owners of non-controlling interests		*(234)*	*(643)*
Net income attributable to owners of the parent per share (EUR) (diluted and basic)	11	6.58	5.91

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE PERIOD ENDED 31 DECEMBER (IN € THOUSANDS)	NOTES	2015	2014
Intangible assets	12	97,886	98,491
Goodwill	13	175,222	177,082
Property, plant and equipment	14	1,727,679	1,503,275
Investments in associates and joint ventures	15	151,377	159,290
Other non-current financial assets	16	129,501	109,341
Derivative instruments – Non-current assets	27	1,381	674
Other non-current assets	17	19,280	20,006
Deferred tax assets	10	103,345	115,322
Total non-current assets		**2,405,671**	**2,183,481**
Inventories	19	77,946	105,278
Trade and other operating receivables	20	1,192,977	1,082,504
Other current assets	20	125,029	104,554
Derivative instruments – Current assets	27	8,514	4,220
Current financial assets		70	467
Assets held for sale		0	31,447
Cash and cash equivalents	21	491,952	703,501
Total current assets		**1,896,488**	**2,031,971**
Total assets		**4,302,159**	**4,215,452**
Share capital		41,330	41,330
Share premium		800,008	800,008
Retained earnings		607,012	488,890
Defined benefits pension plans		(7,448)	(8,350)
Hedging reserves		(10,710)	(6,127)
Currency translation differences		(6,915)	(2,124)
Equity attributable to owners of the parent		**1,423,277**	**1,313,627**
Non-controlling interests		11,123	7,238
Equity		**1,434,400**	**1,320,865**
Retirement benefit obligations and employee benefits	23	41,054	41,806
Provisions	24	44,854	40,676
Other non-current liabilities		17,145	80,665
Bonds	26	305,216	306,895
Financial liabilities	26	398,897	378,065
Derivative instruments – Non-current liabilities	27	33,359	12,922
Deferred tax liabilities	10	150,053	139,039
Total non-current liabilities		**990,578**	**1,000,068**
Current provisions	24	64,820	48,447
Trade & other operating payables	20	1,184,886	1,099,309
Income tax payable		88,215	80,264
Current financial liabilities	26	110,558	206,671
Derivative instruments – Current liabilities	27	35,146	24,948
Liabilities held for sale		0	19,164
Other current liabilities	20	393,556	415,716
Total current liabilities		**1,877,181**	**1,894,519**
Total equity and liabilities		**4,302,159**	**4,215,452**

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 DECEMBER (IN THOUSAND EURO)	NOTE	2015	2014
Operating activities			
Net income share of the group		174,961	159,878
Depreciation and amortisation of intangible assets, property, plant & equipment		255,312	243,746
Net provision expense		20,938	11,420
Impairment on current and non-current assets		(233)	3,922
Unrealized foreign exchange (gains)/losses		8,531	(18,294)
Interest income & income from financial assets		(23,816)	(9,991)
Interest expense		39,470	41,900
Change in fair value of derivative instruments		(6,418)	(8,230)
Income/(losses) from sales of property, plant & equipment		(18,405)	(7,463)
Tax expense		59,051	65,249
Income attributable to non-controlling interests		(937)	(357)
Earnings from associates and joint ventures		(36,759)	(20,124)
Cash flow from operating activities before changes in working capital		**471,695**	**461,656**
Decrease/(increase) in trade receivables and other current and non-current receivables		(93,791)	7,342
Decrease/(increase) in inventories		16,286	8,237
Increase/(decrease) in trade payables and other current and non-current payables		2,589	179,749
Cash flow from operating activities		**396,779**	**656,984**
Interest paid		(39,470)	(41,900)
Interest received		8,104	9,991
Income tax paid/received		(30,432)	(18,349)
Net cash flow from operating activities		**334,981**	**606,725**
Investing activities			
Sales of non-current assets		31,670	13,410
Purchases of non-current assets		(276,527)	(173,895)
Acquisition of subsidiaries net of cash acquired		0	(1,351)
Variation of the investment percentage in associates		(556)	0
Capital increase in investments in associates	15	(22,111)	(1,005)
Sale of subsidiaries		20,543	0
New borrowings given to investments in associates		(11,898)	0
Assets held for sale		0	(766)
Cash flow from investing activities		**(258,879)**	**(163,607)**
Financing activities			
Borrowings		(64,600)	63,925
Reimbursements of borrowings		(172,798)	(212,361)
Dividends paid		(50,626)	(29,112)
Cash flow from financing activities		**(288,024)**	**(177,548)**
Net Increase/(Decrease) in cash position		**(211,921)**	**265,570**
Cash and cash equivalents at start of the year	21	703,501	437,334
Exchange rate effects		372	597
Cash and cash equivalents at end of period	21	**491,952**	**703,501**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2015

(IN € THOUSANDS)	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	DEFINED BENEFITS PENSION PLANS	HEDGING RESERVES	CURRENCY TRANSLATION DIFFERENCES	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	NON-CONTROLLING INTERESTS	TOTAL
December 2014	*41,330*	*800,008*	*488,890*	*(8,350)*	*(6,127)*	*(2,124)*	*1,313,627*	*7,238*	*1,320,865*
Comprehensive income for the period			*174,961*	*902*	*(4,583)*	*(4,791)*	*166,489*	*(234)*	*166,255*
Dividends paid to shareholders			*(50,626)*				*(50,626)*		*(50,626)*
Dividends from non-controlling interests								*(2,094)*	*(2,094)*
Change in consolidation scope and other movements			*(6,213)*				*(6,213)*	*6,213*	*0*
December 2015	*41,330*	*800,008*	*607,012*	*(7,448)*	*(10,710)*	*(6,915)*	*1,423,277*	*11,123*	*1,434,400*

Change in consolidation scope and other movements are presented among the main transactions described in the preamble.

FOR THE PERIOD ENDED 31 DECEMBER 2014

(IN € THOUSANDS)	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	DEFINED BENEFITS PENSION PLANS	HEDGING RESERVES	CURRENCY TRANSLATION DIFFERENCES	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	NON-CONTROLLING INTERESTS	TOTAL
December 2013	*41,330*	*800,008*	*358,124*	*(5,782)*	*(351)*	*(176)*	*1,193,153*	*8,064*	*1,201,217*
Comprehensive income for the period			*159,878*	*(2,568)*	*(5,776)*	*(1,948)*	*149,586*	*(643)*	*148,943*
Dividends paid to shareholders			*(29,112)*				*(29,112)*		*(29,112)*
Dividends from non-controlling interests								*(2,329)*	*(2,329)*
Change in consolidation scope and other movements								*2,146*	*2,146*
December 2014	*41,330*	*800,008*	*488,890*	*(8,350)*	*(6,127)*	*(2,124)*	*1,313,627*	*7,238*	*1,320,865*

SHARE CAPITAL AND RESERVES

The share capital on 31 December 2015 was divided into 25,314,482 ordinary shares. These shares are without nominal value. The owners of ordinary shares have the right to receive dividends and have one vote per share in Shareholders' General Meetings.

On 24 February 2016, the board of directors proposed a dividend of € 60,755 thousand, corresponding to € 2.40 gross per share. The final dividend is subject to shareholder approval in the Shareholders' General Meeting, The appropriation of income was not included in the financial statements at 31 December 2015.

The final dividend for the year ended 31 December 2014 was € 2 gross per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

PAGE

INTRODUCTION

CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

The Board of Directors authorized the publication of the CFE group's consolidated financial statements on 24 February 2016.

The consolidated financial statements should be read in conjunction with the Board of Directors' management report.

MAIN TRANSACTIONS IN 2015 AND 2014 AFFECTING THE CFE GROUP'S SCOPE OF CONSOLIDATION

TRANSACTIONS IN 2015

1. DREDGING AND ENVIRONMENT SEGMENT

During the year 2015, DEME acquired :

- a 100% stake in the newly created company DEME Cyprus Ltd which is fully consolidated;
- a 12.5% stake in the company Merkur Offshore GmbH which is integrated under the equity method;
- an additional 50% stake in the company HGO InfraSea Solutions GmbH & Co KG increasing its stake to 100%. HGO InfraSea Solutions GmbH & Co is now fully consolidated; and
- a 100% stake in the newly created companies DEME Infrasea Solutions (DISS) and DEME Infra Marine Contractors (DIMCO) which are fully consolidated.

During 2015, DEME sold all its shares, namely 50%, of the company Flidar NV.

Terramundo Ltd, a 37.45% subsidiary of DEME, has been dissolved in the second half of 2015.

In addition, DEME, through its subsidiary DIMCO, acquired, from CFE SA, a 100% stake in the company CFE Nederland BV. It should be noted that CFE Nederland BV owns 100% of GEKA Bouw BV. Those two companies which have now been consolidated in the dredging and environment segment remain fully consolidated.

2. CONTRACTING SEGMENT

On February 10th 2015, the company BPC Design & Engineering ("BDE") was created. This company is owned by CFE Bâtiment Brabant Wallonie – CFE BBW SA (99%) and CFE Bouw Vlaanderen NV (1%). CFE group has a 100% stake in both companies. BDE is fully consolidated.

On February 25th 2015, the sale of the road activity in Aannemingen Van Wellen NV was finalised and the stake (100%) is fully transferred to Aswebo, subsidiary of Group Willemen.

On March 2nd 2015, the subsidiary IFCC SA was renamed CFE Contracting SA. In the near future, this company will become the leading company of the Contracting Division.

On March 25th 2015, the company "Société de Gestion de Chantiers" (SOGECH SA), a 100% subsidiary of CFE group, was dissolved.

On April 16th 2015, CFE Contracting SA, subsidiary of CFE group, acquired a 100% stake in the newly created company CFE Infra NV. This company is fully consolidated.

On June 30th 2015, CFE acquired a 50% stake of the non-controlling interests of the group Terryn at December 2014. The stake of CFE group increases therefore from 55.04% to 77.51%.

On November 30th 2015, CFE SA sold its entire stake, i.e. 100%, in CFE Nederland BV, to DIMCO, a subsidiary of DEME. It should be noted that CFE Nederland BV owns 100% of GEKA Bouw BV. Those two companies which have now been consolidated in the dredging and environment segment remain fully consolidated.

3. REAL ESTATE SEGMENT

Given that BPI will become the leading company of the Real Estate Division, during the first semester of 2015, the stakes in the group real estate companies and the real estate assets owned by CFE Immo, branch of CFE SA were sold to BPI SA.

On March 31st 2015, through its subsidiaries BPI and Espace Midi, CFE group sold its stake in the company South City Hotel (20%). This company was integrated under the equity method.

On May 22nd 2015, BPI, subsidiary of CFE group, acquired a 31.2% stake in the company Goodways BVBA with a view to developing a real estate project in Anderlecht. This entity is integrated under the equity method.

On June 25th 2015, CLI, subsidiary of CFE group, acquired 33.3% of the newly created companies in Luxemburg M1 SA and M7 SA. These companies are integrated under the equity method.

On August 31st 2015, BPI, subsidiary of CFE group, sold a 50% stake of the company Pré de la Perche, decreasing its stake from 100% to 50%. This company is now integrated under the equity method.

On October 14th 2015, CFE Immo, sold its entire stake, i.e. 50%, of its subsidiary Immo PA 33 2.

On December 9th 2015, the company Investissement Léopold was dissolved.

Espace Midi, a 20% subsidiary of CFE Immo, was dissolved in the last quarter of 2015.

4. PPP-CONCESSIONS SEGMENT

During the first six month of 2015, the stake of PPP Branch in Bizerte Cap 3000 SA was diluted from 25% to 20.01%.

TRANSACTIONS IN 2014

1. DREDGING AND ENVIRONMENT DIVISION

During 2014, DEME acquired :

- A complementary stake in the company Fasiver, increasing its percentage of interest from 37.45% to 74.90%. Fasiver is therefore fully consolidated, and;
- A 100% stake in the newly created company DEME Concessions Wind and DEME Concessions Infrastructure which are fully consolidated.
- During the second half year 2014, Deme acquired :
- A 100% stake in the newly created companies Offshore Manpower supply Panama Ltd and Offshore Manpower Singapore Pte Ltd which are fully consolidated;
- A 99.97% stake in the company Global Sea Mineral Resources NV which is fully consolidated;
- A 51% stake in the newly created company DIAP Daelim joint venture Ltd which is integrated under the equity method; and
- A 100% stake in the company Techno@Green which is fully consolidated.
- Otherwise, during 2014, DEME has sold :
- A 9.60% stake in the company Highwind, thereby reducing its capital stake in this entity from 60% to 50.40%. Highwind is integrated under the equity method.
- Its entire 49.93% stake in the entity Eco Biogaz.

Also, the entities Dalian Soil remediation and DEC Canada, respectively owned 37.45% and 74.9% by DEME, were dissolved during 2014.

Finally, the company Fasiver, 74.9% owned since the first half of 2014, was absorbed by Agroviro and the newly created entity Techno@Green, 100% owned, was also absorbed during the first half of 2014 by the company DEME Concessions Wind.

2. CONTRACTING DIVISION

On 28 November 2014, Aannemingen Van Wellen NV transferred its buildings activities to Amart SA, a subsidiary of CFE group, and continues its operations in Flanders under the brand name "Atro Bouw". On 1 December 2014, CFE group announced its intention to sell its road activity of the company Aannemingen Van Wellen NV, i.e. its entire 100% stake in the company, to Willemen group. The transaction of the road activity will be effective on 25 February 2015.

3. REAL ESTATE DIVISION

On 28 February 2014, the company Project RK Brugmann, 50% owned by the subsidiary Batipont Immobilier ("BPI"), was dissolved.

On 5 March 2014, the company BPI, subsidiary of CFE group, acquired a 100% stake in the polish entity Immo Wola recently constituted and having as social purpose the development of real estate projects in Poland. This entity is fully consolidated.

On 23 April 2014, the entities VM Property I and VM Property II, 40% owned by CFE group, sold the entire participation (100%) of company VM Office.

On 20 June 2014, the company Investment Léopold, 24.14% owned by CFE group, acquired all shares of Promotion Léopold. This entity is integrated under the equity method.

On 27 June 2014, the Compagnie Luxembourgeoise Immobilière ("CLI"), subsidiary of CFE group, sold its shares (20%) of the Compagnie Marocaine des Energies ("CME").

On 12 August 2014, the company La Réserve Promotions, 33% owned by CFE group, acquired all shares of LRP Development. This entity is integrated under the equity method.

On 5 September 2014, the company CFE Immo, subsidiary of CFE group, acquired a 30% stake in the company's Foncière de Bavière A and Foncière de Bavière C, the purpose of which is to develop a real estate project in the Bavière district of Liège. Those entities are integrated under the equity method.

On 29 September 2014, the limited company Transportzone Zeebrugge ("TZZ"), 38.9% owned by CFE group, was dissolved. This entity was integrated under the equity method.

On 20 November 2014, the company BPI, subsidiary of CFE group, acquired a 100% stake in the newly created polish entity BPI Wroclaw and having as social purpose the development of real estate projects in Poland. This entity is fully consolidated.

On 11 December 2014, CFE group subsidiary CFE Immo acquired a 33% stake in the company Europea Housing, the purpose of which is the realization of the "NEO" project on the Heysel site. This entity is integrated under the equity method.

At year-end 2014, CFE group sold its 100% stake in the polish entity BPI Obozowa Retail Estate Sp. Z.o.o. This entity was fully integrated.

4. PPP – CONCESSIONS DIVISION

On 18 December 2014, CFE Group sold its 50% stake in the entity Turnhout Parking . This entity was integrated under the equity method.

1. GENERAL POLICIES

IFRS AS ADOPTED BY THE EUROPEAN UNION

The accounting principles used are the same as those used for the consolidated annual financial statements at December 31, 2014.

STANDARDS AND INTERPRETATIONS APPLICABLE TO THE ANNUAL PERIOD BEGINNING ON 1 JANUARY 2015

- Improvements to IFRS (2011-2013) (applicable to annual periods beginning on or after 1 January 2015)
- IFRIC 21 Levies (applicable to annual periods beginning on or after 17 June 2014)

The application of these standards does not have a significant impact on the consolidated accounts of the group.

STANDARDS AND INTERPRETATIONS PUBLISHED BUT NOT YET APPLICABLE IN THE PERIOD BEGINNING ON 1 JANUARY 2015

The group did not apply early the following standards and interpretations, application of which was not mandatory at 31 December 2015.

- IFRS 9 Financial Instruments and subsequent amendments (applicable to annual periods beginning on or after 1 January 2018, but not yet endorsed in the EU)

- IFRS 14 Regulatory Deferral Accounts (applicable to annual periods beginning on or after 1 January 2016, but not yet endorsed in the EU)
- IFRS 15 Revenue from Contracts with Customers (applicable to annual periods beginning on or after 1 January 2018, but not yet endorsed in the EU)
- IFRS 16 Leases (applicable to annual periods beginning on or after 1 January 2019, but not yet endorsed in the EU)
- Improvements to IFRS (2010-2012) (applicable to annual periods beginning on or after 1 February 2015)
- Improvements to IFRS (2012-2014) (applicable to annual periods beginning on or after 1 January 2016)
- Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: applying the consolidation exception (applicable to annual periods beginning on or after 1 January 2016, but not yet endorsed in the EU)
- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (the effective date has been deferred indefinitely, but not yet endorsed in the EU)
- Amendments to IFRS 11 Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations (applicable to annual periods beginning on or after 1 January 2016)
- Amendments to IAS 1 Presentation of Financial Statements – Disclosure Initiative (applicable to annual periods beginning on or after 1 January 2016)
- Amendments to IAS 7 Statement of Cash Flows – Disclosure Initiative (applicable to annual periods beginning on or after 1 January 2017, but not yet endorsed in the EU)
- Amendments to IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses (applicable to annual periods beginning on or after 1 January 2017, but not yet endorsed in the EU)
- Amendments to IAS 16 and IAS 38 Property, Plant and Equipment and Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation (applicable to annual periods beginning on or after 1 January 2016)
- Amendments to IAS 19 Employee Benefits - Employee Contributions (applicable to annual periods beginning on or after 1 February 2015)
- Amendments to IAS 27 Separate Financial Statements - Equity Method (applicable to annual periods beginning on or after 1 January 2016)
- The potential impacts of these standards and interpretations on the consolidated accounts of the group are being determined. The Group does not expect these changes to have an impact on the Group's financial statements, with the exception of IFRS 9, IFRS 15 and IFRS 16.

2. SIGNIFICANT ACCOUNTING POLICIES

Compagnie d'Entreprises CFE SA (hereinafter referred to as the "Company" or "CFE") is a company incorporated and headquartered in Belgium. The consolidated financial statements for the year ended 31 December 2015 include the financial statements of the Company, its subsidiaries, its interests in jointly controlled entities (the "CFE group") and interests in companies accounted for under the equity method.

2.1. ACCOUNTING RULES AND METHODS

(A) STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) approved by the European Union.

(B) BASIS OF PRESENTATION

The financial statements are stated in thousands of euros, rounded to the nearest thousand.

Equity instruments and equity derivatives are stated at cost where they do not have a quoted market price in an active market and where other methods of reasonably estimating fair value are clearly inappropriate and/or inapplicable.

Accounting policies are applied consistently.

The financial statements are presented before the appropriation of parent-company income proposed to the Shareholders' General Meeting.

The preparation of financial statements under IFRSs requires estimates to be used and assumptions to be made that affect the amounts shown in those financial statements, particularly as regards the following items:

- the period over which non-current assets are depreciated or amortized;
- the measurement of provisions and pension obligations;
- the measurement of income or losses on construction contracts using the percentage of completion method;
- estimates used in impairment tests;
- the measurement of financial instruments at fair value;
- the assessment of control;
- the qualification of a company acquisition as a business combination or an acquisition of assets.

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.

(C) CONSOLIDATION PRINCIPLES

The consolidated financial statements include the financial statements of CFE Group and the financial statements of its subsidiaries and the entities on which it has control. CFE Group controls an entity when:

- it has power over the entity,
- it is exposed to variable returns from the controlled entity,
- it has the ability to exert power over the entity in order to influence the returns obtained.

If CFE Group doesn't have the majority of voting rights in an entity, it is presumed to have enough rights to exert power over the entity if it has the ability to manage on its own the core businesses of the entity. CFE Group takes into account all facts and circumstances when it assess if the voting rights held are enough to give the power to manage the entity, including the followings:

- the voting rights held by CFE Group compared to the voting rights held by the other partners and how there are spread among them,
- the potential voting rights held by the Group and by other stakeholders,

- the rights given by other agreements,
- other facts and circumstances, if any, that proves the Group's ability (or inability) to manage the entity's core businesses when decisions have to be taken, included the votes of previous shareholder's meetings.

An entity is consolidated from the moment when the Group has control and is removed from the scope of consolidation when the group loses control over the entity. Revenues and expenses of a subsidiary acquired during the period are included in the consolidated income statement from the moment when the group obtained the control until the moment when the control is lost.

If necessary, adjustments are made to statutory accounts of subsidiaries in order to align their accounting methods to the ones used by the Group. All assets and liabilities, equity, revenues, expenses and cash flows related to transactions between groups companies are eliminated in the consolidated financial statements.

Changes in the group's interest in a subsidiary that do not result in a loss of control are recognized as equity transactions. The carrying amounts of the group's interests and non-controlling interests are adjusted to reflect changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

When the Group grants an option to sell to the non-controlling interests of a subsidiary (i.e. where the non-controlling interests have a "put"), the related financial liability is deducted initially from non-controlling interests in equity.

Associated companies are those in which the CFE Group has significant influence. The significant influence is the power to take part in financial and operating policies of a company without having control or joint control over these policies.

A joint venture is an arrangement whereby the parties having joint control over the entity have rights to the entity's net assets. A joint control consist in sharing the control over an entity among different parties based on legal agreements and where all decisions related to core businesses require the agreement of all parties.

Assets, liabilities, revenues and expenses from joint-ventures and joint-operations are accounted for under the equity method in the consolidated financial statements unless the interest in the associate is, partly or fully, classified as held-for-sale. In that case, it is accounted for in accordance with IFRS 5. Under the equity method, an investment in a joint-venture or joint-arrangement is firstly recorded at cost in the consolidated financial statement and then adjusted to record the share of the group in the net result and in the comprehensive income of the associate. If the interest in the losses of an associate is higher than its investment, CFE Group does not record its share in the future losses. Additional losses are recorded only if there is an obligation (legal or not) to give financial support to the entity.

Interests in joint ventures or joint arrangements are accounted for under the equity method from the date when the entity becomes a joint venture or joint arrangement. At the acquisition of the interest, any surplus between the cost of the investment and the share in the fair value of net assets of the entity is recorded as goodwill included in the carrying amount of the investment. Any surplus between the share of the group in the fair value of net assets and the cost of the investment after remeasurement is immediately recorded in the income statement during the period of acquisition of the investment.

A joint operation is a joint arrangement in which the parties (joint operators) have direct rights over the assets and direct obligations with respect to the entity's liabilities. A joint control consist in sharing the control on an entity among different parties based on legal agreements and where all decisions related to core businesses require the agreement of all parties to be taken. When a CFE Group entity starts activity in a joint operation, CFE recognizes in relation to its interest in the joint operation :

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of its share of the output by the joint operation;
- its expenses, including , including its share of any expenses incurred jointly.

(D) FOREIGN CURRENCIES

(1) TRANSACTIONS IN FOREIGN CURRENCIES

Transactions in currencies other than the euro are recognized at the exchange rate on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate. Gains and losses resulting from the creation of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

Non-monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rate on the transaction date.

(2) FINANCIAL STATEMENTS OF FOREIGN ENTITIES

The assets and liabilities of CFE group companies whose functional currencies are other than the euro are translated into euros at the exchange rate on the balance sheet date. Income statements of foreign entities, excluding foreign entities in hyperinflationary economies, are translated into euros at an average exchange rate for the year (approximating the foreign exchange rates prevailing at the dates of the transactions).

Components of shareholders' equity are translated at historical rates.

Translation differences arising from this translation are recognized in the comprehensive income and these differences are recognized in the income statement in the year during which the entity is sold or liquidated.

(3) EXCHANGE RATES

CURRENCIES	2015 CLOSING RATE	2015 AVERAGE RATE	2014 CLOSING RATE	2014 AVERAGE RATE
Polish zloty	4.265	4.184	4.283	4.186
Hungarian forint	315.379	309.960	315.588	308.690
US dollar	1.087	1.110	1.210	1.328
Singapore dollar	1.535	1.526	1.600	1.682
Qatari rial	3.958	4.042	4.407	4.837
Romanian leu	4.524	4.441	4.483	4.443
Tunisian dinar	2.211	2.178	2.257	2.253
CFA franc	655.957	655.957	655.957	655.957
Australian dollar	1.490	1.478	1.483	1.473
Nigerian naira	216.39	219.56	221.448	219.138
Moroccan Dirham	10.797	10.813	10.981	11.165
Turkish Lira	3.175	3.020	2.820	2.904

Units of foreign currency per euro

(E) INTANGIBLE ASSETS

(1) RESEARCH AND DEVELOPMENT COSTS

Expenditures on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognized in the income statement as an expense as incurred.

Expenditures on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, are capitalized if the product or process is technically and commercially feasible, the company has sufficient resources to complete development and the expenses can be reliably identified.

Capitalized expenditure includes all costs directly attributable to the asset necessary for its creation, production and preparation in view of its intended use. Other development expenditures are recognized as an expense as incurred.

Capitalized development expenditures are stated at cost less accumulated amortisation (see below) and impairment.

(2) OTHER INTANGIBLE ASSETS

Other intangible assets acquired by the company are stated at cost less accumulated amortisation (see below) and impairment. Expenditure on internally generated goodwill and brands is recognized as an expense as incurred.

(3) SUBSEQUENT EXPENDITURE

Subsequent expenditure on capitalized intangible assets is capitalized only when it enables the assets to generate future economic benefits over and above the performance level defined at the outset. All other expenditures are expensed as incurred.

(4) AMORTISATION

Intangible assets are amortized using the straight-line method over their estimated useful lives at the following rates:

- Minimum 5% Operating concessions
- 33.33% Software applications

(F) BUSINESS COMBINATIONS

Acquisitions of subsidiaries and companies are accounted for using the acquisition method. The consideration transferred in relation to a business combination is measured at fair value, and expenses related to the acquisition are generally taken to income when incurred.

When consideration transferred by the group in relation to a business combination includes contingent consideration, this contingent consideration is measured at its fair value on the acquisition date. Changes in the fair value of contingent consideration that relate to adjustments in the measurement period (see below) are recognized retrospectively; other changes in the fair value of the contingent consideration are recognized in the income statement.

In a business combination that takes place in stages, the group must remeasure the stake it previously held in the acquired company at fair value on the date of acquisition (i.e. the date on which the group obtained control) and recognize any gain or loss in net income.

On the date of acquisition, identifiable assets acquired and liabilities assumed are recognized at fair value on that date with the exception of:

- deferred tax assets or liabilities and assets and liabilities related to employee benefit arrangements, which are recognized and measured in accordance with IAS 12 (Income Taxes) and IAS 19 (Employee benefits) respectively;
- liabilities or equity instruments related to payment agreements based on shares in the acquired company or payment agreement based on shares in the group formed to replace payment agreements based on shares in the acquired company, which are measured in accordance with IFRS 2 (Share-based Payment) on the date of acquisition;
- assets (or groups intended to be sold) classified as held-for-sale under IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations), which are measured in accordance with this standard.

If the initial recognition of a business combination is unfinished at the end of the financial reporting period during which the business combination occurs, the group must present provisional amounts relating to the items for which recognition is unfinished. These provisional amounts are adjusted during the measurement period (see below), or the additional assets or liabilities are recognized to take into account new information obtained about the facts and circumstances prevailing at the acquisition date and which, if they had been known, would have had an impact on the amounts recognized at that date.

Adjustments in the measurement period are a consequence of additional information about the facts and circumstances prevailing at the date of acquisition obtained during the "measurement period" (maximum of one year from the acquisition date).

(1) GOODWILL

Goodwill arising from a business combination is recognized as an asset on the date on which control was obtained (the acquisition date). Goodwill is measured as the excess of consideration transferred, non-controlling interests in the acquired company and the fair value of the stake already owned by the group in the acquired company (if any) over the net amount of identifiable assets acquired and liabilities assumed on the acquisition date.

Non-controlling interests are initially measured either at fair value, or at the non-controlling interests' share of the acquirer's recognized identifiable net assets. The basis of measurement is selected on a transaction-by-transaction basis.

Goodwill is not amortized, but is subject to impairment tests taking place annually or more frequently if there is an indication that the cash-generating unit to which it is allocated (generally a subsidiary) could have suffered a loss of value. Goodwill is expressed in the currency of the subsidiary to which it relates. If the recoverable amount of the cash-generating unit is less than its carrying amount, the loss of value is first charged against any goodwill allocated to this unit, and then to any other assets of the unit in proportion to the carrying amount of each of the assets included in the unit. Goodwill is stated on the balance sheet at cost less impairment. Impairment of goodwill is not reversed in future periods. When a subsidiary is divested from the group, the resulting goodwill and other comprehensive income relating to the subsidiary are taken into account in determining the net gain or loss on disposal.

For companies accounted for under the equity method, the carrying amount of goodwill is included in the carrying amount of the investment in such companies.

(2) NEGATIVE GOODWILL

If the net balance, at the acquisition date, of identifiable assets acquired and liabilities assumed is higher than the sum of the consideration transferred, non-controlling interests in the acquire and the fair value of the stake in the acquire previously owned by the group (if any), the surplus is recognized immediately in the income statement as a gain from a bargain purchase.

(G) PROPERTY, PLANT AND EQUIPMENT

(1) RECOGNITION AND MEASUREMENT

All property, plant and equipment are recorded in assets only when it is probable those future economic benefits will accrue to the entity and if its cost can be measured reliably. These criteria are applicable at initial recognition and in relation to subsequent expenditure.

All property, plant and equipment are recorded at historical cost less accumulated depreciation and impairment losses.

Historical cost includes the original purchase price, borrowing costs incurred during the construction period, and related direct costs (e.g. non recoverable taxes and transport costs). The cost of self-constructed assets includes the cost of materials, direct labour costs and an appropriate proportion of production overheads.

(2) SUBSEQUENT EXPENDITURE

Subsequent expenditure is capitalized only when it increases the future economic benefits resulting from the item of property, plant and equipment. Repairs and maintenance costs that do not increase the future economic benefits of the asset to which they relate, are expensed as incurred.

(3) DEPRECIATION

Depreciation is calculated from the date the asset is available for use, according to the straight-line method and over the estimated economic useful life of the asset:

trucks:	3 YEARS
other vehicles:	3–5 YEARS
other equipment:	5 YEARS
IT hardware:	3 YEARS
office equipment:	5 YEARS
office furniture:	10 YEARS
buildings:	25–33 YEARS
cutter dredgers and suction dredgers:	18 YEARS WITH RESIDUAL VALUE OF 5%
floating dredgers and navigator boats:	25 YEARS WITH RESIDUAL VALUE OF 5%
landing stages, boats, ferries and boosters:	18 YEARS WITHOUT RESIDUAL VALUE
cranes:	12 YEARS WITH RESIDUAL VALUE OF 5%
excavators:	7 YEARS WITHOUT RESIDUAL VALUE
pipes:	3 YEARS WITHOUT RESIDUAL VALUE
chains and site installations:	5 YEARS
various site equipment:	5 YEARS

Land is not depreciated as it is deemed to have an indefinite life.

Borrowing costs directly linked to the acquisition, construction or production of an asset that requires a long time of preparation are included in the cost of the asset.

(4) RECOGNITION OF THE DREDGER FLEET

The acquisition cost is divided into two parts: a vessel component (92% of the acquisition cost), which is depreciated using the straight-line method and a depreciation rate that depends on the kind of vessel, and a maintenance component (8% of the purchase), which is depreciated over 4 years using the straight-line method. For the "Jack-Up" vessels, it is estimated that the electrical rack and pinion jacking system as well as the crane are depreciated over a period of 10 years using the straight-line method.

When a vessel is acquired, spare parts are capitalized as a proportion of the purchase up to a maximum of 8% of the total vessel acquisition cost (100%), and are depreciated using the straight-line method over the remaining useful life from the date the asset is available for use.

Certain repairs are capitalized and depreciated using the straight-line method over 4 years from the time the vessel starts sailing again.

(H) INVESTMENT PROPERTY

An investment property is a property held to generate rent, to achieve capital appreciation or both.

An investment property is different from an owner- or tenant-occupied property since it generates cash flows that are independent of the company's other assets.

Investment properties are measured on the balance sheet at cost, including borrowing costs incurred during the construction period, less depreciation and impairment.

Depreciation is calculated from the date the asset is available for use, according to the straight-line method and at a rate corresponding to the estimated economic useful life of the asset.

Land is not depreciated as it is deemed to have an indefinite life.

(I) LEASES

Where a lease transfers substantially all of the benefits and risks inherent in the ownership of an asset, it is regarded as a finance lease.

Assets held through finance leases are recognized at the lower of the present value of the minimum lease payments estimated at inception of the lease, or the fair value of the assets less accumulated depreciation and impairment losses.

Each lease payment is allocated between repayment of the debt and an interest charge, so as to achieve a constant rate of interest on the debt throughout the lease period. The corresponding obligations, net of finance charges, are recognized under financial debts. The interest element is expensed over the lease period.

Property, plant and equipment acquired under finance leases are depreciated over their useful lives or the term of the lease if the lease does not specify transfer of ownership at the end of the lease period.

Leases where the lessor retains all the benefits and risks inherent in owning the asset are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the term of the lease.

When an operating lease is terminated before the lease period has expired, any compensation paid to the lessor is recognized as an expense in the period in which termination takes place.

(J) FINANCIAL ASSETS

Each category of investment is recognized at its acquisition date.

(1) AVAILABLE-FOR-SALE INVESTMENTS

This category includes available-for-sale shares in companies over which the CFE group has neither significant influence nor control. This is generally the case where the group owns fewer than 20% of the voting rights. Such investments are recognized at their fair value unless fair value cannot be reliably determined, in which case they are recognized at cost less impairment losses.

Impairment losses are taken to income. Changes in fair value are recorded in the comprehensive income. When an investment is sold, the difference between the net disposal proceeds and the carrying amount is taken to income.

(2) LOANS AND RECEIVABLES

(2.1) Investments in debt securities and other investments

Investments in debt securities are classified as held-for-trading financial assets and are measured at their amortized cost, determined on basis of the "effective interest rate method". The effective interest rate method is used to calculate the amortized cost of a financial asset or liability and to allocate interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts over the future expected life of the financial instrument or, where appropriate, a shorter period, in order to obtain the net book value of the asset or financial liability. Gains or losses are recognized in the income statement. Impairment losses are taken to income.

Other investments held by the company are classified as being available-for-sale and are recognized at fair value. Gains or losses resulting from a change in the fair value of these financial assets are taken to others elements of the comprehensive income. Impairment losses are taken to income.

(2.2) Trade receivables

See section (L).

(3) FINANCIAL ASSETS DESIGNATED AS AT FAIR VALUE THROUGH PROFIT AND LOSS

Derivative instruments are recognized at fair value through profit and loss unless there is documentation supporting hedge accounting (see section X).

(K) INVENTORIES

Inventories are measured at the lower of weighted average cost and net realisable value.

The cost of finished products and work in progress comprises raw materials, other production materials, direct labour, other direct costs, borrowing costs incurred where the asset involves a long period of construction, and an allocation of fixed and variable production overheads based on the normal capacity of production facilities.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated completion costs and costs to sell.

(L) TRADE RECEIVABLES

Trade receivables are carried at cost less impairment losses. At the end of the accounting period, impairment losses are recognized on receivables where settlement is uncertain.

(M) CONSTRUCTION CONTRACTS

Where the profit or loss of a construction contract can be estimated reliably, contract revenue and expenses, including borrowing costs incurred where the contract exceeds the accounting period, are recognized in the income statement in proportion to the contract's percentage of completion at the closing date. The percentage of completion is calculated using the "cost to cost" method. An expected loss on the construction contract is immediately expensed.

Under the percentage of completion method, contract revenue is recognized as revenue in the income statement in the accounting periods in which the work is performed. Contract costs are recognized as an expense in the income statement in the accounting periods in which the work to which they relate is performed.

Costs incurred that relate to future activities on the contract are capitalized if it is probable that they will be recovered.

The CFE group has taken the option to present information related to construction contracts separately in the notes, but not on the balance sheet.

(N) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash and time deposits with an original maturity date of less than three months.

(O) IMPAIRMENT

The carrying amounts of non-current assets - other than financial assets that fall within the scope of IAS 39, deferred tax assets and non-current assets held for sale - are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For intangible assets with an indefinite useful life and goodwill, the recoverable amount is estimated at each balance sheet date. An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are taken to income.

(1) ESTIMATES OF RECOVERABLE AMOUNTS

The recoverable amount of receivables and held-to-maturity investments is the present value of future cash flows, discounted at the original effective interest rate applicable to these assets.

The recoverable amount of other assets is the greater of fair value less costs to sell and value in use. Value in use is the present value of estimated future cash flows.

In assessing value in use, estimated future cash flows are discounted using a pre-tax interest rate that reflects both current market interest rates and risks specific to the asset.

For assets that do not generate cash flows themselves, the recoverable amount is determined for the cash-generating units to which the assets belong.

(2) REVERSAL OF IMPAIRMENT

An impairment loss in respect of receivables or held-to-maturity investments is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognized.

Impairment losses in respect of goodwill are never reversed. Impairment losses on other assets are only reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss can only be reversed to the extent that the asset's carrying amount, which has increased subsequent to the impairment, does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

(P) SHARE CAPITAL

PURCHASES OF OWN SHARES

When CFE shares are bought by the company or a CFE group company, the amount paid, including costs directly attributable to the purchase, is deducted from equity. Proceeds from selling shares are directly included in equity, with no impact on the income statement.

(Q) PROVISIONS

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as provisions corresponds to the best estimate of the necessary expenditure to settle the current obligation at the balance sheet date. This estimate is obtained by using a pre-tax interest rate that reflects current market rates and the risks specific to the liability.

Provisions for restructuring are recognized when the company has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. Provisions are not set aside for costs relating to the company's normal continuing activities.

Current provisions are provisions directly linked to each business line's own operating cycle, whatever the expected time of settlement of the obligation.

Provisions for after-sales service cover CFE group entities' commitments under statutory warranties relating to completed projects. They are estimated statistically on the basis of expenses incurred in previous years or individually on the basis of specifically identified problems. Provisions for after-sales services are recognized from the time that works begin.

A provision for onerous contracts is recognized when the expected benefits to be derived by the company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Provisions for disputes connected with operations mainly relate to disputes with customers, subcontractors, joint contractors or suppliers. Provisions for other current liabilities mainly comprise provisions for late delivery penalties and for other risks related to operations.

Non-current provisions correspond to provisions not directly linked to the operating cycle and whose maturity is generally greater than one year.

(R) EMPLOYEE BENEFITS

(1) POST-EMPLOYMENT BENEFITS

Post-employment benefits include pension plans and life insurance.

The company operates a number of defined-benefit and defined-contribution pension plans throughout the world.

In Belgium, some pension plan based on defined contribution plans are subject to a minimum guaranteed return by the employer and are therefore qualified as defined benefit plans.

The assets of these plans are generally held by separate institutions and are generally financed through contributions from the subsidiaries concerned and from employees. These contributions are determined on basis of recommendations from independent actuarial.

Post-employment benefits are either funded or non-funded.

a) Defined-contribution pension plans

Contributions to these pension plans are recognized as an expense in the income statement when incurred.

b) Defined-benefit pension plans

For these pension plans, costs are estimated separately for each plan using the projected unit credit method. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately.

Under this method, the cost of providing pensions is charged to the income statement so as to spread the cost evenly over the remaining careers of employees covered by the plan, in accordance with the advice of actuaries who carry out a full assessment of these plans every year. The amounts charged to the income statement consist of current service cost, interest cost, the expected return on plan assets and past service cost.

The pension obligations recognized on the balance sheet are measured as the present value of the estimated future cash outflows, discounted at a rate corresponding to the yield on high-quality corporate bonds with a maturity similar to that of the pension obligations, less any unrecognized past service costs and the fair value of plan assets.

Actuarial gains and losses are calculated separately for each defined-benefit plan. Actuarial gains and losses comprise the effects of differences between actuarial assumptions and actual figures, and the effects of changes in actuarial assumptions.

Actuarial gains and losses on assets or liabilities relating to post-employment benefits and resulting from experience adjustments and/or changes in actuarial assumptions are immediately taken to the others elements of the comprehensive income in the period in which they arise. These gains, losses and changes in the extent of recognized assets are presented in the statement of comprehensive income.

Interest expenses resulting from the accretion effect relating to pension obligations and similar liabilities, and financial income resulting from the expected return on plan assets, are recognized in the income statement under financial items.

The introduction of or changes to a new post-employment benefit plan or other long-term plans may increase the present value of the obligation with respect to defined-benefit plans for services rendered in previous periods, i.e. the past service cost. The past service cost related to post-employment benefit plans is recognized in income on a straight-line basis over the average period until the related benefits are received by employees. Benefits received after the adoption of or changes to a post-employment benefit plan, and past service costs relating to other long-term benefits, are immediately taken to income.

Actuarial calculations related to post-employment obligations and other long-term benefits are carried out by independent actuaries.

(2) BONUSES

Bonuses granted to company employees and senior executives are based on targets relating to key financial indicators. The estimated amount of bonuses is recognized as an expense in the year to which they relate.

(S) FINANCIAL LIABILITIES

(1) LIABILITIES AT AMORTIZED COST

Interest-bearing borrowings are recognized at their initial amount less attributable transaction costs. Any difference between this net amount (after transaction costs) and repayment value is recognized in the income statement over the life of the loan, using the effective interest-rate method. See section J 2.1 for the definition of this method.

(2) FINANCIAL LIABILITIES DESIGNATED AS AT FAIR VALUE THROUGH PROFIT AND LOSS

Derivative instruments are recognized at fair value through profit and loss unless there is documentation supporting hedge accounting (see section X).

(T) TRADE AND OTHER PAYABLES

Trade and other current payables are measured at nominal value.

(U) INCOME TAX

Income tax for the period comprises current and deferred tax. Income tax is recognized on the income statement except to the extent that it relates to items recognized directly in equity or in others elements of the comprehensive income. In this case, deferred tax is also recognized in these items.

Current tax is the expected tax payable on the taxable income for the period and any adjustment to tax paid or payable in respect of previous years. It is calculated using tax rates in force at the balance sheet date.

Deferred tax is calculated using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Tax rates in force at the closing date are used to calculate deferred tax assets and liabilities.

Under this method, in the event of a business combination, the company is required to make a provision for deferred tax on the difference between the fair value of net assets acquired and their tax base.

The following temporary differences are not provided for: goodwill that is not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. A deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(V) REVENUE

(1) REVENUE FROM CONSTRUCTION CONTRACTS

Revenue from a construction contract includes the initial amount of revenue defined in the contract and variations in the work specified by the contract, claims and performance bonuses to the extent that it is probable that these will generate revenue and that they can be reliably measured.

Contract revenue is measured at the fair value of the consideration received or receivable.

A variation may lead to an increase or a decrease in contract revenue.

A variation is an instruction by the customer for a change in the scope of the work to be performed under the contract. A variation is included in contract revenue when it is probable that the client will approve the variation and that amount of revenue resulting from this variation can be reliably measured.

Performance bonuses form part of contract revenue when the contract's percentage of completion is such that it is probable that the specified performance level will be reached or exceeded and that the amount of the performance bonus can be reliably measured.

Contract revenue is recognized according to the percentage of completion of the contract activity at the closing date (calculated as the proportion of contract costs at the closing date and the estimated total contract costs).

An expected loss on a construction contract is immediately recognized.

(2) GOODS SOLD, PROPERTIES SOLD AND SERVICES PROVIDED

In relation to the sale of goods and property, revenue is recognized when the material risks and rewards of ownership have been transferred to the buyer in substance, and no uncertainty remains regarding the recovery of the amounts due, associated costs or the possible return of goods.

(3) RENTAL INCOME AND FEES

Rental income and fees are recognized on a straight-line basis over the term of the lease.

(4) FINANCIAL INCOME

Financial income comprises interest receivable on investments, dividends, royalties, foreign exchange gains and gains on hedging instruments that are recognized on the income statement.

Interest, royalties and dividends arising from the use of the company's resources by third parties are recognized when it is probable that the economic benefits associated with the transaction will flow to the company and the revenue can be measured reliably.

Interest income is recognized as it accrues (taking into account the passing of time and the effective return on the asset) unless collectability is in doubt. Royalty income is recognized on an accrual basis in accordance with the substance of the relevant agreement. Dividend income is recognized on the income statement on the date that the dividend is declared.

(5) GOVERNMENT GRANTS

A government grant is recognized in the balance sheet initially as deferred income where there is reasonable assurance that it will be received and that the company will comply with the conditions attached to it. Grants that compensate the company for expenses incurred are systematically recognized as revenue on the income statement during the period in which the corresponding expenses are incurred.

Grants that compensate the company for the cost of an asset are systematically recognized on the income statement as revenue over the useful economic life of the asset. These grants are deducted from the value of the related asset.

(W) EXPENSES

(1) FINANCIAL EXPENSES

Financial expenses comprise interest payable on borrowings, foreign exchange losses, and losses on hedging instruments that are recognized on the income statement.

All interest and other costs incurred in connection with borrowings, except those which were eligible to be capitalized, are taken to income as financial expenses. The interest expense component of finance lease payments is recognized in the income statement using the effective interest rate method.

(2) RESEARCH AND DEVELOPMENT, ADVERTISING AND PROMOTIONAL COSTS AND IT SYSTEMS DEVELOPMENT COSTS

Research, advertising and promotional costs are expensed in the year in which they are incurred. Development costs and IT systems development costs are expensed in the year in which they are incurred if they do not meet the criteria for capitalization.

(X) HEDGE ACCOUNTING

The company uses derivative financial instruments primarily to reduce exposure to adverse fluctuations in interest rates, foreign exchange rates, commodity prices and other market risks. The company's policy prohibits the use of derivatives for speculation.

The company does not hold or issue derivative financial instruments for trading purposes. However, derivatives which do not qualify as hedging instruments as defined by IAS 39 are presented as instruments according IAS 39 held for trading.

Derivative financial instruments are recognized initially at cost. Subsequent to initial recognition, derivative financial instruments are measured at fair value. Recognition of any resulting unrealized gain or loss depends on the nature of the derivative and the effectiveness of the hedge.

The fair value of interest-rate swaps is the estimated amount that the company would receive or pay when exercising the swaps at the closing date, taking into account current interest rates and the solvency of the swap counterparty.

The fair value of a forward exchange contract is the quoted value at the closing date, and therefore the present value of the quoted forward price.

(1) CASH FLOW HEDGES

Where a derivative financial instrument hedges variations in cash flows relating to a recognized liability, a firm commitment or an expected transaction, the effective part of any gain or loss resulting from the derivative financial instrument is recognized directly in other elements of the comprehensive income and are presented in a separate reserve in equity.

When the firm commitment or the expected transaction results in the recognition of an asset or liability, the cumulative gain or loss is removed from the comprehensive income and is declared under a separate reserve in the equity.

Otherwise, the cumulative gain or loss is removed from equity and recognized in the income statement at the same time as the hedged transaction.

The ineffective part of any gain or loss on the financial instrument is taken to income. Gains or losses resulting from the time value of financial derivative instruments are recognized in the income statement.

When a hedging instrument or hedge relationship expires but the hedged transaction is still expected to occur, the cumulative unrealized gain or loss (at that point) remains in equity and is recognized in accordance with the above policy when the transaction occurs.

If the hedged transaction is expected not to occur, the cumulative unrealized gain or loss recognized in equity is immediately taken to income.

(2) FAIR VALUE HEDGES

Where a derivative financial instrument hedges variations in the fair value of a recognized receivable or payable, any gain or loss resulting from the remeasurement of the hedging instrument is recognized in the income statement. The hedged item is also stated at the fair value attributable to the risk hedged, with any gain or loss being recognized in the income statement.

The fair value of hedged items, in respect of the risk hedged, is their carrying amount at the balance-sheet date translated into euro at the exchange rate at that date.

(3) HEDGING OF NET INVESTMENT IN A FOREIGN COUNTRY

Where a foreign currency liability hedges a net investment in a foreign entity, translation differences arising on the translation of the liability into euro are recognized directly in "currency translation differences" under shareholders' equity.

Where a derivative financial instrument hedges a net investment in a foreign operation, the effective portion of the gain or the loss on the hedging instrument is recognized directly in "currency translation differences" under shareholders' equity, and the ineffective portion is taken to income.

(4) INSTRUMENTS RELATED TO CONSTRUCTION CONTRACTS

If a derivative financial instrument hedges variations in cash flow relating to a recognized liability, a firm commitment or an expected transaction in the frame of a construction contract (mainly forward purchases of raw materials, or foreign exchange purchases or sales), a documentation of the cash flow hedge relationship as described in section (1) here above will not be prepared. Any gain or loss resulting from the derivative financial instrument is recognized in the income statement as a financial income or expense.

These instruments are however submitted to a test of efficiency based on the same methodology as utilized for hedge accounting.

The effective part of any gain or loss on the financial instrument is recognized as a cost of the construction contract (we refer to section (M) here above). This element is however not considered for determining the percentage of completion of the construction contract.

(Y) SEGMENT REPORTING

A segment is a distinguishable component of the CFE group that generates revenues and incurs expenses and whose operating income and losses are regularly reviewed by management in order to take decisions or determine its performance. The CFE group consists of four operating segments: Contracting, Real Estate, Dredging & Environment and PPP-Concessions.

(Z) STOCK OPTIONS

Stock options are measured at fair value on the grant date. This fair value is expensed using the straight-line method over the options' vesting period, based on an estimate of the number of options that will finally vest.

3. CONSOLIDATION METHODS

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 consolidated under the equity method. This relates in particular to Rent-A-Port, Locorail and some entities in the Real Estate division and the Dredging and environment division.

Companies over which the Group exercises significant influence are accounted for under the equity method. This mainly concerns Coentunnel Company BV, PPP Schulen Eupen SA, Van Maerlant Property I SA & II SPRL, Van Maerlant Residential SA and C-Power NV within DEME.

CHANGES IN THE SCOPE OF CONSOLIDATION

NUMBER OF ENTITIES	2015	2014
Full consolidation	*177*	*164*
Equity method	*108*	*110*
Total	***285***	***274***

INTRAGROUP TRANSACTIONS

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

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

TRANSLATION OF THE FINANCIAL STATEMENTS OF FOREIGN COMPANIES AND ESTABLISHMENTS

In most cases, the functional currency of companies and establishments is their local currency.

The financial statements of foreign companies of which the functional currency is different from that used in preparing the Group's consolidated financial statements are translated at the closing rate for balance-sheet items and at the average rate for the period for income-statement items. Any resulting translation differences are recognized under translation differences in consolidated reserves. Goodwill relating to foreign entities is considered as comprising part of the assets and liabilities acquired and is therefore translated at the exchange rate in force at the balance sheet date.

FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency are translated into euros at the exchange rate on the transaction date. At the balance sheet date, financial assets and monetary liabilities denominated in foreign currencies are translated at the closing rate. Resulting exchange gains and losses are recognized under foreign exchange gains and losses and are shown under other financial income and other financial expense in the income statement.

Foreign exchange gains and losses arising on loans denominated in foreign currency or on foreign exchange derivatives used to hedge stakes in foreign subsidiaries are recorded in currency translation differences under equity.

4. SEGMENT REPORTING

OPERATING SEGMENTS

Segment reporting is presented in respect of the group's operating segments. Segment profits, losses, assets and liabilities include items that can be attributed directly to a segment or allocated on a reasonable basis.

The CFE group consists of four operating segments:

DREDGING & ENVIRONMENT

The Dredging & Environment division – through DEME – operates in dredging (investment dredging and maintenance dredging), the treatment of polluted earth and sludge, and marine engineering.

CONTRACTING

In the Construction division, the Contracting segment operates in :

- in civil engineering (major infrastructure works: tunnels, bridges, quay walls, gas terminals, etc.);
- buildings (offices, industrial buildings, housing, renovation and refurbishment work);
- electricity projects in the service sector (offices, hospitals, car parks etc.) and
- installation of overhead contact lines and rail signalling.

REAL ESTATE

The Real Estate segment develops real estate projects by taking a "developer-builder" approach, in association with the Contracting division.

PPP-CONCESSIONS

The PPP-Concessions division acquired a participation in Rent-A-Port, Rent-A-Port Energy and in four Design Build Finance and Maintenance contracts in Benelux.

The accounting principles used in segment reporting are the same as these used in the preparation of the consolidated financial statements (see note 2).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(IN € THOUSANDS)	REVENUE		INCOME FROM OPERATING ACTIVITIES				OPERATING INCOME (EBIT)				FINANCIAL INCOME	
	2015	2014	2015	% CA	2014	% CA	2015	% CA	2014	% CA	2015	2014
Dredging and environment	**2,286,124**	2,419,656	**266,096**	11.64%	223,524	9.24%	**305,692**	13.37%	248,889	10.29%	**(48,494)**	(23,232)
Correction DEME			**(6,546)**		(6,772)		**(7,523)**		(7,749)		**11,019**	12,540
Contracting	**945,094**	1,073,297	**(26,781)**	(2.83%)	637	0.06%	**(34,880)**	(3.69%)	(7,542)	(0.70%)	**(1,064)**	(1,525)
Real Estate	**27,186**	45,650	**758**	2.79%	5,693	12.47%	**7,686**	28.27%	7,090	15.53%	**(586)**	(2,261)
PPP-Concessions	**1,350**	754	**2,015**		(45)		**1,326**		2,473		**(191)**	(224)
Holding			**(6,621)**		(1,719)		**(6,621)**		(1,719)		**6,727**	(1,051)
Eliminations between segments	**(20,348)**	(28,809)	**(16)**		(502)		**(16)**		(502)			
Other non-recurring elements					(417)				(417)			
Total consolidated	**3,239,406**	**3,510,548**	**228,905**	**7.07%**	**220,399**	**6.28%**	**265,664**	**8.20%**	**240,523**	**6.85%**	**(32,589)**	**(15,753)**

(IN € THOUSANDS)	TAXES		NET INCOME OF THE GROUP				NON-CASH ITEMS		EBITDA			
	2015	2014	2015	% CA	2014	% CA	2015	2014	2015	% CA	2014	% CA
Dredging and environment	**(56,522)**	(56,569)	**199,196**	8.71%	168,991	6.98%	**223,119**	220,110	**489,215**	21.40%	443,624	18.33%
Correction DEME	**(1,407)**	(1,684)	**2,089**		2,356		**6,546**	8,960			2,188	
Contracting	**(613)**	(6,637)	**(34,138)**	(3.61%)	(14,474)	(1.35%)	**37,334**	26,248	**10,553**	1.12%	26,883	2.50%
Real Estate	**(132)**	(553)	**6,967**	25.63%	4,276	9.37%	**1,142**	(251)	**1,900**	6.99%	5,442	11.92%
PPP-Concessions			**1,135**		2,249		**841**	115	**2,856**		70	
Holding	**(374)**	84	**(269)**		(2,711)		**7,038**	3,499	**417**		1,780	
Eliminations between segments	**(3)**	110	**(19)**		(392)				**(16)**		(502)	
Other non-recurring elements					(417)			417				
Total consolidated	**(59,051)**	**(65,249)**	**174,961**	**5.40%**	**159,878**	**4.55%**	**276,020**	**259,098**	**504,925**	**15.59%**	**479,485**	**13.66%**

REVENUE

(IN € THOUSANDS)	2015	2014
Belgium	978,527	1,055,937
Other Europe	910,863	960,369
Middle East	98,657	81,729
Other Asia	283,382	133,443
Asia-Pacific	108,289	677,094
Africa	773,537	454,189
Americas	86,151	147,787
Consolidated total	**3,239,406**	**3,510,548**

The breakdown of revenue by country is based on the countries in which services are provided.

In 2015, no customer accounted for more than 10% of group revenue.

Revenue from the sale of goods amounted to 10,491 thousand euros in 2015 (2014: €10,618 thousand). These sales were generated by the Voltis and Terryn Timber Products subsidiaries.

BREAKDOWN OF REVENUE IN THE CONTRACTING DIVISION

(IN € THOUSANDS)	2015	2014
Buildings, Benelux	531,796	523,116
Civil Engineering	91,781	116,258
Buildings, International	117,543	165,887
Construction	**741,120**	**805,261**
Multitechnics	**142,472**	**162,613**
Rail	**61,502**	**105,423**
Contracting	**945,094**	**1,073,297**

The CFE group's Contracting revenue includes revenue generated through the Real Estate division.

The elimination of the revenue common to the Contracting division and Real Estate division, is done at inter-segment eliminations level.

Since the construction and selling activities of the Real Estate division do not take place simultaneously, internally generated revenue is added to assets under construction and removed at the time of sale.

BREAKDOWN OF REVENUE IN THE DREDGING DIVISION

(IN € THOUSANDS)	2015	2014
Capital Dredging	1,130,133	1,410,847
Civil works	5,604	0
Environmental contracting	206,592	177,625
Fallpipe and landfalls	215,835	245,264
Maintenance dredging	261,774	282,630
Marine works	531,083	470,553
Elimination of revenue from equity accounted entities	(64,897)	(167,263)
Total	**2,286,124**	**2,419,656**

ORDER BOOK

(IN MILLION €)	2015	2014	% CHANGE
Contracting	**966.0**	**1,127.2**	**-14.3%**
Construction	800.8	945.3	-15.3%
Rail	49.3	55.6	-11.3%
Multitechnics	115.9	126.3	-8.2%
Real Estate	**6.7**	**16.0**	**-58.1%**
Dredging & Environment	**3,185.0**	**2,420.0**	**+31.6%**
PPP-Concessions	**2.6**	**2.6**	
Total	**4,160.3**	**3,565.8**	**+16.7%**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2015 (IN € THOUSANDS)	DREDGING & ENVIRONMENT	CONTRACTING	REAL ESTATE	PPP-CONCESSIONS	HOLDING COMPANY & ELIMINATIONS	ELIMINATIONS BETWEEN DIVISIONS	CONSOLIDATED TOTAL
ASSETS							
Goodwill	155,959	19,210	53	0	0	0	**175,222**
Property, plant and equipment	1,693,799	32,744	207	13	916	0	**1,727,679**
Non-current loans to consolidated group companies	0	875	0	0	77,309	(78,184)	**0**
Other non-current financial assets	58,058	205	43,973	27,265	0	0	**129,501**
Other non-current assets	302,637	2,947	67,297	16,014	805,341	(820,967)	**373,269**
Inventories	11,259	23,309	43,378	0	0	0	**77,946**
Cash and cash equivalents	378,405	49,327	4,522	0	59,698	0	**491,952**
Internal cash position - cash pooling - assets	0	102,869	0	252	138,058	(241,179)	**0**
Other current assets	837,265	519,391	15,803	1,964	18,412	(66,245)	**1,326,590**
Total assets	**3,437,382**	**750,877**	**175,233**	**45,508**	**1,099,734**	**(1,206,575)**	**4,302,159**
EQUITY AND LIABILITIES							
Equity	1,385,535	18,399	33,604	2,358	795,893	(801,389)	**1,434,400**
Non-current borrowings from consolidated group companies	0	15,981	40,875	30,000	313	(87,169)	**0**
Bonds	205,257	0	0	0	99,959	0	**305,216**
Non-current financial liabilities	339,249	10,253	(5)	0	50,000	(600)	**398,897**
Other non-current liabilities	225,416	31,846	18,056	10,184	10,964	(10,001)	**286,465**
Current financial liabilities	108,901	1,644	4,961	0	0	(4,948)	**110,558**
Internal cash position - cash pooling - liabilities	0	89,650	47,581	0	94,514	(231,745)	**0**
Other current liabilities	1,173,024	583,104	30,161	2,966	48,091	(70,723)	**1,766,623**
Total equity and liabilities	**3,437,382**	**750,877**	**175,233**	**45,508**	**1,099,734**	**(1,206,575)**	**4,302,159**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2014 (IN € THOUSANDS)	DREDGING & ENVIRONMENT	CONTRACTING	REAL ESTATE	PPP-CONCESSIONS	HOLDING COMPANY & ELIMINATIONS	ELIMINATIONS BETWEEN DIVISIONS	CONSOLIDATED TOTAL
ASSETS							
Goodwill	157,819	19,210	53	0	0	0	177,082
Property, plant and equipment	1,441,960	56,725	305	0	4,285	0	1,503,275
Non-current loans to consolidated group companies	0	20,269	0	0	80,930	(101,199)	0
Other non-current financial assets	29,371	3,978	45,845	26,920	3,227	0	109,341
Other non-current assets	318,895	6,291	49,341	13,504	757,903	(752,149)	393,785
Inventories	18,387	32,925	53,320	0	646	0	105,278
Cash and cash equivalents	579,618	60,875	4,487	671	57,850	0	703,501
Internal cash position - cash pooling - assets	0	98,049	4,465	0	127,870	(230,384)	0
Other current assets	649,725	546,898	45,782	4,756	7,363	(31,334)	1,223,190
Total assets	**3,195,775**	**845,220**	**203,598**	**45,851**	**1,040,074**	**(1,115,066)**	**4,215,452**
EQUITY AND LIABILITIES							
Equity	1,229,135	73,165	32,833	9,352	705,251	(728,871)	1,320,865
Non-current borrowings from consolidated group companies	0	17,599	43,602	23,331	16,667	(101,199)	0
Bonds	206,936	0	0	0	99,959	0	306,895
Non-current financial liabilities	302,317	11,174	4,574	0	60,000	0	378,065
Other non-current liabilities	213,267	60,731	18,012	10,625	35,973	(23,500)	315,108
Current financial liabilities	204,510	2,239	0	0	(78)	0	206,671
Internal cash position - cash pooling - liabilities	0	70,428	57,187	255	102,514	(230,384)	0
Other current liabilities	1,039,610	609,884	47,390	2,288	19,788	(31,112)	1,687,848
Total equity and liabilities	**3,195,775**	**845,220**	**203,598**	**45,851**	**1,040,074**	**(1,115,066)**	**4,215,452**

CONSOLIDATED STATEMENT OF CASH FLOWS

31 DECEMBER 2015 (IN € THOUSANDS)	DREDGING & ENVIRON-MENT	CONTRACTING	REAL ESTATE	PPP-CONCES-SIONS	HOLDING COMPANY & ELIMINATIONS	CONSOLI-DATED TOTAL
Cash flow from operating activities before change in working capital	461,325	6,634	2,029	2,204	(497)	471,695
Net cash flow from (used in) operating activities	335,196	7,075	3,828	(3,493)	(7,625)	334,981
Cash flow from (used in) investing activities	(265,213)	(8,802)	(1,398)	(6,348)	22,882	(258,879)
Cash flow from (used in) financing activities	(271,497)	(9,812)	(2,408)	9,169	(13,476)	(288,024)
Net increase/(decrease) in cash position	**(201,514)**	**(11,539)**	**22**	**(672)**	**1,781**	**(211,921)**

31 DECEMBER 2014 (IN € THOUSANDS)	DREDGING & ENVIRON-MENT	CONTRACT-ING	REAL ESTATE	PPP-CONCES-SIONS	HOLDING COMPANY & ELIMINATIONS	CONSOLI-DATED TOTAL
Cash flow from operating activities before change in working capital	428,947	25,911	6,052	552	194	461,656
Net cash flow from (used in) operating activities	601,439	(11,988)	(7,706)	16,438	8,542	606,725
Cash flow from (used in) investing activities	(160,069)	(6,851)	831	0	2,482	(163,607)
Cash flow from (used in) financing activities	(180,660)	19,734	5,155	(15,760)	(6,017)	(177,548)
Net increase/(decrease) in cash position	**260,710**	**895**	**(1,720)**	**678**	**5,007**	**265,570**

Cash flows from financing activities include cash pooling loans from other segments. A positive amount means a use of pooled cash. This item is also influenced by external financing, mainly in the Real Estate division, the holding company and the Dredging & Environment division. The Dredging & Environment division is not part of the CFE cash pooling arrangement.

OTHER INFORMATION

31 DECEMBER 2015 (IN € THOUSANDS)	DREDGING & ENVIRONMENT	CONTRACTING	REAL ESTATE	PPP-CONCESSIONS	HOLDING COMPANY & ELIMINATIONS	CONSOLIDATED TOTAL
Amortisation	(225,269)	(22,645)	(54)	(2)	(3,598)	**(251,568)**
Investments	(263,132)	(12,579)	(253)	(22)	(541)	**(276,527)**
Depreciation	(1,281)	(2,463)	0	0	0	**(3,744)**

31 DECEMBER 2014 (IN € THOUSANDS)	DREDGING & ENVIRONMENT	CONTRACTING	REAL ESTATE	PPP-CONCESSIONS	HOLDING COMPANY & ELIMINATIONS	CONSOLIDATED TOTAL
Amortisation	(228,636)	(13,052)	(51)	0	(1,564)	**(243,303)**
Investments	(166,590)	(15,487)	(4,710)	0	(690)	**(187,477)**
Depreciation	(434)	(9)	0	0	0	**(443)**

The investments presented above are those which appear in the consolidated statement of the financial position under Intangible assets and Property, plant and equipment.

GEOGRAPHICAL INFORMATION

The operations of the CFE group in the Contracting, Real Estate and PPP-Concessions divisions are mainly based in Benelux, Central Europe and Africa.

Property, plant and equipment in the Contracting, Real Estate and PPP-Concessions divisions are mainly based in Belgium and in Grand Duchy of Luxembourg.

Most of DEME's activities are performed by its fleet of vessels, which are owned by various companies, but their legal location does not reflect the economic reality of the business carried out by this fleet for the same companies. As a result, details of property, plant and equipment by company are not presented, since it is not possible to give a presentation that reflects the geographical areas where the activity was performed.

5. ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

ACQUISITIONS FOR THE PERIOD ENDED 31 DECEMBER 2015

On May 13th 2015, GeoSea, subsidiary of DEME, acquired from the German company HOCHTIEF an additional 50% stake in the company HGO InfraSea Solutions GmbH & Co KG, increasing its stake from 50% to 100%. On December 31st 2015, HGO InfraSea Solutions GmbH & Co KG is fully consolidated and its assets and liabilities are accounted at the carrying amount according to the accounting rules applied within CFE group. The valuation exercise of assets and liabilities at fair value has been finalized at year-end 2015.

The fair value allocated to the assets and liabilities acquired are summarized below :

(IN € THOUSANDS)	CARRYING AMOUNT AT 30 APRIL 2015	ADJUSTMENTS	FAIR VALUE OF THE IDENTIFIABLE ASSETS AND LIABILITIES ACQUIRED ON 30 APRIL 2015
Intangible assets	8,515	0	8,515
Property, plant and equipment	212,575	(6,440)	206,135
Cash and cash equivalents	35,729	0	35,729
Deferred tax assets and liabilities	(5,987)	2,061	(3,926)
Current and non-current financial liabilities	(162,190)	0	(162,190)
Other current and non-current assets and liabilities	(16,949)	0	(16,949)
Total net assets	**71,693**	**(4,379)**	**67,314**

The following evaluation methods have been implemented to determine the fair value of the main identifiable assets and liabilities acquired:

- Property, plant and equipment (mainly vessel fleet) : the fair value has been determined based on the valuation report prepared by an independent expert ;
- Other assets and liabilities : the fair value is established using the market value at which assets and liabilities may be sold to any unaffiliated third party.

Along with the consideration transferred, the residual goodwill has been estimated at € 1,256 thousand.

(IN € THOUSANDS)	
Value of the 50% stake in HGO InfraSea acquired	*34,285*
Value of the existing 50% in HGO InfraSea	*34,285*
Consideration transferred	***68,570***
Fail value of the identifiable assets and liabilities acquired	***67,314***
Net book value of the goodwill	***1,256***

The recognition of that residual goodwill is justified by future projects that HGO is working on, but which have not yet progressed sufficiently to be recognized separately in the financial statements.

The other acquisitions concluded during the period are related to DEME and are described in the preamble.

On June 30th 2015, CFE increased its stake in Groep Terryn from 55.04% to 77.51% by acquiring, for 1 euro, a portion of the shares held by the minority shareholders. After this transaction, the PUT option held by the minority shareholders was revalued based on the Groep Terryn's last business plan. The impact of the revaluation is recorded in the net result (part of the group) and is mainly compensated by a depreciation accounted on the assets of Groep Terryn.

DISPOSALS IN THE PERIOD ENDED 31 DECEMBER 2015

On February 25th 2015, CFE sold its stake in Aannemingen Van Wellen Railway to ASWEBO, the road subsidiary of Group Willemen. Before the sale, the building division of Aannemingen Van Wellen had been transferred in another group's subsidiary and is operating in Flanders since December. 1st 2014 under the name "Atro Bouw". The group accounted a capital gain on the disposal which amounts to 8.7 million euro during the exercise. The assets and liabilities of Aannemingen Van Wellen's road activity were presented respectively in assets held for sale for 31,447 thousand euro and in liabilities held for sale for 19,164 thousand euro in the consolidated financial statements closed at December 31st 2014.

Acquisitions and disposals of subsidiaries in the Real Estate division were not business combinations and so all the contribution paid is allocated to the land and buildings in stock. The main acquisitions and sales which occur in the real estate division are described here above in the preamble.

COMPREHENSIVE INCOME

6. REVENUE FROM AUXILIARY ACTIVITIES AND OTHER OPERATING EXPENSES

Revenue from auxiliary activities totalled €109,005 thousand (2014: €80,518 thousand) and included €19,603 thousand of capital gains on non-current assets (2014: €7,578 thousand), as well as rental income, compensation and income from the onward invoicing of various expenses totalling €89,402 thousand (2014: €72,940 thousand). Revenue from auxiliary activities increased by 35% relative to 2014.

The revenue from auxiliary activities substantial increase is mainly due to non-recurring items such as capital gains on disposal of assets, a claim after the cancellation of a construction contract by a client and the revalorization of the PUT option held by the minority shareholders of Groep Terryn.

(IN € THOUSANDS)	2015	2014
Miscellaneous goods and services	*(453,267)*	*(423,342)*
Impairment of assets		
- Inventories	*78*	*(859)*
- Trade and other receivables	*(4,124)*	*(3,668)*
Net additions to provisions (excluding provisions for retirement benefit obligations)	*(22,179)*	*(11,876)*
Other operating expenses	*(3,089)*	*(10,089)*
Consolidated total	***(482,581)***	***(449,834)***

7. REMUNERATION AND SOCIAL SECURITY PAYMENTS

(IN € THOUSANDS)	2015	2014
Remuneration	*(401,340)*	*(425,719)*
Mandatory social security contributions	*(113,109)*	*(119,979)*
Other wage costs	*(26,572)*	*(32,471)*
Service cost related to defined-benefit pension plans	*(6,022)*	*(5,042)*
Consolidated total	***(547,043)***	***(583,211)***

The average full-time equivalent number of staff in 2015 was 7,917 (2014: 7,918). Full-time equivalent headcount was 8,206 at 1 January 2015 (2014: 8,524) and 8,160 at 31 December 2015 (2014 : 8,021).

8. NET FINANCIAL INCOME/EXPENSE

(IN € THOUSANDS)	2015	2014
Cost of financial debt	***(31,720)***	***(31,909)***
Derivative instruments - fair value adjustments through profit and loss	305	305
Derivative instruments used as hedging instruments	0	0
Assets measured at fair value	0	0
Available-for-sale financial instruments	0	0
Assets and liabilities at amortized cost - interest income	7,750	9,991
Assets and liabilities at amortized cost - interest expense	(39,775)	(42,205)
Other financial income and expense	***(869)***	***16,156***
Realized / unrealized translation gains/(losses)	(7,794)	11,262
Dividends received from non-consolidated companies	3,972	419
Impairment of financial assets	0	281
Defined benefit plan financial cost	(868)	(1,240)
Other	3,821	5,434
Net financial income/expense	***(32,589)***	***(15,753)***

The change in realized (unrealized) translation gains/(losses) compared to 2014 is mainly explained by movements in the euro against the functional currencies of DEME subsidiaries.

9. NON-CONTROLLING INTERESTS

In 2015, non-controlling interests in income amounted to € 937 thousand (2014: € 357 thousand) and related mainly to the group Terryn (€2,460 thousand) and dredging segment (-€1,481 thousand). This result has been strongly influenced by the depreciation of the assets of the group Terryn. We refer to Note 5.

10. INCOME TAX

RECOGNIZED IN COMPREHENSIVE INCOME

(IN € THOUSANDS)	2015	2014
Current tax		
Tax expense for the period	34,899	60,709
Additions to/(releases from) provisions in previous periods	52	(835)
Total current tax expense	**34,951**	**59,874**
Deferred tax		
Additions to and releases from temporary differences	(4,158)	(11,004)
Use of losses from previous periods	27,915	(33)
Deferred tax recognized on losses for the period	343	16,412
Deferred tax recognized on definitively taxed revenue	0	0
Total deferred tax expense/(income)	**24,100**	**5,375**
Tax income/expense recognized in others elements of the comprehensive income	**2,882**	**1,978**
Total tax expense recognized in comprehensive income	**61,933**	**67,227**

RECONCILIATION OF THE EFFECTIVE TAX RATE

(IN € THOUSANDS)	2015	2014
Pre-tax income for the period	**233,075**	**224,770**
amount related to earnings from associates and joint venture	36,759	20,124
Pre-tax income, excluding associates and joint venture	**196,316**	**204,646**
Income tax at 33.99%	**66,728**	**69,559**
Tax effect of non-deductible expenses	7,283	3,407
Tax effect of non-recurring elements	3,116	451
Non-deductible expenses	4,167	2,956
Tax effect of non-taxable revenue	(47)	(848)
Tax credits and impact of notional interest	(9,220)	(8,853)
Other taxable revenue	0	0
Effect of different tax rates applicable to subsidiaries operating in other jurisdictions	(3,986)	(8,389)
Tax impact of using previously unrecognized losses	(11,616)	(726)
Tax impact of adjustments to current and deferred tax relating to previous periods	1,343	(2,437)
Tax impact of deferred tax assets on unrecognized losses for the period	8,566	13,535
Tax expense	**59,051**	**65,249**
Effective tax rate for the period	**30.08%**	**31.88%**

The tax expense amounts to €59,051 thousand in 2015, versus €65,249 thousand in 2014. The effective tax rate is 30.08% in 2015 versus 31.88% in 2014.

RECOGNIZED DEFERRED TAX ASSETS AND LIABILITIES

	ACTIVA		VERPLICHTINGEN	
(IN € THOUSANDS)	2015	2014	2015	2014
Property, plant and equipment and intangible assets	11,257	9,664	(125,800)	(118,668)
Employee benefits	11,146	12,153	0	(2,229)
Provisions	312	2,485	(35,170)	(29,362)
Fair value of derivative instruments	4,690	5,625	(88)	(228)
Other items	46,906	42,241	(40,621)	(12,670)
Tax losses	155,933	122,385	0	0
Gross deferred tax assets/(liabilities)	**230,244**	**194,553**	**(201,679)**	**(163,157)**
Unrecognized deferred tax assets	(75,273)	(55,112)	0	0
Tax netting	(51,626)	(24,118)	51,626	24,118
Net deferred tax assets/(liabilities)	**103,345**	**115,322**	**(150,053)**	**(139,039)**

Tax loss carry forwards and other temporary differences for which no deferred tax assets are recognized amount to a €225,778 thousand. As tax losses are mainly recognized by Belgian companies, those do not have an expiration date.

The “tax netting” item reflects the netting of deferred tax assets and liabilities per entity.

TEMPORARY DIFFERENCES OR TAX LOSSES FOR WHICH NO DEFERRED TAX ASSETS ARE RECOGNIZED

Deferred tax assets are not recognized where it is not probable that a future taxable profit will be sufficient to allow the subsidiaries to recover their tax losses.

DEFERRED TAX INCOME (EXPENSE) RECOGNIZED IN COMPREHENSIVE INCOME

(IN € THOUSANDS)	2015	2014
Deferred tax on the effective portion of changes in the fair value of cash flow hedges	1,783	2,974
Deferred tax on the revaluation of the defined benefit plans	1,099	(996)
Total	**2,882**	**1,978**

11. EARNINGS PER SHARE

Basic earnings per share are the same as diluted earnings per share due to the absence of any potential dilution in terms of ordinary shares in issue. Earnings per share is calculated as follows:

(IN € THOUSANDS)	2015	2014
Net income attributable to shareholders	*174,961*	*159,878*
Comprehensive income attributable to owners of the parent	*166,489*	*149,586*
Number of ordinary shares at the balance sheet date	*25,314,482*	*25,314,482*
Weighted average number of ordinary shares	*25,314,482*	*25,314,482*
Earnings per share, based on the number of ordinary shares at the end of the period :		
Basic (diluted) earnings per share (€)	***6.91***	***6.32***
Comprehensive income attributable to owners of the parent per share (€)	***6.58***	***5.91***

FINANCIAL POSITION

12. INTANGIBLE ASSETS OTHER THAN GOODWILL

2015 (IN € THOUSANDS)	CONCESSIONS, PATENTS AND LICENCES	DEVELOPMENT COSTS	TOTAL
Acquisition costs			
Balance at the end of the previous period	118,543	2,039	120,582
Effects of changes in foreign exchange rates	605	19	624
Acquisitions through business combinations	12,098	0	12,098
Acquisitions	841	2	843
Disposals	(266)	0	(266)
Scope exit	(9)	0	(9)
Transfers between asset items	51	0	51
Balance at the end of the period	131,863	2,060	133,923
Amortisation and impairment			
Balance at the end of the previous period	(21,824)	(267)	(22,091)
Effects of changes in foreign exchange rates	(611)	0	(611)
Amortisation during the period	(8,084)	(1,787)	(9,871)
Acquisitions through business combinations	(3,584)	0	(3,584)
Disposals	161	0	161
Transfers between asset items	(41)	0	(41)
Balance at the end of the period	(33,983)	(2,054)	(36,037)
Net carrying amount			
At 1 January 2015	96,719	1,772	98,491
At 31 December 2015	97,880	6	97,886

Total acquired intangible assets amount to € 843 thousand and consist mainly of software licences and concession rights. Amortisation of intangible assets is recognized in under “amortisation” in the statement of comprehensive income and amounts to €9,871 thousand.

Items included in “Acquisitions through business combinations”, relate mainly to an additional 50% stake in the company HGO InfraSea Solutions GmbH & Co KG by DEME. We refer to Note 5.

Intangible assets meeting the definition in IAS 38 (Intangible Assets) are only recognized to the extent that future economic benefits are probable.

2014 (IN € THOUSANDS)	CONCESSIONS, PATENTS AND LICENCES	DEVELOPMENT COSTS	TOTAL
Acquisition costs			
Balance at the end of the previous period	117,944	304	118,248
Effects of changes in foreign exchange rates	651	3	654
Acquisitions through business combinations	0	1,731	1,731
Acquisitions	1,294	0	1,294
Disposals	(580)	0	(580)
Transfers between asset items	(766)	1	(765)
Balance at the end of the period	118,543	2,039	120,582
Amortisation and impairment			
Balance at the end of the previous period	(12,543)	(205)	(12,748)
Effects of changes in foreign exchange rates	(508)	(3)	(511)
Amortisation during the period	(10,254)	(58)	(10,312)
Acquisitions through business combinations	0	0	0
Disposals	715	0	715
Transfers between asset items	766	(1)	765
Balance at the end of the period	(21,824)	(267)	(22,091)
Net carrying amount			
At 1 January 2014	105,401	99	105,500
At 31 December 2014	96,719	1,772	98,491

13. GOODWILL

(IN € THOUSANDS)	2015	2014
Acquisition costs		
Balance at the end of the previous period	394,721	394,224
Acquisitions through business combinations	1,256	496
Disposals	0	0
Other changes	0	0
Balance at the end of the period	395,977	394,721
Impairment		
Balance at the end of the previous period	(217,639)	(217,222)
Impairment during the period	(3,116)	(417)
Balance at the end of the period	(220,755)	(217,639)
Net carrying amount at 31 December	175,222	177,082

The goodwill of €1,256 thousand recognized under “Acquisitions through business combinations” comes from the acquisition of an additional 50% stake in in the company HGO InfraSea Solutions GmbH & Co KG by GeoSea, a subsidiary of DEME, increasing the stake from 50% to 100%. This transaction implies the recognition of a goodwill, which is the difference between the consideration transferred for this acquisition and the net assets of HGO InfraSea Solutions GmbH & Co KG, in accordance with IFRS 3 – Business Combinations. The calculation of this goodwill is set out in note 5 above.

In accordance with IAS 36 (Impairment of Assets), goodwills were tested for impairment at 31 December 2015.

The following assumptions were used in the impairment tests:

BUSINESS (IN € THOUSANDS)	NET VALUE OF GOODWILL		PARAMETERS OF THE MODEL APPLIED TO CASH FLOW PROJECTIONS				GROSS VALUE OF GOODWILL	IMPAIRMENT LOSSES REC-OGNIZED IN THE PERIOD
	2015	2014	GROWTH RATE	GROWTH RATE (TERMINAL VALUE)	DISCOUNT RATE	SENSITIVITY RATE		
DEME sub-consolidation	155,959	157,819	0%	0%	8.0%	5%	370,702	(3,116)
VMA	11,115	11,115	0%	0%	7.2%	5%	11,115	–
Remacom	2,995	2,995	0%	0%	7.2%	5%	2,995	–
Stevens	2,682	2,682	0%	0%	7.2%	5%	2,682	–
Druart	1,560	1,560	0%	0%	7.2%	5%	3,360	–
Amart	911	911	0%	0%	7.2%	5%	911	–
Total	**175,222**	**177,082**					**391,765**	**(3,116)**

Cash-flows figures used in the impairment tests were taken from the 2016 budget presented to the Board of Directors. For the sake of caution, zero growth was assumed for future years and in determining terminal value.

A sensitivity analysis was carried out by varying cash flow and WACC figures by 5%. Since the value of entities is still higher than their carrying amount including goodwill, there was no indication of impairment, except for the entity De Vries & van de Wiel.

The DEME group also carries out its own impairment tests. Although the DEME group is considered as a cash generating unit and no impairment loss is identified in relation to DEME, an impairment loss amount to -€3,116 thousand is recognized for the entity De Vries & van de Wiel, a subsidiary of DEME.

14. PROPERTY, PLANT AND EQUIPMENT

2015 (IN € THOUSANDS)	LAND AND BUILDINGS	FIXTURES AND EQUIP-MENT	FURNITURE, FITTINGS AND VEHI-CLES	OTHER PROPERTY, PLANT AND EQUIPMENT	UNDER CON-STRUCTION	TOTAL
Acquisition costs						
Balance at the end of the previous period	**123,862**	**2,802,541**	**57,561**	**0**	**2,274**	**2,986,238**
Effects of changes in foreign exchange rates	39	6,819	(11)	0	(107)	**6,740**
Acquisitions through business combinations	(128)	260,043	(84)	0	0	**259,831**
Acquisitions	3,687	177,943	7,012	0	87,042	**275,684**
Transfers between asset items	(4,181)	(13)	(147)	0	1,359	**(2,982)**
Disposals	(10,040)	(176,421)	(5,976)	0	(146)	**(192,583)**
Balance at the end of the period	**113,239**	**3,070,912**	**58,355**	**0**	**90,422**	**3,332,928**
Depreciation and impairment						
Balance at the end of the previous period	**(50,613)**	**(1,385,290)**	**(47,060)**	**0**	**0**	**(1,482,963)**
Effects of changes in foreign exchange rates	(188)	(5,775)	(16)	0	0	**(5,979)**
Acquisitions as part of business combinations	0	(53,908)	29	0	0	**(53,879)**
Depreciation	(12,474)	(227,647)	(5,316)	0	0	**(245,437)**
Transfers between asset items	2,965	119	167	0	0	**3,251**
Disposals	6,066	168,656	5,036	0	0	**179,758**
Balance at the end of the period	**(54,244)**	**(1,503,845)**	**(47,160)**	**0**	**0**	**(1,605,249)**
Net carrying amount						
At 1 January 2015	**73,249**	**1,417,251**	**10,501**	**0**	**2,274**	**1,503,275**
At 31 December 2015	**58,995**	**1,567,067**	**11,195**	**0**	**90,422**	**1,727,679**

At 31 December 2015, acquisitions of property, plant and equipment totalled €275,684 thousand and mainly related to DEME. Investments increased by €95,602 thousand in 2015 in comparison with 2014.

Acquisitions through business combinations come mainly from the acquisition of an additional 50% stake in in the company HGO InfraSea Solutions GmbH & Co KG by DEME. We refer to Note 5.

The net carrying amount of finance lease assets amounts to €123,542 thousand (2014 : €72,073 thousand). These finance leases mainly relate to DEME, particularly the vessel "Thor".

Depreciation on property, plant and equipment totalled €245,437 thousand (2014 : €233,431 thousand).

The net carrying amount of property, plant and equipment used as collateral for certain loans totalled €313,244 thousand (2014 : €354,055 thousand).

2014 (IN € THOUSANDS)	LAND AND BUILDINGS	FIXTURES AND EQUIP- MENT	FURNITURE, FITTINGS AND VEHI- CLES	OTHER PROPERTY, PLANT AND EQUIPMENT	UNDER CON- STRUCTION	TOTAL
Acquisition costs						
Balance at the end of the previous period	**128,362**	**2,744,646**	**66,378**	**0**	**3,453**	**2,942,839**
Effects of changes in foreign exchange rates	162	10,099	100	0	0	**10,361**
Acquisitions through business combinations	0	1	41	0	0	**42**
Acquisitions	11,414	163,251	4,740	0	677	**180,082**
Transfers between asset items	(14,276)	(14,907)	(9,782)	0	(627)	**(39,592)**
Disposals	(1,800)	(100,549)	(3,916)	0	(1,229)	**(107,494)**
Balance at the end of the period	**123,862**	**2,802,541**	**57,561**	**0**	**2,274**	**2,986,238**
Depreciation and impairment						
Balance at the end of the previous period	**(57,563)**	**(1,269,909)**	**(52,016)**	**0**	**0**	**(1,379,488)**
Effects of changes in foreign exchange rates	(57)	(7,622)	(84)	0	0	**(7,763)**
Acquisitions as part of business combinations	0	0	(14)	0	0	**(14)**
Depreciation	(6,539)	(221,200)	(5,692)	0	0	**(233,431)**
Transfers between asset items	13,499	14,633	8,108	0	0	**36,240**
Disposals	47	98,808	2,638	0	0	**101,493**
Balance at the end of the period	**(50,613)**	**(1,385,290)**	**(47,060)**	**0**	**0**	**(1,482,963)**
Net carrying amount						
At 1 January 2014	**70,799**	**1,474,737**	**14,362**	**0**	**3,453**	**1,563,351**
At 31 December 2014	**73,249**	**1,417,251**	**10,501**	**0**	**2,274**	**1,503,275**

15. ASSOCIATES AND JOINT ARRANGEMENTS

CHANGES OVER THE PERIOD

Details of interests in companies accounted for under the equity method are set out below:

(IN € THOUSANDS)	2015	2014
Balance at the end of the previous period	**159,290**	**155,877**
Acquisitions through business combinations	0	0
Acquisitions and transfers	(25,556)	(275)
CFE group share in net result of associates	36,759	20,124
Capital increase / (decrease)	22,111	1,293
Dividends	(1,699)	(44)
Change in consolidation scope	(34,184)	(6,940)
Other changes	(5,344)	(10,745)
Balance at the end of the period	**151,377**	**159,290**
Including goodwill in companies accounted for under the equity method	**32,058**	**28,557**

All the entities over which the CFE group has significant influence are accounted for under the equity method. The CFE group does not have an interest in any associates whose shares are traded on a public market.

FINANCIAL STATEMENTS OF ASSOCIATES AND JOINT ARRANGEMENTS

The list of the most significant associates and joint arrangements is set out in note 35, based on their percentage of interests in the CFE group, the segment in which they operate and the geographical area of their head office.

The condensed financial statements by segment presented below, are based on the IFRS financial statements of the associates and joint arrangements, or, if there is none, on their statutory accounts. The reconciliation between the statutory statements and the contribution to the consolidated accounts is presented after the financial indicators.

DECEMBER 2015 (IN € THOUSANDS)	DREDGING & ENVIRONMENT		REAL ESTATE AND CONTRACTING		PPP-CONCESSIONS		TOTAL	
	100%	% SHARE	100%	% SHARE	100%	% SHARE	100%	% SHARE
Income Statement								
Revenue	1,001,273	403,291	106,400	49,809	29,214	6,810	**1,136,887**	**459,910**
Net income share of the group	165,588	64,213	18,292	8,454	5,692	1,757	**189,572**	**74,424**
Financial Position								
Non-current assets	1,614,173	300,130	69,794	21,757	1,389,834	317,666	**3,073,801**	**639,553**
Current assets	603,617	237,714	366,916	153,595	81,889	23,114	**1,052,422**	**414,423**
Net equity	466,260	115,302	31,483	15,488	(196,442)	(35,377)	**301,301**	**95,413**
Non-current liabilities	1,151,720	177,700	178,514	70,015	1,582,695	354,315	**2,912,929**	**602,030**
Current liabilities	599,810	244,842	226,713	89,849	85,469	21,843	**911,992**	**356,534**
Net financial debt	**(1,096,507)**	**(160,848)**	**(57,966)**	**(13,717)**	**(1,208,993)**	**(270,242)**	**(2,363,466)**	**(444,807)**

In the Dredging & Environment division, on 31 December 2015, non-current assets mainly consist of assets from the entities Middle East Dredging Company QSC (150,667 KEUR at 100%) and C-Power NV (1,029,734 KEUR at 100%). Contribution of those entities to the condensed net financial debt is respectively (-14,879) KEUR (at 100%) and (-861,733) KEUR (at 100%) . Contribution of those entities to 2015 condensed net income is respectively (120,807 KEUR at 100%) and (19,802 KEUR at 100%).

In the PPP-Concessions division, the net financial debt is related to the concession projects Coentunnel through the entity Coentunnel Company BV (-404,793 KEUR at 100%) and Liefkenshoektunnel through the entity Locorail NV (-678,059 KEUR at 100%).

In the Real Estate division, non-current and current assets mainly consist of assets from the entities MI SA (46,207 KEUR at 100%), PEF Kons Investment SA (47,165 KEUR at 100%), Immoange SA (21,820 KEUR at 100%), La Réserve Promotions NV (22,269 KEUR at 100%), Cap3000 Immo SA (22,957 KEUR at 100%), Erasmus Gardens (29,881 KEUR at 100%) and Rederij Ishtar BVBA (22,772 KEUR at 100%).

DECEMBER 2014 (IN € THOUSANDS)	DREDGING & ENVIRONMENT		REAL ESTATE AND CONTRACTING		PPP-CONCESSIONS		TOTAL	
	100%	% SHARE	100%	% SHARE	100%	% SHARE	100%	% SHARE
Income Statement								
Revenue	715,900	269,404	155,714	67,331	71,169	15,088	**942,783**	**351,823**
Net income share of the group	52,379	23,056	(31,958)	(9,923)	6,269	2,592	**26,690**	**15,725**
Financial Position								
Non-current assets	1,792,081	395,598	97,389	32,350	1,407,621	320,292	**3,297,091**	**748,240**
Current assets	425,414	157,797	290,266	127,085	97,427	27,696	**813,107**	**312,578**
Net equity	319,787	69,522	16,069	9,362	(264,518)	(53,019)	**71,338**	**25,865**
Non-current liabilities	1,366,403	264,037	147,788	56,435	1,657,846	372,721	**3,172,037**	**693,193**
Current liabilities	531,305	219,836	223,798	93,638	111,720	28,286	**866,823**	**341,760**
Net financial debt	**(1,285,999)**	**(243,063)**	**(73,587)**	**(27,408)**	**(1,238,606)**	**(277,978)**	**(2,598,192)**	**(548,449)**

The reconciliation between the CFE Group's share in the statutory net assets of those entities and the carrying amount of the associates and joint arrangements is as follows :

ON 31 DECEMBER 2015 (IN € THOUSANDS, CFE'S % SHARE)	DREDGING & ENVIRONMENT	REAL ESTATE AND CONTRACTING	PPP-CONCESSIONS	TOTAL
Net assets of the associates and joint arrangements before reconciling items	**115,302**	**15,488**	**(35,377)**	**95,413**
Reconciliation items	931	30,806	54,415	**86,152**
Negative associates and joint arrangements	(33,981)	6,980	(3,187)	**(30,188)**
CFE group's carrying amount of the investment	**82,252**	**53,274**	**15,851**	**151,377**

ON 31 DECEMBER 2014 (IN € THOUSANDS, CFE'S % SHARE)	DREDGING & ENVIRONMENT	REAL ESTATE AND CONTRACTING	PPP-CONCESSIONS	TOTAL
Net assets of the associates and joint arrangements before reconciling items	**69,522**	**9,362**	**(53,019)**	**25,865**
Reconciliation items	(13,290)	19,907	62,464	**69,081**
Negative associates and joint arrangements	45,537	15,586	3,221	**64,344**
CFE group's carrying amount of the investment	**101,769**	**44,855**	**12,666**	**159,290**

In the Dredging & Environment, Real Estate and Contracting divisions, reconciling items are mainly due to the recognition of the income in accordance with the Group accounting policies and the intercompany eliminations.

Negative associates and joint arrangements are entities integrated under equity method for which CFE group considers having an obligation to support the commitments and projects of those entities.

In the PPP-Concessions division, the net assets of the project companies are strongly negative due to the valuation at fair value of the interest hedging instruments of the financial debts. As the CFE group has no obligation to support those SPV, the carrying amount of the investment is limited to zero.

16. OTHER NON-CURRENT FINANCIAL ASSETS

Other non-current financial assets amount to €129,501 thousand at 31 December 2015 (2014: €109,341 thousand). They mainly include the Group's subordinated loans granted to entities (€126,700 thousand).

(IN € THOUSANDS)	2015	2014
Balance at the end of the previous period	***109,341***	***115,396***
Acquisitions through business combinations	*0*	*0*
Acquisitions	*66,469*	*53,423*
Disposals and transfers	*(46,178)*	*(59,010)*
Impairment / reversals of impairment	*(12)*	*146*
Change in consolidation scope	*0*	*(520)*
Change in consolidation method	*0*	*0*
Effects of changes in foreign exchange rates	*(119)*	*(94)*
Balance at the end of the period	***129,501***	***109,341***

17. OTHER NON-CURRENT ASSETS

At 31 December 2015 other non-current assets amounts to €19,280 thousand and included the non-current receivables detailed below:

(IN € THOUSANDS)	2015	2014
Non-current receivables - DEME current accounts	*18,148*	*18,772*
Other non-current receivables (including bank guarantees)	*1,132*	*1,234*
Consolidated total	***19,280***	***20,006***

18. CONSTRUCTION CONTRACTS

Costs incurred added to profits less losses, along with progress billing, are determined on a contract-by-contract basis. The net amount due by or to customers is determined on a contract-by-contract basis as the difference between these two items.

As described in paragraphs (M) and (V) of the section relating to material accounting policies, the costs and revenues of construction contracts are recognized 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 recognized as an expense immediately.

(IN € THOUSANDS)	2015	2014
Balance sheet data		
Advances and payments on account received	*(64,342)*	*(68,137)*
Construction contracts in progress – assets	*259,060*	*203,319*
Construction contracts in progress – liabilities	*(63,507)*	*(136,627)*
Construction contracts in progress – net	***195,553***	***66,692***
Total income and expenses to date recognized on contracts in progress		
Costs incurred plus profits recognized less losses recognized to date	*5,903,938*	*7,411,479*
Less invoices issued	*(5,708,385)*	*(7,344,787)*
Construction contracts in progress – net	***195,553***	***66,692***

The excess of costs incurred over recognized losses and profits on progress billing include on the one hand, the portion of unbilled contract costs under "Trade receivables and other operating receivables" in the statement of financial position, and on the other hand, the surplus relating to construction work in progress is included in "other current assets".

The excess of progress billing over incurred costs and recognized profits and losses include on the one hand, the unbilled portion of contract costs under "Trade payables and other operating liabilities" in the statement of financial position, and on the other hand, the surplus relating to construction work in progress included in "other current liabilities".

Advances are amounts received by the contractor before the related work is performed.

The amount of customer retention payments is €5,255 thousand, and is included in "Trade and other operating receivables".

19. INVENTORIES

At 31 December 2015, inventories amounted to €77,946 thousand (2014 : €105,278 thousand) and broke down as follows:

(IN € THOUSANDS)	2015	2014
Raw materials and auxiliary products	*31,543*	*43,221*
Impairment on inventories of raw materials and auxiliary products	*(91)*	*(506)*
Finished products and properties held for sale	*47,873*	*65,587*
Impairment on inventories of finished products	*(1,379)*	*(3,024)*
Inventories	***77,946***	***105,278***

The change in "raw materials and auxiliary products" resulted mainly from a decrease in inventories relating to the dredging business.

20. CHANGE IN TRADE RECEIVABLES AND PAYABLES AND OTHER OPERATING RECEIVABLES AND PAYABLES

(IN € THOUSANDS)	2015	2014
Trade receivables	*968,093*	*840,489*
Less: provision for impairment of receivables	*(23,144)*	*(17,682)*
Net trade receivables	*944,949*	*822,807*
Other current receivables	*248,028*	*259,697*
Consolidated total	***1,192,977***	***1,082,504***
Other current assets	***125,029***	***104,554***
Trade and other operating payables	*1,184,886*	*1,099,309*
Other current liabilities	*393,556*	*415,716*
Consolidated total	***1,578,442***	***1,515,025***
Commercial and operating liabilities net of receivables	***(260,436)***	***(327,967)***

We refer to note 27.7 for an analysis of credit risk. Trade receivables related to entities included in note 18.Construction contracts amount to €929,639 thousand (2014 : €776,298 thousand).

21. CASH AND CASH EQUIVALENTS

(IN € THOUSANDS)	2015	2014
Short-term bank deposits	*13,863*	*14,385*
Cash in hand and at bank	*478,089*	*689,116*
Cash and cash equivalents	***491,952***	***703,501***

Short-term bank deposits consist of money placed with financial institutions with an original maturity of less than three months. These deposits pay interest at a floating rate, usually linked to Euribor or Eonia.

22. GRANTS

The CFE group did not receive any grants in 2015.

23. EMPLOYEE BENEFITS

The CFE group contributes to pension and early retirement plans in several of the countries in which it operates. These benefits are recognized in accordance with IAS 19 and are regarded as "post-employment" and "long-term benefit plans".

At 31 December 2015, the CFE group's net liability relating to obligations under pension and early-retirement post-employment benefits amounted to €41,054 thousand (2014: €41,806 thousand). These amounts are included in "Retirement benefit obligations and employee benefits". This item also includes provisions for other employee benefits for €1,336 thousand (2014: €1,566 thousand), mainly relating to the DEME group.

MAIN CHARACTERISTICS OF THE CFE GROUP'S POST-EMPLOYMENT BENEFIT PLANS

Post-employment benefit plans are classified either as defined-contribution or defined-benefit plans.

Defined-contribution plans

Defined-contribution pension plans are those under which the company makes certain contributions to an entity or separate fund in accordance with the plan arrangements. Where contributions have been made, the company has no additional obligation.

Defined-benefit plans

All plans that are not defined-benefit plans are presumed to be defined-benefit plans. These plans are either funded externally through pension funds or insurance companies ("funded plans") or funded within the CFE group ("unfunded plans"). For the main plans, an actuarial valuation is carried out every year by independent actuaries.

Post-employment benefit plans in which the CFE group takes part confer benefits to staff on retirement and death. All plans are funded externally through an insurance company (97.9 % of obligations) or a self-administered pension fund (2.1% of obligations) unrelated to the CFE group. Obligations under defined-benefit plans break down geographically as follows: 78% in Belgium and 22% in the Netherlands.

Insured Belgian post-employment benefit plans are "Class 21" type plans, which means that the insurer guarantees a minimum return on contributions paid.

All plans comply with local regulations and minimum funding requirements.

Most of the CFE group's post-employment benefit plans are defined-benefit.

MAIN CHARACTERISTICS OF DEFINED-BENEFIT PLANS

Belgian retirement plans "Class 21" type

A number of staff members are covered by a "Class 21" type insurance-funded defined-contribution plan. Belgian law requires the employer to guarantee for defined-contribution plans a minimum return of 3.25% on employer contributions and a minimum return of 3.75% on employee contributions until year-end 2015, and a minimum return of 1.75% on contributions made after that date. As a result from the modification of this law at year-end 2015, these pension plans have been accounted for as defined benefit plans.

Construction workers are covered by the defined-contribution pension plan funded by the "fbz-fse Constructiv" multi-employer pension fund. This pension plan is also subjected to the Belgian law requiring a minimum return as mentioned here above .

Risks relating to defined-benefit plans

Defined-benefit plans generally expose the employer to actuarial risks such as changes in interest rates, wages and inflation. The potential impact of these risks is illustrated by a sensitivity analysis, details of which are set out below.

The risk arising from benefits being spread over time is limited, since most plans involve a lump-sum payment. However, there is an option to pay annuities. If this option is used, the payment of annuities is handled through an insurance policy that converts the lump sum into an annuity. The risk of death in service is entirely covered through insurance. The risk of insurance companies becoming insolvent can be regarded as negligible.

Governance of defined-benefit plans

The administration and governance of insured plans are handled by the insurance company. CFE ensures that insurance companies comply with all retirement laws.

Defined-benefit plan assets

Plan assets invested with an insurance are not subject to market fluctuations. The fair value of the insurance policies is either the present value of guaranteed future benefits (Netherlands) or the capitalized value of contributions paid, taking into account the return contractually agreed with the insurance company (Belgium).

Plan assets do not include the CFE group's own financial instruments or any building used by the CFE group.

Changes to defined-benefit plans

No material amendment, settlement or curtailment took place during the year.

INFORMATION RELATING TO DEFINED-BENEFIT AND EARLY RETIREMENT PLANS

(IN € THOUSANDS)	2015	2014
Provisions taken for defined-benefit and early retirement plan obligations	**(39,718)**	**(40,240)**
Accrued rights, partly or fully funded	(162,794)	(157,786)
Fair value of plan assets	123,076	117,546
Provisions taken for obligations on the balance sheet	**(39,718)**	**(40,240)**
Bonds	(39,718)	(40,240)
Assets	0	0

CHANGES IN PROVISIONS TAKEN FOR DEFINED-BENEFIT AND EARLY RETIREMENT PLAN OBLIGATIONS

(IN € THOUSANDS)	2015	2014
At 1 January	***(40,240)***	***(39,458)***
Charges recognized in income	*(6,778)*	*(6,716)*
Charges recognized in the other elements of the comprehensive income	*(320)*	*(1,680)*
Contributions to plan assets	*7,034*	*7,633*
Effect of business combinations	*0*	*0*
Other movements	*586*	*(19)*
At 31 December	***(39,718)***	***(40,240)***

CHARGES RECOGNIZED IN INCOME IN RESPECT OF DEFINED-BENEFIT AND EARLY RETIREMENT PLANS

(IN € THOUSANDS)	2015	2014
Charges recognized in income	***(6,778)***	***(6,716)***
Service cost	*(6,022)*	*(5,042)*
Discounting effects	*(3,542)*	*(4,504)*
Return on plan assets (-)	*2,674*	*3,264*
Unrecognized past service cost	*112*	*(434)*

The cost of pension plans in the period is included under "Remuneration and social security payments" and under net financial items.

CHARGES RECOGNIZED IN THE OTHER ELEMENTS OF THE COMPREHENSIVE INCOME IN RESPECT OF DEFINED-BENEFIT AND EARLY RETIREMENT PLANS

(IN € THOUSANDS)	2015	2014
Charges recognized in the other elements of the comprehensive income	***(320)***	***(1,680)***
Actuarial gains and losses	*(4,488)*	*(19,685)*
Return on plan assets (excluding amounts recognized in income)	*4,168*	*18,005*

CHANGES IN PROVISIONS TAKEN FOR DEFINED-BENEFIT AND EARLY RETIREMENT PLAN OBLIGATIONS

(IN € THOUSANDS)	2015	2014
At 1 January	**(157,786)**	**(136,782)**
Service cost	(6,022)	(5,042)
Discounting effects	(3,542)	(4,504)
Contributions to plan assets	(1,033)	(966)
Benefits paid to beneficiaries	7,317	9,881
Remeasurement of liabilities (assets)	(4,600)	(19,649)
Actuarial gains and losses resulting from changes to demographic assumptions	0	0
Actuarial gains and losses resulting from changes to financial assumptions	(4,846)	(20,200)
Actuarial gains and losses resulting from experience adjustments	246	551
Unrecognized past service cost	(24)	(1,641)
Effect of business combinations	0	0
Effect of business disposals	1,805	0
Effect of exchange-rate changes	0	0
Reclassification of Belgian retirement plans subjected to a minimum return	(43,396)	0
Other movements	1,091	917
At 31 December	**(206,189)**	**(157,786)**

The "effect of business disposals" item reflects the impact on provisioned obligations of the disposal of Aannemingen Van Wellen NV on February 25th 2015.

CHANGES IN DEFINED-BENEFIT AND EARLY RETIREMENT PLAN ASSETS

(IN € THOUSANDS)	2015	2014
At 1 January	**117,546**	**97,324**
Return on plan assets (excluding amounts recognized in income)	4,168	18,006
Return on plan assets	2,674	3,264
Contributions to plan assets	7,300	7,918
Benefits paid to beneficiaries	(6,991)	(8,434)
Effect of business combinations	0	0
Effect of business disposals	(1,220)	0
Effect of exchange-rate changes	0	0
Reclassification of Belgian retirement plans subjected to a minimum return	43,396	0
Other movements	(401)	(532)
At 31 December	**166,471**	**117,546**

The "effect of business disposals" item reflects the impact on provisioned obligations of the disposal of Aannemingen Van Wellen NV on February 25th 2015.

MAIN ACTUARIAL ASSUMPTIONS AT THE END OF THE PERIOD (EXPRESSED AS WEIGHTED AVERAGES)

	2015	2014
Discount rate at 31 December	*2.10%*	*2.30%*
Expected rate of salary increases	*2.80% < 60 YEARS AND 1.80% > 60 YEARS*	*2.80% < 60 YEARS AND 1.80% > 60 YEARS*
Inflation rate	*1.80%*	*1.80%*
Mortality tables	*MR/FR*	*MR/FR*

OTHER CHARACTERISTICS OF DEFINED-BENEFIT PLANS

	2015	2014
Duration (in years)	*13.54*	*12.60*
Average real return on plan assets	*5.8%*	*22.0%*
Contributions expected to be made to the plan in the next financial year	*6,999*	*7,396*

SENSITIVITY ANALYSIS (IMPACT ON THE AMOUNT OF OBLIGATIONS)

	2015	2014
Discount rate		
25bp increase	*-3.7%*	*-3.3%*
25bp decrease	*+3.4%*	*+3.6%*
Growth rate		
25bp increase	*+2.0%*	*+2.5%*
25bp decrease	*-2.2%*	*-0.3%*

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

At 31 December 2015, these provisions amounted to €109,674 thousand, an increase of €20,551 thousand relative to end-2014 (€89,123 thousand).

(IN € THOUSANDS)	AFTER-SALES SERVICE	OTHER CURRENT LIABILITIES	PROVISIONS FOR EQUITY METHOD	OTHER NON-CURRENT LIABILITIES	TOTAL
Balance at the end of the previous period	***14,833***	***33,614***	***24,641***	***16,035***	***89,123***
Effects of changes in exchange rates	*3*	*(103)*	*0*	*4*	*(96)*
Transfers between items	*(3,197)*	*(1,836)*	*5,617*	*(2,115)*	*(1,531)*
Additions to provisions	*4,131*	*31,797*	*0*	*14,637*	*50,565*
Used provisions	*(1,421)*	*(9,953)*	*0*	*(17,695)*	*(29,069)*
Provisions reversed unused	*(337)*	*(2,711)*	*0*	*3,730*	*682*
Balance at the end of the period	***14,012***	***50,808***	***30,258***	***14,596***	***109,674***
Of which: current:					*64,820*
non-current:					*44,854*

Provisions for after-sales service decreased by €821 thousand to €14,012 thousand at end-2015. The change in 2015 was the result of additions to and/or reversals of provisions recognized in relation to 10-year warranties.

Provisions for other current liabilities increased by €17,194 thousand to €50,808 thousand at end-2015.

These include:

- provisions for current litigation (€8,836 thousand), provisions for work still to be performed (€151 thousand), provisions for social security liabilities (€1,037 thousand) and provisions for other current liabilities (€14,552 thousand). As regard to other current liabilities, given that negotiations with customers are ongoing, we cannot provide more information on the assumptions made or on when the outflow of funds is likely to happen.
- provisions for losses on completion (€26,232 thousand) are recognized when the expected economic benefits of certain contracts are lower than the inevitable costs attendant on compliance with obligations under those contracts. Provisions for losses on completion are utilized when the related contracts are performed.

When the CFE Group's share of losses exceeds its interest in an associate, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associate. The amount of those commitments is accounted for in the non-current provisions, as the Group considers having the obligation to support those entities and their projects.

Provisions for other non-current liabilities include the provisions for liabilities not directly related to site operations in progress.

25. CONTINGENT ASSETS AND LIABILITIES

Based on available information at the date on which the financial statements were approved by the Board of Directors, we are not aware of any contingent assets or liabilities, with the exception of contingent assets or liabilities related to construction contracts (for example, the group's claims against customers or claims by subcontractors) that can be described as normal in the construction sector and which are treated by applying the percentage-of-completion method during the recognition of revenue.

26. NET FINANCIAL DEBT

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

(IN € THOUSANDS)	31/12/2015			31/12/2014		
	NON-CURRENT	CURRENT	TOTAL	NON-CURRENT	CURRENT	TOTAL
Bank loans and other financial debt	(253,749)	(95,406)	(349,155)	(256,035)	(155,775)	(411,810)
Bonds	(305,216)		(305,216)	(306,895)		(306,895)
Drawings on credit facilities	(50,000)		(50,000)	(60,000)		(60,000)
Borrowings under finance leases	(95,148)	(15,136)	(110,284)	(62,030)	(7,546)	(69,576)
Total long-term financial debt	**(704,113)**	**(110,542)**	**(814,655)**	**(684,960)**	**(163,321)**	**(848,281)**
Short-term financial debt		(16)	(16)		(43,350)	(43,350)
Cash equivalents		13,863	13,863		14,385	14,385
Cash		478,089	478,089		689,116	689,116
Net short-term financial debt/(cash)		**491,936**	**491,936**		**660,151**	**660,151**
Total net financial debt	**(704,113)**	**381,394**	**(322,719)**	**(684,960)**	**496,830**	**(188,130)**
Derivative instruments used as interest-rate hedges	(8,517)	(7,611)	(16,128)	(12,413)	(8,532)	(20,945)

26.2. DEBT MATURITY SCHEDULE

(IN € THOUSANDS)	LESS THAN 1 YEAR	BETWEEN 1 AND 2 YEARS	BETWEEN 2 AND 3 YEARS	BETWEEN 3 AND 5 YEARS	BETWEEN 5 AND 10 YEARS	MORE THAN 10 YEARS	TOTAL
Bank loans and other financial debt	(95,406)	(102,993)	(69,382)	(54,752)	(26,622)	0	(349,155)
Bonds	(1,752)	(1,752)	(101,711)	(200,001)	0	0	(305,216)
Drawings on credit facilities	0	(50,000)	0	0	0	0	(50,000)
Borrowings under finance leases	(15,137)	(54,143)	(6,821)	(14,099)	(4,639)	(15,445)	(110,284)
Total long-term financial debt	**(112,295)**	**(208,888)**	**(177,914)**	**(268,852)**	**(31,261)**	**(15,445)**	**(814,655)**
Short-term financial debt	(16)						(16)
Cash equivalents	13,863						13,863
Cash	478,089						478,089
Net short-term financial debt	**491,936**	**0**	**0**	**0**	**0**	**0**	**491,936**
Change in net financial debt	**379,641**	**(208,888)**	**(177,914)**	**(268,852)**	**(31,261)**	**(15,445)**	**(322,719)**

The present value of finance lease obligations amounted to €15,137 thousand (2014 : €7,547 thousand). These finance leases mainly relate to DEME.

26.3. CREDIT FACILITIES AND BANK TERM LOANS

At 31 December 2015, the CFE group had confirmed long-term bank credit facilities of €125 million, of which €50 million were drawn at end-2015.

On 21 June 2012, CFE issued €100 million of bonds maturing on 21 June 2018 and paying a coupon of 4.75%. On 14 February 2013, DEME issued €200 million of bonds 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.

26.4. 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. CFE Group complies with all these covenants at 31 December 2015.

27. FINANCIAL RISK MANAGEMENT

27.1. CAPITAL MANAGEMENT

End-2015, CFE group capital structure is composed of a net debt of € 322,719 thousand (note 26) and of a net equity of € 1,434,400 thousand. Moreover, the CFE group has confirmed bank credit facilities (note 26) and the dredging activities are given the opportunity to issue commercial paper. The equity of the group CFE includes share capital, share premium, consolidated reserves and non-controlling interests. The group CFE does not own any of its own shares or convertible bonds. The entire equity is used to finance the operations described in the corporate purposes of the subsidiaries.

27.2. INTEREST RATE RISK

The interest rate risk management is insured within the group by making a distinction between concessions, property management, holding, contracting activities and dredging (DEME).

As far as the concessions are concerned, the interest rate risk management is performed considering two horizons.

On the one hand, a long-term horizon to secure and optimize the economic balance of the concession, and on the other hand, a short term horizon to optimize the average cost of debt. Derivative products are used such as interest rate swaps in order to hedge the interest rate risk. These hedging instruments equal at maximum the same notional amounts and the same due dates as the hedged debts. From an accounting point of view, these products are qualified as hedging operations.

As far as dredging is concerned, the group CFE, through its subsidiary DEME, has to face important financings in the context of the dredges investments. The objective is to reach an optimal balance between the financing cost and the volatility of the financial results. DEME uses derivative instruments as interest rate swaps (IRS) in order to hedge the interest rate risk. These hedging instruments equal generally the same notional amounts and generally have the same due dates as the hedged debts. From an accounting point of view, these products will not always be qualified as hedging operations.

The contracting activities are characterized by an excess of cash which partially compensate the property commitments. Cash management is mainly centralized through the cash pooling.

EFFECTIVE AVERAGE INTEREST RATE BEFORE CONSIDERING DERIVATIVE PRODUCTS

(IN € THOUSANDS)	FIXED RATE			FLOATING RATE			TOTAL		
TYPE OF DEBTS	AMOUNTS	QUOTA	RATE	AMOUNTS	QUOTA	RATE	AMOUNTS	QUOTA	RATE
Bank loans and other financial debts	*651*	*0.16%*	*3.43%*	*348,504*	*86.92%*	*0.87%*	*349,155*	*42.86%*	*0.87%*
Bonds	*305,216*	*73.78%*	*4.34%*	*0*	*0.00%*	*0.00%*	*305,216*	*37.47%*	*4.34%*
Credit line used	*0*	*0.00%*	*0.00%*	*50,000*	*12.47%*	*1.36%*	*50,000*	*6.14%*	*1.36%*
Loans related to finance lease	*107,822*	*26.06%*	*1.07%*	*2,462*	*0.61%*	*4.04%*	*110,284*	*13.54%*	*1.14%*
Total	***413,689***	***100%***	***3.49%***	***400,966***	***100%***	***0.95%***	***814,655***	***100%***	***2.24%***

EFFECTIVE AVERAGE INTEREST RATE AFTER CONSIDERING FLOATING DERIVATIVE PRODUCTS

(IN € THOUSANDS)	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	*270,215*	*39.55%*	*4.04%*	*78,940*	*60.08%*	*2.24%*	*0*	*0.00%*	*0.00%*	*349,155*	*42.86%*	*3.63%*
Bonds	*305,216*	*44.67%*	*4.34%*	*0*	*0.00%*	*0.00%*	*0*	*0.00%*	*0.00%*	*305,216*	*37.47%*	*4.34%*
Credit line used	*0*	*0.00%*	*0.00%*	*50,000*	*38.05%*	*1.36%*	*0*	*0.00%*	*0.00%*	*50,000*	*6.14%*	*1.36%*
Loans related to finance lease	*107,822*	*15.78%*	*1.07%*	*2,462*	*1.87%*	*4.04%*	*0*	*0.00%*	*0.00%*	*110,284*	*13.54%*	*1.14%*
Total	***683,253***	***100%***	***3.71%***	***131,402***	***100%***	***1.94%***	***0***	***0.00%***	***0.00%***	***814,655***	***100%***	***3.42%***

27.3. SENSITIVITY TO THE INTEREST RATE RISK

The group CFE is subject to the risk of interest rates fluctuation on its result considering:

- cash flows relative to financial instruments at floating rate after hedging;
- financial instruments at fixed rate, recognized at fair value in the statement of financial position through the result;
- derivative instruments non-qualified as hedge.

Nevertheless, the variation in the value of derivatives qualified as cash flow hedges does not impact directly the net result and is accounted for in the others elements of the comprehensive income.

The following analysis is performed by supposing that the amount of financial debts and derivatives as per December 31, 2015 is constant over the year.

A variation of 50 basis points in interest rate at the closing date would have had as consequence an increase or a decrease of the equity and result for the amounts indicated here below. For the needs of the analysis, the other parameters have been supposed constant.

(IN € THOUSANDS)	31/12/2015			
	RESULT		EQUITY	
	IMPACT OF THE SENSITIVITY CALCULATION +50BP	IMPACT OF THE SENSITIVITY CALCULATION −50BP	IMPACT OF THE SENSITIVITY CALCULATION +50BP	IMPACT OF THE SENSITIVITY CALCULATION −50BP
Non-current debts (+portion due within the year) with variable rate after accounting hedge	4,073	(4,073)		
Net short term Financial debt (*)	0	0		
Derivatives not qualified as hedge	141	(367)		
Derivatives qualified as highly potential or certain cash flow			3,331	(4,329)

(*) excluding cash at bank and in hand

27.4. DESCRIPTION OF CASH FLOW HEDGE OPERATIONS

Instruments qualified as cash flow hedges at the closing date have the following characteristics:

For contracting, property and holding activities:

(IN € THOUSANDS)	31/12/2015						
	<1 YEAR	BETWEEN 1 AND 2 YEARS	BETWEEN 3 AND 5 YEARS	> 5 YEARS	FAIR VALUE ASSET	FAIR VALUE ASSET	FAIR VALUE LIABILITY
Swap of interest rate receive floating rate and pay fixed rate							
Interest rate options (cap, collar)							
Interest rate derivatives hedge of highly probable: estimated cash flow							**0**
Swap of interest rate receive floating rate and pay fixed rate							
Interest rate options (cap, collar)							
Interest rate derivatives: hedge of certain cash flow							**0**

(IN € THOUSANDS)	31/12/2014						
	<1 YEAR	BETWEEN 1 AND 2 YEARS	BETWEEN 3 AND 5 YEARS	> 5 YEARS	FAIR VALUE ASSET	FAIR VALUE ASSET	FAIR VALUE LIABILITY
Swap of interest rate receive floating rate and pay fixed rate							
Interest rate options (cap, collar)							
Interest rate derivatives hedge of highly probable: estimated cash flow							**0**
Swap of interest rate receive floating rate and pay fixed rate							
Interest rate options (cap, collar)							
Interest rate derivatives: hedge of certain cash flow							**0**

For dredging activities

(IN € THOUSANDS)	31/12/2015						
	<1 YEAR	BETWEEN 1 AND 2 YEARS	BETWEEN 3 AND 5 YEARS	> 5 YEARS	FAIR VALUE ASSET	FAIR VALUE ASSET	FAIR VALUE LIABILITY
Swap of interest rate receive floating rate and pay fixed rate							
Interest rate options (cap, collar)							
Interest rate derivatives hedge of highly probable: estimated cash flow							
Swap of interest rate receive floating rate and pay fixed rate	155,048	157,171	186,139		498,358		(15,840)
Interest rate options (cap, collar)							
Interest rate derivatives: hedge of certain cash flow	**155,048**	**157,171**	**186,139**		**498,358**		**(15,840)**

(IN € THOUSANDS)	31/12/2014						
	<1 YEAR	BETWEEN 1 AND 2 YEARS	BETWEEN 3 AND 5 YEARS	> 5 YEARS	FAIR VALUE ASSET	FAIR VALUE ASSET	FAIR VALUE LIABILITY
Swap of interest rate receive floating rate and pay fixed rate							
Interest rate options (cap, collar)							
Interest rate derivatives hedge of highly probable: estimated cash flow							
Swap of interest rate receive floating rate and pay fixed rate	153,174	144,068	150,246	0	447,789		(20,352)
Interest rate options (cap, collar)							
Interest rate derivatives: hedge of certain cash flow	**153,174**	**144,068**	**150,246**	**0**	**447,489**		**(20,352)**

27.5. EXCHANGE RATE RISKS

Nature of the risks at which the group is exposed

The group CFE and its subsidiaries does not practice a hedge on foreign exchange rates for its contracting and property activities as their markets are mainly situated within the euro zone. DEME practices exchange rate hedges taking into account the international character of the activity and the execution of markets in foreign currency. Changes in fair value are recorded as cost of contract if it occurs in the scope of a construction contract. Currencies subjected to exchange risk are listed in note 2.

When exchange rate risk related to a risk exposure at operational level would occur, the group policy consists in limiting the exposure to the fluctuation of foreign currencies.

Repartition of the long term financial debts by currency

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

(IN € THOUSANDS)	2015	2014
Euro	814,655	848,281
US Dollar	0	0
Other currencies	0	0
Total long term debts	**814,655**	**848,281**

The following table discloses the fair value and the notional amount of exchange rate instrument issued (forward sales/purchase agreements) (+ : asset / - liability):

(IN € THOUSANDS)	NOTIONAL					
	USD US DOLLAR	SGD SINGAPORE DOLLAR	GBP POUND	RUB ROUBLE	OTHER	TOTAL
Forward purchase	*101,073*	*52,936*	*5,461*	*5,401*	*18,546*	*183,417*
Forward sale	*363,814*	*357,064*	*14,010*	*12,087*	*50,145*	*797,120*

(IN € THOUSANDS)	FAIR VALUE					
	USD US DOLLAR	SGD SINGAPORE DOLLAR	GBP POUND	RUB ROUBLE	OTHER	TOTAL
Forward purchase	*2,213*	*299*	*(91)*	*(394)*	*378*	*2,405*
Forward sale	*(4,259)*	*1,619*	*129*	*3,464*	*1,396*	*2,349*

The fair value variation of exchange rate instruments is considered as a construction costs. This variation is presented as an operational result.

The group CFE, in particular through its subsidiary DEME, is exposed to exchange rate fluctuation risk on its result.

The following analysis is performed supposing that the amount of financial assets/liabilities and derivatives as per December, 31 2015 is constant over the year.

A variation of 5% of exchange rate (appreciation of the EUR) at closing date would have as a consequence an increase or a decrease of the equity and the result for the amounts disclosed here below. For the needs of the analysis, the other parameters have been supposed constant.

(IN € THOUSANDS)	31/12/2015 – RESULT	
	IMPACT OF SENSITIVITY CALCULATION DEPRECIATION OF 5% OF THE EUR	IMPACT OF SENSITIVITY CALCULATION APPRECIATION OF 5% OF THE EUR
Non-current debts (+portion due within the year) with variable rate after accounting hedge	*921*	*(833)*
Net short term Financial debt	*(820)*	*742*
Working Capital	*(1,117)*	*1,011*

27.6. RISK RELATED TO RAW MATERIALS

Raw materials and furniture incorporated into the works constitute an essential element of the cost price.

Although some markets include price revisions clauses or revision formulas and that the group CFE sets up, in some cases, hedges of furniture prices (gas-oil), the risk of price fluctuation of raw materials cannot be completely excluded.

DEME is hedged against gas-oil fluctuations through the purchase of options or forward agreement on fuel. The fair value variation of these instruments is considered as construction costs. This variation is presented as an operating result.

The fair value of these instruments amounts to € -47,237 thousand at the end of 2015 (in comparison with € -7,624 thousand in 2014).

27.7. CREDIT AND COUNTERPARTY RISK

The group CFE is exposed to credit risk in case of insolvency of its clients. It is exposed to the counterparty risk in the context of cash deposits, subscription of negotiable share receivables, financial receivables and derivative products.

In addition, the group CFE set up procedures in order to avoid and limit the concentration of credit risk.

For large-scale export, if the country is eligible and the risk covered by credit insurance, DEME and CFE cover themselves regularly through competent bodies in this matter (Office National du Ducroire).

Financial instruments

The group has defined a system of investment limits in order to monitor the counterparty risk. This system determines maximum amounts eligible for investment by counterparty defined according to their credit notations published by Standard & Poor's and Moody's.

These limits are regularly monitored and updated.

Customers

Regarding the risk on trade receivables, the group defined procedures in order to limit the risk. It should be noted that a large part of the consolidated sales is realized with public or semi-public clients.

In addition, CFE considers that the concentration of the counterparty risk for clients is limited due to the large number of clients.

In order to reduce the current risk, the group CFE monitors regularly its outstanding clients and adapts its position towards them. The credit risk is however not totally eliminated, but is limited. Regarding this matter, it should be noted that CFE executes two projects in Chad: the construction of The Grand Hotel and the building of the Ministry of Finance. In the second half of 2015, The Grand Hotel has been delivered to the satisfaction of the client and an amount of € 6 million has been collected. Meanwhile, CFE, in collaboration with the Chadian authorities, continues its efforts to find a solution to financing unpaid receivables. The net exposure of CFE on that country amounts to just over € 60 million.

The analysis of the delay of payment at the end of 2015 and 2014 is as follows:

AS PER DECEMBER, 31 2015 (IN € THOUSANDS)	CLOSING	NOT PAST DUE	< 3 MONTHS	< 1 YEAR	> 1 YEAR
Trade and other receivables	1,150,941	663,859	170,911	168,474	147,697
Gross total	**1,150,941**	**663,859**	**170,911**	**168,474**	**147,697**
Prov. Trade and other receivables	(30,701)	(3,317)	(4,687)	(76)	(22,621)
Total provisions	**(30,701)**	**(3,317)**	**(4,687)**	**(76)**	**(22,621)**
Total net amounts	**1,120,240**	**660,542**	**166,224**	**168,398**	**125,076**

AS PER DECEMBER, 31 2014 (IN € THOUSANDS)	CLOSING	NOT PAST DUE	< 3 MONTHS	< 1 YEAR	> 1 YEAR
Trade and other receivables	1,022,755	571,590	203,142	224,558	23,465
Gross total	**1,022,755**	**571,590**	**203,142**	**224,558**	**23,465**
Prov. Trade and other receivables	(22,846)	0	(1,589)	(5,537)	(15,720)
Total provisions	**(22,846)**	**0**	**(1,589)**	**(5,537)**	**(15,720)**
Total net amounts	**999,909**	**571,590**	**201,553**	**219,021**	**7,745**

The overdue amounts mainly relate to additional works and subsequent contract modifications accepted by the customers, but that are still subject to inclusion in the budget or that are part of a broader negotiation process.

The following table discloses the evolution of the provisions on trade and other receivables:

(IN € THOUSANDS)	2015	2014
Cumulated provisions – balance at the end of the previous period	**(22,846)**	**(22,348)**
Change in consolidation scope	18	0
Impairment losses (reversal)/write-off during the period	(4,124)	(3,668)
Effects of changes and transfer to other items	(3,749)	3,170
Cumulated provisions – balance at the end of the period	**(30,701)**	**(22,846)**

27.8. LIQUIDITY RISK

CFE could negotiate new bilateral credit lines under favourable conditions allowing the group to decrease the liquidity risk.

27.9. CARRYING AMOUNTS AND FAIR VALUE BY ACCOUNTING CATEGORY

31 DECEMBER 2015 (IN € THOUSANDS)	FINANCIAL INSTRU-MENTS NOT DESIG-NATED AS HEDGING INSTRU-MENTS	DERIV-ATIVES DESIG-NATED AS HEDGING INSTRU-MENTS	FINANCIAL INSTRU-MENTS AVAILABLE FOR SALES	LOANS AND TRADE RE-CEIVABLES AT AM-ORTIZED COSTS	TOTAL OF CARRYING AMOUNT	FAIR VALUE MEASURE-MENTS OF FINANCIAL ASSETS BY LEVEL	FAIR VALUE OF THE CLASS
Non-current financial assets	**1,381**		**2,811**	**126,690**	**130,882**		**130,882**
Investments (1)			2,811		2,811	NIVEAU 2	2,811
Financial loans and receivables (1)				126,690	126,690	NIVEAU 2	126,690
Interest rate derivatives – cash flow hedges	1,381				1,381	NIVEAU 2	1,381
Current financial assets	**8,514**			**1,684,929**	**1,693,443**		**1,693,443**
Interest rate derivatives – non hedge							
Trade and other receivables				1,192,977	1,192,977	NIVEAU 2	1,192,977
Cash management financial assets	8,514				8,514	NIVEAU 2	8,514
Cash equivalents (2)				13,863	13,863	NIVEAU 2	13,863
Cash at bank and in hand (2)				478,089	478,089	NIVEAU 2	478,089
Total assets	**9,895**		**2,811**	**1,811,619**	**1,824,325**		**1,824,325**
Non-current financial debts		**33,359**		**704,113**	**737,472**		**762,424**
Bonds				305,216	305,216	NIVEAU 1	315,824
Financial debts				398,897	398,897	NIVEAU 2	413,241
Interest rate derivatives – cash flow hedges		33,359			33,359	NIVEAU 2	33,359
Current financial liabilities	**27,535**	**7,611**		**1,295,444**	**1,330,590**		**1,346,326**
Interest rate derivatives – highly probable projected cash flow hedges		288			288	NIVEAU 2	288
Interest rate derivatives – cash flow hedges		7,323			7,323	NIVEAU 2	7,323
Exchange rate derivatives – non cash flow hedges	4,795				4,795	NIVEAU 2	4,795
Other derivatives instruments – non hedge	22,740				22,740	NIVEAU 2	22,740
Trade payables and other operating debts				1,184,886	1,184,886	NIVEAU 2	1,184,886
Financial debts				110,558	110,558	NIVEAU 2	126,294
Total liabilities	**27,535**	**40,970**		**1,999,557**	**2,068,062**		**2,108,750**

1 Included in items “Other non-current financial assets” and “Other noncurrent assets”.
2 Included in item “Cash and cash equivalents”.

31 DECEMBER 2014 (IN € THOUSANDS)	FINANCIAL INSTRU-MENTS NOT DESIG-NATED AS HEDGING INSTRU-MENTS	DERIV-ATIVES DESIG-NATED AS HEDGING INSTRU-MENTS	FINANCIAL INSTRU-MENTS AVAILABLE FOR SALES	LOANS AND TRADE RE-CEIVABLES AT AM-ORTIZED COSTS	TOTAL OF CARRYING AMOUNT	FAIR VALUE MEASURE-MENTS OF FINANCIAL ASSETS BY LEVEL	FAIR VALUE OF THE CLASS
Non-current financial assets	**674**		**2,723**	**106,618**	**110,015**		**110,015**
Investments (1)			2,723		2,723	NIVEAU 2	2,723
Financial loans and receivables (1)				106,618	106,618	NIVEAU 2	106,618
Interest rate derivatives – cash flow hedges	674				674	NIVEAU 2	674
Current financial assets				**1,786,005**	**1,786,005**		**1,786,005**
Interest rate derivatives – non hedge							
Trade and other receivables				1,082,504	1,082,504	NIVEAU 2	1,082,504
Cash management financial assets							
Cash equivalents (2)				14,385	14,385	NIVEAU 2	14,385
Cash at bank and in hand (2)				689,116	689,116	NIVEAU 2	689,116
Total assets	**674**		**2,723**	**1,892,623**	**1,896,020**		**1,896,020**
Non-current financial debts		**12,922**		**684,960**	**697,882**		**733,636**
Bonds				306,895	306,895	NIVEAU 1	317,956
Financial debts				378,065	378,065	NIVEAU 2	402,758
Interest rate derivatives – cash flow hedges		12,922			12,922	NIVEAU 2	12,922
Current financial liabilities	**16,416**	**8,532**		**1,305,980**	**1,330,928**		**1,336,876**
Interest rate derivatives – highly probable projected cash flow hedges		593			593	NIVEAU 2	593
Interest rate derivatives – cash flow hedges		7,939			7,939	NIVEAU 2	7,939
Exchange rate derivatives – non cash flow hedges	8,792				8,792	NIVEAU 2	8,792
Other derivatives instruments – non hedge	7,624				7,624	NIVEAU 2	7,624
Trade payables and other operating debts				1,099,309	1,099,309	NIVEAU 2	1,099,309
Financial debts				206,671	206,671	NIVEAU 2	212,619
Total liabilities	**16,416**	**21,454**		**1,990,940**	**2,028,810**		**2,070,512**

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

2 Included in item “Cash and cash equivalents”.

The fair value of financial instruments can be classified into three levels based on the degree to which the inputs to the fair value measurements are observable:

- Fair value measurements of level 1 are based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Fair value measurements of level 2 are based on inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly (through prices) or indirectly (through input derived from prices);
- Fair value measurements of level 3 are based on valuation techniques comprising inputs which are unobservable for the asset or liability,

The fair value of financial instruments have been determined using the following methods :

- For short-term financial instrument, such as trade receivables and payables, the fair value is considered not to be significantly different from the carrying amount measured at amortized cost;
- For floating rate liabilities, the fair value is considered not to be significantly different from the carrying amount measured at amortized cost;
- For derivative financial instruments (foreign currency, interest rate or forecasted cash flows), the fair value is determined using valuation models discounting future cash flows based on futures interest rate curves, foreign currency curves or other forward prices;
- For the other derivative instruments, the fair value is determined by discounting future estimated cash flows;
- For the quoted bonds issued by CFE and DEME, the fair value is based on the quoted price at reporting date;
- For fixed rate liabilities; the fair value is determined by discounted cash flows, based on the market interest's rates at reporting date.

28. OPERATING LEASES

The CFE group's obligations relating to non-cancellable operating leases are as follows:

(IN € THOUSANDS)	2015	2014
Expiring in less than 1 year	*14,011*	*12,550*
Expiring in more than 1 year and up to 5 years	*18,346*	*17,482*
Expiring in more than 5 years	*11,182*	*11,952*
Total	***43,539***	***41,984***

29. OTHER COMMITMENTS GIVEN

Total commitments given by the CFE group at 31 December 2015, other than real security interests, totalled €1,268,387 thousand (2014 : €1,199,817 thousand). These commitments break down as follows:

(IN € THOUSANDS)	2015	2014
Performance guarantees and performance bonds (a)	905,798	903,231
Bid bonds (b)	11,292	9,916
Repayment of advance payments (c)	21,241	19,731
Retentions (d)	41,985	22,365
Deferred payments to subcontractors and suppliers (e)	77,405	5,220
Other commitments given - including €141,791 thousand of corporate guarantees at DEME	210,666	239,354
Total	**1,268,387**	**1,199,817**

a) Guarantees given in relation to the performance of works contracts. If the construction entity fails to perform, the bank (or insurance company) undertakes to compensate the customer to the extent of the guarantee.

b) Guarantees provided as part of tenders relating to works contracts.

c) Guarantees provided by a bank to a customer guaranteeing the repayment of advance payments in relation to contracts (mainly at DEME).

d) Security provided by a bank to a client to replace the use of retention money.

e) Guarantee covering the settlement of a liability to a supplier or subcontractor.

30. OTHER COMMITMENTS RECEIVED

Total commitments received by the CFE group at 31 December 2015 totalled €104,830 thousand (2014 : €104,749 thousand). These commitments break down as follows:

(IN € THOUSANDS)	2015	2014
Performance guarantees and performance bonds	102,720	61,403
Other commitments received	2,110	43,346
Total	**104,830**	**104,749**

31. LITIGATION

The CFE group is exposed to a number of claims that may be regarded as normal in the construction industry. In most cases, the CFE group seeks to settle with the other party, and this substantially reduced the number of legal proceedings.

The CFE group tries to recover amounts receivable from its customers. However, it is not possible to estimate these potential assets.

32. RELATED PARTIES

- Ackermans & van Haaren (AvH) owns 15,289,521 CFE shares at end December 2015 and is the main shareholder of the CFE group with a stake of 60.40%.
- Key personnel consists of CFE's steering committee and the two Managing Directors. The amount recognized as an expense relating to salaries and other benefits for key personnel amounted to €5,286.3 thousand for 2015 (2014: €4,336.7 thousand). This amount includes fixed remuneration (€2,506.9 thousand, 2014: €2,284.5 thousand), variable remuneration (€2,075.6 thousand, 2014: €1,376.9 thousand), various insurance payments (supplementary pension plan, hospitalization, workplace accidents, accidents outside work, home-based nursing care (€585.1 thousand, 2014: €539.3 thousand) and company car expenses (€118.6 thousand, 2014: €136.0 thousand).
- DEME and CFE concluded a service contract with AvH. The amounts due by DEME and CFE in accordance with this contract amounts respectively to 1,126 thousand euro and 150 thousand euro.
- There were no transactions with the Managing Directors other than relating to remuneration. There are no transactions with the companies Trorema SPRL, Frédéric Claes SA or Artist Valley SA, without prejudice to the remuneration of executives representing these companies.
- At 31 December 2015, the CFE group had joint control over Rent-A-Port NV and its subsidiaries. Please see note 35 for a full list. These entities are consolidated under the equity method.
- Transactions with related parties concerned mainly transactions with companies in which CFE has a joint control or a significant influence. These transactions are concluded at arm's length.
- During 2015, there were no major changes in the nature of transactions with related parties compared to December 31st, 2014. Commercial and financing transactions between the group and associates or joint ventures consolidated under the equity method are as follows:

(IN € THOUSANDS)	2015	2014
Assets with related parties	**333,963**	**240,276**
Non-current financial assets	129,966	107,389
Trade and other receivables	195,383	126,468
Other current assets	8,614	6,419
Liabilities with related parties	**121,433**	**61,244**
Other noncurrent liabilities	11,461	6,276
Trade and other liabilities	109,972	54,968

(IN € THOUSANDS)	2015	2014
Revenues and expenses with related parties	**96,383**	**98,731**
Revenue and revenue from auxiliary activities	129,240	128,004
Purchases and other operating expenses	(35,672)	(32,464)
Net financial income/expense	2,815	3,191

33. STATUTORY AUDITORS' FEES

The remuneration paid to statutory auditors in respect of the whole group in 2015, including CFE SA, amounted to:

(IN € THOUSANDS)	DELOITTE		OTHER	
	AMOUNT	%	AMOUNT	%
Audit				
Statutory audit certification and examination of individual company and consolidated accounts	1,412.3	74.04%	586.0	41.35%
Related work and other audits	107.4	5.63%	46.6	3.29%
Subtotal, audit	**1,519.7**	**79.67%**	**632.6**	**44.64%**
Other services				
Legal, tax and employment	203.7	10.68%	637.0	44.96%
Other	184.1	9.65%	147.4	10.40%
Subtotal, other services	**387.8**	**20.33%**	**784.4**	**55.36%**
Total statutory auditors' fees:	**1,907.5**	**100%**	**1,417.0**	**100%**

34. MATERIAL POST-BALANCE SHEET EVENTS

None.

35. COMPANIES OWNED BY THE CFE GROUP

List of the fully consolidated subsidiaries

NAME	HEAD OFFICE	ACTIVITY	GROUP INTEREST (%) (ECONOMIC INTEREST)
EUROPE			
Germany			
NORDSEE NASSBAGGER UND TIEFBAU GMBH	Bremen	Dredging	100%
OAM-DEME MINERALIEN GMBH	Hamburg	Dredging	70%
HGO INFRASEA SOLUTIONS Gmbh & co KG	Bremen	Dredging	100%
Belgium			
HDP CHARLEROI SA	Brussels	Concessions	100%
ABEB NV	Antwerp	Contracting	100%
ARIADNE NV	Opglabbeek	Contracting	100%
CFE BATIMENTS BRABANT WALLONIE SA	Brussels	Contracting	100%
BPC Design & Engineering SA	Brussels	Contracting	100%
BE.MAINTENANCE SA	Brussels	Contracting	100%
BENELMAT SA	Gembloux	Contracting	100%
BRANTEGEM NV	Alost	Contracting	100%
CFE BOUW VLAANDEREN NV	Wilrijk	Contracting	100%
CFE INFRA SA	Wilrijk	Contracting	100%
ENGEMA SA	Brussels	Contracting	100%
ETABLISSEMENTS DRUART SA	Péronne-lez-Binche	Contracting	100%
ETEC SA	Manage	Contracting	100%
GROEP TERRYN NV	Moorslede	Contracting	77.51%
CFE CONTRACTING SA	Brussels	Contracting	100%
LOUIS STEVENS NV	Halen	Contracting	100%
NIZET ENTREPRISES SA	Louvain-la-Neuve	Contracting	100%
PROCOOL SA	Péronne-lez-Binche	Contracting	100%
REMACOM NV	Beervelde (Gand)	Contracting	100%
VANDERHOYDONCKS NV	Alken	Contracting	100%
VMA NV	Sint-Martens-Latem	Contracting	100%
VMA WEST NV	Meulebeke	Contracting	100%
VOLTIS SA	Louvain-la-Neuve	Contracting	100%
AGROVIRO NV	Zwijndrecht	Dredging	74.90%
BAGGERWERKEN DECLOEDT EN ZOON NV	Ostend	Dredging	100%
CEBRUVAL BRUCEVAL SA	Gosselies	Dredging	74.90%
CETRAVAL SA	Gosselies	Dredging	74.90%
COMBINED MARINE TERMINAL OPERATIONS WORLDWIDE NV	Zwijndrecht	Dredging	54.37%
DEME BLUE ENERGY NV	Zwijndrecht	Dredging	69.99%
DEME BUILDING MATERIALS NV	Zwijndrecht	Dredging	100%
DEME CONCESSIONS INFRASTRUCTURE NV	Zwijndrecht	Dredging	100%
DEME CONCESSIONS NV	Zwijndrecht	Dredging	100%
DEME CONCESSIONS WIND NV	Zwijndrecht	Dredging	100%
DEME COORDINATION CENTER NV	Zwijndrecht	Dredging	100%
DEME ENVIRONMENTAL CONTRACTORS NV	Zwijndrecht	Dredging	74.90%
DEME NV	Zwijndrecht	Dredging	100%
DREDGING INTERNATIONAL NV	Zwijndrecht	Dredging	100%
ECOTERRES HOLDING SA	Gosselies	Dredging	74.90%
ECOTERRES SA	Gosselies	Dredging	74.90%
EVERSEA NV	Zwijndrecht	Dredging	100%
FILTERRES SA	Gosselies	Dredging	56.10%

NAME	HEAD OFFICE	ACTIVITY	GROUP INTEREST (%) (ECONOMIC INTEREST)
GEOSEA NV	Zwijndrecht	Dredging	100%
GLOBAL SEA MINERAL RESOURCES NV	Ostend	Dredging	99.97%
GROND RECYCLAGE CENTRUM KALLO NV	Kallo	Dredging	52.43%
GROND RECYCLAGE CENTRUM ZOLDER NV	Heusden-Zolder	Dredging	36.70%
KALIS SA	Gosselies	Dredging	74.90%
LOGIMARINE SA	Antwerp	Dredging	100%
M.D.C.C. INSURANCE BROKERS NV	Brussels	Dredging	100%
OFFSHORE WIND ASSISTANCE NV	Zwijndrecht	Dredging	100%
PURAZUR NV	Zwijndrecht	Dredging	74.90%
SCALDIS SALVAGE & MARINE CONTRACTORS NV	Antwerp	Dredging	54.37%
DEME INFRASEA SOLUTIONS NV (DISS)	Zwijndrecht	Dredging	100%
DEME INFRA MARINE CONTRACTORS NV (DIMCO)	Zwijndrecht	Dredging	100%
BATIPONT IMMOBILIER SA	Brussels	Real Estate	100%
BRUSILIA BUILDING NV	Brussels	Real Estate	100%
CONSTRUCTION MANAGEMENT SA	Brussels	Real Estate	100%
DEVELOPPEMENT D'HABITATIONS BRUXELLOISES	Brussels	Real Estate	75.33%
PROJECTONTWIKKELING VAN WELLEN NV	Kapellen	Real Estate	100%
SOGESMAINT SA	Brussels	Real Estate	100%
VAN MAERLANT SA	Brussels	Real Estate	100%
Cyprus			
CONTRACTORS OVERSEAS LTD	Oraklini	Dredging	100%
DREDGING INTERNATIONAL CYPRUS LTD	Nicosia	Dredging	100%
DREDGING INTERNATIONAL SERVICES CYPRUS LTD	Nicosia	Dredging	100%
DEME CYPRUS Ltd	Cyprus	Dredging	100%
France			
FRANCO-BELGE DE CONSTRUCTIONS INTERNATIONALES SAS	Paris	Holding	100%
ENERGIES DU NORD SAS	Lambersart	Dredging	100%
EUROP AGREGATS SARL	Lambersart	Dredging	100%
SOCIETE DE DRAGAGE INTERNATIONAL SA	Lambersart	Dredging	100%
United Kingdom			
DEME BUILDING MATERIALS LTD	West Sussex	Dredging	100%
DEME ENVIRONMENTAL CONTRACTORS UK LTD	Weybridge, Surrey	Dredging	74.90%
DREDGING INTERNATIONAL UK LTD	West Sussex	Dredging	100%
Luxembourg			
COMPAGNIE LUXEMBOURGEOISE D’ENTREPRISES CLE SA	Strassen	Contracting	100%
DREDGING INTERNATIONAL LUXEMBOURG SA	Windhof	Dredging	100%
GEOSEA LUXEMBOURG SA	Windhof	Dredging	100%
MARITIME SERVICES AND SOLUTIONS SA	Windhof	Dredging	100%
SAFINDI SA	Windhof	Dredging	100%
SOCIETE DE DRAGAGE LUXEMBOURG SA	Windhof	Dredging	100%
TIDEWAY LUXEMBOURG SA	Windhof	Dredging	100%
COMPAGNIE IMMOBILIERE DE WEIMERSKIRCH SA	Strassen	Real Estate	100%
COMPAGNIE LUXEMBOURGEOISE IMMOBILIERE CLÎ SA	Strassen	Real Estate	100%
P.R.N.E. SA PARC RESIDENTIEL NEI EISCH	Luxembourg	Real Estate	100%
SOGESMAINT CBRE LUXEMBOURG SA	Strassen	Real Estate	100%
SOCIETE FINANCIERE D’ENTREPRISES SFE SA	Strassen	Holding	100%

NAME	HEAD OFFICE	ACTIVITY	GROUP INTEREST (%) (ECONOMIC INTEREST)
Hungary			
CFE HUNGARY EPITOIPARI KFT	Budapest	Contracting	100%
VMA HUNGARY LLC	Budapest	Contracting	100%
Netherlands			
CFE NEDERLAND BV	Dordrecht	Dredging	100%
GEKA BV	Dordrecht	Dredging	100%
DE VRIES & VAN DE WIEL BV	Amsterdam	Dredging	74.90%
DE VRIES & VAN DE WIEL KUST EN OEVERWERKEN BV	Amsterdam	Dredging	87.45%
DEME BUILDING MATERIALS BV	Vlissingen	Dredging	100%
TIDEWAY BV	Breda	Dredging	100%
HGO INNOVATION HOLDING BV	Breda	Dredging	100%
HGO INNOVATION SHIPOWNER BV	Breda	Dredging	100%
HGO INNOVATION SHIPPING BV	Breda	Dredging	100%
Poland			
CFE POLSKA S.P. ZOO	Warsaw	Contracting	100%
VMA POLSKA S.P.ZOO	Warsaw	Contracting	100%
BPI POLSKA DEVELOPMENT S.P.ZOO	Warsaw	Real Estate	100%
BPI WROCLAW S.P.ZOO	Warsaw	Real Estate	100%
IMMO WOLA S.P. ZOO	Warsaw	Real Estate	100%
Romania			
CFE CONTRACTING AND ENGINEERING SRL	Bucharest	Contracting	100%
Slovakia			
CFE SLOVAKIA SRO	Bratislava	Contracting	100%
VMA SLOVAKIA SRO	Trencin	Contracting	100%
Other European countries			
VMA ELEKTRIK TESISATI VE INSAAT TICARET LIMITED SIRKETI	Istanbul, Turkey	Contracting	100%
BAGGERWERKEN DECLOEDT EN ZOON ESPANA SA	Madrid, Spain	Dredging	100%
BERIN ENGENHARIA DRAGAGENS E AMBIENTE S.A.	Lisbon, Portugal	Dredging	100%
DREDGING INTERNATIONAL BULGARIA SERVICES EOOD	Sofia, Bulgaria	Dredging	100%
DREDGING INTERNATIONAL ESPANA SA	Madrid, Spain	Dredging	100%
DREDGING INTERNATIONAL UKRAINE LLC	Odessa, Ukraine	Dredging	100%
DRAGMORSTROY LLC	Saint-Petersburg, Russia	Dredging	100%
SOCIETA ITALIANA DRAGAGGI SPA	Rome, Italy	Dredging	100%
AFRICA			
Angola			
DRAGAGEM ANGOLA SERVICOS LDA	Luanda	Dredging	100%
SOYO DRAGAGEM LTDA	Luanda	Dredging	100%
Nigeria			
DREDGING INTERNATIONAL SERVICES NIGERIA LTD	Lagos	Dredging	100%
TIDEWAY INTERNATIONAL SERVICES NIGERIA LTD	Lagos	Dredging	70%
COMBINED MARINE TERMINAL OPERATORS NIGERIA LTD	Lagos	Dredging	54.43%

NAME	HEAD OFFICE	ACTIVITY	GROUP INTEREST (%) (ECONOMIC INTEREST)
DREDGING AND ENVIRONMENTAL SERVICES NIGERIA LTD (DAESN)	Lagos	Dredging	100%
Chad			
CFE TCHAD SA	Ndjamena	Contracting	100%
Tunisia			
CONSTRUCTION MANAGEMENT TUNISIE SA	Tunis	Real Estate	99.96%
Other African countries			
SAMAMEDI SPA	Alger, Algeria	Dredging	100%
DRAGAMOZ LIMITADA	Maputo, Mozambique	Dredging	100%
ASIA			
India			
DREDGING INTERNATIONAL INDIA PVT LTD	New Dehli	Dredging	99.78%
INTERNATIONAL SEAPORT DREDGING PTY LTD	Chennai	Dredging	86%
Other Asian countries			
DREDGING INTERNATIONAL MALAYSIA SDN BHD	Kuala Lumpur, Malaysia	Dredging	100%
DREDGING INTERNATIONAL ASIA PACIFIC PTE LTD	Singapore	Dredging	100%
DREDGING INTERNATIONAL MANAGEMENT CONSULTING SHANGHAI LTD	Shanghai, China	Dredging	100%
FAR EAST DREDGING LTD	Hong Kong	Dredging	100%
MASCARENES DREDGING & MANAGEMENT LTD	Ebene, Mauritius	Dredging	100%
OFFSHORE MANPOWER SINGAPORE PTE LTD	Singapore	Dredging	100%
AMERICAS			
Brazil			
DEC DO BRASIL ENGENHARIA AMBIENTAL LTDA	Santos	Dredging	74.90%
DRAGABRAS SERVICOS DE DRAGAGEM LTDA	Rio de Janeiro	Dredging	100%
Canada			
TIDEWAY CANADA LTD	Halifax	Dredging	100%
Other American countries			
DREDGING INTERNATIONAL MEXICO SA	Mexico	Dredging	100%
DREDGING INTERNATIONAL DE PANAMA SA	Panama	Dredging	100%
LOGIMARINE SA DE CV	Mexico	Dredging	100%
OFFSHORE MANPOWER SUPPLY PANAMA LTD	Panama	Dredging	100%
SERVIMAR SA	Caracas, Venezuela	Dredging	100%
PACIFIC			
Australia			
DREDGING INTERNATIONAL AUSTRALIA PTY LTD	Brisbane	Dredging	100%
GEOSEA AUSTRALIA PTY LTD	Brisbane	Dredging	100%

All subsidiaries have a 31 December year end.

List of the entities accounted for under the equity method

Name	Head Office	Activity Pole	Group interest (%) (economic interest)
EUROPE			
Belgium			
PPP BETRIEB SCHULEN EUPEN SA	Eupen	Concessions	25.00%
PPP SCHULEN EUPEN SA	Eupen	Concessions	19.00%
LOCORAIL	Wilrijk	Concessions	25.00%
RENT-A-PORT NV en dochterondernemingen	Antwerpen	Concessions	45%
BLUEPOWER NV	Zwijndrecht	Dredging	35.00%
C-POWER HOLDCO NV	Zwijndrecht	Dredging	19.67%
C-POWER NV	Oostende	Dredging	11.67%
HIGH WIND NV	Zwijndrecht	Dredging	50.40%
OTARY RS NV	Ostend	Dredging	18.89%
POWER@SEA NV	Zwijndrecht	Dredging	51.10%
POWER@SEA THORNTON NV	Zwijndrecht	Dredging	51.10%
RENEWABLE ENERGY BASE OSTEND NV	Ostend	Dredging	25.50%
RENTEL NV	Ostend	Dredging	18.89%
SEASTAR NV	Oostende	Dredging	18.89%
SEDISOL SA	Farciennes	Dredging	37.45%
SILVAMO NV	Roeselare	Dredging	37.45%
TERRANOVA NV	Zwijndrecht	Dredging	43.73%
TERRANOVA SOLAR NV	Stabroek	Dredging	16.85%
BARBARAHOF NV	Leuven	Real Estate	40%
BATAVES 1521 SA	Brussels	Real Estate	50%
BAVIERE DEVELOPPEMENT SA	Liège	Real Estate	30%
ERASMUS GARDENS SA	Brussels	Real Estate	50%
ESPACE ROLIN SA	Brussels	Real Estate	33.33%
EUROPEA HOUSING SA	Brussels	Real Estate	33.00%
FONCIERE DE BAVIERE A SA	Liège	Real Estate	30%
FONCIERE DE BAVIERE C SA	Liège	Real Estate	30%
FONCIERE DE BAVIERE SA	Liège	Real Estate	30%
FONCIERE STERPENICH SA	Brussels	Real Estate	50%
GOODWAYS NV	Antwerp	Real Estate	31.20%
GRAND POSTE SA	Liège	Real Estate	24.97%
IMMO KEYENVELD I SA	Brussels	Real Estate	50%
IMMO KEYENVELD II SA	Brussels	Real Estate	50%
IMMO PA 33 1 SA	Brussels	Real Estate	50%
IMMO PA 44 1 SA	Brussels	Real Estate	50%
IMMO PA 44 2 SA	Brussels	Real Estate	50%
IMMOANGE SA	Brussels	Real Estate	50%
IMMOBILIERE DU BERREVELD SA	Brussels	Real Estate	50%
LA RESERVE PROMOTION NV	Kapellen	Real Estate	33.00%
LES 2 PRINCES DEVELOPMENT SA	Brussels	Real Estate	50%
LES JARDINS DE OISQUERCQ SPRL	Brussels	Real Estate	50%
LRP DEVELOPMENT BVBA	Gent	Real Estate	33.00%
OOSTEROEVER NV	Ostend	Real Estate	50%
PRE DE LA PERCHE CONSTRUCTION NV	Brussels	Real Estate	50%
PROMOTION LEOPOLD SA	Brussels	Real Estate	30.44%
REDERIJ ISHTAR BVBA	Ostend	Real Estate	50%
REDERIJ MARLEEN BVBA	Ostend	Real Estate	50%
VAN MAERLANT RESIDENTIAL SA	Brussels	Real Estate	40.00%
VICTORESTATE SA	Brussels	Real Estate	50%
VICTORPROPERTIES SA	Brussels	Real Estate	50%
VM PROPERTY I SA	Brussels	Real Estate	40.00%
VM PROPERTY II SPRL	Brussels	Real Estate	40.00%

Name	Head Office	Activity Pole	Group interest (%) (economic interest)
Luxembourg			
NORMALUX MARITIME SA	Windhof	Dredging	37.50%
BAYSIDE FINANCE SRL	Luxembourg	Real Estate	40%
BEDFORD FINANCE SRL	Luxembourg	Real Estate	40%
CHATEAU DE BEGGEN SA	Strassen	Real Estate	50%
ELINVEST SA	Strassen	Real Estate	50%
M1 SA	Strassen	Real Estate	33.33%
M7 SA	Strassn	Real Estate	33.33%
PEF KONS INVESTMENT SA	Luxembourg	Real Estate	33.33%
United Kingdom			
FAIR HEAD TIDAL ENERGY PARK Ltd	North Ireland	Dredging	17.50%
WEST ISLAY TIDAL ENERGY PARK Ltd	Scotland	Dredging	17.50%
Hungary			
BETON PLATFORM KFT	Budapest	Contracting	50%
Netherlands			
COENTUNNEL COMPANY BV	Amsterdam	Concessions	23.00%
Poland			
B-WIND POLSKA SP z.o.o.	Gdynia	Dredging	51.10%
C-WIND POLSKA SP z.o.o.	Gdynia	Dredging	51.10%
IMMOMAX I SP z.o.o.	Warschau	Real Estate	47%
IMMOMAX II SP z.o.o.	Warschau	Real Estate	47%
Other European countries			
LIVEWAY LTD	Larnaca, Cyprus	Contracting	50%
LOCKSIDE LTD	Larnaca, Cyprus	Contracting	50%
CBD SAS	Ferques, France	Dredging	50%
EXTRACT ECOTERRES SA	Villeneuve-le-Roi, France	Dredging	37.45%
MERKUR OFFSHORE GMBH	Hamburg, Germany	Dredging	12.50%
MORDRAGA LLC	Sint-Petersburg, Russia	Dredging	40%
OCEANFLORE BV	Kinderdijck, Netherlands	Dredging	50%
AFRICA			
Nigeria			
COBEL CONTRACTING NIGERIA LTD	Lagos	Contracting	50%
Tunesia			
COMPAGNIE TUNISIENNE D'ENTREPRISES SA	Tunis	Contracting	49.9%
BIZERTE CAP 3000 SA en dochteronderneming	Tunis	Real Estate	20.01%
AMERICA			
Brazilië			
DEME BRASIL SERVICOS DE DRAGAGEM LTDA	Rio de Janero	Dredging	50.00%
MINERACOES SUSTENTAVEIS DO BRASIL SA	Sao Paulo	Dredging	51.00%
ASIA			
DIAP DAELIM JOINT VENTURE PTE LTD	Singapore	Dredging	51%
DREDGING INTERNATIONAL ASIA PACIFIC SHAP JOINT VENTURE PTE LTD	Singapore	Dredging	51.00%
DREDGING INTERNATIONAL SAUDI ARABIA LTD	Saoedi-Arabië	Dredging	49.00%
MIDDLE EAST DREDGING COMPANY QSC	Abu Dhabi	Dredging	44.10%
DRAGAFI ASIAN PACIFIC PTE LTD	Singapore	Dredging	40%

CFE Group also works with partnerships in temporary associations set-up in Belgium or in foreign countries for the execution of projects. Temporary associations, commonly used as special purpose vehicle in the construction sector, are not mentioned here above.

STATEMENT OF THE TRUE AND FAIR NATURE OF THE FINANCIAL STATEMENTS AND THE TRUE AND FAIR NATURE OF THE PRESENTATION IN THE MANAGEMENT REPORT

(Article 12(2) and 12(3) of Belgium's royal decree of 14/11/2007 relating to the obligations of issuers of financial instruments listed for trading on a regulated market)

We attest, in the name and on behalf of Compagnie d'Entreprises CFE SA and under that company's responsibility, that, to our knowledge,

1. the financial statements, prepared in accordance with the applicable accounting standards, give a true and fair view of the assets, financial position and results of Compagnie d'Entreprises CFE SA and of the companies included in its scope of consolidation;
2. the management report contains a true and fair presentation of the business, results and position of Compagnie d'Entreprises CFE SA and of the companies included in its scope of consolidation, along with a description of the main risks and uncertainties to which they are exposed.

Signatures

Name:	Fabien De Jonge	Renaud Bentégeat	Piet Dejonghe
Function:	Administrative and Financial Director	Managing Director	Managing Director

Date: 24 February 2016

GENERAL INFORMATION ABOUT THE COMPANY AND ITS CAPITAL

Company	Compagnie d'Entreprises CFE
Head office	avenue Herrmann-Debroux 40-42, 1160 Brussels
Telephone	+32 2 661 12 11
Legal form	public limited company (société anonyme)
Incorporated under Belgian law	
Date of incorporation	21 June 1880
Duration	indefinite
Accounting period	from 1 January to 31 December
Commercial register entry	RPM Brussels 0400 464 795 – VAT 400,464,795
Place where legal documentation can be consulted	head office,

CORPORATE PURPOSE (ARTICLE 2 OF THE ARTICLES OF ASSOCIATION)

"The purpose of the company is to study and execute any work or construction within each and every of its specialist areas, in particular electricity and the environment, in Belgium or abroad, singly or jointly with other natural or legal persons, for its own account or on behalf of third parties belonging to the public or private sector.

It may also perform services related to these activities, directly or indirectly operate them or license them out or carry out any purchase, sale, rent or lease operation whatsoever in respect of such undertakings.

It may directly or indirectly acquire, hold or sell equity interests in any company or undertaking existing now or in the future by way of acquisition, merger, spin-off or any other means.

It may carry out any commercial, industrial, administrative or financial operations or operations involving movable or immovable property that are directly or indirectly related to its purpose, even partially, or that could facilitate or develop that purpose, either for itself or for its subsidiaries.

The shareholders' meeting may change the corporate purpose subject to the conditions specified in Article five hundred and fifty-nine of the Belgian Companies Code".

STATUTORY AUDITOR'S REPORT TO THE SHAREHOLDERS' MEETING ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

To the shareholders

As required by law, we report to you in the context of our appointment as the company's statutory auditor. This report includes our report on the consolidated financial statements together with our report on other legal and regulatory requirements. These consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2015, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, as well as the summary of significant accounting policies and other explanatory notes.

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS – UNQUALIFIED OPINION

We have audited the consolidated financial statements of Compagnie d'Entreprises CFE SA ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

The consolidated statement of financial position shows total assets of 4,302 million EUR and the consolidated income statement shows a consolidated profit (group share) for the year then ended of 175 million EUR.

Board of directors' responsibility for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Statutory auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the statutory auditor considers internal control relevant to the group's preparation and fair presentation of consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the consolidated financial statements. We have obtained from the group's officials and the board of directors the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unqualified opinion

In our opinion, the consolidated financial statements of Compagnie d'Entreprises CFE SA give a true and fair view of the group's net equity and financial position as of 31 December 2015, and of its results and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Emphasis of Matter

Without modifying the unqualified opinion expressed above, we draw your attention to the Note 27 of the financial statements which describes the uncertainties regarding the amount due by the State of Chad and the undertaken actions in order to facilitate its payment.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements.

As part of our mandate and in accordance with the Belgian standard complementary to the International Standards on Auditing applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we make the following additional statement, which does not modify the scope of our opinion on the consolidated financial statements:

- The directors' report on the consolidated financial statements includes the information required by law, is consistent with the consolidated financial statements and is free from material inconsistencies with the information that we became aware of during the performance of our mandate.

Diegem, 1 March 2016

The statutory auditor

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

STATUTORY FINANCIAL STATEMENTS

PARENT-COMPANY STATEMENTS OF FINANCIAL POSITION AND COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER (IN € THOUSANDS)	2015	2014
Non-current assets	***1,332,944***	***1,408,686***
Start-up costs	*0*	*178*
Intangible assets	*353*	*974*
Property, plant and equipment	*1,330*	*7,044*
Financial assets	*1,331,261*	*1,400,490*
- Related parties	*1,330,939*	*1,393,639*
- Other	*322*	*6,851*
Current assets	***327,577***	***330,754***
Receivables at more than 1 year	*0*	*0*
Inventories and work in progress	*61,267*	*126,857*
Receivables at up to 1 year	*193,570*	*184,335*
- Trade receivables	*66,110*	*128,963*
- Other receivables	*127,460*	*55,372*
Cash investments	*1,255*	*1,932*
Cash equivalents	*68,246*	*11,263*
Prepaid expenses	*3,239*	*6,367*
Total assets	***1,660,521***	***1,739,439***
Equity	***1,193,150***	***1,129,891***
Share capital	*41,330*	*41,330*
Share premium	*592,651*	*592,651*
Revaluation surplus	*487,399*	*487,399*
Reserves	*8,654*	*8,511*
Retained earnings/(losses)	*63,116*	*0*
Provisions and deferred tax	***58,923***	***61,553***
Liabilities	***408,448***	***547,995***
Liabilities at more than 1 year	*152,580*	*113,439*
Liabilities at up to 1 year	*254,898*	*434,078*
- Financial debt	*0*	*7,854*
- Trade payables	*73,870*	*110,266*
- Tax liabilities and down payments on orders	*51,783*	*118,329*
- Other payables	*129,245*	*197,629*
Prepaid income	*970*	*478*
Total equity and liabilities	***1,660,521***	***1,739,439***

YEAR ENDED 31 DECEMBER (IN € THOUSANDS)	2015	2014
INCOME		
Sales of goods and services	273,031	376,996
Cost of goods sold and services provided	(282,476)	(376,491)
- Merchandise	(182,245)	(260,656)
- Services and other goods	(65,923)	(61,701)
- Remuneration and social security payments	(29,267)	(41,402)
- Depreciation, amortisation, impairment and provisions	(3,750)	(9,322)
- Other	(1,291)	(3,410)
Operating income	(9,445)	505
Financial income	74,319	57,807
Financial expense	(7,409)	(10,246)
Recurring pre-tax income	57,465	48,066
Non-recurring income	108,529	4
Non-recurring expenses	(41,606)	(11,131)
Pre-tax income	124,388	36,939
Tax (current and adjustments)	(374)	113
Net income	124,014	37,052
APPROPRIATION OF INCOME		
Net income	124,014	37,052
Retained earnings	0	610
Dividend	(60,755)	(50,629)
Available reserves	0	14,820
Legal reserve	(143)	(1,853)
Retained earnings carried forward	63,116	0

ANALYSIS OF STATEMENTS OF FINANCIAL POSITION AND COMPREHENSIVE INCOME

There was a substantial decline in the revenue of CFE SA. This is explained by the disposal of the 'Buildings Flanders' segment on 1 July 2015 and by the shrinking activity in civil engineering and building in the Brussels Region.

The operating result was adversely affected by heavy losses on the Brussels-South wastewater treatment plant project and by the execution of some difficult projects in Brussels.

The increase in dividends received from the subsidiaries accounts for the upward trend in the financial result.

The extraordinary income and charges consist primarily of capital gains and losses on the disposal of subsidiaries of the Real Estate and Contracting divisions. Except for the transaction with the Willemen group, those disposals relate to intra-group transfers that have no impact on the consolidated statements.