Annual Report 2013

Energy – Söderenergi (Sweden)

Highways & Roads – A9 autoroute (France)

Light Rail – OV SAAL (the Netherlands)

Sustainable Buildings – Ronesans (Turkey)

Water – STAR-FLOOD (Europe)

Grontmij

Annual Report 2013

Grontmij

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Please visit the online Grontmij Annual Report 2013 at 2013annualreportgrontmij.com

Who we are

Grontmij is one of Europe's leading consultancy and engineering groups. We operate throughout Europe, combining local knowledge with the Group's international expertise. We also have a presence in China and work elsewhere in the world on a project basis.

What would become Grontmij was first registered at the Chamber of Commerce in 1915. We began as a company focused on cultivating wasteland, helping farmers protect against flooding and reclaiming land. From there we have developed a value chain of services stretching from major renewable water and infrastructure projects through designing efficient and environmentally-sensitive mobility and transportation networks to shaping and monitoring our built and green living spaces.

Our envisioned future – what we aspire to become, to achieve and to create

- Recognised by our clients for market leadership and quality of delivery.
- 'Sustainability by design' is our leading principle.
- Preferred company for talented professionals and offering ample opportunity for development.
- Among the best on financial performance in the Consulting & Engineering industry.

Core purpose – our fundamental reasons for being

We enable our clients to make informed decisions and well-considered investments as they develop our natural and built environment.

Core values – our enduring beliefs

- Engaged

Our engagement is driven by our clients' desire to improve life and society. We have the courage to develop new ideas and pursue new ways of achieving a sustainable future. We stay committed, overcoming problems and obstacles without compromising our integrity. Our working environments ensure that everyone's untapped source of creativity adds value to our clients' solutions.

- Collaborative

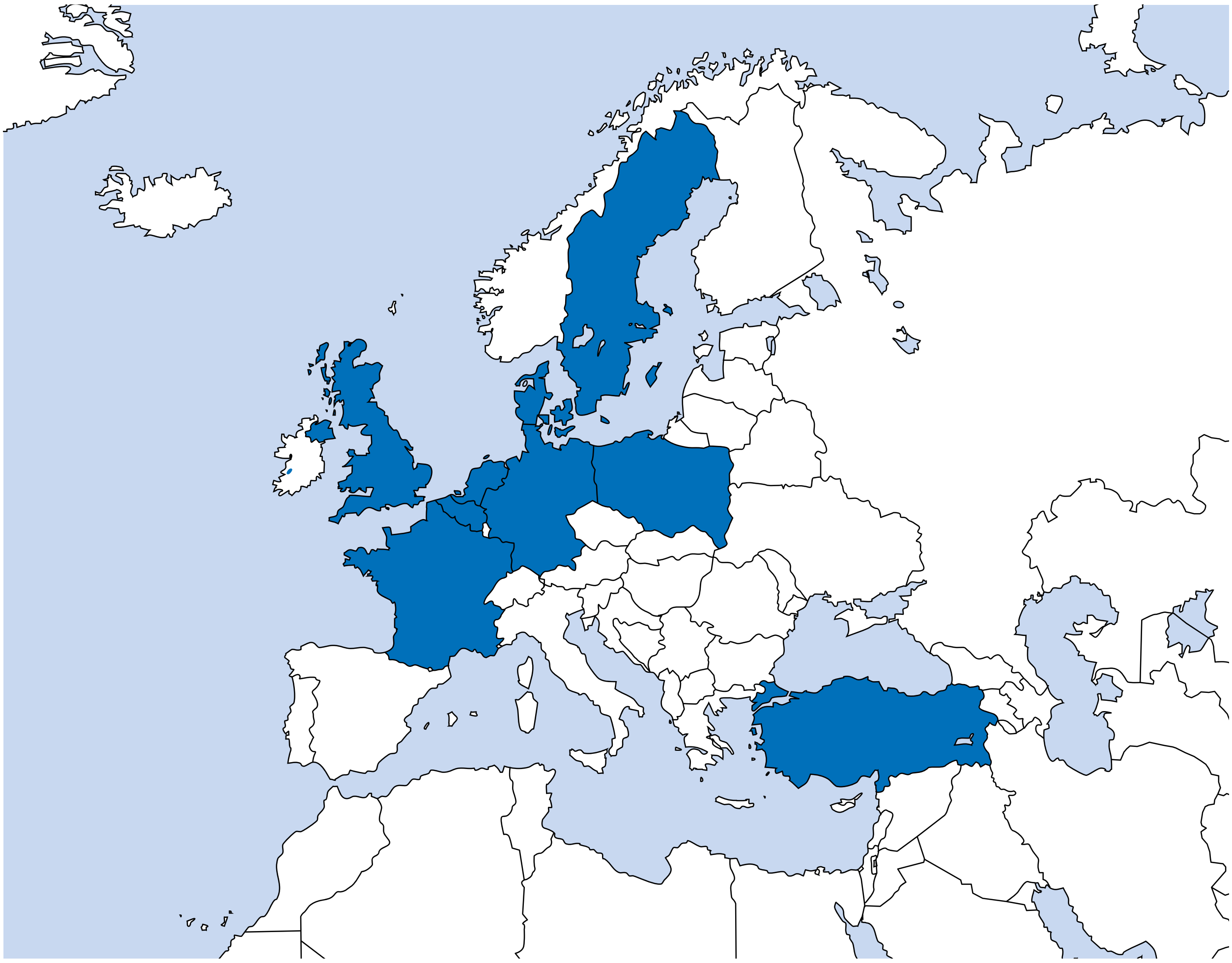
For us, collaborative means being part of a collective effort to meet our clients' needs. We pool our knowledge, skill and expertise – acting as one company and sharing the same goals. We work together to find win-win solutions with empathy and respect for all. Together we celebrate our success.

- Reliable

We aspire always to perform and deliver – on time and on budget. We do more than just the job; we do it well and we are always there for our clients – now and into the future. Clients, partners and colleagues can all rely on us to deliver quality performance. We aim to be down to earth and practical in all our dealings.

www.grontmij.com > About Grontmij

Where we are



	Revenue in 2013 (in million €)	% of total Group revenue in 2013	Average FTEs 2013
The Netherlands	219.5	28.8%	1,894
Denmark	144.5	18.9%	1,133
Sweden	99.0	13.0%	702
Belgium	81.5	10.7%	769
France	72.9	9.5%	797
United Kingdom	63.1	8.3%	748
Germany	55.2	7.2%	579
Other markets	23.6	3.1%	296
Non-core activities, unallocated and eliminations	4.1	0.5%	79
Total	**763.4**	**100.0%**	**6,997**

FTE: Full-time equivalents

For our offices and contact details, visit www.grontmij.com > Addresses

What we do

Grontmij provides consultancy, design & engineering and management services in a broad range of market sectors related to the built and natural environment. We work in all sectors, ranging from infrastructure all the way to urban development, energy and water. Within our range of expertise, we aim for European leadership in five Group growth activities: Energy, Highways & Roads, Light Rail, Sustainable Buildings and Water.


Energy - Söderenergi (Sweden)

Energy
Our expertise in both conventional and bio power ranges from innovative, cutting edge Waste-to-Energy plants that generate power from refuse to shore-to-ship power supplies that reduce portside emissions and the processing of liquid biogas into fuel for heavy-goods vehicles.


Highways & Roads – A9 Autoroute (France)

Highways & Roads
Growing urbanisation is putting greater pressure on infrastructure. Mobility is key to economic growth and a sustainable infrastructure is indispensable. Grontmij has proven track record in the key Highways & Roads sector.


Light Rail – OV SAAL (the Netherlands)

Light Rail
Light Rail and tramways are increasingly the solution to moving increasing numbers of people through urban areas. This is an acknowledged area of expertise for Grontmij.


Sustainable Buildings – Ronesans (Turkey)

Sustainable Buildings
Grontmij has a growing reputation for continually pushing boundaries by embedding sustainable thinking and design in our projects. We apply the newest technology to reducing energy consumption in both new and existing buildings.


Water – STAR-FLOOD (Europe)

Water
We offer management and design services for water, wastewater treatment, industry and sustainable industrial processes. Grontmij is also recognised for its innovation in all areas of water management, such as coastal and flood protection.

See also www.grontmij.com > Services

Key figures

		2013	2012	2011	2010	2009
Revenue	€ 1,000					
Total revenue		763,403	890,001	933,508	841,298	799,800
Third-party project expenses		-132,509	-155,956	-183,884	-152,742	-169,925
Net revenue		**630,894**	**734,045**	**749,624**	**688,556**	**629,875**
Workforce (average)	FTE					
# own staff		6,685	7,968	8,250	8,537	6,882
# agency staff		312	396	422	401	367
Total		**6,997**	**8,364**	**8,672**	**8,938**	**7,249**
Workforce (at year-end)	FTE	6,826	8,193	8,587	8,552	7,105
Profitability						
Earnings before interest and income tax (EBIT)[1)]	€ 1,000	72	-6,137	-41,757	28,154	33,305
EBIT before result of equity accounted investees[1)]	€ 1,000	1,959	-7,224	-42,417	27,176	25,987
Amortisation	€ 1,000	5,333	7,483	8,835	7,146	7,660
Impairments of non-current and current assets	€ 1,000	12,505	1,002	28,374	-	-
Earnings before interest, income tax, amortisation and impairments (EBITA)[2)]	€ 1,000	17,910	2,348	-4,548	35,300	40,965
EBITA before result of equity accounted investees[2)]	€ 1,000	19,797	1,261	-5,208	34,322	32,977
Net cash from operating activities		9,404	-5,616	8,846	31,242	52,279
EBIT as percentage of total revenue	%	0.0	-0.7	-4.5	3.3	4.2
EBIT as percentage of net revenue	%	0.0	-0.8	-5.6	4.1	5.3
EBITA as percentage of total revenue	%	2.3	0.3	-0.5	4.2	5.0
EBITA as percentage of net revenue	%	2.8	0.3	-0.6	5.1	6.4
Result after income tax from continued operations[1)]	€ 1,000	-18,495	-28,534	-62,852	13,844	20,409
Result after income tax from continued operations as percentage of total revenue	%	-2.4	-3.2	-6.7	1.6	2.6
Result after income tax from continued operations as percentage of net revenue	%	-2.9	-3.9	-8.4	2.0	3.2
Result per employee	€	-2,643	-3,412	-7,248	1,549	2,816
Shares						
Shares in issue at year-end		63,967,500	63,967,500	21,322,500	20,825,724	17,764,920
Shares in issue, average		63,967,500	46,606,557	21,105,795	19,427,047	17,764,920
Earnings per share	€	-0.23	-0.61	-2.98	0.70	1.14
Dividend per share	€	-	-	-	0.50	1.00
Payout ratio	%	-	-	-	61	88
Highest price per share	€	3.80	3.50	17.20	17.60	19.56
Lowest price per share	€	2.88	2.20	4.42	13.10	13.25
Closing price per share	€	3.60	2.86	5.23	17.30	16.90
Year-end balance sheet						
Total equity	€ 1,000	116,074	128,961	90,853	157,801	167,830
Total assets	€ 1,000	581,842	730,241	746,190	891,283	596,179
Intangible assets and goodwill	€ 1,000	166,895	223,178	228,809	259,027	199,523
Loans and borrowings plus bank overdraft	€ 1,000	100,045	164,554	222,265	260,228	104,592

1) In 2013 including € 13.3 million of non-recurring costs of which € 12.5 million impairments (2012: € 26,1 million of which € 1.0 million impairments, 2011 € 61.0 million of which € 28.4 million impairments, 2010 € 1.8 million).

2) In 2013 including € 0.8 million of non-recurring costs (2012 € 25.1 million, 2011: € 32.6 million, 2010: € 1.8 million).

Note: Comparable key figures for the years 2009-2012 have not been restated for changes in accounting policies. Furthermore, comparable key figures have not been restated for discontinued operations (sale of Trett Consulting in 2012 and sale of the French Monitoring & Testing business in 2013).

Message from the CEO

Two years ago we set sail to get Grontmij back on track. Since then a lot of work has been done, and we have achieved progress and improvements in many different ways. In this Annual Report you will find more detail on a variety of aspects of our journey.

Our performance in 2013 illustrates Grontmij is gradually progressing on the way to full recovery. We delivered excellent services to many existing and new clients and recorded a number of inspiring project wins in our Group Growth Segments. Grontmij has the ambition to grow in the years to come, and the five Group Growth Segments – Energy, Highways & Roads, Light Rail, Sustainable Buildings and Water – play a pivotal role in our strategy and our targets.

The Group Growth Segments facilitate and stimulate the international collaboration within Grontmij, which is gaining momentum. To mention a few examples: our energy teams from Denmark and Sweden will perform in a joint operation the transition from fossil to bio-fuel at a plant in the Nordics.
A Dutch-designed nitrogen removal system will be installed at wastewater facilities in Belgian and UK water utilities. The design, build and maintenance of the A11 in Belgium will be done by a Belgian and Dutch team. And our people in Turkey team-up with the colleagues in the UK for a sustainable new building and the successful Polish-German collaboration is ongoing on pioneering large scale energy projects in Poland.

'It is all about people'

In everything we do, the expertise and spirit of our people are crucial in making things happen. What makes the people of Grontmij stand out is expressed in our three core values: engaged, collaborative and reliable. Being engaged means we really identify with our clients needs. Being collaborative means we work together, and we do so in a local, regional, national and international setting. Being reliable means we deliver on our promises, on time and on budget.
At Grontmij we all try to live these core values and translate them in to our day to day behaviour and decision making. This sets the people of Grontmij apart. I am impressed by the display of energy, engagement and collaborative spirit of our people, and would like to thank them for what they have accomplished last year.

'Financially we are going in the right direction'

2013 was a year of ups and also some downs. On the positive, we were able to significantly reduce our net debt during the year. And with our successful trade working capital programme we outperformed the target set for year-end. Grontmij has made great strides in realising cost savings over the last two years. Looking at the financials, we also had to acknowledge our operational results are improving slowly and do not yet meet our internal expectations. The developments in some of our European markets, especially in France and the Netherlands, have put pressure on our overall Group performance. We have said right from the beginning, back in 2012, that there is no easy solution or quick fix available to Grontmij, but after two years we also see a need to accelerate and adjust our plans to be able to reach our long-term goals.

'Moving forward, we need to step up a gear'

To get really back on track and deliver on our promise Grontmij has announced a rebalanced strategy for the period 2014-2016. An important part of our rebalanced approach is a new restructuring programme for 2014. This can be considered an additional wave, after the restructuring we have announced and successfully completed in 2012-2013. The need to implement an additional round of restructuring is in itself unfortunate, especially for those of our employees who are directly involved, but the circumstances in some of our markets leave us no other choice.

The management of Grontmij is committed to executing this additional restructuring programme with the least possible impact on our day-to-day operations and our employees. Furthermore, as part of the restructuring, we will go on with our earlier announced programme of selected divestments and also take a closer look at our portfolio of operations and activities. Every decision we make is aimed at making Grontmij a stronger and more successful European consulting and engineering company, with more integrated operations to better serve our clients and to become financially healthy again as a Group.

The financial framework to execute all the steps necessary and unlock the true potential of our abilities is an important precondition to succeed. Early in 2014 we reached agreements on the refinancing of Grontmij. In close consultation with our major shareholders and the banks we have put in place additional equity and amended financing arrangements, providing the Group with a stable and sustainable platform to build on.

It is good to know our financial framework is now tailored to our specific needs and the meaningful seasonal patterns of our operations. The strong belief of our shareholders in the core activities of Grontmij, our market positions and our strategy, made them react positively to a request to provide an important

Michiel Jaski
Chief Executive Officer

extra amount of equity. We highly appreciate the trust of our shareholders. This, together with the support of the banks and more flexible covenants, is a strong vote of confidence in Grontmij.

'Grontmij can face the future with confidence'

The European marketplace is dynamic and will probably continue to be challenging at places. Grontmij expects more and more clients will focus on state of the art international expertise, quality of service and solid partners to work with. Grontmij is offering exactly that. We look forward to fully focus on our operations, improve our operational excellence and serve our clients even better in the years ahead.

In doing all that, Grontmij remains committed to its long-term strategic targets as described on page 20. Grontmij needs profitable growth, reasonable market circumstances in its European home markets and excellence in execution to be able to meet these targets. Excellence in execution means that Grontmij successfully implements the additional restructuring programme in 2014, and starts to yield the financial benefits from 2014 onwards from the extensive operational excellence programme. Grontmij aims to consistently outperform its markets, especially in the Group Growth Segments, by providing state of the art services to clients. By focussing on our customers, engaging our people and delivering outstanding service, we will be able to improve our performance and provide shareholders with good returns in a sustainable manner. Based on these ingredients and supported by profitable growth, Grontmij faces the future with confidence.

De Bilt, 25 February 2014
Michiel Jaski

Poland – Flood protection on the Odra

© Grontmij

Grontmij protects 2.5 million inhabitants from frequent catastrophic flooding by the Odra river around Wroclaw.

Wroclaw Flood System

The navigable Odra (or Oder) River stretches for almost 750 kilometres right through Poland. But the river is also the cause of frequent catastrophic flooding, most recently in 2010. Grontmij is the designer and consulting engineer on a massive project centred around the city of Wroclaw that will protect an estimated 2.5 million inhabitants. We are modernising and improving the existing floodway system that will reduce the Odra's peak flow. The project is cross-regional and will positively impact the whole country.

Information for our shareholders

Transparent communication is key to Grontmij's relations with shareholders and other stakeholders. Our aim is transparent communications based on detailed, clear and timely information to existing and potential shareholders, financial analysts and the media. We pursue an active dialogue with the market and operate an open-door policy for questions from all stakeholders.

This section provides more insight into the development and performance of the Grontmij share, our IR policy and activities in 2013, and information on our dividend policy and shareholders.

The Grontmij share

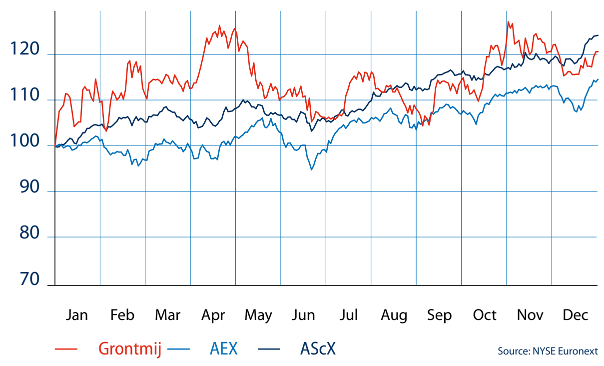
Grontmij's authorised capital consists of 70 million ordinary shares with a nominal value of € 0.25 each and 70 million preference shares with a nominal value of € 0.25 each.

As of 31 December 2013, 63,967,500 ordinary shares were issued. No preference shares are issued. The ordinary shares in Grontmij are listed on NYSE Euronext in Amsterdam and are included in the Amsterdam Small Cap Index (AScX).

On 31 December 2013, Grontmij's market capitalisation amounted to almost € 230.3 million (€ 183 million per year-end 2012). There are no restrictions on the transfer of shares. No special controlling rights are attached to ordinary or preference shares.

Grontmij benchmarks movements in its share price against performance of the Euronext AEX and AScX indices. Through the reporting year, movements were as follows:

Indexed share price movement (100 on 2 January 2013)



New equity

The intention is to strengthen Grontmij's equity by € 40 million through a private placement with institutional investors of approximately six million ordinary shares. This will take place by means of an accelerated book build ('ABB') that is guaranteed by the six major shareholders at a floor price of € 3.20 (for full details of the transaction, please see the press release published on 26 February 2014) and a private placement of convertible cumulative preference shares ('Cumprefs') with three of the major shareholders. The Cumpref gross offer proceeds will be equal to € 40 million minus the ABB gross offer proceeds.

The issuance of the Cumprefs requires approval by the General Meeting of Shareholders. Grontmij will convene an Extraordinary General Meeting of Shareholders (EGM) to be held on 11 April 2014. All major shareholders have committed to vote in favour of the required approval. The ABB is expected to be launched simultaneously with the publication of the full-year results on 26 February 2014. The issuance of the Cumprefs is intended to take place shortly after the approval of the EGM.

The nominal value of the Cumprefs will be € 0.25 and each Cumpref will carry one voting right. The issue price of Cumprefs is expected to be equal to the initial conversion price (being the issue price of ordinary shares to be established in the ABB plus the initial conversion premium of 5%). The conversion premium will be reset every five years after the issue date. Cumpref holders may not convert their Cumprefs into ordinary shares for 12 months after the issue date except in case of a change of control. Market standard anti-dilution provisions apply and upon conversion Grontmij has the option to settle in cash. The initial yield of the Cumprefs is 2%, and is derived from the 5-years Interest Rate Swap (IRS) plus a credit spread and minus option value. The yield will be reset every five years after the issue date. Grontmij has a right to repurchase the Cumprefs at market value five years after the issue date. The entitlement to dividend on the Cumprefs is described in our dividend policy. The Cumprefs are transferable (subject to approval by the Company) but will not be listed. No prospectus will be published in connection with the issue of the Cumprefs. Details in respect to the Cumprefs will be made available with the convocation of the EGM (expected after the close of the ABB).

Through the reporting year, movements in share price were as follows:

Share price 02/01/2013	€ 2.889	
Highest closing	€ 3.795	30/10/2013
Average closing	€ 3.410	
Lowest closing	€ 2.980	02/01/2013
Share price 31/12/2013	€ 3.600	
Average number traded	105.615	
Market capitalisation year-end	230.3 million	
Outstanding nr. shares	**63,967,500**	

Investor Relations (IR) policy

Grontmij has a clear policy in place for providing accurate and timely information to our (potential) shareholders. Our goal is to provide equal access to all relevant financial and non-financial information, aimed especially at keeping our shareholders informed. We regularly publish information on financial results, strategy and developments within the Group, also through our annual report. We webcast important events, such as the Annual General Meeting of Shareholders and analyst meetings, via our corporate website, www.grontmij.com. Press releases and our website are key sources of communication with the financial community. In our bilateral contacts with (potential) shareholders we take into account a number of guidelines:

- price-sensitive information is disseminated in line with applicable laws and regulations via press releases. Anyone may subscribe to such press releases by registering via the Grontmij corporate website, www.grontmij.com;
- Grontmij's contact with investors and sell-side analysts will at all times be conducted in compliance with applicable rules and regulations, in particular those concerning disclosure, price-sensitive information and equal treatment;
- response to (draft) analyst reports and/or (third-party) publications is only provided by reference to public information and published guidance. Comments on these reports are given only in relation to incorrect factual information.

Closed periods

Closed periods are the periods prior to the publication of our financial results during which in principle no meetings or direct consultations will be held with and no presentations will be given to financial analysts and investors (institutional or otherwise), unless such communication relates to factual clarifications of previously disclosed information. For more information on closed periods: www.grontmij.com > Investor Relations > Shareholder Information.

Activities

Members of the Executive Board and Investor Relations organise regular meetings with current and potential investors around Europe through roadshows and investor conferences. Grontmij holds one-on-one meetings with the press after each quarterly publication. Following the publication of the annual and interim results, Grontmij also conducts a meeting with financial analysts. The first and third quarter results are presented during an analysts' telephone conference followed by an analyst Q&A. All sessions can be followed live via the Company's website through an audio webcast. The information presented at these meetings is published upfront on the Company's website and available the morning of publication. In line with IR policy and in addition to the regular meetings with shareholders, we aim for a proactive approach to responding to questions.

Listing and indices

Grontmij N.V. is publicly listed on NYSE Euronext in Amsterdam (ticker symbol GRONT), where shares are traded on the smallcap index (AScX).

Substantial holding interests

Based on information included at 31 December 2013 in the 'notifications substantial holdings' public database that is maintained by the Dutch Financial Markets Authority, the following shareholders have a substantial holding, i.e. an interest of 5% or more, in the share capital of Grontmij:

- Delta Lloyd Deelnemingen Fonds N.V.
- Delta Lloyd Levensverzekering N.V.
- ING Investment Management N.V.
- RWC European Focus Fund
- Kempen Oranje Participaties N.V.
- Optiverder B.V.
- Darlin N.V.

Dividend policy

Our dividend policy was last discussed at the Annual General Meeting of Shareholders on 23 May 2013. The policy needs amendment as a consequence and as per the introduction of convertible cumulative finance preference shares, as proposed and described in the agenda and the notes thereto for the Extraordinary General Meeting to be held on 11 April 2014. That is, that the targeted cash dividend pay-out ratio and the intended distribution to shareholders concern ordinary shareholders only.

Grontmij will explain at the Extraordinary General Meeting of Shareholders a dividend policy with a target cash dividend pay-out ratio to ordinary shareholders of 35%-50% of the net income after tax as long as the net debt/EBITDA ratio is below 2.0x for two consecutive quarters before the quarter in which the dividend proposal is decided upon and expected to remain below this level as a consequence of the dividend payment. In addition, the Company intends to make distributions to its ordinary shareholders to a level of € 30 million in total, provided this allows the Company to stay below a net debt/EBITDA ratio of 1.5x, including the cash impact of this distribution.

Moreover, in accordance with Grontmij's Articles of Association, profit distributions may not exceed the distributable part of the shareholders' equity; if in any year losses are incurred no dividend shall be paid out for that year. In subsequent years, too, payment of dividend can only take place when the loss has been cleared by profits, unless it is resolved to offset the loss against the distributable part of the equity or to pay dividend from the distributable part of the equity. In addition, in accordance with the Articles of Association, if amended following a resolution to that effect from the Extraordinary General Meeting of Shareholders, profit distribution can be made to ordinary shareholders only after the profit distributions to which the protective preference shareholders (if any) and finance preference shareholders are entitled have been made in full. Payment of dividend to finance preference shareholders can be made as long as the net debt/EBITDA ratio is below 2.0x for two consecutive quarters before the quarter in which the dividend proposal is decided upon and expected to remain below this level as a consequence of the dividend payment.

Dividend 2013

The company will not pay dividend over the year 2013 due to the net loss incurred.

Financial Calendar 2014

Date	Event
26 February 2014	Publication annual results 2013 Analyst meeting (audio webcasted)
11 April 2014	Extraordinary General Meeting of Shareholders (audio webcasted)
30 April 2014	Publication Q1 2014 results Analyst conference call (audio webcasted)
13 May 2014	Annual General Meeting of Shareholders (audio webcasted)
4 August 2014	Publication interim results 2014 Analyst meeting (audio webcasted)
30 October 2014	Publication Q3 2014 Results Analyst conference call (audio webcasted)

Dates for 2015 will be published on our website:
www.grontmij.com > Investor Relations > Financial calendar

Executive Board

From left to right: *Frits Vervoort, Michiel Jaski and Suzan van Nieuwkuyk.*

Michiel Jaski (1959)
Chief Executive Officer

Nationality
Dutch
Appointed
2012
Most important previous positions
Member of the Executive Board of Arcadis N.V.
Global Vice President Polyesters of Shell Chemicals Ltd.
Project leader Philips UK & Philips Belgium
Other positions
Member of the Board of Toekomstbeeld der Techniek Foundation
Member of the Advisory Board of Het Nationale Park de Hoge Veluwe Foundation
Member of the Supervisory Board of Synbra Holding B.V.

Frits Vervoort (1962)
Chief Financial Officer

Nationality
Dutch
Appointed
2012
Most important previous positions
Chief Financial Officer and Member of the Executive Board of Vedior N.V.
Partner CFO Services at Deloitte Consulting
Controller at Vendex International N.V.

Suzan van Nieuwkuyk (1964)
Company Secretary

Nationality
Dutch
Appointed
2008
Most important previous positions
Corporate secretary and Head of Legal at Rodamco Europe N.V.
Tax lawyer Loyens Loeff
Other positions
Member of the Board of Casa Academica Foundation

Until he stepped down on 15 June 2013, Mr Gert Dral was a member of the Executive Board.

The remuneration of the Executive Board is described on page 151.

UK – Outstanding BREEAM rating

© John Sturrock

Grontmij targeted ambitious sustainability, energy & innovative solutions for 13-storey Five Pancras Square with BREEAM certificate.

Pancras Square

Five Pancras Square not only earned a BREEAM Outstanding rating, but also achieved first place in the 'Other buildings' category for the 2013 BREEAM Awards. Grontmij was part of this project from the start. We developed the detailed client brief, setting ambitious sustainability and energy efficiency targets and innovative solutions to meet the client's goals.

Then we designed a number of environmental features for the 13-storey building, such as exposed thermal mass, optimisation of daylight factors across the occupied floor plate and solar shading for the building.

As the BREEAM certification proves, it is set to become a blueprint for a highly sustainable building in London.

Our Strategy

From the beginning of 2012, Grontmij has been implementing and pursuing the 'Back on Track' strategy. The strategy is based on two pillars: restructuring and realising profitable growth. In 2013, we made sound progress on both strategic pillars. We have reduced costs, divested non-core business and improved our operations. Our strategy to claim leadership in a cluster of major market segments in Europe, Grontmij's Group Growth Segments, is progressing. In 2013, Grontmij rebalanced the 'Back on Track' strategy and will extend the strategy period to 2016. This is how we are implementing our strategy.

Our working environment

Grontmij is active and has proven expertise and track record in a broad range of sectors related to the built and natural environment. These sectors relate to some of the world's most pressing issues – the sustainable management of key resources such as water and energy, the creation and maintenance of mobility infrastructure and sustainable buildings. We work in these fields throughout individual markets in Europe and increasingly cross-border. The Netherlands, Denmark, Sweden, Belgium, France, the UK and Germany are our main operating countries. We are also active in Poland and are growing rapidly in Turkey on the back of significant project wins involving cross-border teams from around the Group. In 2013, we divested our operations in Hungary. Outside Europe, we operate in China and work on a project basis, primarily in Asia and Africa.

Market position

Both the public sector – national and regional – and private sector are major clients for Grontmij in all our operating countries. Our competitive position in most Grontmij markets is good. In the Netherlands, we are well represented in almost all of our activities. We are a leading player in Denmark in the majority of our sectors. Infrastructure and the process industry are our largest activities in Belgium where we also have a leading position. In Germany we have a strong position in energy and infrastructure. Urban planning and mobility, such as Highways & Roads and Light Rail, are major sectors for us in Sweden. In the UK we have a sound position in Water and increasingly in the comparatively buoyant Sustainable Buildings business; our competitive strength in other activities needs improvement. We continue to build significant presence in both Poland and Turkey.

The engineering market

In 2013, most European engineering and construction markets in which Grontmij operates saw yet another year of decline. The decline is visible in both the civil engineering market and in the buildings engineering market. According to Eurostat, declines in construction market volumes in Grontmij countries averaged around 2-3%, with the Dutch construction market seeing an even greater volume decline of 4-5%. Forecasts for 2014 indicate that GDP levels in most European countries are emerging from recession, however this has yet to translate into significant recovery in the engineering consultancy market. Market growth is expected to be limited in 2014. However, for 2015 onwards, the expectation is that the engineering consultancy market will follow its long-term, above-GDP growth trend. Longer term, the need for engineering services related to global themes such as resource scarcity, sustainability, climate change and urbanisation, will outperform general engineering market growth, both in and outside Europe. Grontmij's Group-wide leading expertise in these market areas is combined into our Group Growth Segments, position Grontmij for longer-term attractive market segments.

SWOT analysis of our market position

Strengths	**Weaknesses**
• Capabilities and market presence in Group Growth Segments: Energy, Highways & Roads, Light Rail, Sustainable Buildings and Water • Geographic focus with strong positions in most countries • Engaged and qualified people • Collaborative spirit • Brand value in Benelux • Loyal and value oriented shareholder base	• Low margins affected by overhead levels and project write downs • Exposure to Europe only • Performance of French operations
Opportunities	**Threats**

• Accelerate the 'One Grontmij' client and market focus, processes, brand presence and behaviours based on shared values
• Benefit from emerging economic recovery
• Benefit from long-term market trends in our Group Growth Segments
• Benefit from 'Back on Track':
  • Reduce costs levels
  • Improvement Operational Excellence
  • Portfolio optimisation
	• Speed of economic market recovery
	• Shortage of qualified talent
	• Commoditisation of (part of) our services, leading to margin erosions

The 'Back on Track' strategy

Our strategy is aimed at restructuring our business and realising profitable growth based on focus on Grontmij's Group Growth Segments (GGS) and growing domestic markets. We are restructuring our organisation so that we can reduce costs, optimise our portfolio and operate world-class processes across the Group. We grow our business by building our European presence and achieve market leadership in our cross-border GGS. During 2013, we pursued our restructuring plans vigorously, achieving those goals we had set for the reporting year.

Restructuring

Cost reductions

We successfully completed the cost-reduction programme defined in 2012, realising annual savings of € 28 million against a targeted € 24 million. These savings were achieved through the reduction of real-estate costs, IT and personnel and had a one-off cash out of € 15 million post inflation spread over the period 2012-2013 against a target of € 20 million.
In 2014, Grontmij will start an additional cost-reduction programme with an expected annual run rate saving of € 15 million to be achieved by 2016. The expected one-off cash costs during 2014-2016 are € 13 million.

OPEX at work

The efficiency of our operations impacts many areas of our business. As part of our 'Back on Track strategy, we have drawn on best practices throughout the Group to establish our Operational Excellence (OPEX) programme. This is a clear synergy emerging from our One Grontmij approach. By creating consistent processes and embedding them throughout Grontmij, we can reinforce our performance and predictability and the quality of the client experience.

This is the operational excellence process we successfully began implementing through the whole organisation in 2013:

In 2014, the focus will be on fully embedding the five processes in all our operating countries, making the OPEX programme a natural way of working for all employees. KPIs will be monitored and results of the first impacts of the OPEX programme are expected to be visible in both stimulated profitable growth and reduced costs, including a decline in project write downs. We will monitor the client experience and quality of delivery through regular client satisfaction surveys.

Working capital improvements

Grontmij reduced trade working capital to 14.2% of total revenue at the end of 2013, thereby exceeding the 15% target set in the 'Back on Track' strategy in 2013. Further trade working capital improvement initiatives will be taken targeting a trade working capital level of 13% of total revenue by 2016.

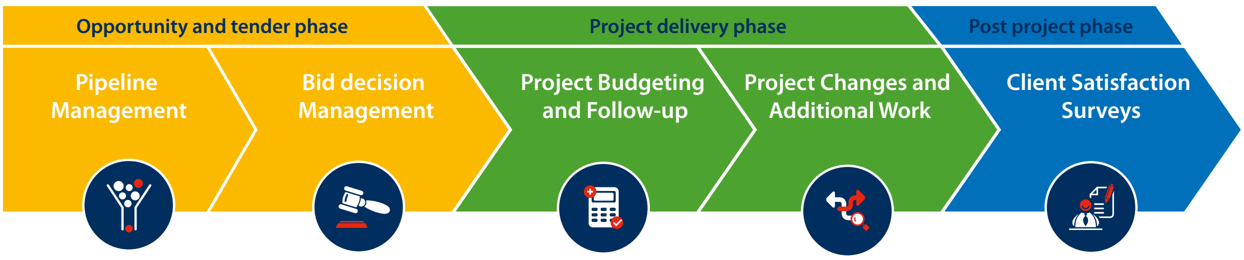
Portfolio optimisation

In the reporting year, Grontmij continued to optimise the business portfolio through selected divestments:

- in July 2013, the sale of the Naarderbos golf course was announced for a total consideration of € 5.8 million. Closing is delayed due to a delay on the buyer's side to raise funding. Grontmij is taking legal actions;
- in September 2013, the divestment of the French Monitoring & Testing activities (total revenue in 2012 around € 110 million) was completed for a total consideration of € 67 million;
- in December 2013, the Hungarian operations were sold to local management for an amount of nil;
- in December 2013, the Danish Marine engineering services were divested for an amount of € 2.3 million.

With the successfully completed divestments in 2013, the Company reduced its debt levels from € 113.1 million (continued operations) at year-end 2012 to € 54.1 million at year-end 2013. The increased operational focus will help Grontmij to accelerate the strategic path towards profitable growth.

OPEX at work



In 2014, Grontmij will continue to optimise the business portfolio:

- in 2014, considering all aspects, the strategy for the French engineering businesses will be reviewed. During this review the strategic options for the French activities will be assessed;
- the non-core assets identified in 2012, including remaining 'Blue-collar maintenance work and services', will be discontinued or sold. Non-core assets are part of a portfolio of assets identified in 2012 and their divestment is an ongoing process. Timing largely depends on market conditions, as these assets mainly relate to real-estate development projects.

Accelerate improvements the Netherlands

The Netherlands is an important market for Grontmij representing approximately 30% of Group total revenues. The Dutch consulting and engineering market has seen consecutive years of market decline resulting in tougher competition and increased price pressure. In 2013, Grontmij continued its journey to reposition the Dutch operations. A further reduction in offices, execution of cost reduction measures and the appointment of new management have delivered the first results. During the second half of 2013 a new strategy for Grontmij in the Netherlands was developed aimed at repositioning Grontmij in the Dutch market to deliver sustainable profitable growth levels. Focus in 2014 will be more closely on attractive client and market segments, optimisation of the services portfolio, whilst further professionalising the operations and reducing costs.

Achieving excellence in delivery

The excellence and efficiency of our operations to deliver quality to our clients is a key component in our efforts to create a firm foundation for realising profitable growth. The quality experience is further strengthened by the calibre of our personnel and our ability to field expert teams both nationally and cross-border. An important part of our strategy is to ensure we attract, retain and develop the best talent so that we meet strategic targets. In 2013, we focused on improving our leadership and talent development as part of making Grontmij One Great Workplace.

Realising profitable growth

Profitable growth will be realised by achieving market leadership in our selected Group Growth Segments and increased market share in Europe through greater positioning in our main markets.

Claiming market leadership in Group Growth Segments

As part of the 'Back on Track' strategy, Grontmij has selected five Group Growth Segments (GGS) to achieve profitable organic growth in Europe. The GGS were selected based on the combination of leading capabilities of Grontmij in longer-term globally attractive markets. The longer-term global themes will result in increased growth in engineering services. Relevant examples are:

- global resource scarcity provides opportunities for engineering services in Water and Energy;
- growing urbanisation will lead to ongoing demand for sustainable Water, Energy and integrated urban infrastructure (intermodal, road, light rail);
- continued demand for sustainable solutions will result in the need for sustainable buildings and sustainable cities;
- climate change will continue to increase demand for Water management, Energy and sustainability solutions.

The GGS combine Grontmij's leading capabilities and relationships delivered to national and cross-border clients and projects. In 2013, the GGS focus and One Grontmij approach have enabled us to win prestigious projects. Examples of these projects are the transition from fossil to bio-fuel at a plant in the Nordics delivered by Energy teams from Denmark and Sweden. The installation of a Dutch-designed nitrogen removal system from wastewater in Belgian and UK water utilities. The design, build and maintenance of the A11 in Belgium by a Belgian and Dutch team. Turkey is teaming-up with the UK on a sustainable new build and the ongoing Polish-German collaboration is pioneering energy projects in Poland.

In 2014 Grontmij will focus on the attractive market segments in which Grontmij has or can obtain leading positions.

- in *Energy* we will continue to grow our positions in bio- and waste energy and other plants, thermal energy conversion, grid infrastructure and district heating;
- in *Highways & Roads* we will grow our business by delivering an integrated approach in which we combine our project management skills with our international expertise in traffic management, 3D modelling, systems engineering and other innovative techniques;
- in *Light Rail* we will achieve profitable growth by delivering urban (multimodal) solutions including interface management, combining light rail strengths, urban development and sustainable energy use;
- in *Sustainable Buildings* we will continue to provide a multi-disciplinary full service approach throughout the lifecycle of the asset.;
- in the *Water* GGS this relates to water planning, treatment and safety, asset management, sewage networks and innovative technologies (including nutrient recovery).

Continue to position in Europe

Grontmij will focus on improving the position in its main European markets: the Netherlands, Denmark, Sweden, Belgium, France, UK, Germany, Poland and Turkey. Grontmij will further strengthen its position by pursuing organic growth opportunities and later by smaller strategic acquisitions (subject to Grontmij's financial policy). Part of the growth will come from our improved client relationships and the opportunity to win new assignments with existing clients.

Other activities outside the European home markets will be pursued in China or on a project basis within one of our five Group Growth Segments in Asia or Africa.

Financial goals

The slower than expected recovery of Grontmij's margins and the necessary additional restructuring in 2014 have led to an extension of the strategy period to 2016. Grontmij reconfirms the margin and revenue targets and sets a new target for trade working capital. The financial goals are:

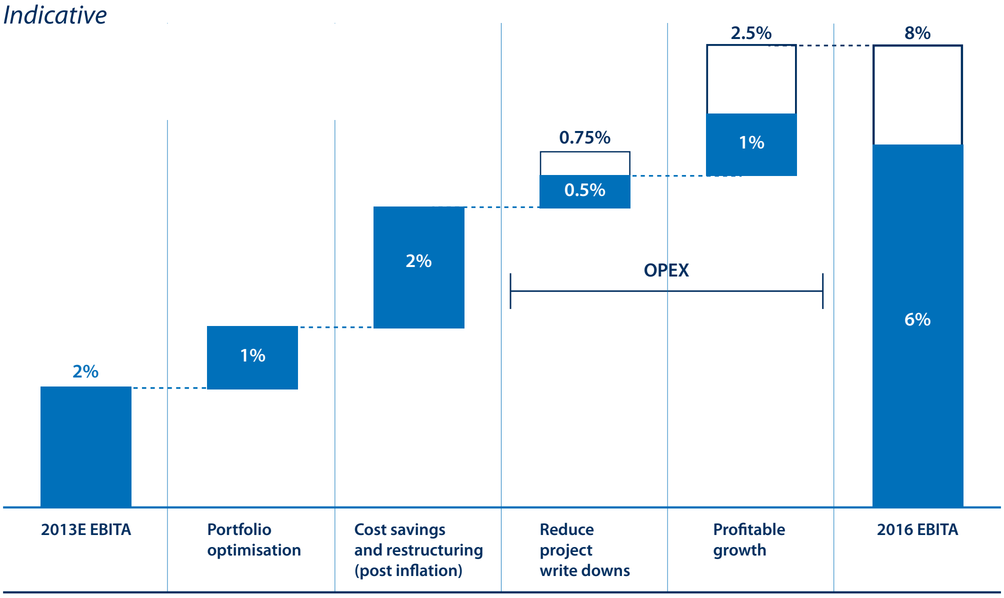
- target EBITA margin 6-8% on total revenue in 2016;
- target revenue 3-5% organic growth from 2015 onwards;
- target trade working capital ratio of maximum 13% of total revenue by the end of 2016.

The strategic initiatives in our rebalanced 'Back on Track' strategy will deliver the 6–8% EBITA levels by 2016. This improvement in EBITA margin will be realised through a combination of cost reductions (approximately 2%), targeted reduced project write downs driven by OPEX improvements (0.5–0.75%), portfolio optimisation (approximately 1%) and growth initiatives (approximately 1-2.5%) (see indicative EBITA margin bridge below).

Financial policy

Funding requirements will be fully covered by committed credit lines, primarily for working capital requirements. Potential future acquisitions, when and if appropriate, are to be funded from free cash flow. Grontmij is targeting a net debt/EBITDA ratio of 1.0–1.5x and an EBITDA that covers at least 8x interest expenses.

EBITA margin bridge - 2013 to 2016
Indicative



Belgium – Grontmij on fast track for IRMM



© Institute for Reference Materials and Measurements

Grontmij extends its presence on the IRMM site with more complex design and sustainable consultancy work© Institute for Reference Materials and Measurement.

Europe's Joint Research Centre accommodates seven institutes , include one in Geel, Belgium: the Institute for Reference Materials and Measurements - the IRMM. In recent years, Grontmij has worked closely with the IRMM. We started with an asset management assignment using Building Information Modelling systems to establish life-cycle requirements. Subsequently, Grontmij was awarded design and engineering projects. In parallel with the preliminary design of the new food safety and quality laboratory, we were brought in to consult on design of power specifications for IRMM's new energy building. The aim is to generate power through an on-site district heating system.

Financial performance

As announced in 2013 and as part of the 'Back on Track' strategy, the reporting year's main focus was on restructuring, realising profitable growth by improving operational processes and tools across the Group and reducing trade working capital. Furthermore, in September 2013 the divestment of the French Monitoring & Testing business was successfully completed, followed by a significant debt reduction. As in 2012, Grontmij faced difficult market and economic conditions in Europe. Total revenues declined 3% ending the year at € 763.4 million, while the operating result increased to € 0.1 million (2012: - € 16.2 million). EBITA excluding exceptional items was € 17.1 million (2012: € 15.6 million).

The key figures for the year 2013 related to the Group's consolidated income statement are further outlined in this section.

Reconciliation to non-IFRS measures

In millions of €	2013	2012
Operating result	0.1	-16.2
Add back amortisation	5.3	6.6
Add back impairments of non-current assets	12.5	1.0
EBITA	**17.9**	**-8.6**
Add back: exceptional items	-0.8	24.2
EBITA excluding exceptional items	**17.1**	**15.6**

Consolidated income statement

Revenue

In 2013, total revenue decreased organically by 3% to € 763.4 million (2012: € 789.6 million), due mainly to lower total revenues in the Netherlands (-5%) and France (-10%). Planning & Design decreased organically by 4%, primarily because of lower revenues in the Netherlands and France. Revenues for the Transportation & Mobility business line increased organically by 1%, mainly due to higher revenues in the UK. Water & Energy showed an organic decline of 2%, driven primarily by lower revenues in Sweden and the UK.

EBITA and EBITA margin, excluding exceptional items

As announced in 2012, certain costs and benefits will be reported as exceptional items if and when they meet certain criteria: costs for restructuring which are part of a formally approved restructuring plan, special items following a material change of accounting principles or results which are of an exceptional nature in relation to normal business activities and in general are more than 10% of the reported EBITA on a segment level.
The EBITA excluding exceptional items for 2013 is higher compared to 2012. EBITA excluding exceptional items was € 17.1 million in 2013 versus € 15.6 million in 2012, with an EBITA margin of 2.2% (2012: 2.0%). Higher results in the UK, Belgium and Other markets were offset by lower results in other Group countries, especially the Netherlands and Denmark. Market conditions remained challenging, especially in the Netherlands and France.

Exceptional items

At Group level, an exceptional gain of € 0.8 million was reported in 2013 compared to exceptional items of – € 24.2 million in 2012, when Grontmij incurred restructuring costs related to the 'Back on Track' strategy and costs related to the refinancing. For 2013, the exceptional items consist mainly of a positive exceptional item of € 3.0 million related to the release of a provision for legal claims in France and a € 1.6 million gain on the sale of the Danish Marine business, – € 1.5 million of write downs on real estate assets in Non-core and other unallocated, – € 0.8 million restructuring costs in the Netherlands and France, and – € 0.6 million loss on the sale of the Hungarian business.

Amortisation

Amortisation charges were € 5.3 million (2012: € 6.6 million).

Impairment losses

In 2013, an impairment loss of € 12.5 million has been recognised which is mainly related to an impairment on the goodwill of the French continued operations. In 2012, impairment losses of € 1.0 million were recognised, mainly in Sweden and in the Netherlands.

Net finance expenses

In 2013, the net finance expenses (€ 17.6 million) are higher than last year's expense (€ 16.3 million). Finance expenses in 2013 were impacted by the reclassification of the ineffective part of the fair value movements of the interest rate swaps, previously recorded in the hedging reserve, after the repayment of debt following the divestment of the French Monitoring & Testing business (€ 3.3 million). In addition, € 0.5 million of capitalised fees relating to the financing facilities were written off following the early repayment of debt after the divestment. In 2013 some waiver fees also affected the finance expenses (€ 0.3 million).

Income tax expenses

Income tax expenses for 2013 decreased to - € 1.0 million on a loss before tax of - € 17.5 million, compared to an income tax expense of - € 2.9 million on a loss before tax of - € 32.5 million last year. This mainly relates to a reduction in deferred tax liabilities relating to tax rate changes in the UK and Sweden, recognising deferred tax assets in the UK and a release of a tax provision, which benefits are partly offset by higher tax expenses in most of our operations due to higher profits compared to 2012 and a de-recognition of deferred tax assets in France in 2013 following the sale of the Monitoring & Testing activities. In 2013 and 2012 no deferred tax assets were recognised on the losses realised in the Netherlands and France.

Net result

Net result from continuing operations in 2013 was - € 18.5 million (2012: - € 35.4 million) mainly due to a higher operating result, increased interest costs and lower tax expenses. Net result from discontinued operations (net of income tax) was € 3.7 million in 2013 compared to € 3.9 million last year. Discontinued operations in 2013 relate to the net result of the French Monitoring & Testing business of € 6.3 million and - € 2.7 million result on the divestment. In 2012, the net result from discontinued operations consists of the net result of Trett Consulting in the UK of - € 3.0 million and € 6.9 million relates to the French Monitoring & Testing business.

Earnings per share

The shares in issue at the end of 2013 were unchanged and amounted to 63,967,500 (2012: 63,967,500). Earnings per share from continuing and discontinued operations for 2013 were - € 0.23 (2012: – € 0.67).

Trade working capital

Trade working capital decreased € 33.7 million to € 108.2 million compared to 2012 (€ 141.9 million). The decrease was partly due to the sale of the French Monitoring & Testing business (€ 23.2 million). Based on continued operations, trade working capital decreased from € 118.7 million to € 108.2 million. Trade working capital based on continued operations as % of total revenue was 14.2% compared to 15.0% in 2012.

Net debt and cash flow

Net debt at the end of 2013 decreased by € 62.2 million, from € 116.2 million at year-end 2012 to € 54.1 million. The main movement in net debt was the net proceeds from the sale of the French Monitoring & Testing business of € 59.0 million.
At 31 December 2013, the Leverage ratio was 2.1 (maximum level 3.00 at 31 December 2013) and the Interest coverage ratio was 3.2, (minimal level 3.00 at 31 December 2013). Both covenants are in the agreed ranges under the credit facility.

Net debt movement

In millions of €	FY 2013
Net debt (beginning of period)	**-116.2**
EBITDA	27.9
Change in net working capital	11.5
Movement in provisions	-15.7
Interest paid	-12.7
Taxes paid	-3.5
Capital expenditures	-10.7
Proceeds from sale of subsidiaries	59.0
Movement in net debt from discontinued operations	6.2
Other	0.2
Net debt movement	**62.2**
Net debt (end of period)	**-54.1**

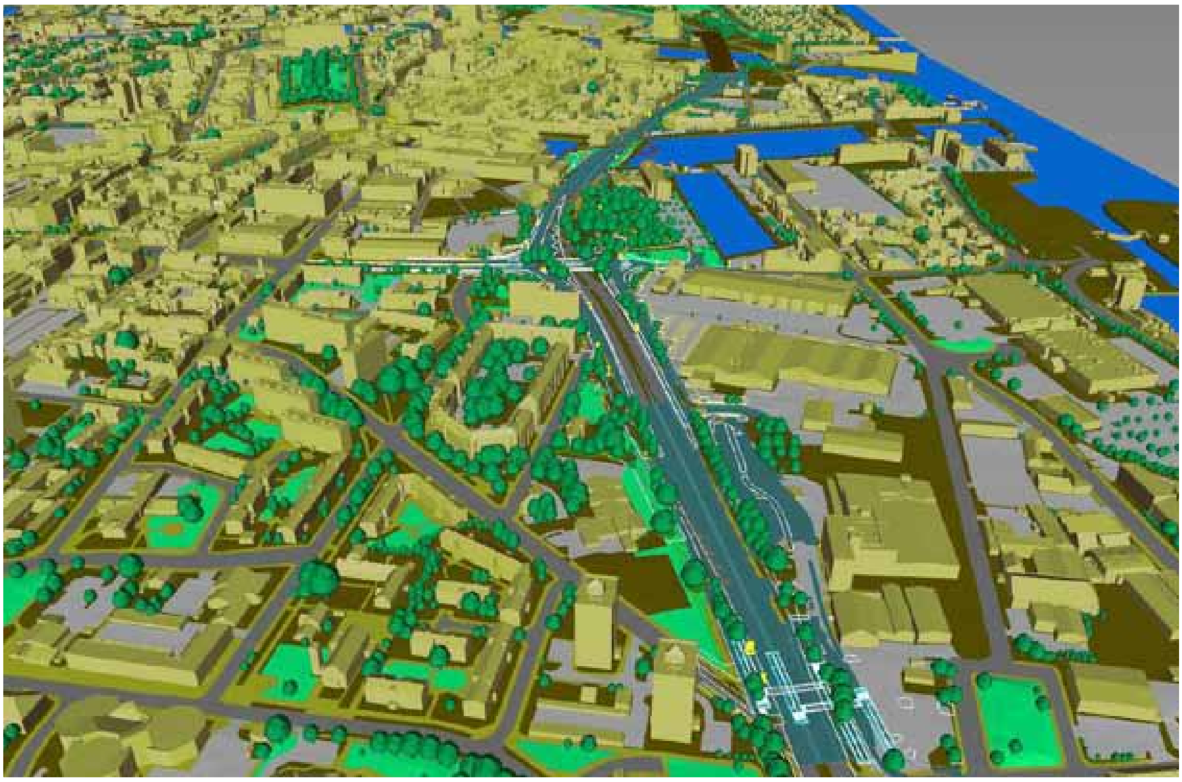
Refinancing 2014

During 2013 Grontmij started discussions with its major shareholders and lending banks to reach a sustainable capital structure going forward, providing sufficient liquidity to execute the Group's strategy and sufficient headroom within the financial covenants, taking also into account the seasonality in working capital and net debt. The flexibility and headroom to face the continuing challenging circumstances in the engineering market have been reached through a combination of equity and an amendment of the Credit Facility. The financial solution is also expected to provide financial stability to our business in France and allow Grontmij to settle intercompany relations following the divestment of the French Monitoring & Testing business.
All of the Major Shareholders committed on 25 February 2014 by means of a term sheet to irrevocably subscribe to the ordinary shares at an issue price of at least € 3.20. Some of the Major Shareholders also committed themselves to irrevocably subscribe to an issue of convertible cumulative preference shares (Cumprefs). Gross proceeds from the Cumprefs offer will be € 40 million minus the sub 10 Accelerated Book Building gross offer proceeds.
Grontmij and the lending banks signed a committed term sheet on 25 February 2014 which contains amendments in the current credit facility from 2012, amongst others an option for the Group to postpone the scheduled repayments in 2014 (in total € 15 million) towards the Maturity Date of the 2012 Credit Facility and a reset of the financial covenants.

Outlook 2014 and beyond

Grontmij remains committed to its long term strategic targets. Grontmij needs profitable growth, reasonable market circumstances in its European home markets and excellence in execution to be able to meet these targets. Excellence in execution means that Grontmij successfully implements the additional restructuring programme in 2014, continues to optimise the business portfolio and starts to yield the financial benefits from 2014 onwards from the extensive operational excellence programme. Grontmij aims to consistently outperform its markets, especially in the Group Growth Segments, by providing state of the art services to its clients. Based on these ingredients and supported by new financing and equity arrangements, Grontmij faces the future with confidence.

UK – High-profile project in Hull



Mott MacDonald Grontmij joint venture awarded design of more than 90 km road improvement A63 in the UK.

A63 Castle Street

The A63 in Hull is one of the busiest sections of road in the East Yorkshire region. It provides a major link between the city centre, M62 motorway, Humber Bridge and the Port of Hull. Grontmij and joint venture partner Mott MacDonald have been awarded a package of design tasks that include the creation of a split level junction, widening of the existing road boundaries and the placement of pedestrian and cycling facilities to ease congestion and improve access for all road users. It will require all of our expertise, as part of the A63 will remain open to traffic throughout the duration of the project.

Operating countries

Grontmij is one of Europe's leading consultancy and engineering groups. We provide consultancy, design & engineering and management services in a broad range of market sectors related to the built and natural environment. We work in all sectors, ranging from infrastructure all the way to urban development, energy and water. Within our range of expertise, we aim for European leadership in five Group growth activities: Energy, Highways & Roads, Light Rail, Sustainable Buildings and Water. Grontmij operates throughout Europe, combining local knowledge with the Group's international expertise. We also have a presence in China and work elsewhere in the world on a project basis. These are our main markets:

- the Netherlands
- Denmark
- Sweden
- Belgium
- France
- the United Kingdom
- Germany
- Other countries: Poland and Turkey
- Outside Europe, we operate in China and on a project basis in Asia and Africa.

The Netherlands – Engineering a modern railway track

© Grontmij

Grontmij's rail competences are brought in for 8 km railway track linking Schiphol Airport, Almere and Lelystad to OV SAAL.

OV Saal

The Amsterdam region includes the city itself, Schiphol Airport, and neighbouring Almere and Lelystad, or SAAL if you are talking about ProRail's ambitious project to create a railway track linking these key economic destinations. Grontmij is responsible for the integral rail design and consultancy of constructions, including a double track over an 8-kilometre section. This requires the construction of seven massive track-bearing earthworks and constructions, including adjustments to platforms in a number of stations. We are also managing the essential power and telecommunication systems and the testing and commission of railway signalling. It is a complex project but well within Grontmij's extensive rail competences, as the most recent extension to our initial contract shows.

The Netherlands

The number 3 player in the Dutch market, Grontmij in the Netherlands is seen as a solid and reliable partner that delivers quality and innovation to all areas of the natural and built environment. We have acknowledged expertise in all Grontmij's Group Growth Segments (GGS) as project wins in 2013 prove. The design and build win for the Maxima Bridge over the Old Rhine will apply the latest scrum techniques that enable smooth adjustments to rapidly-changing project requirements. The same applies for the new link between the A4 and A44 at Katwijk that will improve congestion issues. We are designing the transformation of the current wastewater treatment plant in Amersfoort to a more sustainable, efficient energy and fertilizer plant. In Energy, we are studying ways to lower the cost of offshore wind power by developing an innovative electricity infrastructure between multiple countries on the North Sea.

Market developments

The Netherlands' economy remains challenged at -1% growth in 2013 and a forecast 0.5% for 2014. Although it began to pull out of a lengthy recession in the final quarter of 2013 on the back of growing exports, ongoing government austerity measures and rising unemployment (8.4% in 2013, up from 6.4% in the previous year) continue to depress domestic confidence. Much depends on the housing market which is finally showing some signs of recovery after four years of negative growth. However, austerity and lack of confidence continue to impact the engineering and related consultancy sectors significantly. Competition is even more intense and pricing is under pressure. Order-book figures for construction, utilities, roads and civil engineering are still down on 2010/2011, demonstrating caution among clients in awarding contracts. Clients are coming to market with stricter procurement requirements and more legal issues in tendering. They are looking for best value in procurement and requiring more from prospective partners and suppliers. One example is a major Grontmij client, ProRail, the manager of the Netherlands' national rail network infrastructure. It has introduced the 'Safety ladder', a certification for suppliers that proves various levels of safety awareness. The 'safety ladder' is a requirement for project awards. Grontmij has earned safety ladder certification at level three.

What we are doing – accelerated improvements

The Netherlands is an important market for Grontmij generating approximately 30% of total Group revenues. The Dutch consulting and engineering market has seen consecutive years of market decline resulting in tougher competition and increased price pressure. Grontmij Netherlands has responded decisively to the prevailing market conditions. In 2013, Grontmij continued repositioning the Dutch operations. A further reduction in offices, execution of cost reduction measures and the appointment of new management have delivered the first results. During the second half of 2013 a new strategy for Grontmij Netherlands was developed aimed at repositioning of Grontmij in the Dutch market to deliver sustainable profitable growth levels. Dedicated segment working groups, such as energy and delta activities, have been set up to target and bid on specific projects. During 2013, we also fully aligned operations to the 'Back on Track' strategy. Our focus on Operational Excellence has become increasingly important as client requirements grow. Always recognised as client oriented, we have put in place greater client-centricity so that the whole Grontmij experience is an innovative and positive one, driven by quality in delivery. The employee component of Group strategy focuses on leadership and talent development. Our goal here is to have the right skills and competences available to our customers while stimulating our people to develop their professional abilities. The focus in 2014 will be to concentrate even more on attractive client and market segments, optimisation of the services portfolio, whilst further professionalising the operations and reducing costs.

Cross-border collaboration

Grontmij Netherlands has significant expertise in the Group Growth Segments and is therefore in demand for cooperation on projects in other countries. In Water, an acknowledged area of specialisation, we have again won a prestigious coastal protection project, this time in Jakarta, Indonesia. Closer to home, the Dutch team is collaborating with colleagues from other Grontmij operating companies on the European STAR-FLOOD protection programme. Highways experts partnered the winning Belgian team on the Oosterweel connection, the final section in the Antwerp Ring Road. The design, build and maintenance of a new link in Belgium's motorway network, the A11 at Bruges, was won by a joint Belgian-Dutch Grontmij team.

Financial performance

In 2013, market conditions in the Netherlands continued to be challenging. Total revenue organically decreased by 5.4% compared to last year. Despite restructuring efforts and stringent cost management, profitability was disappointing and significantly below internal expectations. The outlook for the Dutch market in 2014 remains unfavourable and necessitates capacity adjustments and further restructuring measures. The new strategy that was developed in the second half of 2013, focussing on large projects and key clients, will be implemented in 2014, together with a programme to accelerate improvements in the Netherlands. The order book is stable in Transportation & Mobility, but declining in Planning & Design and Water & Energy.

€ million, unless otherwise indicated	FY 2013	FY 2012	% change	% organic growth
Total revenue	219.5	234.2	-6.3%	-5.4%
Net revenue	171.4	185.8	-7.8%	-7.0%
EBITA	4.2	4.3	-1.7%	-2.1%
EBITA margin	1.9%	1.8%		
Exceptional items	-0.7	-5.7		
EBITA excluding exceptional items	4.9	10.0	-51.3%	-51.4%
EBITA margin excluding exceptional items	2.2%	4.3%		
# employees (average FTE)	1,894	2,051	-7.6%	

As per 1 January 2013 the subsidiary Grontmij Vastgoedmanagement was transferred from Non-core and other unallocated to the Netherlands. Note that in 2013 additional management fees were charged by the Group amounting to € 0.6 million (included in EBITA).

Denmark – Computing Microsoft's sustainability needs

© Henning Larsen Architects

Grontmij takes on challenge to design sustainable features and systems for Microsoft domicile with low energy classification.

Domicile Microsoft

Global software giant Microsoft is moving to a new domicile in Denmark. And like its revolutionary products, it is bringing a pioneering approach to accommodating both employees and customers – an estimated 25,000 guests will be visiting every year. Microsoft will be bringing its 710 employees in Denmark together in the new building. For Grontmij, the challenge is designing sustainable features and systems such as electricity, ventilation and plumbing. The client wants a low energy classification so Grontmij will be bringing all its energy and sustainable buildings expertise to this prestigious project.

Denmark

With very high client ratings on professional competences and reliability on delivery, Grontmij is regarded as one of the leading engineering and consultancy firms in Denmark. We are recognised for our expertise in all of Grontmij's Group Growth Segments, with special focus on Water, Energy, Highways & Roads, (Light) Rail and Sustainable Buildings where our 'The Camel' project took the 2013 Architectural Award and received the first DGNB (Danish standard for sustainable building) certification.

Market developments

GDP forecasts for 2013 had been around 1.3%, up from -0.5% in the previous year. However, Denmark's economy grew by a disappointing 0.3% in 2013 although unemployment continues to fall steadily. More positive growth estimates for 2014 are stimulating some optimism and this could translate into increased private spending. The public sector remained the main source of projects, especially on (rail) infrastructure and the ongoing conversion from fossil to more sustainable fuels. Overall, there is still activity in the market for Transportation & Mobility, including Highways & Roads, Rail and Ports. The Energy market continued to grow, also on the back of political commitment to redressing climate change, improving resource efficiency and a series of EU directives and regulations. Despite a flat market within Planning & Design (Sustainable Buildings), Grontmij achieved some prestigious project wins in 2013, especially the design of the new Microsoft headquarters in Copenhagen. The Camel is a project where sustainable building meets energy and water. The client brief was clear – the building had to be self-sufficient on energy. By bringing together experts in all relevant disciplines, we went the extra mile on delivery. Solar power was used to achieve self-sufficiency but we also designed a geothermal system and thermo-active deck to heat the building and water for consumption. The public sector is gaining some momentum, with medium activity in residential, schools and culture and relatively good opportunities in health and facilities/life-cycle management.

What we are doing

In 2013, we completed extensions of the North Port of Copenhagen and of Gedser ferry terminal, both of which are among the largest port projects in Denmark for many years. Our expertise and competences also earned us the major port extension in Skagen, a project involving the detailed design of 600 metres of quay wall, a new port area, a 1,500 metre outer breakwater and new harbour basins. We will also be designing and building eight bridges on the Copenhagen to Ringsted high-speed rail link, this in addition to our work on exploration and upgrading of existing parts of the line with colleagues from the Netherlands. 3D modelling will form a key component in this project, an area where Grontmij has pioneering expertise in Europe. In a breakthrough development, we are now carrying out Environmental Impact Assessments for major industries in Denmark and will be handling the comprehensive noise measurements and advanced noise control consultancy for Copenhagen Metro Team. A highlight of 2013 was the award of a major contract by the City of Chittagong, Bangladesh where we are project managers and engineering consultants on the multi-million dollar water project focusing on the rehabilitation and strengthening of the current water supply system of the megacity of Dhaka. The five-year project - expected to finish in mid-2016 following a two-year project extension - will supply more than seven million people with safe and accessible water.

Cross-border collaboration

Grontmij Denmark is highly active in cross-border collaboration with other countries in the Group. With the Netherlands, the first DEMON, Grontmij's energy-saving nitrogen removal process from wastewater that converts outputs to nitrogen gas, was implemented at a treatment plant located in the South-Western part of the Danish Jutland peninsula. A significant number of water projects have been won with colleagues in Turkey. Grontmij Sweden has joined their competencies with Denmark for the country's largest biogas project to date.

Financial performance

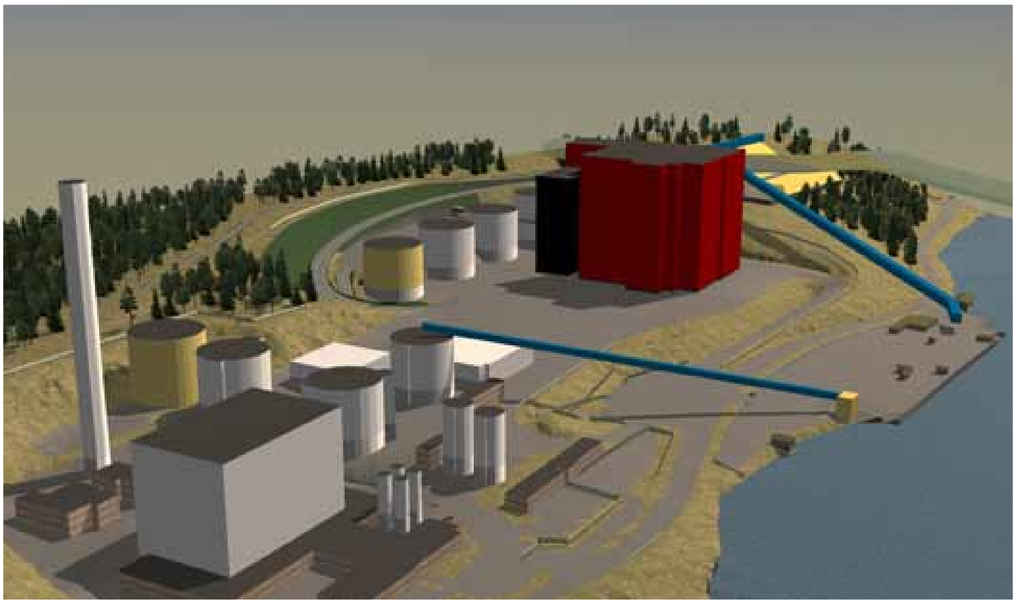
For Denmark, 2013 showed improvements compared to 2012. Total revenue was in line with last year, at € 144.5 million compared to € 145.4 million for the full-year 2012. Despite price pressure across all business lines and lower than expected results in larger healthcare projects, overall performance was satisfactory, supported by strong profitability in the fourth quarter.

The order book showed a modest decline. Market conditions remain challenging in Planning & Design. As part of the strategy to focus on our core consulting and engineering services, the Danish Marine business was divested in the fourth quarter. The book profit on the sale of the Marine business of € 1.6 million was reported as an exceptional item in the last quarter of the year.

€ million, unless otherwise indicated	FY 2013	FY 2012	% change	% organic growth
Total revenue	144.5	145.4	-0.7%	-0.4%
Net revenue	119.1	118.6	0.4%	0.6%
EBITA	6.9	5.5	23.9%	24.2%
EBITA margin	4.8%	3.8%		
Exceptional items	1.6	-0.7		
EBITA excluding exceptional items	5.3	6.2	-15.6%	-15.4%
EBITA margin excluding exceptional items	3.6%	4.3%		
# employees (average FTE)	1,133	1,161	-2.4%	

Note that in 2013 additional management fees were charged by the Group amounting to € 0.4 million (included in EBITA).

Sweden – Shipping news for biofuels



Grontmij makes Igelsta power plant greener with recycled wood delivered by water. Greener and with less air pollution!

söderenergi

The Igelsta heat and power plant in Sweden uses a combination of lorry-delivered wood chips and recycled wood to generate energy. It's a green process but Igelsta believes its production can be even greener. Grontmij is currently transforming the existing fuel logistics and management to a system with a greater share of recycled wood that is transported via harbours. The advantages? Water transport will reduce the environmental impact because less trucks mean less air pollution. Grontmij has put together a multidisciplinary team, bring in energy, logistics, infrastructural and civil engineers to help the client achieve its greener goals.

Sweden

With a leading position in four out of five Group Growth Segments, and clear market leadership in energy in southern Sweden, Grontmij ranks in the top 10 of engineering and consultancy firms in this country. Perceived by clients as both collaborative and able to successfully deliver multidisciplinary projects, Grontmij Sweden is deploying our strategic operational excellence (OPEX) programme to drive quality execution and financial performance. In 2013, we were able to achieve a number of prestigious project wins, including strategic support of the city of Malmö's goal of becoming the world's most sustainable city and the management of noise reduction project in buildings near Stockholm's Bromma airport for our client Swedavia.

Market developments

The economy in Sweden continues to be relatively healthy. GDP growth for 2013 was estimated at 1.1%, with forecasts for 2014 at 2.5%. However, unemployment continues to be a challenge at around 7.6% in 2013, although this was not quite as high as forecast for the reporting year (8%). In comparison with other European countries, Sweden's markets continue to be quite favourable. But we are also seeing clear pressure on prices in all segments. More and more clients are attempting to further control their costs by requiring fixed-price contracts, making the successful implementation of our Operational Excellence programme in 2013, with its focus on project changes and additional work, even more vital for profitable growth into the future. A further clear trend in the market is the emergence of more design & build assignments, especially in larger infrastructure projects. This is especially apparent in the Highways & Roads segment and to some extent in Light Rail, a shift that will affect the market in 2014.

What we are doing

After disappointing results in 2012, new management was put in place in January of 2013. In line with Group strategy, we are focusing on the Group Growth Segments. In Energy, the market is stable. Highways & Roads is a growing market for us driven by potentially extensive public-sector investment. The same applies to Light Rail. Sustainable Buildings is showing signs of slight growth also due to increased commitments to renovation and new builds of public buildings, such as schools and hospitals. Water also continues to be a promising segment for us, although we only have a small position in this segment. In light of market conditions and aligned with Group strategy, we have tailored our approach to growing revenue by putting in place one or two specific strategic initiatives for most segments. These initiatives are executed by dedicated teams with responsibility for success allocated to a management team member. For example, in our primary Power & Heat (energy) segment, we have a team working on expanding our current geographic positioning that historically was mainly focused on the southern part of Sweden. Now, we are targeting the Stockholm and Mälardalen areas where the bigger investments are expected in the coming years. This has already resulted in a highly gratifying extended framework agreement with client Fortum operating in the (sustainable) energy market in the Stockholm area.

Cross-border collaboration

As the feasibility of bringing together international expertise to bid for challenging assignments grows systematically, Grontmij Sweden was able to sign a number of cross-border contracts. In addition to the ongoing DONG biomass project with Grontmij Denmark, we joined forces with colleagues from the Netherlands to take on a pre-study of future technologies for water purification for the Stockholm Water Company.

Financial performance

After disappointing results in the first quarter of 2013, management changes were made in Sweden. The recovery plan to improve operational excellence, predictability and profitability has been diligently implemented throughout the year, resulting in a strong performance in the fourth quarter. Market conditions remain favourable, as indicated by the net revenue levels in line with last year. The order book is stable with an improvement in Planning & Design.

€ million, unless otherwise indicated	FY 2013	FY 2012	% change	% organic growth
Total revenue	99.0	100.5	-1.5%	-2.0%
Net revenue	83.7	83.1	0.8%	0.3%
EBITA	2.0	2.2	-12.4%	-12.9%
EBITA margin	2.0%	2.2%		
Exceptional items	-0.5	-0.3		
EBITA excluding exceptional items	2.5	2.5	-2.5%	-3.0%
EBITA margin excluding exceptional items	2.5%	2.5%		
# employees (average FTE)	702	731	-4.0%	

Note that in 2013 additional management fees were charged by the Group amounting to € 0.3 million (included in EBITA).

Belgium – Grontmij designs new A11

© Zwarts & Jansma Architecten

Grontmij brings in all disciplines in designing A11, the missing link in Flanders' motorway network: 55 km of new road infrastructure.

Motorway A11

The new A11 is one of the missing links in Flanders' motorway network. In 2013, a Belgian-Dutch Grontmij team carried out preliminary studies on this key 12-kilometre section of new road between Bruges and Knokke, generating plans and designs for Flanders' largest Design, Build, Finance and Maintain project. Now in the execution phase, Grontmij is overseeing this complex interdisciplinary assignment which involves our full range of expertise, from highway design through mobility, environmental impact, wastewater management, geotechnical components and earthworks over 55 kilometres of new road infrastructure. This phase of the project will continue for two years.

Belgium

Recognised as a major inter-disciplinary engineering and consultancy firm known for its expertise, Grontmij Belgium is the market leader in the Light Rail and Highways & Roads markets and is a top three player in Sustainable Buildings and in Industry, a segment specific to this market. We also have a strong position in the Water sector. Moreover, we are gradually building our reputation in Energy primarily through our high expertise and excellent customer experience, as evidenced by the award of a design & build framework contract for the regulator of Belgium's high-voltage network, Elia. We will be constructing, renovating and expanding substations for the client over a five-year period. Our overall position has led to a number of other prestigious project wins in 2013. These include the redevelopment of Bruges Central Station and a feasibility study for the A11 motorway.

Market developments

Although minor improvements are expected to the Belgian economy in 2014 (growth around 1.1%), 2013 remained challenging, especially on unemployment which is around 8.5%. All our market segments were characterised by price pressure and tough competition. One exception is the Highways & Roads segment where we saw an increase in Public-Private Partnerships, a shift that offered some stimulation to this market. The Flemish government has decided on a new 'missing link' programme, a package of infrastructure projects aimed at improving mobility to and in Flanders.

What we are doing

The ambitious missing-link infrastructure programme is a major opportunity for Grontmij. It has already resulted in the award of a feasibility study for the 'missing link' on the A11 between Bruges and Zeebrugge on the coast. We had already been able to win a key part of Brussels' Metro Nord programme that involves extending the subway system to the north of the city. Currently, we are carrying out a feasibility study on the project. In Sustainable Buildings, we are making real progress in the health-care and hospital sector, an area where the Group has major expertise. We have already started either project management or overall coordination of hospitals in Roeselare, Knokke and Eeklo and have taken on the project management and overall coordination. At the end of the reporting year, we signed up for a study on the renovation of two European Parliament office buildings. Both the Treves and Remard are high visibility buildings in Brussels. Another prestigious contract to generate solutions for sustainable life-cycle management came from the European Union's Institute for Reference Materials and Measurements (IRMM). We have undertaken a complex mapping exercise on its infrastructure, buildings, construction and (underground) installations. This will help IRMM better manage the facility's life-cycle using highly advanced and cost-efficient tools, include ground radar and laser scanning and a three-dimensional Building Information Model.

Like our colleagues around the Group, we have been engaged in the implementation of our strategy-based operational excellence, including the Client First programme. Although we enjoy a strong reputation in the market, our focus is further improvement of our clients' Grontmij experience. The opening of two new branches, in Brussels and Hasselt, is part of that experience and will enable us to better service a number of clients.

Cross-border collaboration

During 2013, we increased our cross-border collaboration with other Grontmij countries. We are cooperating with our French colleagues for tendering on the Grand Paris Metro Line project, specifically the Ligne Rouge component. The A11 project is another example of cross-border cooperation, this time with a team of Grontmij specialists in the Netherlands.

Financial performance

For Belgium, 2013 has been a year of strong performance: total revenue was in line with last year and profitability increased significantly on the back of stringent cost management and high productivity. Unfavourable phasing of projects during the year was compensated in the fourth quarter. Markets remain mixed, with Planning & Design weak throughout the year and the local public market for Transportation & Mobility being down, but expected to improve on a national level. The order book is stable, albeit at a high level in all business lines. Trade working capital in Belgium was reduced significantly during 2013.

€ million, unless otherwise indicated	FY 2013	FY 2012	% change	% organic growth
Total revenue	81.5	81.5	0.1%	0.1%
Net revenue	72.1	73.0	-1.2%	-1.2%
EBITA	4.8	3.2	48.6%	48.6%
EBITA margin	5.9%	4.0%		
Exceptional items	0.4	-0.3		
EBITA excluding exceptional items	4.4	3.5	24.8%	24.8%
EBITA margin excluding exceptional items	5.4%	4.3%		
# employees (average FTE)	769	821	-6.4%	

Note that in 2013 additional management fees were charged by the Group amounting to € 0.2 million (included in EBITA).

France – Grontmij drives A9 expansion

© Komenvoir

Grontmij puts road and rail expertise to work in widening the French A9, an autoroute with more than 110,000 vehicles per day.

Motorways expertise

Today, more than 110,000 vehicles use the A9 autoroute around the city of Montpellier and the number is growing every day. To ease congestion and improve access, the highway will be widened to accommodate additional lanes in both directions. It is a complex challenge for Grontmij's engineers, not only because traffic flows have to be maintained. The A9 also runs parallel to the High Speed Line close to the Nimes-Montpellier Bypass and to the Tarascon-Sete regular rail track and its 200 trains per day. It is the combination of expertise in road and rail projects that won this project for Grontmij.

France

In 2013, the non-core Monitoring & Testing business was successfully divested enabling full focus on building our position in Grontmij's Group Growth Segments. We have a strong position in Sustainable Buildings which has earned us a number of prestigious projects such as the technical design and consultancy on the new research facility for the Institute Mines-Telecom in Paris-Saclay.

Market developments

France's economic and business environment is tough. The economic crisis is ongoing and deep although there were some positive signs (+0.3%) in the final quarter of 2013. Unemployment is high at around 11% with little prospect of reduction in 2014. In addition to continuing austerity measures, upcoming elections in 2014 are also putting many (investment) decisions on hold. As a result, public spending is limited. Private confidence is equally challenged and there is little sign of recovery as political uncertainty continues. With no stimulation of public-private partnerships, and like elsewhere in Europe, the projects that do come to market are tending increasingly to be design & build contracts. However, urban transportation is still fairly buoyant with projects relating to the Grand Paris transportation master plan continuing to generate opportunities, although at a slower than anticipated pace. So-called 'smart grids' offer potential for growth and Grontmij is taking full advantage of our existing knowhow and the opportunities in this field – both the Orange and ErDF projects are smart-grid based.

What we are doing

Through the divestment of the Monitoring & Testing business, 2013 has been another year of transition for Grontmij France. The focus has been to channel efforts into winning high-profile projects that will further reinforce our position in this very competitive market. We are strong in high-tech sustainable buildings, such as research centres, hospitals and university campus facilities, and have been successful in winning significant contracts such as the Institute of Molecular Genetics at Montpellier University. In Highways & Roads, our expertise in autoroutes is confirmed by the contract to supervise the widening of the A9 motorway in the South of France. We also won framework contracts for geographical data management for both communications giant Orange and the national power distributor ErDF. In 2014, considering all aspects, the strategy for the French engineering businesses will be reviewed. During this review the strategic options for the French activities will be assessed.

Cross-border collaboration

Access to Grontmij's broad range of expertise is also supporting our growing reputation in specific market segments. Belgian colleagues are part of the bid teams on the Grand Paris transportation project.

Financial performance

In France, the year was marked by the successful divestment of the Monitoring & Testing business in the third quarter. The divestment process and the carve out have taken up considerable management time. Due to increasing adverse market conditions total revenue levels decreased by 10.4% to € 72.9 million (FY 2012: € 81.4 million). Performance in France is significantly below internal expectations, despite decent profit levels in some business units. The decline of the order book bottomed out during the second half of the year. The reported exceptional gain (€ 2.6 million) mainly relates to a release from a provision for legal claims.

€ million, unless otherwise indicated	FY 2013	FY 2012	% change	% organic growth
Total revenue	72.9	81.4	-10.4%	-10.4%
Net revenue	63.8	68.4	-6.7%	-6.7%
EBITA	-3.4	-13.0	73.8%	73.8%
EBITA margin	-4.7%	-16.0%		
Exceptional items	2.6	-6.8		
EBITA excluding exceptional items	-6.0	-6.2	3.7%	3.7%
EBITA margin excluding exceptional items	-8.2%	-7.6%		
# employees (average FTE)	797	837	-4.8%	

UK – Environmental upgrade

© Grontmij

Morgansindall Grontmij joint venture modernise Castleford plant which serves 60,000 local people to further improve environment.

Castleford plant

Yorkshire Water's Castleford plant, next to the River Aire, has been treating wastewater for over 100 years, serving close to 60,000 local people and businesses every day. In 2013, plans were announced to upgrade the treatment works to improve the water quality of the River Aire, which we undertook with our joint venture partner Morgan Sindall. It's a major opportunity to further improve the environment and also improve the water quality to support Yorkshire wildlife.

United Kingdom (UK)

Grontmij in the UK has a strong position in both the Water and Sustainable Buildings Group Growth Segments, ranking in the top 10 players. Real knowledge of these segments supported by systematic improvements in customer satisfaction are the drivers. During 2013, we have also been able to win a number of significant projects, including the new A6 access road to Manchester Airport (Highways & Roads) and several gas to grid projects (Energy) using an innovative process developed inhouse that injects Anaerobic Digestion gas into the main gas grid. And as AMP5 contracts wind down, the first of the new AMP6 contracts in the water sector has also been agreed with repeat client Yorkshire Water. Grontmij UK's M80 project to reduce traffic congestion and journey times between the Scottish cities of Glasgow and Stirling has taken the 2013 Saltire Society's civil engineering award.

Market developments

Growth signals have been positive from both the UK government and bodies such as the International Monetary Fund and unemployment was down (7.4%) to its lowest level since 2009, but real-term growth for the economy as a whole was flat in 2013. As a result, the market continues to drive risk into the supply chain and, as elsewhere in Europe, many clients are coming to market for design and build contracts. In the public sector, we are seeing some increased government investment in roads, as the construction of the new access road from the A6 to Manchester Airport demonstrates. But other segments remain challenging with the exception of a continued strong investment trend in London's commercial and residential building segment. This is a major area for Grontmij UK as we have proven and award-winning track record in this segment, including the highest BREEAM rating and first prize in the BREEAM 2013 awards for our 5 St Pancras Square renovation in London.

What we are doing

As part of the 'Back on Track' strategy, Grontmij UK has been fully engaged in implementing the OPEX programme. This is especially useful at this time as the Water industry's fifth 'Asset Management Plan' or AMP5 is ending and intense tendering for the next five-year Plan (AMP6) has already started. This is a key process for all UK engineering and consultancy firms working in the Water segment. For Grontmij UK, an even more streamlined bid and tendering process is proving highly efficient in this crucial phase of winning new contracts for the next five-year period (2015-2020). The Client First implementation is also generating real results for us. In 2013, our reputation as 'easy to do business with' grew significantly, powered by growing customer satisfaction; 93% (2012: 84%) of clients are satisfied or very satisfied with the Grontmij experience. By focusing on customer satisfaction and excellence in execution, we aim to further establish Grontmij as preferred partner for our clients.

Cross-border collaboration

Our growing ability to work cross-border with colleagues from around the Group is also reinforcing our reputation at home. UK consultants continue to work with Grontmij Sweden on the prestigious Stockholm Bypass. In Denmark, we are collaborating on offshore wind propositions and have joined with Danish, German and Dutch colleagues in a major bid for a UK utility company. At the end of the year, Grontmij Turkey was able to win a prestigious project in Sustainable Buildings for client Ronesans by bringing in UK expertise.

Financial performance

Performance in the UK in 2013 has been solid. Total revenue declined slightly, but due to the stringent execution of cost management and operational excellence, profitability improved by 48% to € 2.5 million (FY 2012: € 1.7 million). Grontmij's strong position in the UK buildings market in the London area helped performance in Planning & Design. In the Water market, the run-up to the AMP6 cycle (2015-2020) is taking off. With considerable tendering activity for new contracts both the pipeline and order book are expected to be affected in the coming two to three years.

€ million, unless otherwise indicated	FY 2013	FY 2012	% change	% organic growth
Total revenue	63.1	67.8	-7.1%	-2.7%
Net revenue	53.8	57.3	-6.1%	-1.7%
EBITA	2.5	1.3	89.6%	98.5%
EBITA margin	3.9%	1.9%		
Exceptional items	-0.1	-0.4		
EBITA excluding exceptional items	2.5	1.7	48.0%	55.0%
EBITA margin excluding exceptional items	4.0%	2.5%		
# employees (average FTE)	748	775	-3.5%	

Note that in 2013 additional management fees were charged by the Group amounting to € 0.2 million (included in EBITA).

Germany – Expanding public transport in Ulm

© Grontmij

Grontmij rail experts follow up to further extend Ulm line 2
(6 km of track + 13 stations) & integrate line into existing network.

Ulm line 2

Ulm is one of Germany's fastest growing regions. Aware that sustainable public transport is essential for successful on-going urbanisation, the city is systematically expanding and upgrading its light-rail lines. Grontmij has already designed and developed a light-rail line for the city. In 2013, we were invited to to further extend the network. This latest line will involve the construction of 6 kilometres of track and 13 stations. Our task is also to integrate the new line into the existing system and tackle issues such as noise and vibration pollution – all part of the expert delivery from Grontmij.

Germany

Perceived by clients as delivering high-quality services and solutions, Grontmij Germany ranks in the country's top five engineering and consultancy firms. We have a prominent position in two of Grontmij's Group Growth Segments – energy, including landfill technologies, and wastewater management. Grontmij Germany is increasingly a preferred supplier in the Light Rail segment, where our reputation as a national player with real local knowhow is also winning major projects for us. More and more, our expertise in Sustainable Buildings is being utilised in multidisciplinary projects. As aging road and rail infrastructure is more and more renovated and refurbished rather than newly built, we are able to combine our Highways & Roads and Light Rail experience with the knowhow we have in sustainability and environmental projects. Grontmij Germany is also strong in land consolidation.

Market developments

Compared to other European countries, Germany's economy is relatively stable and even favourable. According to the German Institute for Economic Research (DIW), economic growth in 2013 is under estimates at 0.4% but remains promising for 2014 at 1.6%. As positive growth, however weak, continues, unemployment remains a factor at a forecast 7% for 2014. The federal elections held in September 2013 were expected to result in decisions on major policies, especially energy where the systematic change from nuclear energy to renewable energies will have massive consequences on Germany´s energy landscape. However, at year-end no firm decisions had been taken and energy providers remain reluctant to make major investments in new power plants. This has led to some stagnation in the energy segment. In terms of demographics, there is a clear trend towards greater urbanisation. This has clear consequences for infrastructure, an area where Grontmij Germany has recognised expertise.

What we are doing

Like the rest of the Group, Grontmij in Germany has implemented the operational excellence programme that further focuses on our 'client first' approach to delivering quality. This also translates into identifying areas of our Group Growth Segments where we can add even more value for customers. In the Energy segment, we have developed a new consultancy service for clients looking to invest in large (inter)national projects. We bring our expertise in the sector to help potential investors make key decisions on (sustainable) opportunities. Grontmij Germany already has an excellent reputation in both the Highways & Roads and Light Rail segments, for example through the further development of the tram line in 2013, a project we began in 2011. Our top position was further reinforced in 2013 through the award of a prestigious prize for our bridges in Frankfurt-am-Main. The innovative design and functional esthetics of both the East Harbour and Honsell bridges were noted by the jury as winning components. In addition to the creation of solutions for new infrastructure, we are building on that reputation through an additional knowledge-based service: engineering inspection. This new service ties in with life cycle management over the longer term for infrastructure, helping our clients better manage and maintain their assets. In the Sustainable Buildings segment itself, we are aiming to grow organically in sourcing and supplying technical building equipment and services so that clients can benefit from one-stop shopping on the life cycle management of their buildings. Our role in refurbishment and renovation was confirmed through the award of the German Award for Urban Development for our work on the historic Koblenz Castle. We were responsible for the design and civil engineering work required to renew the castle's stairs to the Rhine.

Cross-border cooperation

Although challenging in Germany, the energy sector in neighbouring Poland offers opportunities to deploy our expertise in growth segments elsewhere. In 2013, a joint Grontmij Poland-Germany team again won a new project to build a Combined Cycle Gas Turbine in the Polish city of Grudziądz. With this project win, Grontmij Poland is now the recognized leader in this important segment in its home market.

Financial performance

The performance in Germany in 2013 was good with total revenue slightly above last year (€ 55.2 million versus € 54.2 million in 2012) and profitability in line with last year (€ 3.9 million versus € 4.0 million in 2012). Transportation & Mobility is gradually improving, while Planning & Design and Water & Energy performed according to expectations. Productivity is good, as expected, while the order book is stable, albeit at a high level in all business lines.

€ million, unless otherwise indicated	FY 2013	FY 2012	% change	% organic growth
Total revenue	55.2	54.1	2.1%	2.1%
Net revenue	47.8	46.4	3.1%	3.1%
EBITA	3.9	3.8	3.1%	3.1%
EBITA margin	7.1%	7.0%		
Exceptional items	-	-0.2		
EBITA excluding exceptional items	3.9	4.0	-3.2%	-3.2%
EBITA margin excluding exceptional items	7.1%	7.5%		
# employees (average FTE)	579	571	1.3%	

Note that in 2013 additional management fees were charged by the Group amounting to € 0.1 million (included in EBITA).

Turkey – Sustainable new build

© Ronesans

Grontmij wins great sustainable project from Ronesans for mechanical design & engineering of 230,000 m^2 multiuse complex.

Ronesans

Working in collaboration with colleagues from the UK, acknowledged and prize-winning experts in sustainable building, Grontmij Turkey won a prestigious contract in 2013. The project is a 230,000 m^2 multiuse complex. We have been asked to provide both the mechanical design and engineering, a first cooperation with new client Ronesans, one of Turkey's largest investors and contractors.

Other countries

Grontmij's activities in both Poland and Turkey are growing strongly. In Poland, we have climbed to market leader in a number of Group Growth Segments, specifically in BREEAM certification of Sustainable Buildings, river and water-way management, including flood protection, water and wastewater management, and waste to energy power plants. Our Turkish operation has achieved a top-three position in Water, also by winning the preparation of integrated water projects for 14 municipalities over a three-year period. This is a major recognition of our skill and expertise in the field. Outside Europe, we have operations in China and work on a project basis in Asia and Africa.

Developments in Poland

Again one of the better performers in the European Union (EU), Poland achieved 1.3% economic growth in 2013, with forecasts for 2014 at around 2.5%. Unemployment, however, remains high at 13%, and in comparative terms is above average for the EU as a whole. The reporting year was challenging for the engineering and consultancy sector primarily because 2013 marked the end of the EU's previous budget cycle. In Poland, there is high dependency on EU funding for public investments in all infrastructure, water and energy projects. With future funding in the upcoming budget cycle (2014-2020) uncertain during 2013, clients, both public and private, were more cautious in issuing tenders and committing to projects. In spite of this operating environment, Grontmij Poland was able to win a number of prestigious projects in all our Group Growth Segments. We have unquestionable leadership in BREEAM certification with 30% of the market for new builds and 80% of existing buildings. In 2013, we signed agreements for certification of Warsaw's historical Koszyki Market Hall and the Praga Koneser Center, a new building complex under the BREEAM Bespoke International Scheme. We continue to work on major water and energy projects with colleagues from around the Group. We have again won a major CCGT project with colleagues from Germany and Sweden, this time in Grudziądz for client Energa S.A. This in addition to the major waste-to-energy plant, Poland's largest, a joint Polish-German team is designing at Bialystok. A multi-country and multi-discipline Grontmij team is also involved the strengthening and redesigning European StarFlood risk practices. Grontmij Netherlands and Poland have also partnered on an extension to the major Wroclaw flood system project.

Developments in Turkey

With Turkey's Economy Ministry reporting real GDP growth at an impressive 3.5% for 2013, 4% forecast for 2014 and other key figures showing steady growth or remaining stable (unemployment remains at around 9.5%), the Turkish economy is faring much better than most of its European neighbours. The more positive economic environment means opportunities are available in our focus Group Growth Segments, particularly in Highways & Roads and Light Rail. The Turkish authorities have developed a €33 billion investment plan over the next 14 years, with a significant share earmarked for the construction of 10,000 kilometres of new high-speed lines and 4,000 kilometres of new conventional lines by 2023. In the Light Rail segment, new metro lines will become a feature of larger cities, such as Istanbul, Ankara and Izmir. With EU support, Turkey is already investing heavily in water supply and wastewater management as the country adopts EU standards on infrastructure. In Energy, growing urbanisation will require major growth in power supplies in the next 10 years. For Grontmij Turkey, all of these developments offer the chance to further deploy not only our local expertise but also knowhow from around the Group. Currently, around 70% of Grontmij Turkey's projects involve cross-border teams from Denmark, Germany, the UK, the Netherlands and Belgium. At the end of 2013, Grontmij Turkey was awarded a prestigious project by new client Ronesans, also by bringing in UK expertise in Sustainable Buildings.

Developments in China

Although the weakest growth in 14 years, China still managed to achieve GDP of around 7.6%. As in previous years, the building sector in China remains buoyant as the Chinese leadership aims to attract more and more people to the cities. According to the World Bank, some 350 million people will migrate from rural to urban areas by 2030. The Chinese leadership is determined to develop low-carbon cities for its urban citizens but failed to meet environmental targets in 2013. This poses a huge challenge for architects, urban planners, designers and engineers. This is the primary reason why to date Grontmij's main activities have focused on the market for Sustainable Buildings, urbanism and the design of business parks.

From our base in Wuhan, in 2013 we have been successful in winning a number of environment-related projects that match our Group Growth Segments. We are repurposing the large Jinkou landfill site near Wuhan. Local authorities aim to hold the 2015 National Garden Expo on the site and it is Grontmij's task to bring it up to exhibition requirement. With colleagues in Denmark, we are participating in the Europe/China Eco-cities link project that will support the improvement of China's urbanisation. The aim is to provide technical assistance and share experience on sustainable urbanisation, a key area of Grontmij expertise.

Financial performance

The reporting year, 2013, has been a year of strong performance in Other markets: total revenues increased 29.9% to € 23.6 million (FY 2012: € 18.2 million) and all three countries contributed positively on EBITA excluding exceptional items, resulting in an outcome of € 0.7 million (FY 2012 – € 1.1 million). In Poland, the restructuring measures taken and a good order book in 2013 resulted in an improved performance, while Turkey and China showed good growth figures. In the fourth quarter, the Hungarian business was sold.

€ million, unless otherwise indicated	FY 2013	FY 2012	% change	% organic growth
Total revenue	23.6	18.2	29.9%	33.2%
Net revenue	13.1	10.0	30.9%	35.0%
EBITA	0.7	-1.2	159.2%	160.8%
EBITA margin	2.9%	-6.4%		
Exceptional items	-	-0.1		
EBITA excluding exceptional items	0.7	-1.1	162.3%	163.9%
EBITA margin excluding exceptional items	2.9%	-6.1%		
# employees (average FTE)	296	280	5.7%	

Note that in 2013 additional management fees were charged by the Group amounting to € 0.1 million (included in EBITA).

Our business lines

Grontmij provides consultancy, design & engineering and management services in a broad range of sectors related to the built and natural environment. As the world becomes increasingly urban, there is greater pressure on our living environment. That is why we apply our 'sustainability by design' guiding principle to everything we do in places where people live, work, shop and spend their leisure time. Our work helps keep people and goods moving. We solve problems, design and engineer solutions and supervise or monitor their implementation – all from a sustainable perspective. Our consultancy and engineering business is organised into three business lines: Planning & Design, Transportation & Mobility and Water & Energy. Until mid-2013, a fourth business line, Monitoring & Testing in France, was included but was divested during the reporting year so that Grontmij France could concentrate on our core businesses. Within these business lines, we aim for European leadership in five Group Growth Segments: Energy, Highways & Roads, Light Rail, Sustainable Buildings and Water, where we already have a leading position in Europe.

Planning & Design

Activities relating to Planning & Design and encompassing our Sustainable Buildings growth segment represent 41% (2012: 42%) of our total revenue, making it our biggest business activity. We define Planning & Design as finding sustainable solutions for the built and the natural environment. Whether it is the sustainable renovation of an existing building or the design of a new hospital, all are Planning & Design. The natural environment is also our drawing board. Here we often work closely with colleagues from other disciplines within Grontmij. Sustainable Buildings is our Group Growth Segment within Planning & Design.

Sustainable Buildings

Grontmij has a growing reputation for continually pushing boundaries by embedding sustainable thinking and design in our projects, giving us a top 5 position in most markets where we operate. We apply the newest technology to reducing energy consumption in both new and existing buildings. A growing part of our business is the work we do on BREEAM certification for buildings. This environmental assessment methodology is recognised worldwide as a benchmark for sustainable building. Certification is carried out on existing and new buildings. Increasingly, owners also see certification as part of lifecycle management. We have now developed an additional tool that will enable owners to calculate a building's lifecycle costs, as demonstrated in the highest rated BREEAM certification for 5 St Pancras Square. This pioneering public centre has earned a BREEAM 'outstanding award', with the inspectors mentioning specifically low energy consumption that uses technology we also applied in the award-winning 7 More London Riverside. In line with our sustainable approach, 5 St Pancras Square was also commended for its robust lifecycle cost profile that will enable the better management of future costs. In Poland especially, where we are market leader, demand for BREEAM certification is growing strongly. Lifecycle management helps clients to take strategic decisions on when investment or maintenance is most useful in terms of value.

Cross-border collaboration

Grontmij is increasingly putting together international teams with specific expertise to submit joint tenders for large projects. Dutch and German colleagues joined the Danish team working on pioneering and highly sustainable hospital and health-care facilities. Grontmij Turkey has brought in UK expertise for the mechanical design and engineering of a new-build 230,000 m^2 multiuse complex for new client Ronesans. Belgium and the Netherlands are now working on two projects. One is for the IRRM facility in Geel, Belgium, where a Dutch Building Information Modelling team is cooperating with Belgian colleagues on asset management. In the Netherlands, a combined Dutch and Belgian team is working on an Engineering, Procurement and Construction Management project for major dairy processor, Friesland Campina.

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Planning & Design

ICT Centre Paris

Grontmij goes to Paris-Saclay campus to create the best 2.9 ha site for an international ICT centre.

Designing international ICT knowledge centre

Grontmij has won the technical design and consultancy of a prestigious, brand-new teaching and research facility on the Paris-Saclay campus in France. The client, the Institute Mines-Telecom, has ambitions to become an international knowledge centre for Information and Communications Technology (ICT). Our task is to help create the environment that will help the institute achieve that goal. We are tasked with the engineering and consultancy on all technical and infrastructure components of the 2.9-hectare new-build site, including roads and utility networks. Reducing water and energy consumption and managing waste are important objectives for the design and construction process. The building will use solar power for its energy needs.

Transportation & Mobility

Transportation is all about moving people, goods and other materials from A to B in the most efficient, environmentally sustainable way. And that is not just by road. People and goods move over-, above- and underground via highways, rail, water, tunnels, bridges and air. These transport flows have to be designed, planned and executed. In turn, Mobility works to manage these flows in more efficient ways. Within Transportation & Mobility, we have two Group Growth Segments: Highways & Roads and Light Rail. This business line currently represents 30% (2012: 29%) of total revenue.

Highways & Roads

Europe may still be challenged by tough economic conditions but infrastructure remains high on most national agendas. Mobility is key to economic growth and as many countries come out of recession, there is a practical need to support the recovery. This is evident from the projects Grontmij has been able to win in 2013 and potential projects in the pipeline. Our expertise in highway design and construction was recognised through the award of a prestigious project in the South of France. The widening of the A9 close to Montpellier will be designed and supervised by a Grontmij team. In the UK, we will be designing and overseeing the construction of a new access road to the A6 at Manchester Airport. Another major project is the upgrade of the busy A63 at Castle Street in Hull. This is a complex project as it involves one of the region's busiest sections of road. Currently a dual carriageway that runs through the heart of the city centre, the task is to create a solution that will ease congestion and facilitate access for all users. Traffic flows must be maintained throughout the life of the scheme – a challenge to management skills during the build but a discipline where Grontmij has significant track record.

Cross-border collaboration

Grontmij has proven track record in Highways & Roads on its various domestic markets as the projects awarded demonstrate. Increasingly, however, we are exporting and exchanging that knowhow, bringing together cross-border teams to tender for major infrastructural projects. In 2013, a Belgian-Dutch team joined forces to win the design, build and maintenance of a new link in Belgium's motorway network – the A11 at Bruges. There is already a sound working relationship between the two countries as a similar team won the high profile Oosterweel connection, the missing link in Antwerp's Ring Road. Swedish and UK experts are partnering on the Stockholm bypass project. It is wins like these that form the foundation for our further growth into a major local/international player in the essential Highways & Roads segment.

Light Rail

Demographic shifts are driving changes in urbanisation and increasing demand for efficient transportation systems to manage mobility. This translates into good market conditions for urban revitalisation policies and projects, especially in mobility programmes for major cities where light rail and tramways are fast becoming a key component in public transportation systems. Clear examples of this trend are significant expansion and modernisation on the Metro Nord in the Belgian capital, Brussels, Paris' metro and the new ringway in Stockholm, Sweden. Istanbul, where urban populations are growing rapidly, has commissioned two new lines for its existing rapid transit underground service. In Germany, extended tram networks are also easing congestion in inner cities and Denmark has initiated a number of new infrastructural projects. With extensive experience in the light-rail segment in all our markets, Grontmij has the potential to grow into a top 5-position Europe-wide. We are well positioned in this market where Grontmij is recognized for its integrated solutions. These combine technical knowhow and environmental management but specifically relate to managing complex projects in public spaces. Often, our operations take place in locations that continue in use while work is ongoing. This requires extensive skills in managing efficient execution in high-traffic areas. During 2013, Grontmij won a range of significant light-rail projects around Europe including the modernisation of the Poznan 357 suburban line and the design of the spectacular railway track in the Amsterdam region.

Cross-border collaboration

Many of our operating companies are leveraging the expertise and track record that Grontmij in the Netherlands has established in the light-rail sector, for example in the new rail configuration in the city of Delft. A top three player in both the Dutch and Belgian market segments, experts from the Netherlands are currently partnering with colleagues on a variety of projects in Belgium, France, Denmark and Sweden. In Turkey, a team comprising specialists from the local office, Belgium and France are engaged in Istanbul's underground extension. The fact Grontmij can field international teams with both strong local and cross-border rail expertise is increasingly making us a preferred partner in addressing urban mobility challenges.

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Transportation & Mobility

Railway Ringsted – Odense

Grontmij challenged to find best, most environmentally-friendly and fastest solutions to reduce train travel time for the Danes.

Denmark – reducing rail travel times

The Danish government aims to bring down train travel times on a number of key services. The plan is to secure one-hour travel times between the three biggest cities: Copenhagen, Odense and Aarhus. This will require us to identify those sections of track where speed can safely be increased, including potentially straightening current curves in the track or raising the height of bridges. The challenge is to find the best, most environmentally-friendly and fastest solutions to the new timetable.

Water & Energy

Our Water and Energy consultants are expert in every conceivable way of working with water and power. We design innovative plants to treat wastewater and create highly efficient waste plants to generate energy. Water & Energy also includes the 'Industry'-branch in our Belgian operation. In this activity, we design production and processing systems for chemical plants, refineries, the pharmaceutical and biotechnology sectors, the steel and food industries, power stations, water and other industrial companies – all according to our 'sustainability by design' principle. Both Water and Energy are Grontmij Group Growth Segments. In Water, we are a European market leader and in Energy one of the top players in the region. These activities combined account for 26% (2012: 26%) of our total revenue.

Water

Water is a truly global mega issue that will define our environment in the years to come. Depending on geography, either there is too much or too little water on a regional scale. In regions with water scarcity, urbanisation, population and economic growth are driving the demand even faster. In countries with adequate supply, water pollution and security are still major problems. Additionally, our climate is changing at a disturbingly high pace leaving behind droughts, heavy rains and rising water levels. From a European sectorial perspective, specific growth drivers for water are the European directives, new financial models, the professionalisation of the sector, asset management, energy efficiency, nutrient recovery and upgrading of water networks. Technology-driven resource efficiency and innovative solutions that make sustainability tangible are the main growth areas. Although the specific challenges the society faces differ from country to country, investments in water are widely perceived as essential. These are expected to increase by 4% per year in the years to come, with 80% coming from utility companies.

Cross-border collaboration

Grontmij is the acknowledged market leader in all sectors of the water industry in a number of our European operating countries, such as Denmark, the Netherlands and the UK. We are also delivering high-end water consultancy in Asia and Africa. This reputation and ability to deliver knowhow and quality led to the award of a number of prestigious projects in 2013, many of them cross-border. A Turkish-Danish team has won integrated water projects to provide infrastructure to 14 municipalities. Our UK team brought in Dutch SHARON specialists to support the first installation of this robust and cost-effective nitrogen removal system from wastewater for a major British utility client. SHARON was also implemented in Leuven, Belgium. We are currently carrying out a feasibility study on the reuse of treated wastewater in agriculture in Turkey.

Energy

Europe's energy market is in the process of change. The need for renewable and alternative energy supply has been acknowledged, with on- and offshore wind power or bioenergy offering real potential to replace fossil fuels. At the same time, the political and economic framework has become unstable. Potential incentives to invest in new power technologies are uncertain in the present climate. For example, the current significant subsidies offered by some European member states for shifts to alternative energy are unsecured into the future. Conventional power plants which have to secure sufficient supply and ensure peak delivery are not receiving essential remuneration for necessary reinvestments. There are delays in the adaption and improvement of grid systems to meet the needs of a changed generation landscape.

In spite of market conditions, Grontmij remains well positioned within the energy sector and is a leader in a number of key areas, such as waste to energy plants. We are seen as highly experienced and as a reliable partner in almost all energy sectors, including wind energy, conventional power plants and gas grid systems, but excluding nuclear. This reputation was acknowledged in 2013 through the award of major projects, such as our appointment as key consultant to Sweden's Malmö in its attempt to become the world's most sustainable city by 2020. This will involve an integrated climate neutral, environmentally friendly energy, transport and recycling system. In Germany, we are supporting our clients in the optimisation of district heating output from power plants and in the development of new plants.

Cross-border collaboration

Through the Group's accumulated expertise, we are increasingly able to bring together teams from around Europe with tailored expertise for specific projects. Examples of wins in 2013 include the due diligence on a phosphorus production plant using advanced technology by a joint German-Dutch team. Thirty consultants from Sweden and Denmark are working on the transition from fossil to bio-fuel for the major Nordic energy provider, DONG. In some countries, such as Poland and Turkey, there is a strong backlog demand for modernisation and renewal of energy production. Both Grontmij countries regularly make use of the expertise available around the Group to bid for and win projects. A clear example is Poland's leading position in the waste to energy segment based on collaboration with colleagues from Germany.

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Water & Energy

Jakarta - The Netherlands

Grontmij is proud of huge comprehensive plan to protect inhabitants of North Jakarta from sea water flooding.

Grontmij takes on flood protection masterplan for Jakarta

Working in conjunction with regular partner Witteveen+Bos, Grontmij Netherlands is developing a plan designed to protect the Indonesian capital from sea-driven flooding. The masterplan will be two years in the making and the client requires solutions to short, medium and long-term issues and challenges. The main problem is that northern Jakarta is sinking by no less than 7.5 centimetres per year. This is an area that is already below sea level and suffers periodic inundations. Grontmij's approach to the masterplan is to link water management to other socio-economic improvements. The dike will be integrated in a large new waterfront city in the sea shaped like the Great Garuda national symbol. The new city will offer Jakarta an expansion perspective into the future. Solutions for traffic congestion, sanitation and water supply in the existing city are integrated in the masterplan.

Enterprise Risk Management

For Grontmij, managing enterprise risk is about anticipating, monitoring and where possible mitigating and controlling events that can impact our business. Our enterprise risk management has been aligned to our 'Back on Track' strategy applying a top down approach. The approach included a framework in which key risk areas are identified and mitigation is secured through policies, procedures and standards and related key controls.

How we manage risks

In 2013 Grontmij made good progress in implementing its enterprise risk management (ERM) framework. The ERM team that was put in place in 2012 and is headed by the CEO, identified and reviewed the Group's policies, procedures and standards that are designed (and in some cases still have to be designed) and implemented to mitigate and manage the risks in 11 key risk areas. The focus in 2013 was to finalise the identification and review of policies, procedures and standards of four (operational excellence (OPEX), finance, IT and legal and compliance) of the 11 key risk areas.

During 2013, ensuing key controls for these four areas were defined with the objective of effectively monitoring adherence to these policies, procedures and standards through internal audit procedures. By the end of 2013 we had succeeded in having all the policies, procedures and standards for these four areas in place and stored in a library. This risk library will be made accessible to relevant employees through the Group's new ONE social platform in the first quarter of 2014. Key controls of three of the four key risk areas in the ERM framework were implemented by the end of 2013, with the fourth (finance) being defined and approved but not yet implemented in all countries.
Next steps will include the set up and start of a Group internal audit function based on an internal audit charter in the first half of 2014. Furthermore, during 2014 the policies, procedures, standards and related key controls will be defined and implemented for the remaining seven areas with the aim to enable the Group to audit all 11 key areas by the end of 2014.

Risk reporting

Our Group is built around nine country organisations with country managing directors reporting directly to one of the Executive Committee members. Part of this reporting line is the bilateral, monthly management discussion between local management and members of the Executive Committee where key risks are reported and discussed. At country level, quality & risk managers are responsible for risk reporting and monitoring of regulatory compliance.

Risk Governance

Risk Ownership

EB and Country Management
& Support functions

ERM implementation
- identifying prime risk areas
- reviewing & defining policies, procedures & standards
- ensure adherence
- ERM progress reporting
- Assurance in LOR

Management and reporting
- adequate risk register
- reporting risks in monthly report

Risk Monitoring & Control

Quality Managers
& Support functions

Risk monitoring
- independent monitoring of risks and actions
- advising and challenging Line management & Support

Risk Assurance

Quality Managers
& Internal Audit procedures

Risk assurance
- testing of key controls
- self assessments
- internal reviews & audits
- business reviews
- discussions on risk and control processes with external auditor as part of the audit of the financial statements

The Executive Board has overall responsibility for the Group's risk management. With country management, Board members are responsible for the design and implementation of the ERM framework and efficient and accurate reporting of key risks. Country management, with local support functions, are responsible for implementation of the ERM framework in the country organisation, for maintaining the risk register and for reporting key risks to the Executive Board.

Quality & risk managers in each country, working with Finance and Legal departments, are responsible for monitoring risks and actions taken. They also advise and challenge country management on their risk reporting responsibility and follow up on reported risks. Throughout 2013 risk assurance was carried out by testing of operational, locally-defined key controls by quality managers, audits on OPEX processes, self-assessments and business reviews. In addition, risks and control processes are discussed with the external auditor as part of the audit of the financial statements.

As of the first half of 2014, an internal audit function will be installed to regularly and ad hoc review and audit adherence to the policies, procedures and standards of the ERM framework. KPIs for ERM and the internal audit function were discussed and agreed between the Executive Board and the chairman of the Audit Committee. The charter and KPIs were both validated by an external advisor. The internal audit function will also review existing risk assurance activities as described above and include these in the overall internal audit approach. The aim is to start with risk-based internal reviews and audits to monitor compliance with and effectiveness of the key controls of the ERM framework in addition to existing risk assurance activities. Audits against predefined standards will take place on processes and key controls that are fully embedded in the organisation (such as OPEX processes). Where processes and/or key controls have not been fully implemented (some finance processes and key controls), reviews will be carried out which have a less predefined character and a higher advisory component.
Part of the Supervisory Board's responsibility is to review the adequacy of the Group's risk-management framework and to oversee how management monitors compliance with risk management procedures. The Supervisory Board carries out this task through regular updates by the Executive Board and discussions with the external auditor. The Supervisory Board has approved the ERM framework principle and is monitoring the development of its design and implementation. The Supervisory Board is also involved in the set up of the internal audit function, including an internal audit charter, and as of 2014, will approve the annual audit plan.

Main risks in 2013

The reporting year, 2013, was another period of restructuring during which sound progress was made in achieving cost reductions, implementing our Operational Excellence programme and completing the divestment of the French Monitoring & Testing business. While all these activities contributed to improved operations, the following risks existed or became apparent in 2013:

Market risk

At operational level, market developments in some countries remained challenging, especially in France and the Netherlands, and as a result performance in 2013 was significantly below internal expectations. Market developments led to projects being delayed, postponed and even cancelled, and the order book reduced. Further cost reductions and restructuring proved to be necessary.

Mitigation: The 'Back on Track' strategy focuses on two pillars: restructuring and profitable growth. We continue to reshape our organisation in line with market demand through cost-reduction programmes and through restructuring and adaptation of our operations to market conditions, most notably in the Netherlands and France, and to a lesser extent also in Denmark and Sweden. Given the current and expected continuing challenging market conditions in France, the strategy for the French engineering businesses will be reviewed in 2014, assessing the strategic options for Grontmij France. In the Netherlands we will execute the new strategy developed in 2013: repositioning towards attractive markets and client segments, optimisation of the services portfolio, further professionalisation of the organisation and execution of additional cost reductions. Throughout the Group, our focus is on five growth segments within our business lines where we have proven expertise and potential for market leadership. We are reinforcing our market position in both domestic and cross-border growths segments and achieving synergies in our operations. Together these actions should enable us to realise profitable growth and achieve our long-term financial goals.

Funding risk

During 2013 Grontmij explored a potential refinancing following the divestment of the French Monitoring & Testing business. In the fourth quarter of 2013 trading conditions were below expectations, most severely in the Netherlands and France, necessitating further restructuring. From the first views on expected performance in 2014 it also became evident that the Group would most probably not be able to meet its financial covenants in 2014.

After the mandatory repayments (amongst others following the divestment of the French Monitoring & Testing business) in line with the requirements of our Credit Facility and taking into account our peak working capital requirements and the cash needed to fund the ongoing restructuring programme, the Group would not be able to sufficiently meet its funding requirements from the existing committed credit facilities in the course of 2014.

A lack of sufficient funds could imply that the Group would breach its requirements under the Credit Facility which could lead to a notice by the banks that all or part of the amounts outstanding were due and payable immediately. In that situation Grontmij would not be able to repay these amounts and would not be expected to be able to raise the alternative necessary funding. Also as a result of a lack of sufficient funds the Group may fail to implement the targeted restructuring measures or the measures may have a lesser impact than anticipated. Finally, a lack of sufficient funds could result in a shortfall of working capital requirements which, if not successfully covered by additional credit lines, could negatively affect the continuity of the Group.

Mitigation: At the end of 2013 Grontmij started discussions with its major shareholders and lending banks to reach a sustainable capital structure going forward, providing sufficient liquidity to execute the Group's strategy and sufficient headroom within the financial covenants, taking also into account the seasonality in working capital and net debt. The flexibility and headroom to face the continuing challenging circumstances in the engineering market has been reached through a combination of equity and an amendment of the Credit Facility. The new equity and the amendment of the Credit Facility provide sufficient flexibility for the Group in order to sustain the operations of the Group in the foreseeable future in the normal course of business.

Restructuring risk

Our French operations were loss making in 2013. We are aligning our capacity to market circumstances. Given current trading, our French organisation is dependent on the Group's funding to finance restructuring measures in 2014 to sustain its operations.

In the Netherlands, results in 2013 were below our internal margin targets and further restructuring measures, in addition to existing cost-reduction programmes, are necessary. Execution of our restructuring programme is key in addressing the ongoing challenging market conditions and achieving our long-term targets. Executing these programmes requires sufficient funds, capable management and good reporting and monitoring tools.

Mitigation: Since 2012, we appointed new management in France and the Netherlands. Both country managing directors report directly to the CEO. Together with the Group's strategy department, they developed further restructuring plans that will be implemented in 2014. The Group's strategy department will monitor on plan delivery of the restructuring programmes on a monthly basis and report progress to the Executive and Supervisory Boards on a regular basis. Funds for the restructuring are expected to be secured through new equity and the amendment of the Credit Facility in early 2014.

Project management risk

During the reporting year, we faced unexpected project write downs, especially in Denmark and Sweden. Consequently, our performance in those countries turned out to be less predictable than we expected.

Mitigation: The efficiency of our operations impacts many areas of our business. As part of our 'Back on Track' strategy, we have drawn on best practices throughout the Group to establish our

Operational Excellence (OPEX) programme. This is a clear synergy emerging from our One Grontmij approach. By creating consistent processes and embedding them throughout Grontmij, we can reinforce our performance and predictability and the quality of the client experience. We identified five business processes in which we intend to be best in the industry. These processes are: pipeline management, bid decision management, project budgeting & follow-up, project changes & additional work and client satisfaction surveys. In 2013 these five business processes were rolled out and implemented in all nine European home countries. In 2014, the focus will be on fully embedding the five processes in all our operating countries, making the OPEX programme a natural way of working for all employees. KPIs will be monitored and results of the first impacts of the OPEX programme are expected to be visible in both stimulated profitable growth and reduced costs, including a decline in project write downs. As of the first half of 2014 an internal audit function will be re-installed to regularly and ad hoc review and audit adherence to the five processes. We will monitor the client experience and quality of delivery through regular client satisfaction surveys. In addition, as of 2012 we have a new delegation framework with clear approval processes for projects above a certain threshold, high-risk profile and outside our home countries.

Divestment risk

The Group carries out certain non-core activities. The latter include operating the Group's non-core assets (mainly real-estate development projects and waste management operations in the Netherlands). Grontmij has identified these non-core assets and activities as eligible for divestment or discontinuation. Losses have been incurred due to revaluations of these non-core assets and activities. The Group may not be able to sell all the identified non-core assets and activities, as divestment is dependent on market conditions so Grontmij may also incur liabilities from these divestments. These factors may adversely affect revenue, profit and financial conditions.

Mitigation: During the year we divested the French Monitoring & Testing business, the Danish marine engineering services and signed the sale agreement for the divestment of the Naarderbos Golf Course in the Netherlands, part of Grontmij's non-strategic activities and assets. These steps enable us to focus on our main business in line with our 'Back on Track' strategy. The market to divest our remaining non-strategic assets and activities is closely monitored and opportunities to divest are identified and actively pursued, if for the right price.

ERM risk areas and mitigation

Through a thorough evaluation of our business based on our strategy and growth ambitions, the Executive Board, in consultation with the country managers, identified and detailed 11 key and inter-related risk areas for our business. Some of these risks materialised in 2013 as described above. Here follows a full description of all 11 key risk areas and the mitigating actions that are in place or will be put in place as we continue to optimise our risk management approach.

1. Attract and retain the right clients
2. Realising growth through our five Group growth segments
3. Attract and retain the right people
4. Operational Excellence - execute key process best in class
5. Management information & financial reporting
6. Capacity planning: maintain appropriate level
7. Divestments of identified entities at the optimal value
8. Adequate funding at attractive cost
9. Adequate IT infrastructure and applications
10. Healthy, safe and sustainable working environment
11. Compliance and business principles

Attract and retain the right clients

Grontmij operates in a number of different countries. Many of our clients are (regional and local) governments. Demand for our services is cyclical and vulnerable to economic downturns, public-sector austerity and reductions in public-sector spending. This international orientation, focused on specific groups of clients, means our business is dependent on the economic situation in those countries and the availability of spending. In the current economic downturn in Europe (and elsewhere), we must be even more alert to risk related to the countries where we are active. Our revenue, profit and financial condition can be adversely impacted by such downturns. Our customers may also find it more difficult to raise capital in the future due to limitations on the availability of credit and other uncertainties in the national, municipal and corporate credit markets. As a result, customers may cancel, delay or postpone proposed or existing projects. This may further adversely affect demand for our services. We may also have difficulties maintaining favourable pricing and payment terms and the customers may take longer to pay the company's invoices. Any inability to collect invoices in a timely manner may lead to an increase in the Group's accounts receivable and to increased write-offs of uncollectible invoices

Mitigation: Geographic and business-line spread helps us to manage market cycles. One of Grontmij's strengths is our proximity to (local) markets. This gives us a competitive edge, as we know the markets and local operating environments. Increasingly, in some markets we also tender in partnership with other companies for large projects. We have also identified areas of expertise in individual Grontmij operating countries that are 'exportable' to other markets. A client-first programme aimed at attracting and retaining selected clients is being put in place and a key account management framework will enable us to focus more closely on these clients by anticipating their needs and creating solutions to their challenges. From 2013, we will be measuring client satisfaction through surveys in all our countries along Group-wide agreed KPIs. The results will help us to further improve our services. Through our bid decision process (part of the operational excellence programme), we have defined key milestones in the tender process to review creditworthiness of new clients as well as payment conditions.

Realising profitable growth through our five Group Growth Segments (GGS)

As part of the 'Back on Track' strategy, Grontmij has selected five GGS: Energy, Highways & Roads, Light Rail, Sustainable Buildings and Water. The GGS were selected based on the combination of leading capabilities of Grontmij in longer-term attractive markets related to global themes as resource scarcity, urbanisation, sustainability and climate change. The targets for the Group Growth Segments are an integral part of the budget of the countries. We assessed the extent to which expertise can be leveraged in other countries against market outlooks and potential profitability of these sectors. Although dedicated teams within the Group have been brought together to accelerate these actions, we may not be able to (fully) leverage the knowledge between countries and thus may not, or not fully, benefit from these growth activities. This may have an adverse effect on the company's revenue, profit and financial condition. Our growth and profitability may further be adversely affected if we are unable to secure wins in these or other segments through an inability to manage planning and budgets related to projects or if our processes are inadequate.

Mitigation: The five growth segments were selected based on our proven expertise and leading market position. Leveraging on the Group's client relationships, expertise and capabilities of one or more countries will help us tap national and cross-border possibilities. Our operational excellence programme will strengthen our ability to deliver growth in the five segments. Improved pipeline management, such as order intake, opportunity management across the Group and improved bid decision management will enable us to prioritise the right project opportunities, especially in our Group growth segments.

Attract and retain the right people

The ability to execute projects and to obtain new contracts depends largely on our ability to attract, retain and motivate key personnel including highly skilled technical employees, project leaders and other technical personnel. There is significant competition for technical employees who possess the skills needed to perform the services that we offer. This competition may continue, or even increase, due to an aging workforce, in the long run. If we fail to attract new technical employees or to retain and motivate its technical employees, Grontmij may be unable to win projects and deliver its services and products up to the quality standards that are expected from us. In addition, any failure to successfully attract, retain and motivate qualified personnel may force us to use more subcontractors that may affect our margins. These factors may adversely affect our revenue and profit.

Mitigation: Competition for experienced people and new graduates is fierce. Given that our business is a people business, we initiated a 'people strategy' that will form the basis of our recruitment and retention efforts. Through the three key elements of the people strategy: leadership development, talent management and working environment we position ourselves as an attractive employer with ample opportunity for development in an inspiring working environment. In 2013, the groundwork was carried out for all three elements with ensuing programs to be further rolled out in 2014.
Strengthening the Grontmij brand as employer involves innovative programmes, such as the summer schools for undergraduates created by Grontmij Denmark and Grontmij Belgium and the hiring of a campus recruiter in the Netherlands. Undergraduates have the opportunity to work on real projects with both Grontmij experts and clients. We also offer work placements and research assignments. Retention efforts focus on leadership profiles & training, succession planning and performance appraisal.

Operational excellence in our key processes: best in class

At any given time, Grontmij is executing numerous (complex) projects in Europe and around the world. Project risk can occur if calculations or estimates of the overall risks, revenues or costs prove inaccurate or circumstances change. Sub-contractors and our business partners may not meet or breach their obligations. Projects can take more time than originally estimated. We can be exposed to direct or indirect losses arising from a wide variety of causes associated with our processes, personnel, technology and infrastructure, and from external factors, such as legal and regulatory requirements and generally accepted standards of corporate behaviour. Changes in the project scope of services requested by its customers may occur. All of this may lead to significant additional costs, losses or penalties and payment of our invoices may be delayed. This may adversely affect the Group's revenue, profit and financial condition.

Mitigation: The efficiency of our operations impacts many areas of our business. As part of our 'Back on Track' strategy, we have drawn on best practices throughout the Group to establish our Operational Excellence (OPEX) programme. By creating consistent processes and embedding them throughout Grontmij, we aim to reinforce our performance and predictability and the quality of the client experience. Five key processes have been selected at Group level in which we intend to be best in the industry. These processes are: client first program, pipeline management, bid decision management, project budgeting and managing project changes. Best practices for these processes were defined and country-by-country gap analyses carried out. In 2013, processes, tools and governance structures have been put in place in all countries and a systematic information and training programme carried out so that everyone is familiar with the best practices. In 2014, the focus will be on fully embedding the five processes in the countries, making the OPEX programme a natural way of working for all employees. KPIs will be monitored and results of the first impacts of the OPEX programme are expected to be visible in both stimulated profitable growth and reduced costs, including a decline in project write downs. As of the first half of 2014 an internal audit function will be re-installed to regularly and ad hoc review and audit adherence to the five processes. We will monitor the client experience and quality of delivery through regular client satisfaction surveys. In addition, as of 2012 we have a new delegation framework with clear approval processes for projects above a certain threshold, high-risk profile and outside our home countries.

Management information and financial reporting

Transparency and predictability in all areas of our business is considered crucial to Grontmij's position as a listed company. In 2011 and 2012 certain weaknesses in our financial reporting were identified which were addressed in 2012 as described in our Annual Report 2012. Our financial reporting processes and procedures are designed to prevent and limit the risk that our financial statements contain errors of a material significance.

Mitigation: Grontmij has the following internal financial control systems to monitor and reduce financial reporting risks:

- a monthly reporting framework incorporating key financial data;
- a standard annual planning, budgeting and reporting cycle;
- annual phased budgeting and quarterly forecasting;
- monthly business reviews with the Executive Board/designated Executive Committee member and country management.

In 2013 we completed the design of a key financial control framework defining financial (reporting) risks and mitigating controls for the entire Group. These controls will be audited in 2014. In France, although significant financial reporting improvements have been achieved over the last two years, further improvements are planned in 2014 in a now less complex organisation after the divestment of the French Monitoring & Testing business and a significant reduction in the number of legal entities. These improvements are mainly aimed at reducing the number and complexity of reporting systems and improving the quality of the business controls and analyses.

Capacity planning

The cost of providing services, including the extent to which Grontmij utilises its workforce, affects our profitability. If we over-utilise our workforce, our employees may become disengaged which will lead to an increase in the rate of employee attrition. If we under-utilise the workforce, our profit margin, profit and financial condition may adversely be affected.

Mitigation: The risk of under-utilisation is addressed in our pipeline management process that is implemented in all our countries as part of the operational excellence programme. In addition, accurate and timely management information, including KPIs, will lead to better forecasting which allow us to anticipate market circumstances and reshape our organisation in line with market demand. Our results and ongoing efforts to improve management information and financial reporting are described under Management information and financial reporting.

Divestments of identified entities at the optimal value

Grontmij's financial and operational performance could be negatively impacted by the inclusion in the Group of non-core operations with no synergetic benefits and/or requiring capital investments. As part of its strategy, Grontmij identified certain non-core activities and assets as eligible for divestment or discontinuation. We may not realise all anticipated benefits, may incur losses due to revaluations of these non-core assets and activities or may not be able to sell all the identified non-core assets and activities, as we are dependent on market circumstances and potential buyers' willingness to buy these assets and activities for the right price. In addition, the sale agreements may contain warranties and indemnities that may give rise to unexpected liabilities. These liabilities may adversely affect the company's profit and financial conditions.

Mitigation: During the year and after a comprehensive and competitive process we divested the French Monitoring & Testing (M&T) business, we divested the Danish marine business and signed the sale agreement for the divestment of the Naarderbos Golf Course in the Netherlands, part of Grontmij's non-strategic activities and assets. These steps enable us to focus on our main business in line with our 'Back on Track' strategy. The market to divest our remaining non-strategic assets and activities is closely monitored and opportunities to divest are identified and actively pursued, if for the right price. All (intended) divestments are carried out based on prudent planned processes. Where appropriate and depending on the size of the divestment, a thorough vendor due diligence is performed ahead of the start of the divestment process. Whilst not laid down yet in a formal divestment & acquisition manual, the divestment processes for the French M&T business was carried out in a prudent manner following all necessary steps including fully prepared vendor due diligence and applicable approval procedures, all with the advice of professional financial, legal and strategic advisors. Procedures followed for this divestment will serve as standard for the divestment & acquisition manual to be finalised in 2014.

Adequate funding at attractive cost

Despite significant reduction of Grontmij's indebtedness following the sale of the French Monitoring & Testing business, Grontmij's leverage is still relatively high compared to its earning capacity. If we were unable to meet our funding requirements from the existing committed credit facilities due to a lack of sufficient funds the Group would breach its requirements under the Credit Facility which could lead to a notice by the banks that all or part of the amounts outstanding were due and payable immediately. In that situation Grontmij would not be able to repay these amounts and would not be expected to be able to raise the alternative necessary funding. Also as a result of a lack of sufficient funds the Group may fail to implement the targeted restructuring measures or the measures may have a lesser impact than anticipated. Finally, a lack of sufficient funds could result in a shortfall of working capital requirements which if not successfully covered by additional credit lines could negatively affect the continuity of the Group.

Mitigation: During 2013 Grontmij explored a potential refinancing following the divestment of the French Monitoring & Testing business. In the fourth quarter of 2013 trading conditions were below expectations, most severely in the Netherlands and France, necessitating further restructuring. Based on the first views on our expected performance in 2014 it also became evident that Grontmij would most probably not be able to meet its financial covenants in 2014. These covenants were based on detailed scenarios with respect to the development of our net debt and operational results. These scenarios were prepared in early 2012 as part of an Independent Business Review taking into account expected GDP and market expectations at that time. However, GDP developments in the countries in which we operate have been significantly worse than envisaged early 2012.

Looking at the projected cash flow requirements in 2014, taking into account the peak working capital requirements (which is traditionally in the third quarter of each year) and the cash needed to fund the additional cost restructuring programme, Grontmij would also not be able to meet its funding requirements from the existing committed credit facilities in the course of 2014.

Given this funding gap, Grontmij started discussions with its major shareholders (being the shareholders holding a substantive interest of at least 5% in the share capital of Grontmij), and its lending banks (ING Bank, Nordea and RBS) to reach a sustainable capital structure going forward. This with the objective to provide sufficient liquidity to execute the rebalanced 'Back on Track' strategy, including the additional cost reduction programme, and allow for sufficient headroom within the financial covenants, also taking into account the seasonality in working capital and net debt. These discussions have resulted in a solution with a combination of additional equity and an amendment of the existing credit facilities which will provide for sufficient flexibility and headroom going forward.

We have continued our Group-wide working-capital reduction programme and reduced trade working capital to 14.2% of total revenue at the end of 2013, thereby realising the target set in the 'Back on Track' strategy of 15% in 2013. Further trade working capital improvement initiatives will be taken targeting a trade working capital level of 13% of total revenue by 2016. Our dividend policy targets a cash pay-out only when the net debt/EBITDA ratio is below certain levels. For specific credit, liquidity, currency and interest rate risk, please see notes 5 and 25 to the annual accounts.

Adequate IT infrastructure and applications

Efficient and uninterrupted operation of our IT systems is crucial to the provision and delivery of services to our customers. Grontmij has a highly dispersed IT infrastructure and application landscape. A wide variety in operating systems and other software is being used within the Group. Some of these operating systems and software packages are no longer supported by the suppliers. Almost all applications used throughout the Group are local applications (i.e. provided by local providers and locally supported); some standard applications are centralised (i.e. provided by head office and supported centrally). This results in a complex process of monitoring the compliance with the Group's IT standard, such as information security and business systems continuity. Any failure of, or damage to, the Group's IT systems, non-performance by its IT service providers, non-compliance with its IT standard or failure or delay in implementing new IT systems in the future or higher than expected IT capital expenditures could adversely affect the Group's revenue, profit and financial condition.

Mitigation: During 2013 we finalised our IT risk and control framework. Our IT policy, that was finalised in 2012, defines the strategic projects around shared communication, shared processes and collaboration such as a group wide communication tool and a common platform to collaborate, share knowledge and deliver packages of work to our clients through interactive media. Both are implemented in 2013 and enable us to improve our services to clients and reduce costs. The IT policy further addresses the delivery of secure and flexible access to work-space, thereby reducing costs and enabling flexible working hours for our people. To mitigate the risk of failure, information loss and system integrity, we have an information security policy in place. The policy is based on the ISO-27001 Code of Practice in Q1 2013. We designed key controls to monitor adherence to this policy. As of 2014 these controls will be audited.

Healthy, safe and sustainable working environment

As an organisation working in the built and natural environment, Grontmij employees or third-parties could be exposed to accidents or other dangers while operating in the field. Such events could lead to personal injury. And to negative publicity, thereby harming our business and reputation.

Mitigation: Grontmij adheres to Health & Safety legislation in all our operating countries. Furthermore, we have policies in place to ensure personnel can carry out their duties under safe and healthy conditions and that third-parties and the environment are protected. Our internal Health & Safety policy is based on the OHS-18001 standard. Our health and safety is primarily a line management responsibility. Major non-conformities or risks related to health and safety and statistics are reported and discussed by the Executive Committee.

Compliance with laws and regulations and Business Principles

Grontmij is an international organisation and is listed on NYSE Euronext in Amsterdam, the Netherlands. As such, we must comply with laws and regulations in the countries where we operate. Such laws and regulations are subject to change and interpretation. Failure to comply with these laws and regulations or our business policy and principles can be detrimental to the company. Any misconduct, fraud or other improper activities by any of our associated companies or employees may also expose the company to disciplinary, civil or criminal enforcement actions, fines, penalties and liability. Such actions could generate negative publicity and harm our business and reputation.

Mitigation: We have policies in place that enforce compliance with these laws, regulations and our own Business Policy and Principles. We adopted a Group-wide integrity management system (GIMS) to embed, integrate and further strengthen integrity awareness, including compliance with laws and regulations, across the Group. GIMS is based on six principles: Responsibility, Competence, Diligence, Impartiality, Fairness and Anti-Corruption. It builds on the standards set in Grontmij's Business Policy and Principles. Important elements of the system are the whistle blowing procedure and the code of conduct. During 2012, implementation and roll-out began throughout the Group and continued in 2013. We expect this process to be fully completed in 2014. We reviewed and renewed our delegation framework that provides for clear approval processes in key decisions such as tenders above a certain threshold, acquisitions and divestments, general and capital expenditure and HR processes. A tax strategy was implemented in 2013. The related tax control framework will be implemented during 2014. As part of the ERM framework several legal policies, procedures and standards were drafted and finalised or - if already existing – collated. For each of these processes we defined key controls to monitor adherence to these policies. In 2014, a Legal risk and control framework will be drafted using these policies and, once finalised, rolled out throughout the Group. Our OPEX programme addresses our operational efficiency including legal aspects of our operations (projects). Specifically the bid decision process and project changes & additional work process contain elements such as delegation of authority, key terms review, contract review, risk, liability and insurance, integrity review, and partnering arrangements. The OPEX processes were rolled out and implemented in all nine European home countries. In 2014, the focus will be on fully embedding the five processes in all our operating countries.

Management Internal Control Statement

The Executive Board has reviewed the effectiveness of internal risk management and control systems. In addition to the improvements already realised in 2013, the following improvements are planned for 2014:

- the set up and start of a Group internal audit function based on an internal audit charter, KPIs and audit plan. The aim is to start with internal audits – and in some instances reviews – in the first half of 2014;
- furthermore, during 2014 the policies, procedures, standards and related key controls will be defined and implemented for the remaining seven areas with the aim of enabling the Group to audit all 11 key areas by the end of 2014;
- drive implementation of the key financial control framework in all countries;
- achieve further improvements in the reporting of our French business. These improvements are mainly aimed at reducing the number and complexity of reporting systems and improving the quality of the business controls and analyses;
- we will review and enforce our claim management process in 2014.

Except for the improvement areas in our risk management and control systems as described above, and following consultation with the Supervisory Board, the Executive Board is of the opinion that the risk management and control systems worked properly in 2013 and that systems, along with mitigating actions were adequate enough to provide a reasonable degree of certainty that its financial report for the year 2013 does not contain any errors of material significance. The Executive Board has taken into account the recommendations from our external independent auditor in their Management Letter relating to further improvement of the internal control environment (differentiated per country); dedicated resources to an Internal Audit Function; performance in France; and possible impairment and the risk attached to revenue recognition on contracts. The way these recommendations are and will be addressed is described in several places in this risk section and elsewhere in this report.

The Netherlands – Scrumming for new Rhineland route

© Over Morgen in Beeld

Grontmij uses innovative scrum technique to execute the Rhineland Route in the Netherlands.

Scrum Rhineland route

Grontmij is preparing the reference design aimed at relieving Leiden from intense cross-over traffic and improving the accessibility of the region. The design involves widening of existing road sections, construction of a new highway link between the A4 artery and the A44 comprising of a two-kilometre bored tunnel and a two-kilometre open trench between the towns of Leiden, Voorschoten and Wassenaar. Our engineers are using the innovative scrum technique to execute this prestigious project. This technique is borrowed from IT project management. It involves short bursts of progress and intensive cooperation between various disciplines. It facilitates stronger project management and rapid completion. Tunnel experts from Grontmij Germany are closely involved in the project.

Human Resources

Grontmij's position as one of Europe's top engineering and consultancy firms depends heavily on the knowledge, expertise and quality of our people. The reporting year, 2013, has seen the Executive Committee, country management and Human Resources (HR) teams around the Group focus fully on aligning the way we attract, develop and retain the best people to our 'Back on Track' strategy. This 'people strategy' is designed to create an operational and working environment in which we can achieve strategic goals creating a great place to work and reinforcing Gontmij's position as preferred employer.

We have a clear business strategy and an equally clear road map on how to achieve our goals: we aim to be recognised as market leader in our chosen areas of expertise. Our goal is for clients to prefer Grontmij for quality of delivery based on our 'sustainability by design' principle. And we aim to rank among the best in financial performance. All of these aims can only be achieved through a position as preferred employer for talented professionals and by offering all our people ample opportunity for development.

What we are doing

Starting in 2012 and further rolled out in 2013, every aspect of our existing HR policies and processes has been reviewed as part of our preferred employer aim. The first step was to define our vision framework comprising core values, core purpose and envisioned future, a process that was completed at year-end 2012. During 2013, the vision framework has been firmly embedded throughout the whole Group, also through a series of frank townhall meetings between employees and the CEO, Michiel Jaski. This has resulted in a common view of how we can shape the workplace to ensure we achieve our strategic goals. We will do this through the 'People Strategy' that involves:

- leadership development: create a high performance leadership culture that lives the values, pursues strategic goals and delivers the envisioned future. In 2013, we defined Grontmij's core leadership competencies and rolled them out in each country. During the first half of 2014, all senior managers will be assessed against the core leadership competences after which relevant leadership development will be initiated and we will be defining critical positions per country and developing succession planning. This will help us ensure continuity of quality of delivery to clients;
- talent management: ensure there is a strong talent management process in place across the Group that secures a full overview of our talented people. In 2013, we carried out a high potential and high performer scan which feeds into our leadership development programmes and defined career paths. This will motivate and develop our people so that we have the skills and competences to meet the demands of constantly changing markets. In addition, the process will link identified critical job roles with our people resources to generate succession plans that limit risks and provide good internal development opportunities for our people;
- working environment: create great working environments to motivate and inspire people to deliver quality performance. In 2013, the groundwork was carried out. A survey has been developed to measure employee perceptions of Grontmij as a great workplace based on predefined Key Performance Indicators (KPIs). The survey is scheduled for early 2014. Thereafter, gap analyses will be made per country and action taken to fill gaps. Into the future, annual surveys will measure Grontmij's performance against KPIs to ensure we remain a great place to work.

A dedicated communication programme has been created to support this crucial component of our 'Back on Track' strategy. This programme includes the launch of a Group-wide social platform, scheduled for full roll-out in spring 2014. The new platform, dubbed 'One', will enable employees to network internally, find Grontmij people with special expertise or knowhow, exchange information on projects and interact with colleagues around the Group. One also offers social-media applications, such as discussions, blog facilities and other communication options.

Training and development

In 2013 and in line with our 'people development' aims, Grontmij spent approximately 1% of total salary costs on training. Employees at management level and support personnel receive an average 20 hours of formal training per year with, on average, technical/engineering staff receiving double that number. However, participation on real projects is a key training and development component. Young, talented professionals 'shadow' more experienced colleagues so that they gain essential project experience. Feedback and lessons learned play a structured role in this approach. Some of our countries, such as the Netherlands and Denmark, offer exchange programmes so that employees can gain international experience. This type of programme is very useful in stimulating our cross-border activities.

Identifying talent

Grontmij has long maintained relationships with a wide range of technical universities and other higher-education institutions in all our operating countries. We act as guest lecturers, examiners or student advisors and offer internships to students. In Belgium and Denmark, we organise an annual 'summer school' where students can work on projects with clients, architects and Grontmij specialists. Moreover, in Sweden we launched an 'ambassador' programme targeting students at (technical) universities to enhance recruitment opportunities and name recognition.

Environmental care and safety

As an organisation working on the built and natural environment, Grontmij is committed to safety in the work place and to quality employment conditions. We have policies in place that ensure our people can perform their work under safe and healthy conditions and that third-parties and the environment are also protected. Our health and safety policy is based on the OHS-18001 standard and is primarily a line management responsibility. All employees are represented by consultative bodies on health and safety.

Employee representation

A works' council is in place in most countries where Grontmij is active. Representatives of these councils together form the European Works' Council. The European Works' Council and the Executive Board met twice in 2013. In addition to explaining Grontmij's current business, operations and results, topics discussed included progress on the 'Back on Track' strategy and next steps.

Employee benefits

Pensions

Grontmij has established pension plans for its employees in accordance with the relevant regulations and practice in each of its regions. In the Netherlands, the company has a separate pension fund. In spite of continued economic downturn, Stichting Pensioenfonds Grontmij complies with the guidelines of the Dutch Central Bank (DNB) in terms of its cover ratio.

From 2012, a new Collective Defined Contribution system based on average gross salary was introduced in the Netherlands. The company runs no risk in relation to the Defined Contribution scheme. In addition, a limited number of Dutch employees has a conditional pre-pension plan based on defined benefit contributions. Both plans are administered by the Stichting Pensioenfonds Grontmij. A combination of a (limited, 20%) final-pay and a (80%) Defined Contribution plan applies in Germany, while Belgium, Denmark and the United Kingdom have Defined Contribution schemes (the United Kingdom also has a small defined benefit scheme). Sweden has a final-pay scheme involving multiple employers – the ITP plan. However, there is no consistent, reliable basis to allocate assets or liabilities to the entities participating in the ITP pension insurance scheme, with the result that it is treated as a defined-contribution plan.

Employee share-ownership scheme

Grontmij introduced an employee share-ownership scheme in 1999 that continued until 2008. This scheme offered Dutch employees the opportunity to invest in the Group through Stichting Medewerkersparticipatie Grontmij without incurring transaction or custody fees. Due to its high administration costs and given that a new scheme became available as of 2008, the board of the Stichting SMPG, at the request of the Exexcutive Board of Grontmij NV, decided to end the scheme in 2013. All of the participations (2012: 80,924) were sold or transferred to individual securities accounts in 2013.
In 2008, a Group employee share-ownership scheme, the Employee Share Purchase Plan (ESPP), was introduced. This scheme was designed for all Grontmij employees with the exception of the members of the Executive Board. To date, the scheme has been rolled out in the Netherlands, Germany, Poland and the United Kingdom. Under this scheme and based on a resolution of the Executive Board, employees may, up to 5% of their annual fixed income, invest in the company through the Stichting ESPP Grontmij. The employee acquires participations for ordinary shares Grontmij. Stichting ESPP Grontmij issues one participation for each ordinary share. Stichting ESPP Grontmij acquires the ordinary shares on the NYSE Euronext in Amsterdam.

The participations are issued at a discount of 15% of the underlying market value of the ordinary shares. Participations must be retained for a period of three years. After this period, the employee receives free of charge one additional participation for every four participations he or she holds. Those matching participations and their corresponding initial participations must be held for a further two years before they can be sold. As in the other plan, the employee incurs no transaction or custody fees.

At the end of 2013, 229 members of staff (2012: 213) were registered for 98,563 participations (2012: 70,919). There are no option schemes available at Grontmij.

People in numbers

The calculation of staff is based on the number of permanent and temporary contracts, as well as external agency staff. Total FTEs at year-end 2013 was 6,826 (2012: 7,134). The tables below provide an overview of average FTEs by country for the year ending December 2013 and 2012.

2013 Average FTEs	NL	FR	DK	SE	UK	BE	GE	Other markets	Non-core and Other	Total
Permanently employed	1,714	676	1,041	681	684	645	549	246	47	6,283
Temporarily employed	105	90	84	21		8	30	41	24	403
Total employed by Grontmij	**1,819**	**766**	**1,125**	**702**	**684**	**653**	**579**	**287**	**71**	**6,686**
Agency staff	75	31	8		64	116	-	9	8	311
Total	**1,894**	**797**	**1,133**	**702**	**748**	**769**	**579**	**296**	**79**	**6,997**
31 December 2013										
Women (% Grontmij payroll)	20%	34%	28%	29%	26%	30%	41%	48%	33%	29%
Fulltime (% Grontmij payroll)	70%	95%	87%	89%	92%	85%	70%	96%	65%	82%
Average age	44	38	45	42	38	40	44	35	43	42

2012 Average FTEs	NL*	FR	DK	SE	UK	BE	GE	Other markets	Non-core and Other*	Total
Permanently employed	1,840	744	1,066	709	706	660	532	252	51	6,559
Temporarily employed	118	62	95	21	-	10	39	20	23	388
Total employed by Grontmij	**1,958**	**806**	**1,161**	**730**	**706**	**670**	**571**	**272**	**73**	**6,947**
Agency staff	93	31		1	69	151	-	8	7	360
Total	**2,051**	**837**	**1,161**	**731**	**775**	**821**	**571**	**280**	**80**	**7,308**
31 December 2012										
Women (% Grontmij payroll)	19%	30%	30%	29%	24%	29%	42%	48%	35%	29%
Fulltime (% Grontmij payroll)	71%	94%	83%	94%	97%	86%	71%	96%	65%	84%
Average age	44	38	45	43	38	39	44	36	44	42

* As per 1 January 2013, the subsidiary Grontmij Vastgoedmanagement was transferred from Non-core and Other to the Netherlands. Comparitive information have been restated for this transfer.

Europe – Improved protection through STAR-FLOOD

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Grontmij countries are part of European initiative to study strategies for comprehensive and resilient protection against flooding.

STAR-FLOOD

The risk of flooding is growing year on year. Climate change and increasing urbanisation along major rivers is putting ever-greater pressure on our flood protection. One response is STAR-FLOOD, a European initiative to study strategies for a comprehensive and resilient protection against flooding. Key to implementing these strategies is good governance: rethinking the actors involved, their rationales, formal and informal rules, power and resources. Five Grontmij countries are involved in disseminating knowledge gained through STAR-FLOOD to policymakers and practitioners, with Grontmij in the Netherlands coordinating this work package.

Corporate Responsibility

Grontmij's core areas of expertise relate to some of the world's biggest environmental issues: access to and management of clean and renewable energy and water, sustainable infrastructure and buildings. This means that corporate responsibility at Grontmij is an inherent component of everything we do. We see it as key to creating value both for society and for Grontmij as a business.

The world is becoming more and more urban, putting new pressures on our living environment. We work in every kind of environment, from the places people live, work, shop and spend their leisure time to the landscapes they move through. Through our work for clients we have a huge impact on the world around us. Our job is to enable our clients to make informed decisions on sustainable ways to shape and built natural environment. We must provide our clients with designs and ideas that help them in achieving their own ideas of sustainability. And we must always find ways to improve our own environmental and social performance. For example, in a demographically rapidly changing world, with aging populations, housing for the elderly is a growing challenge. Our Dutch team has published a White Paper on how these needs can be met. We call this the 'sustainability by design' principle. As a result, corporate responsibility (CR) at Grontmij means embedding sustainable thinking into everything we do. The consistent embedding of sustainability into all our activities is perhaps the best reflection of who we are as an organisation. We aim to remain at the forefront of sustainability not only through our innovative design and consultancy, but also in how we work internally. Long-term goals at Grontmij are acting responsibly in relation to:

- the environment as a whole, including mitigating and adapting to the effects of climate change;
- our workplace, employees and the communities where we work;
- all our stakeholders: shareholders, customers, business partners and suppliers.

Our stakeholders

In addition to our key stakeholders, the environment in which we operate is also seen as a major stakeholder in all our business activities. Because we play an active part in the sustainable development of the societies were we work, it is very important that we are in constant contact with our stakeholders at every level. At corporate level we discuss CR with investors or shareholders when necessary or applicable. As a driver in the chain of many of our projects we work very closely with our stakeholders, both downstream (suppliers) and upstream (clients, contractors and users) to deliver the most sustainable solution. We interact with concerned parties through, for example, partnerships, chain initiatives or public participation meetings. It is against this CR-aware backdrop that we aspire to our envisioned future in which Grontmij is:

- recognised by our clients for market leadership and quality of delivery;
- driven by 'sustainability by design' as our leading principle;
- the preferred company for talented professionals and offering ample opportunity for development;
- among the best on financial performance in the Consulting & Engineering industry.

For our clients, our role is to help them make informed decisions and well-considered investments as they develop our natural and built environment. Based on our leading principle, 'sustainability by design', we are also helping them achieve their own sustainability goals. In this sense, the environment also becomes a major stakeholder.

For our employees, we ensure our work places are healthy and safe with fair working conditions in a non-discriminatory environment.

For our shareholders, we aim to use all our skills and expertise to generate financial performance among the best in the industry and through that to generate sound returns to shareholders.

We take responsibility for our value supply chain and, through the Grontmij Integrity Management System (see www.grontmij. com > Corporate Responsibility > Business Integrity), expect the same from our business partners and suppliers, also in areas such as human rights, non-discrimination and anti-corruption. Furthermore, we are active in stimulating partners and suppliers own sustainability efforts. For example, in the Netherlands, we are co-founder of the 'Sustainable Supplier' initiative which helps suppliers to start sustainable business operations.

CR in our business

Just about every project we undertake has an impact on the environment. Through our leading principle of 'sustainability by design', we see it as our task to innovate environmentally responsible ways of managing the planet's finite resources, to conserve biodiversity and manage ecosystems to protect and restore the natural environment. And to offer transfer of that knowledge to all our clients and incorporate it in their projects. So it is our business – and CR – role to advise on how to develop the places where we live and work in ways that are responsible, both now and into the future, using increasingly scarce natural resources wisely. This is why our focus areas are: Energy, Highways & Roads, Light Rail, Sustainable Buildings and Water. For every area we have set ambitions on how we would like to add value to the environment we live in.

Energy: Fossil fuels are finite and generate pollution. In our projects we work to increase supplies of secure renewable/ low carbon energy.
Highways & Roads: Forecasts indicate global population growth of 30% by 2050 with 70% living in cities. Mobility is key to economic growth so a sustainable and safe infrastructure is indispensable.
Light Rail: As urbanisation continues, the need for efficient transport systems grows apace. Light rail and tramways are increasingly the solution to moving increasing numbers of people through urban areas in a sustainable and safe way.
Sustainable Buildings: Greenhouse gas emissions are projected to grow a further 52% by 2050. One way to reduce emissions is to make buildings more sustainable. We apply the newest technology to reducing energy consumption in both new and existing buildings. This environmental assessment methodology is recognised worldwide as a benchmark for sustainable building.
Water: Analysis suggests that there will be a 40% shortfall in water supplies by 2030. We work on water conservation, covering the full range of water-related activities, anything from the design of innovative plants and processes to treat wastewater or the creation of waste plants to generate energy, flood and coastal protection, and drinking water systems.

Social commitment

As signatories to the UN Global Compact, Grontmij has a responsibility not only to the environment but also to society itself. Our Grontmij Integrity Management System (GIMS) is based in part on Global Compact principles which requires companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption. We report on our adherence to the Global Compact and on similar GRI indicators on an annual basis. But there is more to our social commitment than adherence to international compacts.

CR and Tax

Although headquartered in the Netherlands, Grontmij operates throughout Europe. Like all major corporations, Grontmij has a tax strategy in place. It is based on clear principles and is transparent, compliant and in line with our Code of Conduct. These principles mean we are a responsible taxpayer, paying our fair share of tax in all our operating countries, thereby contributing to each national economy.

These principles are grounded in the following premises:

- a tax strategy that is in line with the business strategy and factual commercial activities. This means that Grontmij is not involved in artificial tax structuring or present in locations without business activities;
- Grontmij aims to be fully compliant to the tax laws of the locations where it operates;
- Grontmij is managing tax proactively to assure compliance with tax laws;
- tax policies are documented and form part of group corporate governance;
- Grontmij tries to maintain an open and constructive relationship with tax authorities and if possible and appropriate discuss tax matters upfront.

In line with the tax strategy, transactions among companies within the Group are taking place at arm's length principles as outlined in the OECD transfer pricing guidelines for multinational companies.

Tax charge per country

Countries	€
The Netherlands	-0.9m
Denmark	-1.2m
Sweden	-0.6m
Belgium	-1.8m
France	-2.1m
The United Kingdom	1.6m
Germany	-1.2m
Other markets	-0.4m
Non-core activities	0.0m
Unallocated and eliminations	5.6m
Total	**-1.0m**

For more details on our tax position, please see the section on Financial Performance.

Health & safety

Within Grontmij, each country or region has management systems and procedures in place to improve the quality of environmental performance in our projects and to identify potential risks. We also safeguard the integrity of our operations through continuous monitoring. This has been embedded in our day-to-day management decision-making on tendering and projects. Potential public health hazards and safety are key areas of continual concern. If we consider our integrity to be at risk or if we feel a client or business partner is not adhering to principles we believe are fundamental, then we will re-evaluate the relationship and act accordingly.

CR in our operations

Grontmij has not only established a framework for corporate responsibility to stakeholders. We also work consistently to reduce our own impact, including that of our operations, on the environment. As CR is a major factor in the execution of our projects, we also incorporate these responsibilities into our own operations. We are committed to developing and applying new technologies and processes to help us execute our projects in a sustainable way. Every region has implemented CR procedures and is responsible for the delivery of reliable CR data. Where feasible, we pursue sustainable purchasing of goods and services from suppliers. These are all key elements in our 'sustainability by design' leading principle

Our own footprint

The environmental impact of our own operations is relatively limited – the majority of our work is done in our offices. However, we recognise that we do travel a lot. At the same time, much of our business is 'local' so the number of kilometres flown and driven is comparatively low for an organisation of our size and geographic spread. However, we continue to reduce our own use of energy and carbon and water footprint, the waste we produce, also by separating it by type. Data for GRI standard disclosures is gathered from all Grontmij operations around Europe, with France and Turkey now also contributing their data to Group consolidation of our footprint. As France and Turkey have now joined our CR reporting and we do not have previous data from these countries for comparative purposes, we have set 2013 as new base year.

GRI standard disclosures – key environmental performance indicators in 2013 (new base year)

Indicator	Unit	Value 2013 *	
Total CO_2 emission per head	t CO_2 / head	3.2	Total CO_2 emissions covers per-head use of all direct energy, indirect energy and all business travel. We used the new 2013 Defra emission factors (scope 3 without wtt).
Total energy use per head	kWh/head	3798	This indicator covers our use of direct and indirect energy sources and our use of renewable energy per full-time equivalent.
Renewable energy	kWh/head	841	The use of renewable energy is generated primarily by the Netherlands and Germany where currently almost 100% of electricity is renewable. In 2012 this was 498 kWh/head.
Total distance travelled by car per head	kmx1,000/head	11.0	The environmental impact of transportation at Grontmij relates primarily to the use of vehicles for moving people and some equipment between our offices and other operational sites. We report on the average kilometers driven per head by our full time equivalent staff.
Total water use per head	m^3/head	6.4	Use of water in our offices.

* All European operating countries including Turkey

Our future goals

We will continue our efforts to reduce the environmental impact of our operations based on:

- measuring and recording our carbon footprint;
- avoiding the use of carbon-intensive technologies (e.g. road or air transport, electricity from brown coal consumption);
- reducing the use of all carbon-emitting processes to as low as practicable;
- replacing high with low-carbon emitting technology as far as practicable (e.g. increase use of renewable energy supply).

Initiatives in 2013

In 2013, we implemented Microsoft Lync software throughout the Group. This software facilitates conference meetings, calls, sharing information and working together without the need to travel. So the tool optimises our efficiency as it enables us to reduce our number of flights and driven kilometres and therefore carbon emissions.

As the Netherlands is responsible for the largest number of driven kilometers in the Group, we started an e-project to make company-car drivers more aware on how they can drive more efficiently and safely.

In 2013, Grontmij Germany switched to one supplier of renewable electricity for almost all their offices. The Netherlands decided to go from 80% to 100% renewable electricity for all their offices. Our office in Mechelen, Belgium obtained a BREEAM Excellent rating in 2013. Our new office in Rotterdam, the Netherlands will obtain a Breeam in use rating at the beginning 2014 and more will follow.

For full details of all our CR activities, please see our 2013 Corporate Responsibility Report at: 2013annualreportgrontmij.com.

Poland – Designing the largest CCGT

illustrative image of a CCGT

Grontmij designs and manages Polish largest CCGT
at greenfield site producing up to 1,000 Mwe.

CCGT Grudziądz

Combined Cycle Gas Turbine and Steam (CCGT) generation is increasingly playing a key role in generating energy around the world. In recent years, plants have begun springing up throughout Poland, often designed and project managed by a joint Polish-German Grontmij team. The latest is the new plant at a green field site in Grudziądz in the north of the country. It combinse the thermodynamic cycles of steam and gas turbines, resulting in improved overall efficiency and reduced fuel costs. They have the highest and most efficient electrical outputs of all power plants and low CO_2 emissions. The new plant will comprise two energy-generating blocks ultimately producing up to 1,000 MWe (megawatt electric). Our role is ending at 600 MWe.

Corporate Governance

Sound corporate governance is a priority at Grontmij. With very few exceptions, we adhere fully to the Dutch Corporate Governance Code. The main components of our corporate governance are described here, including changes made in 2013 to how our supervisory and executive governance functions. For full details of all relevant documentation on adherence to corporate governance, please refer to www.grontmij.com.

How Grontmij's governance is structured

The General Meeting of Shareholders, the Supervisory Board and the Executive Board each have specific powers and responsibilities; these are described comprehensively in the Articles of Association and separate charters that are available on our website www.grontmij.com. Both the Supervisory Board and the Executive Board report to the General Meeting of Shareholders. A reporting framework is in place so that information flows through the organisation to the Executive Board and the Supervisory Board. The governance structure was further reinforced and enhanced by the implementation of a new management structure in mid-2013. The new structure now includes an Executive Committee, chaired by the CEO, with responsibility for implementing Grontmij's 'Back on Track' strategy and steering the management of the country organisations – see below for the role of the Executive Committee. The new structure facilitates an even closer connection between the Executive Board and the business and thereby improves management information flows to the Supervisory Board, fits with the strategic goals and is geared to a stronger and more decisive Grontmij.

The role of the General Meeting of Shareholders

An Annual General Meeting of Shareholders (AGM) is organised within six months of the end of the financial year. Further shareholders' meetings, Extraordinary Meetings of Shareholders (EGM), may be held at the request of the Executive or Supervisory Boards, without prejudice to the provisions of Sections 110 -112 of Book 2 of the Dutch Civil Code. Shareholders who, on their own or together, represent no less than 1% of the Group's issued share capital, are entitled to request the Executive or Supervisory Boards to put items on the agenda.
The AGM or EGM appoints members of both the Supervisory and Executive Boards, usually following a non-binding nomination from the Supervisory Board. If no such nomination has been submitted or if the AGM or EGM wishes to deviate from such nomination, the decision must be taken by an absolute majority of the votes cast, representing at least one-third of Grontmij's issued share capital. When appointing a member of the Executive Board or Supervisory Board, votes may only be cast for candidates whose names are stated in the agenda or notes to it. The AGM/EGM may further at all times suspend and dismiss both members of the Supervisory Board and the Executive Board. A resolution of the AGM/EGM to suspend or remove a member of the Supervisory Board or Executive Board, other than in accordance with a proposal of the Supervisory Board, shall require an absolute majority of the votes cast representing at least one-third of the company's issued share capital. Any member of the Executive Board may also be suspended at any time by the Supervisory Board. A suspension by the Supervisory Board may at all times be lifted by the AGM/EGM. The AGM/EGM may only decide to amend the Group's Articles of Association based on a proposal presented by the Executive Board that has been approved by the Supervisory Board. Any amendment requires an absolute majority. The procedures for appointing and suspending and dismissing members of the Executive and Supervisory Boards, and the rules governing amendments to the Articles of Association, are set out in Grontmij's Articles of Association, which can be found on our website: www.grontmij.com > Corporate Governance.

The role of the Supervisory Board

Grontmij's Supervisory Board is charged with the supervision of the management and policy of the Executive Board and over the general course of events within the Company and any associated businesses. The Supervisory Board further provides guidance and advice to the Executive Board. Supervision focuses on the realisation of strategy, proper execution of internal risk management and control structures, adequate financial reporting and legal and regulatory compliance. In pursuing these tasks, the Supervisory Board takes the interests of the company, of its associated companies and of all stakeholders into account.

A detailed description of the tasks and responsibilities of the Supervisory Board can be found on our website www.grontmij.com > CorporateGovernance.

The role of the Executive Board

The Executive Board is responsible for determining and realising the Group's objectives, strategy, financing and policy, compliance with all relevant legislation and regulations, the management of risks associated with the Company's business operations and its financing. The Executive Board bears collective responsibility for managing the Group. The specific roles and responsibilities of the Executive Board members are laid down in the Executive Board charter that can be found on our website.
During the Annual General Meeting of Shareholders held on 23 May 2013, the Executive Board was designated as the body authorised to issue shares, grant rights to acquire shares, and to limit or exclude pre-emptive rights pertaining to the issue of shares. During the same AGM, the Executive Board was authorised to acquire shares in Grontmij N.V. These authorisations and the relevant conditions and limitations were recorded in the minutes of this meeting and have been published on our website: www.grontmij.com > CorporateGovernance.

The role of the Executive Committee

Grontmij's Executive Committee has six members: two members of the Executive Board and four country managing directors. The responsibilities of the Executive Committee include general strategy, Group performance, realisation of operational and financial objectives, people strategy, identification and management of risks connected to the business activities, Information and Technology (IT) management, corporate responsibility and procurement. In line with Dutch law, the Articles of Association of the Company and the Dutch Corporate Governance Code, the Executive Board shall remain accountable for the actions and decisions of the Executive Committee and have ultimate responsibility for the Company's external reporting and reporting to the shareholders of the Company, including providing the General Meeting of Shareholders with information. The (non-Executive Board) members of the Executive Committee retain their current roles as country managing directors and take on additional responsibilities at Group level as shown in the schedule below:
A further description of the rules and regulations applying to the Executive Committee are laid down in the Executive Committee charter that can be found on our website: www.grontmij.com > CorporateGovernance.

Responsibility Executive Committee

	Michiel Jaski CEO*	Frits Vervoort CFO*	Ina Brandes	John Chubb	Ton de Jong	Søren Larsen
Country responsibility						
Country	• France		• Germany (CMD) • Turkey • China	• UK (CMD) • Sweden	• the Netherlands (CMD) • Poland	• Denmark (CMD) • Belgium
Group responsibility						
Group Operations & 'Back on Track' programmes	• Strategy • Legal • Communications • Investor Relations • Risk Management	• Finance • Tax • Treasury • Investor Relations	• GGS Energy • People Strategy • Rest of World	• GGS Water • IT • Procurement	• Client First	• GGS Highways & Roads • GGS Light Rail • GGS Sustainable Buildings • OPEX • Corporate Responsibility

Country Managing Directors (CMD) who are members of the Executive Committee report directly to Michel Jaski (CEO).
** Executive Board member*

Grontmij Integrity Management System (GIMS)

In October 2011 and in line with the International Federation of Consulting Engineers' Code of Ethics and the UN Global Compact, the Grontmij Integrity Management System was developed and communicated throughout the company – see www.grontmij.com > Corporate Responsibility > Business Integrity. GIMS is based on six principles: Responsibility, Competence, Diligence, Impartiality, Fairness and Anti-Corruption. It builds on the standards set in Grontmij's Business Policy and Principles. Important elements of the system are the whistleblowing procedure and the Code of Conduct. During 2013, we further pursued roll-out and implemention of GIMS throughout the Group.

Diversity

Grontmij values diversity and will continue to strive for Board compositions whose combined experience, expertise and independence as well as age and gender best meets Grontmij's profile and strategy. The appointment of two new members of the Supervisory Board was approved by the 2013 AGM. At year-end 2013, the Supervisory Board comprised four members – three male and one female. At present, both members of in the Executive Board are male. However, Grontmij further aims to increase gender diversity in both the Supervisory and Executive Boards, in accordance with article 2:276 section 2 of the Dutch Civil Code, and is emphasising gender diversity in profiles of new candidates but will continue to base selection on the most appropriate candidate in terms of Supervisory Board profile and qualifications.

Adherence to the Dutch Corporate Governance Code

Grontmij adheres with few deviations to the Dutch Corporate Governance Code (the Code). We deviate on only a small number of best practices and guidelines. These are listed here.

II.2.8

The severance payment to Mr Dral, who stepped down as member of the Executive Board as of 15 June 2013 following the new management structure, amounts to more than one year's fixed salary. The amount paid equals one year's annual salary, including pension and variable remuneration. The amount was agreed between Mr Dral and Grontmij based on his employment contract and takes into consideration the long period (37 years) he was employed by the Company.

II.2.13 f, g & h

Individual performance criteria are described in general terms but not fully disclosed as they contain sensitive information and could contain information of an otherwise confidential nature that Grontmij may not want to disclose.

III.4.1

Due to its limited size and relatively recent appointment of most members, the Supervisory Board has not yet appointed a vice chairman; this will take place in 2014.

III.5.11

The chairman of the Appointment and Remuneration Committee also chairs the Supervisory Board. Usually the chairman of the Supervisory Board is also chairman of the Appointment Committee. At Grontmij, the Appointment Committee is combined with the Remuneration Committee. Given the leading role of the chairman of the Appointment Committee in the selection and nomination process of members of the Executive and Supervisory Boards, it has been decided that the chairman of the Supervisory Board should also chair the combined Appointment and Remuneration Committee.

Every year and in consultation with the Supervisory Board, the Executive Board reviews the above deviations and determines, also in view of general market practice, whether any changes need to be made.

Anti-takeover measure

Grontmij's Articles of Association provide for the possibility of issuing preference shares. Those shares can be issued to the Stichting Preferente aandelen Grontmij (the Foundation), in accordance with the provisions of the option agreement entered into between Grontmij and the Foundation. The Foundation was established to safeguard the interests of Grontmij, its business and those involved. This purpose can be pursued through acquiring preference shares and exercising the rights attached to these. Pursuant to an option agreement with Grontmij that was most recently amended on 6 April 2010, the Foundation has a call option to subscribe for a number of preference shares equivalent to no more than 100% of the Grontmij's nominal issued share capital in the form of ordinary shares, less one. The Foundation has a credit facility to enable it to pay the amount to be paid up on the shares. This amount equals 25% of the nominal value of the preference shares issued.

The possibility of issuing preference shares is an anti-takeover measure. Preference shares can be issued in case of (the threat of) an undesired acquisition of the majority of the Grontmij ordinary shares by one party or several parties acting in concert, in case of (the threat of) an undesired concentration of Grontmij ordinary shares with one party or several parties acting in concert and/or to prevent any undesired disruption of independent management of the Group. This protective measure, when taken, is temporary in nature and would enable Grontmij to judge any (hostile) situation on its merits and/or to explore alternatives. Grontmij's Articles of Association stipulate that, if preference shares are issued, a general meeting of shareholders is to be held within 12 months after the first issue of preference shares. The agenda for such a meeting will contain a proposal on the cancelation of the preference shares. As at 31 December 2013, no preference shares were issued.

In connection with the contemplated introduction and issuance of convertible cumulative preference shares, it will be proposed to the General Meeting of Shareholders to authorise the Executive Board to renew the option agreement. Pursuant to such a restated option agreement, the Foundation shall have the right to subscribe for a number of protective shares equal to the then issued share capital (excluding any already issued protective preference shares).

Prevention of insider trading

Grontmij has regulations for the prevention of insider trading. These regulations were revised and approved by the Supervisory Board in August 2012 and were distributed to Supervisory Board, Executive Board, country managing directors, managers of the various business units and other staff who have access to inside information. Our insider trading rules comply with the relevant provisions of the Financial Markets Supervision Act ('FMSA', Wet op het financieel toezicht).

Declarations

In the reporting year, no transactions of material significance were conducted during the year under review that involved a conflict of interest for any member of the Executive or Supervisory Boards. No transactions of material significance were conducted between the Group and any natural person or legal entity holding more than 10% of Grontmij N.V.'s shares or depository receipts thereof.

Apart from the credit-facility agreements entered into with the consortium of banks mentioned in the note to the consolidated financial statements for 2013, no major contracts contain 'change of control' clauses in relation to Grontmij.

The statement concerning corporate governance as referred to in article 2a of the decree on additional requirements for annual reports (Vaststellingsbesluit nadere voorschriften inhoud jaarverslag) can be found on our website www.grontmij.com. The information concerning the inclusion of the information required by the Decree 'Article 10 EU Takeover Directive', as required by article 3b of the Decree is included in this report in the sections Information for our Shareholders, Corporate Governance, Declarations and Remuneration Report.

Pursuant to article 5:25c of the Financial Markets Supervision Act ('FMSA'; Wet op het financieel toezicht, 'Wft') and to the best of our knowledge, the annual financial statements of Grontmij N.V. of 2013 that have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union give a true and fair view of the assets, liabilities, financial position and profit of Grontmij N.V. and the entities included in the consolidation. The report of the Executive Board (jaarverslag) provides a true and fair view of the state of affairs on the reporting date, the course of business during the year under review of Grontmij N.V. and its subsidiaries included in the financial statements and includes a description of the principal risks Grontmij faces.

De Bilt, 25 February 2014

Michiel Jaski
Frits Vervoort

Supervisory Board

Jan van der Zouw (1954)

Chairman

Nationality

Dutch

Appointed

9 March 2012

Current term expires

2016 (eligible for reappointment)

Most important previous positions

Chairman Executive Board Eriks Group N.V.

Chairman Executive Board Transmark International bv

Current positions

Chairman of the Supervisory Board of Van Wijnen Holding NV

Chairman of the Supervisory Board of Den Helder Airport bv

Chairman of the Board (Beirat) of Europart GmbH (Germany)

Chairman of the Supervisory Board of HGG group bv

Member of the Triton Industry Board (Advisory Board) (Germany)

Member of the Advisory Board of Ammeraal Beltech bv

Karin Dorrepaal (1961)

Interim chairman

Nationality

Dutch

Appointed

23 May 2013

Current term expires

2017 (eligible for reappointment)

Most important previous positions

Partner at Booz & Co (formerly Booz Allen & Hamilton)

Member of the Executive Board Schering AG (Germany)

Current positions

Member of the Supervisory Board of Gerresheimer AG (Germany)

Member and vice-chairman of the Supervisory Board, member of the Audit and Remuneration committees of Paion AG (Germany)

Member of the Board of Directors, member of the Remuneration committee of Cryo-Save Group N.V.

Member of the Board of Directors and of the Audit committee of MDx Health S.A. (Belgium)

Member of the Supervisory Board of Almirall S.A. (Spain)

Member of the Triton Industry Board (Advisory Board) (Germany)

René van der Bruggen (1947)

Nationality
Dutch
Appointed
8 December 2010
Current term expires
2015 (eligible for reappointment)
Supervisory Board memberships / Other positions
Member of the Supervisory Board of Aalberts Industries N.V.
Member of the Supervisory Board of Gelderse Vallei Ziekenhuis
Member of the Board of Niederländisch-Deutsche Handelskammer
Member of the Board of Stichting Beschermingspreferente aandelen Fugro

André Jonkman (1954)

Nationality
Dutch
Appointed
23 May 2013
Current term expires
2017 (eligible for reappointment)
Most important previous positions
KPMG Accountants
Group controller Fugro N.V.
Current positions
CFO Fugro N.V.
Member of the Board of Management of Fugro N.V.
Member of the Supervisory Board and Audit Committee of Dietsmann N.V.
Chairman of the Board - Non-Executive Board Member of Zytec B.V.

The remuneration of the Supervisory Board is described on page 152.

Poland – Suburban line on track

© Grontmij

Grontmij makes railway line 357 close to Poznan more efficient and improves road and rail safety.

Railway line no 357

The city of Poznan is well served by suburban light rail lines but efficiency could be better. Grontmij is supervising and monitoring the construction of a section of the modernised main line 357 between Sulechów and Luboń, close to Poznan. We are responsible for the Wolsztyn–Luboń section. Modernisation will involve upgrading current infrastructure. This will eliminate the need for existing speed limits so that journey times will be faster. New automatic crossing signalling devices will also add to improved road and rail safety.

Foreword

From the Supervisory Board Chairman

Grontmij N.V.'s Supervisory Board is pleased to present the Group's annual report and financial statements for 2013 as prepared by the Executive Board. The financial statements have been audited by Deloitte Accountants BV and their independent unqualified opinion can be found on page 163.

In preparing the full annual report, the aim is to present the Group's activities in line with the best practices and recommendations of the Dutch corporate governance code and the most recent report of the Monitoring Commission on corporate governance. As a result, the annual report and financial statements have been reviewed and discussed by the Supervisory Board's audit committee and with the Executive Board in the presence of the external auditor. These discussions and input from all parties present at the meetings allow us to state with confidence that the annual report satisfies transparency requirements and provides a good basis for the Supervisory Board's accountability for its supervision.

During 2013, the Supervisory Board maintained a continual strong focus on the implementation of the 'Back on Track' strategy. High priority was given to creating more commonality between the operating companies and to improving operational excellence and increasing productivity in the various Grontmij branches through the so-called Operational Excellence (OPEX) programme. A start was made on the implementation of a comprehensive and fully-aligned Enterprise Risk Management (ERM) system. While all these activities contributed to improved operations, the Group did encounter some setbacks due primarily to project write downs in a number of operating companies. Review of the reasons for these issues and action to redress these losses were taken immediately. The Supervisory Board participated actively in the discussions with local management to explore in detail the root causes and to understand the proposed actions.

The Supervisory Board provided active support to the Executive Board throughout the year. As in 2012, the reporting year was strongly influenced by weak market conditions in some of Grontmij's key markets: the Netherlands and France. Steps are in progress to adjust both country organisations at central and local level to the market environment.

In 2012, the Supervisory and Executive Boards initiated an internal investigation into the Group's past investment and divestment policies. The resulting lessons learned and follow-up actions were reported to the AGM in 2013.

In June, Grontmij announced a new management structure to further strengthen decision making at the top of the organisation and as a driver for the execution of the 'Back on Track' strategy. The Supervisory Board discussed several options for a new structure with the CEO and finally approved the proposal of the Executive Board to install an Executive Committee thus allowing for an even closer connection between the Executive Board and the business. The Executive Committee, which is chaired by the CEO, is responsible for implementing the 'Back on Track' strategy and steering the management of the country organisations. The Supervisory Board was involved in composition of the Executive Committee and is convinced the Executive Committee will serve the company in realising its strategic goals. Following the new management structure, Mr Gert Dral resigned as member of the Executive Board as per 15 June 2014 and left the Group at the end of the year to pursue other activities. The Supervisory Board is grateful for all his work and long-standing commitment (37 years) to Grontmij.

In September 2013, we were able to announce the divestment of the French Monitoring & Testing activities to a pool of investors led by Siparex, one of France's leading private equity investment specialists. Net proceeds of the divestment were used to reduce the Group's debt. The divestment facilitates further focus on our core business, accelerating the strategic path towards profitable growth.

At the Annual General Meeting of Shareholders (AGM) of 23 May 2013 Mrs Karin Dorrepaal and Mr André Jonkman were appointed as member of the Supervisory Board for a four-year period. After the AGM, Mr Jan Zegering Hadders, who was not available for re-appointment, stepped down as member of the Supervisory Board in accordance with the rotation schedule. We are grateful for his contribution over eight years as a member of our Board. We thank him sincerely and wish him well.

At the end of November it became clear that our Chairman, Mr Van der Zouw, had to undergo surgery. His duties were delegated to Karin Dorrepaal on an interim basis until such time that Mr Van der Zouw can resume his position.

Karin Dorrepaal
Interim chairman of the Supervisory Board

Supervision

Group goals and strategy

The first phase of the 'Back on Track' strategy was to restructure the Group so that Grontmij would be well positioned to achieve the next phase: realizing profitable growth by focusing on identified Group Growth Segments (GGS) – Energy, Highways & Roads, Light Rail, Sustainable Buildings and Water – and through putting in place operational excellence. Growth has been achieved in all selected growth areas. However, this organic growth was offset by a strong decline in the traditional Grontmij Planning & Design market. Market conditions and necessary action led to several formal and informal discussions between the Supervisory and Executive Boards throughout the year. As a result of lower business volumes, further downsizing in the French and Dutch organisations proved essential. The Supervisory Board closely monitored proposed actions and their implementation. At the end of the year we evaluated a cost benchmark carried out throughout the Group and subsequently discussed the targets that were set for each country to reach the benchmark. These additional cost savings of € 15 million (post inflation) will be realised in 2014 and 2015 with a related one-off cash out of € 13 million.

In September the French Monitoring & Testing (M&T) business were sold. Although these activities had a strong market presence and were successful financially, they did not fit our strategic goals and the long-term development ambitions of Grontmij. With a different business model from the rest of the Group and offering different services through a different pricing and commercial model, the synergies between French M&T and the rest of Grontmij are very limited. The divestment allowed the Grontmij Group to further focus on its core business and take the 'Back on Track' strategy to the next level. After the divestment, the remaining French business was exposed to deteriorating market circumstances. We regularly discussed with management the ways to address these developments and fully support the further restructuring which will be realised in 2014. The strategy for the remaining French engineering businesses will be reviewed, assessing the strategic options for the French operations.

Risk management

In 2012, the Executive Board proposed a new top-down approach to risk, aligning Enterprise Risk Management (ERM) fully to the Group's 'Back on Track' strategy. During 2013, the Supervisory Board was regularly informed on the finalisation and roll-out of the new ERM framework. We also reviewed the ways in which fraud and safeguards to prevent fraud are dealt with at Grontmij. The next step, in 2014, is the set up of the internal audit function and audit plan.

Financial performance

Financial performance, cash flow and working capital are permanent key topics and agenda points for the Supervisory Board throughout the year. The chairman of the Audit Committee met with the auditors at regular intervals and the auditors were present at the pre-scheduled regular quarterly review meetings with the Supervisory Board. Regular meetings are scheduled ahead of the key reporting dates and the Supervisory Board closely monitors performance against budget and the financial position of the company. In 2013 the cost-reduction programmes, development of EBITA and trade working capital, the divestment of M&T, remaining business in France and performance against our financial covenants were recurring items in our discussions with management. Project write downs, most significantly in Sweden and Denmark, were also part of our discussions with both the Executive Board and local country managing directors.
During 2013 Grontmij explored a potential refinancing following the divestment of the French Monitoring & Testing business. In the fourth quarter of 2013 trading conditions were below expectations, most severely in the Netherlands and France necessitating further restructuring. From the first views on expected performance in 2014 it also became evident that the Group would most probably not be able to meet its financial covenants in 2014.

After the mandatory repayments (amongst others following the divestment of the French M&T business) in line with the requirements of our credit facility and taking into account our peak working capital requirements and the cash needed to fund the ongoing restructuring programme, the Group would not be able to sufficiently meet its funding requirements from the existing committed credit facilities in the course of 2014.

As a result of the foregoing Grontmij started discussions with its major shareholders and lending banks to reach a sustainable capital structure going forward, providing sufficient liquidity to execute the Group's strategy and sufficient headroom within the financial covenants, taking also into account the seasonality in working capital and net debt. The flexibility and headroom to face the continuing challenging circumstances in the engineering market has been reached through a combination of equity and an amendment of the Credit Facility. The Supervisory Board was regularly informed of the discussions, provided input and ultimately approved the proposed equity instruments and amendment of the Credit Facility.

In light of the above, we reviewed the updated strategy and approved the changes as announced on 26 February 2014. The targets for EBITA margin, organic growth and trade working capital were discussed in depth and are fully supported by the Supervisory Board.

Compliance with regulations

Grontmij adheres with few exceptions to the Dutch Corporate Governance Code and adopts, where appropriate, recommendations issued by its Monitoring Committee. There is a section in this report that explains the exceptions.

Relationship with shareholders

A policy is in place to regulate the relationship with shareholders, potential investors, analysts and the media. The Supervisory Board is informed about investor relations developments on a regular basis and, when appropriate, plays a role in bilateral contacts with stakeholders.

Corporate responsibility

The Supervisory Board oversees Grontmij's approach to Corporate Responsibility (CR). Due to the nature of the Group's activities, CR is broader than adherence to, for example, Global Reporting Initiative standards. The vast majority of Grontmij projects have an environmental impact, a fact that drives the 'sustainability by design' concept which is our leading principle.

Composition, profile, competences and diversity

At the start of 2013, Grontmij's Supervisory Board consisted of three members, Jan Zegering Hadders, René van der Bruggen and Jan van der Zouw. At the shareholders meeting of May 2013, Jan Zegering Hadders stepped down as he was not available for reappointment. We thank him for his contribution, especially in his role as chairman of this Board during a period that was particularly complex and challenging for Grontmij. At the same meeting, Karin Dorrepaal and André Jonkman were appointed to the Supervisory Board but had actively participated in meetings and activities from the start of that year. As nominees for the Supervisory Board, both prospective members had followed an induction programme so that they could familiarise themselves with the Group. This programme, which continued after their appointment, included one-to-one meetings with Executive Board members, key managers and staff, the external auditor and visits to various operating companies. With these appointments, the Supervisory Board is of the opinion that its composition is diversified and that the required competences and experiences are represented in the Board.

A full profile of the Supervisory Board is available on the website www.grontmij.com > CorporateGovernance > SupervisoryBoard. In summary, the membership of the Supervisory Board should be such that a combination of the experience, expertise, gender, age and the independence of its members will enable it to perform its various duties to the best of its ability. All current members are capable of assessing the overall strategy and policy to realise the defined targets. CEO experience, technical background, project management, and international experience are well represented in the board. All members are independent in the sense of Article III.2.1/2 of the Dutch Corporate Governance Code and there were no conflicts of interest in the reporting year.

Diversity overview Supervisory Board Grontmij N.V.

					Key areas of expertise									
	Year of birth	Gender	Nationality	Date of Initial appointment	CEO experience in listed environment	International experience	Commerce and marketing	Finance and economics	Governance and law	Professional Service	Industry	Technical background	Labour matters and social relations	Active management
J. van der Zouw	1954	M	NL	2012	√	√	√					√		
R.J.A. van der Bruggen	1947	M	NL	2010	√	√				√		√		
K. Dorrepaal	1961	F	NL	2013		√		√		√				
A. Jonkman	1954	M	NL	2013		√		√						√

During 2013, the Supervisory Board met 15 times: in addition to eight pre-scheduled meetings, there were seven additional meetings, primarily related to the divestment of the French Monitoring & Testing activities, project write downs, the performance in France and overall performance. Seven meetings were held by conference call. The Board made country visits to Grontmij Belgium and Grontmij Netherlands. Moreover, the chairman held monthly working meetings with the CEO, the Chairman of the Audit Committee held monthly meetings with the CFO, and members of the Supervisory Board held one-to-one meetings with Executive Board members, the Company Secretary and selected country managing directors on reporting, governance and business issues.
All members had sufficient time to perform their duties. For health reasons, the chairman took a leave of absence from November 2013.

Supervisory Board Committees

After the appointment in May 2013 of two new members, an Audit Committee and a Remuneration & Appointment committee were installed, with the following members:

Committee	Chairman	Members
Audit committee	André Jonkman	René van der Bruggen Karin Dorrepaal Jan van der Zouw
Remuneration and Appointment committee	Jan van der Zouw	Karin Dorrepaal

Audit activities

As the Audit Committee consists of all Supervisory Board members, all financial and audit-related topics are reviewed and discussed by the full Board. These topics included:

- annual figures (2012) and quarterly/interim results;
- 2013 budget and quarterly comparison of actual versus budget;
- valuation and monitoring of non-core activities;
- treasury and working-capital management;
- collection of receivables;
- financing position and covenants;
- impairments;
- risk management and internal control issues;
- (potential) legal claims;
- taxation;
- the role and performance of the external auditor;
- the external auditor's management letter and report to the Supervisory Board.

During his regular meetings with the CFO, the Chairman of the Audit Committee paid specific attention to financial performance, cash flow and working capital. Also the 2013 audit plan and the relationship with and functioning of the external auditor were discussed as was the initiation and key responsibilities of an internal audit function. During the reporting year, the Chairman of the Audit Committee was in frequent dialogue with the external auditors on internal controls and the approach to audit. The management letter was discussed. Key elements were: recommendations for further improvement of internal control environment (differentiated per country); recommendation to dedicate resources to an Internal Audit Function, the performance in France and possible impairment and the risk attached to the judgment of provisions for legal claims. All of these elements were regular items on the agenda of the Supervisory Board and the way these are addressed is described in several places in this annual report.

Remuneration & Appointment activities

This committee was reinstated following the shareholders meeting in May 2013. However, towards the end of the year and due to the illness of Jan van der Zouw, the committee's tasks were assumed by the full Supervisory Board. During the reporting year, the Supervisory Board reviewed the composition of the Executive Board and evaluated a number of potential senior management structures with the CEO. Ultimately, it was decided that an Executive Committee structure would be the most effective in creating an even closer connection between the Executive Board and the business. The Supervisory Board discussed and approved the proposed composition of the Executive Committee. The performance of the Executive Board was reviewed, also against target setting and achievement in 2012. As part of the variable remuneration scheme, new targets were defined and set for 2014. Remuneration policy was evaluated and except for the one off bonus proposed to and approved by the AGM in May 2013, no changes were deemed necessary. In January 2013, two members of the Supervisory Board held individual reviews with the CEO, the CFO and the Company Secretary. The outcome was shared with and evaluated in a closed session of the Supervisory Board.

Quality of Supervision

During the December 2013 meeting the Supervisory Board carried out an internal evaluation review on the basis of written questionnaires and internal discussions. Input was given by all members, the members of the Executive Board and the Company Secretary. Items assessed included composition and profile, mix of skills and experience, quality of meetings, preparations for the meetings, relationship with the Executive Board and the performance of the chairman. As a result of this evaluation, the Supervisory Board concluded that there should be more frequent and pre-scheduled meetings of the Remuneration Committee, a vice-chairman needs to be appointed and reporting on legal claims should be further tailored to the Board's supervisory role. Although the assessment did not involve an external facilitator, the Supervisory Board decided in 2013 that evaluations using an external facilitator will be carried out every three to four years.

As part of the permanent education programme the Supervisory Board held two of its meetings at operating-company locations in Belgium and the Netherlands. During these meetings discussions were held with local management teams on strategy and future developments. In January we were informed on the OPEX programme by means of a comprehensive presentation by the project team. The Supervisory Board attended a session with the Group external legal counsel on corporate governance developments and the changing role of the Supervisory Board. The chairman participated in an International Group summit in Bremen in October where key agenda topics were the Operational Excellence programme and the Group Growth Segments. Individual members participated in externally facilitated network meetings and workshops with topics such as culture & ethics, fraud, risk control and strategy.

Remuneration report

The remuneration report has been approved by the full Supervisory Board. The report describes current policy, as most recently amended and adopted by the Annual General Meetings of Shareholders (AGM) in May 2013. Actual remuneration is included in the financial statements to this annual report on page 151 and 152.

Remuneration policy

The aim of the remuneration policy is to attract, motivate and retain qualified board members who will contribute to the long-term success of Grontmij as a leading international consulting and engineering company. The policy is designed to reward members of the Executive Board for their contribution to the Group's performance and align their interests with those of the shareholders. The policy for both the Supervisory and Executive Boards is normally reviewed every two years. During 2012, the Supervisory Board reviewed the policy and proposed one amendment to the policy relating to a one-off bonus that was approved by the AGM in May 2013. Apart from this proposal, no further changes or additions to the policy were deemed necessary in 2012. The policy will be reviewed again in 2014.

Supervisory Board remuneration

The remuneration for the members of the Supervisory Board is assessed periodically (most recently in 2009). The AGM decides on the actual remuneration. The members of the Supervisory Board receive a fixed compensation not related to the results of the Group. In 2007, the AGM approved a proposal to fix the remuneration of the members of the Supervisory Board at € 28,000 per annum and at € 40,000 per annum for its chairman. In addition, a proposal was approved to pay an amount of € 1,000 per meeting to those members of the Supervisory Board who are required to attend such meetings outside the country in which they are domiciled. The approved remuneration of the members of the Supervisory Board constitutes a realistic payment for the duties performed and responsibilities held by the members of a supervisory board of an international, listed company. Supervisory Board remuneration has remained unchanged since 2007.

Executive Board remuneration

Contract terms

Members are appointed for a four-year period. If members of the Executive Board are asked to leave the Group, they will receive an amount equal to one year's salary. No specific agreement has been entered into between any member of the Executive Board and Grontmij N.V. providing for compensation in the event of termination of employment or dismissal as member of the Executive Board following a public bid for the Group.

Benchmarking and peer group

The remuneration of the members of the Executive Board is based on a comparison with the remuneration of members of executive boards of other European listed and non-listed companies active in the same sector, taking into account the relevant complexity, scope and risk profile (peer group). In addition, the remuneration for each member is determined by taking into account the specific responsibilities of the members of the Executive Board. The companies in the peer group are: ARCADIS, Fugro, DHV, Ballast Nedam, WS Atkins plc, Sweco, the Pöyry Group (and until 2012 WSP). The following elements of the total remuneration are included in the comparison: total cash per year (fixed and variable salary) plus long-term incentives, such as share and/or option schemes. The benchmarking exercise is performed by the Supervisory Board with the advice of an external compensation and benefits consultant, and was carried out most recently in 2006 and updated in 2009 and 2011.

Fixed remuneration

The fixed annual salary bandwidths were set in 2006 and confirmed in 2009. The Supervisory Board sets the fixed annual

salaries for the members of the Executive Board within these bandwidths. In principle, these bandwidths are indexed annually. In 2013, the bandwidths and salaries were indexed with 1%.
The bandwidths are as follows:
Chairman of the Executive Board: € 367,640 - € 441,370
Other members of the Executive Board: € 262,600 - € 336,330

Variable remuneration

In designing this remuneration policy, the Supervisory Board considered the possible outcome of the variable remuneration components and the effect thereof on remuneration. The variable remuneration consists of two elements: a performance-dependent cash bonus and a long-term share plan. As described below, the variable remuneration is linked to predetermined, assessable targets that can be influenced by performance. These targets underpin the Group's strategy because they relate to the strategic and financial targets. The maximum variable remuneration for the chairman of the Executive Board amounts to 90% of the fixed annual salary. The maximum variable remuneration for the other members of the Executive Board amounts to 65% of the fixed annual salary. In addition the members of the Executive Board are entitled to an one off bonus of maximum 30% of their fixed annual salary provided the targets related to this bonus are met.

Performance-dependent cash bonus

For the CEO, the performance dependent cash bonus represents a maximum of 60% of the fixed annual salary, two-thirds of which (40%) is based on operational targets and one-third (20%) on discretionary targets. For other members of the Executive Board, this part represents a maximum of 45% of the fixed annual salary, two-thirds of which (30%) is based on operational targets and one-third (15%) on discretionary targets. Performance is measured on each of these targets where on target performance leads to a pay-out of approximately 75% of the maximum bonus. Reaching the maximum threshold leads to the maximum pay-out of 100% and below the minimum threshold to zero pay-out. No cash bonus is paid if the most important operational target (EBITA) ends below 80% of the target, regardless of achievement of other operational or discretionary targets (knock-out).
For commercial and strategic reasons, the operational targets are only disclosed ex post whilst of the discretionary targets only the subject is given ex post.

In 2013, the criteria for operational targets were as follows:

- EBITA excluding exceptional items (with a weighting of 40 points): The target was to achieve EBITA excluding exceptional items of € 37.5 million (with a minimum threshold of € 32.5 million and a maximum threshold of € 42.5million). This target was lowered to € 25.8 million following the divestment of the French Monitoring & Testing business in September 2013. In 2013, the company reported EBITA excluding exceptional items of € 17.1 million resulting in a score of 0 points out of 40 points;
- trade working Capital (TWC) as percentage of Total revenue (with a weighting of 30 points): The target was to achieve Trade working capital of 15% of Total revenue (with a minimum threshold of 16% and a maximum threshold of 14%).
  As per the end of 2013, TWC as a percentage of Total revenue amounted to 14.2% resulting in a score of 28 points out of 30 points;
- net income (with a weighting of 10 points): the target was to achieve a net income of € 9.1 million (with a minimum threshold of € 7.5 million and a maximum threshold of € 10.5 million). This target was lowered to € 1.7 million following the divestment of the French Monitoring & Testing (M&T) business in September 2013. In 2013 the company reported a net loss resulting in a score of 0 out of 10 points.

The total score on operational targets for all members of the Executive Board amounted to 28 points out of 80 points.

Individual performance criteria are linked to the individual responsibilities of the members of the Executive Board and are mostly qualitative.

- targets for the CEO related to the updated 'Back on Track' strategy, development of a people strategy and a renewed performance evaluation method for country managing directors, implementation of the five Operational Excellence processes throughout the organisation, the completion of the divestment of the French M&T business and further develop transparency and communication to stakeholders;
- targets for the CFO related to the refinancing of the credit facility against more favourable terms, filling CFO vacancies in the Swedish and French operations, implementation of preparatory process for a new ERP system, the divestment of the French M&T business and the implementation of Group Procurement function and policy.

Performance measured against these individual targets (with a maximum score of 40 points) resulted in a score of 36 points for the CEO and 32 points for the CFO.
The total score in 2013 is 64 points out of 120 for the CEO and 60 points out of 120 for the CFO. As the EBITA target came out below 80% of the set target members of the Executive Board will not receive a bonus over 2013.

One-off bonus

At the AGM in May 2013, the shareholders adopted the Supervisory Board's proposal to grant a one-off bonus for members of the Executive Board; 30% of fixed annual salary which will become payable upon return of € 30 million to the shareholders within three years of the date of issue of shares in connection with the rights offering (29 May 2012). The one-off bonus will amount to 20% of fixed annual salary if the amount of € 30 million is returned within four years, and to 10% if returned within five years. As per the end of 2013, no funds have been returned to the shareholders.

Long-Term Share Plan (LTSP)

As part of Grontmij's new strategy, the Supervisory Board has replaced the former value dependent cash bonus system with a long-term share plan to better align the interest of members of the Executive Board and other key management with the interest of shareholders and to stimulate long-term commitment to Grontmij. The headlines of the long-term share plan were adopted by the General Meeting of Shareholders of 9 May 2012. The detailed plan was adopted by the Supervisory Board on 6 August 2012 and will apply retroactively as of 1 January 2012.

Under the long-term share plan members of the Executive Board and other key management are entitled to receive conditional ordinary shares (voorwaardelijke aandelen) subject to achieving a long-term target relating to the stock performance (total shareholder return including reinvested dividend) relative to a selected peer group (i.e. the target). For 2013, the peer group consists of ARCADIS, Atkins, the Pöyry Group, Sweco, WYG, Hyder (replaced WSP in 2013), Imtech, Ballast Nedam and Heijmans. The target will be measured annually on an average basis over a rolling period of three calendar years.

The conditional ordinary shares will be granted for no financial consideration subject to achieving the set target (conditional granting) and will vest at the end of the second year after the year in which the shares were conditionally granted if the target is met. The target is measured over a three-year period starting on the first day of the year in which the shares are conditionally granted (performance period).

The Executive Board and other key management are not entitled to shareholders' rights, including the right to dividends during the period between granting and vesting. Granting will take place each year on the first business day after the announcement of the annual results. In 2013, granting took place on the first business day after the announcement of the annual results (27 February). The number of ordinary shares conditionally granted is based on a percentage of the fixed annual salary divided by the average share price of the ordinary shares, during the last quarter of the calendar year preceding the year in which shares are granted. For the CEO, the percentage amounts to 30% of the fixed annual salary, whilst for the CFO the percentage amounts to 20%. 100% of the conditional ordinary shares granted will vest if Grontmij ranks at position 4 of the peer group list. No shares will vest if Grontmij ranks below position 7 of the peer group list. If the target is outperformed and Grontmij ranks as number 1, the maximum of 150% of the conditional ordinary shares granted will vest. In between these positions, the conditional ordinary shares will vest proportionally. As a result the maximum percentage of variable remuneration in shares amounts to 45% of the fixed annual salary for the CEO and 30% for the CFO.

After vesting, the ordinary shares are subject to a lock-up of two years, after which the members of the Executive Board and other key management obtain unrestricted control. Shares under the long-term share plan will either be issued or repurchased by Grontmij depending on Grontmij's financial position, in particular the cash available within Grontmij. The maximum number of ordinary shares that may be issued annually under the long-term share plan will not exceed 1% of the number of outstanding ordinary shares.

In case a member of the Executive Board's contract is terminated, vesting of the performance shares shall be based pro rata upon the number of full months lapsed between the date of granting and the date of termination of the employment agreement divided by 36 (= total number of months in the performance period).

Pensions

The pension scheme for members of the Executive Board is a combination of Collective Defined-Benefit scheme and an individual defined-contribution scheme. No pension premiums are paid over fixed income above a maximum of € 300,000. In addition, the Group's maximum annual pension contributions will not exceed € 75,000 per member of the Executive Board. In 2013, the following scheme applied to the members of the Executive Board:

- up to € 66,433 of a member's fixed salary – a collective defined contribution (via Stichting Pensioenfonds Grontmij);
- from € 66,433 to € 112,168 – a defined-contribution plan (via Stichting Pensioenfonds Grontmij);
- from €112,169 to € 300,000 – an additional individual defined-contribution plan based on 25% of the fixed income from € 112,168 to € 300,000 of the relevant member.

Supervisory Board fairness review

The Supervisory Board retains the option of a so-called fairness review on the pay out of all variable remuneration. In addition, there is a claw back option for the whole of the variable remuneration in case variable remuneration is paid on the basis of incorrect financial or other data. Other parts of the remuneration are fixed and based on the applicable labor contracts not subject to a fairness review by the Supervisory Board.

Remuneration in 2013

Full details of remuneration in 2013, can be found on page 151 and 152 of this annual report.

Remuneration policy 2014 and beyond

In 2013, no changes were deemed necessary. The Supervisory Board will review the current policy in 2014.

Financial statements and dividend

The financial statements for 2013 were prepared and endorsed by the Executive Board pursuant to their statutory obligation under article 2:101 (2) of the Dutch Civil Code and article 2:25c (2c) of the Financial Markets Supervision Act. The statements were discussed by the Supervisory Board in the presence of the external auditor. After the review of the Independent Auditor's Report provided by Deloitte Accountants B.V., as well as its findings as summarised in a report to the Supervisory Board and the Executive Board, the financial statements were endorsed by all members of the Supervisory Board pursuant to their statutory obligation under article 2:101 (2) Dutch Civil Code. The Supervisory Board recommends the Annual General Meeting of Shareholders to adopt the financial statements. In addition, it recommends that the members of the Executive and Supervisory Boards be discharged from liability in respect of the managerial and supervisory duties that they have performed respectively.
The Supervisory Board approved the Executive Board's proposal to propose to the General Meeting of Shareholders to resolve to deduct the loss from the Other reserves. As a loss is incurred in the financial year under review, there will be no payment of dividend.

De Bilt, 25 February 2014

Karin Dorrepaal (interim chairman)
René van der Bruggen
André Jonkman

Mr Jan van der Zouw is not mentioned here due to his absence for health reasons.

Financial statements

Financial statements 2013 Grontmij N.V.

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Consolidated statement of financial position

In thousands of € (before appropriation of result)	Note	31 December 2013	31 December 2012 Restated*	1 January 2012 Restated*
Goodwill	9	115,991	166,982	165,984
Intangible assets	10	50,904	56,196	62,825
Property, plant and equipment	11	26,130	38,413	51,190
Investments in equity accounted investees	12	3,329	4,834	5,194
Other financial assets	13	14,152	14,002	16,756
Deferred tax assets	14	2,335	2,574	2,953
Non-current assets		**212,841**	**283,001**	**304,902**
Receivables	15,16	295,033	366,102	371,079
Inventories		16,564	20,543	18,371
Income taxes		738	4,574	7,053
Cash and cash equivalents	17	45,962	48,305	47,111
Assets classified as held for sale	6	10,704	9,810	-
Current assets		**369,001**	**449,334**	**443,614**
Total assets		**581,842**	**732,335**	**748,516**
Share capital		15,992	15,992	5,331
Share premium		165,476	165,476	96,391
Reserves		-50,521	-23,553	44,950
Result for the year		-14,791	-31,428	-55,860
Total equity attributable to shareholders of Grontmij		**116,156**	**126,487**	**90,812**
Non-controlling interest		-82	-107	41
Total Group equity	18	**116,074**	**126,380**	**90,853**
Loans and borrowings	22	65,189	134,305	147,253
Employee benefits	20	11,876	11,611	10,531
Derivatives used for hedging	25	6,929	10,086	4,873
Provisions	23	29,521	39,559	41,402
Deferred tax liabilities	14	27,302	29,990	30,958
Non-current liabilities		**140,817**	**225,551**	**235,017**
Bank overdrafts	17	19,802	14,758	22,595
Loans and borrowings	22	15,054	15,491	52,417
Income taxes		5,943	9,088	3,718
Trade and other payables	16,24	263,734	312,587	327,426
Employee benefits	20	2,692	3,085	2,487
Provisions	23	12,999	21,682	14,003
Liabilities classified as held for sale	6	4,727	3,713	-
Current liabilities		**324,951**	**380,404**	**422,646**
Total equity and liabilities		**581,842**	**732,335**	**748,516**

* Restated for comparison purposes in connection with changes in accounting policies on pensions (IAS 19) and joint arrangements (IFRS 11), see page 102.
The notes on pages 98 to 154 are an integral part of these consolidated financial statements.

Consolidated income statement

In thousands of €	Note	2013	2012 Restated*
Total revenue	28	**763,403**	**789,623**
Third-party project expenses		-132,509	-140,535
Net revenue		**630,894**	**649,088**
Direct employee expenses	30	-442,850	-458,382
Direct other expenses	31	-3,984	-4,711
Total direct expenses		**-446,834**	**-463,093**
Gross margin		**184,060**	**185,995**
Other income	29	2,564	1,699
Indirect employee expenses	30	-66,837	-69,168
Amortisation	10	-5,333	-6,564
Depreciation	11	-9,952	-10,653
Impairments of non-current and current assets	7,9,10,11	-12,505	-1,002
Indirect other operating expenses	31	-90,038	-114,903
Total indirect expenses		**-184,665**	**-202,290**
Result on sale of subsidairies	7	-587	-350
Share of results of investments in equity accounted investees	12	-1,300	-1,129
Result on sale of equity accounted investees (net of income tax)	12	-	-129
		-1,887	**-1,608**
Operating result	28	**72**	**-16,204**
Finance income		2,363	2,766
Finance expenses		-19,964	-19,054
Net finance expenses	32	**-17,601**	**-16,288**
Result before income tax		**-17,529**	**-32,492**
Income tax expense	33	-966	-2,895
Result after income tax from continuing operations		**-18,495**	**-35,387**
Result from discontinued operations (net of income tax)	6	3,682	3,880
Total result for the year		**-14,813**	**-31,507**
Attributable to:			
Shareholders of Grontmij		-14,791	-31,428
Non-controlling interest		-22	-79
Total result for the year		**-14,813**	**-31,507**
Earnings per share	19		
From continuing and discontinued operations			
Basic and diluted earnings per share (in €)		-0.23	-0.67
From continuing operations			
Basic and diluted earnings per share (in €)		-0.29	-0.76
Average number of shares (basic)		63,967,500	46,606,557
Average number of shares (diluted)		63,967,500	46,606,557

* Restated for comparison purposes in connection with changes in accounting policies on pensions (IAS 19), joint arrangements (IFRS 11) and discontinued operations (IFRS 5), see page 102.

The notes on pages 98 to 154 are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

In thousands of €	2013	2012 Restated*
Total result for the year	**-14,813**	**-31,507**
Other comprehensive income:		
Items that will never be reclassified subsequently to the income statement		
Remeasurements of defined benefit liabilities	-1,428	-2,639
Cost of issuing ordinary shares	-	-6,652
Related tax effects	52	58
	-1,376	**-9,233**
Items that are or may be reclassified subsequently to the income statement		
Foreign currency exchange translation differences for foreign operations	-726	1,808
Effective portion of changes in fair value of cash flow hedges	3,156	-5,210
Ineffective portion of fair value of cash flow hedges transferred to the income statement	3,297	-
	5,727	**-3,402**
Other comprehensive income (net of income tax)	**4,351**	**-12,635**
Total comprehensive income	**-10,462**	**-44,142**
Attributable to:		
Shareholders of Grontmij	-10,440	-44,063
Non-controlling interest	-22	-79
Total comprehensive income	**-10,462**	**-44,142**

* Restated for comparison purposes in connection with changes in accounting policies on pensions (IAS 19), see page 102.
The notes on pages 98 to 154 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

In thousands of €	Total Group equity	Non-controlling interest	Total attributable to shareholders of Grontmij	Share capital	Share premium	Translation reserve	Hedging reserve	Other reserves	Result for the year
Balance as at 1 January 2012 as previously reported	90,853	41	90,812	5,331	96,391	-5,614	-4,876	55,440	-55,860
Impact of changes in accounting policies	-	-	-	-	-	-	-	-	-
Restated* balance as at 1 January 2012	**90,853**	**41**	**90,812**	**5,331**	**96,391**	**-5,614**	**-4,876**	**55,440**	**-55,860**
Result for the year 2012	-31,507	-79	-31,428	-	-	-	-	-	-31,428
Other comprehensive income:									
Foreign currency exchange translation differences for foreign operations	1,808	-	1,808	-	-	1,808	-	-	-
Remeasurements of defined benefit liabilities	-2,639	-	-2,639	-	-	-	-	-2,639	-
Cost of issuing ordinary shares	-6,652	-	-6,652	-	-	-	-	-6,652	-
Effective portion of changes in fair value of cash flow hedges	-5,210	-	-5,210	-	-	-	-5,210	-	-
Related tax effects	58	-	58	-	-	-	-	58	-
Total other comprehensive income	**-12,635**	**-**	**-12,635**	**-**	**-**	**1,808**	**-5,210**	**-9,233**	**-**
Total comprehensive income	**-44,142**	**-79**	**-44,063**	**-**	**-**	**1,808**	**-5,210**	**-9,233**	**-31,428**
Contribution by and distributions to owners:									
Issue of ordinary shares	79,746	-	79,746	10,661	69,085	-	-	-	-
2011 Result appropriation	-	-	-	-	-	-	-	-55,860	55,860
Other equity movements:									
Recognition of equity-settled share-based payments	34	-	34	-	-	-	-	34	-
Change in ownership interest in subsidiaries:									
Acquisition of non-controlling interest without a change in control	-111	-69	-42	-	-	-	-	-42	-
Restated* balance as at 31 December 2012	**126,380**	**-107**	**126,487**	**15,992**	**165,476**	**-3,806**	**-10,086**	**-9,661**	**-31,428**

* Restated for comparison purposes in connection with changes in accounting policies on pensions (IAS 19), see page 102.
The notes on pages 98 to 154 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

In thousands of €	Total Group equity	Non-controlling interest	Total attributable to shareholders of Grontmij	Share capital	Share premium	Translation reserve	Hedging reserve	Other reserves	Result for the year
Restated* balance as at 31 December 2012	**126,380**	**-107**	**126,487**	**15,992**	**165,476**	**-3,806**	**-10,086**	**-9,661**	**-31,428**
Result for the year 2013	-14,813	-22	-14,791	-	-	-	-	-	-14,791
Other comprehensive income:									
Foreign currency exchange translation differences for foreign operations	-726	-	-726	-	-	-726	-	-	-
Remeasurements of defined benefit liabilities	-1,428	-	-1,428	-	-	-	-	-1,428	-
Effective portion of changes in fair value of cash flow hedges	3,156	-	3,156	-	-	-	3,156	-	-
Ineffective portion of fair value of cash flow hedges transferred to the income statement	3,297	-	3,297	-	-	-	3,297	-	-
Related tax effects	52	-	52	-	-	-	-	52	-
Total other comprehensive income	**4,351**	**-**	**4,351**	**-**	**-**	**-726**	**6,453**	**-1,376**	**-**
Total comprehensive income	**-10,462**	**-22**	**-10,440**	**-**	**-**	**-726**	**6,453**	**-1,376**	**-14,791**
Contribution by and distributions to owners:									
2012 Result appropriation	-	-	-	-	-	-	-	-31,428	31,428
Other equity movements:									
Recognition of equity-settled share-based payments	109	-	109	-	-	-	-	109	-
Change in ownership interest in subsidiaries:									
Non-controlling interest transferred to asset held for sale	47	47	-	-	-	-	-	-	-
Balance as at 31 December 2013	**116,074**	**-82**	**116,156**	**15,992**	**165,476**	**-4,532**	**-3,633**	**-42,356**	**-14,791**

* Restated for comparison purposes in connection with changes in accounting policies on pensions (IAS 19), see page 102.

The notes on pages 98 to 154 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

In thousands of €	Note	2013	2012 Restated*
Total result for the year		-14,813	-31,507
Result from discontinued operations (net of income tax)		-3,682	-3,880
Result after income tax from continuing operations		**-18,495**	**-35,387**
Adjustments for:			
Depreciation of property, plant and equipment	11	9,952	10,653
Amortisation of intangible assets	10	5,333	6,564
Impairment losses	7,9,10,11	12,505	1,002
Share of results of investments in equity accounted investees	12	1,300	1,129
Results on sale of property, plant and equipment	29	-338	-609
Result on sale of equity accounted investees (net of income tax)		-	129
Result on sale of a subsidiary (net of income tax)	7	587	350
Net finance expenses	32	17,601	16,288
Income tax expense	33	966	2,895
		47,906	**38,401**
Change in amounts due to and due from customers and inventories	16	-834	-4,755
Change in trade and other receivables	15	34,384	601
Change in provisions and employee benefits	20,23	-15,664	3,901
Change in trade and other payables	24	-22,051	-11,727
		-4,165	**-11,980**
Dividends received from equity accounted investees	34	413	642
Interest paid		-20,080	-18,240
Interest received		7,369	6,400
Income taxes paid		-3,544	4,418
		-16,255	**-7,422**
Net cash from / (used for) operating activities		**9,404**	**-15,746**
Proceeds from sale of property, plant and equipment		827	4,521
Proceeds from sale of a subsidiary (net of cash disposed of)	6	58,996	1,448
Dividends received from discontinued operations		-	5,003
Acquisition of intangible assets	10	-1,694	-1,717
Acquisition of property, plant and equipment	11	-8,979	-7,924
Payment of deferred consideration relating to acquisitions		-235	-
Acquisition of subsidiaries (net of cash acquired)		-	-821
Acquisition of investments in equity accounted investees		-58	-
Proceeds from disposal of investments in equity accounted investees		10	-
Repayments from and acquisition of other investments, net		-1,571	-167
Net cash from investing activities		**47,296**	**343**

In thousands of €	Note	2013	2012 Restated*
Proceeds from the issue of share capital		-	79,746
Payment of costs of issuing ordinary shares		-	-6,652
Proceeds from the issue of loans and borrowings	22	11,145	144,000
Payment of transaction costs related to loans and borrowings		-	-1,993
Acquisition of non-controlling interests		-	-57
Repayments of loans and borrowings	22	-77,882	-193,823
Net cash (used for) / from financing activities		**-66,737**	**21,221**
Movements in net cash position for the year of the continuing operations		**-10,037**	**5,818**
Net cash from operating activities discontinued operations	6	7,552	11,324
Net cash used for investing activities discontinued operations	6	-1,472	-1,623
Net cash used for financing activities discontinued operations	6	-2,709	-7,025
Movements in net cash position for the year of the discontinued operations		**3,371**	**2,676**
Movements in net cash position for the year of the continuing and discontinued operations		**-6,666**	**8,494**
Cash and cash equivalents	17	48,305	47,111
Bank overdrafts	17	-14,758	-22,595
Net cash position as at 1 January		**33,547**	**24,516**
Effect of exchange rate fluctuations on cash held		-721	537
Cash and cash equivalents	17	45,962	48,305
Bank overdrafts	17	-19,802	-14,758
Net cash position as at 31 December		**26,160**	**33,547**

* Restated for comparison purposes in connection with changes in accounting policies on pensions (IAS 19), joint arrangements (IFRS 11) and discontinued operations (IFRS 5), see page 102.

The notes on pages 98 to 154 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

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1 General information

Grontmij N.V. ('Grontmij' or 'Company') is a public limited company (in Dutch: "Naamloze Vennootschap") domiciled at De Holle Bilt 22, 3732 HM in De Bilt, the Netherlands and listed on Euronext in Amsterdam.

The financial statements include the consolidated financial statements and the company financial statements of Grontmij. The consolidated financial statements comprise Grontmij and its subsidiaries (together referred to as the 'Group'), and the Group's interest in associates and joint arrangements.

Main activities

The Group provides consultancy, design & engineering and management services in a broad range of market sectors related to the built and natural environment.

The Group has structured the business in nine separate geographic regions or operating countries. The Executive Board together with the in 2013 newly incorporated Executive Committee is directly accountable for the various operating countries. Every country reports directly to one of the Executive Board members or Executive Committee members.

The regions/countries are: the Netherlands, France, Denmark, Sweden, United Kingdom, Belgium, Germany, other markets and non-core activities. The latter includes the Group's non-core asset management business. In the segment "other markets" in Europe, we are building a presence in Poland and Turkey. After reviewing strategic options regarding Hungary, it has been decided to withdraw from this market. Outside Europe, we operate in China and on a project basis in Asia and Africa. Both the public sector – national and regional - and private sector are major clients for Grontmij in all our operating countries. Performance is measured based on segment operating result, as included in the internal management reports that are reviewed by the Executive Board and Executive Committee.

Within our operating countries, up to three business lines have been distinguished: Planning & Design, Transportation & Mobility, Water & Energy. Following the divestment of France's Monitoring & Testing business the activities designated as Monitoring & Testing have been reallocated in 2013 to the other three business lines.

Planning & Design aims to find sustainable solutions for the built and the natural environment.

Transportation is all about moving people, goods and other materials from A to B in the most efficient, environmentally sustainable way. These transport flows have to be designed, planned and executed. In turn, Mobility works to manage these flows in more efficient ways.

Water & Energy consultants cover a wide range of projects, anything from the design of innovative plants to treat waste-water or the creation of waste plants to generate energy, and every conceivable way of working with water and power in between.

Date of authorisation of issue

The financial statements were authorised for issue by the Executive Board and the Supervisory Board on 25 February 2014. The adoption of the financial statements and the proposal for treatment of the loss 2013 are reserved for the shareholders in the Annual General Meeting of shareholders on 13 May 2014.

2 Basis of preparation

Going concern

The financial statements have been prepared on a going concern basis. There are certain uncertainties related to going concern, reference is made to note 22 of these financial statements.

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (hereinafter referred to as: 'EU-IFRS'). As the results of Grontmij N.V. are included in the consolidated income statement, the Company income statement is, in accordance with article 402, Part 9, Book 2 of the Dutch Civil Code, provided in abbreviated format.

Details of the Group's accounting policies, including changes during the year, are included in note 3, significant accounting policies.

Basis of measurement

The financial statements have been prepared on the historical cost basis, unless otherwise stated in the respective note or in note 3, significant accounting policies.

Functional currency and presentation currency

Grontmij's functional currency is the Euro. All amounts in these financial statements are presented in Euros, rounded to the nearest thousand, unless stated otherwise

Changes in accounting policies

The following standards, interpretations, amendments to standards and interpretations applicable to Grontmij became effective in 2013:

Amendments to IFRS 7 *"Disclosures – Offsetting financial assets and financial liabilities"* (effective for annual periods beginning on or after 1 January 2013) requires to disclose information about rights of offset and related arrangements for financial instruments under an enforceable master netting agreement or similar agreement.

IFRS 10 *"Consolidated Financial Statements"*. The Standard is endorsed by the European Union as per 1 January 2014 but Grontmij decided to early adopt this standard as it was effective for annual periods beginning on or after 1 January 2013. IFRS 10 replaces the part of IAS 27 "*Consolidated and Separate Financial Statements*" that deals with consolidated financial statements and SIC 12 "*Special purpose entities*". Under IFRS 10 there is only 1 basis for consolidation for all entities; and that basis is control. IFRS 10 includes a more solid definition of control in order to address unintentional weaknesses of the definition of control set out in the previous version of IAS 27. The adoption had no effect on the consolidated financial statements.

IFRS 11 *"Joint Arrangements"*. The Standard is endorsed by the European Union as per 1 January 2014 but Grontmij decided to early adopt this standard as it was effective for annual periods beginning on or after 1 January 2013. IFRS 11 replaces IAS 31 "*Interests in Joint Ventures*". Under IFRS 11, the Group classifies its interests in joint arrangements as either joint operations or joint ventures depending on the Group's rights to assets and obligations for the liabilities of the arrangements. When making this assessment, the Group considers the structure of the arrangements, the legal form of separate vehicles, the contractual terms of the arrangements and other facts and circumstances. The Group has re-evaluated its joint arrangements and reclassified some investments in joint ventures to joint operations. Consequently certain amounts within the consolidated statement of financial position and consolidated income statement were reclassified. The tables below show the effect on the consolidated statement of financial position, the consolidated income statement and the consolidated statement of cash flows.

IFRS 12 *"Disclosure of interests in other entities"*. The Standard is endorsed by the European Union as per 1 January 2014 but Grontmij decided to early adopt this standard as it was effective for annual periods beginning on or after 1 January 2013. IFRS 12 sets out the disclosure requirements with respect to interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities to provides users of the consolidated financial statements with information that helps to evaluate the nature and risks associated with these interests in other entities. The adoption resulted in additional disclosures as included in note 12.

IFRS 13 *"Fair Value Measurement"* (effective for annual periods beginning on or after 1 January 2013). IFRS 13 defines fair value, establishes a framework for measuring fair value and requires disclosures about fair value measurements. The Standard applies to both financial instrument items and non-financial instrument items. The adoption resulted in additional disclosures as included in note 25.

Amendments to IAS 1 *"Presentation of Items of Other Comprehensive Income"* (effective for annual periods beginning on or after 1 July 2012). The amendments to IAS 1 introduce new terminology for the statement of comprehensive income and income statement. The amendments to IAS 1 require additional disclosures to be made in the other comprehensive income section such that items are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that will be reclassified subsequently to profit or loss when specific conditions are met. Other than the above mentioned presentation changes the application of amendments to IAS 1 does not result in any impact on our consolidated financial statements.

IAS 19 Revised *"Employee Benefits"* (effective for annual periods beginning on or after 1 January 2013). The most significant amendments to IAS 19 relate to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. Further, the amendments enhance the disclosure requirements for an employer's participation in a multi-employer plan. IFRS requires restatement of the comparative numbers and disclosure of the nature and the effect of the changes. The adoption of this revised standard had no material impact (and no related tax effects) on other comprehensive income as per 1 January 2012, therefore no restatements have been made as of this date. The impact on other comprehensive income as per 31 December 2012 amounts to € -2,581,000 (decrease); this is recognised in the other reserves as per that date. The effect on net result is considered as not material. The tables below show the effect on the consolidated statement of financial position.

IAS 27 Revised *"Separate Financial Statements".* The Standard is endorsed by the European Union as per 1 January 2014 but Grontmij decided to early adopt this standard as it was effective for annual periods beginning on or after 1 January 2013. The standard now only includes the unchanged requirements regarding separate financial statements.

IAS 28 Revised *"Investments in Associates and Joint Ventures".* The Standard is endorsed by the European Union as per 1 January 2014 but Grontmij decided to early adopt this standard as it was effective for annual periods beginning on or after 1 January 2013. The scope of the standard has changed to cover investments in joint ventures as well because IFRS 11 requires investment in joint ventures to be accounted for using the equity method of accounting.

Annual improvements to IFRSs 2009-2011 Cycle (effective for annual periods beginning on or after 1 January 2013). The annual improvements to IFRSs 2009-2011 include a number of amendments to various IFRSs. They include amongst others:

- amendments to IAS 1 "Presentation of financial statements"
- amendments to IAS 34 "Interim financial reporting"

The adoption of the Annual improvements clarifies only certain requirements and when necessary Grontmij will follow these improvements.

Effect on the consolidated statement of financial position for the effects of IFRS 11 and IAS 19:

In thousands of €	31 December 2012	1 January 2012
Increase / (decrease)		
Property, plant and equipment	1,684	1,684
Investments in equity accounted investees	-3,284	-2,050
Other financial assets	-2,041	-2,041
Inventory	2,014	2,014
Receivables	-27	-19
Cash and cash equivalents	3,750	2,740
Total assets	**2,096**	**2,328**
Reserves	-2,581	-
Employee benefits	2,639	-
Deferred tax liabilities	-58	-
Trade and other payables	2,096	2,328
Total equity and liabilities	**2,096**	**2,328**

Effect on the consolidated income statement for the effects of IFRS 11:

In thousands of €	2012
Increase / (decrease)	
Total revenue	7,828
Third-party project expenses	-1,022
Direct employee expenses	-3,354
Gross margin	**3,452**
Indirect employee expenes	-379
Indirect other operating expenses	-382
Share of result of investments in equity accounted investees	-2,691
Operating result	**-**
Total result for the year	**-**

Effect on the consolidated statement of cash flow for the effects of IFRS 11:

In thousands of €	2012
Increase / (decrease)	
Net cash from operating activities	1,010
Net cash from investing activities	-
Net cash from financing activities	-
Movement in net cash for the year of the continuing operations	1,010
Movement in net cash for the year of discontinued operations	-
Total movement in net cash for the year	**1,010**
Net cash position as at 1 January	**2,740**
Net cash position as at 31 December	**3,750**

Presentation

As announced in the press release of 21 January 2013 the French Monitoring & Testing business has been presented as held for sale and considered as discontinued operations following the Executive Board's committed plan to sell this business. The sale was successfully completed on 12 September 2013. IFRS 5.34 requires restatement of the income statement and cash flow statement for discontinued operations. Therefore some reclassifications have been made in the previous year's consolidated income statement and consolidated statement of cash flows and applicable notes for comparison purposes.

Use of estimates and judgements

The preparation of financial statements in conformity with EU-IFRS requires the Executive Board to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, income and expenses. The estimates and underlying assumptions are based on past experiences and on various other factors that may be assumed to be reasonable based on the given circumstances. The results of this process form the basis for the assessment of the carrying amount of assets and liabilities that may be difficult to identify from other sources. The actual outcome may differ from these estimates.

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements and assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 December 2013 is included in the following notes:

Note	
6	Assets and liabilities classified as held for sale: measurement of the asset and liabilities classified as held for sale
7	Acquisition of subsidiaries and non-controlling interests: fair value measurment of the acquired assets and liabilities
9	Goodwill: key assumption used in the calculation of the realisable value of cash flow generating units that contain goodwill
10	Intangible assests: economic life of intangible assets
11	Property, plant and equipment: economic life of property, plant and equipment
12	Investments in equity accounted investees: classification of joint arrangements
14	Deferred tax assets and liabilities: utilisation of tax losses
15, 16	Receivables and amounts due from / to customers: revenue recognition
20	Employee benefits: key actuarial assumptions used in measurement of defined benefit obligations and other employee benefits
21	Share-based payments: key assumptions used in measurement of equity-settled share-based payments
23	Provisions: key assumptions about the timing, likelihood and magnitude of the outflow of resources
25	Financial instruments: measurement of financial instruments

Important estimates and underlying assumptions are reviewed periodically. Revised estimates are recognised in the period in which the estimate was revised, if the revision impacts only on that year, or else in the year under review and future periods, if the revision impacts both the year under review and future periods.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods accounted for in these consolidated financial statements and by all entities included in the consolidation, except those explained in note 2, which addresses changes in accounting policies.

Consolidation principles

Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the profit or loss.

Any non-controlling (minority) interest will be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquiree, on a transaction-by-transaction basis. All acquisition related costs, other than those associated with the issue of debt or equity instruments, that the Group incurs in connection with a business combination are expensed as incurred.

When a business combination is achieved in stages, the Group's previously held interest in the acquiree is remeasured to fair value at acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss.

Acquisitions of non-controlling interests without a change in control are accounted for as transactions with equity holders in their capacity as equity holder and therefore no goodwill is recognised as a result of such transactions. The carrying amount of non-controlling interests is adjusted to reflect the relative change in interest in the subsidiary's assets. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent liabilities and Contingent assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

Non-controlling interests

Non-controlling interests represent the net assets not held by the Group and are presented within the total equity in the consolidated statement of financial position, separately from equity attributable to the shareholders of Grontmij. Total result and each component of other comprehensive income are attributed to the equity holders and to the non-controlling interests. Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control of subsidiaries

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of other comprehensive income. Any resulting gain or loss is recognised in the income statement.

Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:
- represents a major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operation.
Classification as discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale. When an operation is classified as discontinued operation, the comparative consolidated income statement and consolidated statement of cash flows is re-presented as if operation had been discontinued from the start of the comparative year.

Transactions eliminated on consolidation

Intra-Group balances, intra-Group transactions and any unrealised profits from intra-Group transactions are eliminated in the consolidation. Unrealised profits from transactions with equity accounted investees are eliminated, to the extent of the Group's interest in the entity concerned. Unrealised losses are eliminated in the same way as unrealised profits, but only to the extent that there is no evidence of impairment.

Investments in equity accounted investees (joint ventures and associates)

The Group's investments in equity accounted investees comprise investments in associates and joint ventures.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power in another entity.

A joint venture is an arrangement in which the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic, financial and operating decisions. The Group has right to the net assets of the arrangement, rather than the rights to its assets and obligation for its liabilities.

Investments in associates and joint ventures are accounted for using the equity method and are recognised initially at cost. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Group's share of the income and expenses and other comprehensive income of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest, including any long-term loans, is reduced to nil, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

The result on a sale of equity accounted investees is accounted for as part of operating result in the consolidated income statement as the Group takes the view that the nature of such sale of investments is similar to those projects accounted for as revenue from services.

Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangements have rights to the assets, and obligations for the liabilities relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about relevant activities require unanimous consent of the parties sharing control.

When a subsidiary undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a 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 from the revenue from the sale of the output by the joint operation
- its expenses, including its share of any expenses incurred jointly

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular asset, liabilities, revenues and expenses.

When a subsidiary transacts with a joint operation in which another subsidiary is a joint operator (such as a sale or contribution of assets), the Group is considered to be a conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a subsidiary transacts with a joint operation in which another subsidiary is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currencies at exchange rates at the dates of the transactions. The Group uses periodically fixed average exchange rates that adequately approximate the exchange rates prevailing at the transaction dates.

Monetary assets and liabilities

Monetary assets and liabilities denominated in foreign currency are translated at the exchange rate prevailing at the reporting date. The exchange differences arising are recognised in profit or loss.

Non-monetary assets and liabilities

Non-monetary assets and liabilities denominated in foreign currency that are stated at historical cost are translated at the exchange rate prevailing at the date of transaction. Non-monetary assets and liabilities in foreign currency recognised at their fair value are translated at the exchange rates that were applicable at the date on which the value was determined.

Operations of entities with a functional currency other than the euro

The assets and liabilities of such entities including fair value adjustments on consolidation, are translated at the exchange rate prevailing at the reporting date. Income and expenses of such entities are translated at the exchange rate, prevailing at the date of transaction. The Group uses periodically fixed average exchange rates that effectively approximate the exchange rates on transaction dates.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are recognised directly in the translation reserve, part of shareholders' equity. The Group treats specific intercompany loan balances, which are not intended to be repaid in the foreseeable future, as part of its net investment. In the reporting period when such an entity is disposed of, in part or in full, the related accumulated exchange differences are transferred from the translation reserve to profit or loss.

Financial instruments

Non-derivative financial instruments

The Group initially recognises loans and receivables, deposits, debt securities issued and subordinated liabilities on the date that they are originated. All other financial assets and liabilities (including assets and liabilities designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Non-derivative financial assets

The Group has the following non-derivative financial assets: held-to-maturity investments, loans and receivables, available-for-sale financial assets and cash and cash equivalents.

Held-to-maturity investments

If the Group has the positive intent and ability to hold investments to maturity, then they are classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Non-derivative financial liabilities

The Group has the following non-derivative financial liabilities: loans and borrowings, bank overdrafts and trade and other payables. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

Share capital

Grontmij´s share capital as at 31 December 2013 comprises common shares only, at a nominal value of € 0.25 per share. The share capital is classified as equity.

Derivative financial instruments, including hedge accounting

Where considered appropriate, the Group uses derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

Embedded derivates are separated from the host contract and accounted for separately if the economic characteristics and rules of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

Derivatives are recognised initially at fair value and attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are accounted for as described below.

Cash flow hedges

When a derivative financial instrument is designated as a cash flow hedge, the effective portion of changes in the fair value of the derivative financial instrument is recognised in other comprehensive income and presented in the hedging reserve in equity.

The ineffective part of any gain or loss is recognised immediately in the income statement. The associated cumulative gain or loss is removed from equity and recognised in the income statement in the same period or periods during which the hedged transaction affects the income statement.

When a derivative financial instrument or hedge relationship no longer meets the criteria for hedge accounting, expires or is sold, but the hedged transaction is still expected to occur, the cumulative unrealised gain or loss remains in equity. The cumulative gain or loss will be recognised in the income statement in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss will be immediately recognised in the income statement.

Intangible assets

Research and development

Expenditure in respect of research activities for the purpose of obtaining new knowledge of a scientific or technological nature is recognised in the income statement as an expense as incurred.

Development expenditure

Expenditure in respect of development activities is capitalised and subsequently, at reporting date, measured at cost less accumulated amortisation and impairment losses.

Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Expenditure capitalised in such cases comprises direct labour and indirect costs which are directly allocable as well as direct cost of material and third-party expenses and borrowing costs.

Trade names

Trade names concern the expected value of established brand names acquired in business combinations and are measured at cost, being the fair value at acquisition date, less accumulated amortisation and impairment losses.

Customer relations

Customer relations concern the expected value of the sales attributable to customer relationships of acquired businesses at the date of acquisition, and are measured at cost, being the fair value at the acquisition date, less accumulated amortisation and impairment losses.

Order backlogs

Order backlogs concern the remaining expected value of orders of acquired businesses at the date of the acquisition, and are measured at cost, being the fair value at acquisition date, less accumulated amortisation and impairment losses.

Other intangible assets

The other intangible assets are stated at cost, less accumulated amortisation and impairment losses.

Subsequent expenditure

Expenditure for intangible assets after initial recognition is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including internally generated goodwill and trade names, is recognised in the income statement as incurred.

Amortisation

Amortisation of intangible assets is recognised in the income statement on a straight-line basis over the cost of the asset less its residual value during the estimated useful lives of the intangible assets.

The estimated useful life of trade names, customer relations and order backlogs is determined individually upon each acquisition and is dependent on expectations at first time recognition.

The estimated useful lives of the intangible assets for the current and comparative periods are as follows:

In years	
Development costs	5
Software	2 - 10
Trade names	5 - 10
Customer relations	3 - 39
Order backlogs	2 - 5
Other	3 - 5

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Goodwill

1) Acquisition on or after 1 January 2010

For acquisitions on or after 1 January 2010, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Negative goodwill arising on an acquisition is recognised directly in the income statement.
Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that are incurred by the Group in connection with a business combination are expensed as incurred.
Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

2) Acquisition between 1 January 2004 and 1 January 2010

For acquisitions between 1 January 2004 and 1 January 2010, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.
Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

Goodwill is stated at cost less accumulated impairment losses, if any. An impairment loss is recognised when the realisable value of the cash generating unit to which the goodwill pertains, is lower than its carrying value.

Property, plant and equipment

General

Property, plant and equipment are measured at cost, less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Property, plant and equipment that were measured at fair value on or before 1 January 2004 are measured at deemed cost, the revaluated value as per the date of the valuation concerned. Property, plant and equipment under construction are stated at cost until construction is complete, at which time it is reclassified under the relevant category.

At the moment an obligation arises in regard to aftercare liabilities, a provision is recognised for the present value of the total amount of the future liabilities. At the same time, an amount equal to the amount of the liability is capitalised as part of the cost of the asset.

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount and are recognised as part of other income in profit or loss.

Subsequent expenditure

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part concerned will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised.

The costs of day-to-day maintenance of property, plant and equipment are recognised in the income statement as incurred.

Leased assets

Leases in terms on which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

Other leases are operating leases and, except for investment property, the leased assets are not recognised in the Group's statement of financial position.

Depreciation

The depreciation of landfill sites is systematically recorded in line with waste units disposed.
Depreciation of other property, plant and equipment is recognised in the income statement on a straight-line basis over the cost of the asset less its residual value during the estimated useful lives. Items of property, plant and equipment consist of parts with an unequal useful life, these are depreciated separately.

The estimated useful lives of other property, plant and equipment for the current and comparative periods are as follows:

In years	
Buildings	10 - 50
Plant and equipment	3 - 35
Landfill sites	10 - 20

Land is not depreciated. Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Impairment

General

The carrying amount of the Group's tangible and intangible assets , is reviewed at each reporting date to determine whether there is an objective indication of impairment. If such an indication exists, the recoverable amount of the asset is estimated. When the recoverable amount is lower than the carrying amount an impairment loss is recognised in the consolidated income statement.

For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time, irrespective of indications that they are impaired.

The recoverable amount of an asset represents the greater of the fair value less cost to sell and the value in use. In determining the value in use, the present value of the estimated future cash flows is calculated on the basis of a discount factor before tax which reflects the current market estimates of the time value of money and the specific risk to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit, or CGU'). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination. An impairment loss is recognised once the carrying amount of an asset or its cash-generating unit exceeds the recoverable amount. Impairment losses are recognised in the income statement. Impairment losses recognised with regard to cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss.

Reversal of impairment losses

Impairment losses in respect of goodwill cannot be reversed. An impairment loss related to other assets is reversed if and to the extent there has been a change in the estimates used to determine the recoverable amount. An impairment loss is in that case reversed only as far as the carrying amount of the asset on the reporting date does not exceed the carrying amount that would have been determined in the case no impairment loss was ever recognised.

Inventories

Inventories are measured at the lower of cost or net realisable value. The net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Projects, mainly the construction of houses, where the buyers only have limited influence on the main elements in the design of the assets, and land development sites are accounted for under inventories. The transfer of risks and benefits varies depending on the contractual provisions. If management and key risks associated with ownership are being gradually transferred to the buyer during the course of the project, then revenue and results are accounted for in proportion to the progress of the project. Valuation then takes place in the same way as for projects for rendering of services.

Amounts due from and due to customers

Amounts due from and due to customers represent the gross unbilled amount expected to be collected from customers for rendering services performed to date. It is measured at cost plus profit recognised to date, in proportion to the progress of the project, less progress billings and recognised losses. Costs include all expenditure related directly to specific projects and an allocation of fixed and directly attributable overheads incurred in the Group's contract activities based on normal operating capacity. In estimating the profit to date and to assess the existence of any losses in amounts due from and to customers, the Group has to use estimates. The main estimates relate to forecast results and the stage of completeness. In determining results, the Group has adequate procedures in place that limit the possible variations in outcome.

This is presented as part of receivables for all contracts in which costs incurred plus recognised profits exceed progress billings. If progress billings exceed costs incurred plus recognised profits, then the difference is presented as part of trade and other payables.

Non-current assets or disposal groups classified as held for sale or distribution

Non-current assets, or disposal groups comprising assets and liabilities that are expected to be recovered primarily through sale or distribution rather than through continuing use, are classified as held for sale or distribution. Immediately before classification as held for sale or distribution, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, the assets, or disposal group, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets or investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale or distribution and subsequent gains and losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated. In addition, equity accounting of equity accounted investees ceases once classified as held for sale or distribution.

Employee benefits

Pension schemes

The Group has contributed to defined contribution plans and defined benefit plans.

Defined contribution plans

A defined contribution plan is a plan relating to employee benefits after retirement for which the Group pays contributions to the entity that administers the related plan, and for which no legal or constructive obligation exists to pay any further contributions. Obligations for contributions to defined contribution pension plans are recognised as employee expenses in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans

Defined benefit plans concern all post-employment plans, other than defined contribution plans. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of the future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of the plan assets. The calculation of defined benefit obligations is performed annually by qualified actuaries using the 'projected unit credit' method.

The discount rate used is the yield on the consolidated statement of financial position date for high quality corporate bonds whose maturity is approaching the terms of the Group's liabilities. The fair value of the plan's assets is subsequently deducted.

When the calculation results in a benefit for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual report to the net defined benefit liability (asset), taking into account any changes in net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised immediately in profit or loss.

Improvement, reduction or settlement of pension plans

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service cost or the gain or loss on curtailment is recognised immediately in the income statement. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Pension expenses including the net interest expense are accounted for under employee expenses.

Other long-term employee benefits

Other long-term employee benefits, such as jubilee and supplementary payments for early retirement, are measured at the actuarial present value of the liability. The discount rate used is the yield on the consolidated statement of financial position date for high-quality corporate bonds whose maturity is approaching the terms of the Group's liabilities. Any actuarial gains and losses are recognised in the income statement in the period in which they arise.

Share-based payment arrangements

Equity-settled share-based payment arrangements

As from 1 January 2012 Grontmij established a long-term share plan (LTSP) for the Executive Board and other management. Equity-settled share-based payments under the LTSP are measured at fair value at grant date. The LTSP contains a vesting condition based on total shareholder return and the ranking within a peer group. The fair value at grant date reflects these conditions. Additionally, employees must remain in service from the date of the grant until vesting (LTSP 2012).

The fair value of the equity-settled share-based payments under the LTSP is measured using a Monte-Carlo model. This model simulates share prices and TSR ranking for Grontmij and its peer companies. Other measurement inputs include risk-free interest rates, expected volatility and dividend yield.

The fair value at grant date of the equity-settled share-based payments is recognised as employee expenses on a straight-line basis over the vesting period based on Grontmij's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At vesting date, Grontmij revises its estimate of the number of equity instruments. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the other reserves.

Provisions

General

A provision is recognised in the consolidated statement of financial position when the Group has a legal or constructive obligation, that can be measured reliably, as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market estimates of the time value of money and, where necessary, of the specific risk pertaining to the liability. The unwinding of the discount is recognised as finance expense.

Aftercare liabilities

At the moment an obligation arises in regard to aftercare liabilities, a provision is recognised for the present value of the total amount of the estimated future cash out flow.

Restructuring

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

Legal liabilities

At the moment an obligation arises in regard to legal liabilities, a provision is recognised for the present value of the total amount of the estimated future cash outflow.

Revenue

The major part of the Group's revenue relates to contracts for services in the areas of design, consultancy, project management, engineering and contracting.

Revenue from services

Revenue from services based on fixed-price contracts is recognised in profit or loss pro rata of the services rendered on the reporting date in proportion to the total of the contracted services; the stage of completion is assessed at the reporting date by reference to surveys of actual work performed. Revenue from services based on cost-plus contracts is recognised in profit or loss pro rata of the time spent and based on the contractual net hourly rates.

An expected loss on any contract is recognised immediately in profit or loss. Costs incurred in the period prior to securing a signed contract are recognised directly in profit or loss. When the outcome of a project cannot be estimated reliably, revenue from services is only recognised to the extent of contract costs incurred that are likely to be recoverable.

Third-party project expenses

Third-party project expenses represent the total costs of services and materials that relate directly to contracts carried out for the Group's customers. These expenses are directly attributable to total revenue.

Direct and indirect expenses

Expenses are considered to be 100% direct when these expenses attribute for a significant part (more than 50%) to billable projects. Indirect expenses comprise of indirect employee expenses of the staff departments as finance, HR, legal, IT, communications, quality management and other indirect operating expenses as housing expenses of the various offices, office expenses including the IT systems expenses, marketing expenses, travel expenses and other indirect operating expenses including advisory expenses. In addition indirect expenses could also relate to account management not directly assigned to billable projects.

Other income

Other income concerns income not related to the Group's core activities, such as rental income, government grants and gains on disposal of property, plant and equipment.

Lease payments

Lease contracts of which the majority of the risks and rewards inherent to ownership do not lie with the Group are classified as operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the

term of the lease. Lease incentives received are recognised as an integral part of the total lease expenses.
Minimum lease payments made under finance leases are apportioned between the finance expenses and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Finance income and expense

Finance income comprises interest income on cash at banks and from loans and receivables, positive changes in the fair value of financial assets at fair value through profit or loss and foreign currency gains. Interest income is recognised in the income statement as it accrues, using the effective interest method.

Finance expense comprises the interest due on loans and borrowings, interest added to provisions, negative changes in the fair value of financial assets at fair value through profit or loss, impairment losses on financial assets and foreign currency losses.
All finance expenses are calculated using the effective interest method. Currency exchange gains and losses are recognised in profit or loss.

Income taxes

Income taxes comprise current and deferred tax. Income taxes are recognised in profit or loss except to the extent that it relates to items recognised directly in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the consolidated statement of financial position method providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the carrying amounts used for taxation purposes.

Deferred tax is not recognised for temporary differences as the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, differences relating to investments in subsidiaries and jointly-controlled entities to the extent that they probably will not reverse in the foreseeable future and for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the consolidated statement of financial position date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Earnings per share

Grontmij presents basic and diluted earnings per share (EPS) data. Basic EPS is calculated by dividing the profit or loss attributable to ordinary equity holders of Grontmij by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary equity holders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Statement of cash flows

The statement of cash flows is prepared in accordance with the indirect method and constitutes an explanation of the change in net cash, defined as cash and cash equivalents less bank overdrafts. In the statement of cash flows, a differentiation is made between cash flows from operating, investing, and financing activities.

Considering the nature of the Group's operations, the share in the results of equity accounted investees and dividends received is regarded as part of cash flows from operating activities.
Cash flows in currencies other than the euro are translated at the exchange rates, prevailing at the date of transaction. The Group uses periodically fixed average exchange rates that effectively approximate the exchange rates on transaction dates.

Segment reporting

An operating segment is a distinguishable component of the Group that is engaged in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. The operating segments are determined based on the Group's management and internal reporting structure. All operating segments' are reviewed regularly by the Executive Board and Executive Committee to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Inter-segment pricing is determined on an arm's length basis.

Results, assets and liabilities of a segment include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

New standards and interpretations not yet effective and not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2013, and have consequently not been applied in preparing these consolidated financial statements.

Amendments to IAS 32 ***"Financial instruments: Presentation"*** (effective for annual periods beginning on or after 1 January 2014)
The amendments to IAS 32 clarify existing application issues relating to the offsetting requirements. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realization and settlement". Grontmij anticipates that adoption will not have a material impact on our consolidated financial statements.

Amendments to IAS 36 ***"Impairment of assets"*** (effective for annual periods beginning on or after 1 January 2014 but not yet endorsed by EFRAG)
The amendments to IAS 36 reduces the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique.

IFRIC 21 ***"Levies"*** (effective for annual periods beginning on or after 1 January 2014 but not yet endorsed by EFRAG)
IFRIC 21 provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 *"Provisions, Contingent Liabilities and Contingent Assets"* and those where the timing and amount of the levy is certain. The Interpretation covers the accounting for outflows imposed on entities by governments (including government agencies and similar bodies) in accordance with laws and/or regulations. Grontmij anticipates that adoption will not have a material impact on our consolidated financial statements.

4 Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair value, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques. The hierarchies are as follows:

- Level 1: (unadjusted) quoted prices in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The inputs used to measure the fair value are reviewed on a periodical basis and significant valuation issues are discussed in the Executive Board.

Property, plant and equipment

The fair value of property, plant and equipment recognised in the course of a business combination is based on market values. The market value of real estate is the value for which the asset on the valuation date can be sold in a businesslike, arm's length transaction, as estimated by a third party. The market value of other property, plant and equipment is based on market prices of comparable assets.

Intangible assets

Trade names

The fair value of trade names acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of the trade name being owned. The determination of the fair value is based on reasonable assumptions and estimations of the economic situation during the lifetime of the asset.

Order backlogs

The fair value of order backlogs acquired in a business combination is based on the future economic benefits associated with the order backlog that are due to the Group. The determination of the fair value is based on reasonable assumptions and estimations of the economic situation during the lifetime of the asset.

Customer relations

The fair value of customer relationships acquired in a business combination is based on the sales that are attributable to customer relationships and their associated attrition rates at the date of acquisition and the future economic benefits associated with the customer relationship that are due to the Group. The determination of the fair value is based on reasonable assumptions and estimations of the economic situation during the lifetime of the asset.

Non-current assets or disposal groups classified as held for sale or distribution

Immediately before classification as held for sale the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, the assets, or disposal group, are generally measured at the lower of their carrying amount and fair value less costs to sell. The fair value less cost to sell is estimated at the present value of future cash flows; where applicable these are discounted less the expected costs to sell or based on enterprise value/EBITDA multiples relating to comparable transactions in the market.

Receivables
The fair value of receivables, excluding amounts due from customers for contract work, is estimated at the present value of future cash flows; where applicable these are discounted, using the market interest at the reporting date.

Equity-settled share-based payments
The fair value of the equity-settled share-based payments under the LTSP is measured using a Monte-Carlo model. This model simulates share prices and TSR ranking for Grontmij and its peer companies. Other measurement inputs include risk-free interest rates, expected volatility and dividend yield.

Derivative financial instruments
Brokers' quotes are used in determining the fair value of interest rate swaps. These quotes are tested for reasonableness using techniques based on discounted cash flows on the basis of the terms and conditions of the contract and applying the market interest rate for similar instruments on the reporting date.

Non-derivative financial liabilities
The fair value of non-derivative financial liabilities is calculated on the basis of the present value of future redemptions and interest payments, discounted at the market interest rate as per the reporting date. For finance leases, the market interest on the reporting date is determined with reference to similar lease contracts.
Where applicable, further information about the method and the assumptions made in determining fair values is disclosed in the note to that asset or liability.

5 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:
- credit risk;
- liquidity risk and capital management;
- currency risk;
- interest rate risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This risk occurs primarily in our receivables from customers, both before and after billing.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, have less of an influence on credit risk. The large number of customers is a major reason for the absence of concentration of credit risk.

A credit policy has been established under which important new customers are analysed individually for creditworthiness before the standard payment and delivery terms and conditions are offered by the Group's entities. The major part of the Group's customers has been transacting with the Group for over four years, and losses have occurred infrequently.

The Group does not require collateral in respect of trade and other receivables.

The Group establishes an allowance for doubtful debts that represents its estimate of incurred losses in respect of trade receivables on individually significant exposures.

Liquidity risk and capital management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group's principal sources of liquidity consist of cash flows from operations, cash and cash equivalents and available credit facilities.

The Group's liquidity needs are affected by many factors, some of which are based on normal ongoing business operations while others relate to both economic and engineering sector uncertainties . As our cash requirements fluctuate based on the timing and extent of these factors, the Group seeks to ensure that its sources of liquidity will be sufficient to meet its liquidity requirements throughout every phase of the business cycle.

Although our cash requirements fluctuate we believe that cash generated from operations, together with the liquidity provided by existing cash balances and our credit facilities are adequate to meet our requirements. We intend to return cash to our shareholders in the form of dividend payments, subject to our actual and anticipated liquidity requirements.

The goal is to maintain a strong capital base so as to maintain investor, principal, creditor and market confidence and to sustain future development of the business.

The Group's policy is to provide financial guarantees only for wholly-owned subsidiaries, when deemed necessary.

Currency risk

Currency risk is the risk that fluctuations in foreign currencies adversely affect the Group's results.

The Group's sensitivity to changes in foreign currency exchange rates is relatively limited. A major part of both the Group's income and expenses is denominated in euros. Moreover, those Grontmij operating companies with a different functional currency (Denmark, Hungary, Poland, Sweden, Turkey and the UK) mainly have local operations and exposure to foreign-exchange currency risk is limited.

Interest rate risk

This is the risk that interest-rate fluctuations will adversely affect our results.

When appropriate the Group uses interest-rate swaps to hedge interest-rate risk exposure arising from corporate financing activities. Interest rate swaps are measured at fair value, with changes in fair values booked through profit or loss unless the derivative is designated and effective as hedge of future cash flows, in which case changes are recorded in equity

6 Assets and liabilities classified as held for sale and discontinued operations

Assets and liabilities classified as held for sale

As announced in the press release of 18 July 2013 Grontmij has reached an agreement to sell its golf course Naarderbos to a group of private investors led by TransMatch Reality Advisors B.V. (TMRA) for a total consideration of € 5.8 million. As announced in the Q2 and HY 2012 results press release on 30 August 2012, the golf course Naarderbos was classified as held for sale pending its divestment.
In connection with the sale, Grontmij will receive a total consideration of € 5.8 million, of which € 4.25 million will be paid in cash and the remainder by means of a vendor loan. Closing is delayed, due to delay on buyer's side to raise funding. Grontmij is taking legal actions.

Discontinued operations

As announced in the press release of 21 January 2013 the French Monitoring & Testing business has been presented as held for sale and considered as discontinued operations following the Executive Board's committed plan to sell this business. Following from the requirements of IFRS 5 the assets and liabilities of the French Monitoring & Testing business were classified as held for sale and qualified as discontinued operations, as of 21 January 2013 until the moment of sale. This sale has been successfully completed on 12 September 2013 for a total consideration of € 67 million. The net cash proceeds in 2013 amounted to € 59 million (2012: Trett Consulting € 1.4 million).

In thousands of €	12 September 2013	14 May 2012
Consideration received in cash	**67,000**	**2,478**
Transaction cost paid	-2,980	-
Net cash disposed of	-5,013	-1,030
Net cash proceeds	**59,007**	**1,448**

Financial information relating to the French Monitoring & Testing business and the realised result on sale is reported in the consolidated income statement and consolidated statement of cash flows and is set out below. The comparative numbers have been restated. The comparative numbers for 2012 also include Trett Consulting, a part of UK, that was disposed of in 2012.

Result from discontinued operations:

In thousands of €	2013	2012
Total revenue	71,744	113,500
Total expenses	-62,837	-106,914
Result before income tax operating activities	**8,907**	**6,586**
Income tax expense	-2,561	-2,773
Result after income tax operating activities	**6,346**	**3,813**
Result on sale of discontinued operations	-2,664	67
Income tax expense on profit on sale of discontinued operations	-	-
Result on sale, net of income tax	**-2,664**	**67**
Result from discontinued operations	**3,682**	**3,880**

The Group has provided certain indemnities in the sale of the French Monitoring & Testing business to a pool of investors led by Siparex, one of France's leading private equity investment specialists, and including Bpifrance Investissement, Cathay Capital and BNP Paribas Développement. The Group has accrued for indemnity risks where these are expected to result in probable cash outflows.
The loss recognized on the sale of € -2,664,000, might change due to changes in estimates with respect to accruals recognized for indemnities provided to a pool of investors led by Siparex.
The result from discontinued operations of € 3,682,000 (2012: € 3,880,000) is attributable entirely to the owners of the Company.

Cash flows associated with discontinued operations:

In thousands of €	2013	2012
Cash flows (used in) / from discontinued operation		
Net cash from operating activities	7,552	11,324
Net cash used in investing activities	-1,472	-1,623
Net cash used in financing activities	-2,709	-7,025
Net cash flows for the year	**3,371**	**2,676**

The effect of the disposal of the French Monitoring & Testing business in 2013 (2012: Trett Consulting) on the financial position of the Group is as follows:

In thousands of €	12 September 2013	14 May 2012
Goodwill	-38,800	-
Other non-current assets	-15,511	-107
Current assets	-43,759	-2,881
Cash and cash equivalents	-5,013	-1,030
Non-current liabilities	6,836	-
Current liabilities	29,563	1,607
Net (assets) and liabilities disposed of	**-66,684**	**-2,411**

7 Acquisitions and divestments of subsidiaries and non-controlling interests

Divestments in 2013

Grontmij completed next to the disposal of the French Monitoring & Testing business three other divestments in 2013. Two of the divestments were reported in Denmark and the other divestment in Other markets. The transactions involved an aggregate consideration of € 2 million and resulted in a gain of € 0.7 million whereas € 1.6 million is recognised in other income, € -0.6 million in result on sale of subsidiaries and € -0.3 million in impairment losses of non-current and current assets.

8 Subsidiaries

The main operational subsidiaries included in the consolidation are:

In alphabetical order	31 December 2013	31 December 2012
Grontmij a/s, Glostrup	100	100
Grontmij AB, Stockholm	100	100
Grontmij Assetmanagement Holding B.V., De Bilt	100	100
Grontmij Belgium NV, Brussels	100	100
Grontmij Business Services B.V., De Bilt	100	100
Grontmij Canor Kft., Budapest	-	100
Grontmij France S.A., Paris	100	100
Grontmij GmbH, Bremen	100	100
Grontmij Hubei Engineering Consulting Co. Ltd., Wuhan	100	100
Grontmij Ltd., Leeds	100	100
Grontmij Nederland B.V., De Bilt	100	100
Grontmij Polska Sp. Z.o.o., Poznan	100	100

In accordance with articles 379 and 414, Book 2 of the Dutch Civil Code, the list of subsidiaries and equity accounted investees is filed with the Chamber of Commerce in Utrecht, the Netherlands.

Changes compared to 2012 are:

- In March 2013 Ginger S.A. has changed its name into Grontmij France S.A.
- In December 2013 Grontmij Canor Kft (part of the segment Other markets) was sold and derecognised in the consolidation, see note 7.

9 Goodwill

The movements in the carrying amount are as follows:

In thousands of €	
Balance as at 1 January 2012	**165,984**
Movements during 2012	
Acquisition through business combinations	971
Reclassification	286
Impairment losses	-416
Currency differences	157
	998
Balance as at 31 December 2012	**166,982**
Movements during 2013	
Derecognition of goodwill of discontinued operations	-38,800
Impairment losses	-12,091
Currency differences	-100
	-50,991
Balance as at 31 December 2013	**115,991**

Derecognition of goodwill of discontinued operations

The sale of the French Monitoring &Testing business has been successfully completed on 12 September 2013, refer to note 6. The related goodwill amounting to € 38,800,000 was derecognised at the moment of sale and presented as part of the result on sale of discontinued operations.

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's cash-generating units (CGUs). The aggregate carrying amounts of goodwill allocated to each CGU are as follows:

In thousands of €	31 December 2013	31 December 2012
Grontmij Denmark	60,604	60,612
Grontmij France	-	50,891
Grontmij Sweden	25,120	25,120
Grontmij UK (includes Roger Preston & Partners)	8,928	9,020
Grontmij GmbH (includes Grontmij BGS Ingenieurgesellschaft mbH)	8,978	8,978
Grontmij Belgium (includes Libost Groep N.V.)	5,340	5,340
Grontmij Vastgoedmanagement B.V.	3,407	3,407
Grontmij Planning & Design Netherlands	3,095	3,095
Other (individually less than € 1.5 million)	519	519
	115,991	**166,982**

Annually, the Group carries out impairment tests on capitalised goodwill, based on the estimated cash flows of the related CGU. The CGU represents the lowest level within the Group at which the goodwill is monitored for internal management purposes, which is not higher than the Group's operating segment as reported in note 28. The recoverable amount of the relevant CGU is determined on the basis of their value in use. Determination of the value in use is performed by using estimated future cash flows, based on financial budget 2014 and long-term plan 2015-2018 approved by the Executive Board. Cash flows after five years are extrapolated by using a perpetual growth rate to calculate the terminal value.

Further key assumptions in the cash flow projections are:

- Total revenue growth: based on historical performance and market analysis;
- EBITDA developments: based on historical performance and management projections for 2014-2018 (including the effects of the approved restructuring plans that will be implemented in the coming years);
- Discount rate: to calculate the present value of the estimated future cash flows, pre-tax discount rates have been applied. The discount rate reflects the current market measurement of the time value of money and the specific risks of the CGU.

Key assumptions	31 December 2013		31 December 2012	
	Pre-tax discount rate	Perpetual growth rate	Pre-tax discount rate	Perpetual growth rate
Grontmij Denmark	14.24%	1.30%	11.35%	2.00%
Grontmij France	16.20%	1.00%	-	-
Grontmij Sweden	13.68%	2.00%	12.29%	2.00%
Grontmij UK (includes Roger Preston & Partners)	13.50%	1.00%	11.09%	1.00%
Grontmij GmbH (includes Grontmij BGS Ingenieurgesellschaft mbH)	14.10%	1.00%	12.69%	1.00%
Grontmij Belgium (includes Libost Groep N.V.)	16.38%	1.00%	17.22%	1.00%
Grontmij Vastgoedmanagement B.V.	14.10%	1.00%	12.01%	1.00%
Grontmij Planning & Design Nederland	14.10%	1.00%	12.23%	1.00%
Other (individually less than € 1.5 million)	13.68-15.94%	1.00-2.00%	12.29 - 15.90%	0.00 - 2.00%

The values assigned to the key assumptions represent management's assessment of future trends in the respective markets and are based on both external and internal sources (historical and forward looking data).

Impairment losses

Based on the annual review of the recoverable amount of the remaining part of goodwill of Grontmij France (after the sale of French Monitoring & Testing business) an impairment loss was recognised as a result of weakened general market conditions for the French activities, contraction in revenues occurred in 2013 and profitability which did not recover in line with expectations. The review led to the recognition of an impairment loss of € 12,091,000, which has been recognised in the income statement in the line 'impairments of non-current and current assets'. The goodwill of Grontmij France is now fully impaired. The remaining carrying value consists mainly of property, plant & equipment, current assets and current liabilities.

Sensitivity to changes in key assumptions

The recoverable amounts are sensitive to variations in estimates and assumptions. The impairment tests indicated sufficient headroom available for all cash generating units, and management believes that any reasonably possible change in the key assumptions (pre-tax discount rate +1%, perpetual growth rate -1%) would not cause the carrying value of any cash generating unit to exceed its recoverable amount. However, the headroom for Grontmij Denmark and Grontmij UK is more sensitive to the changes in the key assumptions.

10 Intangible assets

The breakdown of and movements in the carrying amounts are as follows:

In thousands of €	Total	Software	Trade names	Customer relations	Order backlogs	Other
Balance as at 1 January 2012						
Cost	97,903	16,637	4,415	70,371	5,750	730
Accumulated amortisation and impairment losses	-35,078	-7,456	-3,199	-18,486	-5,405	-532
Carrying amount	**62,825**	**9,181**	**1,216**	**51,885**	**345**	**198**
Movements during 2012						
Acquisitions	1,883	1,883	-	-	-	-
Developed internally	495	495	-	-	-	-
Assets classified as held for sale	-1,555	-	-1,141	-414	-	-
Disposals	-9	-9	-	-	-	-
Amortisation	-7,483	-3,118	-117	-3,864	-347	-37
Impairment	-111	-	-	-111	-	-
Reclassifications	-	16	10	19	2	-47
Currency differences	151	-22	37	124	-	12
	-6,629	**-755**	**-1,211**	**-4,246**	**-345**	**-72**
Balance as at 31 December 2012						
Cost	98,118	19,963	2,768	69,180	5,819	388
Accumulated amortisation and impairment losses	-41,922	-11,537	-2,763	-21,541	-5,819	-262
Carrying amount	**56,196**	**8,426**	**5**	**47,639**	**-**	**126**
Movements during 2013						
Acquisitions	1,694	1,694	-	-	-	-
Developed internally	650	650	-	-	-	-
Disposals	-184	-184	-	-	-	-
Amortisation	-5,335	-2,105	-5	-3,118	-	-107
Impairment	-6	-6	-	-	-	-
Derecognition of intangible assets of discontinued operations	-2,028	-406	-	-1,622	-	-
Reclassifications	-	-21	-	-2	-	23
Currency differences	-83	-11	-	-70	-	-2
	-5,292	**-389**	**-5**	**-4,812**	**-**	**-86**
Balance as at 31 December 2013						
Cost	92,677	18,223	2,690	65,755	5,774	235
Accumulated amortisation and impairment losses	-41,773	-10,186	-2,690	-22,928	-5,774	-195
Carrying amount	**50,904**	**8,037**	**-**	**42,827**	**-**	**40**

The remaining periods of amortisation as at 31 December 2013 are:

In years	
Software	1- 10
Trade names	0
Customer relations	1 - 32
Order backlog	0
Other	1 - 3

Impairments

Impairments in 2013 relate to software that is no longer in use in Denmark.

These impairment losses have been included in the line 'impairments of non-current and current assets' in the consolidated income statement.

11 Property, plant and equipment

The movements in the carrying amount are as follows:

In thousands of €	Total	Land and buildings	Plant and equipment	Landfill sites
Balance as at 1 January 2012				
Cost	164,839	51,932	107,229	5,678
Accumulated depreciation and impairment losses	-113,649	-32,987	-74,984	-5,678
Carrying amount	**51,190**	**18,945**	**32,245**	**-**
Movements during 2012				
Capital expenditure *	14,163	3,881	10,282	-
Assets classified as held for sale	-9,941	-9,721	-220	-
Disposals	-4,045	-3,231	-814	-
Depreciation	-12,647	-1,021	-11,626	-
Impairment	-475	-184	-291	-
Reclassifications	-	187	-187	-
Currency differences	168	-5	173	-
	-12,777	**-10,094**	**-2,683**	**-**
Balance as at 31 December 2012				
Cost	154,577	35,547	113,352	5,678
Accumulated depreciation and impairment losses	-116,164	-26,696	-83,790	-5,678
Carrying amount	**38,413**	**8,851**	**29,562**	**-**
Movements during 2013				
Capital expenditure *	9,006	49	8,957	-
Assets classified as held for sale	41	60	-19	-
Disposals	-917	-108	-809	-
Depreciation	-9,953	-829	-9,124	-
Impairment	-104	-	-104	-
Derecognition of property, plant and equipment of discontinued operations	-10,227	-2,433	-7,794	-
Reclassifications	-	16	-16	-
Currency differences	-129	-6	-123	-
	-12,283	**-3,251**	**-9,032**	**-**
Balance as at 31 December 2013				
Cost	113,432	32,164	75,590	5,678
Accumulated depreciation and impairment losses	-87,302	-26,564	-55,060	-5,678
Carrying amount	**26,130**	**5,600**	**20,530**	**-**

* In 2013 including € 27,000 (2012: € 4,789,000) financial lease capital expenditure.

Assets held for sale

Based on the progress in the divestment process, in June 2012 the Executive Board decided to classify certain assets and liabilities of golf course Naarderbos, part of the non-core activities segment, as held for sale following the requirements of IFRS 5. Reference is made to note 6.

Impairments
Impairments in 2013 were made to plant and equipment in Denmark being fair value adjustments following from the sale of a small, not material, subsidiary. These impairment losses have been included in the line 'impairment of non-current and current assets' in the consolidated income statement.

Pledges
As at 31 December 2013, real estate (buildings) in the amount of € 3,582,000 (2012: € 4,650,000) have been pledged as collateral for a secured bank loan.

Financial leases
The Group leases operating assets by means of finance lease contracts with the option to acquire these assets at the end of the term at a reduced price compared to market value. These assets serve as collateral in respect of the lease liabilities (refer to note 22); their carrying amount as at 31 December 2013 amounts to € 534,000 (2012: € 3,596,000).

12 Investments in equity accounted investees and joint operations

In thousands of €	31 December 2013	31 December 2012
Investments in joint ventures	960	1,168
Investments in associates	2,369	3,666
	3,329	**4,834**

Joint operations
The Group identifies several joint operations. These joint operations are a result of a collaboration with several third parties and have their main activities in consultancy, design and management relating to construction projects.
The Group is entitled to a proportionate share of the joint operation's assets and, operating result and is liable for a share in the liabilities. Accordingly these shares have been consolidated in the Group's consolidated financial statements.

The Group's share in cash of the joint operations amounts to € 2,367,000 (2012: € 3,750,000).

Joint ventures
The main joint ventures engage in activities that include Real estate development and technical outsourcing. The Group's share of the results from continuing operations of joint ventures in 2013 amounted to € -23,000 (2012: € -913,000).

The Group's main joint ventures are:

Capital interests (%)	31 December 2013	31 December 2012
PAR2 CV, Anna Paulowna	49	49
Infraflex B.V., Utrecht	33.3	33.3

The following table summarises the financial information of PAR2 CV on a 100% basis. The figures are partly based on preliminary or estimated figures mainly due to as yet unfinalised annual reports.

In thousands of €	31 December 2013	31 December 2012
Non-current assets	33	33
Current assets	2,100	3,408
Cash and cash equivalents	472	644
Non-current financial liabilities	198	760
Non-current other liabilities	5,456	5,496
Current financial liabilities	198	760
Total revenue	2,576	2,481
Finance income	5	7
Finance expense	-147	-38
Result after income tax from continuing operations	-708	-3,635
Total comprehensive income	-708	-3,635

The following table summarises the financial information of Infraflex B.V. on a 100% basis. The figures are partly based on preliminary or estimated figures mainly due to as yet unfinalised annual reports.

In thousands of €	31 December 2013	31 December 2012
Non-current assets	4	5
Current assets	9,199	6,963
Cash and cash equivalents	420	274
Current other liabilities	7,747	5,562
Total revenue	35,957	32,971
Depreciation and amortisation	-2	-99
Finance expense	-	-4
Income tax expense	-49	-26
Result after income tax from continuing operations	148	82
Total comprehensive income	148	82

The table below shows the most recent aggregated data of the other, immaterial, joint ventures, on a 100% basis. The figures are partly based on preliminary or estimated figures mainly due to as yet unfinalised annual reports.

In thousands of €	31 December 2013	31 December 2012
Result after income tax from continuing operations	7	445
Total comprehensive income	7	445

Associates

The main associates engage in activities that include urban development and infrastructural projects. The Group's share of the results of associates in 2013 amounted to € -1,276,000 (2012: € -216,000).

The Group's main associates are:

Capital interests (%)	31 December 2013	31 December 2012
Ruimte voor Ruimte C.V. 1, Den Bosch	24	24
Ruimte voor Ruimte C.V. 2, Den Bosch	24	24

The following table summarises the financial information of Ruimte voor Ruimte C.V. 1 on a 100% basis. The figures are partly based on preliminary or estimated figures mainly due to as yet unfinalised annual reports. During 2013 the Group paid € 360,000 as a loan to its associate as agreed in the contractual arrangement.

In thousands of €	31 December 2013	31 December 2012
Current assets	22,615	25,180
Non-current liabilities	5,490	5,059
Current liabilities	2,310	5,082
Total revenue	4,821	8,063
Result after income tax from continuing operations	-224	1,057
Total comprehensive income	-224	1,057

The following table summarises the financial information of Ruimte voor Ruimte C.V. 2 on a 100% basis. The figures are partly based on preliminary or estimated figures mainly due to as yet unfinalised annual reports. During 2013 the Group paid € 660,000 as a loan to its associate as agreed in the contractual arrangement.

In thousands of €	31 December 2013	31 December 2012
Current assets	37,032	25,683
Non-current liabilities	7,899	5,409
Current liabilities	30,270	20,141
Result after income tax from continuing operations	-1,270	93
Total comprehensive income	-1,270	93

The table below shows the most recent aggregated data of the other associates, on a 100% basis. The figures are partly based on preliminary or estimated figures mainly due to as yet unfinalised annual reports.

In thousands of €	31 December 2013	31 December 2012
Result after income tax from continuing operations	109	37
Total comprehensive income	109	37

13 Other financial assets

In thousands of €	31 December 2013	31 December 2012
Loans and receivables	5,982	6,207
Investments held to maturity	8,170	7,795
	14,152	**14,002**

Loans and receivables

The loans and receivables carry interest rates between and 0% and 5% (2012: 0% and 5%) and most of them have an undetermined maturity.

Investments held to maturity

This item relates to a deposit with a bank to cover the future cash outflow relating to expenses on one of the Group's landfill sites and is pledged to the licensee of the landfill site. No future deposits in respect of this arrangement are foreseen.

The credit, liquidity and market risks associated with these financial assets are discussed in note 25.

14 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

In thousands of €	Assets		Liabilities		Net	
	31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012
Intangible assets, PP&E	710	212	9,750	13,226	-9,040	-13,014
Amounts due from and to customers	295	342	17,529	17,491	-17,234	-17,149
Employee benefits	611	1,982	-514	-346	1,125	2,328
Aftercare liabilities	-472	-499	-	-	-472	-499
Untaxed reserves	-	-	846	721	-846	-721
Other provisions	-	-	-382	-958	382	958
Tax losses carried forward	1,194	537	-59	-134	1,253	671
Other items	-3	-	132	-10	-135	10
Net deferred tax assets and liabilities	**2,335**	**2,574**	**27,302**	**29,990**	**-24,967**	**-27,416**

Movements in net deferred taxes during the year under review can be summarised as follows:

In thousands of €	1 January 2013	Recognised in profit or loss	Transfer from assets held for sale	Reclassifications and other	31 December 2013
Intangible assets, PP&E	-13,014	3,731	235	8	-9,040
Amounts due from and to customers	-17,149	-718	-	633	-17,234
Employee benefits	2,328	-1,271	-54	122	1,125
Aftercare liabilities	-499	27	-	-	-472
Untaxed reserves	-721	-148	-	23	-846
Other provisions	958	47	-	-623	382
Tax losses carried forward	671	558	-	24	1,253
Other items	10	-145	-	-	-135
Net deferred taxes (liability)	**-27,416**	**2,081**	**181**	**187**	**-24,967**

In thousands of €	1 January 2012	Recognised in profit or loss	Acquired in business combinations	Reclassifications and other	31 December 2012
Intangible assets, PP&E	-15,024	1,933	-	77	-13,014
Amounts due from and to customers	-15,327	-1,771	-	-51	-17,149
Employee benefits	1,855	-24	-	-2	1,829
Untaxed reserves	-1,021	333	-	-33	-721
Other provisions	296	648	-	14	958
Tax losses carried forward	1,216	-544	-	-1	671
Other items	-	-6	-	16	10
Net deferred taxes (liability)	**-28,005**	**569**	**-**	**20**	**-27,416**

Reclassifications and other include movements in employee benefits in relation to IAS 19 (Pensions) for an amount of € 110,000 (2012: € nil) and a reclassification of € 623,000 (2012: € nil) from provisions to amounts due from and to customers.

Movements in intangible fixed assets relate for € 2,700,000 to prior year tax rate changes as a result of a renewed calculation for deferred tax liabilities following tax rate reductions in the UK and Sweden (2012: € nil).

Movements in tax loss carry forward includes the tax effect of recognising of previously unrecognised tax losses in the UK of € 898,000 (2012: € nil).

Unrecognised tax losses as at 31 December 2013 amount to € 94,527,000 (2012: € 87,312,000). Approximately € 3 million has a duration up to 5 years, approximately € 67 million has a duration of 6-9 years, and the remainder of approximately € 25 million has an indefinite duration. Deferred tax assets have not been recognised in respect of these tax losses because it is not probable that future taxable profits will be available against which the Group can utilise the benefits from them.

15 Receivables

In thousands of €	Note	31 December 2013	31 December 2012
Amounts due from customers for work in progress	16	128,046	133,140
Trade receivables		123,319	173,674
Insurance reimbursement claims		16,932	21,470
Due from equity accounted investees		605	347
Prepaid expenses		9,303	10,916
Other tax receivables		5,505	6,247
Other receivables		11,323	20,308
		295,033	**366,102**

Amounts due from customers relate to unbilled revenues at the reporting date; reference is made to note 16.
Trade receivables concern billed revenue as per the reporting date that has not yet been received, net of adjustments for impairment.

All amounts receivable as at 31 December 2013 are due within one year. Credit and currency risks relating to trade and other receivables are disclosed in note 25.

Impairment losses

The ageing of trade receivables at the reporting date was:

In thousands of €	31 December 2013		31 December 2012	
	Gross	Impairment	Gross	Impairment
Not past due	82,285	-43	103,878	-84
Past due: 0 to 30 days	18,426	-229	37,767	-83
Past due: 31 to 180 days	15,662	-602	26,386	-457
Past due: more than 180 days	22,257	-14,437	20,781	-14,514
	138,630	**-15,311**	**188,812**	**-15,138**

The movements in the allowance for doubtful debts in respect of trade receivables during the year were as follows:

In thousands of €	2013	2012
Balance as at 1 January	**-15,138**	**-13,983**
Entities disposed of	-67	31
Utilisations	764	1,340
Movements through profit or loss	-1,175	-2,471
Derecognition of allowance for doubtful debts of discontinued operations	1,864	-
Reclassifications	-1,607	-
Currency differences	48	-55
Balance as at 31 December	**-15,311**	**-15,138**

The allowance for doubtful debts for trade receivables is used to post impairment losses unless the Group is certain that no recovery of the amount receivable is possible. In that case the amount is written off directly against the financial asset.

16 Amounts due from and due to customers

In thousands of €	Assets		Liabilities		Net	
31 December	2013	2012	2013	2012	2013	2012
Services						
Work in progress	1,258,451	1,243,715	880,890	853,146	2,139,341	2,096,861
Progress billings *	-1,129,477	-1,109,906	-960,260	-944,699	-2,089,737	-2,054,605
Advance payments	-928	-669	-14,372	-13,078	-15,300	-13,747
	128,046	**133,140**	**-93,742**	**-104,631**	**34,304**	**28,509**

*) For 2013 and 2012, total amounts from and amounts due to customers relating to France are included on a net basis in the asset and the liability item progress billings.

Projects for which contract costs exceed progress billings have been classified as asset for an amount of € 128,046,000 (2012: € 133,140,000). Projects for which progress billings exceed contracts costs have been classified as liability for an amount of € 93,742,000 (2012: € 104,631,000).

At 31 December 2013, amounts due from and due to customers for contract work include no material retentions.

17 Cash and cash equivalents

Cash and cash equivalents concern cash in hand and at banks and other demand deposits. Overdraft balances payable on demand are, as far as these relate to compensating balances, netted against Cash and cash equivalents.
As at 31 December 2013, an amount of € 150,000 relates to cash in hand (2012: € 73,000). The total balance of cash and cash equivalents is unrestricted with the exception of an amount of € 2,302,180 (2012: € 3,832,000). The interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 25. Restrictions relate to social funds for which, due to legislation, cash should be available, and projects for which money deposits were made to separated bank accounts.
All restricted cash is unavailable for the Group's day-to-day operations.

The following tables provide a reconciliation of the cash and cash equivalents and bank overdraft as per the consolidated statement of cash flows.

In thousands of €	31 December 2013	31 December 2012
Cash and cash equivalents as per consolidated statements of cash flows	**45,962**	**48,305**

In thousands of €	31 December 2013	31 December 2012
Bank overdrafts as per consolidated statements of cash flows	**19,802**	**14,758**

18 Equity

Share capital

The authorised share capital in 2013 amounted to 140 million (2012: 140 million) shares and is divided into 70 million (2012: 70 million) ordinary shares each with a nominal value of € 0.25, and 70 million (2012: 70 million) preference shares each with a nominal value of € 0.25. The number of ordinary shares issued and fully paid-up as at 31 December 2013 was 63,967,500 and as at 31 December 2012 63,967,500.

Number of ordinary shares	
Shares on issue at 1 January 2013	**63,967,500**
Shares on issue at 31 December 2013	**63,967,500**

No preference shares are issued. Grontmij did not purchase any of its own shares.

Proposal for treatment of the loss 2013

As a loss is incurred in the financial year under review, there will be no distribution of profit and subsequently no payment of dividend (2012: € nil) per ordinary share.

Pursuant to article 45 paragraph 6 of the Articles of Association, the Executive Board, having obtained the approval of the Supervisory Board, proposes to present for acceptance to the General Meeting of Shareholders to deduct the loss from the other reserves, the latter containing the accumulated deficit of previous years and forming part of the distributable part of the equity.

Share premium

The share premium is comprised of capital contributions from shareholders above nominal value and is regarded as paid up capital. Share premium is distributable free of tax.

Translation reserve

This reserve comprises the currency translation differences relating to the transaction of the financial statements of Group entities with a functional currency other than the euro. This reserve qualifies as a legal reserve under Dutch law.

Hedging reserve

The hedging reserve represents the cumulative effective portion of the cumulative net change in the fair value of a cash flow hedging instrument related to hedged transactions that have not yet occurred. The cumulative net change in fair value of the cash flow hedging instrument that is recognised and accumulated under the heading of the hedging reserve will be reclassified to the income statement only when the hedged transaction affects the income statement. After the repayment of loans and borrowings following the divestment of the French Monitoring &Testing business in September 2013, the cash flow hedge became partially ineffective. The ineffective part of the net change in the fair value of the interest swap amounting to € 3,297,000, recorded in the hedging reserve, was reclassified to the income statement in the finance expenses. This reserve qualifies as a legal reserve under Dutch law.

Other reserves

The other reserves contains the accumulated deficit of previous years and also other legal reserves of € 5,897,000 (2012: € 8,984,000).

The latter relates to legal reserves under Dutch law, reflecting retained profits from equity accounted investees and joint operations as far as the Group is not able to manage the distribution thereof independently and capitalised costs for internally developed software.

19 Earnings per share

The result from continuing operations attributable to shareholders of Grontmij amounts to € -18,495,000 (2012: € -35,387,000) and the result from discontinued operations attributable to shareholders of Grontmij amounts to € 3,682,000 (2012: € 3,880,000). The basic and diluted earnings per share at 31 December 2013 and 2012 are calculated as follows:

	2013 Continuing operations	2013 Discontinued operations	2013 Total	2012 Continuing operations	2012 Discontinued operations	2012 Total
Earnings per share						
Basic earnings per share (in €)	-0.29	0.06	-0.23	-0.76	0.09	-0.67
Diluted earnings per share (in €)	-0.29	0.06	-0.23	-0.76	0.09	-0.67
Weighted average number of shares (basic)	63,967,500	63,967,500	63,967,500	46,606,557	46,606,557	46,606,557
Weighted average number of shares (diluted)	63,967,500	63,967,500	63,967,500	46,606,557	46,606,557	46,606,557

In thousands of €	2013	2012
Weighted average number of ordinary shares used in the calculation of basic earnings per share	63,967,500	46,606,557
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	63,967,500	46,606,557

20 Employee benefits

The Group has entered into several plans that provide pensions for employees upon retirement; these include both defined contribution plans and defined benefit plans.

the Netherlands

The vast majority of the Dutch pension plan consist of a collective defined contribution plan. The contribution is based on a fixed premium. The funding agreement does not include any provisions covering additional funding by the Netherlands in the event of deficits. According to pension fund estimates, the fund had reserves as at 31 December 2013 amounting to approximately 108.0% (2012: 102.6%).The Dutch defined benefit plan relates to a conditional pre pension plan for around 900 participants. The plan is only applicable for active employees younger than the age of 56 on 1 January 2006 and on 31 December 2005 in service. The plan is in place until 31 December 2020. The employers contribution until 31 December 2020 is a fixed annual amount of € 1,700,000.

Both plans are administered by Stichting Pensioenfonds Grontmij, a fund that is legally separated from the Group. The Executive Board of the pension fund comprises 3 employee, 4 employer representatives and 1 retired employee representative.

Germany and the United Kingdom

In Germany and in the United Kingdom, there is a limited defined benefit plan. The German plan is unfunded.

Sweden

Retirement pension and family pension obligations for salaried employees in Sweden are secured through pension insurance with Alecta. According to a statement issued by the Emerging Issues Task Force of the Swedish Financial Accounting Standards Council (URA 42), this constitutes a multi-employer plan. Sweden did not have access to such information that would enable the company to record this plan as a defined benefit plan. Consequently, the ITP pension plan secured through insurance with Alecta is recorded as a defined contribution plan. The year's contributions for pension insurance taken out with Alecta total € 2,912,000 (2012: € 2,954,000). Alecta's surplus can be distributed to the policyholders and/or the insured. At the end of December 2013 Alecta's surplus measured as a collective consolidation ratio was 148% (2012: 129%). The collective consolidation ratio reflects the market value of Alecta's assets as a percentage of insurance obligations, calculated in accordance with Alecta's actuarial assumptions, which do not correspond with IAS 19.

Other countries

Furthermore, the Group participates in defined contribution plans with local pension funds or with insurance companies in Belgium, Denmark, Germany, the United Kingdom. There is no post-employment benefit plan in Poland.

In France, pension obligations include primarily the state defined termination indemnity payable to employees. All other pension arrangements in France are fully funded.

The defined benefit plans expose the Group to actuarial risks, such as interest rate risk, investment risk, longevity risk and salary risk as shown in the sensitivity analysis.

The valuations of the different defined benefit plans are performed by qualified independent actuaries at the measurement date of 31 December 2013.

Break down of the accumulated total of employee benefits

In thousands of €	31 December 2013	31 December 2012
Present value of funded obligations	8,340	7,721
Present value of unfunded obligations	3,112	2,739
	11,452	**10,460**
Fair value of plan assets	-3,524	-2,791
Present value of net obligations	**7,928**	**7,669**
Asset ceiling	-	-
Recognised liability for defined benefit obligations	**7,928**	**7,669**
Liability for jubilee benefits and supplementary payments for early retirement	6,640	7,027
Total employee benefits	**14,568**	**14,696**
Current part of employee benefits	2,692	3,085
Total employee benefits non-current part	**11,876**	**11,611**

Changes in the present value of funded and unfunded obligations

In thousands of €	2013	2012
Balance as at 1 January	**10,460**	**7,671**
Movements		
Current service cost	865	611
Interest cost	368	354
Remeasurement result: actuarial result arising from demographic assumptions	-	51
Remeasurement result: actuarial result arising from financial assumptions	124	2,401
Remeasurement result: actuarial result arising from experience adjustments	1,499	166
Benefits paid	-1,749	-1,002
Currency differences	-17	21
Other	-98	187
	992	**2,789**
Balance as at 31 December	**11,452**	**10,460**

Changes in the present value of plan assets

In thousands of €	2013	2012
Balance as at 1 January	**2,791**	**1,571**
Movements		
Interest income	113	76
Remeasurement result: return on plan assets excluding interest income	194	-21
Employers' contributions	2,151	2,142
Benefits paid	-1,749	-1,002
Currency differences	-21	25
Other	45	-
	733	**1,220**
Balance as at 31 December	**3,524**	**2,791**

Expense recognised in profit or loss

In thousands of €	2013	2012
Current service cost	865	611
Past service cost	-	-
Net interest expense	255	278
Expenses recognised in the income statement: defined benefit plans	**1,120**	**889**
Expenses recognised in the income statement: defined contribution plans	**31,098**	**30,736**
Total pension expenses recognised in the consolidated income statement	**32,218**	**31,625**
Remeasurement result: actuarial result arising from demographic assumptions	-	51
Remeasurement result: actuarial result arising from financial assumptions	5	2,401
Remeasurement result: actuarial result arising from experience adjustments	1,617	166
Remeasurement result: return on plan assets excluding interest income	-194	21
Total pension expenses recognised in the consolidated statement of comprehensive income	**1,428**	**2,639**
Total net pension expenses	**33,646**	**34,264**

All pension expenses are included in the consolidated income statement under the line employee expenses (note 30).

Expected contributions to defined benefit plans for 2014 amount to approximately € 2,025,000.

Principal actuarial assumptions for pension plans

In %	2013	2012
Discount rate as at 31 December	3.60 - 4.40%	3.50 - 5.06%
Future salary increases	1.00 - 3.40%	1.00 - 2.40%
Future pension increases	1.50 - 4.00%	1.50 - 3.00%
Average longevity at retirement age for current employees in years:		
Males	22	no information available
Females	37	no information available

Assumptions regarding future mortality are based on statistics and tables published in the countries concerned.

Composition of plan assets

In thousands of € / In %	2013 Amount	2013 %	2012 Amount	2012 %
Equity securities	1,864	52.9%	1,183	42.4%
Fixed income	1,396	39.6%	1,321	47.3%
Real estate	138	3.9%	162	5.8%
Other	126	3.6%	125	4.5%
Total plan assets as at 31 December	**3,524**	**100.0%**	**2,791**	**100.0%**

The plan assets do not include Grontmij shares.

The strategic mix of the Dutch defined benefit plan is 23% equity instruments, 65% bonds, 7% investment property and 5% commodities. Tactical investment policy allows for a deviation of five percentage points. The strategic mix of the UK defined benefit plan is 96% equity instruments, 3% bonds and 1% in other instruments.

Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation, amounting to € 11,452,000 at 31 December 2013, are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions based on a 1% change occurring at the end of the reporting period, while holding all other assumptions constant.

In thousands of €		Defined benefit obligation	
	Minus 1%	Applied	Plus 1%
Discount rate	13,873	3.6-4.4%	9,582
Future salary growth	10,730	1.0-3.4%	11,819
Future pension increases	9,839	1.5-4.0%	13,502
Future mortality	11,211	29.30 Years	11,693

The sensitivity analysis presented above may not be representative of the actual change in defined benefit obligation as it is unlikely that the change in assumptions occur in isolation of one another as some of the assumptions may be correlated.

Principal actuarial assumptions for jubilee and early retirement

The provision for jubilee and early retirement payments is calculated at a discount rate of 2.50% (2012: 3.30%).

21 Share-based payments arrangements

Share plans

To align management interests with those of the shareholders and to stimulate long-term commitments to Grontmij, the Company has the following share-based payment arrangements:

Equity-settled share-based payments arrangements

As from 1 January 2012, the Group established a long-term share plan (LTSP) to better align the interests of members of the Executive Board and other key management with the interests of shareholders and to stimulate long-term commitment to Grontmij. Under the LTSP the Executive Board and other key management are entitled to receive conditional ordinary shares subject to achieving a long-term target relating to the stock performance (total shareholder return including reinvested dividend) relative to a selected peer group (i.e. the target). The peer group consists of Arcadis, Atkins, Pöyry, Sweco, Hyder (2012: WSP), WYG, Imtech, Ballast Nedam and Heijmans. The target will be measured annually on an average basis over a rolling period of three calendar years.

The conditional ordinary shares will be granted for no financial consideration subject to achieving the set target and will vest at the end of the second year after the year in which the shares are conditionally granted if the target is met. The target is measured over a three year period starting at the first day of the year in which the shares are conditionally granted. The Executive Board and other key management are not entitled to any shareholders' rights including the right to dividends, during the period between granting and vesting. After vesting, the ordinary shares are subject to a lock-up of two years, after which the members of the Executive Board and other key management obtain unrestricted control.

Granting will take place each year on the first business day after the announcement of the annual results. In 2013 granting took place on 28 February. The number of ordinary shares conditionally granted is based on a percentage of the fixed annual salary divided by the average share price of the ordinary shares during the last quarter of the calendar year preceding the year in which shares are granted.

For the CEO, the percentage amounts to 30% of the fixed annual salary, whilst for the other members of the Executive Board the percentage amounts to 20%.

100% of the conditional ordinary shares granted will vest if Grontmij ranks at position 4 of the peer group list. No shares will vest if Grontmij ranks below position 7 of the peer group list. If the target is outperformed and Grontmij ranks as number 1, the maximum of 150% of the conditional ordinary shares granted will vest. In between these positions, the conditional ordinary shares will vest proportionally. Shares under the LTSP will either be issued or repurchased by Grontmij depending on Grontmij's financial position, specifically the cash available within Grontmij. The maximum number of ordinary shares that may be issued annually under the LTSP will not exceed 1% of the number of outstanding ordinary shares.
In case of termination of a contract of a member of the Executive Board, vesting of the Performance Shares shall be pro rata based upon the number of full months lapsed between the Grant Date and the date of termination of the employment or services agreement of the Participant or the date of termination of the group relation of the Group Company divided by 36 (=total number of months in Performance Period).

Overview of the granted rights to conditional shares:

Rights to conditional shares granted on	Granted	Unconditional
31 August 2012	211,831	1 January 2017
28 February 2013	209,043	1 January 2018

The weighted average fair value of the conditional shares granted is € 0.96 (2012: € 0.73).

The long-term share plan is equity-settled. The fair value is based on a Monte Carlo simulation model. The fair value is charged to the income statement over the vesting period based on the on-target awards of the plan. At each balance sheet date the non-market conditions are reassessed and any adjustment is charged to the income statement. An amount of € 125,134 (2012: 33,565) has been included in wages and salaries (note 30) with respect to the equity-settled share-based payments arrangements.

Cash-settled share-based payments arrangements

Stichting Employee Share Purchase Plan

The Group offers employees with a permanent employment contract with Grontmij N.V. and employees with a permanent employment contract working for subsidiaries in which the Group holds 75% or more of the shares (direct or indirect), the opportunity to acquire participations in ordinary shares of Grontmij N.V. Stichting Employee Share Purchase Plan Grontmij ('Stichting ESPP') acquires and holds ordinary shares. For each ordinary share, one participation is issued. Employees in Germany, the Netherlands, Poland and the United Kingdom are able to participate.

Eligible employees are granted a discount of 15% on the market value. They are to hold the participations for a period of three years and will then be granted one participation free of charge for every four participations, provided they will hold them for a further two years and are still employed by the Group at the end of that period.

As at 31 December 2013, 98,563 (2012: 70,919) participations have been subscribed. The number of participations is exclusive of the not awarded matching participations. Given the current non-materiality of the related liability, it was not measured and recognised in the consolidated statement of financial position as at 31 December 2013 and at 31 December 2012. As at 31 December 2013, 1,728 (2012: 3,712) matching participations were held. Reference is made to note 34.

Number of ordinary shares Stichting ESPP	2013	2012
Balance as at 1 January	**70,919**	**36,105**
Movements		
Purchased	31,163	35,198
Sold	-5,490	-3,673
Awarded according to matching principle	1,971	3,289
	27,644	**34,814**
Balance as at 31 December	**98,563**	**70,919**

Stichting Medewerkersparticipatie Grontmij

The Stichting Medewerkersparticipatie Grontmij ('Stichting SMPG') offered employees the opportunity to acquire participations in ordinary shares of Grontmij N.V. Stichting SMPG has terminated its activities in 2013. The Stichting will be formally terminated in 2014. Since 2008, acquiring participations through the Stichting SMPG is no longer possible. At the end of 2013, no members of staff (2012: 1,421) were registered. All of the participations were sold in 2013. Reference is made to note 34.

Number of ordinary shares Stichting SMPG	2013	2012
Balance as at 1 January	**80,924**	**66,059**
Movements		
Purchased	-	20,440
Sold	-80,924	-5,575
	-80,924	**14,865**
Balance as at 31 December	**-**	**80,924**

22 Loans and borrowings

This part of the notes contains information on the terms and conditions of the Group's interest bearing loans and other financial liabilities, valued at amortised cost.

In thousands of €	31 December 2013	31 December 2012
Non-current liabilities		
Bank loans - credit facilities	60,819	128,557
Secured bank loans	3,903	3,308
Unsecured other loans	122	97
Finance lease liabilities	345	2,343
	65,189	**134,305**
Current liabilities		
Bank loans - credit facilities	14,564	13,840
Secured bank loans	302	381
Finance lease liabilities	188	1,270
	15,054	**15,491**
Total loans and borrowings	**80,243**	**149,796**

Terms and redemption scheme

In thousands of €				31 December 2013		31 December 2012	
	Currency	Nominal interest rate	Year of maturity	Nominal value	Carrying value	Nominal value	Carrying value
Bank loans - credit facilities	EUR	Euribor + spread	2016	76,000	75,383	144,000	142,397
Secured bank loans	EUR	Euribor + spread	2020	546	546	1,791	1,787
Secured bank loan	DKK	0.55% - 1.22%	2022 - 2032	3,658	3,658	1,924	1,902
Finance lease liabilities	SEK	4.15%	2014 - 2016	468	468	614	614
Finance lease liabilities	EUR	Various	Variable	66	66	2,999	2,999
Unsecured other loans	EUR	Various	Variable	122	122	97	97
Total loans and borrowings				**80,860**	**80,243**	**151,425**	**149,796**

The current margin grid paid on the credit facility deviates between 2.5% and 5.25% on top of the market rate.

Leverage ratio	Margin (% per annum)
>= 3,5	5.25
>= 3,00 < 3,50	4.50
< 3,00 >= 2,50	4.25
<2.50 >= 2.00	3.75
< 2,00 >= 1,50	3.00
< 1,50	2.50

Covenants levels	Leverage ratio 1)	Interest coverage 2)
31 March 2014	3.00	3.25
30 June 2014	2.75	3.50
30 September 2014	2.75	3.75
31 December 2014	2.50	4.00
31 March 2015	2.50	4.00
30 June 2015	2.50	4.00
30 September 2015	2.50	4.00
31 December 2015	2.50	4.00
31 March 2016	2.50	4.00

Covenants calculated according to specific definitions in the credit facility:

1) net debt / adjusted EBITDA (adjusted means amongst others corrected for acquisitions, disposals of non-current assets and exceptionals)

2) EBITA / adjusted net financial income & expenses (adjusted means amongst others corrected for arrangement fees, effect of Interest Rate Swap (IRS))

During 2013 Grontmij explored a potential refinancing following the divestment of the French Monitoring & Testing business. In the second half of 2013 trading conditions were below expectations, most severely in the Netherlands and France necessitating further restructuring. From our first views on our expected performance in 2014 it also became evident that the Group would most probably not be able to meet its financial covenants in 2014. These covenants were based on detailed scenarios with respect to the development of our net debt and operational results, prepared early 2012 as part of an Independent Business Review taking into account expected GDP and market expectations at that time. However, GDP developments in the countries in which we operate have been worse than envisaged early 2012. Our operational performance has been negatively affected by these less favorable market conditions as a result of which we expected not to comply with our financial covenants in 2014. Grontmij complied with the financial covenants per year-end 2013.

After the sale of the French Monitoring & Testing business in September 2013 the Group made a mandatory repayment of € 62 million on the Term Loans in line with the requirements of the Credit Facility (€ 190,000,000 credit agreement originally dated 11 May 2010, as amended and restated pursuant to amendment and restatement agreements dated 22 June 2010, 16 July 2010, 21 December 2010, and 8 May 2012, herein referred to as the 'Credit Facility'). In December 2013 the Group additionally repaid

€ 15 million on the Term Loans according to the existing repayment schedule. These mandatory repayments led to a total facility amount at the end of 2013 of € 103 million (€ 180 million facility -/- € 62 million -/- € 15 million) .
In 2014 the Group would be required to make quarterly repayments on the Term Loans in aggregate of € 15 million, of which € 6 million would have been paid at the end of the third quarter 2014.
As a result, the Group's Credit Facility would amount to € 97 million at the end of the third quarter 2014. Based on our projected cash flow requirements in 2014, taking into account our peak working capital requirements (which is traditionally at its peak in the second and third quarter of each year and the cash needed to fund the additional cost-reduction programme, the Group would not be able to meet its funding requirements from the existing committed credit facilities in the course of 2014.
As a result of the foregoing Grontmij started discussions with its major shareholders (being the shareholders holding an substantive interest of at least 5% in the share capital of Grontmij, herein referred to as the 'Major Shareholders') and lending banks (ING Bank, Nordea and RBS) to reach a sustainable capital structure going forward, providing sufficient liquidity to execute the Group's strategy and sufficient headroom within the financial covenants, taking also into account the seasonality in working capital and net debt.
The flexibility and headroom to face the continuing challenging circumstances in the engineering market has been reached through a combination of equity and an amendment of the Credit Facility.

Equity issuance

The equity of Grontmij will be strengthened through the issuance of share capital by means of a sub 10 Accelerated Book Building (the 'Sub 10 ABB') (9,4% of outstanding share capital - 6,032,500 ordinary shares) and the issuance of privately placed convertible cumulative preference shares (the 'Cumprefs') (together: the 'Transaction'). Subject to certain conditions both are irrevocably subscribed by the Major Shareholders.

Additionally all Major Shareholders committed themselves to vote in favour of the issuance of the Cumprefs at the Extraordinary General Meeting of shareholders (EGM) to be held at 11 April 2014, as Grontmij's articles of association need to be amended in order to allow the creation of the Cumprefs. The Sub 10 ABB will be launched simultaneously with the reporting of the Group's annual figures on 26th February 2014. The issuance of the Cumprefs will take place after the approval at the EGM.

The Cumprefs offer gross proceeds will be € 40 million minus the Sub 10 ABB gross offer proceeds. The issue price of the Cumprefs will be equal to the Conversion Price (being the Sub10 ABB issue price plus the conversion premium). The initial conversion premium is 5%. The conversion premium will be reset each 5 years after the issue date of the Cumprefs. Cumpref Holders may convert Cumprefs into a number of ordinary shares. The initial Conversion Price will be equal to the Sub10 ABB issue price plus the conversion premium.

Amendment of the Credit Facility

Grontmij and the lending banks signed a committed termsheet (the 'Lending Term Sheet') on 25 February 2014 which contains amendments to the current Credit Facility.

The main amendments are:

a) an option for the Group to postpone the scheduled repayments in 2014 (in total € 15 million) towards the Maturity Date of the Credit Facility. The pricing for such postponement is based on the margin grid applicable under the Credit Facility plus 3 percent (on top of the market rate);
b) a reset of the financial covenant schedules (leverage and interest ratio) to reflect the seasonality pattern of the business and to create more financial flexibility,
c) provide the Group with flexibility by allowing not to mandatory repay the net proceeds of possible future disposals for a total amount of € 10 million. Disposal proceeds exceeding € 10 million will have to be repaid to the lending banks, thereby reducing the amount of the committed facilities.

For the amendment of the current Credit Facility Grontmij is obliged to pay an amendment fee of 0,50% on the total outstanding commitments at the time of amendment.

In addition one of the lending banks approved to split off a part (€ 5 million) of an existing uncommitted overdraft facility in to a committed overdraft facility from March 2014 up to the end of November 2014 allowing the Group to have sufficient committed headroom in line with the seasonality pattern of the business. As a result the available committed credit facility lines in 2014 increase from € 103 million at the beginning of the year to € 108 million from March 2014 up to November 2014 ending at € 103 million at the end of December 2014 (assuming postponement of the scheduled repayments).

The pledges on the shares of Grontmij International B.V., Grontmij Nederland Holding B.V and Grontmij France S.A. (formerly Ginger S.A.) remain in force.

In addition to the facilities described above the Group also has available the following credit lines:
- Leasing and other loans for approximately € 0.6 million
- Mortgages for approximately € 4.2 million.

Furthermore the Group has additionally approximately € 21 million (not taking into account the temporary reclassification of € 5 million overdraft facility as described above) uncommitted credit lines available.

Covenant Reset

The leverage ratio is the net debt position divided by the Group's continued EBITDA. The interest cover is the Group's EBITA divided by net finance expenses. Both ratios take some exclusions into account according to the Credit facility.

The result of the Group's covenant reset is the following:

In thousands of €	Leverage ratio			Interest coverage ratio		
	New	Old	Difference	New	Old	Difference
31 March 2014	3.50	3.00	0.50	2.50	3.25	-0.75
30 June 2014	3.75	2.75	1.00	2.50	3.50	-1.00
30 September 2014	3.50	2.75	0.75	2.75	3.75	-1.00
31 December 2014	2.75	2.50	0.25	3.25	4.00	-0.75
31 March 2015	2.75	2.50	0.25	4.00	4.00	0.00
30 June 2015	2.75	2.50	0.25	4.00	4.00	0.00
30 September 2015	2.75	2.50	0.25	4.00	4.00	0.00
31 December 2015	2.75	2.50	0.25	4.00	4.00	0.00
31 March 2016	2.75	2.50	0.25	4.00	4.00	0.00

Covenants calculated according to specific definitions in the credit facility

1) net debt / adjusted EBITDA (adjusted means amongst others corrected for acquisitions, disposals of non-current assets and exceptionals)

2) EBITA / adjusted net financial income & expenses (adjusted means amongst others corrected for arrangement fees, effect of IRS)

The guarantor cover covenant remains unchanged: 75% from the Group's assets and 75% of the Group's EBITDA needs to be covered by a guarantor group consisting of legal entities acceded as guarantor under the Credit Facility.

Going Concern

To the best of Grontmij's knowledge and believe the Sub 10 ABB, the Cumprefs and the amendment of the Credit Facility provides sufficient flexibility for the Group in order to sustain the operations of the Group in the foreseeable future in the normal course of business. The financial modelling used as basis for the going concern assumption is the Group's budget for 2014 and the long term plans of the countries of the Group including contingencies (taken in to account where appropriate).

The principles as set forward in the Lending Term Sheet will need to be completed in the final amended Credit Facility. The current Lending Term Sheet includes various conditions to be met, a.o. a € 40 million equity contribution by Grontmij's shareholders.
The Equity Term Sheet stipulates the key terms of the rights and obligations of Grontmij and the Major Shareholders regarding the proposed Transaction and needs to be completed in the final Subscription Agreement. In the Equity term Sheet the Major Shareholders have committed themselves to the Sub 10 ABB and the Cumprefs issuance.
The proposed Cumprefs issuance will need to be approved by the EGM on 11 April 2014.

Based on the current facts and circumstances, on-going discussions with the lending banks and the Major Shareholders, Grontmij believes (i) that it will be able to reach final agreement with its lending banks on the conditions of the amended Credit Facility and (ii) that the EGM will approve the proposed Cumprefs issue, thus ensuring the continuity of Grontmij for the foreseeable future in the normal course of business.

As a consequence of the above, the 2013 financial statements are prepared on a going concern basis. Grontmij does, however, draw attention to the fact that the ability to continue as a going concern is dependent on the continuing support of its shareholders and banks, envisaged improvement in operating performance and meeting the conditions as disclosed above.

For further information on the Group's interest rate, currency and liquidity risks, reference is made to note 25.

Finance lease liabilities

In thousands of €	31 December 2013			31 December 2012		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
Less than one year	206	18	188	1,298	28	1,270
Between one to five years	378	33	345	2,291	54	2,237
More than five years	-	-	-	106	-	106
	584	**51**	**533**	**3,695**	**82**	**3,613**

23 Provisions

The movements in the provisions are as follows:

In thousands of €	Total	Aftercare liabilities	Restructuring	Legal liabilities	Other
Balance as at 1 January 2013	61,241	17,448	12,148	29,076	2,569
Movements during 2013					
Derecognition of provisions of discontinued operations	-3,387	-	-	-3,123	-264
Added	6,385	-	334	4,699	1,352
Utilized	-12,740	-99	-8,795	-3,584	-262
Released	-9,853	-	-1,020	-8,529	-304
Interest	916	739	177	-	-
Currency differences	-42	-	-	-32	-10
	-18,721	**640**	**-9,304**	**-10,569**	**512**
Balance as at 31 December 2013	**42,520**	**18,088**	**2,844**	**18,507**	**3,081**
Current part of provisions	12,999	443	2,212	8,620	1,724
Balance as at 31 December 2013, non-current part	**29,521**	**17,645**	**632**	**9,887**	**1,357**

Aftercare liabilities

The Group has the obligation for the aftercare of waste sites in the Netherlands, ensuring that waste products are processed for storage and ensuring their long-term maintenance. Provisions for landfill sites are calculated on the basis of the RINAS model of the IPO (the umbrella organisation for the twelve provinces in the Netherlands) and calculated at a discount rate of 4.00-5.00% (2012: 4.00% - 5.00%). The accumulation of these provisions is realised in proportion to the disposal of waste per sector.

The provision is measured at the present value of estimated future expenditure based on experience. Key assumptions in this measurement are the discount rate, inflation, cost price of materials and dues for cleaning of waste water. In this respect, the current market and the risks associated with the liability have been taken into account in determining the future cash flows.

Of these provisions, an amount of € 1,133,000 relates to the period up to 2018, and an amount of € 16,955,000 relates to the period after 2017.

Restructuring

During the year ended 31 December 2013, the Group carried out the redundancy plans and cost reductions that were planned for the Netherlands and France. Provisions were recognised for reductions in direct and indirect personnel and obsolete housing. The estimate has been based on the redundancy and cost reduction plans and may vary as a result of final settlements. Of these provisions, an amount of € 2,842,000 relates to the period up to 2018.

Legal liabilities

The legal liabilities relates to warranties and claims for damages. The Group is involved in several legal proceedings in various jurisdictions as a result of its normal business activities. The Group has set up adequate provisions for those claims where management believes it is probable that a liability has been incurred and the amount is reasonably estimable. These provisions are reviewed periodically and adjusted if necessary. Final settlements can differ from this estimate, and could require revisions to the estimated provisions. Of the total amount provided 71% is covered by insurance for which insurance reimbursement receivables were recognised. The outflow of funds is dependent on the outcome of the legal proceedings.

Other provisions

The other provisions mainly relate to provisions for maintenance in arrears of office buildings and foreign tax risks.

24 Trade and other payables

In thousands of €	Note	31 December 2013	31 December 2012
Amounts due to customers for work in progress	16	93,742	104,631
Trade creditors		49,431	60,294
VAT and wage tax		39,236	47,279
Social insurance contributions		84	128
Pension contributions		4,618	2,289
Amounts due to equity accounted investees		2,555	1,459
Employee related expenses		47,939	62,032
Waste processing expenses		4,532	3,964
Service cost paid in advance		2,232	3,693
Other		19,365	26,818
		263,734	**312,587**

The Group's currency and liquidity risk relating to trade and other payables is disclosed in note 25.

25 Financial instruments

Credit risk

The carrying amount of the financial assets represents the maximum credit risk. The maximum exposure to credit risk at the reporting date is as follows:

In thousands of €	Note	31 December 2013	31 December 2012
Loans and receivables	13	5,982	6,207
Investments held to maturity	13	8,170	7,795
Trade and other receivables	15	157,684	222,047
Cash and cash equivalents	17	45,962	48,305
		217,798	**284,354**

The maximum exposure to credit risk at the reporting date (by geographic region):

In thousands of €	31 December 2013	31 December 2012
The Netherlands	33,492	39,996
France	28,698	74,910
Denmark	34,762	39,990
Sweden	16,927	24,444
UK	10,184	16,596
Belgium	27,679	29,634
Germany	18,314	18,831
Other markets	5,133	7,090
Non-core activities and other	15,494	16,323
Unallocated	27,115	16,540
	217,798	**284,354**

Liquidity risk

The following are the contractual maturities of the financial liabilities; including estimated interest payments:

In thousands of €		31 December 2013				
	Note	Carrying amount	Contractual cash flows	1 year or less	2-5 years	More than 5 years
Non-derivative financial liabilities						
Bank loans (secured/unsecured)	22	79,587	-88,856	-19,407	-66,358	-3,091
Other loans (secured/unsecured)	22	122	-122	-	-122	-
Finance lease liabilities	22	534	-584	-206	-378	-
Trade and other payables	24	170,410	-170,410	-170,410	-	-
Bank overdraft	17	19,802	-19,802	-19,802	-	-
		270,455	**-279,774**	**-209,825**	**-66,858**	**-3,091**
Derivative financial liabilities						
Interest rate swaps used for hedging		7,221	-7,259	-3,034	-4,225	-
		7,221	**-7,259**	**-3,034**	**-4,225**	**-**

In thousands of €		31 December 2012				
	Note	Carrying amount	Contractual cash flows	1 year or less	2-5 years	More than 5 years
Non-derivative financial liabilities						
Bank loans (secured/unsecured)	22	146,086	-166,869	-22,938	-143,931	-
Other loans (secured/unsecured)	22	97	-97	-	-97	-
Finance lease liabilities	22	3,613	-3,695	-1,298	-2,291	-106
Trade and other payables	24	207,147	-207,147	-207,147	-	-
Bank overdraft	17	14,758	-14,926	-14,926	-	-
		371,701	**-392,734**	**-246,309**	**-146,319**	**-106**
Derivative financial liabilities						
Interest rate swaps used for hedging		10,086	-10,141	-2,869	-7,272	-
		10,086	**-10,141**	**-2,869**	**-7,272**	**-**

Currency risk

The Group's exposure to foreign currency risk based on the denominated carrying amounts is as follows:

In thousands of	31 December 2013				31 December 2012			
	DKK	SEK	GBP	PLN	DKK	SEK	GBP	PLN
Trade and other receivables	237,406	149,930	6,837	8,529	277,109	190,161	8,243	9,580
Bank loans (secured/unsecured)	-27,301	-	-	-	-14,182	-	-	-
Financial lease liabilities	-	-4,138	-	-	-	-5,293	-	-
Trade and other payables	-197,557	-145,448	-7,573	-8,846	-202,325	-170,346	-9,641	-14,341
Total exposure	**12,548**	**343**	**-736**	**-317**	**60,602**	**14,522**	**-1,398**	**-4,761**

Exchange rates applied

	Average rate		Reporting date spot rate	
	2013	2012	2013	2012
DKK	0.13403	0.13435	0.13400	0.13410
GBP	1.17770	1.15275	1.20430	1.19360
PLN	0.23817	0.24406	0.24030	0.22580
SEK	0.11558	0.11496	0.11290	0.11610

Sensitivity analysis

A 5% weakening of the euro against the following currencies at 31 December would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2012.

In thousands of €	2013		2012	
	Equity	Profit or loss	Equity	Profit or loss
DKK	1,302	239	1,538	132
GBP	1,431	187	1,288	19
PLN	393	20	381	-21
SEK	885	87	880	65

A 5% strengthening of the euro against the above currencies at 31 December would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

Interest rate risk

At the reporting date the interest rate profile of the Group's interest bearing financial instruments is as follows:

Carrying amount, in thousands of €	31 December 2013	31 December 2012
Fixed rate instruments		
Financial assets	9,665	9,235
Financial liabilities	-4,126	-2,516
	5,539	**6,719**
Variable rate instruments		
Financial assets*	5,562	4,354
Financial liabilities	-76,117	-147,281
	-70,555	**-142,927**

* The cash & cash equivalents are not included although they are sometimes interest bearing, depending on local banking arrangements.

Fair value sensitivity analysis for fixed rate instruments (as mentioned above)

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.
A substantial part of Grontmij's debt is protected against interest rate fluctuations. After the repayment of loans and borrowings following the divestment of the French Monitoring &Testing business in September 2013, the cash flow hedge became partially ineffective. The accumulated positive/negative effects stemming from the future cash flows of the interest rate swaps are, dependent on the level of effectiveness, partially recognised into equity and in the income statement. The interest rate swaps are in place until November 2016.

In thousands of €	Profit or loss		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 December 2013				
Variable rate instruments	-706	706	-	-
Interest rate swap	2,186	-1,925	2,118	-2,117
Cash flow sensitivity (net)	**1,480**	**-1,219**	**2,118**	**-2,117**
31 December 2012				
Variable rate instruments	-1,429	1,429	-	-
Interest rate swap	1,400	-1,400	3,852	-4,116
Cash flow sensitivity (net)	**-29**	**29**	**3,852**	**-4,116**

Fair value measurements of financial assets and financial liabilities

The Group has an interest rate swap measured at fair value. The fair value as at 31 December 2013 amounts to € -7,221,000 (2012: € -10,086,000). Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement hierarchy prioritises the inputs to valuation techniques used to measure fair value. The fair value measurement of the interest rate swap can be classified as a level 2 valuation. The valuation technique used is the discounted cash flow method. The future cash flows are estimated based on forward interest rates from observable yield curves at the end of the reporting period and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.

The estimated fair values as at 31 December 2013 of other financial assets and liabilities approximate their carrying amount. Level 3 of the fair value hierarchy was used for measuring the fair values.

26 Leases

In thousands of €	31 December 2013	31 December 2012
Non-cancellable operational leases and rentals		
Less than one year	27,573	36,586
Between two to five years	53,734	72,271
More than five years	22,875	23,555
	104,182	**132,412**

The Group has entered into a number of operational lease contracts relating to the use of office buildings, cars and office machinery. The lease contracts typically run for an initial period of between one and ten years.

In 2013, an amount of € 38,464,000 was recognised as an expense in the income statement in respect of these rental agreements and operating leases (2012: € 32,183,000).

27 Liabilities and assets not recognised in the consolidated statement of financial position

Contingent liabilities

The Group is involved as partner in a number of partnerships like joint ventures, associates and joint operations. Certain partnerships (f.e. 'V.o.f') are subject to joint and several liability. Risks arising in connection with these partnerships are generally mitigated through the use of project private limited companies.

The Group can be held liable to fulfill the indemnities as agreed in the share purchase agreement with a pool of investors led by Siparex, one of France's leading private equity investment specialists, and including Bpifrance Investissement, Cathay Capital and BNP Paribas Développement Siparex regarding the sale of the French Monitoring & Testing business, see note 6.

The Group is liable to pay out a survivor's benefit of € 677,000 in case one of its employees deceases during the term of the employment contract.

The Group can be held responsible to provide a subordinated loan to a joint operation amounting to € 800,000 based on the contractual agreement.

Guarantees

Guarantees issued by financial institutions amount to € 33,254,000 (2012: € 37,223,000). Guarantees provided by members of the Group amount to € 17,335,000 (2012: € 18,189,000).

Legal disputes

The Group is party to various legal disputes, generally incidental to its business. The various claims are not generally considered significant. On the basis of legal and other advice, the Executive Board is of the view that the outcome of pending legal disputes will not have a significant impact on the consolidated financial position of Grontmij. However, should this be the case, adequate provisions have been recognised as well as the related insurance reimbursement receivables. The extent to which an outflow of funds will be required is dependent on the outcome of the legal disputes.

Contingent assets

Grontmij is entitled to two receivables under certain conditions. One contingent asset is conditional upon a municipality to provide a license to another party, which should continue certain landfill activities after 2016. The current value is € 2,808,000 whereas the nominal value is € 3,250,000. The other contingent asset relates to a lease incentive amounting to € 850,000. This incentive depends on the execution of certain leasehold improvements at the latest mid 2014.

28 Segment reporting

The Executive Board and Executive Committee is directly accountable for our different operating countries. Every country reports directly to one of the Executive Board or Executive Committee members. In this respect the Group recognises eight geographical segments and one other activities. The latter includes the Group's non-core activities in the Netherlands relating to real-estate projects, landfill sites, and waste management. The Group's operations in Poland, Hungary (until end December 2013), Turkey and China are reported in the segment other markets. The Group's operations in a number of other countries – in total less than 3% of the Group's revenue and assets – are reported in the segments whose management is primarily responsible for their performance.

Segment information is presented in respect of the Group's geographical segments. This segmentation of the Group is based on its geographical management structure, i.e.:

- the Netherlands (NL);
- France (FR);
- Denmark (DK);
- Sweden (SE);
- United Kingdom (UK);
- Belgium (BE);
- Germany (GE);
- Other markets; and
- Non-core activities.

Performance is measured based on segment operating result, as included in the internal management reports that are reviewed by the Executive Board and Executive Committee. The results of a segment comprise such items as are charged to the segment or may reasonably be charged thereto. Intersegment transactions are conducted at arm's length.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Segment result before income tax represents the result earned by each segment including allocation of central head office costs and directors' salaries, share of profits of joint ventures and associates, gain recognised on disposal of interest in former associates, other income and finance result, but excluding the profit of discontinued operations.

The Group has no customers for which revenues are individually significant.

Segment information 2013

In thousands of €	NL	FR	DK	SE	BE	UK	GE	Other markets	Non-core activities	Unallocated and eliminations	Total
External revenue from services	217,721	72,837	143,710	98,293	80,692	62,397	54,675	21,216	11,862	-	763,403
Intersegment revenue	1,773	82	745	706	857	663	554	2,391	-	-7,771	-
Total revenue	**219,494**	**72,919**	**144,455**	**98,999**	**81,549**	**63,060**	**55,229**	**23,607**	**11,862**	**-7,771**	**763,403**
Share of results of investments in equity accounted investees	51	-	21	-	302	-	-	-	-1,674	-	-1,300
Result on sale of equity accounted investees (net of income tax)	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-3,189	-742	-1,385	-686	-1,218	-810	-495	-155	-898	-374	-9,952
Amortisation	-184	-254	-1,112	-	-132	-653	-254	-133	-	-2,611	-5,333
Impairments of non-current assets	-70	-	-344	-	-	-	-	-	-	-12,091	-12,505
Operating result	3,941	35,942	5,419	1,968	4,681	1,823	3,654	554	-2,058	-55,852	72
Finance income	-	817	1,686	507	452	327	145	484	715	-2,770	2,363
Finance expenses	-479	-722	-1,078	-153	-80	-40	-162	-275	-1,178	-15,797	-19,964
Result before income tax	3,461	36,039	6,027	2,321	5,054	2,109	3,637	763	-2,521	-74,419	-17,529
Income tax expense	-870	-2,134	-1,249	-574	-1,777	1,637	-1,236	-407	-	5,644	-966
Total assets	183,332	117,856	102,359	38,657	85,586	42,772	53,390	17,377	57,953	-117,440	581,842
Total liabilities	81,667	62,790	76,321	20,955	48,959	14,146	26,138	10,105	42,743	81,944	465,768
Investments in equity accounted investees	-583	-53	-76	-	-2	-	-3	-	-2,593	-19	-3,329
Acquisition of intangible assets and goodwill	-	-211	-369	-	-682	-	-331	-31	-	-70	-1,694
Capital expenditure	-4,272	-749	-1,678	-165	-769	-612	-329	-212	-100	-120	-9,006
Average FTEs	1,894	797	1,133	702	769	748	579	296	44	35	6,997

Segment information 2012

In thousands of €	NL*	FR	DK	SE	BE	UK	GE	Other markets	Non-core activities*	Unallocated and eliminations	Total
External revenue from services	226,334	81,362	144,493	100,199	81,532	67,447	53,797	16,786	17,673	-	789,623
Intersegment revenue	2,231	40	928	323	-30	401	288	1,386	-	-5,567	-
Total revenue	**228,565**	**81,402**	**145,421**	**100,522**	**81,502**	**67,848**	**54,085**	**18,172**	**17,673**	**-5,567**	**789,623**
Share of results of investments in equity accounted investees	22	-	18	-	270	-	-	-	-1,658	219	-1,129
Result on sale of equity accounted investees (net of income tax)	-	-	-	-	-	-	-	-	-129	-	-129
Depreciation	-3,064	-745	-1,811	-1,169	-1,230	-843	-597	-84	-621	-489	-10,653
Amortisation	-97	-285	-1,978	-49	-554	-684	-196	-62	-	-2,659	-6,564
Impairments of non-current assets	-291	-91	-	-436	-	-	-184	-	-	-	-1,002
Operating result	3,509	-13,382	3,570	1,761	2,685	621	3,409	-1,221	-1,229	-15,927	-16,204
Finance income	76	511	1,870	218	235	140	64	170	553	-1,071	2,766
Finance expeneses	-680	-21	-1,196	-130	-61	-193	-199	-385	-1,009	-15,180	-19,054
Result before income tax	2,905	-12,892	4,244	1,849	2,859	567	3,273	-1,436	-1,685	-32,176	-32,492
Income tax expense	-812	-2,127	-1,604	-551	-1,095	-195	-1,325	7	-1,593	6,400	-2,895
Total assets	199,286	127,661	106,406	41,467	80,195	41,959	50,604	16,884	64,774	3,099	732,335
Total liabilities	99,687	110,152	75,652	23,859	46,852	16,827	25,641	10,452	47,040	149,793	605,955
Investments in equity accounted investees	-526	-63	-54	-	-2	-	-13	-	-4,156	-20	-4,834
Acquisition of intangible assets and goodwill	-	-419	-726	-	-	-	-1,326	-35	-	-348	-2,854
Capital expenditure	-2,792	-2,961	-1,592	-690	-1,131	-307	-511	-181	-3,998	-	-14,163
Average FTEs	1,988	837	1,161	731	821	775	572	280	101	42	7,308

* As per 1 January 2013 the subsidiary Grontmij Vastgoedmanagement was transferred from Non-core activities to the Netherlands. The 2012 figures in the segment information table have not been restated for this transfer.

29 Other income

In thousands of €	2013	2012
Gains on sale of property, plant and equipment	338	609
Gains on sale of Danish marine activities	1,622	-
Rental income and other items	604	1,090
	2,564	**1,699**

30 Direct and indirect employee expenses

In thousands of €	Note	2013	2012
Wages and salaries		353,365	364,417
Compulsory social security contributions		62,614	63,823
Contributions to defined contribution plans	20	31,098	30,736
Expenses related to defined benefit plans	20	1,120	889
Agency staff		27,888	31,736
Other employee expenses		33,602	35,949
		509,687	**527,550**

Staff (full time equivalents)

In 2013, the average number of full time equivalents (FTE) was 6,997 (2012: 7,308), of which 6,685 were employed by the Group (2012: 6,948), and 312 concerned agency staff (2012: 360). Of the total staff, 4,795 (2012: 4,881) FTEs were employed outside the Netherlands, and the FTE number of agency staff abroad was 229 (2012: 296).

31 Direct and indirect other operating expenses

In thousands of €	2013	2012
Housing expenses	37,911	46,026
Office expenses	27,538	25,894
Marketing expenses	3,864	4,941
Travel expenses	7,773	7,103
Other operating expenses	16,936	35,650
	94,022	**119,614**

Other operating expenses relate to expenses such as insurances and advisory expenses.

32 Net finance expenses

In thousands of €	2013	2012
Interest income on bank balances and deposits	109	816
Interest income from loans and receivables	156	92
Interest income on long-term finance receivable	216	169
Foreign exchange profit	1,025	937
Income from valuation held to maturity investment	390	381
Other interest income	467	371
Finance income	**2,363**	**2,766**
Interest expense on bank overdraft and short term loans	408	419
Interest expense on loans and borrowings	10,602	14,154
Ineffective portion of the cumulative fair value of the interest rate swap	3,297	-
Unwinding of discount on aftercare liabilities and restructuring provisions	916	781
Interest expense charged to projects	248	259
Waiver fees	270	568
Foreign exchange loss	1,638	1,349
Other finance expenses	2,585	1,524
Finance expenses	**19,964**	**19,054**
Net finance expenses	**-17,601**	**-16,288**

33 Income tax expense

Income tax expense recognised in the consolidated income statement amounts to € -966,000 (2012: € -2,895,000).
This item consists of current and deferred income tax and is composed as follows:

In thousands of €	2013	2012
Current income tax		
Current year	-3,585	-1,933
Adjustments for prior years	537	-1,255
	-3,048	**-3,188**
Deferred income tax		
Originating from and reversal of temporary differences	743	447
Reversal of temporary differences prior years	943	-60
Changes in tax rates	396	-94
	2,082	**293**
Income tax expense	**-966**	**-2,895**

The reconciliation of the applicable tax rate and the effective tax rate is as follows:

In thousands of €; percentage rounded to the nearest decimal	2013		2012	
Result before income tax	**-17,529**		**-32,492**	
Tax charge based on weighted average applicable rate	-5,642	-32.2%	-9,177	-28.2%
Changes in tax rates	-396	-2.3%	94	0.3%
Unrecognised tax losses	8,180	46.7%	7,769	23.9%
Previously unrecognised tax losses and deferred tax assets	-2,235	-12.8%	-236	-0.7%
Adjustment for prior years	-537	-3.1%	1,255	3.9%
Reversal of temporary differences prior years	-943	-5.4%	60	0.2%
Tax exempted results from equity accounted investees	181	1.0%	112	0.3%
Non-deductable expenses and other exempt items	3,279	18.7%	3,015	9.3%
Other	-921	-5.3%	3	0.0%
Tax charge and effective tax rate, respectively	**966**	**5.5%**	**2,895**	**8.9%**

34 Related parties

The Group's related parties comprise joint ventures, associates, the Executive Board, the Supervisory Board, other key management, Stichting Pensioenfonds Grontmij, Stichting Administratiekantoor van aandelen Grontmij N.V., Stichting Medewerkersparticipatie Grontmij and Stichting Employee Share Purchase Plan.
A full list of subsidiaries, joint ventures and associates is filed with the Chamber of Commerce in Utrecht, the Netherlands.
Outstanding balances with related parties are priced on an arm's length basis and are settled in cash, none of the balances is secured.

For related party transactions regarding to Grontmij N.V. we refer to the company financial statements note 7 (page 160).

Joint Ventures and Associates

Joint ventures

At the end of 2013, transactions between the Group and its joint ventures concerned an amount of € 1,786,000 (2012: € 7,352,000). In 2013, dividends to an amount of € 413,000 (2012: € 642,000) were received.
At year-end 2013, amounts totalling € 1,121,000 are due to the Group from its joint ventures (2012: € 1,138,000) and amounts totalling € 2,555,000 are due to its joint ventures from the Group (2012: € 1,459,000). Transactions with joint ventures are on an arm's length basis.

Associates

At the end of 2013, transactions between the Group and its associates concerned an amount of € 1,936,000 (2012: € 80,000). In 2013, dividends to an amount of € nil (2012: € 24,000) were received.

At year-end 2013, amounts totalling € 4,455,000 are due to the Group from its associates (2012: € nil) and amounts totalling € nil are due to its associates from the Group (2012: € nil).

Compensation of key management personnel

Key management personnel are those persons having authority and responsibility for the Company as a whole. The company determined that key management personnel consist of the members of the Executive Board, the members of the Supervisory Board and the members of the Executive Committee.

Executive Board

Executive Board members and key management personnel received the following remuneration:

In thousands of €	Period remunerations		Pension contributions		Variable remunerations				Total	
					Performance-dependent cash bonus		Long-Term Share Plan			
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
C.M. Jaski	435	433	77	72	-	145	29	8	541	658
F. Vervoort	344	342	77	70	-	80	15	4	436	496
G.P. Dral	216	323	83	75	-	68	15	4	314	470
	995	**1,098**	**237**	**217**	**-**	**293**	**59**	**16**	**1,291**	**1,624**
Resigned members										
S. Thijsen	-	86	-	12	-	-	-	-	-	98
A.G. Nijhof	-	25	-	4	-	-	-	-	-	29
	-	**111**	**-**	**16**	**-**	**-**	**-**	**-**	**-**	**127**
(Accrued) costs for payment of notice period, severance, and other costs										
G.P. Dral, notice period [1]	171	-	-	-	-	-	-	-	171	-
G.P. Dral, severance payment [2]	410	-	75	-	-	-	-	-	485	-
J.L. Schnoebelen	-	2,700	-	-	-	-	-	-	-	2,700
	581	**2,700**	**75**	**-**	**-**	**-**	**-**	**-**	**656**	**2,700**
Total	**1,576**	**3,909**	**312**	**233**	**-**	**293**	**59**	**16**	**1,947**	**4,451**
Crisis levy C.M. Jaski									66	40
Crisis levy F. Vervoort									44	26
Crisis levy G.P. Dral									47	25
Total									**2,104**	**4,542**

1) including holiday days paid out

2) including other costs (legal and outplacement)

On 15 June 2013, Mr. G.P. Dral stepped down from the Executive Board.

The Executive Board will receive no bonuses over 2013 for achieved targets. Over 2012, Mr. Jaski received € 145,000 as performance dependent cash bonus, Mr. Vervoort € 80,000 and Mr. Dral € 68,000.

The members of the Executive Board are entitled to the Long-Term Share Plan. Under this plan they receive conditional ordinary shares subject to achieving a long-term target relating to the stock performance (total shareholder return including reinvested dividend) relative to a selected peer group (i.e. the target). Reference is made to note 21 Share based payments.

	Outstanding at the beginning of 2013	Granted [1]	Vested [1]	Forfeited	Outstanding at the end of 2013	Minimum number of shares	Maximum number of shares	Fair value per share at the grant date €	Rights to conditional shares granted on	Unconditional
C.M. Jaski										
Two and a half- year grant	51,655	-	-	-	51,655	-	77,483	0.73	31 August 2012	1 January 2017
Three- year grant	-	44,453	-	-	44,453	-	66,680	0.96	28 February 2013	1 January 2018
F. Vervoort										
Two and a half- year grant	26,968	-	-	-	26,968	-	40,452	0.73	31 August 2012	1 January 2017
Three- year grant	-	23,208	-	-	23,208	-	34,812	0.96	28 February 2013	1 January 2018
G.P. Dral										
Two and a half- year grant	25,475	-	-	-	25,475	-	38,213	0.73	31 August 2012	1 January 2017
Three year- grant	-	21,923	-	-	21,923	-	32,885	0.96	28 February 2013	1 January 2018
Total EB	**104,098**	**89,584**	**-**	**-**	**193,682**	**-**	**290,523**			

1) Assuming 100% vesting

Members of the Executive Board receive an allowance for representation expenses and have a company car at their disposal. Apart from those disclosed above, there are no other arrangements with members of the Executive Board.

Supervisory Board

Supervisory Board members received the following remuneration

In thousands of €	2013	2012
J. van der Zouw (chairman as from 9 March 2012)	43	37
R.J.A. van der Bruggen	28	31
J.H.J. Zegering Hadders (chairman as from 9 November 2011 until 9 March 2012 / member as from 9 March 2012 and stepped down as from 23 May 2013)	13	36
K.L. Dorrepaal (appointed as from 23 May 2013)	30	2
A. Jonkman (appointed as from 23 May 2013)	29	2
P.P. Montagner (member as from 8 December 2011 and stepped down as from 20 November 2012)	-	31
	143	**139**

On 23 May 2013, Mr. J.H.J Zegering Hadders stepped down as member of the Supervisory Board. On 23 May 2013, Mrs. K.L. Dorrepaal and Mr. A. Jonkman were appointed as member of the Supervisory Board.
As of 29 November 2013, J. van der Zouw is temporarily unable to act as chairman of the Supervisory Board due to health reasons. During his absence, Mrs. K.L Dorrepaal, will act as ad-interim Chairman of the Supervisory Board.

Other key management

Since 12 June 2013, an Executive Committee was appointed to further strengthen decision making at the top of the organisation as well as execution of the 'Back on Track' strategy. There are 6 members on the Executive Committee board, two members of the Executive Board and four country managers. These four members keep their current roles as country managing directors and take on additional responsibilities at Group level. Approximately 20% of their total time is allocated to execute these additional responsibilities at Group level.

For their role as Executive Committee member they received the following remuneration[1]:

In thousands of €	2013	2012
Period remuneration	212	-
Pension contribution	17	-
Cash bonus	92	-
Share-based payments	9	-
	331	**-**

1) Excluding remuneration of the Executive Board members.

Members of the Executive Committee have a company car at their disposal and receive an allowance for training and education.

Shares held by the Executive Board, the Supervisory Board and other management

At 31 December 2013, Mr C.M. Jaski, Mr F. Vervoort and Mr J. Bosschem held 1 share in Ginger S.A.

At 31 December 2013, Mr C.M. Jaski held 50,000 ordinary shares Grontmij N.V.

At 31 December 2013, Mr F. Vervoort held 39,000 ordinary shares Grontmij N.V.

Shares (significant ownership) held by other management

At 31 December 2013, Mr J. Bosschem (country Managing Director France) held 48% (2012: 60%) of the shares issued in Arteum Architects BVBA (Belgium).

Other related parties

Stichting Pensioenfonds Grontmij

Stichting Pensioenfonds Grontmij is charged with administering the committed pension rights allocated to the employees of Grontmij and its Dutch subsidiaries. Transactions between the Group and Stichting Pensioenfonds Grontmij mainly comprise the transfer of pension premiums. In 2013, an amount of € 15,918,000 (2012: € 16,843,000) was invoiced by the Stichting Pensioenfonds Grontmij in respect of pension premiums.

At year-end 2013, a nominal amount of € 2,525,000 was due to Stichting Pensioenfonds Grontmij from Grontmij (2012: € 2,887,000 due to Stichting Pensioenfonds Grontmij from Grontmij).

Both at year-end 2013 and 2012, Stichting Pensioenfonds Grontmij held no shares in Grontmij.

Stichting Administratiekantoor van aandelen Grontmij N.V.

The board of Stichting Administratiekantoor van aandelen Grontmij N.V. (the "Trust Office") decided to terminate the administration of ordinary shares Grontmij N.V. In this respect, on 9 May 2012, the General Meeting of Shareholders of Grontmij N.V. resolved to amend the articles of association of the company (proposal II for amendment of the articles of association).

After execution of the deed of amendment of the articles of association, on 28 June 2012, the following changes took place:

- The administration of the ordinary shares Grontmij N.V. by the Trust Office was terminated;
- The depositary receipts for ordinary shares Grontmij N.V. issued by the Trust Office have been withdrawn with simultaneous delivery of the registered ordinary shares Grontmij N.V.;
- The ordinary shares Grontmij N.V. delivered by the Trust Office were registered in the name of Euroclear Nederland in the shareholder register along with the reference that these shares belong to either the girodepot or the collective depot of securities of the class of shares concerned.

When legally possible the Trust Office will be dissolved.

Stichting Medewerkersparticipatie Grontmij

The Stichting Medewerkersparticipatie Grontmij ('Stichting SMPG') offered employees the opportunity to acquire participations in ordinary shares of Grontmij N.V. Since 2008, acquiring participations through the Stichting SMPG is no longer possible. Activities of the Stichting SMPG were discontinued in 2013. Official termination of the Stichting will be completed in 2014.

Transactions between Grontmij and the Stichting SMPG generally comprise financing and dividend payments. In 2013 and 2012, Grontmij paid no dividend to Stichting SMPG.

At 31 December 2013, Grontmij has an amount due to Stichting SMPG of € 78,500 (2012: € 78,500). This liability will be settled in 2014.

For detailed information reference is made to note 21.

Stichting Employee Share Purchase Plan

Stichting Employee Share Purchase Plan Grontmij ('Stichting ESPP') holds 0.15% (2012: 0.11%) of the ordinary shares in Grontmij. Transactions between Grontmij and Stichting ESPP will usually comprise financing and dividend payments. In 2013 and 2012, Grontmij paid no dividend. The operational expenses of Stichting ESPP are borne by Grontmij. At 31 December 2013, a nominal amount of € 1,500 (2012: € 10,000) was due from Stichting ESPP to Grontmij.

For detailed information reference is made to note 21.

35 Subsequent events

During 2013, Grontmij started discussions with its major shareholders and lending banks to reach a sustainable capital structure going forward, providing sufficient liquidity to execute the Group's strategy and sufficient headroom within the financial covenants, taking also into account the seasonality in working capital and net debt. The flexibility and headroom to face the continuing challenging circumstances in the engineering market has been reached through a combination of equity and an amendment of the Credit Facility. All of the Major Shareholders committed themselves on 25 February 2014 by means of a commitment letter to irrevocably subscribe to the ordinary shares at an issue price of at least € 3.20. Some of the Major Shareholders also committed themselves to irrevocably subscribe to the Cumprefs. The Cumprefs offer gross proceeds will be € 40 million minus the Sub 10 ABB gross offer proceeds. Grontmij and the lending banks signed a committed termsheet on 25 February 2014 which contains amendments in the current credit facility from 2012, amongst others an option for the Group to postpone the scheduled repayments in 2014 (in total € 15 million) towards the Maturity Date of the 2012 Credit Facility and a reset of the financial covenants. Reference is made to note 22.

Company statement of financial position

In thousands of € (before appropriation of result)	Note	31 December 2013	31 December 2012 Restated*
Investments in subsidiaries		70,622	83,352
Investments in equity accounted investees		19	19
Non-current assets	2	**70,641**	**83,371**
Receivables	3	185,567	239,896
Cash and cash equivalents		13,505	1,400
Current assets		**199,072**	**241,296**
Total assets		**269,713**	**324,667**
Share capital		15,992	15,992
Share premium		165,476	165,476
Translation reserve		-4,532	-3,806
Hedging reserve		-3,633	-10,086
Other legal reserves		5,897	8,984
Other reserves		-48,253	-18,645
Result for the year		-14,791	-31,428
Shareholders' equity	4	**116,156**	**126,487**
Non-current liabilities	5	**26,200**	**54,836**
Current liabilities	6	**127,357**	**143,344**
Shareholders' equity and liabilities		**269,713**	**324,667**

* Restated for comparison purposes in connection with change in accounting policies on pensions (IAS 19), see page 102.

Company income statement

In thousands of €	Note	2013	2012
Result from participating interests after tax	2	-10,678	-21,311
Other results		-4,113	-10,117
Result after income tax		**-14,791**	**-31,428**

Notes to the company financial statements

Table of contents

1 Basis of preparation

General

The Company financial statements have been prepared in accordance with Part 9, Book 2 of the Dutch Civil Code and they form part of the financial statements of Grontmij for the year 2013. The Company income statement has been prepared in accordance with article 402, Part 9, Book 2 of the Dutch Civil Code, which allows a simplified income statement in the Company financial statements in the event that an income statement is included in the consolidated Group financial statements.

Accounting policies

For the valuation of assets and liabilities and in determining the result in its company financial statements, Grontmij has availed itself of the option provided for in article 362 par. 8, Book 2 of the Dutch Civil Code. This states that the policies regarding the valuation of assets and liabilities and determination of the result of the company financial statements correspond with those applied for the consolidated financial statements, which are prepared in conformity with IFRS as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code. The relevant accounting policies set out in note 3 to the consolidated financial statements as provided in pages 104 to 115, have been applied consistently to all periods accounted for in these Company financial statements.

Investments in subsidiaries are accounted for using the net equity value. The net equity value is determined on the basis of the accounting principles applied by the Company.

2 Non-current assets

A summary of the main (operational) subsidiaries is provided in note 8 of the notes to the consolidated financial statements. A full list of subsidiaries, joint ventures and associates is filed with the Chamber of Commerce in Utrecht, the Netherlands.

The movements in the carrying amount of financial assets are as follows:

In thousands of €	Total	Investments in subsidiaries	Investments in equity accounted investees'
Balance as at 1 January 2012	**99,850**	**99,779**	**71**
Movements during 2012			
Share in the results	-21,093	-21,311	218
Dividend received	-270	-	-270
Currency differences	1,796	1,796	-
Acquisition of non-controlling interest	-42	-42	-
Remeasurements of defined benefit liabilities	-2,581	-2,581	-
Other movements	5,711	5,711	-
Balance as at 31 December 2012	**83,371**	**83,352**	**19**
Movements during 2013			
Share in the results	-10,678	-10,678	-
Currency differences	-726	-726	-
Remeasurements of defined benefit liabilities	-1,376	-1,376	-
Recognition of equity-settled share-based payments	50	50	-
Balance as at 31 December 2013	**70,641**	**70,622**	**19**

3 Receivables

In thousands of €	31 December 2013	31 December 2012
Amounts due from subsidiaries	184,214	234,867
Income tax	-	2,848
Prepaid expenses and other receivables	1,353	2,181
	185,567	**239,896**

4 Shareholders' equity

Movements in shareholders' equity are as follows:

In thousands of €	Total	Share capital	Share premium	Translation reserve	Hedging reserve	Other legal reserves	Other reserves	Result for the year
Balance as at 1 January 2012 as previously reported	90,812	5,331	96,391	-5,614	-4,876	7,819	47,621	-55,860
Impact of changes in accounting policies	-	-	-	-	-	-	-	-
Restated* balance as at 1 January 2012	**90,812**	**5,331**	**96,391**	**-5,614**	**-4,876**	**7,819**	**47,621**	**-55,860**
Result for the year 2012	-31,428	-	-	-	-	-	-	-31,428
Other comprehensive income:								
Foreign currency exchange translation differences for foreign operations	1,808	-	-	1,808	-	-	-	-
Remeasurements of defined benefit liabilities	-2,639	-	-	-	-	-	-2,639	-
Cost of issuing ordinary shares	-6,652	-	-	-	-	-	-6,652	-
Effective portion of changes in fair value of cash flow hedges	-5,210	-	-	-	-5,210	-	-	-
Related tax effects	58	-	-	-	-	-	58	-
Total other comprehensive income	**-12,635**	**-**	**-**	**1,808**	**-5,210**	**-**	**-9,233**	**-**
Total comprehensive income	**-44,063**	**-**	**-**	**1,808**	**-5,210**	**-**	**-9,233**	**-31,428**
Contribution by and distributions to owners:								
Issue of ordinary shares	79,746	10,661	69,085	-	-		-	-
2011 Result appropriation	-	-	-	-	-		-55,860	55,860
Other equity movements:								
Movement in legal reserve	-	-	-	-	-	1,165	-1,165	-
Recognition of equity-settled share-based payments	34	-	-	-	-		34	-
Change in ownership in subsidiaries:								
Acquisition of non-controlling interest without a change in control	-42	-	-	-	-		-42	-
Restated* balance as at 31 December 2012	**126,487**	**15,992**	**165,476**	**-3,806**	**-10,086**	**8,984**	**-18,645**	**-31,428**

In thousands of €	Total	Share capital	Share premium	Translation reserve	Hedging reserve	Other legal reserves	Other reserves	Result for the year
Restated* balance as at 31 December 2012	**126,487**	**15,992**	**165,476**	**-3,806**	**-10,086**	**8,984**	**-18,645**	**-31,428**
Result for the year 2013	-14,791	-	-	-	-		-	-14,791
Other comprehensive income:								
Foreign currency exchange translation differences for foreign operations	-726	-	-	-726	-	-	-	-
Remeasurements of defined benefit liabilities	-1,428	-	-	-	-	-	-1,428	-
Effective portion of changes in fair value of cash flow hedges	3,156	-	-	-	3,156	-	-	-
Ineffective portion of fair value of cash flow hedges transferred to income statement	3,297	-	-	-	3,297	-	-	-
Related tax effects	52	-	-	-	-	-	52	-
Total other comprehensive income	**4,351**	**-**	**-**	**-726**	**6,453**	**-**	**-1,376**	**-**
Total comprehensive income	**-10,440**	**-**	**-**	**-726**	**6,453**	**-**	**-1,376**	**-14,791**
Contribution by and distributions to owners:								
2012 Result appropriation	-	-	-	-	-	-	-31,428	31,428
Other equity movements:								
Movement in legal reserve	-	-	-	-	-	-3,087	3,087	-
Recognition of equity-settled share-based payments	109	-	-	-	-	-	109	-
Balance as at 31 December 2013	**116,156**	**15,992**	**165,476**	**-4,532**	**-3,633**	**5,897**	**-48,253**	**-14,791**

* Restated for comparison purposes in connection with changes in accounting policies on pensions, (IAS19), see page 102.

Share capital

The authorised share capital in 2013 amounted to 140 (2012: 140) million shares and is divided into 70 (2012: 70) million ordinary shares each with a nominal value of € 0.25, and 70 (2012: 70) million preference shares each with a nominal value of € 0.25.
The number of ordinary shares issued and fully paid-up as at 31 December 2013 and 31 December 2012 was 63,967,500.

No preference shares were issued. Grontmij did not purchase any own shares.

Proposal for treatment of the loss 2013

As a loss is incurred in the financial year 2013, there will be no distribution of profit and subsequently no payment of dividend (2012: € nil) per ordinary share.

Pursuant to article 45 paragraph 6 of the Articles of Association, the Executive Board, having obtained the approval of the Supervisory Board, proposes to present for the acceptance to the General Meeting of Shareholders to deduct the loss from the other reserves, the latter containing the accumulated deficit of previous years and forming part of the distributable part of the equity.

Share premium

The share premium is comprised of capital contributions from shareholders above nominal value, and is regarded as paid up capital. Share premium is distributable free of tax.

Translation reserve

This reserve comprises of currency translation differences relating to the translation of the financial statements of Group entities with a functional currency other than the euro. This reserve qualifies as a legal reserve in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Hedging reserve

The hedging reserve represents the cumulative effective portion of the cumulative net change in the fair value of a cash flow hedging instrument related to hedged transactions that have not yet occurred. The cumulative net change in fair value of the cash flow hedging instrument that is recognised and accumulated under the heading of the hedging reserve will be reclassified to the income statement only when the hedged transaction affects the income statement. After the repayment of loans and borrowings following the divestment of the French Monitoring &Testing business in September 2013, the cash flow hedge became partially ineffective. The ineffective part of the net change in the fair value of the interest swap amounting to € 3,297,000, recorded in the hedging reserve, was reclassified to the income statement in the finance expenses. This reserve qualifies as a legal reserve in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Other legal reserves

The other legal reserves consist of a legal reserve for the retained profits from equity accounted investees and joint operations to the extent that the Group is not able to manage the distribution thereof independently amounting to € 4,594,000 (2012: € 8,147,000) and a legal reserve for capitalised cost for internally developed software amounting to € 1,303,000 (2012: € 837,000) . These legal reserves qualify as a legal reserve in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Other reserves

The other reserves contain the accumulated deficit of previous years.

5 Non-current liabilities

In thousands of €	31 December 2013	31 December 2012
Loans and borrowings	17,908	44,000
Interest rate swap used for hedging	6,929	10,086
Deferred tax liability	1,363	750
	26,200	**54,836**

6 Current liabilities

In thousands of €	31 December 2013	31 December 2012
Bank overdrafts	51,274	45,828
Loans and borrowings	14,779	14,155
Amounts due to subsidiaries	56,390	80,120
Accrued expenses and other liabilities	4,914	3,241
	127,357	**143,344**

7 Related parties

The Company's related parties comprise subsidiaries.None of the balances is secured.

Subsidiaries Grontmij

Transactions between Grontmij N.V. and its subsidiaries in 2013 concerned an amount of € 7,533,000 in management fees (2012: € 4,997,000), and € -115,000 in financing (2012: € -575,000).

Grontmij N.V. has amounts due from subsidiaries of € 184,214,000 (2012: € 234,867,000) as at 31 December 2013. Furthermore, Grontmij N.V. has amounts due to subsidiaries of € 56,394,000 (2012: € 80,120,000) as at 31 December 2013.

8 Remuneration of the Executive Board and the Supervisory Board

The employee expenses in the Company relate entirely to the Executive Board and Supervisory Board. A summary of the remuneration of the Executive Board and the Supervisory Board pursuant to article 383 paragraph 1, Book 2 of the Dutch Civil Code isas follows:

In thousands of €	2013	2012
Wages and salaries	1,600	1,474
Crisis levy	157	91
Compulsory social security contributions	35	44
Pension contribution	312	233
	2,104	**1,842**

In 2013 the Company employed 3 persons (2012: 3) none of which are working outside the Netherlands.

For further reference see note 34 of the consolidated financial statements.

9 Auditor's remuneration

In thousands of €	2013			2012		
	Deloitte Accountants B.V.	Other Deloitte network	Total	Deloitte Accountants B.V.	Other Deloitte network	Total
Financial statement audit	371	687	1,058	311	787	1,098
Other assurance engagements	57	9	66	445	233	678
Tax advisory services	-	145	145	-	281	281
Other non-audit services	-	134	134	-	91	91
	428	**975**	**1,403**	**756**	**1,392**	**2,148**

10 Liabilities not recognised in the company statement of financial position

Contingent liabilities

Guarantees issued by financial institutions on behalf of Grontmij N.V. amount to € 3,335,000 (2012: € 655,000). Grontmij N.V. provided guarantees to external parties in 2013 amounting to € 4,479,000 (2012: € 4,837,000). Furthermore Grontmij N.V. provided a parent guarantee with respect to intercompany loans amounting to € 62,000,000 (2012: € nil).

Grontmij N.V. can be held liable to fulfill the indemnities as agreed in the share purchase agreement with a pool of investors led by Siparex, one of France's leading private equity investment specialists, and including Bpifrance Investissement, Cathay Capital and BNP Paribas Développement Siparex regarding the sale of the French Monitoring & Testing business.

Grontmij N.V. heads a single tax entity for corporate tax purposes, encompassing practically all of its 100% subsidiaries in the Netherlands. As a consequence, Grontmij N.V. is severally liable for the tax debts of the single tax entity as a whole.

De Bilt, 25 February 2014

Executive Board
C.M. Jaski
F. Vervoort

Supervisory Board *
K.L. Dorrepaal (Interim chairman)
R.J.A. van der Bruggen
A. Jonkman

* Mr van der Zouw is not mentioned here given his absence due to health reasons

Other information

Statutory provisions on profit appropriation

The rules provided for under the Articles of Association governing the appropriation of profit can be summarised as follows:

- each year, the Executive Board shall, subject to the approval of the Supervisory Board, determine which part of the profit, shall be allocated to the reserves;
- profit distributions may not exceed the distributable part of the shareholders' equity; if in any year losses are incurred no dividend shall be paid out for that year. In subsequent years, payment of dividend can take only place when the loss has been cleared by profits, unless it is resolved to offset the loss against the distributable part of the equity or to pay dividend from the distributable part of the equity. The General Shareholders Meeting may, following a proposal by the Executive Board which has been approved by the Supervisory Board, resolve to clear the loss to the debit of the distributable part of the equity or to pay dividend from the distributable part of the equity; distribution of profits shall be made after adaption of the annual accounts if permissible under the law given the contents of the annual accounts;
- if preference shares would be outstanding, then the company must first pay dividend on those preference shares. After payment of dividend on those preference shares, the Executive Board shall resolve on the appropriation of the remaining profit;
- The Executive Board may resolve to distribute an interim dividend provided that the aforementioned requirements have been met, as evidenced by an interim statement of assets and liabilities.

Proposal for treatment of the loss 2013

As a loss is incurred in the financial year under review, there will be no distribution of profit and subsequently no payment of dividend (2012: € nil) per (depositary receipt for) ordinary share.

Pursuant to article 45 paragraph 6 of the Articles of Association, the Executive Board, having obtained the approval of the Supervisory Board, proposes to present for acceptance to the General Meeting of Shareholders to deduct the loss from the other reserves, the latter containing the accumulated deficit of previous years and forming part of the distributable part of the equity.

As mentioned in the report of the Supervisory Board, the following result appropriation is proposed:

In thousands of €	2012	2011
Result for the year	-14,791	-31,428
Allocation to other reserves	14,791	31,428
Dividend	**-**	**-**

Subsequent events

Reference is made to note 35 of the consolidated financial statements.

Independent auditor's report

To: the Annual General Meeting of Grontmij N.V.

Report on the financial statements

Opinion with respect to the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Grontmij N.V. as at December 31, 2013 and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS-EU') and with Part 9 of Book 2 of the Dutch Civil Code.

Opinion with respect to the company financial statements

In our opinion, the company financial statements give a true and fair view of the financial position of Grontmij N.V. as at December 31, 2013 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Our engagement

We have audited the accompanying financial statements 2013 of Grontmij N.V., De Bilt ('the Company'). The financial statements include the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated statement of financial position as at December 31, 2013, 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, and the notes to the financial statements, comprising a summary of the significant accounting policies and other explanatory information. The company financial statements comprise the company statement of financial position as at December 31, 2013, the company income statement for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the section Auditor's responsibilities for the audit of the financial statements of our report. We are independent of Grontmij N.V. within the meaning of the relevant Dutch ethical requirements and have fulfilled our other responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Going concern

Disclosure about a Material Uncertainty Identified

We draw attention to Note 22 to the financial statements on Loans and borrowings and related going concern disclosure. This note indicates that the Company expected that it would not be able to meet the requirements from the existing credit facilities in the course of 2014. The note furthermore indicates the necessity of strengthening the Company's equity and amending its credit facility.
The Company reached agreement on its capital structure going forward consisting of issuance of equity and an amended credit facility. Note 22 discloses that the ability to continue as a going concern is dependent on the continuing support of shareholders and banks, the envisaged improvement in operating performance and meeting the conditions as disclosed in the note. These conditions, along with other matters as set forth in Note 22, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Going Concern Basis of Accounting

The material uncertainty identified above does not indicate that the going concern basis of accounting is inappropriate. The Company's financial statements have been prepared using the going concern basis of accounting. The use of the going concern basis of accounting is appropriate unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. As part of our audit of the financial statements, we have concluded that management's use of the going concern basis of accounting in the preparation of the Company's financial statements is appropriate.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. Key audit matters are selected from the matters communicated with the Executive Board and Supervisory Board, but are not intended to represent all matters that were discussed with them. In addition to the material uncertainty as described in the Going Concern section of our report, we have determined the matters described below to be key audit matters. Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole. Our opinion on the consolidated financial statements and on the company financial statements is not modified with respect to any of the key audit matters described below and we do not express an opinion on these individual matters.

Revenue recognition and the valuation of amounts due from and due to customers

The Company's disclosures about revenue recognition and amounts due from and due to customers are included in the summary of significant accounting policies in Note 3 as well as Note 15 and 16.

The revenue recognition and corresponding results on contracts are affected by a variety of uncertainties that depend on the outcome of future events and are sensitive to local contract management's ability to appropriately manage these uncertainties. The process to measure the amount of revenue including the determination of the appropriate timing of recognition involves significant management judgment. In particular for a number of large contracts the outcome of this process could potentially have a significant impact on the reported results.

We have identified revenue recognition and the valuation of amounts due from and due to customers as a key audit matter. Our audit procedures included, amongst others, evaluating management's controls relating to revenue recognition, the valuation of amounts due from and due to customers, including the determination of the percentage of completion and the timing of revenue recognition. In addition we performed substantive testing and analytical procedures, considering the appropriateness of management's assumptions and management estimates in relation to revenue recognition and the valuation of amounts due from and due to customers and assessing whether the revenue recognition policies adopted complied with IFRS-EU.

Valuation of goodwill

The amount of goodwill recognized in the Company's statement of financial position is significant. The Company's disclosures about goodwill are included in Note 9. Under IFRS-EU, the Company is required to annually test the amount of goodwill for impairment. This annual impairment test was significant to our audit in view of the developments in the market and because the assessment process is, to some extent, judgmental and complex.

The recoverable amount for the goodwill has been determined based on the value in use by estimating future cash flows. We challenged management's assumptions used in the impairment model for goodwill and intangible assets, including the determination of cash generating units, the cash flow projections, discount rates, perpetuity rates and sensitivities used. We verified the sources on which the test was based and assessed the reasonableness of the assumptions.

Accounting for disposal of the French Monitoring and Testing business

In September 2013 the Company transferred control of the Monitoring and Testing activities in France. Note 6 to the financial statements discloses the result from the discontinued operations as well as the net assets disposed of.

We considered the valuation and presentation of associated items to be a key audit matter. Procedures were performed to cover the period until the divestment of the business, the accounting treatment and presentation of the disposal and to determine proper accounting treatment and classification of the disposal in accordance with IFRS-EU.

Responsibilities of the Executive Board and the Supervisory Board for the financial statements

The Executive Board is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS-EU and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the Report of the Executive Board in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Dutch Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Dutch Law, we exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and

events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and business activities within the Company to express an opinion on the financial statements.

We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
We are required to communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.
We are also required to provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the Report of the Executive Board, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the Report of the Executive Board, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Amsterdam, February 25, 2014
Deloitte Accountants B.V.

M.R. van den Berg

Report Stichting Preferente aandelen Grontmij N.V.

The purpose of Stichting Preferente aandelen Grontmij (the 'Foundation') is to look after the interests of Grontmij, its business and those involved. This purpose can be pursued through acquiring preference shares and exercising the rights attached to those shares. The possibility of issuing preference shares to the Foundation is an anti-takeover measure (see page 76 of the annual report). As at 31 December 2013, no preference shares were issued.

Activities

The board of the Foundation held two meetings during the year under review. The following topics were discussed during these meetings:

- Grontmij's annual figures for 2012 and the interim results for 2013;
- Amendment of remuneration;
- the renewal of the Foundation's credit facility;
- the composition of the Foundation's board, the reappointment of Mr Peij and the board's retirement schedule.

Composition

On 31 December 2013 the board consisted of the following members:

R.J.M. de Beaufort (1947) Chairman

Nationality
Dutch
Term ends and eligible for re-appointment
2015
Most important previous position
Managing director of Bank Insinger De Beaufort

S.C. Peij (1970) Vice-chairman

Nationality
Dutch
Term ends and eligible for re-appointment
2017
Current position
Director of Governance University (Netherlands) B.V.

A.J. ten Cate (1953)

Nationality
Dutch
Term ends and eligible for re-appointment
2016
Current position
Owner-director of Enatco B.V., a consultancy firm for the pharmaceutical industry.

L.M.J. van Halderen (1946)

Nationality
Dutch
Term ends and eligible for re-appointment
2014
Most important previous position
CEO and member of the Management Board of Nuon N.V.

In the year under review, the Foundation's board re-appointed Mr Peij for a further four-year term.
As at 31 December 2013, Mr De Beaufort held 35,131 (2012: 35,631) Grontmij shares and Mr Peij held 6,666 (2012: 6,666) shares. As at 31 December 2013, Mr Van Halderen and Mr Ten Cate held no Grontmij shares.
Based on the remuneration policy, the actual remuneration in the year under review amounted for Mr De Beaufort to € 7,000 (2012: € 10,000), for Mr Ten Cate to € 5,000 (2012: € 8,000), for Mr Van Halderen to € 5,000 (2012: € 1,250) and for Mr Peij to € 5,000 (2012: € 8,000).

Other

The operating costs of the Foundation amounted to € 52,000 (2012: € 58,524) and are borne by Grontmij, in accordance with existing agreements. The Foundation is independent of Grontmij in accordance with the provisions of article 5:71 paragraph 1 sub c of the Financial Markets Supervision Act ('FMSA', Wet op het financieel toezicht).

Contact

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De Bilt, 25 February 2014

R.J.M. de Beaufort (chairman)
S.C. Peij (vice-chairman)
A.J. ten Cate
L.M.J. van Halderen

Group Management

Ton de Jong*

the Netherlands

John Chubb*

United Kingdom

Søren Larsen*

Denmark

Ina Brandes*

Germany

Jeroen van der Neut

Sweden

Maciej Chrzanowskí

Poland

Erwin Malcorps

Belgium

Kerem Sadiklar

Turkey

Jan Bosschem

France

* member of the Executive Committee

Grontmij

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