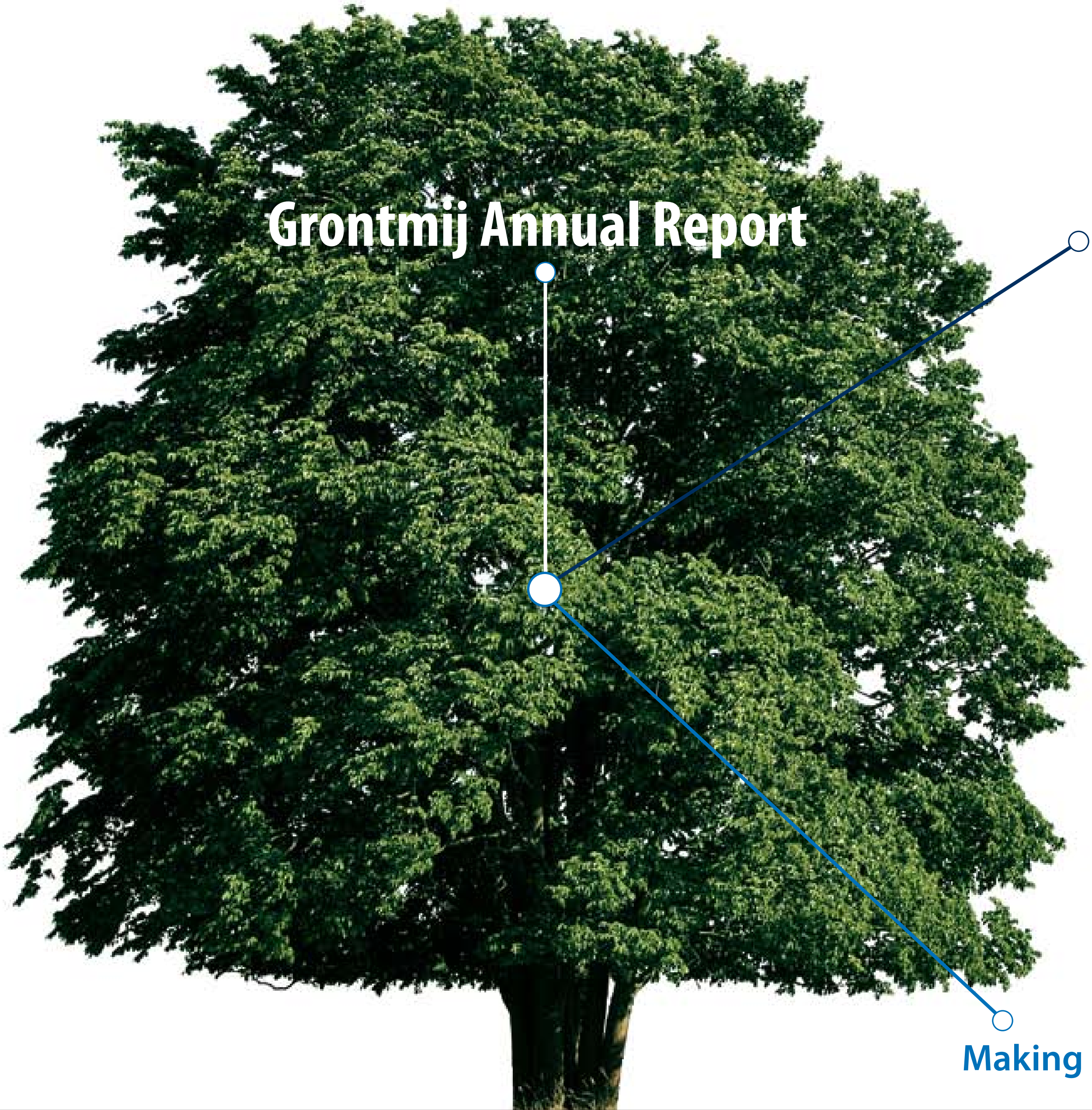
Grontmij Annual Report

2010

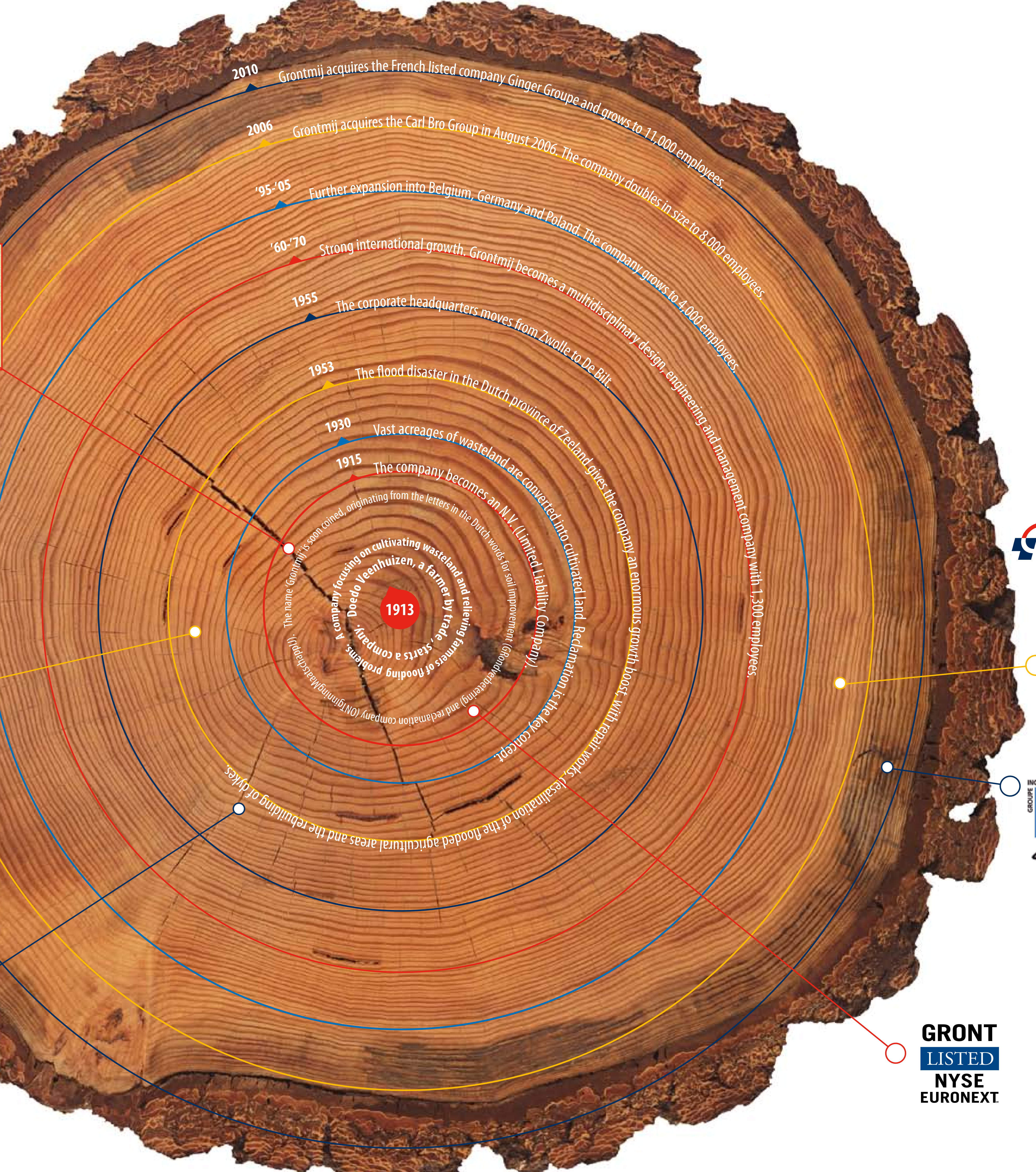


Making a difference

The true meaning of
life is to plant trees,
under whose shade
you do not expect
to sit

Grontmij

History



1913

Doedo Veenhuizen

1953-Flood disaster in Zeeland

1953-Indonesia

1955 - Head office De Bilt

grontmij

Grontmij

Grontmij

Carl Bro Intelligent Solutions

GROUPE INGENIERIE EUROPE Ginger

GRONT LISTED NYSE EURONEXT

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planning connecting
respecting
the future

Highlights

Grontmij 2010

JANUARY

- Grontmij restructures its organisation from regions to business lines.
- Renewed strategy 2010-2015: 'Green by design' is announced with a focus on profitability, organic revenue growth and further expansion by acquisitions.

JUNE

- Grontmij announces the acquisition of Ginger Groupe in France.
- Grontmij and Soeters Van Eldonk win the international design competition in China for one of the most sustainable office buildings in the world.
- Grontmij sells various real estate activities to Rabo Bouwfonds Property Development.

OCTOBER

INGENIERIE EUROPE GROUPE Ginger

- The acquisition of Ginger is successfully completed with the delisting of Ginger from the NYSE Euronext Paris.
- Grontmij wins overall prize and commendation for environmental sustainable construction of Britain's most stunning road: A830.
- Fourth business line Monitoring & Testing introduced.

DECEMBER

- Grontmij secures various AMP5 frameworks contracts within the UK water sector in 2010.
- Sylvo Thijsen, CEO Grontmij N.V., sounds the gong in celebration of 95 years Grontmij N.V. at NYSE Euronext Amsterdam.

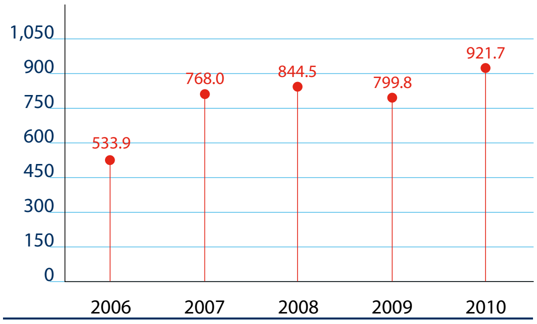
Key figures

		2010	2009	2008	2007	2006
Revenue	€ 1,000					
Total revenue		921,685	799,800	844,478	768,011	533,876
Third-party project expenses		205,465	169,925	182,254	174,701	158,612
Net revenue		**716,220**	**629,875**	**662,224**	**593,310**	**375,264**
Workforce (average)	fte					
Own staff		9,497	6,882	6,816	6,256	4,140
Agency staff		401	367	511	400	334
Total		**9,898**	**7,249**	**7,327**	**6,656**	**4,474**
Workforce (at year-end)	fte	9,793	7,105	7,478	6,780	6,337
Profitability						
Earnings before interest and income tax (EBIT)	€ 1,000	33,081 1)	33,305	58,186	47,992	30,362
EBIT before result of equity accounted investees	€ 1,000	32,103 1)	25,987	45,502	32,488	19,852
Amortisation of intangible assets 2)	€ 1,000	7,168	7,660	6,948	6,087	2,633
Earnings before interest, income tax and amortisation (EBITA)	€ 1,000	40,249 1)	40,965	65,134	54,079	32,995
EBITA before result of equity accounted investees	€ 1,000	39,271 1)	32,977	52,450	39,628	22,485
Net cash from operating activities	€ 1,000	37,446	52,279	34,544	29,151	35,485
EBIT as percentage of total revenue	%	3.6	4.2	6.9	6.2	5.7
EBIT as percentage of net revenue	%	4.6	5.3	8.8	8.1	8.1
EBITA as percentage of total revenue	%	4.4	5.0	7.7	7.0	6.2
EBITA as percentage of net revenue	%	5.6	6.4	9.8	9.1	8.8
Profit after income tax	€ 1,000	17,252 1)	20,409	38,770	32,720	22,053
Profit after income tax as a percentage of total revenue	%	1.9	2.6	4.6	4.3	4.1
Profit after income tax as a percentage of net revenue	%	2.4	3.2	5.9	5.5	5.9
Profit per employee	€	1,743	2,816	5,291	4,916	4,929
Return on Equity	%	10.9	11.9	23.3	22.1	18.7
Shares 3)						
Shares in issue at year-end		20,825,724	17,764,920	17,764,920	17,794,920	17,794,920
Shares in issue, average		19,427,047	17,764,920	17,764,920	17,794,920	16,698,252
Operating cash earnings per share	€	1.93	2.94	1.94	1.64	2.13
Earnings per share	€	0.87	1.14	2.16	1.84	1.31
Dividend per share (2010: proposal)	€	0.50	1.00	1.15	1.10	0.75
Dividend/earnings per year-end shares (payout ratio)	%	61	88	53	60	57
Dividend/operating cash earnings per share	%	26	34	59	67	35
Highest price	€	19	19	30	41	23
Lowest price	€	13	13	14	22	15
Closing price	€	17	17	18	24	22
Year-end balance sheet						
Total equity	€ 1,000	157,801	167,830	174,943	157,203	138,708
Total assets	€ 1,000	874,099	596,179	631,697	596,619	533,810
Intangible assets and goodwill	€ 1,000	259,027	199,523	202,071	168,776	170,723
Loans and borrowings plus bank overdraft	€ 1,000	260,228	104,592	116,330	102,211	117,707
Solvency ratio	%	18.1 4)	28.2	27.7	26.4	26.0

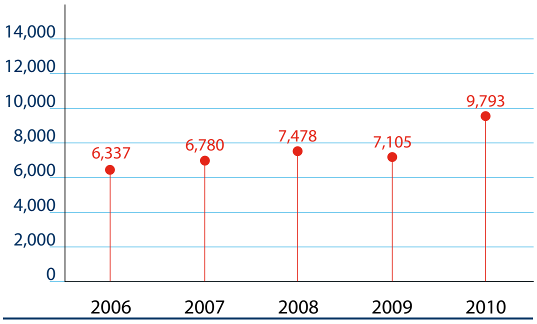
1) In 2010 including € 7.2 million of restructuring costs (2009: € 11.7 million), and € 0.6 million of acquisition costs (2009: nil).
2) In 2009 including € 0.7 million of amortisation in relation to equity accounted investees.
3) Adjusted in accordance with share split 1:4 as per 1 June 2007.
4) Following the acquisition of the non-controlling interest in Ginger, which is recognised in equity, solvency is 18.1%. This is an optional treatment under IFRS 3; if this option was not taken, then solvency is 22.9%.

Key figures

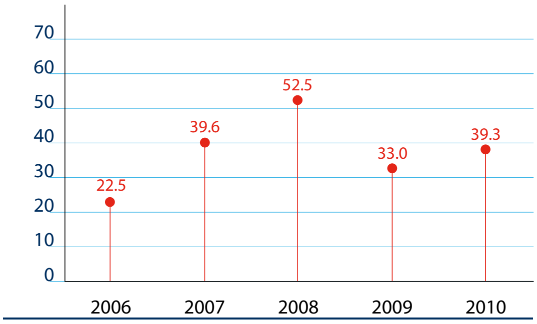
Total revenue *(in millions of euro)*



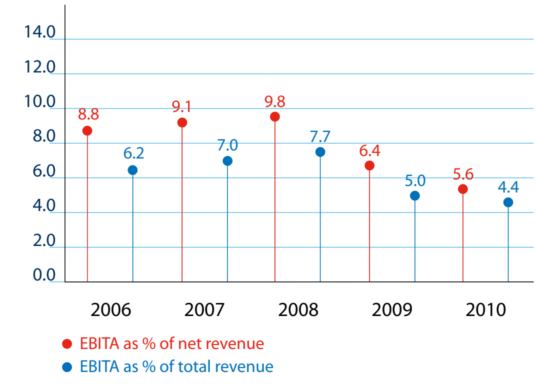
FTEs at year-end



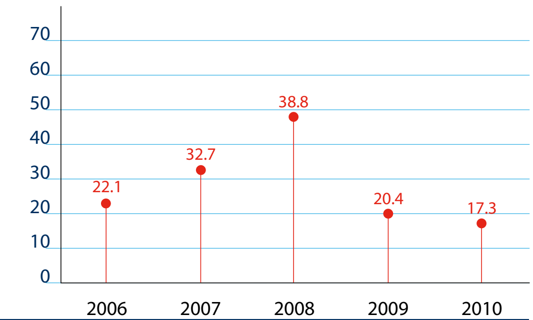
EBITA before result of equity accounted investees *(in millions of euro)*



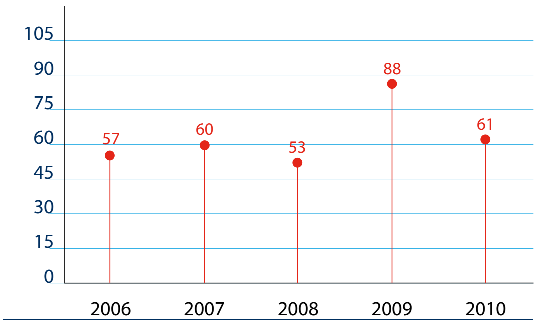
EBITA as % of net revenue and total revenue



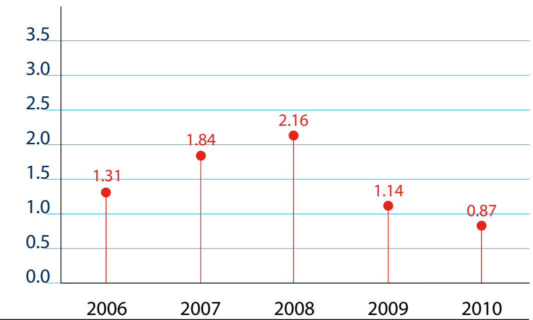
Profit after tax *(in millions of euro)*



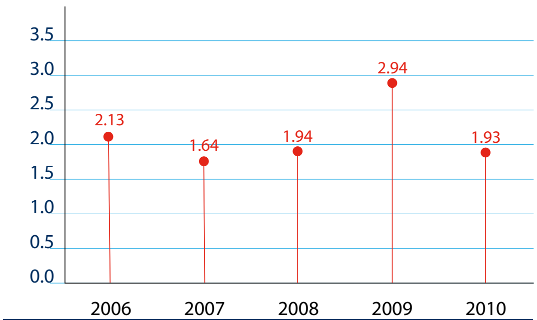
Payout ratio *(in %)*



Earnings per share *(in euro)*



Operating cash earnings per share *(in euro)*



The true meaning of life is to plant trees, under whose shade you do not expect to sit.

Author: Nelson Henderson

Foreword

Highlights
financial performance 2010

- Total revenue up 15% to € 921.7 million (2009: € 800 million)
- Underlying EBITA up 4.1% to € 46.5 million (2009: € 44.7 million)
- Underlying EBITA margin 5.0% (2009: 5.6%)
- Profit after tax € 17.3 million (2009: € 20.4 million) – Including non recurring items and results from EAI € -8.3 (2009: € -3.7)
- Earnings per share € 0.87 (2009: € 1.14)
- Proposed dividend € 0.50 per share (2009: € 1.00), reflecting payout ratio of 61% (2009: 88%; 2008: 53%)
- Continued recovery in fourth quarter

Looking back on 2010, Grontmij experienced a difficult and transformational year. Group performance in 2010 was characterised by difficult trading conditions especially in the United Kingdom, Denmark and Sweden. In the first half of the year, demand lagged far behind our expectations due to rapid spending reductions in these countries. The impact is reflected in the 2010 bottom line. We continued to adapt our resource base to lower levels of activities.
This resulted in significant restructuring costs. However diversification of activities – Planning & Design, Transportation & Mobility and Water & Energy – across segments and markets in Europe and around the world gives us added resilience to fluctuations and uncertainties. By the end of the first half of the year, we were starting to see some stabilisation of forward order books, especially in our growth segments of transportation and water. However, conditions for local markets in Planning & Design in Denmark and the Netherlands continued to be very challenging. Many of the major, long-term projects that had been postponed in the previous year did not materialise as – often government imposed – spending reductions kicked in at local levels. In response to the ongoing challenge in markets, we have taken firm action to position the business for growth in profitability and scale into the future. We transformed the organisational focus from regions to business lines.

In June we acquired the listed Ginger Groupe in Paris. Ginger brings us a market-leading position with its Monitoring & Testing service and lifecycle/asset management expertise. France is one of Europe's biggest markets for our services. Furthermore, it also increases our scale significantly as it operates and has a considerable international customer base across Europe. We see the transaction as further evidence of our commitment to seize opportunity when presented and achieve our long-term targets to become the leading regional European player. The Group Executive Committee was reinforced by Mr J.L. Schnoebelen, the founder and CEO of Ginger.

During the fourth quarter of 2010 we continued to see strengthening market conditions in our pan-European Transportation & Mobility, Water & Energy and Monitoring & Testing business lines. The recovery in the Nordic region continued, and we saw the successful delivery of cost reductions in the Benelux region. In the United Kingdom, there was some pick up in work for the AMP5 water framework contracts. We expect this trend to continue in 2011, but are still cautious about our United Kingdom and Netherlands markets where government austerity measures will have an effect going forward.

During 2010, we made progress in our aim of becoming the leading European sustainable design, engineering and management consultancy for the built and natural environment. In January 2010, we launched our 2015 roadmap and during the reporting year, we began implementing a transformation from a geographically focused organisation towards an alignment along business lines. Significant progress was made on this implementation. The business lines reflect long-term external market drivers. We are positioning to take full advantage of changes such as climate change, population growth and urbanisation in Europe and abroad. Organising according to business lines, stimulating cross-border activity and embedding knowledge sharing – all will help us seize opportunities to generate organic growth.

Change is always challenging for our people. Due to the acquisition of Ginger, our headcount, including our flexible layer (e.g. agency staff, temporary staff) has grown to approximately 11,000 up from 8,000. While we have grown worldwide, we have also had to make tough decisions on activities and employees in Europe. It is testimony to the quality, dedication and professionalism of our employees that we have booked significant progress on implementing both the new organisational structure and made a significant start on improving knowledge sharing and increasing cross-border projects. I am very proud and grateful for their efforts!

Outlook

In 2011 we are seeing some recovery in levels of demand in our forward order book.

Portfolio adjustments and divestments of non-core activities will help to deleverage. We will give a more specific outlook when releasing the half year (interim) results.

De Bilt, 9 March 2011

Sylvo Thijsen, Chief Executive Officer

Who we are

Our vision

Making our daily working and living environments more sustainable.

Our mission

To be the leading European sustainable design, engineering and management consultancy for the built and natural environment.

Our company

We are active in the growth markets of water, energy, transportation, sustainable planning and life cycle asset management. At the heart of our business is the sustainability by design principle. It is a leading value proposition for our customers.

Our values

We express our pride and passion by working closely together – with colleagues and customers. We support attempts to improve sustainability of working methods and end results through innovation and creativity. That is how we grow, both as a business and as professionals.

Our history

We began in 1913 as a company focused on cultivating wasteland, helping farmers protect against flooding and reclaiming land. We still do this and much, much more. Our value chain of services stretches 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 future

We look to the future to enhance the world we live in. By applying sustainability considerations to all our design, consultancy and management services right across the value chain, highly-skilled expert professionals are able to create lasting solutions that plan for, connect and respect the future.

planning connecting
respecting
the future

What we do

Grontmij operates in four business lines and four regions. The four business lines reflect the division of coherent professional services for specific market segments. It also reflects market developments and will support Grontmij for future growth and strengthen its position as a leading European player. The organisational structure also symbolises that the Group as a whole is stronger than the sum of its constituent parts.

€ 351.5 mln

38% of 2010 revenue

Planning & Design

covers the multidisciplinary services such as environmental management and design, urban planning, building, construction, land use, leisure and landscaping – everything which influences the places and spaces within which people live and work.

Transportation & Mobility

covers services for mobility management, roads, railways, tunnels, waterways, traffic management systems and airports – all elements of enabling mobility and movement.

€ 189.6 mln

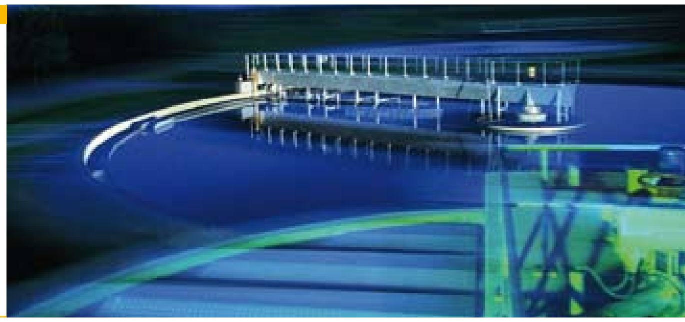
21% of 2010 revenue

Water & Energy

covers services for water, waste water treatment, industry, process, sustainable industrial processes, energy techniques and renewable energy – all of which are linked by the types of (technical) processes inherent to the work we do.

€ 210.1 mln

23% of 2010 revenue



Monitoring & Testing

covers all scientific and technical knowledge used in construction, including geotechnical studies, structural and material diagnostics and pathologies, product audits and certifications and maintenance and monitoring for complex projects, inspections and tests both on site and in the laboratories.

€ 71.7 mln

8% of 2010 revenue

Where we are

Our global presence

We work all over the world. We are one of Europe's top consultancies with 300 offices across the region. There are 50 offices in the rest of the world.

Afghanistan
Algeria
Belgium
Bulgaria
Cameroon
Central African Republic
China
Congo
Czech Republic
Denmark
Dominican Republic
Ethiopia
France
French Guiana
Germany
Guiana
Hong Kong
Hungary
India
Ireland
Japan
Jordan
Kenya
Lebanon
Lithuania
Madagascar
Malaysia
Mali
Martinique
Mayotte
Moldova
The Netherlands
New Caledonia
Norway
Pakistan
Poland
Polynesia
Qatar
Reunion Island
Romania
Russia
Saudi Arabia
Senegal
Singapore
Sweden
Tanzania
Turkey
Uganda
United Arab Emirates
United Kingdom
USA
Vietnam

- Main countries
- Other countries

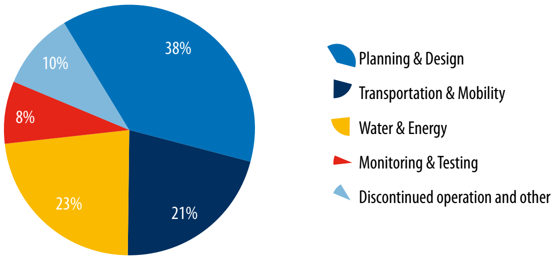
For a list of our global offices and contact details, please visit www.grontmij.com > addresses.

How we performed

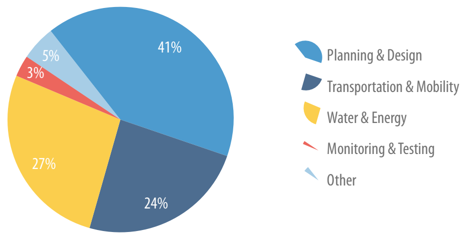
2010

2009

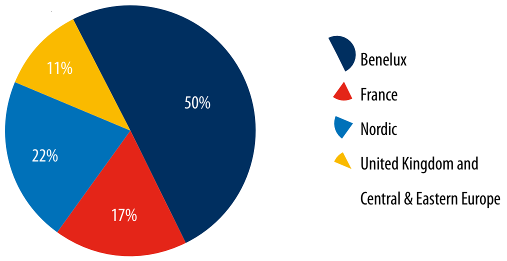
Total revenue spread per business line 2010 (in % of total revenue)



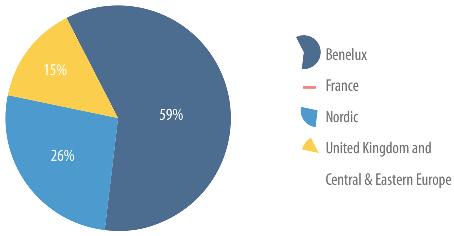
Total revenue spread per business line 2009 (in % of total revenue)



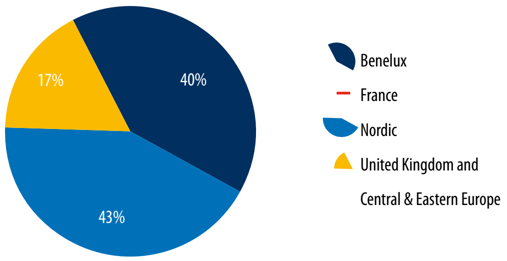
Contribution by region to Planning & Design 2010 (in % of total revenue P&D 2010)



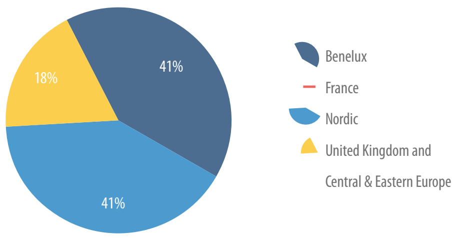
Contribution by region to Planning & Design 2009 (in % of total revenue P&D 2009)



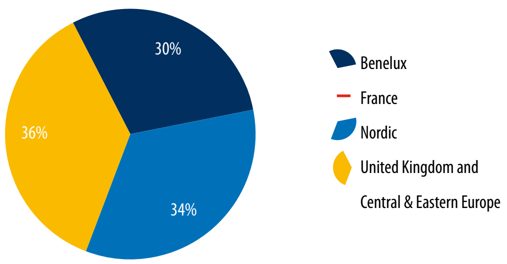
Contribution by region to Transportation & Mobility 2010 (in % of total revenue T&M 2010)



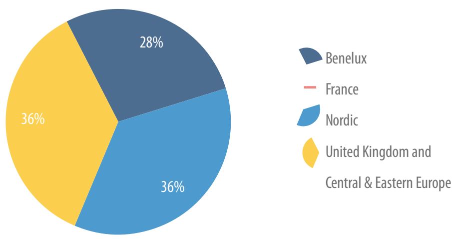
Contribution by region to Transportation & Mobility 2009 (in % of total revenue T&M 2009)



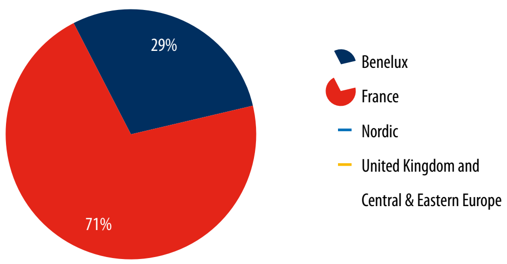
Contribution by region to Water & Energy 2010 (in % of total revenue W&E 2010)



Contribution by region to Water & Energy 2009 (in % of total revenue W&E 2009)



Contribution by region to Monitoring & Testing 2010 (in % of total revenue M&T 2010)



Create inspiration...

a good idea has never been born behind a desk or in a meeting.

Bella Sky Hotel, Copenhagen, Denmark

Making a difference

Eric Kjaerulff

Planning & Design Site manager

Denmark

Planning & Design

Spectacular

Copenhagen has just been voted one of the world's best places to live. The city's startling new Bella Sky Hotel and convention centre is helping Copenhagen become the world's best place to visit. That's not just hype. The hotel will offer four-star accommodation in an amazing new building that has already been dubbed: the leaning towers of Copenhagen. Our job on this geometrically complex construction is just as spectacular as the end result. We have been in charge of the construction and site management of the complete building process. The challenges comprised coordination of more than 30 different contractors including tower climbers for facade installations and installations of the connection bridge 80 metres above ground. We will certainly be there when the hotel opens in May 2011.

Information for our shareholders

Dividend 2010

€ 0.50

per share

Capital structure, issue of depositary receipts and listing on the regulated market

Grontmij´s authorised capital consists of 30 million ordinary shares with a nominal value of € 0.25 each and 30 million preference shares with a nominal value of € 0.25 each. As at 31 December 2010, 20,825,724 ordinary shares were issued. No preference shares were issued as per that date. Stichting Administratiekantoor van aandelen Grontmij N.V. (the Trust Office) administrates approximately 98.6% of Grontmij´s ordinary shares, against which depositary receipts have been issued. The depositary receipts for ordinary shares in Grontmij are listed on NYSE Euronext regulated market in Amsterdam and are included in the Amsterdam Small Cap Index (AScX). As per the end of 2010, the market capitalisation of Grontmij amounted to over € 360 million (€ 17.30 per year-end 2010). There are no restrictions on the transfer of shares or depositary receipts for shares. No special controlling rights are attached to ordinary or preference shares. Holders of depositary receipts for ordinary shares may exchange these receipts for ordinary shares without any restrictions. The 2010 report of the Trust Office can be found on page 125.

Earnings and dividend per share

Grontmij seeks to achieve an annual increase in earnings per share and wants its shareholders to benefit from this. Earnings per share in 2010 are € 0.87 (2009: € 1.14). In determining the proposed dividend for 2010, the company's solvency, cash position and anticipated cash flow have been considered. Based on these considerations, the dividend for the year, as proposed to the Annual General Meeting (AGM) of Shareholders, will be € 0.50 (2009: € 1.00) per (depositary receipt for) ordinary share (hereinafter 'Shares'). This means approximately 61% of the company's profit will be distributed through dividends. The dividend will be paid in the form of (depositary receipts for) shares, unless a holder of (depositary receipts for) shares (hereinafter 'Shareholders') expressly request for distribution in cash (subject to 15% dividend tax). As an incentive to receive the dividend as stock, the value of the stock dividend will be 2 to 5% higher than that of the cash dividend due to a positive rounding difference when determining the exchange ratio.

The option period for cash distribution is from 31 May till up and including 10 June 2011.

The dividend distributed in the form of Shares to Shareholders holding an actual share capital interest of less than 5% shall be charged to the share premium reserve. The distribution of dividend in the form of Shares to Shareholders who are registered on 30 May 2011 for an actual share capital interest of 5% or more may, at the discretion of the company, be charged to the freely distributable reserves, unless such Shareholder informs the company in writing before 10 June 2011 3 p.m. that he wishes the distribution to be charged to the share premium reserve.

The amount corresponding to the value of dividend distributed in the form of Shares will be deducted from the profit that is at the disposal of the General Meeting of Shareholders and will be contributed to the other reserves. The Shares issued will be entitled to the dividend of the full book year 2011 and following years.

Investor relations

Grontmij strives to ensure equal access to all relevant financial and non-financial information. We provide information on financial results, strategy and developments within the Group through our annual

report and regular press releases. In addition, Grontmij actively maintains contacts with the financial community through road shows (one-on-one meetings with investors), investor conferences and analysts meetings. During 2010, road shows were organised in Belgium, Denmark, France, Germany, the Netherlands, Sweden, Switzerland and the United Kingdom. Our CEO and CFO are closely involved in all investor relations activities. Moreover, the Annual General Meetings of Shareholders and the analysts/press meetings can be followed by audio webcast.
In 2010, we started reporting along business lines and continued our efforts towards increased transparency in performance reporting and this will continue in 2011.

During 2010 road shows were organised in
8 countries

Employee share-ownership scheme

Grontmij introduced an employee share-ownership scheme in 1999. This scheme offers our Dutch employees the opportunity to invest in the Group through Stichting Medewerkersparticipatie Grontmij without incurring transaction or custody fees. Participations are represented by depositary receipts purchased by the Foundation on the NYSE Euronext regulated market in Amsterdam. At the end of 2010, 2,401 members of staff (2009: 2,575) were registered for 82,250 participations (2009: 86,271). From 2008, it is no longer possible to acquire participations through Stichting Medewerkersparticipatie Grontmij.
In 2008, a Group employee share-ownership scheme, the Employee Share Purchase Plan (ESPP), was introduced. The new scheme is designed for all Grontmij employees with the exception of the members of the Executive Board. So far, the scheme has been rolled out in the Netherlands, Germany, Ireland, Poland and the United Kingdom.
Under the new scheme and based on a resolution of the Executive Board, employees may, up to a certain percentage of their fixed income, invest in the company through the Stichting ESPP Grontmij. The employee acquires participations in depositary receipts for ordinary shares Grontmij. Stichting ESPP Grontmij issues one participation for each depositary receipt. Stichting ESPP Grontmij acquires the depository receipts on the NYSE Euronext regulated market in Amsterdam. The participations are issued at a discount of 15% of the underlying market value of the depositary receipts. Participations must be retained for a period of three years. After this period, each 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 2010, 218 members of staff (2009: 213) were registered for 25,342 participations (2009: 18,377). The maximum amount that may be invested through these schemes is set at 5% of the issued share capital of Grontmij N.V.
There are no option schemes available at Grontmij.

Substantial holding interests

Based on information included on 31 December 2010 in the public database 'notifications substantial holdings' that is maintained by the Netherlands Authority for the Financial Markets, the following shareholders have a substantial holding, i.e. an interest of 5% or more, in the share capital of Grontmij:

- Aviva plc
- Darlin N.V.
- Delta Lloyd Deelnemingen Fonds N.V.
- ING Groep N.V.
- Kempen Oranje Participaties N.V.
- Optiverder B.V.

Share price movements

Since 2006 the price of Grontmij shares has varied as follows in relation to the AEX and AScX:

Indexed share price movement (100 on 2 January 2006)

Timetable 2011

13 May	Publication of first quarter figures for 2011
24 May	Annual General Meeting of Shareholders
18 August	Publication of interim results for 2011
10 November	Publication of third quarter figures for 2011

Dates for 2012 will be published on our website:
www.grontmij.com>investorrelations>Financialcalendar

How wonderful it is that nobody need wait a single moment before starting to improve the world.

Author: Anne Frank

Supervisory Board

From left to right: J.H.J. Zegering Hadders, F.L.V. Meysman, P. Montagner, R.J.A. van der Bruggen, S.E. Eisma and P.E. Lindquist.

J.H.J. Zegering Hadders (1946)

Nationality
Dutch
Appointed
2005
Reappointed
2009
Current term expires
2013 (eligible for reappointment)
Most important previous positions
CEO of ING Nederland, Director of Exploitatiemaatschappij Tunnel onder de Noord, Director of Exploitatiemaatschappij Wijkertunnel.
Current positions
Member of the Supervisory Board of AGEAS S.A./N.V., member of the Supervisory Board of AGEAS UK, member of the Supervisory Board of GE Artesia Bank, member of the Bussum Municipal Council, chairman of Stichting Nieuw Holland.

F.L.V. Meysman (1952)

Chairman

Nationality
Belgian
Appointed
2001
Reappointed
2005, 2009
Current term expires
2013 (not eligible for re-appointment)
Most important previous positions
Chairman of the Executive Board of Sara Lee/DE N.V. , executive vice-president and Director of Sara Lee Corporation and Chairman Supervisory Board Corporate Express.
Current positions
Member of the Supervisory Board of GIMV, Spadel SA, Picanol N.V. and WDP N.V.

P. Montagner (1942)

Nationality
French
Appointed
2010
Current term expires
2015 (eligible for reappointment)
Most important previous positions
Several senior management positions at Bouygues S.A., Internal Auditor at Bouygues S.A., Chairman and CEO of the Board of Bouygues Telecom, Non-executive Chairman of the Board of Bouygues Telecom, Chairman of the Supervisory Board of Ginger S.A.
Current position
Non-executive member of the Board of Bouygues Telecom.

R.J.A. van der Bruggen (1947)

Nationality
Dutch
Appointed
2010
Current term expires
2015 (eligible for reappointment)
Most important previous positions
Several senior management positions at Bredero Group, several senior management positions at Internatio-Müller N.V., member of the Management Board of Internatio-Müller N.V.
Current positions
CEO of Imtech N.V., member of the Supervisory Board Gamma Holding N.V.

S.E. Eisma (1949)

Vice-chairman

Nationality
Dutch
Appointed
2005
Reappointed
2009
Current term expires
2013 (eligible for reappointment)
Most important previous positions
Lawyer and partner with De Brauw Blackstone Westbroek N.V.
Current positions
Chairman of the Supervisory Board of HAL Holding N.V., member of the Supervisory Board of Robeco Groep N.V. and chairman of the Supervisory Council of the University of Arts in The Hague.

P.E. Lindquist (1960)

Nationality
Swedish
Appointed
2007
Current term expires
2011 (not eligible for reappointment)
Most important previous positions
Group Vice-president, Head of Franchise and Factory Sales at Scania, Executive Vice-president Europe at Alfa Laval.
Current position
CEO of PIAB AB.

Report of our Supervisory Board

Grontmij's markets remained challenging in 2010 even though the forward order book began stablising in the second half of the year. In consultation and cooperation with the Executive Board, this market environment required our full attention throughout the year. The same applies for the major acquisition made by the Group in 2010. Ginger became part of Grontmij following thorough exploration and consideration of a number of possible options for further growth. At year-end, it was gratifying to see that Grontmij has come through difficult markets and is well-positioned for the future.

Key topics 2010:
Market conditions and Ginger acquisition

The year began with the Supervisory Board's final approval for the new strategy proposed by the Executive Board. Budgets and related Key Performance Indicators were further reviewed. This meeting was followed by six formal, pre-scheduled meetings. If necessary, additional meetings are scheduled. Almost all members were present at all meetings.

Strengthening our market position

As in the previous year, developments in market sectors and regions, especially the United Kingdom where markets were hit hardest, were regular agenda points. Specific market sectors, especially growth segments such as water, energy and transportation and expansion of fields of expertise, were discussed in depth, also in light of strategic alignment. At the May 2010 meeting, the Supervisory Board reviewed a number of merger and acquisition options. It approved the pursuit of Ginger acquisition and the divestment of a cluster of non-core assets and investments.

Subsequently, four additional Supervisory Board meetings were convened to monitor and approve milestones in the negotiation process with Ginger. These meetings focused on the strategic rationale and the financial and valuation models, including earnings-per-share calculations. Funding for the acquisition and potential effects on covenants were monitored closely.
An equity issue was approved for funding. The Supervisory Board met regularly throughout this process with financial advisors and legal teams. The chairman had discussions with both the chairman and the CEO of Ginger. Following the transaction, governance and management issues were reviewed and resolved. The due diligence was monitored throughout. Communication with all stakeholders, including shareholders, employees and the press was reviewed.

Financial supervision

Throughout the year, permanent key topics and agenda points for the Supervisory Board are financial performance, cash flow and working capital. At regular meetings scheduled ahead of key reporting dates for quarterly, interim and full year results, the Supervisory Board and its Audit Committee monitor closely performance against budget and treasury activities. Risk management is another regular topic, with the Supervisory Board's Audit Committee reporting regularly on developments. Representatives of KPMG, Grontmij's auditor, attended the meeting where the full year results were discussed. Share price developments and share price performance in comparison with Grontmij's peers were evaluated and discussed. The Supervisory Board also reviewed the composition of Grontmij's shareholder base. The Supervisory Board takes a close interest in investor relations and reviewed feedback from the roadshows held during the year.

Governance

A number of governance issues were reviewed and discussed through the year. One is potential amendments to the company's articles of association relating to two European directives: the Transparency and Second directives. Other adjustments to the articles were also discussed that would anticipate the expected introduction of the Bill on Shareholders' Rights. A number of necessary technical amendments were further discussed, such as the corporate language. The company's articles of association were amended during the reporting year following a resolution of the General Shareholders Meeting. Ahead of the acquisition of Ginger and due to the strategic realignment implemented in early 2010, the internal governance structure was reviewed. A fourth business line, Monitoring & Testing, has now been introduced.

Training programme

As part of Grontmij's ongoing training programme for Supervisory Board members, one meeting was held on location in Poland. The Supervisory Board met with local management and visited a major water project in the city centre of Warsaw. Due to the ongoing and active involvement of the Supervisory Board in the new strategy and acquisition of Ginger there was no further training on specific topics in 2010.

'Analysing 2.8 billion data values every hour on Amsterdam's North-South metro line'

Closed meetings

The Supervisory Board had two closed meetings (without the presence of the members of the Executive Board but generally in the presence of the CEO) during 2010. At these meetings, the performance of the members of the Executive Board was discussed, based on recommendations of the Appointment and Remuneration Committee. The Supervisory Board also reviewed its own performance using a performance survey tool that was completed by each member. Results were shared with all members and the Executive Board. The survey was in part instrumental in the decision to increase the number of Supervisory Board members and requirements on reporting. The composition of the Executive Board and new Group Executive Committee were reviewed as was the composition of the Supervisory Board and its committees. The latter led to the appointment at an extraordinary meeting of shareholders in December of two new members, Mr R.J.A van der Bruggen and Mr P. Montagner.

Committees

The Supervisory Board has two committees. Each committee reports in depth to the subsequent full Supervisory Board meeting. During 2010, the composition of committees was discussed and adjusted accordingly.

Audit Committee

As from 1 January 2011, the Audit Committee is made up of chairman Mr Zegering Hadders, Mr Lindquist and Mr Montagner. Meetings may be attended by all Supervisory Board members. In 2010, the Audit Committee met four times. All meetings are minuted. The external auditor also met once with the Audit Committee without the presence of the Executive Board and once with the chairman of the Audit Committee.

Key agenda points for the Audit Committee in 2010 were:

- the annual figures for 2009 and the quarterly and interim results for 2010;
- 2010 budget and quarterly comparison of actual figures against budget;
  - valuation of non-core projects with a view to divestment;
  - taxation;
- the auditor's management letter and Board report;
- treasury and working-capital management;
- financing position, including proposed refinancing and funding arrangement with banking consortium and related covenants;
- key risks and legal claims;
- structure & performance of the Group's internal risk management and control systems;
- findings of the internal auditor;
- the role and performance of the external auditor.

Appointment and Remuneration Committee

From 1 January 2011, the Appointment and Remuneration Committee, consists of Mr Meysman, Mr Van der Bruggen and Mr Eisma. It met twice during 2010. Main points at these meetings were the individual performance of Executive Board members and their remuneration in 2010, achievement of targets over 2009 and establishing same for 2010. Profiles and remuneration of the newly introduced Group Executive Committee as part of the strategic realignment were discussed and appointments approved. Apart from remuneration, the Appointment and Remuneration Committee also discussed the new Supervisory Board profile, including diversity aspects relevant for the Group. An overview of the diversity aspects and the manner in which Supervisory Board members comply with these aspects can be found below. Against the background of this new profile, the committee also discussed the need to expand the Supervisory Board and reviewed the candidacy of Mr Van der Bruggen and Mr Montagner. Both were proposed and appointed at the Extraordinary General Meeting of Shareholders held on 8 December 2010.

The committee reported on its activities to the Supervisory Board through the minutes of its meetings. In addition, the committee prepared the remuneration report for 2010 and proposed the remuneration for members of the Executive Board for 2010 for approval by the Supervisory Board. Remuneration policy was reviewed but no changes were deemed necessary. Deviations from the Dutch corporate governance code were also reviewed and led to the inclusion in the employment contract of Executive Board members of a claw back option for variable remuneration awarded on the basis of incorrect financial or other data.

Remuneration report

The remuneration report was prepared by the Appointment and Remuneration Committee and approved by the Supervisory Board on 9 March 2011. The report describes current policy, as adopted by the (extraordinary) General Meetings of Shareholders in May 2005, August 2006 and May 2007. Since May 2007, the remuneration policy has remained unchanged. Actual remuneration in 2010 is included in the annual report on page 114.

Remuneration policy

The aim of our 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 design, engineering and management consultancy. The policy is designed to reward members of the Executive Board for their contribution to the Group's performance and shareholder value. The policy for both the Supervisory and Executive Board is reviewed every two years, most recently in 2009. The latest review did not result in any changes to the policy being proposed or adopted. A next review will take place in 2011 with proposals to the AGM in 2012.

Supervisory Board remuneration

The Appointment and Remuneration Committee periodically assesses the remuneration for the members of the Supervisory Board (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.

Diversity overview Supervisory Board Grontmij N.V. - February 2011

					Key areas of expertise								
Name	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	Politics and Government	Technical background	Labour matters and social relations	Active management
F.L.V. Meysman	1952	M	BE	2001	√	√	√						
S.E. Eisma	1949	M	NL	2005		√			√			√	
P.E. Lindquist	1960	M	SW	2007		√	√				√	√	√
P. Montagner	1942	M	FR	2010	√	√		√			√	√	
R.J.A. van der Bruggen	1947	M	NL	2010	√	√					√		√
J.H.J. Zegering Hadders	1946	M	NL	2005		√		√		√			

December 2010: Appointment of Mr Van der Bruggen and Mr Montagner as members of the Supervisory Board

Composition of the Supervisory Board

During 2010, the Supervisory Board was expanded by the appointment of two new members. Mr Van der Bruggen and Mr Montagner were appointed at an Extraordinary Meeting of Shareholders held on 8 December 2010. All members of the Supervisory Board are independent, as required in best-practice Clause III.2 of the Dutch Corporate Governance Code.

Executive Board remuneration

- Contract terms

  Members of the Executive Board appointed before 1 January 2004 are appointed for an indefinite term. Members appointed after that date are appointed for a four-year period. Mr D.M. Zuydam, appointed in May 2009, is eligible for reappointment in 2013. 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, WSP, Sweco and the Pöyry Group. 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 Appointment and Remuneration Committee with the advice of an external compensation and benefits consultant, and was carried out most recently in 2006 and updated in 2009. The update confirmed that the level of remuneration is in line with the peer group and as a result no changes were proposed or made.

- 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 2010 no indexation was applied to the existing bandwiths. The bandwidths are as follows:
  - Chairman of the Executive Board: € 364,000 - € 437,000
  - Other members of the Executive Board: € 260,000 - € 333,000

Details of the fixed remuneration are provided on page 114.

- Variable remuneration

  In designing this remuneration policy, the Supervisory Board analysed the possible outcome of the variable remuneration components and the effect thereof on remuneration. The variable remuneration consists of two elements: a performance-dependent bonus and a value-dependent bonus. 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 set for the years 2010-2015. 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.

Performance-dependent bonus

For the CEO, the performance dependent bonus represents a maximum of 60% of the fixed annual salary, two-thirds of which (40%) is based on operational objectives and one-third (20%) on individual objectives. 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 objectives and one-third (15%) on individual objectives. For commercial and strategic reasons, the operational targets are only disclosed ex post whilst of the individual targets only the subject is given ex post.

In 2010, the criteria for operational targets were as follows:

a Profit after income tax (weighting: 40% in the case of the chairman and 30% for the other members). The target was to achieve a net profit after income tax of >25% higher than in 2009. No bonus is paid if result is under 90%; if above 90% if but under 100% bonus will be paid proportionally. In 2010, the profit after income tax amounted to € 17.3 million (2009: € 20.4 million). So target was not achieved.

b *Return on equity* (RoE): return on average equity (weighting: 10% for all members). The target is an RoE of 20% (100% pay out when 20% is realised, no payout when RoE is below 15%). RoE amounted to 10.9% in 2010 (2009: 11.9%), thereby not achieving the set target.

Individual performance criteria are based on the individual responsibilities of the members of the Executive Board. There are three to four targets, some quantitative and others qualitative. Targets for the CFO related to cash management, overhead cost saving and Group refinancing and cash-pool arrangement, while targets for the CEO related to implementation of new governance structure, investor relations and corporate communication, growth by segment and business line, and cost base. In 2010, the members of the Executive Board achieved 10% and 10% of the maximum of 15% and 20%, respectively (2009: 9 -14%).

Value-dependent bonus

For the CEO, this part represents an annual maximum of 30% of the fixed annual salary; for all other members of the Executive Board this represents an annual maximum 20% of the fixed annual salary. The value dependent bonus is related to the average performance of Grontmij's share price over a period of three years. Grontmij's average share price performance is compared with the average share price performance over a three-year period of all companies included in the AEX, AMX and AScX of NYSE Euronext Amsterdam. No payments are made if Grontmij's performance is the same or less than that of the Euronext group of companies. If there is a positive difference of 10% or more (Grontmij's share price performance is above the Euronext group of companies' share price performance), the maximum value-dependent bonus is paid.
A proportionate amount is paid for a positive difference between more than 0% and 10%. The bonus is paid once every three years in the financial year following the approval of the financial statements of the last year of the three-year period. The current three-year period runs from 2009 through 2011.

A breakdown of the variable remuneration paid to the members of the Executive Board in 2010 is provided on page 114.

- Pensions

  In 2006, the pension scheme for all members of the Executive Board was changed to a combination of a final-pay and a 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 2010, the following scheme applied to the Dutch members of the Executive Board:
  - up to € 65,448 of a member's fixed salary – a final-pay plan (via Stichting Pensioenfonds Grontmij);
  - from € 65,448 to € 110,509 – a defined-contribution plan (via Stichting Pensioenfonds Grontmij);
  - from € 110,509 to € 300,000 – an additional defined-contribution plan based on which up to 25% of the fixed income from € 110,509 to € 300,000 of the relevant member is paid into an individual pension plan.

- Other benefits

  Since 1999, the members of the Executive Board have had the opportunity to invest in the company through Stichting Medewerkersparticipatie Grontmij without incurring transaction or custody fees. The new Employee Share Purchase Scheme introduced in 2008 is not open to members of the Executive Board nor is there an option scheme available for the members of the Executive Board.
  The members of the Supervisory Board consider it important to align the interest of management with the interest of Grontmij's shareholders. In recent years, some of our shareholders have also indicated that they would appreciate an alignment through share ownership. At the same time, however, the Supervisory Board is well aware of the social debate concerning (free) share purchase and/or option schemes. In light of the above, the Supervisory Board has decided not to introduce a share bonus or option scheme, but instead discussed the introduction of voluntary share ownership guidelines with the members of the Executive Board. Members of the Executive Board have indicated that they are willing to voluntarily invest part of their value dependent cash bonus in (depositary receipts for) Grontmij shares. Such investment could, over time and on a voluntary basis, run up to approximately one-year's fixed annual salary. Investing in (depositary receipts for) Grontmij shares will take place within the rules and regulations for insider trading, as approved by the Supervisory Board.

Supervisory Board fairness review

The Supervisory Board retains the option of a so-called fairness review only on the variable remuneration related to individual targets. There is a clawback 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 Dutch labour law and the applicable labour contracts not subject to a fairness review by the Supervisory Board.

Remuneration in 2010

Full details of remuneration in 2010 can be found on page 114 of this annual report.

Remuneration policy for 2011 and beyond

The Appointment and Remuneration Committee has reviewed the current policy and decided that, apart from the introduction of a clawback clause, no further additions or changes to the policy are deemed necessary, nor any increase in salary in 2011.

'Aiming for 'outstanding' BREEAM rating at new head office in Belgium'

Financial statements and dividend

The financial statements for 2010 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 unqualified opinion provided by KPMG Accountants N.V., as well as the findings of the external auditor 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 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 add € 6.6 million of the result attributable to the equity holders of Grontmij of € 17.0 million (2009: € 20.3 million) to the other reserves. It further approved the Executive Board's proposal to propose to the Annual General Meeting of Shareholders to resolve to pay the remaining € 10.4 million as dividend of € 0.50 (2009: € 1.00) per (depositary receipt for) ordinary share to be paid in the form of (depositary receipts for) ordinary shares, unless a holder of (depositary receipts for) ordinary shares expressly request for distribution in cash (subject to 15% dividend tax). As an incentive to receive the dividend as stock, the value of the stock dividend will be 2 to 5 % higher than that of the cash dividend due to a positive rounding difference when determining the exchange ratio.

The (depositary receipts for) ordinary shares issued will be entitled to the dividend of the full book year of 2011 and subsequent years.

As the Supervisory Board of Grontmij, we would like to extend our thanks to management and employees. Their commitment to Grontmij is more than apparent from the way the Group is tackling the current economic environment.

De Bilt, 9 March 2011

F.L.V. Meysman (chairman)
S.E. Eisma (vice-chairman)
R.J.A. van der Bruggen
P.E. Lindquist
P. Montagner
J.H.J. Zegering Hadders

We all have ability. The difference is how we use it.

Author: Stevie Wonder

Executive Board

Sylvo Thijsen (1959)
Chief Executive Officer

Nationality
Dutch
Appointed
2001 (member)
2003 (Chief Executive Officer)
Joined Grontmij
1984
Most important previous position
Managing Director of Grontmij Advies & Techniek
Other positions
Chairman of the Government Tenders Committee of the Confederation of Netherlands Industry and Employers (VNO-NCW), member of the Board of Wood and Timber Platform in the Netherlands, member of the Supervisory Council of CUR-net and Utrechts Landschap, member of the Advisory Board of Environmental Sciences Group (Wageningen University).

At 31 December 2010, Mr Thijsen held 3,590 (2009: 3,361) participations Grontmij and 4,273 (2009: 3,000) depositary receipts for shares Grontmij.

Mel Zuydam (1961)
Chief Financial Officer

Nationality
British/Dutch
Appointed
2009
Joined Grontmij
2009
Most important previous position
Chief Financial Officer and Commercial Director VT Nuclear Services, Group Finance Director Highways Agency, Divisional CFO Balfour Beatty PLC.
Other position
Non-executive member of the Audit Committee of the Department for International Development (UK Government).

The remuneration of the Executive Board is described on page 114.

Suzan van Nieuwkuyk (1964)
Company Secretary

Nationality Dutch
Appointed 2008
Joined Grontmij 2008
Most important previous positions Corporate secretary and Head of Legal Rodamco Europe N.V., tax lawyer Loyens & Volkmaars (now Loyens Loeff).

Our strategy

In 2010, we implemented the next logical strategic step in our ongoing development. This strategy is grounded in the sustainability by design principle that customers perceive as an essential proposition. The 2010-2015 strategy focuses on increased profitability, organic revenue growth and further expansion by acquisition. It is based on the restructuring of the organisation into four distinct business lines: Planning & Design, Transportation & Mobility, Water & Energy and Monitoring & Testing. Key components are stimulating more knowledge sharing throughout the Group so that we can leverage that expertise to reinforce our position in our local markets. We are also increasingly targeting large cross-border assignments so that we can further broaden multi-disciplinary experience.

Total revenue
€ 921.7
million

Financial goals to 2015

We have set ambitious long-term goals that translate into clear financial objectives:

• EBITA margin on total revenues	9 - 10% (2015)
• Total revenue growth (average per year including acquisitions)	10 - 15%
• Solvency	25 - 30%
• Interest cover (EBIT/Interest)	>5

What we are doing

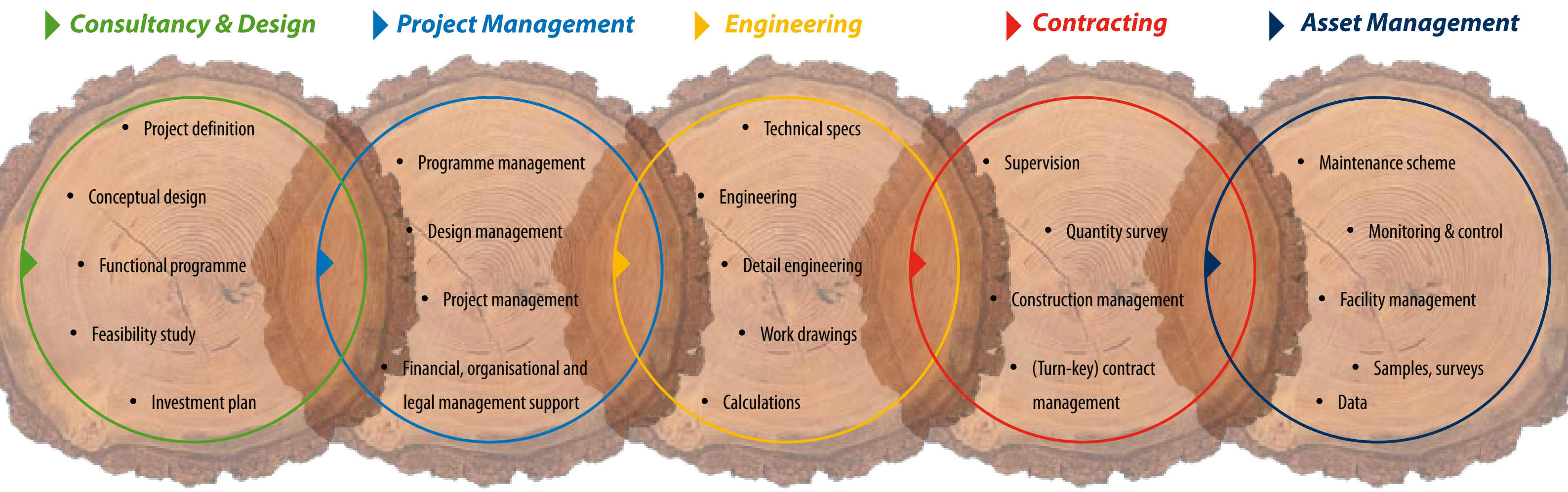
Our main strategic aim is to systematically improve organic growth and margins. We do that by leveraging customer knowledge, referrals, skills and expertise in our local markets and translating these into cross-selling opportunities. Increasingly, we are putting together multi-disciplinary teams to manage complex – and also cross-border – projects. Our ability to successfully execute this type of major projects makes us more attractive to (multinational) clients and we expect to benefit from the vendor reduction trend. In addition, we will continue with selective tendering and also focus on selected customers in the most profitable and fastest growing markets: water, energy, transportation and sustainable planning and design.

How we spread risk

Avoiding dependence on one market or single group of clients is an essential component of Grontmij's strategy. Activities are spread across mostly mature European economies so that business risks are equally well spread. The result is a Group that is less cyclical than if it operated in a single market sector and/or domestic market. Grontmij also maintains a spread of interests across markets, services and stages in the project value chain. This not only manages the risk associated with fluctuations in external markets but also ensures that clients benefit from the interplay available through our service mix. The Group constantly assesses its portfolio in each business line and region. Based on these assessments we decide whether to start up, improve, acquire or divest activities in specific service areas for a business line.

Responding to new opportunities

There is a clear and growing trend towards increasing urbanisation. At the same time, demographics, specifically in our core European markets, are shifting rapidly. Currently there is an oversupply of (office and industrial) buildings. In response to this trend, we have developed what we call lifecycle management services. Managing



Underlying EBITA
€ 46.5
million

the lifecycle of assets brings in all our skills and expertise. It offers clients an efficient and effective way of managing investments and maintenance in existing structures. Currently, we are developing a tool that can be used for this new integrated service.

Our acquisition strategy

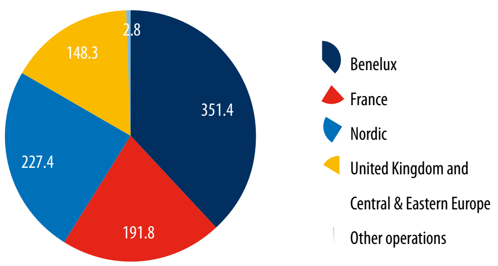
Any acquisitions will be made only where they have the potential to enhance the position in our (Northwest and Central) European market, or provide for a solid entrance position in chosen fast growing markets (such as Central and Eastern Europe). In addition to existing financial criteria, future acquisitions will need to satisfy the following strategic criteria:

- the further enhancement of the Water & Energy and Transportation & Mobility business lines;
- penetration into new, fast growing regions;
- the acquisition of new competences, technologies (Monitoring & Testing) or customer groups, provided that this strengthens Grontmij's market position.

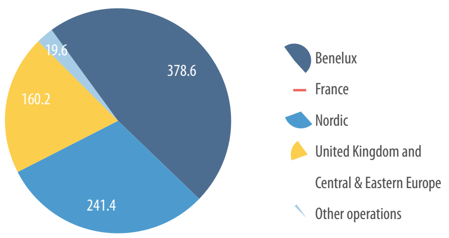
Progress made on strategy in 2010

Grontmij acquires the French Ginger making it the 4th largest design, engineering and management consultancy in Europe; total revenue up 15% primarily due to the full consolidation of revenues of Ginger; underlying EBITA at € 46.5 million, up 4.1%.

Total revenue by region 2010 (in millions of euro)

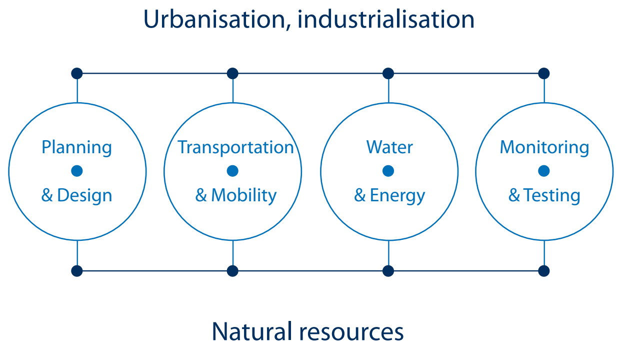


Total revenue by region 2009 (in millions of euro)



How we are organised

Grontmij's mission is to be the leading European sustainable design, engineering and management consultancy for the built and natural environment. Although our activities have always been sustainable by definition, changes in the Earth's climate and shifting trends towards population growth and urbanisation, means there are now new challenges and opportunities for us. Our broad scope of skills and expertise and our ability to offer our services on a local and international basis, positions us to benefit from these external influences. So managing and exchanging local knowledge is high priority for Grontmij. This enables us to deploy expertise in different markets. Specific growth areas include water, energy, transportation and sustainable planning and design. This is why, from 2010, we are organising our activities according to four distinct business lines that also can and do work, in line with multi-discipline and cross-border goals:



Planning & Design

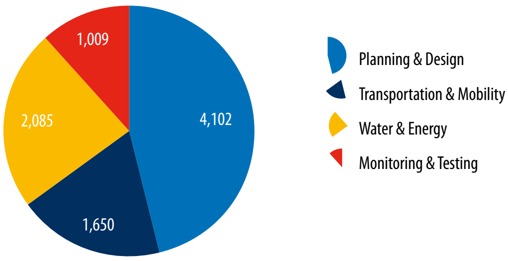
Sustainable solutions for the built and the natural environment. We plan and design for the places and spaces where people live, work and spend their leisure time. This can range from the renovation of a hospital into a healthy, sustainable building to designing a new city suburb.

Transportation & Mobility

Growing urbanisation is putting greater pressure on infrastructure as more and more people are moving to urban areas. Transportation is all about moving people, goods and other materials from A to B in the most efficient, environmentally sustainable way. We 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.

15%
growth total revenue compared to 2009

Average FTEs per business line

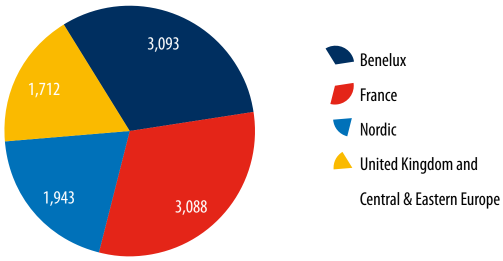


Water & Energy
Generating, using, managing and recycling water and energy resources in every conceivable variation. We work on 'source to tap' and 'sink to sea' water management. As part of our lifecycle management, we ensure treatment works and sewerage systems help improve the quality of water and reduce sewer flooding. Grontmij professionals work with clients to manage complex projects and processes, often tasked with delivering projects on quality specification, on time and on budget. In Energy, we create solutions and innovate for sustainable and renewable power, ranging from wind to new ways of reducing CO_2 emissions.

Monitoring & Testing
All buildings and constructions are exposed to the natural elements. In line with our lifecycle management strategy, this business line covers all scientific and technical knowledge used in construction, including geotechnical studies, structural and material diagnostics and pathologies, product audits and certifications and maintenance and monitoring for complex projects.

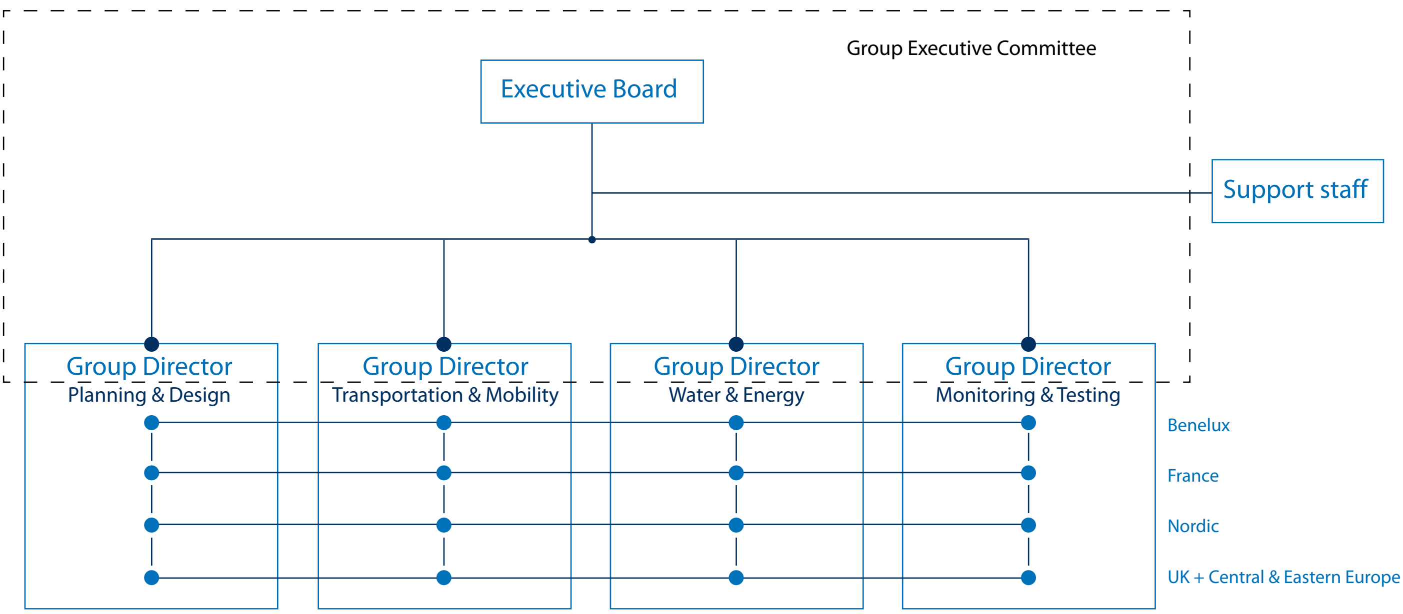
How we are managed
The day-to-day operations of the Group and the execution of strategy are managed by the Group Executive Committee. A group director has been appointed to each business line and responsibility for regions and staff departments has been allocated to individual Executive Board and Group Executive Committee members. For a full organisational overview, please see www.grontmij.com.

Average FTEs by region



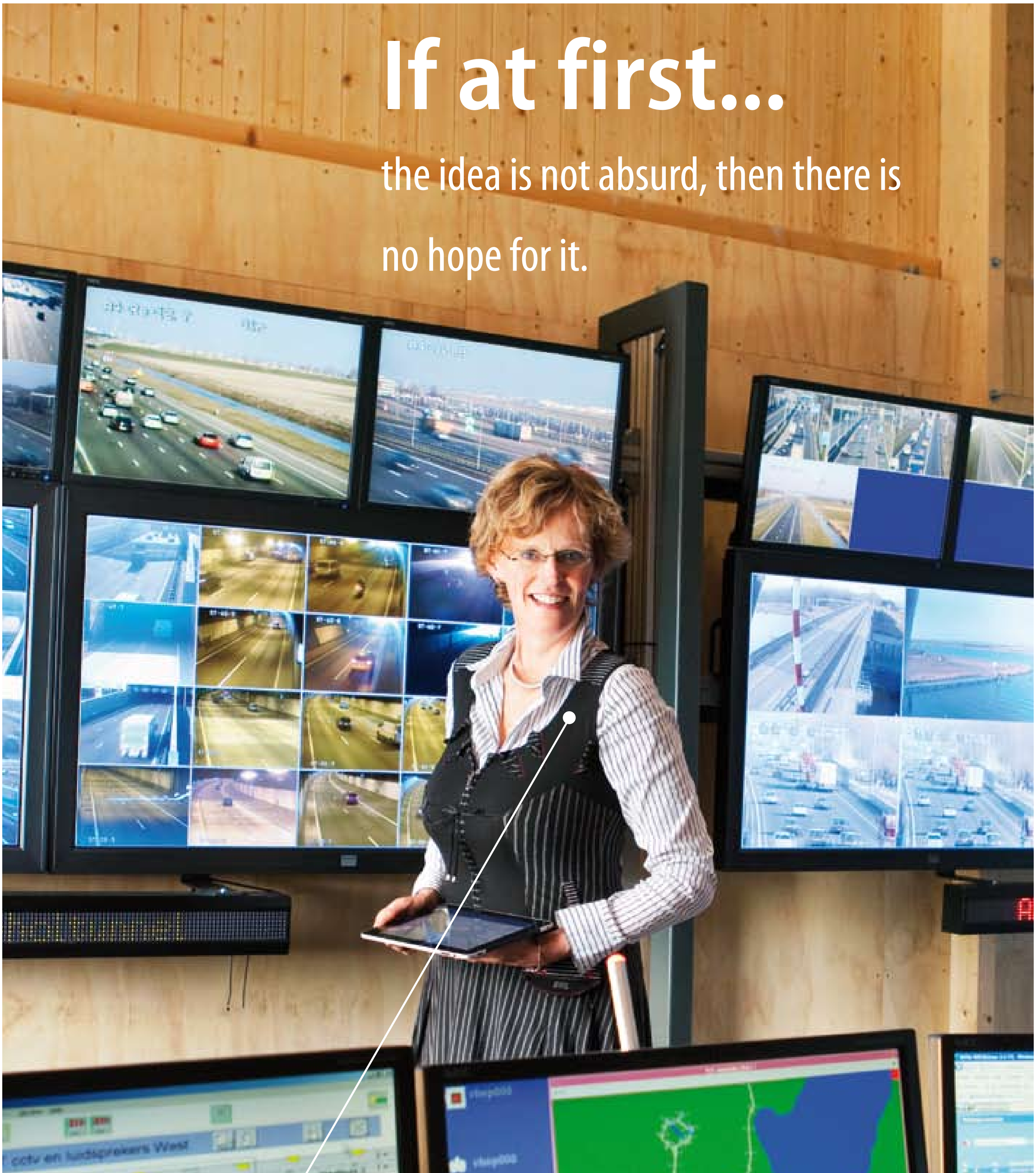
Note: Telecom and other non-core are 960 FTEs

New to the Grontmij Group
In June 2010, Grontmij acquired the French Ginger. It is a strong fit and fully in line with Grontmij's selective acquisition strategy. A substantial share of Ginger's activities match our Planning & Design and Water & Energy businesses. Moreover, Ginger has built an outstanding position and international reputation in Monitoring & Testing. It is the number one player in the French market in this field. Through the acquisition, Grontmij will gain access to Ginger's high-quality, international client base, including government agencies and some of the largest construction, energy and transportation companies in Europe. In turn, this will further enable us to leverage customer knowledge, references, skills and cross-border expertise.



If at first...

the idea is not absurd, then there is no hope for it.



Velsen Zuid, the Netherlands

Making a difference

Corianne Stevens
Head of Advanced Traffic Management department
The Netherlands

Transportation & Mobility

Go with the flow

Intelligent Transport Systems (ITS)? In the Netherlands, we can’t do without them. Have you ever wondered how the signs and systems that help keep traffic moving work? Or who is behind them? That would be Grontmij. We design, engineer and operate all kinds of systems needed to optimise traffic flow in normal situations. But we are also there when things get difficult. Incidents, large events or road works – we make sure that our clients’ infrastructure, like an economic engine, is running smoothly. We ensure to get road users where they need to be today and tomorrow.

Financial performance

Profit and loss account

Total revenue increased to € 922 million from € 800 million last year primarily due to the full consolidation of revenues of Ginger. The total increase of 15% includes an increase of 24% due to the acquisition, organic decline of -8% and a currency effect of 2%. The largest organic decrease was in the business line Planning & Design followed by Water & Energy, with a small increase in Transportation & Mobility.

Profit and loss account

€ million	Full year results	
	2010	2009
Total revenue	**922**	**800**
Net revenue	**716**	**630**
Gross margin [1]	242	210
Gross margin %	26.3%	26.2%
Underlying EBITDA [2]	60.2	56.0
Underlying EBITA [2]	46.5	44.7
as % of total revenue	5.0%	5.6%
as % of net revenue	6.5%	7.1%
Results from EAI	1.7	2.7[5]
Divestments [3]	-0.2	5.3
Restructuring	-7.2	-11.7
Aquisition & refinancing costs	-2.6	-
Sub-total	**-8.3**	**-3.7**
Amortisation	-7.2	-7.7[5]
Finance result [4]	-7.2	-5.3
Taxation	-6.7	-7.6
Effective tax rate	**27.9%**	**27.2%**
Profit after tax	**17.3**	**20.4**

1) Gross margin is calculated as net revenue less direct employee costs.
2) Before non-recurring restructuring costs of € -7.2 million (2009: € -11.7 million), results from EAI of € 1.7 million (2009: € 2.7 million), results on divestments of € -0.2 million (2009: € 5.3 million) and acquisition costs of € 0.6 million (2009: nil).
3) Divestments include € 0.5 million (2009: nil) profit from sale of EAI that is presented as revenue in financial statements.
4) Excluding refinancing costs of € 2.0 million (2009: nil).
5) In 2009 € 0.7 million of amortisation of intangible assets of equity accounted investees was included in amortisation.

Net revenue was up 14% in total to € 716 million from € 630 million last year, organic decline was -5.4% and currency effect was 1.6%. Gross margin was maintained at 26%, despite difficult trading conditions, due to actions taken to reduce surplus direct resource.

Underlying EBITA before results from equity accounted investees (EAI), divestments, restructuring and acquisition & refinancing costs was higher at € 46.5 million compared to € 44.7 million last year and represented a return on total revenue of 5.0% compared to 5.6% last year. The contribution from Ginger for the period since the acquisition in this figure was € 11.1 million.

Results from EAI of € 1.7 million remained below the level of € 2.7 million from last year due to divestments during 2009 and early 2010.

Divestments during 2010 netted a small loss of € -0.2 million compared to a profit of € 5.3 million for divestments during 2009.

Restructuring costs of € -7.2 million were below the level of last year of € -11.7 million and were incurred mainly in the Netherlands, Denmark and the United Kingdom where there were further direct and indirect resource reductions.

Acquisition and refinancing costs for the acquisition of Ginger remained at the half year level of € 2.6 million. In accordance with IFRS the transaction costs together with the write off of un-amortised capitalised arrangement fees related to the term loans that were refinanced were expensed.

Overall, results from EAI, profits/losses on divestments and non recurring restructuring, acquisition and refinancing costs totalled € -8.3 million for the year, which was a total of € -4.8 million higher than last year primarily due to no repeat of the large profit on divestment of a non core asset in 2009.

Amortisation of € -7.2 million remained below the level of last year of € -7.7 million, including € 0.7 million amortisation of intangible assets of equity accounted investees, and included € -0.4 million of amortisation of intangible assets from the acquisition of Ginger.

Finance result of € -7.2 million, excluding refinancing costs of € 2.0 million, was higher than last year's € -5.3 million principally due to the interest on the increased acquisition debt for the purchase of Ginger. In addition, there was € 0.9 million of commitment fees plus amortisation of the arrangement fees for the new revolving credit facility.

Taxation of € -6.7 million was lower than last years € -7.6 million, whilst the effective tax rate was slightly higher at 27.9% compared to 27.2% in 2009 mainly due to proportionally more profit coming from higher tax territories, and lower tax exempt profits from divestments and equity accounted investees.

Overall, profit after tax was € 17.3 million compared to € 20.4 million for last year.

Earnings per share

The shares in issue at the end of 2010 increased to 20,825,724 from 17,764,920 at the end of 2009 primarily due to the issuance of new shares as a result of the accelerated book build and private placement to finance the acquisition of Ginger, but also in part due to the 2009 stock dividend.

Basic earnings per share for 2010 was € 0.87 (down from € 1.14 in 2009).

Balance sheet extract 31 December

€ million	2010	2009
Intangible assets & goodwill	259	200
Grontmij - Work in progress	8	-4
Ginger - Work in progress	17	-
Total work in progress	**25**	**-4**
Inventories	19	36
Grontmij - Trade receivables	138	139
Ginger - Trade receivables	60	-
Total trade receivables	**198**	**139**
Grontmij - Net debt	-81	-75
Net acquisition debt	-85	-
Ginger - Net debt	-28	-
Total net debt	**-194**	**-75**
Grontmij - Cash	37	30
Ginger - Cash	25	-
Total cash	**62**	**30**

Goodwill and intangible assets increased to a total of € 259 million at the end of 2010 compared to € 200 million at the end of 2009. The increase was primarily attributable to the acquisition of Ginger and in accordance with IFRS 3 the goodwill represents the difference between the consideration transferred, the value of the non-controlling interest and the fair value of the identifiable net assets at the point of acquiring the controlling interest.

Grontmij work in progress was slightly up at € 8 million and receivables were at a similar level to last year at € 138 million. Billing and cash collections were a little slower due to the tougher trading environment as a result of the continued economic crisis. Ginger work in progress stood at € 17 million and receivables at € 60 million.

Group net debt stood at € 194 million, with Grontmij only debt up € 6 million to a level of € 81 million, acquisition debt at € 85 million from the acquisition of Ginger, and Ginger net debt at € 28 million.

The acquisition of Ginger during the summer of 2010 was financed by a combination of debt and equity; the consideration was underwritten by a € 120 million term loan facility with the Group's strategic banking partners, and then partly financed by a € 25.6 million accelerated book build of 1,785,080 depository receipts and a € 13 million private placement of a further 905,923 ordinary shares. The depository receipts and shares for both transactions were issued at a share price of € 14.35. As a result, the acquisition was partly financed by a total of € 38.6 million of new equity, leaving net acquisition debt after transaction fees and costs at € 85 million.

In the third quarter, we announced that we were evaluating ongoing effects of lower long-term interest rates and mortality rates on the defined benefit pension schemes in the Group, and the actions that we need to take to mitigate any increase in long-term liabilities as a result. Good progress has been made, and we continue to finalise our mitigating actions.

Dividend

The proposed dividend per (depositary receipt of) ordinary share is € 0.50 (2009: € 1.00) which represents a payout ratio on full earnings for the year of 61% (2009: 88%). As there was an increase in the number of shares in issue during 2010 due to the stock dividend, the accelerated book build and the private placement, the 2009 dividend per share restated on the number of shares in issue at the end of 2010 would have been € 0.85.

This dividend will be proposed to the Annual General Meeting of Shareholders on 24 May 2011, and will be paid in the form of (depositary receipts for) ordinary shares, unless a holder of (depositary receipts for) ordinary shares expressly requests for distribution in cash (subject to 15% dividend tax). As an incentive to receive the dividend as stock, the value of the stock dividend will be 2 to 5% higher than that of the cash dividend due to a positive rounding difference when determining the exchange ratio. The (depository receipts for) ordinary shares issued will be issued with a full year's dividend right.

Business lines

Planning & Design

Planning & Design is our largest business line, most reflect our strong local market position representing 38% of total revenue. In 2010, we saw some recovery in a number of markets, such as Germany, but others remain challenged, specifically Denmark and the Netherlands. Planning & Design teams across Europe and around the world make up 41% of the total staff.

€ 351.5
million total revenue

What is Planning & Design?

Sustainable solutions for the built and the natural environment is a good way to explain what our Planning & Design colleagues do around the world. Whether it is a hotel or other existing building that needs to be renovated and made sustainable or designing a research institute for new energy sources, all are Planning & Design. The natural environment is also our drawing board. Here we often work closely with colleagues from other disciplines within Grontmij. The world is becoming increasingly urban. This puts new pressures on our living environment. Our Transportation & Mobility colleagues work on keeping people and goods moving. Within Planning & Design, we look at the landscapes they move through. Or at the places where people live, work, shop and spend their leisure time.

What we do – sustainability by design

Planning & Design projects cover every kind of working environment. In Denmark, we are involved in the Koge harbour expansion that will create 400,000 m^2 of new land adjacent to the port so that larger ships can dock. We are currently planning the new German stock exchange in Frankfurt that will incorporate heat recovery, combined heat-power-cooling generation and the use of solar energy in this new high-rise office building. These are examples of what we call sustainability by design, our way of embedding sustainability into how we create and execute projects. It is also a driver behind our innovations. Research shows that children prefer to move through their environment rather than staying put in playgrounds. Our colleagues in Sweden have developed a tool that ensures the child's perspective is taken on board in planning infrastructure and town development.

Managing lifecycles

A major part of our business is the work we do on BREEAM certification for buildings. This environmental assessment methodology is recognised worldwide as benchmark for sustainable building. Certification is carried out on existing and new buildings. Grontmij was the first to employ licensed 'BREEAM in use' assessors around Europe. While BREEAM is an assurance that best environmental practice has been incorporated into the build or renovation, more and more owners see certification as part of lifecycle management. The concept behind certification is that improved sustainability improves profitability. We are currently working on an additional tool that will enable owners to calculate a building's lifecycle costs. It will enable them to take strategic decisions on when investment or maintenance is most useful in terms of value. We also used BREEAM as the base for renovating the new head office premises for Grontmij in Belgium. Our aim is, of course, to achieve an 'outstanding', the best of nine possible scores on the BREEAM scale. Our reputation as the top BREEAM assessors also helps to win contracts. In China, a combined team from the

Portable airport *Planning & Design*

Annobon, one of Equatorial Guinea's islands, needed a new airport – fast. The whole project, complete with technical centre, had to be delivered within twelve months. Colleagues in France came up with a smart solution for prefabrication. Over a five-month period, January to May 2010, components for the whole airport facilities were designed and built in France and Spain while the runway in Annobon was extended. We shipped in June and the airport was put together in October.

'The arum shaped building is designed to soak up energy like a real plant'

Planning & Design

Flower Power

It looks like a stylised arum and it has already been labeled one of the most sustainable office buildings in the world. We won the design of Wuhan, China's new energy centre against stiff international competition. The building will house a research institute for new energy sources and sustainability. Its central 'energy arum' is 140 metres. It is designed to 'soak up' energy in the same way as a real plant. A wind turbine is mounted on the roof to catch power. Rainwater is used to cool the building in summer.

This tower is surrounded by other low-rise buildings that will be covered in vegetation. The expectation is that the energy arum will score very low on both carbon emissions and energy use. We are expecting an 'excellent' BREEAM score and the highest possible rating on the Chinese Green Building assessment system. The concept, developed in cooperation with Soeters Van Eldonk architects, is fully in line with Wuhan's goal to become the most sustainable city in China.

€ 16.1
million EBITA

Netherlands and the United Kingdom has designed a new city suburb. Grontmij was selected because of our understanding of sustainable buildings and environments.

Where we work

Planning & Design projects are always local. By local, we mean they are usually carried out in a particular location but that location can be anywhere in the world. Changing demographics also has an impact on where and how we work. Less new buildings are being constructed so existing stock becomes more attractive, especially if we can transform these into sustainable structures. Increasingly, we are working in the health sector to ensure hospitals and other care facilities meet the highest sustainable standards. This is a growth area for Planning & Design.

Our markets

Both the Dutch and Danish markets are challenged with little sign of respite from the after-effects of the economic crisis. Planning & Design contracts are often agreed with local authorities. At present, many municipalities are cutting back or postponing projects. The effects are clear in the Netherlands and Denmark's forward order books. The decrease in contracts has driven up competition and generated the inevitable price pressure. In the second half of 2010, the United Kingdom market began to pick up. Belgium, Germany, Central Europe and elsewhere in the world are more encouraging with reasonable forward order books.

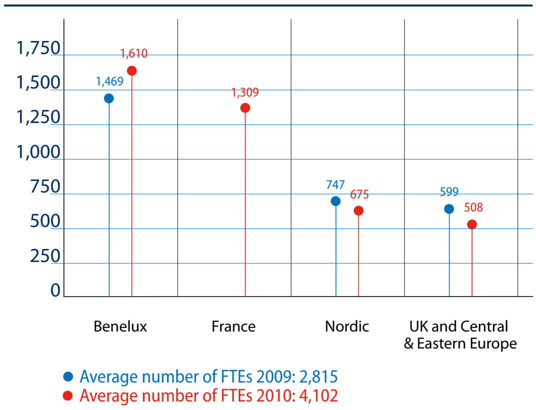
Around the world

In 2010, Grontmij was awarded a number of exciting contracts around the world, specifically in China. This has led us to set up a China desk at Group head office in the Netherlands to coordinate activities in that region.

Our people

Planning & Design employs 4,102 of the Grontmij Group's total workforce. If France is excluded, this is a substantial decline in several countries. For the business line, managing our human resources often presents a dilemma. The reporting year, 2010, proved more challenging than anticipated. It appears to be bottoming out but expectations are that 2011 will still be tough. We are managing this uncertainty by shifting away from the new build market that will continue to shrink in Western Europe and focusing on lifecycle management. This is an area where we already have considerable expertise. By combining our resources around the Group, exchanging knowhow and putting together ad hoc teams that can be deployed worldwide, we aim to create value within our business line and professional challenges for our people.

Planning & Design FTEs *(incl. agency and allocated indirect staff)*



'190 kilometres of essential environmental protection'

On the pipeline

Planning & Design

Colleagues in Germany are putting the final touches to their part in the Northern German Natural Gas Pipeline (NEL). We undertook the environmental consultancy relating to this 190 kilometre long pipeline. Our task was to ensure essential conservation and environmental protection was built in to every centimetre during the construction process. We also provided the advice on what to plant on NEL when it was completed.

Financial performance

Total and net revenues increased by over 4%, mainly due to the addition of Ginger, but EBITA reduced by 14.8% from 5.8% of total revenue to 4.6%. This was principally due to a worsening in the Nordic region where there was a very slow start to the year in planning and design activities, and in the United Kingdom, which was not offset by small increases in the Benelux region, Germany and Poland.

Although demand for new build from private sector clients, and demand from municipality clients in some regions remains weak, we are continuing to build on cross-border opportunities, particularly in the areas of sustainable development and refurbishment, and we are making good progress combining skills and references with new contract opportunities in France.

Financial performance Planning & Design

€ million	2010[1)]	2009	Variance
Total revenue	351.5	327.0	7.5%
Net revenue	280.7	268.0	4.7%
EBITA	16.1	18.9	-14.8%
as % of total revenue	**4.6%**	**5.8%**	
as % of net revenue	**5.7%**	**7.1%**	

1) Including Ginger total revenue of € 60.5 million, net revenue of € 45.2 million and EBITA of € 1.4 million.

Major projects won in 2010 - Planning & Design

Grontmij in Denmark wins consultancy on Copenhagen's new skating park – the largest in Northern Europe. Also in Denmark, our colleagues are managing the refurbishment of 10,000 m^2 of the Glostrup Hospital's facilities. We will be planning and supervising construction of the Kerepesi Business Park project in Budapest. The first-ever BREEAM certification in Poland carried out by Grontmij. In China, we were awarded the prestigious Wuhan New Energy Center design project.

Transportation & Mobility

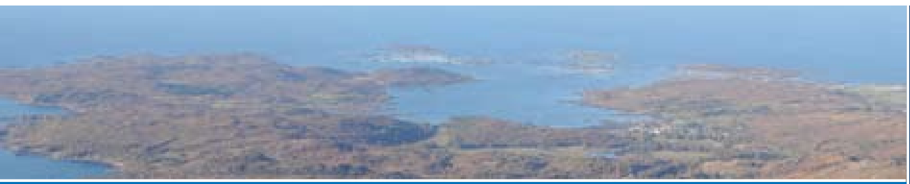
In 2010, our Transportation & Mobility colleagues around the world came up with even more smart ways to move people and goods more efficiently. It is a key sector for the Grontmij Group and currently represents 21% of total revenue. Transportation & Mobility teams across Europe and around the world make up 17% of our staff.

What is 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. We 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. This is what Grontmij's specialised Transportation & Mobility teams around the world do every day: they come up with more efficient and sustainable ways to keep flows moving. This component has become increasingly important as more and more people are moving to urban areas. This growing urbanisation is putting greater pressure on infrastructure. In the European Union alone, it is estimated that the market for Transportation & Mobility will grow around 1.6% per year until 2020. There are numerous projects throughout Europe and elsewhere in the world aimed at improving links between urban hubs. High-Speed Rail, such as the Trans-European Network-Transport or TEN-T, is just one example of ongoing investment. Highway infrastructure is another growth segment. Both are areas where Grontmij has major expertise and regularly wins major contracts. But, as the project shortlist shows, Transportation & Mobility works on projects for managing flows of every type of goods and materials.

What we do

Transportation & Mobility is about more than planning a new road or bridge or allocating a new section of rail track. What we do is think of the best sustainable solution for a particular need. Our consultants and engineers are always



'Respecting conservation areas on one of Britain's most stunning highways'

Transportation & Mobility

Road to the Isles

One of Britain's most stunning roads, the country's last remaining single track trunk road, the A830, has been upgraded to double carriageway standard. The design of this environmentally sensitive change was awarded to Grontmij in the United Kingdom. As the road passes through Glen Beasdale Special Area of Conservation in Scotland, noted for its ancient oakwood, its otters and its fresh water mussels, significant effort was made to retain the existing character of the area. Furthermore, a new habitat is currently being developed to maintain and improve oak woodland. The route also includes the impressive Glen Finnan viaduct (of Harry Potter fame). We worked closely with landscape and environment specialists to ensure that the new road was constructed within certain boundaries so as not to disturb the protected surrounding environment. At the same time, the road is key to the economic vitality of the region so the change was essential. Our work was recognised at the annual civil engineering awards in 2010 when the A830 Arisaig to Loch nan Uamh project received both the overall prize and a commendation for environmental sustainable construction. The jury made both awards 'in recognition of the skill of design and high quality of construction used to deliver this major road improvement in a difficult and sensitive terrain'.

‘The most advanced tunneling technology’

Faster transport links *Transportation & Mobility*

Growing urbanisation means continual improvements to public transport networks. Colleagues in Brussels are currently working on a two-track underground link between two existing public-transport lines. We are deploying the most advanced tunnel-building technology. Part of the project brings in lifecycle management as we are renovating and building new sound reduction systems for one of the stops.

focused on designing solutions that will last for at least a few generations. Grontmij teams frequently supervise specific components of a Transportation & Mobility project. One example is the construction of the longest breakwater in Europe at the new Baltic Sea terminal in Poland. Our team in Poland is overseeing this, working closely with colleagues from both the Netherlands and Denmark. Often, we will support a client with a highly complex requirement, such as the Danish Public Transport Authority’s major rail project, to work out how best to manage the tendering process. We are also carrying out the environmental studies for this project. This is a good example of how our sustainability by design principle works for clients. We solve problems, design and engineer solutions and supervise or monitor their implementation – all from a sustainable perspective.

€ 18.2
million EBITA

Where we work

Local knowledge is essential in Transportation & Mobility. Different techniques are needed if you are designing a bridge for, say, northern Sweden where winters are severe and the much warmer west of Turkey. Grontmij’s regional Group companies are hugely experienced in their local areas. Our consultants and engineers have to understand the geological working base, the climate and local conditions. This is why Transportation & Mobility will always be a strong local activity. At present, a large proportion of our business is national or regional. However, cross-border projects are increasing gradually and we are pursuing this type of assignment more vigorously, also so that we can share and transfer knowledge within the Group. One example in 2010 is a project involving teams from the Netherlands and the United Kingdom on a highway project as part of the Glasgow regeneration. Increasingly, we are differentiating our services through the mix of strong local presence, cross-border cooperation and international knowledge and expertise.

Our markets

Encouraging forward order books in almost all our Transportation & Mobility markets confirms this is a comparatively strong growth segment. The United Kingdom is still a relatively small Transportation & Mobility market; the current economic environment there makes it difficult to grow this activity rapidly.

The market in Sweden is picking up. Competition is fierce. In 2010, our Swedish colleagues were often tendering on price against companies with no previous experience in Sweden. This has put pressure on prices. The after-effects of the global crisis are such that specifically public clients are likely to opt for the lowest price. However, in addition to a large traffic-flow project in the center of Stockholm, we were also awarded a contract on the Swedish capital’s Bypass project. In Germany, the market is still buoyant and is contributing well to Transportation & Mobility revenue. We are increasingly seeing more Public Private Partnerships (PPPs) in countries where there have been quite deep budget cuts, such as the Netherlands and Belgium. The new sea locks for the Port of Antwerp is one project that is being funded through PPPs. In Denmark, we have won a number of prestigious projects, including the design of a new motorway. Grontmij in Poland is supervising the construction of a new passenger terminal at Rzeszow airport.

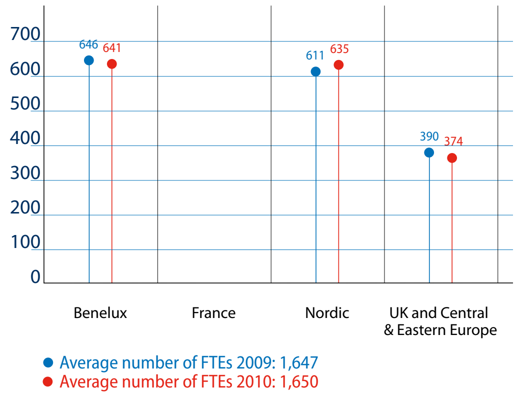
Around the world

Besides our national and regional business in Europe, Grontmij is active throughout the world. Major new projects in 2010 include two for the Millennium Challenge with Grontmij in Denmark working in both Mongolia and Tanzania supervising road projects. In Afghanistan, our German colleagues are carrying out studies and creating detailed designs for new road infrastructure in the north of the country. These are all considerable projects contributing significantly to Transportation & Mobility’s revenues. The same applies for our activities in the Gambia and India.

Our people

Transportation & Mobility employs 1,650 of the Grontmij Group’s total workforce. Today, more than ever before, our experts have to be more than highly-skilled, seasoned professionals. Clients are becoming more demanding in their requirements and projects are becoming ever more complex. This requires strong expertise. Project management is now an integral part of any assignment. Professionals must have long experience in the nuts and bolts but also bring business skills to the mix. This is a major challenge for the industry as a whole. One response by Transportation & Mobility is to map our areas of expertise so that we can help our people further build on their existing skills. International exchange programmes are being set up so that we can broaden cross-border experience. These actions are designed to create an environment where Grontmij people can grow in expertise and experience.

Transportation & Mobility FTEs *(incl. agency and allocated indirect staff)*



Financial performance

Total revenue for Transportation & Mobility remained relatively flat, net revenue increased by 5.1% to € 160.0 million and EBITA fell by 4.2% to € 18.2 million representing 9.6% of total revenue. There was no contribution from Ginger in the year to this business line.

The Nordic region and Benelux region both showed increases in net revenue and EBITA, but the EBITA increases did not offset the decreases in the United Kingdom and Central and Eastern Europe.
Demand overall remained strong for this business line, except for the United Kingdom where the new Coalition Government has made considerable spending cuts to the transport budget.

Financial performance Transportation & Mobility

€ million	2010	2009	Variance
Total revenue	189.6	187.7	1.0%
Net revenue	160.0	152.2	5.1%
EBITA	18.2	19.0	-4.2%
as % of total revenue	**9.6%**	**10.1%**	
as % of net revenue	**11.4%**	**12.5%**	

Major projects won in 2010 - Transportation & Mobility

In Belgium Grontmij is involved in a study on enlargement of the Brussels Metro to the North of Brussels, the so-called 'Metro Nord'. Two top TEN-T rail projects: Grontmij in Germany is supervising track and bridges for the Stuttgart region and Polish railways hired us to supervise construction of rail link to Warsaw's international airport. Grontmij in the United Kingdom is providing consulting and design services for the Glasgow East End regeneration project. Grontmij in Sweden is brought in to manage creation of traffic solution in central Stockholm. In Denmark, Grontmij is consulting on and designing the new Gedser ferry terminal.

'Creating energy from asphalt'

Water & Energy

The market for Water & Energy is still challenged. Although we won considerable contracts from Water Utilities in the United Kingdom, lower or postponed investment in some segments has affected performance in other countries. However, we were successful in winning a number of prestigious assignments, including the COBRA cable sub-sea project. Water & Energy accounts for 23% of the Grontmij Group's total revenue. Water & Energy teams across Europe and around the world make up 21% of our staff.

€ 210.1
million total revenue

What is Water & Energy?

It can be the design of innovative plants to treat wastewater or the use of offshore wind parks to generate energy. And every conceivable way of working with water and power in between. We are experts in the whole range of sustainable water and energy management. Grontmij teams will be the first to work with Tunnel Boring Machine technology in Poland as we design, schedule and oversee the construction of interceptor sewers under the River Vistula. As part of our commitment to integrating sustainability by design into how we work, Grontmij colleagues have come up with a 'sand windmill' that transports sand to the coastal dune areas of the Netherlands to reinforce defences against rising sea levels.

What we do

The framework contract from Scottish Water, one of many won throughout the United Kingdom in 2010, is a prime example of how a lot of different disciplines come together in Water & Energy. We will team with Scottish Water on lifecycle asset management and the development of their business and investment plans. This covers a whole range of water management and treatment-related activities, including 'source to tap' and 'sink to sea'. Our civil, mechanical, electrical and telemetry services will be deployed to design improvements to treatment works and sewerage systems, again as part of lifecycle management. This kind of activity helps improve the quality of water and reduces sewer flooding. Another area where Grontmij professionals work with clients is the management of complex projects and processes. Our people are seconded to the client and tasked with delivering projects on quality specification, on time and on budget. In Energy, the prestigious COBRA cable contract shows one aspect of what we do. This high voltage direct current (HVDC) interconnector will link the energy markets of the Netherlands and Denmark. It is a sub-sea cable that must also pass through German waters. Our team has been assigned to procuring the necessary permissions thus contributing to guaranteed delivery of sustainable energy, including wind power, into the future. We also innovate continually. In 2010, we launched a solution to phosphate shortages in farmland. We patented a process whereby phosphate is extracted from wastewater and recycled back into the land. This is a clean, sustainable technology that solves a pressing problem.

Where we work

Both Water and Energy are strongly regional market segments with business locally based, but the expertise applied in many of the best-practice processes can certainly be 'exported'. In addition to regions throughout Europe where we have a strong local presence, we also carry out major projects around the world.

Our markets

The United Kingdom is a major market for Grontmij's water services. In 2010, it showed signs of recovery and, moving forward, we have achieved some growth in the order book. In Sweden, the market is also recovering, picking up significantly in the second half of 2010. But both Denmark and the Netherlands are still suffering from the post-crisis malaise. Many budgets have been cut or shelved in spite of pledges on energy consumption that will require significant investment. The 20% reduction in primary energy consumption by 2020 will require much work. In Belgium, the market is generating a sound flow of projects that we have been able to translate into a forward order book. The same applies for Germany, Central Europe and projects around the world.

Around the world

Grontmij's focus is primarily on Europe. It is here we have strong local teams throughout the region and long-standing expertise. However, we frequently export that expertise globally, working cross-border and internationally. One prime example in 2010 is the award to Grontmij of the wind park in Lam Thakong in Thailand. These projects represent a real opportunity to share and transfer knowledge as we adopt new technologies and solutions that local engineers can use into the future.

‘Almost a quarter of a million people have been affected by intermittent flooding’

Water & Energy

Innovating flood protection

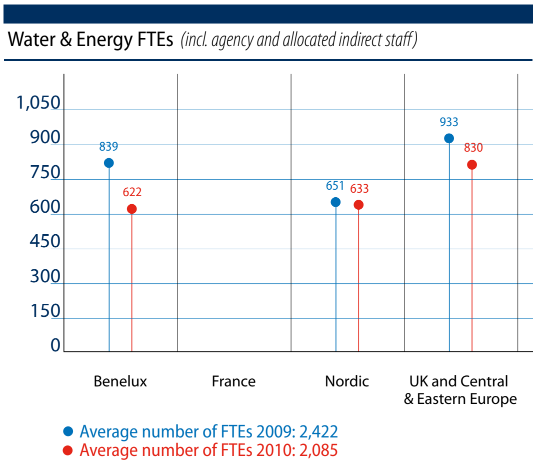
In protecting against flooding, prevention is the key. Grontmij Poland has come up with a powerful tool to analyse potential flood damage. This is both an innovation and a sustainable way to manage the environment. What we did was calculate the potential cost if the Odra, Poland’s second longest river, burst its banks in and around the city of Wroclaw. We were able to show both the material and immaterial effects of flooding, also on the region’s economy; the Odra is a key water transport hub.

By presenting a full cost/benefit analysis, the city of Wroclaw was able to justify a significant spend on flood protection. This is one of Poland’s largest and most historic cities with a population of over 600,000. In recent years, close to a quarter of a million people have been affected by intermittent flooding. New defenses offer greater protection for the whole region. This is lifecycle management at its best and most sustainable.

€ 5.9
million EBITA

Our people

Water & Energy employs 2,085 of the Grontmij Group’s total workforce. A key component in this segment is sustainable innovation, especially in light of environmental requirements imposed as a result of climate change. Grontmij teams carry out regular projects such as renewing or building wind parks or re-thinking the renovation of a 50-year old hydropower dam in Sweden, also as part of lifecycle management. But we also conceive and develop clean and sustainable solutions to water and energy problems. Much of the Netherlands lies below sea level. Climate change can pose a threat to low countries. Grontmij and the University of Wageningen have come up with a revolutionary innovative concept known as the ‘climate dike’. The dike is hundreds of metres wide, creating not only a more effective buffer against rising waters, but also allowing the space to be used for housing. Grontmij regularly wins innovation awards. In 2010, our Industry team, part of Water & Energy, received the Be Inspired Award in the category Innovation in Process Manufacturing for a client in Belgium. Grontmij Industry is focused on helping corporates develop and implement sustainable processes within their operations. We took the Innovation Award from a field of 325 projects in 45 countries.



Financial performance

Total revenue decreased by 4.3%, net revenue by 2.1% and EBITA by over 50% to 2.8% of total revenue. The main decreases were in the Nordic region and in the United Kingdom. In the Nordic region, the particularly slow start to the year impacted activities significantly, and in the United Kingdom the slow pick up of AMP5 had a severe impact. In the Benelux region, Germany and Poland activity was relatively flat.

Financial performance Water & Energy

€ million	2010	2009	Variance
Total revenue	210.1	219.6	-4.3%
Net revenue	180.2	184.0	-2.1%
EBITA	5.9	12.7	-53.5%
as % of total revenue	**2.8%**	**5.8%**	
as % of net revenue	**3.3%**	**6.9%**	

Major projects won in 2010 - Water & Energy

Significant framework contracts from water authorities throughout the United Kingdom awarded to Grontmij. Teams from the Netherlands and Denmark won the prestigious sub-sea high voltage direct current interconnector between the two countries. In France, design and construction of a new canal in Lille involves geological survey, hydrogeology, drainage and environmental protection. We will supervise the upgrade of the south-east Hungarian city of Bekescsaba's wastewater treatment plant and the 250-kilometre extension of the sewage network. Grontmij in Denmark is to prepare a master plan for wastewater management in Dhaka, Bangladesh.

Monitoring & Testing

€ 71.7
million total revenue

The new business line 'Monitoring & Testing' reflects market developments whereby increasingly more emphasis is placed on lifecycle asset management and, for example, maintenance of buildings and infrastructure rather than new builds. Monitoring & Testing of every aspect of construction, from soil to building materials, is a very specific areas of expertise. This is not exactly a new business for Grontmij – we have long offered this service in the Netherlands, under the Geogroep label, in the United Kingdom and in Germany. However, through the acquisition of Ginger, we now have a market leading position in France. Ginger CEBPT will help us stimulate cross-selling and knowledge exchange throughout Grontmij. Ginger CEBPT will continue assessing according to the French and internationally recognised CEBTP benchmark. During the reporting year, this business line generated 8% of total Group revenue. Monitoring & Testing teams make up 10% of our total staff.

What is Monitoring & Testing?

Whether they are historic monuments, hospitals, universities, bridges, rail and road infrastructure or regular edifices, all buildings and constructions are exposed to the elements. Weather and environmental conditions take their toll on a daily basis. The ground on which they are built can shift or subside. Materials used in construction can age – all with potentially dangerous results. This is where Monitoring & Testing comes in. Our specialised colleagues monitor and test every aspect, from the soil to the bricks and mortar, determining essential care

'Digital innovation - less expensive, more accurate, compact and easier to use'

Cracking performance *Monitoring & Testing*

Colleagues at Ginger have come up with a new system for measuring the development of cracks. It is less expensive than standard tools and more accurate than a mechanical sliding ruler gauge for a similar price. A digital screen makes it easier to read off data, and offers resolution to within one hundredth of a millimetre. It can take measurements that previously required more complex equipment. For both indoors and outside, the compact device is easy to carry around and use.

€ 7.6
million EBITA

throughout the lifecycle. Monitoring & Testing covers all scientific and technical knowledge used in construction, including geotechnical studies, structural and material diagnostics and pathologies, product audits and certifications and maintenance and monitoring for complex projects.

What we do

We provide the scientific and technical knowhow needed to maintain buildings and other structures. That can mean we carry out geotechnical studies of the ground and surrounds on which they are built. Teams evaluate the life expectancy of building materials, both those already used in a particular structure and those builders and engineers are considering for use in a new project. Clients are typically construction companies and architects but we also provide services such as audit, diagnostic and advisory recommendations to civil engineers and industry. In France, these are all under CEBTP certification. Materials and equipment manufactured for the construction and civil engineering industries are also tested and certified to ensure that they meet current standards and that they are suitable for the uses for which they were approved. As part of a multi-disciplinary project with Planning & Design colleagues in Amsterdam, we are monitoring the North-South metro line construction. The 3.8-kilometre tunnel runs right under the historic centre of the Dutch capital. Recently designated a world heritage site, it is essential that the countless monuments are preserved. We analyse 2.8 billion data values in 55,000 measurements per hour, every hour of the day. The environmental factor has become increasingly important over time. Failure to take the environment into account can disrupt construction and cause structures to age prematurely. Through our extensive experience in the field and the sustainability by design principle, we can usually give practical advise on solutions.

Where we work

This field of expertise fits perfectly with Grontmij's other disciplines. So we offer these services all over the world. There is a very strong presence in France and its overseas territories as CEBPT is the French benchmark. However, its international reputation is such that Ginger has offices in eighteen other countries throughout Europe, the Far and Middle East, Africa and Central America. We have over 100 geotechnical laboratories (the largest resource of its kind in France) and other research facilities that serve all our customers. We can test just about every component in any kind of building, from acoustics through glass and scaffolding to concrete, metals and synthetics. We also have very strong operations in the Netherlands, Germany and the United Kingdom.

Our markets

In France, a major market for Monitoring & Testing activities, we were able to generate 4.1% growth despite a highly competitive market context. During 2010, we further consolidated our market leading position and gained market share in some of the high added-value segments, such as diagnosis, pathology, inspection and testing.

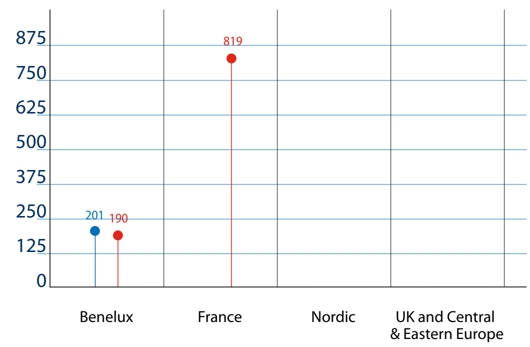
Around the world

In addition to France and the Netherlands we are also offering Monitoring & Testing in Belgium, Denmark, Germany and Sweden and elsewhere in the world. The French overseas territories are sources of projects. However, we are also working in countries such as Romania in Eastern Europe. We are currently engaged in projects in India, Morocco and in Algeria.

Our people

Monitoring & Testing employs 10% of the Grontmij Group's total workforce. With over a thousand engineers, scientists and technicians working in highly specialised fields, we have to ensure our training programmes meet their needs. These include staying on top of developments in their field and broadening professional skills. The Ginger Academy creates training and development programmes for our people. We also regularly organise conferences on technical and business-related topics.

Monitoring & Testing FTEs *(incl. agency and allocated indirect staff)*



● Average number of FTEs in 2009: 201
● Average number of FTEs in 2010: 1,009

Financial performance

Through the acquisition of Ginger, a fourth business line of Monitoring & Testing was introduced, initially with the main operations in France. However, Grontmij already offered similar services in Denmark, Germany, the Netherlands and Sweden. This business line will complement the other three in terms of developing an offering in support of lifecycle costing and maintenance, refurbishment of existing infrastructure assets, and design. This business line EBITA is in excess of 10% of total revenue.

Financial performance Monitoring & Testing

€ million	2010[1]	2009	Variance
Total revenue	71.7	23.3	207.7%
Net revenue	62.2	20.1	209.5%
EBITA	7.6	3.5	117.1%
as % of total revenue	**10.6%**	**15.0%**	
as % of net revenue	**12.2%**	**17.4%**	

1) Including Ginger total revenue of € 50.9 million, net revenue of € 43.8 million and EBITA of € 4.8 million.

Major projects won in 2010 - Monitoring & Testing

Ginger has developed a tool that monitors the state of highways. Based on Geo Information System (GIS) technology, data is used to develop lifecycle asset management plans. A portable system to measure and gauge cracks and other damage has been launched – it is more accurate and cost-effective than existing systems. In Paris, Ginger is professionalising the maintenance of the city's roads by implementing a solution which not only keeps track of the condition of assets, but also professionalises staff and raises their awareness of the issues involved in highway assets management. In Belgium, Grontmij won the framework contract (design and monitoring construction) for East-West Flanders sewerage projects.

'Landmark innovation - modeling to protect urban heritage'

Monitoring & Testing

Having a blast?

Part of a project in Stockholm involved test blasting underneath the urban environment. The project is part of the construction of the Swedish capital's new City Line that runs under the century-old Gustav Vasa church. There was real concern about possible damage to the landmark structure or its foundations. That is why our colleagues in Sweden created a 3D projection model of the entire church and the relevant part of the bedrock so we could simulate various stages in the blasting work. We then compared vibration readings in the projection model with test-blast readings. This meant the blast could be planned with greater precision, ensuring the church and other buildings were protected – a slightly different, but just as important take on lifecycle asset management.

Nobody can do everything, but everyone can do something.

Author: Anonymous

Attitude...

is a little thing that makes a big difference.

Ozone plant, Duisburg, Germany

Making a difference

Jens Lange

Project manager of wastewater treatment & process engineering

Germany

Water & Energy

In the ozone

Next time you pop a pill, give a thought to our German colleagues who are working hard to extract drug residues from wastewater. We got together with universities and research institutes to find the best way to get rid of it. The results show the use of ozonisation, or the injection of ozone into effluent, is one way. Activated carbon absorption is another. We are currently constructing an innovative ozone wastewater treatment plant in the German city of Duisburg. This is one of the first of its kind in Europe. Once complete, it should protect the drinking water resources. But it will also set the design standards for eliminating micropollutants into the future.

Risk management

The global economic crisis continued to affect the Group in 2010 as the Government budget deficits of 2009 led to postponement or cancellation of work in some areas during 2010 as governments began to implement plans to reduce their deficits. Thus the key risk facing the Group remained the same as in 2009 – namely the variability in demand for services in particular from government clients.

The following mitigating actions taken in 2009 continued into 2010, and have and will continue to mitigate this key risk on the medium and long term performance of the Group:

- a reduction of direct and indirect staff resources in the business lines where demand was most adversely affected. Significant steps were already taken in 2009 and there were further significant reductions in indirect resource in 2010;
- improvements in the transparency of internal and external performance reporting; 2010 saw continued improvement in the internal monthly reporting cycle in particular encompassing improved risk identification and mitigation;
- monitoring of Gross Margins and Indirect Overheads enabling correct decisions on resource allocation;
- continued focus on achieving conversion of profit into cash;
- detailed monitoring of short and medium term order book;
- focussing on growth opportunities in the core business lines;
- continual improvement of the corporate support services framework to further enhance in particular internal audit, risk management and assurance, financial control, treasury management and the provision of IT services.

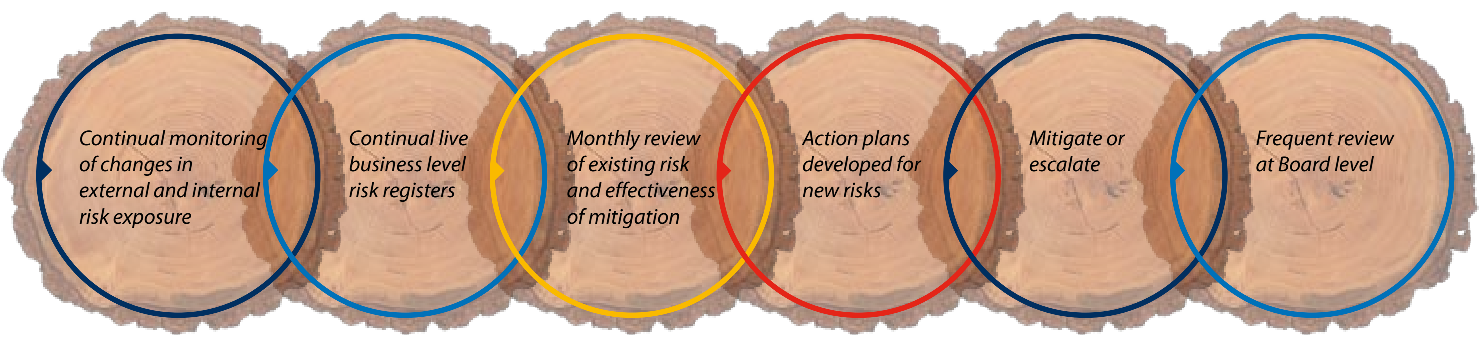
During 2010, we rolled out operational risk management workshops within our business lines and country organisations, continuing to raise awareness at operational level and encourage continual improvement of effective risk management and mitigation.

The Executive Board is committed to ensuring that the risk management processes embedded in the overall Group Assurance framework are as effective as possible in enabling management to effectively mitigate risks that can adversely affect the return to shareholders and to safeguard the interests of customers, employees, suppliers and other stakeholders. Risk management processes involve both the continual identification of current and new risks, and mitigating actions at business operational and financial level and an effective and frequent cascade and review of this information embedded in the Group Assurance framework.

The business and financial risk registers are reviewed and discussed each month, at individual business unit level, country level, business line level, Executive Board and Supervisory Board level. There is an effective cascade mechanism to ensure that where necessary, issues can be escalated immediately.

In 2011, we will further improve our pragmatic approach to risk management and will further incorporate it into our business operations and we plan to roll out strategic risk management workshops. The Grontmij Groupwide internal risk and control function is fully embedded in the business, and directly involved with the strategic risk management workshops, as well as the overall risk management processes described above.

Risk management process



We have identified the following categories of risks and have listed the most relevant risks in those categories:
- strategic and operational risks;
- compliance risks;
- financial risks.

We give the most relevant risks for each category. The overview is not exhaustive. In view of the great diversity of our markets, clients and regions and our broad spectrum of operations, there may be other risks that are not mentioned here but may have an impact on our business.

Strategic and operational risks

Main strategic risks

The most important risks that could pose a threat to a consultancy and engineering firm are:
- a significant change in demand from both our public sector and private sector client base;
- shortage of available professionals with high calibre skills.

The influence of positive and negative cyclical effects is tempered by:
- the continual strengthening and cohesion of the Group's cross-border operations;
- our broad geographical distribution;
- the diversity of our client base and market sectors;
- our strong market position and size;
- our ability to innovate when providing client solutions.

In addition to these mitigating actions, we continued to build on the actions already taken in 2009, as discussed above, to remove surplus indirect and direct resource, and increase the transparency and responsiveness of the business.

Contract risks

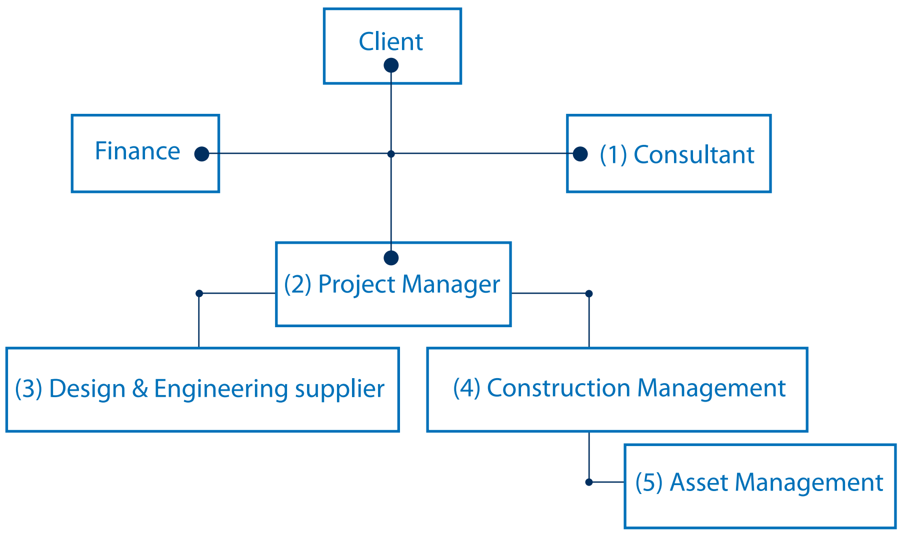
Thanks to our decentralised network of offices, we generate a considerable portion of our revenue from a large number of contracts of a relatively limited size with correspondingly limited risks. The largest project in our portfolio accounts for less than 2% of our revenue. Where risks are suspected, they are covered, where possible, by appropriate insurance (for projects and otherwise). Some contracts are awarded to Grontmij on the basis of long-term agreements stipulating that it is the preferred supplier. The majority of our projects is carried out by Grontmij companies acting as the chief contractor for clients, and usually involve a fixed contract fee.

Project risks

Given the nature and complexity of the engineering consultancy business, Grontmij has developed a robust risk management policy for its business operations: an alternating contract portfolio provides the protection required against contract losses, thorough disciplinary controls have been embedded and funds are actively managed on a daily basis.

Grontmij systematically (ISO-9001 and ISO-14001) adopts a bottom-up approach to its business operations. Risks are identified at project level, which means it is possible to oversee the risk profiles of all projects by business line and/or client categories in each region. This enables us to assess the conditions and risks involved in individual projects and spread the risk adequately.

Grontmij executes its knowledge in projects for clients via several types of contracts. Dependent on size, scope, complexity and risk profile Grontmij delivers services as consultant (1), project manager (2), designer/engineer (3) or in the construction stage as construction manager (4). During the operation and maintenance of a project



Standard project organisation and roles

Grontmij acts as asset manager (5) on long-term framework contracts. Roles can be combined or integrated by Grontmij on its own as full-service provider or delivered via consortia with other consultants, architects, construction companies and real estate developers. The selected contract type for Grontmij can vary from no design and no performance guarantees to design and performance liabilities. In order to mitigate risks Grontmij selects the right organisational and legal structure to carry out a project. Larger more complex projects for example in the Trans-European Network Transport are executed by Grontmij via joint ventures and associates with other consulting engineers (role 3) or with construction companies (role 4 and 5). In these joint ventures and associates Grontmij usually holds a minority interest and is delivering services on fixed fee basis via the joint venture company to the client.

Grontmij will continue to secure its position in larger complex projects and mitigate risks through the use of joint ventures and associates (EAIs.)
Projects are evaluated against their financial projections at least once per month based on the PCM-method so that necessary amendments can be made promptly if and when necessary.

Risks related to systems

IT systems are a core enabler of business operations at Grontmij. Therefore, it is crucial to have appropriate information security in place. During 2009, a formal corporate information security policy in line with the ISO-27001 Code of Practice was developed and approved by the Executive Board. This policy is underpinned by a risk-analysis framework that stress tests the availability, integrity and confidentiality of information and other operating assets against specific threats to Grontmij's business processes and supporting information systems and IT infrastructure. No key issues have taken place during the past year.

Labour market risks

Our ability to grow our revenue base is driven to a large extent by the number of qualified staff we are able to recruit and retain. Our position in the labour market is vitally important for our business operations. Grontmij strives to have a balanced workforce. In general our objective is that 85% of our people is employed under an employment contract for indefinite term and the remaining 15% is hired for a particular project or on a flexible basis. Sharing manpower between the various business units can produce a higher utilisation rate.
In addition to labour market risks, we continuously monitor variable remuneration risk which is low.

Compliance risks

Insurance and legal risks

Grontmij is insured against a number of risks, such as professional and general liability and project risk. These risks are insured at Group and local (national) level. Appropriate cover is arranged at local level for those aspects of normal ongoing business. At Group level, Grontmij has a directors' and officers' liability insurance in place. From time to time, Grontmij N.V. and its subsidiaries are involved in legal disputes. Based on legal advice, the Executive Board is of the opinion that the outcome of current disputes will have no significant effect on the Group's financial position. Appropriate provision has been made in so far as there are grounds for doing so. Should the final outcome differ, it will be accounted for in the income statement.

Tax risks

As Grontmij has operating companies in a number of countries, its results depend on the taxes levied in the various jurisdictions. It is our policy to comply with tax laws in each jurisdiction while striving to mitigate tax costs. Changes in tax law in these jurisdictions, however, may lead to higher tax costs.

Financial risks

Balance sheet and access to capital

Grontmij pursues an active policy to optimise its balance sheet ratios to limit its financial risks and ensure that it is financially solvent in the long term. Public listing makes a particularly valuable contribution in the achievement of Grontmij's objectives (financial and otherwise). It enables the Group to access a variety of funding sources so that when considering an acquisition, for example, we can opt for the best possible available funding mix.
Off-balance sheet constructions are avoided. Purchased or internally developed software is not capitalised in the balance sheet, with the exception of substantial external expenditure on programmes for administrative and technical use. The costs involved in research are debited directly to the results. Part of this expenditure is expressed as project related cost of sales. Grontmij has valued the carrying amount of its assets within the framework of its normal balance sheet assessment.

Interest rates

Grontmij seeks to safeguard its results and cash flow against interest-rate fluctuations by securing fixed interest loans or variable interest loans in combination with derivative financial instruments (interest rate swaps).

Currency translation

Although Grontmij limits its sensitivity to foreign-exchange rate variations, it is not insensitive to such variations. Grontmij has activities in countries outside the euro-zone. When converted into euros, the income may be influenced by fluctuations in exchange rates against the euro. Local currency income is largely used to fund local payments; consequently, foreign exchange rate variations play a limited role at local level. Foreign exchange rate variations can also affect the balance sheet and the income statement partly because of the interval between the submission of a tender, the award of a project contract and the time of payment. Forward contracts are concluded where advisable and possible.

Pensions

Grontmij has established pension plans for its people in accordance with the relevant regulations and practice in each of its home markets. In the Netherlands, the company has a separate pension fund. Despite the downturn of the financial markets, Stichting Pensioenfonds Grontmij complies with the guidelines of the Dutch Central Bank) in terms of its cover ratio (113% preliminary figure) as per the end of 2010 (2009: 115%). On 1 January 2006, Grontmij introduced a so-called hybrid plan in the Netherlands, which entails a final-pay scheme up to a gross salary of € 65,448, combined with a defined contribution scheme for the salary above that amount. As a result of the final-pay scheme, Grontmij is still sensitive to the fund's performance. The Group can mitigate this risk by adjusting the contributions payable by its employees. The company runs no risk in relation to the defined contribution scheme. Changes are expected to the pension plan in 2011.

A combination of a final-pay and a defined-contribution plan applies in Germany. Belgium, Denmark and the United Kingdom have defined-contribution schemes (the United Kingdom also has 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.

Financial reporting risks

Timely, accurate, transparent and quality financial reporting is a top priority for the Group. At an operational level it enables management to take the correct decisions quickly and at a strategic level it facilitates a true and fair view of the Group's financial performance so that strategy can be developed and shareholders and other stakeholders can be assured of continuity.
To guarantee the quality of our financial reporting, we use the following risk management and internal control systems:

- a high quality monthly reporting framework incorporating key financial, demand, productivity and resource indicators;
- a standard annual planning and reporting cycle, comprising an annual operational plan at operating company level;
- annual phased budgeting and monthly forecasting;
- periodic/regular business assessments, at which the management teams of the various operating companies discuss with the Executive Board progress made on their operational plans and any measures designed to limit their business risks;
- standard procedures and guidelines, including regulations governing insider trading, an integrity code, an accounting manual and a whistle-blower's procedure;
- policy for the recruitment and retention of high-calibre financial professionals in all business units.

Based on the results achieved to date through our existing risk management and internal control systems, and following consultation with the Supervisory Board and its Audit Committee, Grontmij's Executive Board is of the opinion that to the best of its knowledge the risk management and control systems provide a reasonable degree of certainty that its financial report for the year 2010 does not contain any errors of material significance and that the risk management and control systems worked properly in 2010.

The Group is constantly improving its risk management and internal control systems. In the years ahead we will continue to give top priority to improving the design and effectiveness of these systems and their further integration into our day-to-day business operations.

'Damp expertise keeps it dry'

Dry solution

Planning & Design

Damp is a common problem in both old and new builds. Getting rid of damp can be costly and inconvenient. Not any more. Grontmij in Sweden has developed a programme to anticipate and prevent these problems. In new builds, the Damp Expertise service selects the right materials and ventilation systems to prevent future damp problems. In existing buildings we can predict where damp could occur and take measures to keep it all dry.

Human resources

Grontmij aims to be a preferred employer, sensitive to local conditions and with an international focus. The quality of our people is a key selling point. This means that sound policies to ensure internal career development are vitally important if we are to retain good people and skills, and utilise them fully for both Grontmij and our clients' benefit.

We reach almost 11,000 headcount

Our policy is aimed at developing people who are flexible and capable of going on to hold managerial positions, become technical specialists or project managers. Business and managerial skills are becoming increasingly important; Grontmij supports the development of talented staff and managers. The Group's international departments also have a global pool of experienced freelance professionals who are regularly retained to serve on a project basis.

Grontmij has defined the following principles for the Group's human resources policy:

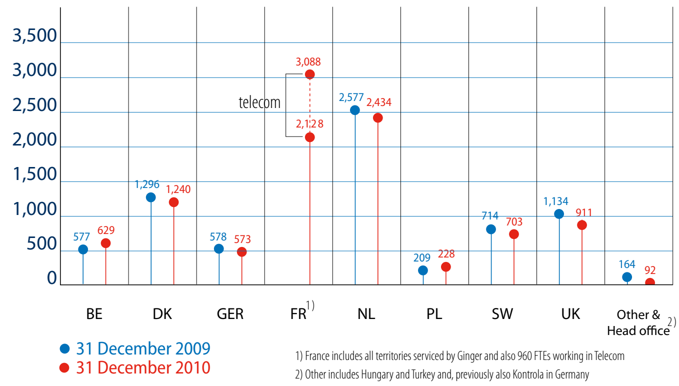
- stimulating entrepreneurship and an entrepreneurial culture;
- paying attention to the environment, safety and social development;
- training and educating employees and management;
- creating challenging career perspectives;
- offering employment conditions and a remuneration structure in line with the market;
- providing a healthy and safe work environment.

People in numbers

In the current market conditions, managing our human recourses is a major challenge. Throughout the Group, shifts in demand for personnel due to slower conditions in some business line activities has meant the loss of some jobs. This is specifically the case in the Netherlands and in the United Kingdom. Other personnel have been redeployed to pick up growth in, for example, transportation and on cross-border projects. Professionals from Grontmij in Germany and the Netherlands are now supporting colleagues on a project in Poland. Professionals from the United Kingdom are assisting in Germany. However, there are already signs of improving order backlogs in some business lines. Human resources management has to be able to support the balance between retention and cost control. At the same time, the addition of Ginger has led to a major increase in total employees during 2010. The FTE workforce has grown 37% compared to year-average 2009.

The calculation of staff is based on the number of permanent and temporary contracts, as well as external agency staff. Total FTEs are 9,898, but counting all persons affiliated with Grontmij, we reach almost 11,000 headcount. For more details refer to the tables on the next page.

Average FTEs by country



1) France includes all territories serviced by Ginger and also 960 FTEs working in Telecom
2) Other includes Hungary and Turkey and, previously also Kontrola in Germany

Strategic development

Within our business there is significant potential to gain greater synergies from the skills and expertise in Grontmij's international organisation. Human resources can make a considerable contribution here by creating conditions that support the acquisition of new international business and projects and stimulates knowledge exchange. Due to the knowledge-intensive nature of our business, we need to ensure that knowledge and information are widely accessible. With the support of sophisticated tools, the knowledge available within our organisation is used effectively, efficiently and with growing frequency, also across borders, providing the right information in the right place at the right time. This is one of the most important pillars underpinning the Group's future development. Professional networks active in various fields of expertise throughout the organisation are stimulated and encouraged. We regularly organise meetings and seminars at Group, national and regional level. Our matrix structure offers the significant advantage that our people are

2010 Average FTEs

	BE	DK	GE	FR	NL	PL	SE	UK	Other and Head office	**Total**
Permanently employed	564	1,138	513	2,933	2,080	201	684	862	77	9,052
Temporarily employed	6	-	60	155	172	27	19	-	6	445
Total employed by Grontmij	**570**	**1,138**	**573**	**3,088**	**2,252**	**228**	**703**	**862**	**83**	**9,497**
Agency staff	59	102	-	-	182	-	-	49	9	401
Total	**629**	**1,240**	**573**	**3,088**	**2,434**	**228**	**703**	**911**	**92**	**9,898**
31 December 2010										
Women (% Grontmij payroll)	32%	30%	44%	24%	21%	50%	30%	23%	30%	27%
Fulltime (% Grontmij payroll)	79%	93%	83%	88%	70%	98%	81%	92%	47%	83%
Bachelor degree or higher %	84%	68%	95%	-	65%	94%	65%	81%	65%	73%
Average age	38	45	44	-	42	36	42	39	44	42

2009 Average FTEs

	BE	DK	GE	FR	NL	PL	SE	UK	Other and Head office	**Total**
Permanently employed	516	1,216	483	-	2,141	182	699	1,056	152	6,445
Temporarily employed	7	80	95	-	210	27	15	-	3	437
Total employed by Grontmij	**523**	**1,296**	**578**	**-**	**2,351**	**209**	**714**	**1,056**	**155**	**6,882**
Agency staff	54			-	226	-	-	78	9	367
Total	**577**	**1,296**	**578**	**-**	**2,577**	**209**	**714**	**1,134**	**164**	**7,249**
31 December 2009										
Women (% Grontmij payroll)	29%	28%	39%	-	22%	48%	31%	20%	37%	32%
Fulltime (% Grontmij payroll)	78%	88%	84%	-	69%	99%	82%	95%	67%	83%

73%
bachelor degree or higher

connected through networks that enable us to share knowledge rapidly. Based on a strong IT platform, we can improve the development and quality of our services and use our resources more efficiently. Senior management supervises the development of networks. Targets are set for these professional networks in annual programmes, and measured by the management teams of relevant operational units and the Executive Board. During 2010, all business lines have worked consistently on putting in place strong foundations for knowledge exchange through the networks.

Training and development

Grontmij spends an average 2% to 2.5% of total salary costs on training. Employees at management level receive an average 20 hours of training per year. At 40 hours or a full week per year, on average technical/engineering professionals receive double that number of hours. Support personnel receive 20 hours.

Educational partnerships

Grontmij participates in structural programmes to train and otherwise assist students by offering them the opportunity to acquire practical experience through work placements and research assignments. A number of our employees act as guest lecturers or student advisers at technical universities and other higher-education institutions in many of the countries in which we operate. Examples include Warsaw Polytechnic and the Academy of Economics in Poznań (Poland), the technical universities of Delft, Eindhoven, Enschede and Wageningen (the Netherlands), the technical university in Denmark, Wiesbaden (Germany), Edinburgh and Glasgow (Scotland) and Wuhan (China), Chalmers University of Technology (Sweden) and, through Ginger, with the Geology department at the University of Nancy. Grontmij also sponsors scientific projects focusing on sustainability and an international group of young scientists (SYISS) in Sweden.

Diversity
27%
women

Environmental care and safety

Safety and the quality of employment conditions have a high priority. The objective of Grontmij's policy is that employees can undertake their work under safe and healthy conditions, whilst simultaneously overseeing and paying attention to the protection of third parties and the environment. The objective of the health and safety policy implemented in the various group companies are based on the OHS-18001 standard and are primarily, a line management responsibility. The level of absenteeism is, in general, relatively low. The results of the execution of the health and safety policy are maintained by each group company separately and discussed with the Executive Board. All employees are represented in consultative bodies on health and safety.

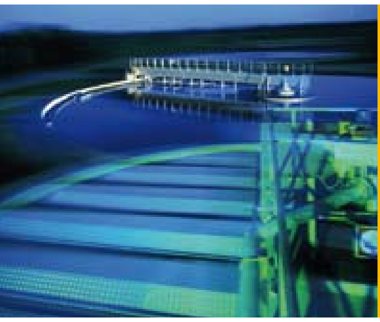
Pensions

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. Despite the downturn of the financial markets, Stichting Pensioenfonds Grontmij complies with the guidelines of the Dutch Central Bank in terms of its cover ratio (113% preliminary figure) as per the end of 2010 (2009: 115%).
On 1 January 2006, Grontmij introduced a so-called hybrid plan in the Netherlands, which entails a final-pay scheme up to a gross salary of € 65,448, combined with a defined contribution scheme for the salary above that amount. As a result of the final-pay scheme, Grontmij is still sensitive to the fund's performance. The Group can mitigate this risk by adjusting the contributions payable by its employees. The company runs no risk in relation to the defined contribution scheme. Changes are expected to the pension plan in 2011.

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 has also 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 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 two times in 2010. In addition to explaining Grontmij's current business, operations and results, topics discussed included IT policy at Group level, the acquisition of Ginger, economic developments, the renewed strategy and potential consequences into the future.



'Water treatment - eliminating residues using new technologies'

We make a living by what we get, but we make a life by what we give.

Author: Winston Churchill

Corporate social responsibility

What Grontmij does every day in many countries around the world can have a fundamental effect on the environment. We advise our clients how to shape the places where we live, work, use to generate power, travel through and build on have to have a deeper understanding of how these actions affect our surroundings. And, at Grontmij, we believe that we have that understanding and with it comes an even greater responsibility in protecting the environment. We call that 'sustainability by design'. It forms the basis of our Corporate Social Responsibility (CSR).

Goal 2013

to become a carbon neutral company

What is sustainability by design?

We have a clear CSR strategy. The long-term goal is the achievement of our stated ambition to: play an active part in the sustainable development of the societies where we operate by acting responsibly with respect to:

- the environment at large, including mitigating and adapting the effects of climate change;
- our workplace and the employment of people;
- the market, our customers and our delivery of services;
- our business partners and suppliers of goods and services.

Although an organisation of 11,000 people, Grontmij has a relatively limited impact on the environment. Potentially, however, the work we do can and often does have major effects. This is why our sustainability by design concept is, we believe, so important. We want to lead the industry by playing a major part in addressing environmental concerns, developing sustainable and workable solutions to a wide variety of challenges and working effectively on climate change. So we are in the process of embedding sustainability thinking into the whole of our project lifecycles from bid through concept design and project planning and delivery.

What are we doing

We are defining what is meant by sustainability for each sector of our business and what that means for how we work and for our clients. Grontmij in Denmark, France, Germany, the Netherlands and in the United Kingdom already have standards and guiding principles. This gives us a starting point. By sharing best practice, we can more easily establish Group-wide definitions and processes.

On delivery, a network of sustainability champions has been put in place throughout the organisation. This is a bottom-up approach that allows Grontmij people working directly with the client to determine what is expected and needed from us. Requirements are then incorporated into the development of concepts for clients by our design engineers and consultants. For example, we have worked with Anglian Water in the United Kingdom on the design and implementation of a strategic sustainability programme for their water infrastructure management process. This has involved both top-down and bottom-up stakeholder involvement to produce a comprehensive management manual. This manual covers the entire project management lifecycle for fixed asset design and construction. Embedded in the programme are tools for sustainable design along side processes for communications, knowledge management and training and raising awareness.

Sustainability at work

We are also innovating so that we can offer customers real solution to, often, pressing problems. In Sweden, we developed a business concept for the production of biogas. Locally produced waste products will be turned into vehicle fuel so that consumption of fossil fuels is reduced. But this solution has another very positive spin-off. The main by-product can be used as a biofertiliser. For this customer, there are further cost-efficiencies as the gas is produced at an existing CHP plant. In Belgium, we have created a biomass energy plant that will also be used to show visitors what can be achieved. The solution we came up with to replace a natural gas plance was to use a shredded wood grate boiler. For the client, this will represent major savings and reduce the company's CO_2 emissions by around 12,500 tonnes per year. This project was a cross-border effort by our Belgian and Swedish teams.

Reporting against 10 indicators in 2009. In 2010 30 indicators

Measuring progress

Progress on embedding sustainability by design is being measured and audited. Grontmij has earned both ISO-9001 and 14001 (the environmental equivalent of the ISO quality certification on how a product is produced). Both are audited regularly for ongoing certification. We are in the process of adjusting our ISO reporting criteria on each of our operating areas to reflect sustainability by design. This has already been achieved in Denmark, the Netherlands and the United Kingdom. The goals set for 2011 are to ensure the embedding of these criteria throughout the Group and to strengthen information exchange networks. We are already working closely with Ginger that was acquired in 2010 to share sustainability strategies.

What is our own footprint?

The majority of Grontmij's own work is done in offices or on site. We travel a lot. But because much of our business is local, the number of kilometres flown and driven is comparatively small for an organisation of our size and worldwide geographic spread. As we aim to 'lead the industry', it is appropriate that our own CSR footprint performance is leading and therefore challenging.

We have defined targets for:

- energy use, both direct (e.g. natural gas) and indirect (i.e. electricity);
- take-up of renewable energy;
- transportation (i.e. CO_2 emissions from transport);
- CO_2 emissions (including carbon neutrality); and
- waste to landfill.

How we measure our footprint

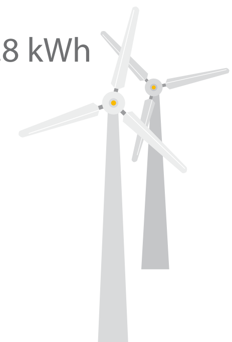
From 2008, Grontmij has measured and published its environmental impact and footprint according to the Global Reporting Initiative (GRI, see www.globalreporting.org). GRI has created and continually improves this voluntary reporting framework. It has various levels and indicators. In 2008, we reported against ten indicators. Now, we report on 30 key indicators of environmental performance. It was decided to report this year's CSR performance as a self-certified B+ standard within the GRI framework. The table shows our key environmental indicators for 2010. The full GRI report showing all of the GRI indicators we have selected can be found on our website www.grontmij.com. In 2010, we extended our environmental reporting by becoming signatories to the carbon disclosure project, the international benchmark for reporting greenhouse gas emission inventories (www.cdproject.net). An independent review of our reporting showed that we achieved a score of 76% against a basket of indicators compared with our sector average of 48%.

GRI Standard Disclosures – key environmental performance indicators 2010

1.6 kWh

Average direct energy consumption per head

2.8 kWh

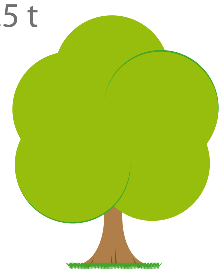


Average indirect energy consumption per head

4 m^3

Average water use per head

3.5 t



Average CO_2 emissions per head

9,000 km

Average distance travelled by car per head

EN3 Direct energy consumption

This indicator presents our direct use of energy sources such as natural gas as a source of office heating. The data reported are the average amounts of direct energy used per head in KWh in 2010 for our fulltime equivalent staff.

EN4 Indirect energy Consumption

This indicator presents our indirect use of energy sources such as the use of electricity or district heating. The data reported are the average amounts of indirect energy used per head in kWh in 2010 for our fulltime equivalent staff.

EN8 Water use

This indicator shows our use of water both for consumption and sanitation. All sources are from public supplies. The data reported are the average amounts of water used per head in m^3 in 2010 for our fulltime equivalent .

EN16 Total greenhouse emissions

Our reported data are comprised of emissions of CO_2 related to the three scopes of the GHG reporting protocols: direct energy; indirect energy and other sources such as transportation. The data reported are the average emissions of CO_2 in tonnes per head in 2010 for our fulltime equivalent staff.

EN29 Environmental impacts of transportation

The environmental impact of transportation in Grontmij relates primarily to the use of vehicles for moving people and some equipment between our offices and other operational sites. For our 2010 report we have reported the average kilometres driven per head for our fulltime equivalent staff.

Please go to www.grontmij.com/CSR for a full analysis of our CSR indicators plus comparisons to previous years.

Average CO_2 emissions per head:

3.5 t

Our future goals

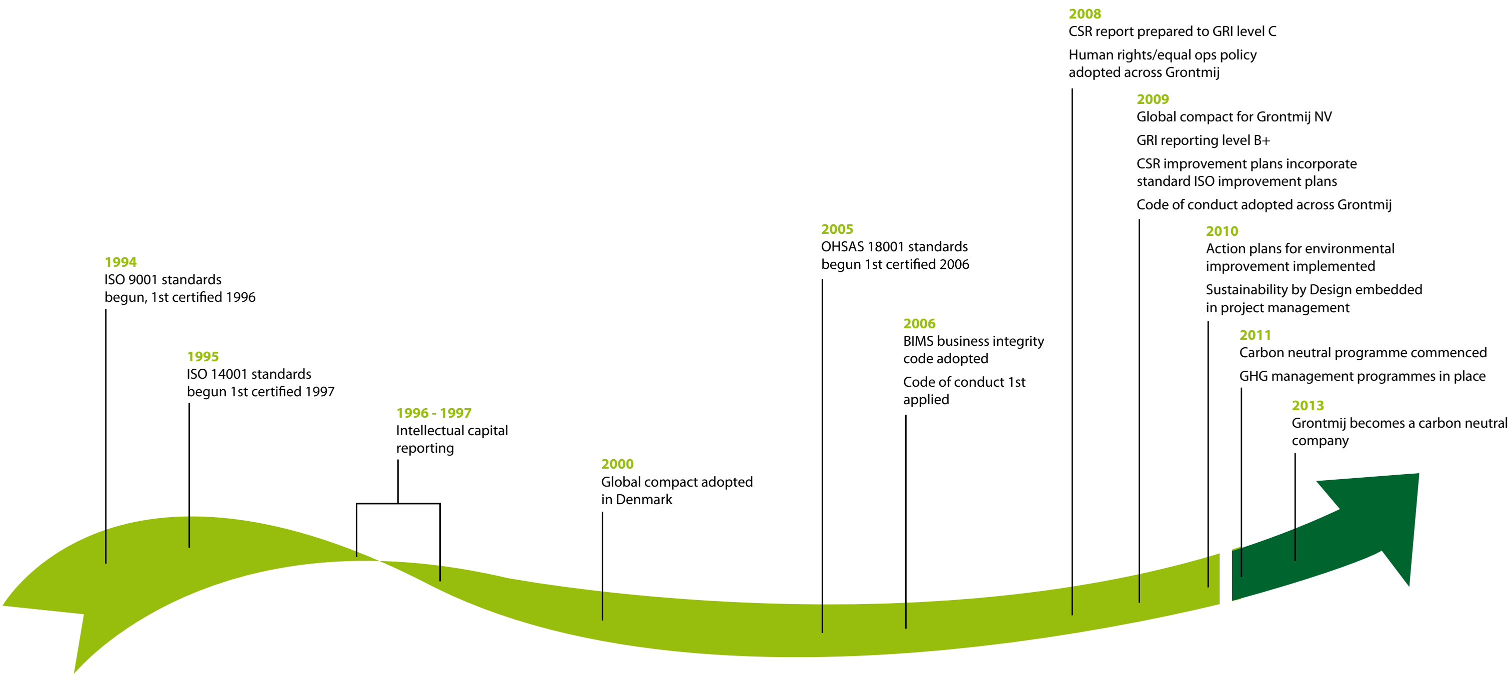
It is our stated ambition to become carbon neutral during 2013. We have developed a strategy to achieve this, involving:

- measuring and recording our carbon footprint (in progress since 2008, 2009 set as base year);
- verifying our emissions reductions through the use of ISO-14064 accreditation;
- 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).

Pursuing this strategy is both a means to achieve carbon neutrality and a learning curve for Grontmij as an organisation. As we work through these steps, we acquire knowledge that can be passed on to clients.

Working with customers

We also embed our CSR behaviours in our work with clients. For example, in the Netherlands we received the CO_2-certificate from ProRail, the Dutch rail network infrastructure manager. The attainment of level 4 signals a next step on the CO_2 measurement scale of ProRail. In line with this level we supply detailed information in amongst others CO_2-emissions of our commuter traffic, the progress on the agreed reduction goals, our dialogues with external parties and our own sustainable initiatives. We are also working with many clients on carbon neutrality programmes and in 2009 we brought our knowledge to bear very noticeably in Denmark. Here, Grontmij launched the Climate Management Handbook, one of Denmark's first and most exhaustive publications on the climate change challenges facing both the public and the private sector with contributions from a large number of business leaders, scientists and NGO representatives. In 2010 we published our second book on climate adaptation and mitigation 'Good Climate Management – the Leader's Guide to Managing the Climate Effort'. This work will continue as we promote and extend knowledge about climate management in Denmark.



The wall...

between art and engineering

exists only in our minds.

Assemblée Nationale, Paris, France

Making a difference

Roland Schell
Materials and building's pathology department manager
France

Monitoring & Testing

Prestigious

Originally a royal palace, the Palais Bourbon ultimately became home to the French parliament, the Assemblée Nationale. This is a building steeped in history. No one wants it to be steeped in water. That is where our colleagues in France come in. At the National Assembly, an underground tunnel was letting in water. Our task was to solve the problem. The matter was pressing as there were plans to create a pedestrian walkway in the vicinity. We came up with solutions to keep the pedestrians dry. This is not only a prestigious project. It is also the type of lifecycle project that helps us gain even more knowledge of preserving historic monuments for future generations.

Corporate governance

Grontmij N.V. is committed to sound corporate governance. It adheres with few deviations to the Dutch Corporate Governance Code (the Code). In 2007, the corporate governance structure was adjusted to reflect the increasing internationalisation of the organisation. Grontmij has taken note of the revised Dutch corporate governance code published by the Corporate Governance Code Monitoring Committee in December 2008. These revisions have been noted and, where appropriate, applied by Grontmij.

Governance structure

Grontmij's governance is structured effectively. Supported by our core values and Code of Conduct, this structure facilitates transparent reporting throughout the Group to both the Supervisory Board and the Executive Board. In turn, both Supervisory Board and Executive Board report to the Annual General Meeting of Shareholders (AGM). The AGM, Supervisory Board and 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>investorrelations> corporategovernance.

The role of the Annual General Meeting of Shareholders

An AGM is organised within six months of the end of the financial year. Further shareholders' meetings may be held at the request of the Executive or Supervisory Boards, without prejudice to the provisions of Sections 110–112 of the Dutch Civil Code. Shareholders or holders of depositary receipts who, on their own or together, represent no less than 1% of the Group's issued share capital or whose shares or depositary receipts have a market value of at least € 2 million, are entitled to request the Executive or Supervisory Boards to put items on the agenda.

The AGM appoints, suspends and dismisses 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 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 the 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 thereto.

The AGM 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 procedure 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.

The role of the Supervisory Board

Grontmij's Supervisory Board has the duty to monitor the policy pursued by the Executive Board and the general situation prevailing in the company and its associated companies, to oversee all our activities and provide 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 interest of all stakeholders into account. The Supervisory Board has two permanent committees that report directly to it: the Audit and the Appointment and Remuneration Committees. For a detailed description of the tasks and responsibilities see our website: www.grontmij.com>investorrelations> corporategovernance.

The role of the Executive Board

The Executive Board is responsible for determining and realising the Group's objectives, strategy, financing and policy, and its results. The Executive Board bears collective responsibility for managing the Group. The specific roles and responsibilities of the CEO and CFO are laid down in the Executive Board charter that can be found on our website: www.grontmij.com>investorrelations> corporategovernance.

From 1 January 2010, the Group Executive Committee (GEC), comprising three members in addition to the members of the Executive Board, are responsible for executing strategy and day-to-day operations of each business line and all regions and countries and staff departments. Moreover, strategy and innovation are key tasks for the GEC. The GEC is chaired by the CEO of Grontmij N.V.
During the Annual General Meeting of Shareholders held on 18 May 2010, the Executive Board was designated as the body 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 decide to acquire shares in Grontmij N.V. or depositary receipts for such shares. These decisions were recorded in the minutes of this meeting and have been published on our website: www.grontmij.com>investorrelations> corporategovernance.

The Code

Grontmij applies the principles and best practices guidelines of the revised Code, except for the following principles and best practice guidelines below that are not or not fully applied.

- **II.1.1**: Members of the Executive Board appointed before 1 January 2004 are appointed for an indefinite term. These contracts will be honoured. Members appointed after that date are appointed for a four-year period. Mr D.M. Zuydam, who was appointed in May 2009, is up for re-appointment in 2013.

- **II.2.10 & II.2.11**: The Supervisory Board retains the option of a so-called fairness review that can be applied only to the variable remuneration component of individual targets. For the whole of the variable remuneration there is a claw-back arrangement 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 Dutch labour law and the applicable labour contracts not subject to a fairness review by the Supervisory Board.

- **II.2.13 f, g & h**: Performance criteria are described in general terms but not fully disclosed as they contain competition-sensitive information. For the same reason, individual targets (relating to the discretionary component of variable remuneration) are not fully disclosed but described in general terms. Furthermore, they could contain information of an otherwise confidential nature that Grontmij may not want to disclose.

- **III.3.1**: The Supervisory Board has a profile that includes aspects of diversity. There are no specific diversity objectives. We will await the implementation of proposed legislation and, if considered necessary, present a revised profile at the 2012 AGM.

- **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 is decided that the chairman of the Supervisory Board also chairs 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; no adjustments were deemed necessary in 2010.

Large companies regime

As an internationally active holding company with the majority of its employees working outside the Netherlands, Grontmij N.V. is exempted from the large companies regime (structuurregime). The mitigated large companies regime (verzwakt structuurregime) was introduced at Grontmij Nederland Holding B.V. in 2007 in accordance with sections 153 (3)(b) and 155 of the Dutch Civil Code, Vol.2.

Developments during 2010

As stated in the Supervisory Board's report, the Supervisory Board regularly reviews (elements) of Grontmij's corporate governance structure. Any material changes to the structure will be proposed for approval at the AGM. During the year, no changes were made or proposed to Grontmij's corporate governance structure.

Depositary receipts for shares

The Group does not use depositary receipts for ordinary Grontmij shares as an anti-takeover measure. Depositary receipts may be converted into ordinary Grontmij shares without restrictions. In accordance with the Code, the board of the Stichting Administratiekantoor van aandelen Grontmij N.V. issues proxies, without limitation and in all circumstances, to depositary receipt holders who so request. Depositary receipt holders thus authorised can exercise the voting right at their discretion. Depositary receipt holders may issue binding voting instructions to the Stichting Administratiekantoor van aandelen Grontmij N.V. in respect of the shares it holds in trust on their behalf.

Prevention of insider trading

Grontmij has regulations for the prevention of insider trading. These regulations were revised and approved by the Supervisory Board in December 2010 and were distributed to Supervisory Board, Executive Board, managing directors, managers of the various business units and other staff who have access to confidential information. Our insider trading rules comply with the relevant provisions of the Financial Markets Supervision Act ('FMSA', Wet op het financieel toezicht).

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. These interests can be safeguarded by 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 option agreement entered into by Grontmij and the Foundation pursuant to which Grontmij had a put option to issue preference shares to the Foundation, was cancelled by Grontmij on 6 April 2010.

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 (depositary receipts for) Grontmij ordinary shares by one party or several parties acting in concert, in case of (the threat of) an undesired concentration of (depositary receipts for) 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 twelve months after the first issue of preference shares. The agenda for such meeting will contain a proposal on the cancelation of the preference shares. As at 31 December 2010, no preference shares were issued.

'Cars drive water clean up'

Bumping up clean water *Transportation & Mobility*

Grontmij has come up with dual-purpose speed bump. It not only slows down traffic. The weight of vehicles crossing the bump also pushes down a plunger that draws up water and purifies it through a natural filter. The clean water is then pumped back into the ground. It's a real win-win with one of the biggest polluters, the car, now a tool for improving the environment.

Declarations

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.

To the best of the Executive Board's knowledge, no agreement has been entered into by shareholders for the purposes of restricting the transfer of shares (or depositary receipts) except for the agreement with Mr J.L Schnoebelen and two companies held by Mr Schnoebelen (the 'investors'), who acquired 905,923 (depositary receipts for ordinary) shares in Grontmij. Based on the agreement Mr Schnoebelen and the investors were not allowed to sell any of the 905,923 (depositary receipts for ordinary) shares in Grontmij during a period of 180 days after 18 June 2010. Nor are they permitted to sell more than 50% of these (depository receipts for ordinary) shares in the succeeding period to 18 June 2011.

Apart from the credit-facility agreement entered into with the consortium of banks mentioned in the note to the consolidated financial statements for 2010, 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) as applicable as of book-years starting on or after 1 January 2009 can be found on our website:
www.grontmij.com>investorrelations>
corporategovernance.

Pursuant to article 5:25c of the FMSA and to the best of our knowledge, the annual financial statements of Grontmij N.V. of 2010 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, 9 March 2011

S. Thijsen, CEO
D. M. Zuydam, CFO

'Finding the best and most economically viable solutions'

Planning & Design

Mining Greenland

With minerals at a premium globally, Greenland is re-evaluating its own extensive deposits. Before any mining can take place, a comprehensive infrastructure, ranging from airstrips, roads, processing plants to harbours and housing would all have to be created. This would mean billions in investment. But it could also prove disruptive to Greenland's unspoilt natural environment and small communities. Both are vulnerable. So Grontmij Denmark, which has enormous expertise in arctic environments, has been asked to carry out both social and environmental impact assessments. Our task is to assess and analyse the socio-economic, social and environmental feasibility of opening up a mine. We are expected to come up with creative solutions, e.g. the use of cleaner technology, to ensure any impact is positive on Greenland's unspoilt environment.

Financial statements

planning connecting
respecting
the future

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Consolidated statement of financial position

In thousands of € (before profit appropriation)	note	31 December 2010	31 December 2009
Goodwill	9	185,337	129,097
Intangible assets	10	73,690	70,426
Property, plant and equipment	11	49,542	38,697
Investments in equity accounted investees	12	7,863	14,265
Other financial assets	13	33,147	26,677
Deferred tax assets	14	2,979	7,913
Non-current assets		**352,558**	**287,075**
Receivables	15,16	357,716	242,408
Inventories		18,679	36,343
Income taxes		356	683
Cash and cash equivalents	17	61,933	29,670
Assets classified as held for sale	6	82,857	-
Current assets		**521,541**	**309,104**
Total assets		**874,099**	**596,179**
Share capital		5,206	4,441
Share premium		96,558	61,342
Reserves		39,043	80,652
Profit for the year		16,973	20,261
Total equity attributable to equity holders of Grontmij		**157,780**	**166,696**
Non-controlling interest		21	1,134
Total equity	18	**157,801**	**167,830**
Loans and borrowings	22	214,456	32,738
Employee benefits	20	10,305	13,673
Provisions	23	31,455	25,272
Deferred tax liabilities	14	28,944	33,535
Non-current liabilities		**285,160**	**105,218**
Bank overdrafts	17	21,016	49,299
Loans and borrowings	22	24,756	22,555
Trade and other payables	16, 24	328,038	241,378
Provisions	23	2,034	9,899
Liabilities classified as held for sale	6	55,294	-
Current liabilities		**431,138**	**323,131**
Total equity and liabilities		**874,099**	**596,179**

The notes on pages 66 to 116 are an integral part of these consolidated financial statements.

Consolidated income statement

In thousands of €	note	2010 Continuing operations	2010 Discontinued operations available for sale[1]	2010 Total	2009
Revenue from services		803,224	80,387	883,611	750,291
Revenue from contract work		27,340	-	27,340	28,476
Revenue from sale of goods		10,734	-	10,734	21,033
Total revenue	28	**841,298**	**80,387**	**921,685**	**799,800**
Third-party project expenses		-152,742	-52,723	-205,465	-169,925
Net revenue		**688,556**	**27,664**	**716,220**	**629,875**
Other income	29	1,507	-531	976	3,722
Employee expenses	30	-535,637	-11,338	-546,975	-490,233
Amortisation	10	-7,146	-22	-7,168	-6,990
Depreciation	11	-13,404	-265	-13,669	-11,323
Other operating expenses	31	-106,700	-10,581	-117,281	-99,064
Total operating expenses		**-662,887**	**-22,206**	**-685,093**	**-607,610**
Share of results of investments in equity accounted investees	12,28	1,654	-	1,654	1,975
Reclassification from equity of available-for-sale financial assets	28	-	-	-	5,166
Result on sale of equity accounted investees (net of income tax)	28	-676	-	-676	177
		978	**-**	**978**	**7,318**
Operating result	28	**28,154**	**4,927**	**33,081**	**33,305**
Finance income		6,126	295	6,421	5,353
Finance expenses		-15,187	-387	-15,574	-10,624
Net finance expenses	32	**-9,061**	**-92**	**-9,153**	**-5,271**
Profit before income tax		**19,093**	**4,835**	**23,928**	**28,034**
Income tax expense	33	-5,249	-1,427	-6,676	-7,625
Profit after income tax		**13,844**	**3,408**	**17,252**	**20,409**
Attributable to:					
Equity holders of Grontmij		13,565	3,408	16,973	20,261
Non-controlling interest		279	-	279	148
Profit after income tax		**13,844**	**3,408**	**17,252**	**20,409**
Earnings per share	19				
Basic earnings per share (in €)		0.70	0.17	0.87	1.14
Diluted earnings per share (in €)		0.70	0.17	0.87	1.14
Average number of shares (basic and diluted)		19,427,047	19,427,047	19,427,047	17,764,920

1) Discontinued operations available for sale relate to the Ginger Telecom Business.

The notes on pages 66 to 116 are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

In thousands of €	note	2010 Continuing operations	2010 Discontinued operations available for sale[1]	2010 Total	2009
Profit after income tax		**13,844**	**3,408**	**17,252**	**20,409**
Other comprehensive income					
Foreign currency exchange translation differences for foreign operations		1,821	479	2,300	1,469
Reclassification from translation reserve to income statement	29	-	-	-	-2,419
Reclassification to income statement of available-for-sale financial assets		-	-	-	-5,166
Cost of issuing ordinary shares, net of tax	7	-1,489	-	-1,489	-
Change in fair value of cash flow hedges transferred to income statement		819	-	819	-
Net change in fair value of cash flow hedges		1,197	-	1,197	138
Other		-2	-	-2	-1,114
Other comprehensive income, net of income tax		**2,346**	**479**	**2,825**	**-7,092**
Total comprehensive income		**16,190**	**3,887**	**20,077**	**13,317**
Attributable to:					
Equity holders of Grontmij		15,911	3,887	19,798	13,515
Non-controlling interest		279	-	279	-198
Total comprehensive income		**16,190**	**3,887**	**20,077**	**13,317**

1) Discontinued operations available for sale relate to the Ginger Telecom Business.

The notes on pages 66 to 116 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

In thousands of €	Attributable to Equity holders of Grontmij									
	Total equity	Non-controlling interest	Total	Share capital	Share premium	Translation reserve	Hedging reserve	Fair value reserve	Other reserves	Profit for the year
Balance as at 1 January 2009	**174,943**	**1,332**	**173,611**	**4,441**	**61,342**	**-6,403**	**-832**	**5,166**	**71,577**	**38,320**
Profit for the year 2009	20,409	148	20,261	-	-	-	-	-	-	20,261
Distributions to owners										
Dividends to equity holders of Grontmij	-20,430		-20,430	-	-	-	-	-	-	-20,430
2008 Profit appropriation	-	-	-	-	-	-	-	-	17,890	-17,890
Other comprehensive income										
Foreign currency exchange translation differences for foreign operations	1,469	-	1,469	-	-	1,469	-	-	-	-
Reclassification from translation reserve to income statement	-2,419	-	-2,419	-	-	-2,419	-	-	-	-
Reclassification to income statement of available-for-sale financial assets	-5,166	-	-5,166	-	-	-	-	-5,166	-	-
Net change in fair value of cash flow hedges	138	-	138	-	-	-	138	-	-	-
Other movements	-1,114	-346	-768	-	-	-	-	-	-768	-
Total other comprehensive income	-7,092	-346	-6,746	-	-	-950	138	-5,166	-768	-
Balance as at 31 December 2009	**167,830**	**1,134**	**166,696**	**4,441**	**61,342**	**-7,353**	**-694**	**-**	**88,699**	**20,261**
Profit for the year 2010	17,252	279	16,973	-	-	-	-	-	-	16,973
Contribution by and distributions to owners										
Issue of ordinary shares	38,616	-	38,616	673	37,943	-	-	-	-	-
Dividends to equity holders of Grontmij	-12,340	-	-12,340	92	-92	-	-	-	-12,340	-
2009 Profit appropriation	-	-	-	-	-	-	-	-	20,261	-20,261
Change in ownership interest in subsidiaries										
Acquisition of non-controlling interest with a change in control	6,028	6,028	-	-	-	-	-	-	-	-
Acquisition of non-controlling interest without a change in control	-62,410	-7,420	-54,990	-	-1,146	-	-	-	-53,844	-
Other comprehensive income										
Foreign currency exchange translation differences for foreign operations	2,300	-	2,300	-	-	2,300	-	-	-	-
Cost of issuing ordinary shares, net of tax	-1,489	-	-1,489	-	-1,489	-	-	-	-	-
Change in fair value of cash flow hedges transferred to income statement	819	-	819	-	-	-	819	-	-	-
Net change in fair value of cash flow hedges	1,197	-	1,197	-	-	-	1,197	-	-	-
Other movements	-2	-	-2	-	-	-	-	-	-2	-
Total other comprehensive income	2,825	-	2,825	-	-1,489	2,300	2,016	-	-2	-
Balance as at 31 December 2010	**157,801**	**21**	**157,780**	**5,206**	**96,558**	**-5,053**	**1,322**	**-**	**42,774**	**16,973**

The notes on pages 66 to 116 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

In thousands of €	note	2010	2009
Profit after income tax		**17,252**	**20,409**
Adjustments for:			
Depreciation of property, plant and equipment	11	13,669	11,323
Amortisation of intangible assets	10	7,168	6,990
Reclassification from translation reserve to income statement	29	-	-2,419
Share of results of investments in equity accounted investees	12	-1,654	-1,975
Results on sale of property, plant and equipment	29	-141	-17
Result on sale of equity accounted investees (net of income tax)	28	676	-177
Reclassification to income statement of available-for-sale financial assets	28	-	-5,166
Result on sale of a subsidiary	7	-	-
Net finance expenses	32	9,153	5,271
Income tax expense	33	6,676	7,625
		35,547	**21,455**
Change in amounts due to and due from customers and inventories	16	6,771	13,327
Change in trade and other receivables	15	20,097	4,869
Change in provisions and employee benefits	20,23	-16,175	1,205
Change in trade and other payables	24	-14,123	-523
		32,117	**40,333**
Dividends received from equity accounted investees	34	1,852	2,823
Interest paid		-11,550	-12,313
Interest received		4,585	7,267
Income taxes paid		-6,810	-6,240
		-13,775	**-11,286**
Net cash from operating activities		**37,446**	**52,279**
Proceeds from sale of property, plant and equipment		2,591	938
Proceeds from sale of a subsidiary (net of cash disposed)	7	15,685	-
Acquisition of intangible assets	10	-3,443	-5,213
Acquisition of property, plant and equipment	11	-9,744	-9,325
Acquisition of subsidiaries (net of cash acquired)	7	-64,527	-844
Payment of deferred consideration relating to acquisitions		-	-8,536
Acquisition of investments in equity accounted investees		-	-58
Proceeds from the sale of an available-for-sale financial asset	15	-	6,377
Proceeds from disposal of investments in equity accounted investees	12	141	756
Repayments from and acquisition of other investments, net		782	-1,921
Net cash used in investing activities		**-58,515**	**-17,826**
Dividends paid	18	-12,340	-20,430
Proceeds from the issue of share capital	18	38,616	-
Payment of costs of issuing ordinary shares	7	-1,663	-
Proceeds from the issue of loans and borrowings	22	234,171	692
Payment of transaction costs related to loans and borrowings	22	-4,151	-
Acquisition of non-controlling interest	7	-61,069	-
Payments of transaction costs related to acquisition	7	-1,318	-
Repayments of loans and borrowings	22	-95,954	-27,906
Net cash from / (used in) financing activities		**96,292**	**-47,644**
Movements in net cash position for the year		**75,223**	**-13,191**
Cash and cash equivalents	17	29,670	29,450
Bank overdrafts	17	-49,299	-36,021
Net cash position as at 1 January		**-19,629**	**-6,571**
Effect of exchange rate fluctuations on cash held		1,022	133
Cash and cash equivalents	17	77,727	29,670
Bank overdrafts	17	-21,111	-49,299
Net cash position as at 31 December		**56,616**	**-19,629**

The notes on pages 66 to 116 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

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1. Reporting entity

The reporting entity is Grontmij N.V. ('Grontmij'), a company domiciled in the Netherlands.

The financial statements include the consolidated financial statements and the separate financial statements of Grontmij. The consolidated financial statements comprise Grontmij and its subsidiaries, all entities which Grontmij directly or indirectly controls (together referred to as the 'Group' or the 'Company'), and the Group's interest in associates and jointly controlled entities.

2. Basis of preparation

Statement of compliance

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

The financial statements were authorised for issue by the Executive Board on 9 March 2011.

Basis of measurement

The financial statements have been prepared on the historical cost basis. In case assets or liabilities are measured at fair value, this fact is disclosed in the respective note or in below significant accounting policies.

Functional currency and presentation currency

The functional currency of Grontmij is the euro. All amounts in these financial statements are presented in euro, rounded to the nearest thousand, unless stated otherwise.

Changes in accounting policies

Accounting for business combinations

From 1 January 2010 the Group has applied IFRS 3 (Revised) *Business Combinations* (2008) in accounting for business combinations. The change in accounting policy has been applied prospectively and had a negative impact on earning per share of € 0.03 in the current period.

The revised standard continues to apply the acquisition method to business combinations, with some significant changes. Contingent consideration will be measured at fair value, with subsequent changes therein recognised in profit or loss. Any pre-existing interest in the acquiree will be measured at fair value with the gain or loss recognised in 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 base. 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.

Accounting for acquisitions of non-controlling interests

From 1 January 2010 the Group has applied IAS 27 *Consolidated and Separate Financial Statements* (2008) in accounting for acquisitions of non-controlling interests. The change in accounting policy has been applied prospectively, and had no impact on earnings per share in the current period.

Acquisitions of non-controlling interests 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.

Presentation

In 2010 the Group has restructured the business from six separate geographic regions to four business lines. The four business lines are Planning & Design, Transportation & Mobility, Water & Energy and Monitoring & Testing. Following this change in the composition of the Group's management structure, the Group has revised the disclosure of the segment information (see note 28) including the restatement of the corresponding items of segment information for the comparative period presented.

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 which 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 results may differ from these estimates.

Information regarding the most important estimates in the financial statements is included in the following notes:

note	
7	Acquisition of subsidiaries and non-controlling interests
9	Calculation of the realisable value of cash flow generating units that contain goodwill
10,11	Economic life of intangible assets and property, plant and equipment
14	Utilisation of tax losses
15,16	Revenue recognition and contract work
20	Measurement of defined benefit obligations and other employee benefits
21	Measurement of non-cash share-based payments
23	Aftercare liabilities
25	Measurement of financial instruments

Important estimates and underlying assumptions are periodically reviewed. Revised estimates are recognised in the year during 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 as explained in note 2, which addresses changes in accounting policies.

Consolidation principles

Capital interests

Grontmij directly or indirectly holds interests in other companies: subsidiaries and investments in equity accounted investees (joint ventures and associates).

Subsidiaries

Subsidiaries are entities controlled by the Group. 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 when necessary to align them with the policies adopted by the Group.

Investment in equity accounted investees (joint ventures and associates)

Associates are those entities in which the Group has significant influence, but not 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 of another entity. Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic, financial and operating decisions. Investments in associates and jointly controlled entities are accounted for using the equity method (equity accounted investees) 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 equity movements 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 statement of income as the Group holds the view that such sale of investments by nature is similar to those projects accounted for as revenue from services or contract work.

Method of 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.

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 which 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 having 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 which approximate the exchange rates on transaction dates effectively.

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 that 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 and 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.

• Available-for-sale financial assets

Subsequent to initial recognition they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items are recognised directly in equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss.

• 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 2010 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 necessary, 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; 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 still is 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 case comprise direct labour and indirect costs which are directly allocatable 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, are 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 are dependent on expectations upon first time recognition.

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

In years	
Development costs	3
Software	3 - 10
Trade names	5 - 15
Customer relations	5 - 39
Order backlog	1 - 2
Other	2.5 - 15

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

Goodwill
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 in the income statement directly.
Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs 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.

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 which on or before 1 January 2004 were measured at fair value 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 concerning part 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. In case an item of property, plant and equipment consists 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	3 - 50
Plant and equipment	2 - 15
Other equipment	1 - 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 assets, with the exception of deferred tax assets, assets from employee benefits, financial assets within IAS 39, are reviewed at each reporting date to determine whether there is an indication of impairment. If such an indication exists, the recoverable amount of the asset is estimated.

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 an 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.

Construction projects where the buyers only have limited influence on the main elements in the design of the assets 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 project progress. Valuation then takes place in the same way as for contract work.

Amounts due from and due to customers

Amounts due from and due to customers represents the gross unbilled amount expected to be collected from customers for contract work and 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 includes 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 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 generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group first is 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 concerning 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; these calculations are performed by qualified actuaries in accordance with the 'projected unit credit' method.

For this calculation the amount of future benefits that employees have earned in return for their services in the current and prior periods are estimated. These benefits are discounted to determine their present value, and any unrecognised past service costs and the fair value of the plan assets are deducted.

The discount rate used is the yield on the balance sheet 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 total of any unrecognised actuarial losses and past service costs and 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. 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.

Actuarial gains and losses that arise are recognised in the income statement over the expected average remaining working lives of the employees participating in the plan, to the extent that any cumulative unrecognised actuarial gains or losses exceed 10% of the greater of the present value of the defined benefit obligation and the fair value of plan assets. Otherwise the actuarial gain or loss is not recognised.

Pension expenses are accounted for under employee expenses.

Improvement, reduction or settlement of pension plans

When the pension rights arising from a plan are improved, the portion of the increased pension rights pertaining to the employees' period of service that has expired is recognised linearly as expenditure in the income statement over the average period until such time as the pension rights become vested.

Where the entitlements vest directly, the expenditure is recognised directly in the income statement.

When the pension rights arising from a scheme have been reduced or settled, the profit or loss arising from the curtailment or settlement is recognised in the income statement at the moment the curtailment or settlement occurs. In the case of a partial curtailment, a pro rata portion of the previously unrecorded pension costs for expired periods of service and unrecognised actuarial profits and losses are accounted for in the income statement.

Other long-term employee benefits

Other long-term employee benefits are measured at the actuarial present value of the liability. The discount rate used is the yield on the balance sheet date for high level 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.

Provisions

General

A provision is recognised in the balance sheet 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 liability.

Maintenance liabilities

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

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.

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 on 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.

Revenue from contract work

Revenue from contract work include the initial amount agreed upon plus any variations in contract work, claims and incentive payments to the extent that it is probable they will result in revenue and can be measured reliably. 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.

Revenue from contract work relates to assignments for the construction of assets. Revenue from contract work and the relating expenses are recognised in profit or loss in proportion to the stage of completion of the contract on the reporting date; the stage of completion is determined based on the technical completeness proportionate to the project as a whole. When the outcome of a construction work cannot be estimated reliably, revenue from contract work is only recognised to the extent of contract costs incurred that are likely to be recoverable.

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 construction work cannot be estimated reliably, revenue from contract work is only recognised to the extent of contract costs incurred that are likely to be recoverable.

Revenue from sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable. Revenue is recognised when persuasive evidence exists, in the form of an executed sales agreement or the transfer of an equitable and/or legal title in the goods, that the significant risks and rewards of ownership have been transferred to the buyer, that the recovery of the consideration is probable, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. In case of real estate sales where a transfer of the equitable and/or legal title in the goods occurred, revenue is recognised in profit or loss in proportion to the stage of completion of the contract as outlined above.

Third-party project expenses

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

Other income

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

Lease payments

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 not recognised for the following temporary differences:

- 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.

In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.
Deferred tax is recognised using the balance sheet 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 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 balance sheet 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 other currencies then the euro are translated at the exchange rates, prevailing against at the date of transaction. The Group uses periodically fixed average exchange rates which 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 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 adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2010, and have consequently not been applied in preparing these consolidated financial statements. The introduction of IFRS 9 *Financial Instruments* is the most relevant to the Group and becomes mandatory for the 2013 Group's consolidated financial statements and could change the classification and measurement of financial assets. The Group does not plan to adopt this standard early and the extent of the impact has not been determined.

4. Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value.

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 customers relations 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.

Receivables

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

Derivative financial instruments

The fair value of currency exchange contracts is based on the quoted market price, when available. If this market price is not available, the fair value is estimated by discounting the difference between the contractual and the actual future price for the remaining duration, based on a risk free interest rate (Dutch government bonds).

Brokers' quotes are used in determining the fair value of interest rate swaps. These quotes are tested for reasonableness by use of techniques which are based on discounted cash flows on the basis of the terms and conditions of the contract, using 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 as per 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;
- market risk;
- currency risk;
- interest rate risk;
- operational 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.

Risk management framework

The Executive Board has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policy is aimed at the long-term sustainable management of its business activities and limiting or, where possible, appropriate hedging of the risks.

The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Group's Audit Committee oversees how management monitors compliance with the Group's risk management procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group's Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

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, and arises principally from the Group's 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, has less of an influence on credit risk. The large number of principals 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 impairment that represents its estimate of incurred losses in respect of trade receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures.

Liquidity risk

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

The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

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

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

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 Euro. Further, most of the income of the Group's entities that have a functional currency other than the euro is used to offset expenses denominated in the same currency.

Interest rate risk

The Group uses interest rate swaps to hedge its interest rate risk exposure arising from corporate financing activities, where considered necessary. 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.

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, liquidity, market, currency, interest rate risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management. This responsibility is supported by the development of overall Group standards for the management of operational risk. Compliance with Group standards is supported by a programme of periodic reviews undertaken by Internal Audit. The result of these reviews is discussed with the management of the reportable segment to which they relate, with summaries submitted to the Audit Committee and the Executive Board.

Capital management

The Executive Board's policy 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 Executive Board also monitors the level of dividends to ordinary shareholders.

The Group's policy relating to capital management did not change in the year under review.

6. Discontinued operation

The Telecom division within Ginger S.A. ('Ginger') is presented as held for sale following the commitment of the Executive Board, in December 2010, to a plan to sell the Telecom division. Efforts to sell the division have commenced, and a sale is expected during 2011.

The results of the Telecom division are shown in a separate column on the face of the consolidated income statement. The profit from discontinued operations of € 3.4 million is attributable entirely to the owners of the Company. Of the profit from continuing operations of € 13.8 million (2009: € 20.4 million), an amount of € 13.6 million is attributable to the owners of the Company (2009: € 20.3 million).

Cash flows from (used in) discontinued operation:

In thousands of €	2010	2009
Cash flows from (used in) discontinued operation		
Net cash from operating activities	6,204	-
Net cash used in investing activities	-388	-
Net cash from financing activities	5,810	-
Net cash flows for the year	**11,626**	**-**

At 31 December 2010 the Telecom division, presented as discontinued operation, comprised assets of € 82.9 million and liabilities of € 55.3 million.

In thousands of €	31 December 2010	31 December 2009
Assets classified as held for sale		
Goodwill	6,064	-
Intangible assets	61	-
Deferred tax assets	541	-
Property, plant and equipment	1,603	-
Inventories	5,823	-
Amounts due from customers for rendering services	18,210	-
Trade and other receivables	34,761	-
Cash and cash equivalents	15,794	-
	82,857	**-**
Liabilities classified as held for sale		
Amounts due to customers for rendering services	9,739	-
Trade and other payables	35,997	-
Bank overdrafts	95	-
Loans and borrowings	9,463	-
	55,294	**-**

7. Acquisitions and divestments of subsidiaries and non-controlling interests

Acquisition of Ginger

On 18 June 2010 the Group obtained control of Ginger, a French engineering company, by acquiring 51.8 percent of the shares and voting rights in the company. The Group paid € 62.2 million in cash for the acquisition of the 51.8 percent of shares.

At the end of July the Group launched a public offer for all of the remaining outstanding shares of Ginger. In the course of the public offer, from 23 July up to and including 19 August 2010, the Group increased its shareholding to 98.6 percent. In the first half of October 2010 the Group acquired the remaining shares through a mandatory squeeze out. As a consequence Ginger shares were delisted from the Paris stock exchange. The Group paid € 57.8 million in cash for the acquisition of the remaining 48.2 percent of shares.

The acquisition of Ginger has given the Group a strong position in France, one of the largest engineering markets in Europe, and access to the high quality, international client base of Ginger, including some of the largest construction, energy and transportation companies in Europe, as well as government organizations. It will enable the Group to further leverage the Grontmij and Ginger customer knowledge, references, skills and expertise across borders.

From the date of acquisition until 31 December 2010 Ginger (including discontinued operation related to the Telecom division) contributed total revenue of € 191.8 million and profit of € 6.4 million to the Group's results. If the acquisition had occurred on 1 January 2010, management estimates that consolidated total revenue would have been € 1,058 million, and consolidated profit for the year would have been € 18.0 million. In determining these amounts, the Executive Board has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2010.

Consideration for the acquisition of Ginger

The total purchase price for the acquisition of Ginger and the non-controlling interest in Ginger was € 120 million. The Group secured certainty of funds from its relationship banks: ING, The Royal Bank of Scotland and Nordea, to finance the acquisition consideration of Ginger and the related transaction costs. The acquisition financing comprises a € 120 million term loan facility, as well as bridge financing which has been repaid with the proceeds of a 9.99% equity offering and a 5.0% private placement. The equity offering comprises the offering of new depositary receipts of ordinary shares in the capital of the Group. The Group offered 9.99% of the number of depositary receipts outstanding prior to the acquisition, which is equivalent to 1,785,080 new depository receipts of ordinary shares. The depositary receipts have been placed at a price of € 14.35 per depositary receipt. The private placement comprises the offering of 905,923 new ordinary shares in Grontmij to Ginger's CEO Jean-Luc Schnoebelen based on an issue price of € 14.35.

The following summarises the major classes of the recognised amounts of assets acquired and liabilities assumed at the acquisition date 18 June 2010:

In thousands of €	18 June 2010
Identifiable assets acquired and liabilities assumed	
Property, plant and equipment	15,423
Intangible assets	4,421
Deferred tax assets	2,530
Other financial assets	1,796
Inventories	7,196
Amounts due from customers	40,800
Trade and other receivables	104,506
Loans and borrowings	-29,230
Deferred tax liabilities	-1,254
Employee benefits	-3,187
Finance lease liabilities	-3,439
Amounts due to customers	-14,900
Trade and other payables	-104,569
Provisions	-9,440
Bank overdrafts	-604
Total identifiable net assets	**10,049**

The initial accounting for the acquisition of Ginger is not yet completed as the purchase price allocation is not yet finalised.

The following fair values have been determined on a provisional basis:

- the fair value of intangible assets (Ginger's customer relationships and order backlog) amounting to € 3.2 million has been determined provisionally pending completion of the valuation process.

The trade receivables comprise gross contractual amounts due of € 105.0 million, of which € 11.2 million was expected to be uncollectable at the acquisition date.

Goodwill Ginger

On the acquisition date, 18 June 2010, goodwill was recognised as a result of the acquisition of 51.8 percent of the shares as follows:

In thousands of €	18 June 2010
Goodwill	
Total consideration transferred	62,160
Non-controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	4,844
Fair value of identifiable net assets	-10,049
Goodwill	**56,955**

The non-controlling interest of € 4.8 million is valued based on its proportionate interest (48.2 percent) in the identifiable net assets of Ginger as at the acquisition date.

The goodwill is attributable mainly to the customer knowledge, references, skills and expertise across borders of Ginger's workforce, and the synergies expected to be achieved from integrating the company into the Group's existing engineering consultancy business. None of the goodwill recognised is expected to be deductible for income tax purposes.

Acquisition of non-controlling interest in Ginger

In the course of the period July to October 2010 the Group acquired an additional 48.2 percent interest in Ginger for € 57.8 million in cash, increasing its ownership from 51.8 to 100 percent. The carrying amount of Ginger's net assets in the Group's financial statements on the date of the acquisition was € 10.0 million. The Group recognised a decrease in non-controlling interest of € 5.2 million and a decrease in equity (other reserves) of € 52.6 million.

The following summarises the effect of changes in the non-controlling interest in Ginger:

In thousands of €	2010
Non-controlling interests at the beginning of the year	-
Non-controlling interests at acquisition date	4,844
Share of comprehensive income	352
Effect of increase in Company's ownership interest	-5,196
Non-controlling interests at the end of the year	**-**

Acquisition of Libost

On 1 July 2010 the Group obtained control of engineering agency Libost Groep NV, Hasselt, Belgium (Libost) by acquiring 25 percent of the shares and voting interests in the company. As a result, the Group's equity interest in Libost increased from 55 percent to 80 percent.

Taking control of Libost will enable the Group to further consolidate its position in one of its home markets Belgium. The Group and Libost work together on various projects including public-private cooperation projects in the Transportation & Mobility segment.

In the six months ended 31 December 2010 Libost contributed total revenue of € 7.2 million and profit of € 0.5 million to the Group's results. If the acquisition had occurred on 1 January, management estimates that consolidated total revenue would have been € 928 million, and consolidated profit for the year would have been € 17.8 million. In determining these amounts, the Executive Board has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2010.

In thousands of €	1 July 2010
Identifiable assets acquired and liabilities assumed	
Other intangible assets	2,028
Property, plant and equipment	552
Current assets	13,695
Cash and cash equivalents	1,616
Deferred tax liabilities	-687
Non-current liabilities	-1,344
Current liabilities	-9,941
Total identifiable net assets	**5,919**

The following fair values have been determined on a provisional basis:

- The fair value of intangible assets (Libost's customer relationships, tradename and order backlog) amounting to € 2 million has been determined provisionally pending completion of the valuation process.

The trade receivables comprise gross contractual amounts due of € 3.6 million, of which € 0.1 million was expected to be uncollectible at the acquisition date.

Goodwill Libost

Goodwill was recognised as a result of the acquisition of Libost as follows:

In thousands of €	1 July 2010
Goodwill	
Total consideration transferred	2,629
Fair value of existing interest in the acquiree	5,292
Non-controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	1,184
Fair value of identifiable net assets	-5,919
Goodwill	**3,186**

The remeasurement to fair value of the Group's existing 55 percent interest in the acquiree resulted in a gain of € 0.2 million (€ 5.3 million less € 5.1 million carrying value of equity-accounted investee at acquisition date), which has been recognised in results on sale of equity accounted investees in the income statement.

The goodwill is attributable mainly to the skills and expertise of Libost's workforce, and the synergies expected to be achieved from integrating the company into the Group's existing engineering consultancy business. None of the goodwill recognised is expected to be deductible for income tax purposes. The goodwill attributable to the existing 55 percent interest in the acquiree, of € 2.6 million, was previously recognised as part of the carrying amount of the equity accounted investee.

The non-controlling interest of € 1.2 million is valued based on its proportionate interest (20 percent) in the identifiable net assets of Libost as at the acquisition date.

Acquisition-related costs

The Group incurred acquisition related costs of € 0.6 million related to external legal fees and due diligence costs. The legal fees and due diligence costs have been included in other operating expenses in the Group's consolidated income statement. For the acquisition of the non-controlling interest in Ginger the Group incurred costs of € 1.3 million related to this acquisition. These costs have been recognised directly in equity (share premium reserve), net of tax (€ 0.2 million).

In addition, the Group incurred costs of € 1.7 million related to the issuance of ordinary shares. These costs have been recognised directly in equity (share premium reserve), net of tax (€ 0.2 million).

Acquisition of non-controlling interest in BGS

On 17 March 2010 the Group acquired the remaining 14 percent interest in Grontmij BGS GmbH (BGS) for € 3.0 million in cash, increasing its ownership to 100 percent. The carrying amount of BGS's net assets in the Group's financial statements on the date of the acquisition was € 14.6 million. The Group recognised a decrease in non-controlling interests of € 2.0 million and a decrease in equity (other reserves) of € 1.0 million.

Other acquisitions

During 2010 the Group acquired the following other subsidiaries and non-controlling interests: In January 2010 the Group obtained control of Stokmans NV, Belgium by acquiring 90 percent of the shares and voting interests in the company. As a result, the Group's equity interest in Stokmans increased from 10 percent to 100 percent.
On 1 January 2010 the Group acquired 100 percent of the shares and voting rights in Ingenieurbüro David GmbH, on 17 March 2010 the Group acquired the remaining 49 percent in Grontmij Auweck GmbH, on 4 October 2010 the Group acquired the remaining 25 percent in Grontmij Canor Kft. The consideration paid and the fair value of these acquisitions are individually less than € 1.5 million.

Divestment of Kontrola

On 30 June 2010 the Group sold housing developer Kontrola GmbH and Kontrola GmbH & Co KG in Germany, following the Group's strategic decision to divest its non-core activities. The proceeds from this sale (net of cash disposed of) amounted to € 15.7 million (proceeds from sale € 10.9 million and net debt of € 4.8 million) and the result on this sale is € nil.

8. Subsidiaries

The main (operational) subsidiaries included in the consolidation are:

In alphabetical order	2010	2009
BnS Contracting NV, Zelzate	100	100
Ginger S.A., Paris	100	-
Grontmij AB, Stockholm	100	100
Grontmij Assetmanagement Holding B.V., De Bilt	100	100
Grontmij Beheer Reststoffen Projecten BV, De Bilt	100	100
Grontmij Business Services B.V., De Bilt	100	100
Grontmij | Canor Kft., Budapest	100	75
Grontmij Capital Consultants B.V., Gorinchem	100	100
Grontmij | Carl Bro a/s, Glostrup	100	100
Grontmij | Carl Bro Pavement Consultants AB, Göteborg	100	100
Grontmij | Carl Bro Vietnam Company Ltd., Hanoi	100	100
Grontmij Climate & Energy, De Bilt	100	100
Grontmij Energikonsult AB, Stockholm	100	100
Grontmij GmbH, Bremen	100	100
Grontmij Group Ltd. , Leeds	100	100
Grontmij Industry NV, Zelzate	100	100
Grontmij Ireland Ltd., Dublin	100	100
Grontmij Ltd., Leeds	100	100
Grontmij Maunsell ICS B.V., De Bilt	51	51
Grontmij Nederland B.V., De Bilt	100	100
Grontmij Nederland Holding B.V., De Bilt	100	100
Grontmij Nederland Ontwikkeling B.V., De Bilt	100	100
Grontmij Nederland Projecten B.V., De Bilt	100	100
Grontmij Polska Sp. Z.o.o., Poznan	100	100
Grontmij Stockholm Konsult AB, Stockholm	100	100
Grontmij Vastgoed Holding B.V., De Bilt	100	100
Grontmij Vastgoedmanagement B.V., Gorinchem	100	100
Grontmij Wallonie NV, Ottignies-Louvain-la-Neuve	100	100
Grontmij Water & Reststoffen Contracting B.V., De Bilt	100	100
Ingenieursbureau Het Noorden B.V., Groningen	100	100
Kontrola GmbH & Co KG, Cologne	-	100
Libost Groep NV, Hasselt	80	-
MaasBilt B.V., De Bilt	100	100
Naarderbos Ontwikkeling B.V., Naarden	100	100
Roger Preston Group Ltd., Maidenhead	100	100
Trett Ltd., London	100	100
Whitelaw Turkington Landscape Architects Ltd., London	100	100

A full list of Grontmij´s subsidiaries is available at the Trade Register in Utrecht, The Netherlands.

9. Goodwill

The movements in the carrying amount are as follows:

In thousands of €	
Balance as at 1 January 2009	**130,458**
Movements during 2009	
Acquisition through business combinations	496
Earn-out adjustments on business combinations conducted in previous years	-3,201
Currency differences	1,344
Impairment losses	-
	-1,361
Balance as at 31 December 2009	**129,097**
Movements during 2010	
Acquisition through business combinations	62,125
Earn-out adjustments on business combinations conducted in previous years	-498
Currency differences	677
Assets classified as held for sale	-6,064
Impairment losses	-
	56,240
Balance as at 31 December 2010	**185,337**

On 18 June 2010 the Group acquired 51.8 percent of the shares and voting rights in Ginger, a French engineering company. The Group paid € 62.2 million in cash for the 51.8 percent of shares. The goodwill related to this acquisition amounted to € 57.0 million. The above mentioned goodwill of € 6.1 million is allocated to Ginger's operating division Telecom and is classified as held for sale in accordance with IFRS 5.

On 1 July 2010 the Group obtained control of engineering agency Libost, Hasselt, Belgium by acquiring 25 percent of the shares and voting interests in the company. As a result, the Group's equity interest in Libost increased from 55 percent to 80 percent. The goodwill related to this acquisition amounted to € 3.2 million.

In January 2010 the Group obtained control of Stokmans NV, Belgium by acquiring 90 percent of the shares and voting interests in the company. As a result, the Group's equity interest in Stokmans increased from 10 percent to 100 percent. The goodwill related to this acquisition amounted to € 1.3 million.

On 1 January 2010 the Group acquired 100 percent of the shares and voting rights in Ingenieurbüro David GmbH (Germany). The goodwill related to this acquisition amounted to € 0.6 million.

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 2010	31 December 2009
Grontmij Carl Bro a/s	60,140	60,140
Grontmij Sverige AB	25,120	25,120
Grontmij Group Ltd.	13,894	13,894
Trett Consulting	6,612	6,510
Roger Preston & Partners	5,604	5,329
Grontmij BGS Ingenieurgesellschaft mbH	4,377	4,377
Grontmij Vastgoedmanagement B.V.	3,378	3,378
Whitelaw Turkington	1,933	1,841
Ginger - Expertise Business	34,065	-
Ginger - Engineering Business	16,826	-
Libost Groep NV	3,186	-
Other (individually less than € 1.5 million)	10,202	8,508
	185,337	**129,097**

The Group at least annually carries out impairment tests on capitalised goodwill, based on the estimated cash flows of the relating cash generating unit (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 segments as reported in note 28. Determination of the value in use is performed by using estimated future cash flows, based the following key assumptions:

- cash flows were projected based on actual results from operations and a forecast for five years, including authorised budgets. Cash flows after five years are extrapolated by using a 0-3% (2009: 0-4%) growth rate;
- to calculate the present value of the estimated future cash flows, pre-tax discount rates between 7.9% and 11.3% have been applied (2009: 9.75% and 12.0%). The discount rate reflects the current market measurements of the time value of money and the specific risks of the CGU.

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 data).

The above estimates are particularly sensitive for the following CGUs: Roger Preston & Partners, Whitelaw Turkington and Grontmij Group Ltd. The estimated recoverable amount of these CGUs exceeds its carrying value amount by approximately € 4.0 million. Management has identified two key assumptions, discount rate and budgeted EBITA growth, for which there could be a reasonably possible change that could cause the carrying amount to exceed the recoverable amount.

Adjusting the discount rate by 50 basis points upwards or a decrease of 50 basis points in the budgeted EBITA growth would result in the recoverable amounts of these CGUs to be equal to the carrying amount.

Based on the annual impairment tests in 2010, the recoverable amounts of the cash generating units were estimated to be higher than the carrying amounts, and management therefore did not identify any impairments.

10. Intangible assets

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

In thousands of €	Total	Development Costs	Software	Trade names	Customer relations	Order backlog	Other
Balance as at 1 January 2009							
Cost	102,881	970	17,281	8,803	66,766	8,593	468
Accumulated amortisation and impairment losses	-28,692	-970	-13,945	-1,069	-6,502	-6,075	-131
Accumulated currency differences	-2,576	-	-	-705	-1,500	-316	-55
Carrying amount	**71,613**	**-**	**3,336**	**7,029**	**58,764**	**2,202**	**282**
Movements during 2009							
Reclassification from property, plant and equipment	-670	-	-670	-	-	-	-
Acquisitions	5,213	-	4,993	-	-	7	213
Acquisitions through business combinations	292	-	292	-	-	-	-
Amortisation for the period	-6,990	-	-515	-761	-3,513	-2,030	-171
Currency differences	968	-	6	259	553	127	23
	-1,187	**-**	**4,106**	**-502**	**-2,960**	**-1,896**	**65**
Balance as at 31 December 2009							
Cost	108,359	970	22,539	8,803	66,766	8,600	681
Accumulated amortisation and impairment losses	-36,325	-970	-15,103	-1,830	-10,015	-8,105	-302
Accumulated currency differences	-1,608	-	6	-446	-947	-189	-32
Carrying amount	**70,426**	**-**	**7,442**	**6,527**	**55,804**	**306**	**347**
Movements during 2010							
Acquisitions	3,443	-	3,362	-	-	4	77
Acquisitions through business combinations	6,567	-	1,059	367	3,511	1,397	233
Assets classified as held for sale	-61	-	-61	-	-	-	-
Amortisation for the period	-7,168	-	-2,089	-779	-3,798	-361	-141
Currency differences	483	-	-9	153	327	14	-2
	3,264	**-**	**2,262**	**-259**	**40**	**1,054**	**167**
Balance as at 31 December 2010							
Cost	118,308	970	26,899	9,170	70,277	10,001	991
Accumulated amortisation and impairment losses	-43,493	-970	-17,192	-2,609	-13,813	-8,466	-443
Accumulated currency differences	-1,125	-	-3	-293	-620	-175	-34
Carrying amount	**73,690**	**-**	**9,704**	**6,268**	**55,844**	**1,360**	**514**

The remaining periods of amortisation as at 31 December 2010 are:

In years	
Software	2- 10
Trade names	5 - 11
Customer relations	5 - 35
Order backlog	1
Other	2 - 3

11. Property, plant and equipment

The movements in the carrying amount are as follows:

In thousands of €	Total	Land and Buildings	Plant and equipment	Other equipment	Landfill sites
Balance as at 1 January 2009					
Cost	141,410	38,395	8,409	88,928	5,678
Accumulated depreciation and impairment losses	-99,223	-25,651	-6,041	-63,420	-4,111
Accumulated currency differences	-1,707	-	10	-1,717	-
Carrying amount	**40,480**	**12,744**	**2,378**	**23,791**	**1,567**
Movements during 2009					
Capital expenditure	9,325	603	350	8,372	-
Reclassifications to intangible assets	670	-	-	670	-
Disposals	-911	-646	-45	-220	-
Depreciation	-11,323	-954	-793	-9,327	-249
Currency differences	456	4	-1	453	-
	-1,783	**-993**	**-489**	**-52**	**-249**
Balance as at 31 December 2009					
Cost	149,240	38,624	8,785	96,153	5,678
Accumulated depreciation and impairment losses	-109,108	-26,659	-6,853	-71,236	-4,360
Accumulated currency differences	-1,435	-214	-43	-1,178	-
Carrying amount	**38,697**	**11,751**	**1,889**	**23,739**	**1,318**
Movements during 2010					
Capital expenditure	9,744	490	3,259	5,995	-
Acquisition through business combinations	17,962	844	16,804	314	-
Assets classified as held for sale	-1,603	-	-1,603	-	-
Disposals	-2,450	-634	-992	-824	-
Depreciation	-13,669	-926	-3,563	-8,983	-197
Currency differences	861	269	2	590	-
	10,845	**43**	**13,907**	**-2,908**	**-197**
Balance as at 31 December 2010					
Cost	172,893	39,324	26,253	101,638	5,678
Accumulated depreciation and impairment losses	-122,777	-27,585	-10,416	-80,219	-4,557
Accumulated currency differences	-574	55	-41	-588	-
Carrying amount	**49,542**	**11,794**	**15,796**	**20,831**	**1,121**

As at 31 December 2010, real estate (buildings) to an amount of € 5,397,000 (2009: € 5,454,000) have been pledged as collateral for a secured bank loan.

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 in comparison 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 2010 amounts to € 361,000 (2009: € 573,000).

12. Investments in equity accounted investees

Joint ventures

The share of joint ventures in the total carrying amount of equity accounted investees as at 31 December 2010 amounts to € 4,173,000 (2009: € 11,212,000).

Activities engaged in by the joint ventures include among other things the consultancy, design and management activities relating to the construction of railways, development, management and operation of business parks, development of glasshouse horticultural sites, development and operation of hot and cold storage systems, urban development, waste water solutions in outlying areas and large infrastructural projects.

The Group's main joint ventures are:

Capital interests (%)	2010	2009
Libost Groep NV, Hasselt	-	55
Afvalverwerkingsinrichting Skinkeskans V.o.f., Leeuwarden	50	50
Agriport A7 B.V., Alkmaar	50	50
Grontmij De Weger V.o.f., Rotterdam	50	50
Ontwikkelingscombinatie 'de Hildenberg B.V.', Amsterdam	50	50
Oost-Groninger Afvalrecyclingsinstallatie V.o.f., Oude Pekela	50	50
Grontmij ProArgos Developments SL, Madrid	49	49
Oolder Veste B.V., Heerlen	-	49
Soldata Grontmij V.o.f., De Bilt	40	40
PAR2 CV, Anna Paulowna	50	50
LTPP, Polynesia	47	-
Infraflex B.V., Utrecht	33.3	33.3
Park De Bavelse Berg C.V., The Hague	33.3	33.3

On 1 July 2010 the Group obtained control of engineering agency Libost, Hasselt, Belgium by acquiring 25 percent of the shares and voting interests in the company. As a result, the Group's equity interest in Libost increased from 55 percent to 80 percent. Reference is made to note 7.

On 30 June 2010 the Group sold 49 percent of the shares in joint venture Oolder Veste B.V. to its joint venture partner.

The Group's share of the results of joint ventures in 2010 amounted to € 876,000 (2009: € 1,748,000).
The Group recognises the net investments in and the share in the results of joint ventures in the consolidated balance sheet and consolidated income statement, respectively.

The table below shows the most recent aggregated financial data of the main joint ventures, on a 100% basis. The figures are partly based on preliminary or estimated figures mainly due to not yet finalised annual reports.

In thousands of €	2010	2009
Non-current assets	2,951	7,603
Current assets	38,246	77,613
Non-current liabilities	17,644	30,329
Current liabilities	15,950	31,779
Total revenue	35,119	67,432
Result after income tax	508	3,247

The Group has given guarantees with regards to the joint ventures to an amount of € 17,653,000 (2009: € 17,806,000). The joint ventures themselves have entered into contingent liabilities to an amount of € nil (2009: € nil). The Group's share thereof is € nil (2009: € nil).

Associates

The share of associates in the total carrying amount of equity accounted investees as at 31 December 2010 amounts to € 3,690,000 (2009: € 3,053,000).

The Group's main associates are:

Capital interests (%)	2010	2009
PavEx Consulting s.r.o., Brno	50	50
Odeon a/s, Denmark	22	22
Coldenhove West Beheer B.V., Maasland	25	25
Ruimte voor Ruimte C.V., Den Bosch	24	24

The Group's share of the results of associates in 2010 amounted to € 778,000 (2009: € 227,000).

The table below shows the most recent aggregated financial data of the main associates, on a 100% basis. The figures are partly based on preliminary figures or estimated figures mainly due to not yet finalised annual reports.

In thousands of €	2010	2009
Assets	51,068	48,702
Liabilities	37,823	38,103
Total revenue	5,061	50,166
Result after income tax	2,647	5,022

The Group has not entered into any contingent liabilities relating to its associates. The contingent liabilities of the associates themselves as at 31 December 2010 amount to € nil (2009: € nil), the Group's share was also € nil.

13. Other financial assets

In thousands of €	2010	2009
Loans and receivables	11,757	9,510
Investments held to maturity	6,938	5,064
Interest rate swap used for hedging	1,775	-
Participating interests	203	170
Long-term finance receivable	12,474	11,933
	33,147	**26,677**

Loans and receivables

The loans and receivables carry interest rates between and 0 and 6 percent (2009: 0 and 8 percent) and have a maturity of between one and forty years. The maturity of some loans and receivables is undetermined.

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. No future deposits in respect of this arrangement are foreseen.

Long-term finance receivable

This concerns the net receivable on a financial lease contract relating to a golf course. The maturity of this lease contract ends in 2055.

In thousands of €	2010	2009
Gross receivables	57,129	32,165
Unearned income	-44,655	-20,232
Net finance receivable	**12,474**	**11,933**

The contract is priced at an interest rate that reflects all risks and the nature of the contract. Gross receivables relating to payments after five years amount to € 53.7 million (2009: € 28.4 million). The gross amounts increased as a result of a change in the forecasted cash flows.

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 December 2010	31 December 2009	31 December 2010	31 December 2009	31 December 2010	31 December 2009
Intangible assets, PP&E	742	1	17,305	16,362	-16,563	-16,361
Amounts due from and to customers	-	58	15,039	15,524	-15,039	-15,466
Employee benefits	1,606	1,833	-	-	1,606	1,833
Aftercare liabilities	28	984	-	-	28	984
Untaxed reserves	-	-	970	1,082	-970	-1,082
Other provisions	872	619	107	501	765	118
Tax losses carried forward	4,657	4,092	-	-	4,657	4,092
Other items	-	326	449	66	-449	260
Deferred tax assets and liabilities	**7,905**	**7,913**	**33,870**	**33,535**	**-25,965**	**-25,622**
Set off of tax	-4,926	-	-4,926	-	-	-
Net deferred tax assets and liabilities	**2,979**	**7,913**	**28,944**	**33,535**	**-25,965**	**-25,622**

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

In thousands of €	1 January 2010	Recognised in profit or loss	Acquired in business combinations	Reclassifications and other	31 December 2010
Intangible assets, PP&E	-16,361	1,508	-1,941	231	-16,563
Amounts due from and to customers	-15,466	513	-	-86	-15,039
Employee benefits	1,833	-2,209	2,530	-548	1,606
Aftercare liabilities	984	-878	-	-78	28
Untaxed reserves	-1,082	252	-	-140	-970
Other provisions	118	674	-	-27	765
Other items	260	-77	-	-632	-449
Tax losses carried forward	4,092	-167	-	732	4,657
Net deferred taxes (liability)	**-25,622**	**-384**	**589**	**-548**	**-25,965**

Reclassifications and other include movements that are recognised directly into equity for an amount of € -173,000 (2009: € nil) and in other comprehensive income for an amount of € 557,000 (2009: € 184,000). Reclassifications and other further include a deferred tax asset of € 541,000 related to employee benefits which is reclassified as assets held for sale as at 31 December 2010.

In thousands of €	1 January 2009	Recognised in profit or loss	Acquired in business combinations	Reclassifications and other	31 December 2009
Intangible assets, PP&E	-15,632	-674	-	-55	-16,361
Amounts due from and to customers	-12,946	-2,512	-	-8	-15,466
Employee benefits	3,775	-1,912	-	-30	1,833
Aftercare liabilities	1,010	-26	-	-	984
Untaxed reserves	-1,019	-	-	-63	-1,082
Other provisions	-449	492	-	75	118
Other items	517	-218	-	-39	260
Tax losses carried forward	4,790	-701	-	3	4,092
Net deferred taxes (liability)	**-19,954**	**-5,551**	**-**	**-117**	**-25,622**

Unrecognised tax losses as at 31 December 2010 amount to € 22,905,000 (2009: € 9,394,000), the majority of which 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 profit will be available against which the Group can utilise the benefits therefrom.

15. Receivables

In thousands of €	note	31 December 2010	31 December 2009
Amounts due from customers	16	131,208	79,243
Trade receivables		198,118	138,796
Due from equity accounted investees		1,288	3,647
Prepaid expenses		10,991	10,550
Other tax receivables		3,436	267
Other receivables		12,675	9,905
		357,716	**242,408**

Amounts due from customers relates to unbilled revenue at the reporting date; reference is made to note 16. Trade receivables concerns 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 2010 are due within one year. Credit and currency risks relating to trade and other receivables as well as impairments are disclosed in note 25.

16. Amounts due from and due to customers

In thousands of €	Asset item		Liability item		Total	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009	31 December 2010	31 December 2009
Contract work						
Contract costs	14,013	20,865	68,209	68,765	82,222	89,630
PoC profit	678	1,552	7,577	6,752	8,255	8,304
Provisions	-1,345	-2,317	-921	-3,189	-2,266	-5,506
Progress billings	-11,646	-17,822	-83,544	-78,239	-95,190	-96,061
Advance payments	-	-	-478	-1,194	-478	-1,194
	1,700	**2,278**	**-9,157**	**-7,105**	**-7,457**	**-4,827**
Services						
Contract costs	577,543	570,493	517,585	488,543	1,095,128	1,059,036
PoC profit [1)]	159,224	136,105	176,304	149,879	335,528	285,984
Provisions	-35,099	-30,342	-21,777	-27,610	-56,876	-57,952
Progress billings [1)]	-570,583	-597,902	-755,254	-673,283	-1,325,837	-1,271,185
Advance payments	-1,577	-1,389	-13,807	-14,260	-15,384	-15,649
	129,508	**76,965**	**-96,949**	**-76,731**	**32,559**	**234**
	131,208	**79,243**	**-106,106**	**-83,836**	**25,102**	**-4,593**

1) Total amounts from and amounts due to customers relating to Ginger (France) are included on a net basis in PoC profit and Progress billings respectively, as reliable gross amounts are not available.

At 31 December 2010 amounts due from and due to customers for contract work include retentions of € 14,000 (2009: € 61,000).

17. Cash and cash equivalents

Cash and cash equivalents concern cash at hand and in 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 2010, an amount of € 68,000 relates to cash at hand (2009: € 84,000). The total balance of cash and cash equivalents is unrestricted with the exception of an amount of € 1,227,000. The interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 25.

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 2010	31 December 2009
Cash and cash equivalents as per consolidated statement of financial position	61,933	29,670
Cash and cash equivalents included in assets held for sale	15,794	-
Cash and cash equivalents as per consolidated statements of cash flows	**77,727**	**29,670**

In thousands of €	31 December 2010	31 December 2009
Bank overdrafts as per consolidated statement of financial position	21,016	49,299
Bank overdrafts included in liabilities held for sale	95	-
Bank overdrafts as per consolidated statements of cash flows	**21,111**	**49,299**

18. Equity

The authorised share capital of 60 million shares is divided into 30 million ordinary shares each with a nominal value of € 0.25, and 30 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 2010 was 20,825,724 and as at 31 December 2009 was 17,764,920.

Number of ordinary shares	
Shares on issue at 1 January 2010	**17,764,920**
Issue of shares for payment of stock dividend	369,801
Issue of shares through accelerated bookbuild	1,785,080
Issue of shares through private placement	905,923
Shares on issue at 31 December 2010	**20,825,724**

During 2010 the Group has issued 369,801 ordinary shares for payment of stock dividend. Also, the Group completed a 9.99% equity offering and a 5.0% private placement. The equity offering comprises the offering of new depositary receipts of ordinary shares in the capital of the Group. The Group offered 9.99% of the number of depository receipts outstanding prior to the acquisition of Ginger, which is equivalent to 1,785,080 new depository receipts of ordinary shares. The depositary receipts have been placed at a price of € 14.35 per depositary receipt. The private placement comprises the offering of 905,923 new ordinary shares in Grontmij to Ginger's CEO Mr Jean-Luc Schnoebelen based on an issue price of € 14.35.

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

Dividend proposal

The Executive Board proposes to pay-out as dividend € 0.50 (2009: € 1.00) per (depositary receipt for) ordinary share to be paid in the form of (depositary receipts for) ordinary shares, unless a holder of (depositary receipts for) ordinary shares expressly requests payments in cash. As an incentive to receive the dividend as stock, the value of the stock dividend will be 2 – 5% higher than that of the cash dividend due to a positive rounding difference when calculating the exchange ratio. The dividend distributed in the form of (depositary receipts for) ordinary shares (hereinafter 'Shares') to shareholders holding an actual share capital interest of less than 5%, shall be charged to the share premium reserve. The distribution of dividend in the form of Shares to shareholders who are registered on 30 May 2011 for an actual share capital interest of 5% or more may, at the discretion of the Company, be charged to the freely distributable reserves, unless such shareholder informs the Company in writing before 10 June 2011 3 p.m. that he wishes the distribution to be charged to the share premium reserve. The amount corresponding to the value of dividend distributed in the form of shares will be deducted from the profit that is at the disposal of the General Meeting of Shareholders and will be contributed to the other reserves.

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 tax-free distributable.

Translation reserve

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

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred. This reserve qualifies as a legal reserve under Dutch law.

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired. This reserve qualifies as a legal reserve under Dutch law.

Other reserves

The reserve contains retained earnings of previous years and also includes changes in the legal reserve of € 6,097,000 (2009: € 4,098,000).

The latter relates to a legal reserve under Dutch law, relating to retained profits from equity accounted investees as far as the Group is not able to manage the distribution thereof independently.

19. Earnings per share

The profit attributable to shareholders of Grontmij amounts to € 16,973,000 (2009: € 20,261,000). The weighted average number of shares issued for 2010 is 19,427,047 (2009:17,764,920). There are no diluted potential ordinary shares outstanding as at 31 December 2010.

Weighted average number of ordinary shares	
Shares on issue at 1 January 2010	**17,764,920**
Effect of shares issued for payment of stock dividend	209,723
Effect of shares issued through accelerated bookbuild	963,454
Effect of shares issued through private placement	488,950
Weighted average number of ordinary shares at 31 December 2010	**19,427,047**

	2010 Continuing operations	2010 Discontinued operations available for sale[1]	2010 Total	2009
Earnings per share				
Basic earnings per share (in €)	0.70	0.17	0.87	1.14
Diluted earnings per share (in €)	0.70	0.17	0.87	1.14
Average number of shares (basic and diluted)	19,427,047	19,427,047	19,427,047	17,764,920

1) Discontinued operations available for sale relate to the Ginger Telecom Business.

20. Employee benefits

The Group has entered into several plans that provide pension for employees upon retirement. These concern both defined contribution plans and defined benefit plans.

The Dutch defined benefit plan is administered by Stichting Pensioenfonds Grontmij. Reference is made to note 34 of the consolidated financial statements.

In Germany as well as in the United Kingdom there is a limited defined benefit plan for one of the operating companies only.
The German plan is unfunded.

The pension scheme for Sweden constitutes a hybrid plan. The part of the plan that can be considered as a defined benefit plan is a multi employer plan. There is no consistent and reliable basis of information to recognise the plan as a defined benefit plan; for this reason, the plan is accounted for as a defined contribution plan.

The Group participates in defined contribution plans only in Belgium, Denmark, Germany, the United Kingdom and Ireland.
In Poland there is no post-employment benefit plan.

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

Break down of the accumulated total of employee benefits

In thousands of €	31 December 2010	31 December 2009
Present value of funded obligations	625,009	546,176
Present value of unfunded obligations	2,710	2,561
	627,719	**548,737**
Fair value of plan assets	-650,808	-572,496
Present value of net assets	**-23,089**	**-23,759**
Unrecognised actuarial gains and losses	23,799	33,206
Asset Ceiling	2,334	-
Recognised liability for defined benefit obligations	**3,044**	**9,447**
Liability for jubilee benefits and supplementary payments for early retirement	7,261	4,226
Total employee benefits	**10,305**	**13,673**

Changes in the present value of funded and unfunded obligations

In thousands of €	2010	2009
Balance as at 1 January	548,737	516,014
Benefits paid	-18,505	-17,400
Current service cost	12,651	11,226
Employees' contributions	3,225	4,304
Interest cost	27,926	26,963
Actuarial losses	53,514	7,511
Currency differences	171	119
	78,982	**32,723**
Balance as at 31 December	**627,719**	**548,737**

Changes in the present value of plan assets

In thousands of €	2010	2009
Balance as at 1 January	**572,496**	**517,842**
Benefits paid	-18,505	-17,400
Employers' contributions	16,492	17,221
Employees' contributions	3,225	4,304
Expected return on plan assets	33,008	29,875
Actuarial gains	44,107	20,668
Currency differences	-15	-14
	78,312	**54,654**
Balance as at 31 December	**650,808**	**572,496**

Actual return on plan assets in 2010: € 77,115,000 (2009: € 50,547,000).

Expense recognised in profit or loss

In thousands of €	2010	2009
Current service cost	12,651	11,226
Interest cost on obligation	27,926	26,963
Expected return on plan assets	-33,008	-29,875
Effect of asset ceiling	2,334	-
Expenses related to defined benefit plans	**9,903**	**8,314**
Expenses related to defined contribution plans	18,038	16,251
Total pension expenses	**27,941**	**24,565**

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

In accordance with IAS 19.58, as at 31 December 2010, an asset ceiling is applicable to the Dutch defined benefit asset. The effect of this asset ceiling resulted in € 2,334,000 additional benefit expense.

Expected contributions to defined benefit plans for 2011 amount to approximately € 20.2 million (including employees' contributions).

Principal actuarial assumptions

In %	2010	2009
Discount rate as at 31 December	5.20%	5.25%
Expected return on plan assets	5.50%	5.75%
Future salary increases	2.00%	2.00%
Future pension increases	1.65%	1.65%

The above mentioned actuarial assumptions relate to the Dutch defined benefit plan. Assumptions regarding future mortality are based on in the countries published statistics and tables. For the Dutch defined benefit plan the following tables were used: AG Prognosetafel 2010-2060 with mortality experience correction factors (Towers Watson 2010).

Target composition of plan assets

In %	2010	2009
Equity securities	30.0%	30.0%
Fixed income and other investments	70.0%	70.0%
Total plan assets as at 31 December	**100.0%**	**100.0%**

The actual composition of plan assets is continuously adjusted to match the target allocation.
As at 31 December 2010, the actual composition was equities 30%, government bonds 44%, credits 11%, real estate 10% and commodities 5%.
The plan assets do not include Grontmij shares.

Historical information

In thousands of €	2010	2009	2008	2007	2006
Present value of defined benefit obligations	-627,719	-548,737	-516,014	-510,078	-547,593
Fair value of plans assets	650,808	572,496	517,842	545,600	549,725
Surplus / (deficit) in the plans	**23,089**	**23,759**	**1,828**	**35,522**	**2,132**
Experience adjustments arising on liabilities	7,149	5,035	1,574	-4,377	10,389
Experience adjustments arising on plans assets	44,044	20,722	-61,962	-36,443	3,321

21. Share-based payments

The Group offers employees of Grontmij N.V. and its 75%-owned (direct and indirect) subsidiaries on a permanent employment contract the opportunity to acquire participations in depositary receipts for shares of Grontmij N.V. Stichting Employee Share Purchase Plan Grontmij ('Stichting ESPP') acquires and holds the depositary receipts. For each depositary receipt, 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 two more years and are still employed by the Group at the end of that period.

As at 31 December 2010 25,342 (2009:18,377) participations have been subscribed to, resulting in a liability for the Group as at 31 December 2010 to acquire 6,336 (2009: 4,594) depositary receipts for shares Grontmij through Stichting ESPP. The number of participations is exclusive of the matching participations. Given the current non-materiality of the relating liability, it has not been measured and recognised in the consolidated statement of financial position as at 31 December 2010 nor as at 31 December 2009.

The members of the Executive Board receive a value dependent variable remuneration which is based on the relative change in the value of the share price. Reference is made to Note 34.

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 2010	31 December 2009
Non-current liabilities		
Bank loans - RCF	104,509	28,134
Bank loans - term loans	35,000	-
Bank loan - acquisition	65,000	-
Secured bank loans	2,697	4,101
Unsecured other loans	4,471	134
Finance lease liabilities	2,779	369
	214,456	**32,738**
Current liabilities		
Bank loans - term loans	-	22,130
Bank loan - acquisition	20,000	-
Secured bank loans	265	208
Unsecured other loans	3,042	-
Finance lease liabilities	1,449	217
	24,756	**22,555**
Total loans and borrowings	**239,212**	**55,293**

Terms and redemption scheme

In thousands of €				31 December 2010		31 December 2009	
	Currency	Nominal interest rate	Year of maturity	Nominal value	Carrying value	Nominal value	Carrying value
Bank loans (RCF)	EUR	Euribor + spread	2013	86,032	82,572	-	-
Bank loan (RCF)	GBP	LIBOR + spread	2013	21,937	21,937	-	-
Bank term loans	EUR	Euribor + spread	2011-2013	35,000	35,000	-	-
Acquisition loan	EUR	Euribor + spread	2011-2013	85,000	85,000	-	-
Secured bank loans	EUR	Euribor + spread	Variable	707	707	681	681
Secured bank loan	DKK	5.20%	2022	2,209	2,255	2,375	2,425
Unsecured bank loan	EUR	Euribor + spread	Variable	1,330	1,330	1,203	1,203
Finance lease liabilities	DKK	3.00% - 5.00%	2009-2011	380	368	586	586
Finance lease liabilities	EUR	Various	Variable	3,860	3,860	-	-
Bank loan	EUR	Euribor + 1.75%	2011	-	-	30,000	29,564
Bank loan	GBP	LIBOR + 1.75%	2014	-	-	20,700	20,700
Unsecured other loans	EUR	Various	Variable	6,183	6,183	134	134
Total loans and borrowings				**242,638**	**239,212**	**55,679**	**55,293**

In 2010 the Group negotiated a new credit facility with its core relationship banks of € 260 million of which € 32 million is available at year end. The credit facility is in place until May 2013 and comprises a revolving credit facility amounting to € 140 million and a term loan facility amounting to € 120 million. Of the credit facility € 108 million is drawn of which € 21.9 million is denominated in GBP. The bank loans drawn under the credit facility can be rolled over at the discretion of the Group. Of the term loan facility € 85 million is used to acquire Ginger in 2010, and € 26.5 million is used to refinance the working capital facility of Ginger. The remainder of the term loan facility is drawn as working capital for the entire Group. The Group will repay € 20 million of the term loan facility in 2011, € 35 million in 2012, and € 65 million in 2013, at the final maturity date. The carrying value of the facility has been lowered with capitalized expenses related to the refinancing of the Group. The capitalised expenses will be amortised over the maturity of the facility.

The outstanding bank loans as at 31 December 2009, € 30 million and GBP 20 million have been refinanced under the new credit facility.

The main conditions that have to be met regarding the revolving credit facility and term loan facility are the interest cover ratio, leverage ratio and guarantor cover ratios. The interest cover ratio is measured by using Consolidated EBITA to Consolidated Net Finance Costs. The leverage ratio is measured by Consolidated Total Net Borrowings to Adjusted Consolidated EBITDA. The guarantor cover ratios are measured by guarantors EBITDA to Consolidated EBITDA and by guarantors gross assets to consolidated gross assets.

At 31 December 2010, the Group meets all requirements. 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 2010			31 December 2009		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future mininum lease payments	Interest	Present value of minimum lease payments
Less than one year	1,458	9	1,449	233	16	217
Between one to five years	2,662	3	2,659	382	13	369
More than five years	120	-	120	-	-	-
	4,240	**12**	**4,228**	**615**	**29**	**586**

As a result of the acquisition of Ginger the financial lease liabilities have increased compared to previous year.

23. Provisions

The movements in the provisions are as follows:

In thousands of €	Total	Aftercare liabilities	Maintenance liabilities	Restructuring	Other
Balance as at 1 January 2010	**35,171**	**16,613**	**4,199**	**7,150**	**7,209**
Additions	3,365	-	837	282	2,246
Acquired through business combinations	9,566	-	-	-	9,566
Expenditure charged to provisions	-10,938	-921	-	-5,523	-4,494
Amounts released to the income statement	-4,575	-	-	-649	-3,926
Interest added	900	713	187	-	-
	-1,682	**-208**	**1,024**	**-5,890**	**3,392**
Balance as at 31 December 2010	**33,489**	**16,405**	**5,223**	**1,260**	**10,601**
Current part of provisions	2,034	65	387	1,060	522
Balance as at 31 December 2010, non-current part	**31,455**	**16,340**	**4,836**	**200**	**10,079**

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 its long term maintenance. Provisions for landfill sites are calculated on the basis of the RINAS model and calculated at a discount rate of 3.95% - 4.35% (2009: 4% - 5%). The accumulation of these provisions is realised in proportion to the disposal of waste per sector.

Of these provisions, an amount of € 1,229,000 relates to the period up to 2015, and an amount of € 15,176,000 relates to the period after 2015.

The provision is measured at the present value of estimated future expenditure. In this respect, account is taken of the current market and the risks associated with the liability, in as far as the risks have not been taken into account already when determining the future cash flows.

The provision is calculated on the basis of the RINAS-model of the IPO (the umbrella organisation for the twelve provinces in the Netherlands).

Maintenance liabilities

The Group has the obligation for the maintenance of a golf course for a remaining period of 44 years. The provision is calculated at a discount rate of 4.1% (2009: 5%). Of this provision, an amount of € 808,000 relates to the period up to 2015, and an amount of € 4,228,000 relates to the period after 2015.

Restructuring

During the year ended 31 December 2010 the Group executed the redundancies and cost reductions that were planned for the Netherlands, Germany and the UK. For the Netherlands, a further € 1,060,000 restructuring provision remains for 2011.

Other provisions

The other provisions mainly relate to provisions for warranties and claims for damages. This includes provisions for long-term guarantees in France of € 8.6 million.

24. Trade and other payables

In thousands of €	note	31 December 2010	31 December 2009
Amounts due to customers	16	106,106	83,836
Trade creditors		64,474	37,105
VAT and wage tax		54,180	32,082
Social insurance contributions		65	714
Pension contributions		3,255	4,625
Amounts due to equity accounted investees		1,852	1,810
Employee related expenses		65,844	46,938
Deferred consideration relating to acquisitions		360	2,606
Interest rate swap used for hedging		-	931
Other		31,902	30,731
		328,038	**241,378**

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 was as follows:

In thousands of €	note	31 December 2010	31 December 2009
Loans and receivables	13	11,757	9,510
Investments held to maturity	13	6,938	5,064
Interest rate swap used for hedging	13	1,775	-
Long-term finance receivable	13	12,474	11,933
Trade and other receivables	15	215,517	152,615
Cash and cash equivalents	17	61,933	29,670
		310,394	**208,792**

The maximum exposure to credit risk at the reporting date (by geographic region):

In thousands of €	31 December 2010	31 December 2009
Belgium	27,898	18,538
Denmark	48,117	47,724
Germany/Poland	24,632	21,380
The Netherlands	76,734	86,051
United Kingdom and Ireland	21,716	21,732
Sweden	18,119	13,367
France	92,653	-
Other	525	-
	310,394	**208,792**

Impairment losses

The aging of trade receivables and other receivables at the reporting date was:

In thousands of €	31 December 2010		31 December 2009	
	Gross	Impairment	Gross	Impairment
Not past due	134,907	-27	111,910	-
Past due: 0 to 30 days	35,178	-11	21,473	-
Past due: 31 to 180 days	45,918	-10,602	14,694	-741
Past due: more than 180 days	14,691	-4,537	9,906	-4,627
	230,694	**-15,177**	**157,983**	**-5,368**

The movements in the allowance for impairment in respect of trade receivables and other receivables during the year were as follows:

In thousands of €	2010	2009
Balance as at 1 January	**5,368**	**5,124**
Entities disposed of	-55	-
Assumed in business combinations	11,393	-
Use	-1,026	-726
Movements through profit or loss	-504	898
Assets classified as held for sale	-39	-
Currency differences	40	72
Balance as at 31 December	**15,177**	**5,368**

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

At 31 December 2010 the Group does not have any collective impairment on its trade receivables (2009: € nil).

Fair values versus carrying amounts

The estimated values as at 31 December 2010 of financial assets and liabilities are equal or nearly equal to the carrying amounts of the concerning items.

Liquidity risk

The following are the contractual maturities of the financial liabilities; including estimated interest payments:

In thousands of €		31 December 2010				
	note	Carrying amount	Contractual cash flows	1 year or less	2-5 years	More than 5 years
Non-derivative financial liabilities						
(Secured) bank loans	22	227,471	-251,838	-28,114	-223,724	-
Unsecured other loans	22	7,513	-8,684	-3,308	-3,848	-1,528
Finance lease liabilities	22	4,228	-4,240	-1,461	-2,659	-120
Trade and other payables	24	221,932	-221,932	-221,932	-	-
Bank overdraft	17	21,016	-21,016	-21,016	-	-
		482,160	**-507,710**	**-275,831**	**-230,230**	**-1,648**
Derivative financial assets						
Interest rate swaps used for hedging[1)]	13	1,775	2,238	-1,575	1,756	2,057
		1,775	**2,238**	**-1,575**	**1,756**	**2,057**

In thousands of €		31 December 2009				
	note	Carrying amount	Contractual cash flows	1 year or less	2-5 years	More than 5 years
Non-derivative financial liabilities						
(Secured) bank loans	22	54,573	-54,959	-22,338	-29,433	-3,188
Unsecured other loans	22	134	-134	-	-	-134
Finance lease liabilities	22	586	-586	-217	-369	-
Trade and other payables	24	156,611	-156,611	-156,019	-592	-
Bank overdraft	17	49,299	-49,299	-49,299	-	-
		261,203	**-261,589**	**-227,873**	**-30,394**	**-3,322**
Derivative financial liabilities						
Interest rate swaps used for hedging	13	931	-931	-357	-574	-
		262,134	**-262,520**	**-228,230**	**-30,968**	**-3,322**

1) The interest rate swap has a positive value on 31-12-2010. Nonetheless, the cash flows resulting from the swap in 2011 are expected to be negative.

Currency risk

The Group's exposure to foreign currency risk was as follows, based on notional amounts:

In thousands of €	31 December 2010					31 December 2009				
	EUR	DKK	SEK	GBP	PLN	EUR	DKK	SEK	GBP	PLN
Trade and other receivables	149,181	236,453	119,667	15,961	10,551	83,601	287,135	119,767	14,703	10,198
Bank loans	203,279	16,803	-	18,790	-	-31,448	-18,043	-	-18,627	-
(Unsecured) bank loans	7,513	-	-	-	-	-134	-	-	-	-
Financial lease liabilities	4,047	2,742	-	-	-	-	-4,360	-	-	-
Trade and other payables	167,234	200,827	120,396	8,101	19,425	-98,994	-217,299	-136,977	-9,690	-18,009
Gross exposure	**531,254**	**456,826**	**240,063**	**42,852**	**29,976**	**-46,975**	**47,433**	**-17,210**	**-13,614**	**-7,811**
Forward exchange contracts	-	-	-	-	-	-	-	-	-	-
Net exposure	**531,254**	**456,826**	**240,063**	**42,852**	**29,976**	**-46,975**	**47,433**	**-17,210**	**-13,614**	**-7,811**

Exchange rates applied

	Average rate		Reporting date spot rate	
	2010	2009	2010	2009
DKK	0.13429	0.13431	0.1342	0.1344
GBP	1.16605	1.12297	1.1675	1.1113
PLN	0.25103	0.23221	0.2523	0.2421
SEK	0.10490	0.09431	0.1112	0.09698

Sensitivity analysis

A 5 percent strengthening 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 2009.

	2010		2009	
	Equity	Profit or loss	Equity	Profit or loss
DKK	4,894	147	5,662	348
GBP	621	-233	939	-114
PLN	410	44	351	35
SEK	575	140	542	254

A 5 percent weakening 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 would remain constant.

Interest rate risk

At the reporting date the interest rate profile of the Group's interest bearing financial instruments was as follows:

Carrying amount, in thousands of €	31 December 2010	31 December 2009
Fixed rate instruments:		
Financial assets	15,972	12,134
Financial liabilities	-12,666	-2,559
	3,306	**9,575**
Variable rate instruments:		
Financial assets*	1,065	675
Financial liabilities	-226,546	-52,734
	-225,481	**-52,059**

* The cash and cash equivalents are not included although they are sometimes interest bearing, depending on local banking arrangements.

Fair value sensitivity analysis for fixed rate instruments

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 part of Grontmij's debt is protected against interest rate fluctuations, called the core debt of € 140 million. In the analysis it is assumed that the interest rate swaps will protect the core debt on a 1-on-1 basis. The total amount of variable debt is higher than € 140 million. Therefore, the effect on profit or loss of the total variable debt will be higher than the portion hedged by the interest rate swaps. The accumulated positive/negative effects stemming from the future cash flows of the interest rate swaps will be recorded into equity.
The core debt is hedged until 2016.

Effects in thousands of €	Profit or loss		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 December 2010				
Variable rate instruments	-2,255	2,255	-	-
Interest rate swap	1,400	-1,400	5,611	-6,097
Cash flow sensitivity (net)	**-855**	**855**	**5,611**	**-6,097**
31 December 2009				
Variable rate instruments	-547	547	-	-
Interest rate swap	452	-452	223	-223
Cash flow sensitivity (net)	**-95**	**95**	**223**	**-223**

26. Leases

In thousands of €	31 December 2010	31 December 2009
Non-cancellable operational leases and rentals		
Less than one year	28,472	31,335
Between two to five years	71,029	79,312
More than five years	18,311	25,944
	117,812	**136,591**

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 two and thirteen years.

In 2010, an amount of € 33,558,000 was recognised as an expense in the income statement in respect of these rental agreements and operating leases (2009: € 33,951,000).

27. Liabilities not recognised in the consolidated statement of financial position

Liabilities not recognised in the consolidated statement of financial position

Joint ventures such as general partnerships (`V.o.f.`) are subject to joint and several liability. Any risks arising in connection with these partnerships are generally mitigated through the use of project private limited companies.

In 2008 the Group has agreed to obtain the remaining 45% shareholding in Libost Groep N.V., Hasselt, Belgium at a fixed price. In 2010 the Group acquired another share of 25%. The remaining acquisition will be completed before the end of 2013 and is expected to have a value of approximately € 2.2 million. Reference is made to note 7.

Contingent liabilities

The bank guarantees for in-house projects, joint ventures, associates and lease contracts amount to € 20,612,000 (2009: € 30,615,000). Further, the security commitments for projects amount to € 15,640,000 (2009: € 3,594,000). Guarantees provided by the parent company amount to € 22,040,000 (2009: € 20,202,000).

Legal disputes

The Group is from time to time involved in legal disputes. On the basis of legal and other advice, the Executive Board is of the view that the outcome of pending cases will not have a significant impact on the consolidated financial position of Grontmij. However, should this be the case, adequate provisions have been formed.

28. Segment reporting

The Group is organised around four operating segments, as described below, which are the Group's strategic business lines. The strategic business lines offer different expertise and consultancy services, and are managed separately due to different technology and strategy requirements. The business line structure enables the Group to better anticipate demand, unlock synergies and leverage this across geographical borders. Until 2009 the Group's segment reporting was done on a geographical basis, for comparison purposes the 2009 segment information is adjusted accordingly.

Four group directors are each responsible for one of the business lines. For each of the strategic business lines, the group director reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- Planning & Design
  Sustainable solutions for the built and the natural environment. Covers the multidisciplinary services in the local markets such as environmental management and design, urban planning, building, construction, land use, leisure and landscaping.
- Transportation & Mobility
  Covers services such as mobility management, roads, railways, tunnels, waterways, traffic management systems and airports.
- Water & Energy
  Generating, using, managing and recycling water and energy resources in every conceivable variation. Covers services such as water, waste, waste water treatment, sustainable industrial processes, energy techniques and renewable energy.
- Monitoring & Testing
  Covers all scientific and technical knowledge used in construction, including geotechnical studies, structural and material diagnostics and pathologies, product audits and certifications and maintenance and monitoring for complex projects.

Other operations include operations in Hungary, Turkey and China and non-core activities. None of these operations meets any of the quantitative thresholds for determining reportable segments in 2010 or 2009. Telecoms is related to the discontinued operation of the Telecom division (reference is made to note 6).

Business line performance is measured based on operating result before amortisation, as included in the internal management reports that are reviewed by the group directors and the Executive Board. Segment operating result before amortisation is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within the engineering consultancy business.

The Group has no customers for which revenues are individually significant. Intersegment transactions are conducted at arm's length.

Segment information 2010

In thousands of €	Planning & Design	Transportation & Mobility	Water & Energy	Monitoring & Testing	Telecoms (Discontinued)	Other	Total
Total revenue	**351,467**	**189,633**	**210,107**	**71,732**	**80,387**	**18,359**	**921,685**
Net finance expense	-276	-92	-569	-481	-92	198	-1,312
Operating result before amortisation	16,061	18,243	5,881	7,566	4,949	-1,859	50,841
Depreciation	-3,736	-2,227	-2,340	-2,101	-265	-958	-11,627
Amortisation	-2,433	-529	-971	-343	-22	-2	-4,299
Share of results of equity accounted investees	155	1,292	10	-	-	197	1,654
Result on sale of equity accounted investees	-	191	-	-	-	-867	-676
Profit before income tax	14,055	17,632	5,021	7,442	4,835	-1,721	47,263
Total assets	217,688	201,501	227,849	10,779	82,857	86,749	827,423
Total liabilities	155,942	144,346	163,221	7,720	55,294	48,863	575,386
Investments in equity accounted investees	440	407	461	22	-	6,533	7,863
Acquisition of intangible assets and goodwill	21,360	4,012	4,537	34,977	6,064	1,185	72,135
Capital expenditure	2,036	1,885	2,131	101	1,199	2,392	9,744
Average FTEs	4,102	1,650	2,085	1,009	960	92	9,898

Segment information 2009

In thousands of €	Planning & Design	Transportation & Mobility	Water & Energy	Monitoring & Testing	Telecoms (Discontinued)	Other	Total
Total revenue	**327,044**	**187,657**	**219,632**	**23,300**	**-**	**42,167**	**799,800**
Net finance expense	-427	-253	-1,222	3	-	484	-1,415
Operating result before amortisation	18,883	18,972	12,707	3,500	-	-2,921	51,141
Depreciation	-3,343	-2,080	-2,135	-230	-	-1,282	-9,070
Amortisation	-2,622	-793	-885	-39	-	-29	-4,368
Share of results of equity accounted investees	250	2,793	70	-	-	-	3,113
Reclassification from equity of available-for-sale financial assets	-	-	-	-	-	5,166	5,166
Result on sale of equity accounted investees	-	-	-	-	-	177	177
Profit before income tax	15,277	18,399	11,674	3,361	-	-505	48,206
Total assets	155,843	144,255	163,118	7,716	-	93,136	564,068
Total liabilities	104,711	96,924	109,598	5,185	-	52,850	369,268
Investments in equity accounted investees	2,101	1,945	2,199	104	-	7,916	14,265
Acquisition of intangible assets and goodwill	1,986	1,838	2,079	98	-	-	6,001
Capital expenditure	2,285	2,115	2,392	114	-	2,419	9,325
Average FTEs	2,815	1,647	2,422	201	-	164	7,249

Reconciliation of reportable segments to Grontmij totals is as follows:

In thousands of €	2010	2009
Net finance expenses		
Total net finance expenses for reportable segments	-1,312	-1,415
Unallocated amounts: corporate net finance expenses	-7,841	-3,856
Consolidated net finance expenses	**-9,153**	**-5,271**
Operating result before amortisation		
Total operating result before amortisation for reportable segments	50,841	51,141
Unallocated amounts: corporate operating result before amortisation	-10,592	-10,846
Consolidated operating result before amortisation	**40,249**	**40,295**
Depreciation		
Total depreciation for reportable segments	-11,627	-9,070
Unallocated amounts: corporate depreciation	-2,042	-2,253
Consolidated depreciation	**-13,669**	**-11,323**
Amortisation		
Total amortisation for reportable segments	-4,299	-4,368
Unallocated amounts: corporate amortisation	-2,869	-2,622
Consolidated amortisation	**-7,168**	**-6,990**
Share of results of equity accounted investees		
Total share of results of equity accounted investees for reportable segments	1,654	3,113
Unallocated amounts: corporate expenses	-	-1,138
Consolidated share of results of equity accounted investees	**1,654**	**1,975**
Profit before income tax		
Total profit before income tax for reportable segments	47,263	48,206
Unallocated amounts: corporate profit before income tax	-23,335	-20,172
Consolidated profit before income tax	**23,928**	**28,034**
Total assets		
Total assets for reportable segments	827,423	564,068
Other unallocated assets	46,676	32,111
Consolidated total assets	**874,099**	**596,179**
Total liabilities		
Total liabilities for reportable segments	575,386	369,268
Other unallocated liabilities	140,912	59,081
Consolidated total liabilities	**716,298**	**428,349**

Unallocated amounts relate to head office.

Revenue per geography

In thousands of €	2010	2009
Total revenue		
Denmark	147,127	163,748
Sweden	80,283	77,733
The Netherlands, including non-core operations	286,459	323,819
Belgium	64,903	54,724
United Kingdom and Ireland	80,772	93,079
Germany	51,933	55,677
Poland	15,584	11,395
France	111,387	-
Discontinued	80,387	-
Other operations [1]	2,850	19,625
Total	**921,685**	**799,800**

1) Other operations comprise operations in Hungary, Turkey, China and non-core operations in Germany. The decline compared to prior year results from the sale of non-core operations in Germany.

Non-current assets per geography

In thousands of €	2010	2009
Non-current assets [2]		
Denmark	6,702	7,652
Sweden	2,938	3,028
The Netherlands, including non-core operations	21,408	22,711
Belgium	3,355	8,222
United Kingdom and Ireland	3,067	3,567
Germany	3,511	3,528
Poland	50	8
France	13,961	-
Other, including corporate non-current assets	2,413	4,246
Goodwill	185,337	129,097
Intangible assets	73,690	70,426
Total	**316,432**	**252,485**

2) Non-current assets presented consist of goodwill, intangible assets, property, plant and equipment and investments in equity accounted investees.

29. Other income

In thousands of €	2010	2009
Gains on sale of property, plant and equipment	141	17
Reclassification from translation reserve to income statement of realised currency results	-	2,419
Rental income and other items	835	1,286
	976	**3,722**

The reclassification of realised currency results in 2009 related to the settlement of long-term inter-company loan balances.

Previously the exchange differences arising from the translation of these inter-company loan balances were taken to shareholders' equity because these loans were treated as part of the Group's net investment in foreign operations. Upon settlement of the inter-company loan balances the accumulated exchange differences are transferred from the translation reserve to the income statement.

30. Employee expenses

In thousands of €	2010	2009
Wages and salaries	384,018	346,789
Compulsory social security contributions	67,965	46,455
Contributions to defined contribution plans	18,038	16,251
Expenses related to defined benefit plans	9,903	8,314
Agency staff	30,371	33,888
Other employee expenses	36,680	38,536
	546,975	**490,233**

Staff (fulltime equivalents)

In 2010, the average number of fulltime equivalents (FTE) was 9,898 (2009: 7,249), of which 9,497 were employed by the Group (2009: 6,882), and 401 concerned agency staff (2009: 367). Of the total staff, an FTE number of 7,167 (2009: 4,537) were employed outside the Netherlands, and the FTE number of agency staff abroad was 210 (2009: 132).

31. Other operating expenses

In thousands of €	2010	2009
Housing expenses	47,768	39,704
Office expenses	23,883	30,591
Marketing expenses	4,816	5,438
Other expenses	40,814	23,331
	117,281	**99,064**

32. Net finance expenses

In thousands of €	2010	2009
Interest income on bank balances and deposits	3,235	2,978
Interest income from loans and receivables	81	441
Interest income on long-term finance receivable	163	1,135
Foreign exchange profit	2,093	209
Other interest income	849	590
Finance income	**6,421**	**5,353**
Interest expense on bank overdraft and short term loans	3,613	3,184
Interest expense on loans and borrowings	8,154	4,869
Unwinding of discount on aftercare and maintenance liabilities	900	932
Foreign exchange loss	2,432	1,140
Other finance expenses	475	499
Finance expenses	**15,574**	**10,624**
Net finance expenses	**-9,153**	**-5,271**

33. Income tax expense

Income tax recognised in the consolidated income statement amount to € 6,676,000 (2009: € 7,625,000). This item consists of current and deferred income tax and is composed as follows:

In thousands of €	2010	2009
Current income tax		
Current year	8,154	1,780
Adjustments for prior years	-1,068	294
	7,086	**2,074**
Deferred income tax		
Originating from and reversal of temporary differences	384	5,551
Recognition of previously unrecognised tax losses	-973	-
Reduction in tax rates	179	-
	-410	**5,551**
Income tax expense	**6,676**	**7,625**

The reconciliation of the applicable tax rate and the effective tax rate is as follows:

In thousands of €	2010		2009	
Profit before income tax	23,928		28,034	
Tax charge based on weighted average applicable rate	6,814	28.5%	7,717	27.5%
Reduction in tax rates	179	0.7%	-	-
Unrecognised tax losses	914	3.8%	212	0.8%
Previously unrecognised tax losses	-973	-4.1%	-	-
Adjustment for prior years	-1,068	-4.5%	294	1.0%
Tax exempted results from equity accounted investee	132	0.6%	-1,221	-4.4%
Non-deductable expenses	631	2.7%	635	2.3%
Other	47	0.2%	-12	0.0%
Tax charge and effective tax rate, respectively	**6,676**	**27.9%**	**7,625**	**27.2%**

34. Related parties

Grontmij´s and/or the Group's related parties comprise subsidiaries, joint ventures, associates, the Executive Board, the Supervisory Board, 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 Trade Register 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.

Subsidiaries Grontmij

Transactions between Grontmij and its subsidiaries in 2010 concerned an amount of € 1,300,000 in management fees (2009: € 4,756,000), € 7,300,000 in operational transactions, mainly ICT, housing and senior seconded staff (2009: € 17,660,000), and € -2,477,000 in financing (2009: € -4,095,000).

Grontmij has amounts due from subsidiaries of € 258,492,000 (2009: € 151,633,000) as at 31 December 2010. Further, Grontmij has amounts due to subsidiaries of € 99,383,000 (2009: € 98,064,000) as at 31 December 2010.

Joint ventures

Transactions between the Group and its joint ventures comprise financing. At the end of 2010 this concerned an amount of € 7,407,000 (2009: € 8,408,000). In 2010, dividends to an amount of € 1,852,000 (2009: € 2,823,000) were received.
At year-end 2010, amounts totalling € 3,894,000 are due to the Group from its joint ventures (2009: € 3,378,000) and amounts totalling € 1,841,000 are due to its joint ventures from the Group (2009: € 1,810,000). Transactions with joint ventures are on an arm's length basis.

Associates

Transactions between the Group and its associates comprise financing. At the end of 2010 this concerned an amount of € 2,436,000 (2008: € 2,699,000). In 2010, dividends to an amount of € nil (2009: € nil) were received.

At year-end 2010, amounts totalling € 4,000 are due to the Group from its associates (2009: € 268,000) and amounts totalling € nil are due to its associates from the Group (2009: € nil).

Executive Board

Executive Board members received the following remuneration:

In thousands of €	Period remunerations		Pension contributions		Variable remunerations				Total	
					Accrued result dependent part		Accrued value-dependent part			
	2010	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
S. Thijsen (CEO)	418	418	75	75	42	-	125	125	660	618
D.M. Zuydam (CFO) (as from 15-05-2009)	325	192	72	39	33	-	65	38	495	269
B.W. Nørgaard (till 31-12-2009)	-	431	-	75	-	-	-	-	-	506
G.P. Dral (till 12-01-2010)[1)]	-	307	-	72	-	-	-	60	-	439
D.G.H. van der Werf (till 31-03-2009)	-	75	-	18	-	50	-	-	-	143
Notice period and severance payment										
B.W. Nørgaard, notice period	-	431	-	75	-	181	-	44	-	731
B.W. Nørgaard, severance payment	-	431	-	75	-	181	-	43	-	730
Total	**743**	**2,285**	**147**	**429**	**75**	**412**	**190**	**310**	**1,155**	**3,436**

1) Remuneration costs are excluded from this overview for materiality reasons.

On 12 January 2010 Gert Dral became Group Director Planning & Design and member of the Group Executive Committee, reporting to the Executive Board.

The members of the Executive Board did not receive a result dependent bonus in 2010 in respect to 2009. However, in respect to the 2010 result, dependent bonus accruals have been recorded.

The members of the Executive Board receive an allowance for representation expenses and dispose of a company car. There were no other transactions with the members of the Executive Board.

The members of the Executive Board receive a value-dependent variable remuneration, which is based on the average performance of Grontmij's share price over a period of three years. Grontmij's average share price performance is compared with the average share price performance over a three-year period of all companies included in the AEX, AMX and AScX of NYSE Euronext Amsterdam. No payments are made if Grontmij's performance is the same or less than that of the Euronext group of companies. If there is a positive difference of 10% or more (Grontmij's share-price performance is above the Euronext group of companies' share-price performance), the maximum value-dependent bonus is paid. A proportionate amount is paid for a positive difference between more than 0% and 10%.
The bonus is paid once every three years in the financial year following the last year of the three year period. As a result no payments were made in 2010.

In thousands of €	2010	2009
S. Thijsen (CEO)	-	332
D.M. Zuydam (CFO)	-	-
B.W. Nørgaard	-	194
D.G.H. van der Werf	-	168
G.P. Dral	-	168
	-	**862**

Payments, scheduled for 2012, in relation to the three year period ending 31 December 2011 will be accrued for in full on an annual basis and disclosed as such.

Supervisory Board

The members of the Supervisory Board received the following remuneration:

In thousands of €	2010	2009
F.L.V. Meysman (chairman)	48	46
S.E. Eisma (vice-chairman)	29	29
R.J.A. van der Bruggen (as from 08-12-2010)	-	-
P.E. Lindquist	35	34
P. Montagner (as from 08-12-2010)[1)]	7	-
J.H.J. Zegering Hadders	29	29
	148	**138**

1) Including advisory fees prior to the formal appointment at 8 December 2010.

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 2010, an amount of € 15,802,000 (2009: € 17,221,000) was paid by the Group in respect of pensions premiums.

At year-end 2010, a nominal amount of € 3,149,000 was due to Stichting Pensioenfonds Grontmij from Grontmij (2009: € 3,817,000 due to Stichting Pensioenfonds Grontmij from Grontmij).

Both at year-end 2010 and 2009, Stichting Pensioenfonds Grontmij held no shares in Grontmij.

Stichting Administratiekantoor van aandelen Grontmij N.V.

Stichting Administratiekantoor van aandelen Grontmij N.V. holds approximately 98.6% of the shares in Grontmij.

The transactions in 2010 between Grontmij and Stichting Administratiekantoor van aandelen Grontmij N.V. are mainly dividend related. In 2010, Grontmij paid a net dividend of € 10,462,000 (2009: € 17,102,000) to Stichting Administratiekantoor van aandelen Grontmij N.V. The operational expenses of Stichting Administratiekantoor van aandelen Grontmij N.V. are borne by Grontmij.

Both at year-end 2010 and 2009, Grontmij has neither amounts due from nor amounts due to Stichting Administratiekantoor van aandelen Grontmij N.V.

Stichting Medewerkersparticipatie Grontmij

The Stichting Medewerkersparticipatie Grontmij ('Stichting SMPG') offered employees the opportunity to acquire participations in depositary receipts for shares of Grontmij N.V. Since 2008 acquiring participations though the Stichting SMPG is no longer possible. The Stichting SMPG holds 0.39% (2009: 0.5%) of the shares in Grontmij via Stichting Administratiekantoor van aandelen Grontmij N.V.

Transactions between Grontmij and the Stichting SMPG generally comprise financing and dividend payments. In 2010, Grontmij paid a net dividend of € 73,000 (2009: € 91,934) to Stichting SMPG.

At 31 December 2010 and 2009, Grontmij has neither amounts due from nor amounts due to Stichting SMPG.

Stichting Employee Share Purchase Plan

Stichting Employee Share Purchase Plan Grontmij ('Stichting ESPP') holds 0.16% (2009: 0.1%) of the shares in Grontmij via Stichting Administratiekantoor van aandelen Grontmij N.V.

Transactions between Grontmij and Stichting ESPP will usually comprise financing and dividend payments. In 2010, Grontmij paid a dividend of € 22,971 of € 1.00 gross per share (2009: € nil). The operational expenses of Stichting ESPP are borne by Grontmij.

At 31 December 2010 a nominal amount of € 91,000 (2009: € 260,000) was due from Stichting ESPP to Grontmij.

For detailed information reference is made to note 21.

Company statement of financial position

In thousands of € (before profit appropriation)	note	31 December 2010	31 December 2009
Investments in subsidiaries		119,937	116,882
Investments in equity accounted investees		71	71
Other financial assets		1,775	-
Non-current assets	2	**121,783**	**116,953**
Receivables	3	261,494	150,923
Cash and cash equivalents		474	2,068
Current assets		**261,968**	**152,991**
Total assets		**383,751**	**269,944**
Share capital		5,206	4,441
Share premium		96,558	61,342
Legal reserve		6,097	4,098
Translation reserve		-5,053	-7,353
Hedging reserve		1,322	-694
Fair value reserve		-	-
Other reserves		36,677	84,601
Profit for the year		16,973	20,261
Shareholders' equity	4	**157,780**	**166,696**
Non-current liabilities	5	91,512	394
Current liabilities	6	134,459	102,854
Shareholders' equity and liabilities		**383,751**	**269,944**

Company income statement

In thousands of €	note	2010	2009
Result from participating interests after tax	2	23,498	28,351
Other results		-6,525	-8,090
Profit after income tax		**16,973**	**20,261**

Application of Article 2:402 of the Dutch Civil Code

As the results of Grontmij are included in the consolidated financial statements, the Company income statement is, in accordance with Article 2:402 of the Dutch Civil Code, provided in abbreviated format.

Notes to the company financial statements

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1. Basis of preparation

The relevant accounting policies set out in note 3 to the consolidated financial statements as provided in pages 68 to 77, have been applied consistently to all periods accounted for in these company financial statements.

The company financial statements form part of the financial statements of Grontmij for the year 2010. For the valuation of assets and liabilities and in determining the result in its company financial statements, Grontmij has availed of the option provided for in Article 2:362 par. 8 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-IFRSs). Subsidiaries, joint ventures and associates are consequently measured on the basis of the 'equity' method.

2. Non-current assets

A summary of the main (operational) subsidiaries is provided in note 8 to the consolidated financial statements. A full list of subsidiaries, joint ventures and associates is filed with the Trade Register 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	Other financial assets
Balance as at 1 January 2009	**92,570**	**91,922**	**550**	**98**
Movements during 2009				
Share in the results	28,351	28,348	3	-
Currency differences	1,469	1,469	-	-
Reclassification from subsidiary's equity to income statement of available-for-sale financial assets	-5,166	-5,166	-	-
Other movements	-271	309	-482	-98
Balance as at 31 December 2009	**116,953**	**116,882**	**71**	**-**
Movements during 2010				
Share in the results	23,498	23,498	-	-
Currency differences	2,300	2,300	-	-
Change in fair value of cash flow hedges	1,775	-	-	1,775
Acquisition of non-controlling interest	-52,996	-52,996	-	-
Acquisition of subsidiaries	30,293	30,293	-	-
Other movements	-40	-40	-	-
Balance as at 31 December 2010	**121,783**	**119,937**	**71**	**1,775**

3. Receivables

In thousands of €	31 December 2010	31 December 2009
Subsidiaries	258,492	151,633
Prepaid expenses and other receivables	3,002	-710
	261,494	**150,923**

4. Shareholders' equity

Movements in shareholders' equity are as follows:

In thousands of €	Total	Share capital	Share premium	Legal reserve	Translation reserve	Hedging reserve	Fair value reserve	Other reserves	Profit for the year
Balance as 1 January 2009	**173,611**	**4,441**	**61,342**	**4,244**	**-6,403**	**-832**	**5,166**	**67,333**	**38,320**
2008 Dividend and profit appropriation	-20,430	-	-	-	-	-	-	17,890	-38,320
Profit for the year	20,261	-	-	-	-	-	-	-	20,261
Currency differences	1,469	-	-	-	1,469	-	-	-	-
Reclassification from translation reserve to income statement	-2,419	-	-	-	-2,419	-	-	-	-
Other movements	-5,796	-	-	-146	-	138	-5,166	-622	-
Balance as 31 December 2009	**166,696**	**4,441**	**61,342**	**4,098**	**-7,353**	**-694**	**-**	**84,601**	**20,261**
2009 Dividend and profit appropriation	-12,340	92	-92	-	-	-	-	7,921	-20,261
Issuance of ordinary shares	38,616	673	37,943	-	-	-	-	-	-
Profit for the year	16,973	-	-	-	-	-	-	-	16,973
Changes in fair value cash flow hedges	2,016	-	-	-	-	2,016	-	-	-
Acquisition of non-controlling interest	-54,990	-	-1,146	-	-	-	-	-53,844	-
Cost of issuance ordinary shares	-1,489	-	-1,489	-	-	-	-	-	-
Currency differences	2,300	-	-	-	2,300	-	-	-	-
Other movements	-2	-	-	1,999	-	-	-	-2,001	-
Balance as 31 December 2010	**157,780**	**5,206**	**96,558**	**6,097**	**-5,053**	**1,322**	**-**	**36,677**	**16,973**

Share capital

The authorised share capital of 60 million shares is divided into 30 million ordinary shares each with a nominal value of € 0.25, and 30 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 2010 was 20,825,724 (31 December 2009: 17,764,920).

No preference shares were issued. Grontmij did not purchase any own shares.

Dividend proposal

The Executive Board proposes to pay-out as dividend € 0.50 (2009: € 1.00) per (depositary receipt for) ordinary share to be paid in the form of (depositary receipts for) ordinary shares, unless a holder of (depositary receipts for) ordinary shares expressly requests payments in cash. As an incentive to receive the dividend as stock, the value of the stock dividend will be 2 – 5% higher than that of the cash dividend due to a positive rounding difference when calculating the exchange ratio. The dividend distributed in the form of (depositary receipts for) ordinary shares (hereinafter 'Shares') to shareholders holding an actual share capital interest of less than 5%, shall be charged to the share premium reserve. The distribution of dividend in the form of Shares to shareholders who are registered on 30 May 2011 for an actual share capital interest of 5% or more may, at the discretion of the Company, be charged to the freely distributable reserves, unless such shareholder informs the Company in writing before 10 June 2011 3 p.m. that he wishes the distribution to be charged to the share premium reserve. The amount corresponding to the value of dividend distributed in the form of shares will be deducted from the profit that is at the disposal of the General Meeting of Shareholders and will be contributed to the other reserves.

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 tax-free distributable.

Legal reserve

The legal reserve relates to the retained profits from equity accounted investees to the extent that the Group is not able to manage the distribution thereof independently.

Translation reserve

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

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred. This reserve qualifies as a legal reserve under Dutch law.

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired. This reserve qualifies as a legal reserve under Dutch law.

Other reserves

The reserve contains retained earnings of previous years and also includes changes in the legal reserve relating to retained earning of equity accounted investees.

5. Non-current liabilities

In thousands of €	2010	2009
Loans and borrowings	91,068	-
Deferred tax liability	444	394
	91,512	**394**

6. Current liabilities

In thousands of €	2010	2009
Bank overdrafts	30,145	-
Income tax	-	536
Subsidiaries	99,383	98,064
Provisions	879	2,370
Other liabilities	4,052	1,884
	134,459	**102,854**

7. Related parties

A summary of Grontmij´s related parties is provided in note 34 to the consolidated financial statements.

8. Remuneration of the Executive Board and the Supervisory Board

A summary of the remuneration of the Executive Board and the Supervisory Board pursuant to Article 2:383 par.1 of the Dutch Civil Code is provided in note 34 of the consolidated financial statements.

In 2010 the Company employed 8 persons (2009: 10).

9. Auditor's remuneration

In thousands of €	2010			2009		
	KPMG Accountants N.V.	Other KPMG network	Total	KPMG Accountants N.V.	Other KPMG network	Total
Financial statement audit	235	676	911	197	403	600
Other assurance engagements	186	56	242	155	35	190
Tax advisory services	-	59	59	-	84	84
Other non-audit services	37	30	67	119	65	184
	458	**821**	**1,279**	**471**	**587**	**1,058**

10. Liabilities not recognised in the company statement of financial position

Contingent liabilities

Grontmij N.V. provided guarantees in 2010 amounting to € 22,039,000 (2009: € 20,750,000).

Liabilities not recognised in the company statement of financial position

Grontmij heads a single tax entity for corporate tax purposes, encompassing practically all of its 100% subsidiaries in the Netherlands. As a consequence, Grontmij is severally liable for the tax debts of the single tax entity as a whole.

De Bilt, 9 March 2011

Executive Board

S. Thijsen
D.M. Zuydam

Supervisory Board

F.L.V. Meysman
S.E. Eisma
R.J.A. van der Bruggen
P.E. Lindquist
P. Montagner
J.H.J. Zegering Hadders

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, with the approval of the Supervisory Board, decides on what part of the profit is to be allocated to the reserves;
- profit distributions may not exceed the distributable part of the shareholders' equity;
- no dividend is paid in any year in which a loss has been recorded. In subsequent years, no dividend may be paid until the recorded loss has been reversed;
- the Annual General Shareholders Meeting is entitled, however, based on an Executive Board proposal duly approved by the Supervisory Board, to discharge this loss to the distributable part of the shareholders' equity or to pay out a dividend chargeable to the distributable part of the shareholders' equity;
- profit is appropriated following adoption of the financial statements in which this is deemed to be justifiable.

Proposed profit appropriation 2010

The Executive Board proposes to pay-out as dividend € 0.50 (2009: € 1.00) per (depositary receipt for) ordinary share to be paid in the form of (depositary receipts for) ordinary shares, unless a holder of (depositary receipts for) ordinary shares expressly requests payments in cash. As an incentive to receive the dividend as stock, the value of the stock dividend will be 2 – 5% higher than that of the cash dividend due to a positive rounding difference when calculating the exchange ratio. The dividend distributed in the form of (depositary receipts for) ordinary shares (hereinafter 'Shares') to shareholders holding an actual share capital interest of less than 5%, shall be charged to the share premium reserve. The distribution of dividend in the form of Shares to shareholders who are registered on 30 May 2011 for an actual share capital interest of 5% or more may, at the discretion of the Company, be charged to the freely distributable reserves, unless such shareholder informs the Company in writing before 10 June 2011 3 p.m. that he wishes the distribution to be charged to the share premium reserve. The amount corresponding to the value of dividend distributed in the form of shares will be deducted from the profit that is at the disposal of the General Meeting of Shareholders and will be contributed to the other reserves.

In conformity with the report of the Supervisory Board, the following profit appropriation is proposed:

In thousands of €	2010	2009
Profit for the year	16,973	20,261
Allocation to other reserves	-6,560	-2,496
Dividend	**10,413**	**17,765**

Independent auditor's report

To: the Annual General Meeting of Shareholders of Grontmij N.V.

Report on the financial statements

We have audited the accompanying financial statements 2010 of Grontmij N.V., De Bilt. 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 31 December 2010, 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 notes, 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 31 December 2010, the company income statement for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the report of the Executive Board in accordance with Part 9 of Book 2 of the Netherlands 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 31 December 2010 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 and with Part 9 of Book 2 of the Netherlands 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 31 December 2010 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirements under Section 2:393 sub 5 at e and f of the Netherlands 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 Netherlands Civil Code.

Rotterdam, 9 March 2011

KMPG Accountants N.V.

M. Blöte RA

Report Stichting Administratiekantoor van aandelen Grontmij N.V.

The purpose of the Stichting Administratiekantoor van aandelen Grontmij N.V. ('Trust Office') is to acquire and hold in trust ordinary Grontmij shares for which shares it will issue convertible depositary receipts, to manage the shares it holds in trust and to exercise the rights attached to these shares, including the voting power. When exercising the rights attached to the shares it holds in trust, the Trust Office shall be guided primarily by the interests of the depositary receipt holders, taking into account the interests of Grontmij, its business and those involved. Issuing depositary receipts for ordinary Grontmij shares is not used as an anti-takeover measure see page 57 of the annual report).

Activities

The Trust Office's board met on two occasions during the year under review. The following topics were discussed during these meetings:

- the annual figures for 2009 and the interim results for 2010;
- preparations for the Annual and the Extraordinary General Shareholders Meeting of Grontmij;
- the membership of the trust office's board and its retirement timetable.

During the year, the Trust Office's board carried out its customary activities, including acquiring or subscribing for ordinary shares to hold in trust, and issuing depositary receipts for them, exchanging depositary receipts into ordinary shares and exercising the rights attached to the shares the Trust Office holds in trust including the voting rights.

The Trust Office's board was present at the Annual General Meeting of Shareholders of Grontmij held on 18 May 2010. For this meeting, the Trust Office's board issued proxies to 52 depositary receipt holders (2009: 42) and four depositary receipt holders issued binding voting instructions to the board (2009: 5).

Those depositary receipts holders represented 53.3% of the issued share capital (2009: 54.3%). The Trust Office's board voted at its discretion on 8,019,973 ordinary shares (2009: 7,855,904), representing 45.7% of the total of votes casted at the meeting (2009: 44.7%). As for the votes casted at its discretion, the Trust Office's board - taking into account the explanation of the Executive Board, the Supervisory Board and the shareholders present - did not abstain from voting and did not voted against any of the motions.
The Trust Office's board was present at the Extraordinary General Meeting of Shareholders of Grontmij held on 8 December 2010. For this meeting, the Trust Office's board issued proxies to 24 depositary receipt holders and two depositary receipt holders issued binding voting instructions to the board.

Those depositary receipts holders represented 38.5% of the issued share capital. The Trust Office's board voted at its discretion on 11,627,549 ordinary shares, representing 59.2% of the total of votes cast at the meeting. As for the votes cast at its discretion, the Trust Office's board - taking into account the comments of the Executive Board, the Supervisory Board and the shareholders present - did not abstain from voting and did not vote against any of the motions.

The number of ordinary shares for which depositary receipts were issued amounted to 20.541.541 ordinary shares as at 31 December 2010 (2009: 17,495,820).

Composition

As at 31 December 2010 the Board consisted of the following members:

B. van Nederveen (1935) chairman

Nationality
Dutch
Term ends and eligible for re-appointment
2013
Most important previous positions
Chairman of the board of Hoechst Holland N.V.,
president of the Royal institute of Engineers (KIVI).

A.G. van der Kolk (1946)

Nationality
Dutch
Term ends and eligible for re-appointment
2013
Most important previous positions
Corporate Secretary and General Counsel
Koninklijke Sphinx N.V.

During the year 2010 the membership of Mr Braks ended on grounds as referred to in article 7 sub d and article 5 sub b of the articles of association, because a relative by marriage was appointed managing director of one of Grontmij N.V.'s subsidiaries.

On 29 March 2011, a meeting of depositary receipt holders will be held to give the depositary receipt holders the opportunity to recommend a candidate to fill the vacancy left by the retirement of Mr Braks. Without prejudice to the possibility of making a recommendation, the Trust Office's board intends to appoint Mr L.M.J. van Halderen as a member of the board of the Stichting for a four-year term.

On 31 December 2010, Mr Van Nederveen and Mr Van der Kolk held no (depositary receipts for) Grontmij shares. The remuneration granted to the chairman amounted to € 7,000 (2009: 6,807) while that of the other board members amounted to € 5,000 (2009: € 4,538).

Other

The operating expenses of the Trust Office amounted to € 24,166 (2009: € 23,011) and are borne by Grontmij, in accordance with existing agreements. The Trust Office is independent of Grontmij in conformity with the provisions of Article 5 : 71 paragraph 1 sub d of the Financial Markets Supervision Act ('FMSA', Wet op het financieel toezicht).

Contact

Stichting Administratiekantoor van aandelen Grontmij N.V.
P.O. Box 203, 3730 AE De Bilt
The Netherlands
Contact: Mrs S. van Nieuwkuyk, T +31 30 220 75 39

De Bilt, 9 March 2011

B. van Nederveen (chairman)
A.G. van der Kolk

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 57 of the annual report).

As at 31 December 2010, no preference shares were issued.

Activities

The board of the Foundation met on two occasions during the year under review. The following topics were discussed during these meetings:

- the annual figures for 2009 and the interim results for 2010;
- the Foundation's credit facility;
- the membership of the Foundation's board and its retirement schedule;
- the purpose of the Foundation, the option agreement entered into with Grontmij and the relevant developments on this matter in the Netherlands.

Composition

On 31 December 2010 the board consisted of the following members:

Jhr. R.J.M. de Beaufort (1947) chairman

Nationality

Dutch

Term ends and eligible for re-appointment

2011

Most important previous position

Managing director of Bank Insinger De Beaufort

A.J. ten Cate (1953)

Nationality

Dutch

Term ends and eligible for re-appointment

2012

Present position

Owner-director of Enatco B.V., a consultancy firm for the pharmaceutical industry.

S.C. Peij (1970)

Nationality

Dutch

Term ends and eligible for re-appointment

2013

Present position

Director of Governance University (Netherlands) B.V.

On 7 April 2011, the Foundation's board intends to re-appointed Mr De Beaufort for a further four- year term.

As at 31 December 2010, Mr De Beaufort held 11,207 (2009: 4,316) Grontmij shares.
As at 31 December 2010, Mr Peij and Mr Ten Cate held no (depositary receipts for) Grontmij shares.
The remuneration granted to the chairman amounted to € 7,000 (2009: € 4,538) while that of the other board members amounted to € 5,000 (2009: € 4,538).

Other

The operating costs of the Foundation amounted to € 24,391 (2009: € 16,540) 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

Stichting Preferente aandelen Grontmij
P.O. Box 203, 3730 AE De Bilt
The Netherlands
Contact: info@stichtingpreferenteaandelengrontmij.com.

De Bilt, 9 March 2011

R.J.M. de Beaufort (chairman)
A.J. ten Cate
S.C. Peij

Group Executive Committee

From left to right: Mel Zuydam[1], Sylvo Thijsen[1], Gert Dral and Jean-Luc Schnoebelen.

Sylvo Thijsen (1959)

Chief Executive Officer

Mel Zuydam (1961)

Chief Financial Officer

1) For Executive Board biographies, please see page 23.

Gert Dral (1955)

Group Director Planning & Design

Nationality
Dutch
Joined Grontmij
1976
Most important previous position
Managing Director Grontmij Netherlands/Chief Operating Officer Netherlands and Belgium
Other responsibilities
Responsible for the Nordic region, Turkey, Hungary, Vietnam and China.

Jean-Luc Schnoebelen (1956)

vice-chairman GEC/Group Director Monitoring & Testing/CEO Ginger France

Nationality
French
Appointed
2010
Joined Grontmij
2010
Most important previous position
Senior management positions with Bouygues Group subsidiaries, including HDR in the United States, and Rinaldi Structal
Other responsibilities
Responsible for innovation & special projects;
Trett consultancy.

Group Director Transportation & Mobility

Group Director Water & Energy

Executive Board (a.i.)

Country Managing Directors

Benelux

Jan Bosschem
(Belgium)

Hubert Habib
(The Netherlands)

France

Jean-Luc Schnoebelen
(France)

Nordic

Leif Bertilsson
(Sweden)

Søren Larsen
(Denmark)

United Kingdom and Central & Eastern Europe

Ina Brandes
(Germany)

Maciej Chrzanowski
(Poland)

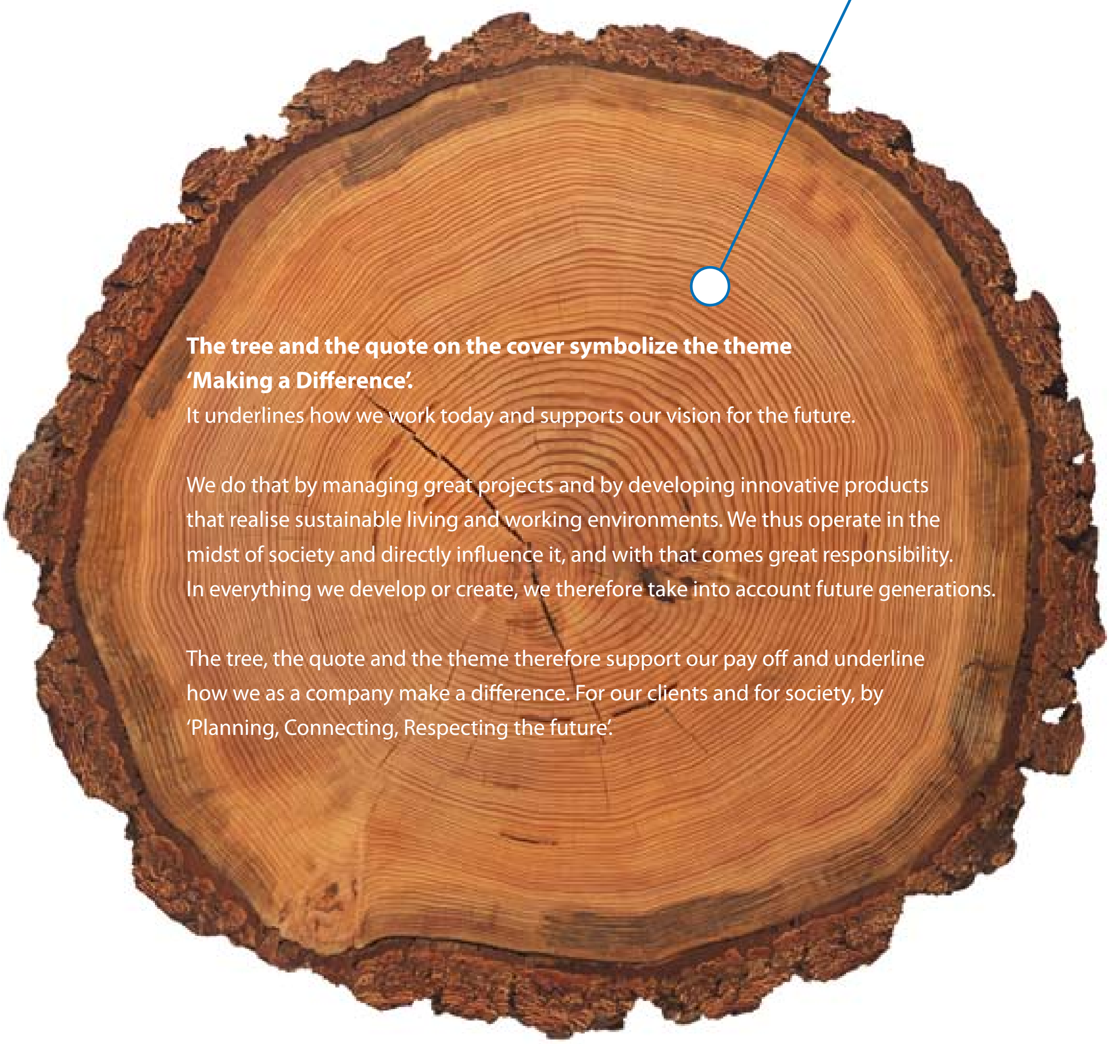
John Chubb
(United Kingdom)

Miklós Lukács
(Hungary)

Kerem Sadiklar
(Turkey)

Edition Grontmij N.V. April 2011

planning connecting
respecting
the future



The tree and the quote on the cover symbolize the theme ‘Making a Difference’.
It underlines how we work today and supports our vision for the future.

We do that by managing great projects and by developing innovative products that realise sustainable living and working environments. We thus operate in the midst of society and directly influence it, and with that comes great responsibility. In everything we develop or create, we therefore take into account future generations.

The tree, the quote and the theme therefore support our pay off and underline how we as a company make a difference. For our clients and for society, by ‘Planning, Connecting, Respecting the future’.

Grontmij N.V.

De Holle Bilt 22
P.O. Box 203
3730 AE De Bilt
The Netherlands
T +31 30 220 79 11
F +31 30 220 34 67
corporate.communication@grontmij.com
www.grontmij.com
www.twitter.com/grontmijgroup