Royal Imtech N.V.

*(a public limited liability company (*naamloze vennootschap*) incorporated under the laws of the Netherlands, with its statutory seat in Rotterdam, the Netherlands)*

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131 for 1 rights offering of 60,082,154,924 new ordinary shares at an issue price of EUR 0.01 per ordinary share

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This document (the "**Prospectus**") relates to the issuance of 60,082,154,924 new ordinary shares in the capital of Royal Imtech N.V. (the "**Company**") with a nominal value of EUR 0.01 each (the "**Offer Shares**") at an issue price of EUR 0.01 (the "**Issue Price**") per Offer Share. Subject to applicable securities laws and the terms set out in this Prospectus, the holders of ordinary shares with a nominal value of EUR 0.01 each (the "**Ordinary Shares**") in the capital of the Company (the "**Shareholders**") as at the Record Date (as defined below) are being granted transferable subscription rights to subscribe for the Offer Shares (the "**Rights**" and together with the Offer Shares, the "**Offer Securities**") *pro rata* to their shareholding in the Company. The offer to subscribe for Offer Shares through the exercise of Rights is referred to as the "**Rights Offering**".

Each Ordinary Share held immediately after the close of trading in the Ordinary Shares on Euronext in Amsterdam ("**Euronext Amsterdam**") at 17:40 hours, Central European Summer Time ("**CEST**"), on 8 October 2014 (the "**Record Date**") will entitle its holder to one (1) Right. Eligible Persons (as defined in "Selling and Transfer Restrictions – Representations and warranties by investors in the Offering") will be entitled to subscribe at the Issue Price for 131 Offer Shares for every Right held. Eligible Persons may, subject to applicable securities laws, subscribe for Offer Shares by exercising Rights from 9:00 hours CEST on 9 October 2014 until 17:40 hours CEST on 22 October 2014 (the "**Exercise Period**"). Any Rights not exercised by the end of the Exercise Period, may no longer be exercised by any Eligible Person. Once an Eligible Person has validly exercised its Rights, that exercise cannot be revoked or modified, except for certain circumstances as set out in "The Offering – Rights Offering – Exercise Period". The statutory pre-emptive rights (*wettelijke voorkeursrechten*) of the Shareholders in respect of the Offering (as defined below) have been validly excluded.

The Company has applied for admission to trading in the Rights on Euronext Amsterdam. Trading in the Rights is expected to commence under the symbol "IMRI" at 9:00 hours CEST on 9 October 2014 and will continue until 17:40 hours CEST on 21 October 2014. All transactions in the Rights prior to the settlement date on 27 October 2014 (the "**Settlement Date**") are at the sole risk of the parties involved.

ING Bank N.V., acting through its corporate finance division ("**ING**"), Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. ("**Rabobank**"), COMMERZBANK Aktiengesellschaft ("**COMMERZBANK**") and ABN AMRO Bank N.V. ("**ABN AMRO**") are acting as underwriters (the "**Underwriters**") for the Offering (as defined below). After the Exercise Period has ended, the Offer Shares that were issuable upon the exercise of Rights but that have not been subscribed for during the Exercise Period (the "**Rump Shares**") may be offered for sale in the Netherlands and certain other jurisdictions by way of private placements by the Underwriters (the "**Rump Offering**"), subject to the terms and conditions of the underwriting agreement between the Company and the Underwriters dated 8 October 2014 (the "**Underwriting Agreement**") and subject to applicable securities laws. The Rump Offering and the Rights Offering are collectively referred to as the "**Offering**".

The Rump Offering, if any, is expected to commence not later than 7:00 hours CEST on 23 October 2014 and to end no later than 17:40 hours CEST on 23 October 2014. The Underwriters, subject to the terms and conditions of the Underwriting Agreement, have agreed to then use their reasonable efforts to procure subscribers for any Rump Shares through private placements to institutional investors in the Netherlands and certain other jurisdictions. The price per Rump Share must be at least equal to the Issue Price, plus any expenses related to procuring such subscribers (including any non-recoverable value added tax). The Underwriters, severally and not jointly, will subscribe and pay for (i) any Offer Shares subscribed for in the Rights Offering but not paid for by such subscribers on the Settlement Date, and (ii) any Rump Shares not sold in the Rump Offering, if any, or sold but not paid for on the Settlement Date, *pro rata* to their respective underwriting commitments at the Issue Price, in accordance with the terms and subject to the conditions of the Underwriting Agreement. See "The Offering – Rump Offering – Rump Shares".

Shareholders who transfer, or who do not, not timely or not validly, or are not permitted to, exercise, any of their Rights granted under the Rights Offering will suffer a substantial dilution of their proportionate ownership and voting rights of approximately 99.2% as a result of the issue of the Offer Shares. **The latest date for acceptance under the Rights Offering is expected to be 17:40 hours CEST on 22 October 2014.**

The Offering is made (i) in the United States of America (the "**United States**"), to persons reasonably believed to be "qualified institutional buyers" ("**QIBs**") within the meaning of and pursuant to Rule 144A under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") ("**Rule 144A**") (or another exemption from, or in a transaction not subject to, the registration requirements under the U.S. Securities Act), and in compliance with applicable state securities laws, and (ii) outside the United States, in offshore transactions within the meaning of and in accordance with Regulation S under the U.S. Securities Act ("**Regulation S**").

The Company may adjust the dates, times and periods of the Offering given in this Prospectus in consultation with the Underwriters. If the Company should decide to do so, the Company will make this public through a press release which will, amongst others, be placed on the Company's website.

The Offering is subject to a number of conditions. See "The Offering – Conditions to the Offering" and "Plan of Distribution – Conditions to the Offering". If any or all of the conditions are not met or waived by the Underwriters prior to payment for and delivery of the Offer Shares, the Underwriters may, at their discretion, terminate the Offering and their obligation to subscribe for any Rump Shares. In such event, the Offering will be withdrawn. Consequently, (i) both the exercised and unexercised Rights will lapse without compensation to their holders, (ii) subscriptions for, and allotments of Offer Shares that have been made, will be disregarded and (iii) any subscription payments made and received by the Company, ABN AMRO, acting through its Corporate Broking Department, in its capacity as subscription, listing and paying agent (the "**Subscription, Listing and Paying Agent**") or any of the Underwriters will be returned without interest or compensation. Any dealings in the Rights or the Offer Shares prior to settlement and delivery are at the sole risk of the parties concerned. The lapsing of Rights will be without prejudice to the validity of any trades in Rights that have been settled. Any non-settled trades in Rights that have occurred on Euronext Amsterdam will be deemed null and void. There will be no refund or compensation in respect of Rights purchased in the market or in any other manner. The Company, the Underwriters, the Subscription, Listing and Paying Agent and Euronext Amsterdam N.V. do not accept any responsibility or liability with respect to the withdrawal of the Offering or the related annulment of any transactions in Rights or Offer Shares on Euronext Amsterdam.

Neither the Company nor the Underwriters, nor the Subscription, Listing and Paying Agent has taken, is taking or will take any action to register the Offer Securities or otherwise to permit a public offering of the Offer Shares (pursuant to the exercise of Rights or otherwise), or an offer of the Rights, in any jurisdiction other than the Netherlands. The Offering is only made in those jurisdictions in which, and only to those persons to whom, the Offering may be lawfully made. Distribution of this Prospectus, and the transfer of the Rights and the Offer Shares, into jurisdictions other than the Netherlands may be subject to specific regulations or restrictions. Persons in possession of this Prospectus must therefore inform themselves about and observe such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws or regulations of any such jurisdiction. The Company, the Underwriters and the Subscription, Listing and Paying Agent disclaim all responsibility for any violation of such restrictions by any person. Potential investors in the Offer Securities and Shareholders who have a registered address in, who are citizens of, or who are resident or located in, jurisdictions other than the Netherlands and any person (including, without limitation, agents, custodians, nominees and trustees) who has a contractual or other legal obligation to forward this Prospectus to a jurisdiction outside the Netherlands, should carefully read "Selling and Transfer Restrictions".

The Offer Securities have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered or sold (i) within the United States, except in transactions exempt from or not subject to registration under the U.S. Securities Act, or (ii) outside the United States, except in offshore transactions in reliance on Regulation S. In the United States, only persons that are QIBs may acquire Rights or Offer Shares, upon the exercise of Rights or in the Rump Offering, pursuant to exemptions from the registration requirements of the U.S. Securities Act.

INVESTING IN OFFER SHARES AND TRADING IN THE RIGHTS INVOLVES RISKS. SEE "RISK FACTORS" FOR A DESCRIPTION OF THE MATERIAL RISKS THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE OFFER SHARES OR TRADING IN THE RIGHTS.

The Company has applied for admission to listing and trading in the Offer Shares on Euronext Amsterdam. Trading in the Offer Shares is expected to commence on 27 October 2014. The Ordinary Shares are listed on Euronext Amsterdam under the symbol IM ("**IM**"). On 7 October 2014, the closing price of the Ordinary Shares on Euronext Amsterdam was EUR 0.3763.

The Offer Securities will be delivered in book-entry form through the facilities of Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. ("**Euroclear Nederland**").

This Prospectus is dated 8 October 2014 and constitutes a prospectus for the purposes of Section 3 of Directive 2003/71/EC of the European Parliament and of the Council and amendments thereto (including those resulting from Directive 2010/73/EU) (the "**Prospectus Directive**") and has been prepared in accordance with Chapter 5.1 of the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*; the "**FMSA**") and the rules promulgated thereunder. It contains the information required under the proportionate disclosure regime referenced in Section 7 paragraph (2) subparagraph (g) of the Prospectus Directive and Section 21 paragraph (3) of Regulation (EU) No. 809/2004, as amended from time to time (the "**Prospectus Regulation**"). The level of disclosure of this Prospectus is proportionate to this type of offer. See "Important Information – General" and "Important Information – Responsibility statement". This Prospectus has been approved by and filed with the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten;* the "**AFM**").

Underwriters

ING	**Rabobank**	**COMMERZBANK**	**ABN AMRO**

Prospectus dated 8 October 2014

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Notice to investors in the United States

The Offer Securities have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered, sold, pledged, delivered or otherwise transferred except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable state securities laws. Accordingly, the Offering is being extended (i) in the United States, to persons reasonably believed to be QIBs pursuant to Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements under the U.S. Securities Act and applicable state securities laws, and (ii) outside the United States, in offshore transactions within the meaning of and in accordance with Regulation S. Any Offer Securities offered and sold in the United States will be subject to certain transfer restrictions as described in this Prospectus. By accepting delivery of this Prospectus or exercising Rights or purchasing the Offer Shares, prospective investors will be deemed to have made the acknowledgements, representations and warranties set out in "Selling and Transfer Restrictions – United States". The Offer Securities have not been approved or disapproved by the United States Securities and Exchange Commission or any state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

Notice to New Hampshire residents only

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ("RSA") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT ANY EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

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SUMMARY

Summaries are made up of disclosure requirements known as "**Elements**". These Elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of securities and issuer under Directive 2003/71/EC and amendments thereto, including Directive 2010/73/EU and related regulations. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary together with an indication that such Element is 'not applicable'.

	Section A – Introduction and Warnings	
A.1	Introduction and Warnings	This summary should be read as an introduction to this prospectus (the "**Prospectus**") relating to the issuance of 60,082,154,924 new ordinary shares in the capital of Royal Imtech N.V. (the "**Company**") with a nominal value of EUR 0.01 each at an issue price of EUR 0.01 (the "**Issue Price**") per offer share (the "**Offer Shares**"). Any decision to invest in the transferable subscription rights for Offer Shares (the "**Rights**", and together with the Offer Shares the "**Offer Securities**") should be based on a consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states of the European Economic Area ("**EEA**"), have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus, or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Offer Securities.
A.2	Consent, indication, conditions and notice	Not applicable.
	Section B – The Issuer	
B.1	Legal and commercial name of the issuer	Royal Imtech N.V.
B.2	Domicile, legal form and jurisdiction of organisation of the issuer	The Company is a public limited liability company (*naamloze vennootschap*) incorporated under the laws of, and domiciled in, the Netherlands, having its statutory seat in Rotterdam, the Netherlands.
B.3	Key factors relating to the nature of the Group's operations and its principal activities	The Company, together with its group companies within the meaning of Section 2:24b Dutch Civil Code (each a "**Group Company**", together the "**Group**") is an independent technical services provider, delivering technical solutions to a diverse range of customers in the buildings, industry, traffic & infra and marine market in Europe and selected other countries. The Group combines its three technical competences (electrical, automation and mechanical) to offer an entire range of services (from consultancy and design to implementation, maintenance and management) to its customers in four end-markets (buildings, industry, traffic & infra and marine). The Group is organised in seven operating divisions. Five operating divisions are local-for-local divisions, with local presence in: (i) Benelux, (ii) Germany & Eastern Europe, (iii) UK & Ireland, (iv) the Nordic countries and (v) Spain. Two operating divisions are active in the international technology markets of (vi) Traffic & Infra and (vii) Marine. The Traffic & Infra division operates in the European market and the Marine division in the global market.

		The Company believes that the Group's key competitive strengths are the following: • *One of the leading technical services providers with strong reputation to execute complex projects* • *Multi-disciplinary technical services provider offering its customers fully integrated solutions* • *A dense local network in the regions in which the Group operates allows it to be highly responsive to its customers' needs* • *Long-term customer relationships and high customer retention* • *A predictable recurring revenue flow from a diversified customer base in different end-markets* • *Award winning innovative solutions* In early 2013, the Group discovered that the financial results of Imtech Germany and Imtech Poland, for which Imtech Germany bore managerial responsibility, had been considerably inflated, leading to significant and unexpected write-offs on projects in Poland and Germany. Shortly thereafter, the Group uncovered additional irregularities in the Netherlands, Spain and Turkey, as well as in the Marine division, as the management of certain business units sought to disguise declining results related to weak markets by overstating results and understating operating expenses, resulting in further substantial write-offs. The Group also uncovered many instances of unethical business behaviour and other financial irregularities. Collectively, these events are referred to as the "**Irregularities**". In February and March 2014, the Group announced that it had uncovered that irregularities had taken place in Switzerland. After the identification of the Irregularities, the Group, among other actions, executed waiver and amendment agreements with its main financiers, including the banks that are the Underwriters (as defined in E.3 below) of this Offering, in mid-June 2013 and successfully completed a rights issue of approximately EUR 500 million in July 2013. Due to a slower than anticipated recovery of the Group's business and its failure to achieve operational goals, in particular in Germany, the Group, in November 2013, started discussions with its main financiers on a further amendment of its financing agreements, including a resetting of financial covenants. On 17 March 2014, the Group and a quorum of its main financiers, including the banks who are the Underwriters of this Offering (the "**Main Financiers**"), entered into a lock up agreement and a binding term sheet for a medium term solution for the restructuring of the existing indebtedness of the Group (the "**MTS**"). The Group and the Main Financiers agreed on common terms to be implemented in amendments to the Group's finance agreements with the Main Financiers, with respect to terms on pricing, security, guarantor cover, information provisions, financial covenants and undertakings, debt reduction, use of deleveraging proceeds and enforcement rights, in each case with a view to create a level playing field across the Group's various debt instruments (the "**Common Terms**"). On 18 June 2014, the amendments became effective incorporating the Common Terms in the relevant finance agreements between the Main Financiers and the relevant Group Companies, as well as a number of new guarantee facilities and new affiliated agreements (together, the "**Main Finance Agreements**"). These Main Finance Agreements together form the MTS. The Group's continued high debt burden and the increased finance costs relating to the MTS combined with a deterioration in the Group's operating and financial performance led to a failure to achieve the intended operational benefits and the expectation of a failure to meet certain covenants in the Main Finance Agreements shortly after the implementation of the MTS. In addition, a decreased confidence of suppliers, customers, employees, credit insurers and others emerged, in particular as from May 2014, and the Company's share price began to decline. Confronted with these circumstances, the Company considered and worked on a range of potential alternative solutions that would

<table>
<tr><td></td><td></td><td>preserve the interests of all stakeholders (Shareholders, financiers, employees, customers, suppliers and others) concerned. However, none of these alternatives were found to be sufficiently beneficial, as to their commercial terms or at all, to the interests of all stakeholders.

With no successful alternative solutions being found, the Group contacted the Main Financiers and worked with them towards an agreement providing for a comprehensive financial solution, which was ultimately reached on 25 August 2014 and consisted of the Offering, the sale of the Group's ICT division and further amendments to the Group's Main Finance Agreements, all aiming to significantly reduce debt. The Company, the Underwriters and the Main Financiers agreed to three different waterfall arrangements for the application of net proceeds of the Offering and the sale of the ICT division. Which of the three waterfall arrangements is used is dependent on the proportion that the number of Offer Shares subscribed and paid for in the Rights Offering on the Settlement Date plus the number of Rump Shares (as defined in E.3 below) sold and paid for in the Rump Offering (as defined in E.3 below), bears to the total number of Offer Shares issued by the Company (expressed as a percentage; the "Market Take-up"). For a summary description of these waterfall arrangements please see E.2a below. The three waterfall arrangements are different from the existing waterfall arrangement that was previously agreed upon in connection with the MTS, which provides primarily for (p)repayment pro rata among the Main Financiers or certain classes thereof (the "Existing MTS Waterfall").

Since February 2013 the Group has on several occasions adopted significant operational restructuring measures to improve the operating and financial performance of the Group, most recently as announced on 26 August 2014. Amongst other things these measures relate to headcount reductions, improvement of working capital management, the Group's governance, risk and compliance framework and to a change in culture within the Group, and include the programme in Germany known as "Neue Imtech" as well as "One Imtech" in the Netherlands and "Back to the Top" in Marine.</td></tr>
<tr><td>B.4a</td><td>Significant recent trends</td><td>The Company has identified the following significant recent trends that are expected to influence the Group's business and the markets in which it operates:
• Growing need for increasingly complex technical services
• Increasing regulatory and Health and Safety ("H&S") requirements and an ageing asset base require external expertise
• Customers require one-stop-shopping
• Increasing importance of 'green technologies'
• A shift in selection criteria in tender processes from price towards more qualitative criteria
• Further consolidation in the European technical services market
• Retaining and attracting well-trained technical staff remains a critical success factor for technical service companies</td></tr>
<tr><td>B.5</td><td>The issuer's group</td><td>The Company is a holding company with no material, direct business operations. The principal assets of the Company are the equity interests it directly or indirectly holds in its operating subsidiaries.</td></tr>
<tr><td>B.6</td><td>Persons who, directly and indirectly, have a notifiable interest in the Company's capital or voting rights</td><td>The following table sets forth the holders of actual direct and indirect and notifiable interests (substantiële deelnemingen), a holding of at least 3%, of the share capital or voting rights in the Company as at 30 September 2014. The percentages are as shown in the register of the AFM.

<table><tr><th>Shareholder</th><th></th><th>Share Capital</th><th>Voting Rights</th></tr><tr><td>Orbis Holdings Limited</td><td>Indirect</td><td>3.03%</td><td>3.03%</td></tr></table>
The above shareholder does not have other voting rights than other shareholders. A group of funds managed by Orbis Investment</td></tr>
</table>

		Management Limited and/or its affiliates (together, the "**Committed Shareholders**") collectively hold an interest of approximately 6.03% in the Company. In addition to the major shareholder mentioned in the shareholder table above, the AFM register shows four notifications of interests between 3% and 5% that were submitted respectively on 7 February 2012, 29 June 2010, 10 February 2009 and 15 June 2007, i.e. before 1 July 2013. As of the date of the Prospectus, the lowest threshold applicable under Dutch law is 3%, whereas up to 1 July 2013 this was 5%. Based hereon and on information of Company, these notifications can no longer be deemed current and the Company believes that these holdings are currently below 3%. In addition hereto, the AFM register shows a notification of 27 August 2009 of an interest held by WAM Acquisitions GP, Inc. of 5%. Based on information received by it, the Company believes that this notification can no longer be deemed current and that this holding is currently below 3%.
B.7	Selected Key Historical Financial Information	The following selected consolidated financial information for the years ended 31 December 2013 and 2012 is derived from the Company's audited consolidated financial statements 2013. The unaudited consolidated financial information for each of the six month periods ended 30 June 2014 and 2013 is derived from the Company's unaudited condensed consolidated interim financial statements for the six month period ended 30 June 2014.

Condensed consolidated profit and loss account
(EUR million unless otherwise indicated)

	Six months ended 30 June 2014[3]	**Six months ended 30 June 2013 (restated)**[1][3]	**Year ended 31 December 2013**	**Year ended 31 December 2012 (restated)**[2]
	Six months ended 30 June 2014(3)			
Revenue	1,932.6	2,158.8	4,936.3	5,336.3
Other income	19.4	3.3	8.6	18.6
Total revenue and other income	**1,952.0**	**2,162.1**	**4,944.9**	**5,354.9**
Raw and auxiliary materials and trade goods	583.0	691.8	1,815.9	1,820.8
Work by third parties and other external expenses	523.4	587.1	1,166.7	1,312.7
Personnel expenses	726.7	807.8	1,772.0	1,707.8
Depreciation of property, plant and equipment	14.4	16.8	40.5	39.6
Amortisation of intangible assets and impairments of property, plant and equipment and intangible assets	12.7	20.3	84.9	60.7
Other expenses	213.7	235.5	614.2	587.9
Total operating expenses	2,073.9	2,359.3	5,494.2	5,529.5
Result from operating activities	**(121.9)**	**(197.2)**	**(549.3)**	**(174.6)**
Net finance result	(120.9)	(54.4)	(105.0)	(62.0)
Share in results of associates, joint ventures and other investments (net of tax)	0.6	(0.7)	(5.7)	2.8
Result before income tax	**(242.2)**	**(252.3)**	**(660.0)**	**(233.8)**
Income tax expense	10.5	23.7	20.4	(1.8)

Result from continuing operations	**(231.7)**	**(228.6)**	**(639.6)**	**(235.6)**
Result from discontinued operations (net of tax)	(69.8)	(1.9)	(57.0)	(4.9)
Result for the period	**(301.5)**	**(230.5)**	**(696.6)**	**(240.5)**
Attributable to:				
Shareholders of the Company (net result)	(302.0)	(233.2)	(701.2)	(247.2)
Non-controlling interests	0.5	2.7	4.6	6.7
Result for the period	**(301.5)**	**(230.5)**	**(696.6)**	**(240.5)**
Diluted earnings per share				
From continuing operations (euro)	(0.51)	(1.19)	(2.15)	(1.26)
From discontinued operations (euro)	(0.15)	(0.01)	(0.19)	(0.03)
From result attributable to shareholders of the Company (euro)	(0.66)	(1.20)	**(2.34)**	**(1.29)**

(1) Restated in 2014 for IFRS 10, 11, and 12, IAS 27 and 28, and the activities of Arma and ICT, which have been classified as discontinued operations.
(2) Restated in 2013 for the revised reporting of employee benefits (IAS19R) and the activities of Arma, which have been classified as discontinued operations because of the 2013 decision to sell Arma.
(3) These figures have not been subject to an audit.

Condensed consolidated balance sheet
(EUR million)

	As per 30 June 2014(2)	Year ended 31 December 2013	Year ended 31 December 2012 (restated)(1)
Assets			
Property, plant and equipment	133.5	161.0	170.8
Goodwill	802.2	1,032.8	1,081.6
Other intangible assets	99.4	149.0	218.1
Investments in associated companies and joint ventures	2.2	2.5	3.7
Non-current receivables	17.6	21.9	28.8
Deferred tax assets	35.9	19.9	34
Total non-current assets	**1,090.8**	**1,387.1**	**1.537.0**
Inventories	54.2	72.8	80
Due from customers	444.1	443.9	572.8
Trade receivables	604.6	859.3	1,132.1
Other receivables	126.4	134.0	190.5
Income tax receivables	6.7	8.9	13.3
Cash and cash equivalents	331.5	296.4	385.1
	1,567.5	**1,815.3**	**2.373,8**
Assets held for sale	443.3	79.9	27.6
Total current assets	**2,010.8**	**1,895.2**	**2,401.4**
Total assets	**3,101.6**	**3,282.3**	**3,938.4**
Equity attributable to shareholders of the Company	(23.4)	304.6	514.8
Non-controlling interests	6.3	8.7	9.7
Total equity	**(17.1)**	**313.3**	**524.5**
Loans and borrowings	55.0	907.3	42.7
Employee benefits	231.3	207.1	209.8
Provisions	24.1	35.8	13.0
Deferred tax liabilities	35.3	45.9	62.9
Total non-current liabilities	**345.7**	**1,196.1**	**328.4**
Bank overdrafts	250.8	106.2	314.3
Loans and borrowings	1,128.1	39.7	825.9
Due to customers	267.9	275.2	308.0

Trade payables	515.2	756.5	890.8
Other payables	370.1	476.4	652.9
Income tax payables	13.8	20.3	30.8
Provisions	22.3	38.8	37.7
	2,568.2	**1,713.1**	**3,060.4**
Liabilities held for sale	204.8	59.8	25.1
Total current liabilities	**2,273.0**	**1,772.9**	**3.085.5**
Total liabilities	**3,118.7**	**2,969.0**	**3.413.9**
Total equity and liabilities	**3,101.6**	**3,282.3**	**3.938.4**
Net interest bearing debt(3)	1,063.0	745.0	733.0

(1) Restated in 2013 for the revised reporting of employee benefits (IAS19R).
(2) These figures have not been subject to an audit.
(3) Restated (based on continuing operations).

Weighted average number of ordinary shares

	As per 30 June 2014	**As per 30 June 2013**	**Year ended 31 December 2013**	**Year ended 31 December 2012**
Weighted average number of ordinary shares	451,525,754	193,674,282	299,639,808	192,048,514
Weighted average number of ordinary shares (diluted)	454,305,436	193,791,898	300,575,500	192,721,291

Key figures of the continuing operations
(EUR million unless otherwise indicated)

	Six months ended 30 June 2014(4)	**Six months ended 30 June 2013 (restated)(1)(4)**	**Year ended 31 December 2013**	**Year ended 31 December 2012 (restated)(2)**
Revenue	1,952.0	2,162.1	4,944.9	5,354.9
EBITDA(4)	(94.8)	(160.1)	(423.9)	(74.3)
EBITDA margin(4)	(4.9)%	(7.4)%	(8.6%)	(1.4%)
Operational EBITDA(4)	(24.9)	(58.7)	(44.4)	(23.7)
Operational EBITDA margin(4)	(1.3)%	(2.7)%	(0.9)%	(0.5)%
Non-operational costs(4)	(69.9)	(101.4)	(379.5)	(58.2)
Order intake(4)	1,954.9	2,092.4	4,725.8	n/a(3)
Number of employees (FTEs)	23,215	25,895	26,168	28,022
Tax rate	4.3%	9.4%	3.1%	0.8%
Net profit before amortisation and impairments(4)	(289.3)	(212.9)	(616.3)	(186.5)
Working capital(4)	69.0	332.3(5)	(9.5)	68.5
Operational working capital(4)	9.8	n/a(3)	(85.2)	n/a(3)

(1) Restated in 2014 for IFRS 10, 11, and 12, IAS 27 and 28, and the activities of Arma and ICT, which have been classified as discontinued operations.
(2) Restated in 2013 for the revised reporting of employee benefits (IAS19R) and the activities of Arma, which have been classified as discontinued operations because of the 2013 decision to sell Arma.
(3) The Company has been using order intake and operational working capital as a performance measure starting with the fourth quarter of 2013 as a result of separate reporting of the legacy items.
(4) These figures have not been subject to an audit.
(5) This figure is drawn from the unaudited condensed consolidated interim financial statements for H1 2013 and has not been restated for IFRS 10, 11, 12, IAS 27 and IAS 28 as effective from 1 January 2014.

Result from discontinued operations
(EUR million)

	Six months ended 30 June 2014(1)	**Six months ended 30 June 2013(1)**	**Year ended 31 December 2013**	**Year ended 31 December 2012**
Revenue	281.0	363.9	124.3	78.1
Expenses	289.6	365.7	141.4	84.1
Result before income tax	(8.6)	(1.8)	(17.1)	(6.0)
Income tax	(1.2)	(0.1)	0.9	1.1
Results from operation activities (net of tax)	(9.8)	(1.9)	(16.2)	(4.9)
Loss on sale of discontinued operation	(60.0)	-	(40.8)	-
Result from discontinued operation (net of tax)	**(69.8)**	**(1.9)**	**(57.0)**	**(4.9)**

(1) These figures have not been subject to an audit.

Consolidated statement of cash flows
(EUR million)

	Six months ended 30 June 2014[3]	Six months ended 30 June 2013 (restated)[1] [3]	Year ended 31 December 2013	Year ended 31 December 2012 (restated) [2]
Cash flow from operating activities	**(216.7)**	**(309.3)**	**(270.1)**	**116.5**
Interest paid	(35.1)	(47.9)	(69.9)	(64.8)
Income tax paid	(5.0)	(2.0)	12.5	(43.4)
Net cash flow from operating activities	**(256.8)**	**(359.2)**	**(327.5)**	**8.3**
Net cash flow from investing activities	1.1	(39.1)	(57.8)	(156.4)
Net cash flow from financing activities	169.9	381.8	508.1	7.8
Net decrease/increase of cash, cash equivalents and bank overdrafts	**(85.8)**	**(16.5)**	**122.8**	**(140.3)**
Cash, cash equivalents and bank overdrafts on 1 January	198.2	70.8	70.8	211.5
Effect of exchange rate differences on cash, cash equivalents and bank overdrafts	1.4	2.0	(3.4)	(0.4)
Cash, cash equivalents and bank overdrafts of discontinued operations	(33.1)	-	-	-
Cash, cash equivalents and bank overdrafts at end of period	**80.7**	**56.3**	**190.2**	**70.8**

(1) Restated in 2014 for IFRS 10, 11, and 12, IAS 27 and 28, and the activities of Arma and ICT, which have been classified as discontinued operations.
(2) Restated in 2013 for the revised reporting of employee benefits (IAS19R) and the activities of Arma, which have been classified as discontinued operations because of the 2013 decision to sell Arma.
(3) These figures have not been subject to an audit.

B.8	Selected key pro forma financial information	Not applicable.
B.9	Profit forecast	Not applicable.
B.10	Historical audit report qualifications	The audit opinions on the financial statements 2013 and 2012 of the Company are unqualified with an emphasis of matter paragraph relating to the existence of material uncertainties which may cast significant doubt about the entity's ability to continue as a going concern as set out in note 2 (2013) and note 4 (2012) to the audited financial statements for both 2013 and 2012. Furthermore, the auditor's review report on the condensed consolidated interim financial statements for H1 2014 is unqualified, but included an emphasis of matter paragraph relating to the existence of material uncertainties which may cast significant doubt about the entity's ability to continue as a going concern as set out in note 3 to the unaudited reviewed financial statements for H1 2014. The emphasis of matter paragraph in the Company's annual report 2013: "We draw attention to note 2 to the consolidated financial statements which indicates the existence of material uncertainties which may cast significant doubt about the entity's ability to continue as a going concern. Our opinion is not qualified in respect of this matter." The emphasis of matter paragraph in the Company's annual report 2012: "We draw attention to note 4 to the consolidated financial statements which indicates the existence of material uncertainties which may cast significant doubt about the entity's ability to continue as a going concern. Our opinion is not qualified in respect of this matter." The emphasis of matter paragraph in the Company's half year report for the six month period ended 30 June 2014: "We draw attention to note 3 to the interim financial statements, which indicates the existence of material uncertainties which may cast significant doubt about the entity's ability to continue as a going concern. Our conclusion is not qualified in respect of this matter."

B.11	Working capital	The Company's current cash resources, together with its existing borrowings, do not provide it with sufficient working capital for its present requirements, meaning for the next 12 months following the date of this Prospectus. As at the date of this Prospectus, the Company expects to have sufficient working capital until 31 December 2014. In the context of the current financial measures and restructuring, a temporary waiver of the financial covenants in the Company's Main Finance Agreements has been granted until 31 December 2014. Conditional upon settlement of the Offering taking place ultimately by 31 December 2014, the Group will be granted an additional covenant holiday by the Main Financiers for all financial covenants up to and including Q1 2016. Therefore, if the Offering is not completed by 31 December 2014 at the latest, the temporary waiver falls away without the covenant holiday up to and including Q1 2016 being in place, which will result in non-fulfilment of one or more of the financial covenants under the Main Finance Agreements and thereby constitute an event of default under the Main Finance Agreements allowing the Main Financiers to accelerate the maturity of the debt owed under their Main Finance Agreements. Such acceleration would, taking into account outstanding amounts and foreign exchange rates as at 31 August 2014, result in a payment obligation of EUR 1,242.4 million under the RCF, the USPPs and the Committed Bilateral Cash Facilities (or, in case of any additional drawdown thereunder after 31 August 2014, such higher amount outstanding at that time), as well as cash collateral demands for then outstanding guarantees under the Guarantee Facilities and the uncommitted guarantee facilities up to approximately EUR 773.7 million (EUR 765.3 million excluding ICT) and additional payment obligations under hedging arrangements up to approximately EUR 14.7 million. The event of default or acceleration under the Main Finance Agreement may also cause a cross-default under the Group's other main financing arrangements resulting in a payment obligation of up to approximately EUR 34.0 million (EUR 26.3 million excluding ICT). In order to avoid this working capital shortfall, the Company must complete the Offering by 31 December 2014 at the latest. However, if Market Take-up (as defined in "Financial and Operational Restructuring – Financial Measures – Use of proceeds of the Offering and the ICT sale") of the Offering is less than 50%, all net proceeds from the Offering will be applied in repayment, cancellation or collateralisation of obligations under the Main Finance Agreements. In that scenario, the Company will be dependent on completion of the sale of the Group's ICT division for the additional liquidity buffer that is envisaged to be retained by it in accordance with the amendments to the Main Finance Agreements and the deleveraging effects of the Offering alone are then not sufficient to address the Group's need for additional liquidity headroom for the next 12 months following the date of this Prospectus. For more information on the retention and distribution of the proceeds of the Offering and the ICT sale, see "Financial and Operational Restructuring – Financial and Other Measures – Use of proceeds of the Offering and the ICT sale". On 26 August 2014, the Company entered into an agreement with Vinci Energies S.A. regarding the sale of the Group's ICT division to Vinci Energies S.A. at an enterprise value of EUR 255 million. The sale is expected to close in Q4 2014. An estimated amount between EUR 180 million and EUR 190 million is expected to be available from the net proceeds at closing for enhancement of the liquidity position of the Group and for debt reduction as agreed with the Main Financiers. See "Business – Divestment of ICT division". In the scenario that the Offering completes with a Market Take-up of less than 50% and the ICT sale fails to complete by 31 March 2015 at the latest, a working capital shortfall would occur by April 2015. Such shortfall may occur earlier in case the Market Take-up of the Offering is

		less than 25%, as in this case the Company considers additional liquidity headroom to be required to address the possible decreased Stakeholder confidence due to the low degree of success of the Offering. In this scenario (whether below or above 25% Market Take-up) the Company may seek alternatives, including the entering into further debt or equity financing arrangements by means of private or public offerings, enter into negotiations with its existing financiers and decrease its operational and capital expenditure. The Company is in the process of implementing measures to enhance recovery of the Group's performance. Since February 2013 the Group has on several occasions adopted significant operational restructuring measures to improve the operating and financial performance of the Group, most recently as announced on 26 August 2014 – see "Financial and Operational Restructuring – Operational Measures". Amongst other things these measures relate to headcount reductions, improvement of working capital management, the Group's GRC framework and to a change in culture within the Group, and include the programme in Germany known as "Neue Imtech" as well as "One Imtech" in the Netherlands and "Back to the Top" in Marine. The measures have already been implemented in part, and to the extent not implemented, are expected to be implemented to a large extent in the course of 2014. The Company expects these measures to already start yielding results in the course of 2014 and 2015. The Company is confident that if the Offering is completed by 31 December 2014 at the latest and the sale of the ICT division is completed by 31 March 2015 at the latest and the measures as described above are implemented, it will have sufficient working capital for at least the next 12 months following the date of this Prospectus. In a scenario under which future performance and cash flow developments are less favourable than expected, the Company believes the Group has various and sufficient options available that if realised, and realised timely, address such adverse circumstances and remedy covenant breaches or resolve pressure on available liquidity headroom. These options include, but are not limited to: • further measures around working capital management; • accessing the capital markets; and • disposal of assets, business units or even divisions. Some of the options available to the Group are subject to external factors including approval of the financiers, the shareholders or the Underwriters. As a result it is uncertain if these measures can be executed successfully and implemented in a timely manner which would result in the necessary relief to liquidity. The Company has not taken any decisions to implement any of these potential additional measures.
Section C – Listing Shares		
C.1	Description of the securities	Subject to applicable securities laws and the terms set out in this Prospectus, holders of ordinary shares in the Company (the "**Ordinary Shares**") as at the Record Date (as defined in E.3 below) are being granted Rights *pro rata* to their shareholding in the Company. The offer to subscribe for Offer Shares through the exercise of Rights is referred to as the "**Rights Offering**". Eligible Persons (as defined in section E.3 below) may, subject to applicable securities laws, subscribe for Offer Shares during the period from 9:00 hours CEST on 9 October 2014 until 17:40 hours CEST on 22 October 2014 (the "**Exercise Period**"). **Codes for the Rights** Symbol: IMRI.

<table>
<tr><td></td><td></td><td>International Securities Identification Number (“ISIN”) code: NL0010886883.

Codes for the Offer Shares

Symbol: IM.

ISIN code: NL0006055329.</td></tr>
<tr><td>C.2</td><td>Currency of the securities</td><td>The Offering will be carried out and trading in the Rights will be effected in euros. The Offer Shares will be denominated in euros.</td></tr>
<tr><td>C.3</td><td>Number of shares and par value</td><td>At the date of this Prospectus, the Company’s authorised share capital is divided into (i) 758,540,444 Ordinary Shares, of which 463,552,823 are issued (including Ordinary Shares held in treasury by the Company), (ii) cumulative preference shares (the “Cumulative Preference Shares”) and (iii) cumulative financing preference shares (the “Cumulative Financing Preference Shares” and together with the Ordinary Shares and the Cumulative Preference Shares, the “Shares” and a holder of one or more Ordinary Shares a “Shareholder”). Each of the Shares has a nominal value of EUR 0.01.

Upon amendment of the articles of association of the Company (the “Articles”), which was decided on in the extraordinary General Meeting (as defined in C.4 below) on 7 October 2014 the Company’s authorised share capital will be increased. On 7 October 2014, the Board of Management (as defined in C.4 below) resolved, subject to the approval of the Supervisory Board, to grant the Rights and to issue the Offer Shares and to validly exclude the statutory pre-emptive rights (wettelijke voorkeursrechten) of holders of Ordinary Shares in relation to the Offering. The Supervisory Board (as defined in C.4 below) approved, ratified and confirmed the aforementioned resolution of the Board of Management on 7 October 2014. The choice for the amount of authorised capital was based on the number of Ordinary Shares to be issued in connection with the Offering taking into account the Issue Price.

<table>
<tr><th>Type</th><th>Number</th></tr>
<tr><td>Ordinary Shares</td><td>758,540,444</td></tr>
<tr><td>Cumulative Preference Shares</td><td>180,000,000</td></tr>
<tr><td>Cumulative Financing Preference Shares</td><td>250,000,000</td></tr>
<tr><td>Total:</td><td>1,188,540,444</td></tr>
</table></td></tr>
<tr><td>C.4</td><td>Rights attached to the securities</td><td>Each Offer Share entitles its holder to cast one vote at the Company’s general meeting of Shareholders, being the corporate body, or where the context requires so, the physical meeting (the “General Meeting”). There are no voting restrictions, other than that the Company has no voting rights on the Ordinary Shares that it holds in treasury. The Offer Shares will be eligible for any dividends which the Company may declare on Ordinary Shares after the “Settlement Date” on 27 October 2014.

Holders of Ordinary Shares have a pre-emptive right in the event of an issue of Ordinary Shares. Holders of Ordinary Shares have no pre-emptive right upon the issue of Cumulative Financing Preference Shares and Cumulative Preference Shares. No pre-emptive right exists in respect of issue of shares for consideration other than cash or in respect of shares that are issued to employees of the Group.

The General Meeting may resolve to restrict or exclude the pre-emptive rights, which resolution requires a majority of at least two-thirds of the votes cast if less than half of the issued share capital is represented at the General Meeting. If half or more of the issued share capital is represented, the resolution can be adopted with an absolute majority of the votes cast. Furthermore, such resolution can only be adopted on the proposal of the</td></tr>
</table>

		board of management of the Company (the "**Board of Management**") subject to the approval of the supervisory board of the Company (the "**Supervisory Board**").
C.5	Restrictions on transferability	There are no restrictions on the transferability of the Ordinary Shares under the Articles. However, the offer of the Rights and the Offer Shares to persons located or resident in, or who are citizens of, or who have a registered address in countries other than the Netherlands, and the transfer of Rights and Offer Shares into jurisdictions other than the Netherlands may be subject to specific regulations or restrictions. Rights can be exercised, traded or purchased by Eligible Persons only.
C.6	Listing and admission to trading	Application has been made for admission to listing and trading in the Rights and the Offer Shares on Euronext in Amsterdam, a regulated market of Euronext Amsterdam N.V. ("**Euronext Amsterdam**"). The Company expects trading in the Rights on Euronext Amsterdam to commence at 09:00 hours CEST on 9 October 2014 and to continue until 17:40hours CEST on 21 October 2014. The Rights will be traded on Euronext Amsterdam under the symbol "IMRI" and ISIN code NL0010886883. The Company expects that the Offer Shares will be admitted for listing and that trading in the Offer Shares will commence on Euronext Amsterdam on 27 October 2014. The Ordinary Shares are listed on Euronext Amsterdam under the symbol IM and ISIN code NL0006055329. The offer and sale of the **Rump Shares** (as defined in E.3 below; the "**Rump Offering**"), if any, is expected to commence no later than 7:00 hours CEST on 23 October 2014 and to end no later than 17:40 hours CEST on 23 October 2014.
C.7	Dividend policy	No dividend will be paid out for the financial year 2014. As a result of contractual arrangements with the Main Financiers (including under the RCF, USPPs, the Committed Bilateral Cash Facilities and the Guarantee Facilities) the Company is not allowed to pay any dividends until the Company certifies that (i) the ratio of consolidated senior net debt to last twelve months operational EBITDA as both further detailed in the Main Finance Agreements (the "**Senior Leverage Ratio**") did not exceed 2.0 to 1.0 on two immediately preceding testing dates and (ii) it does not reasonably expect that the Senior Leverage Ratio will exceed 2.0 to 1.0 on the next testing date or immediately following the date of the first payment of dividends or other distributions to the Company's shareholders. The Company does not foresee that the events listed under (i) and (ii) will occur before the end of 2015.
Section D – Risks		
D.1	Key risks relating to the issuer and the industry in which it operates	**Risks relating to the Group's business and markets** • The Group's business, results of operations, financial condition and prospects may continue to be impacted by the difficult economic conditions and other factors beyond the Group's control. • The measures adopted by the Group in response to the Irregularities and the Group's Financial and Operational Restructuring may not be sufficient to restore and retain the confidence of customers, suppliers, business partners, employees, credit insurers and other stakeholders. • The announced operational restructuring measures may fail or may be insufficient to improve the operating and financial performance of the Group as planned • Due to the decreased confidence levels of its Stakeholders before implementation of the Financial and Operational Restructuring and the current situation with respect to its financiers, even a slightly reduced operating and financial performance could have

		material adverse effects. • If the recent sale of the ICT division does not or not timely close or the proceeds are significantly lower than expected, this may have a material adverse impact on the Group's business, results, financial condition and prospects. • Deteriorating markets and other causes could result in an impairment of goodwill which may adversely affect the Group's results and financial condition. • In connection with the Irregularities and subsequent events or otherwise, the Group may become party to legal proceedings and become subject to regulatory or criminal investigations, which could have a material adverse effect on the Group's business, reputation, results of operations, financial conditions and prospects. • The Company cannot assure that, beside the Irregularities, no further or other irregularities have taken place nor that they will not take place in the future, which could lower Stakeholder confidence in the Group and have a material negative impact on the Company's business, reputation, results of operations, financial condition and prospects. • Under Dutch corporate law, shareholders could initiate proceedings leading to an investigation of the Company's management policies or bring other legal actions against the Company that could have a material adverse effect on the Company's business, reputation and financial condition. • The Group may not be successful in achieving its target financial structure (including reducing its level of indebtedness) in accordance with its plans. • The Group is subject to significant restrictive covenants, which limit the Group's operating, strategic and financial flexibility. • The Group depends on generating and up-streaming sufficient cash flow to fund the Group's debt obligations, capital expenditures and on-going operations, which can be negatively impacted by significant fluctuations in working capital. • The uncommitted nature of certain of the Group's bank guarantees, surety and bonding facilities that are not Main Finance Agreements may result in non-availability of sufficient guarantee and bonding facilities for the Company and the Group. • The Group faces intense competition and a failure of the Group to maintain its competitive position would have a material adverse impact on its business, results of operations, financial condition and prospects. • The Company has certain weaknesses in its financial reporting procedures. Failure to timely address these weaknesses may cause financial information provided to the Company by its operating companies to be unreliable, impair effective management of the Group's operations and cause delays in the Group's financial reporting. • With respect to the Group's defined benefit pension plans, disappointing performance, adverse interest movements and longevity risks, as well as changes to the Group's pension plans, may adversely affect the Group's operations, results and financial condition. • Execution of large scale and long-term technically complex projects exposes the Group to the risk of significant losses on such projects. • The Group's success depends on efficient execution and effective project and site management, which could be impaired by various factors. • The Group may incur significant costs in providing services in excess of original project scope without having an approved change order or it may incur cost overruns for other reasons.

		• Any failure of the Group's subcontractors or business partners to satisfactorily perform their obligations may materially adversely affect the Group's reputation, business, results of operations, financial condition and prospects. • The business of the Group may be materially adversely affected by a change of the outsourcing trend observed by the Group. • The Group is party to public sector contracts, which may be affected by political and administrative decisions, and the success and profitability of such contracts may be influenced by political considerations. • The reported amounts of the Group's order intake at any time or during any period are not necessarily indicative of its actual or future revenue or results due to possible cancellations, delays or scope adjustments of projects or maintenance assignments included in the Group's reporting systems. • The Group has engaged in acquisitions, strategic investments, strategic partnerships and alliances that may not be successful, and it may incur unforeseen liabilities from acquisitions that are not covered by effective warranties or indemnities. • The Group may incur liabilities from former and future divestments • The Group is and may in the future become, party to legal proceedings arising from the normal operation of the Group's business. • Failure to comply with laws and regulations, in particular those relating to competition, anti-bribery and health and safety, may have a material adverse effect on the Group's business, results of operations, financial condition and prospects. • If the Group fails to ensure safe work environments for its employees, the Group's reputation may be adversely affected and the Group could be exposed to financial losses, as well as civil and criminal liabilities, which could have a material adverse effect on the Group's business, results of operations and financial condition and prospects. • The Group is exposed to liabilities from projects operated in joint ventures and does not have full control in many of its joint ventures (including joint ventures used in acquisitions), which may limit the conduct of the Group's business. • The Group's projects expose it to potential professional liability, product liability, warranty and other claims, which could be costly, damage the Group's reputation and harm its business. • A departure of one or more members of senior management of the Group could have a material adverse effect on its business. • The Group is exposed to a risk of default by and lack of funds and credit of its customers. • The Company's dividend may fail to be restored in a timely manner, or at all. • Changes in tax laws or challenges to the Group's tax position could materially adversely affect its business, results of operations, financial condition and cash flow. • The Group may incur material liabilities that are not covered by the Group's insurance. • The Company has requested the cabinet of the King to prolong its Royal Designation, which request may or may not be granted. • The Group's information technology systems may fail or be interrupted, which could have an adverse effect on its business, results of operations, financial condition and prospects. • The Group could be subject to information technology theft or misuse, which could result in third party claims and harm its business, reputation, results and financial condition. • The Group is exposed to interest rate risk and any fluctuations in the interest rate that are not adequately hedged may adversely

		affect the Group's business, results of operations and financial condition. • Fluctuations in foreign currency exchange rates may affect the Group's results of operations and financial condition. • Catastrophic events, terrorist attacks, acts of war, hostilities, riots, civil unrest, pandemic diseases and other unpredictable events may materially adversely affect the Group.
D.3	Key risks relating to the securities	**Risks relating to the Offer Securities and the Offering** • If the Offering is not completed, this may mean that the Group cannot continue as a going concern. • In case the Rights Offering is unsuccessful, one or more investors participating in the subsequent Rump Offering may, or if the Rump Offering is also unsuccessful, each of the Underwriters may, obtain a significant interest in the Company. The interests of such investors or of the Underwriters may conflict with the interests of other shareholders. Also, such a significant acquisition of an interest in the Company by an investor in the Rump Offering or by Underwriters could result in the Group's German tax losses, tax loss carry-forwards and interest carry-forwards being forfeited in whole or in part. • The market price of the Ordinary Shares and Offer Securities may fluctuate and may decline below the Issue Price. • If a holder of Ordinary Shares does not, not timely or not validly exercise all of his Rights, his percentage ownership of Ordinary Shares will be very significantly diluted. Shareholders in certain jurisdictions are excluded from the Offering and may thus also suffer very significant dilution. • In case closing of the Offering does not take place on the Settlement Date and the Offering is withdrawn, whether or not as a result of a termination of the Underwriting Agreement by the Underwriters, both the exercised and the unexercised Rights will be forfeited without compensation to their holders and the subscriptions for and allocation of Offer Shares that have been made will be disregarded. • The Company cannot assure that a trading market will develop for the Rights and, if a market does develop, the Rights may be subject to greater volatility than the Ordinary Shares. If the Offering fails or is terminated, Rights will become worthless. • If Eligible Persons do not, not timely or not validly exercise their Rights, they may not be able to subscribe for Offer Shares at the Issue Price and they may not receive a compensation for their unexercised Rights. • Issuance of additional equity by issuing new Ordinary Shares could lead to a dilution of shareholders' stakes. • Shareholders in certain jurisdictions are excluded from the Offering. This may have a negative impact on the market price of the Ordinary Shares and may negatively influence the development of a trading market. • Shareholders may be subject to exchange rate risk as a result of adverse movements in the value of their local currencies against the euro. • The Articles contain provisions that may prevent, slow down or complicate unwanted takeover attempts and resist unwanted influence on and pressure to amend the strategy of the Company by holders of Ordinary Shares that may be favourable to the holders of Ordinary Shares. In addition, the Company has granted a call option to Stichting Imtech to subscribe for up to 180 million Cumulative Preference Shares. • The rights and responsibilities of a holder of Ordinary Shares are governed by Dutch law and will differ in some respects from the rights and obligations of holders of Ordinary Shares under the laws of other jurisdictions and the shareholder rights under Dutch

		law may not be as clearly established as the rights of a holder of Ordinary Shares established under the laws of some other jurisdictions. • If securities or industry analysts do not publish research or reports about the Group's business, or if they adversely change their recommendations regarding the Ordinary Shares, the market price and trading volume of the Offer Securities could be affected. • Shareholders may be unable to effect service of process on the Company, members of the Supervisory Board, Board of Management and senior management in the United States or enforce judgments obtained in United States courts for United States securities laws violations.
Section E – Offer		
E.1	Net proceeds and expenses	The Company expects that the Offering will raise net proceeds of approximately EUR 567 million (after deducting estimated expenses, commissions and taxes related to the Offering of approximately EUR 33 million).
E.2a	Reasons for the issue and use of proceeds	Following the events described in B.3 of this summary, on 25 August 2014 the Group reached agreement with the Main Financiers providing for a comprehensive financial solution, which consisted of the Offering, the sale of the Group's ICT division and further amendments to the Group's Main Finance Agreements, all aiming to significantly reduce debt. The Company, the Underwriters and the Main Financiers agreed to the following three different waterfall arrangements for the application of net proceeds of the Offering and the sale of the ICT division. Which of the three waterfall arrangements is used is dependent on the Market Take-up (being the number of Offer Shares subscribed for and paid for in the Rights Offering on the Settlement Date plus the number of Rump Shares (as defined in E.3 below) sold and paid for in the Rump Offering (as defined in E.3 below). The three waterfall arrangements are different from the Existing MTS Waterfall arrangement, which was previously agreed upon with the MTS and provides primarily for (p)repayment *pro rata* among the Main Financiers or certain classes thereof. If Market Take-up is equal to or greater than 50% of the Offer Shares, all net proceeds from the sale of ICT (less EUR 20 million which will be retained for general corporate purposes as additional liquidity buffer for the Group, but which amount is at least partly intended to address various contractual loss compensation entitlements (break costs and make-whole) arising pursuant to the application of proceeds of the Offering and ICT sale in prepayment of amounts outstanding under the Main Finance Agreements prior to their stated maturity and pursuant to the concurrent partial termination or close-out of the Group's hedging agreements ("**Break Costs**")) will be applied in accordance with the Existing MTS Waterfall. The net proceeds from the Offering will be applied, *first*, in a fixed amount of EUR 100 million, as an additional liquidity buffer for the Group; *second*, in a maximum aggregate amount of EUR 350 million, in repayment of amounts owed to, and/or cancellation or collateralisation of the guarantee exposures of, each lender who is also an Underwriter pro rata to its underwriting amount; *third*, up to an amount of EUR 120 million (currently, the available amount is estimated at approximately EUR 117 million, as net proceeds from the issue of the Offer Shares are expected to be EUR 567 million), to fund a potential partial buyback of the Company's cash debt below par pursuant to the auction process described below; and *fourth*, in repayment of amounts owed to, and/or cancellation or collateralisation of the guarantee exposures of, the Main Financiers in accordance with the Existing MTS Waterfall. The auction process referred to above was initiated on 23 September 2014. On terms pre-agreed with its financiers and the Underwriters, the Company invited its RCF lenders, bilateral cash lenders and USPP noteholders to offer part or all of their debt for purchase against a discount

		by the Company. The invitation extends to all their outstanding debt receivables (but not any unused commitments or headroom), consisting of both principal amounts and accrued paid-in-kind (PIK) interest. The Company would purchase such debt from participating creditors, funded from a pre-agreed part of the proceeds of the Offering or the disposal of ICT (depending on the waterfall as agreed). The amount which can be used for the auction is dependent on the Market Take-up of the Offering and potentially the amount of the net proceeds received from the disposal of ICT. The process was structured as a “Dutch auction”, whereby the Company will accept offers in order of offered discount to the nominal value of the debt. Since offers are expressed as a percentage of nominal debt, the Company will first accept offers showing the lowest percentage and continuing to higher prices, in aggregate up to the amount that under the waterfall is available for the auction. If several offers which the Company intends to purchase show the same discount and the Company has an insufficient amount available to accept both offers in full, it will purchase the offered debt pro-rata. Offers may be made under pre-set terms and conditions, including a maximum price of 85% of nominal value. Since the proceeds of the Offering and ICT would, barring the auction, have been used to lower the debt of the Company on a euro for euro basis, any offer accepted by the Company will create immediate value as it allows the Company to repurchase its debt at a discount to the nominal value. The Company will need to pay cash interest accrued on purchased debt at the date of purchase and, depending on the outcome, may incur additional costs related to the mandatory partial termination or close-out of the Group’s hedging agreements. However, offerors will not be entitled to any Break Costs which could have become due if the Company had paid down debt on a euro for euro basis prior to its stated maturity. The deadline for offers was 6 October 2014, 18:00 CEST, and the record date for the auction is the later of (i) the Settlement Date and (ii) the closing date of the disposal of ICT, but in any event no later than 31 December 2014. If the closing date of the disposal of ICT will not have occurred before 15 November 2014, the offers can on 15 November 2014 be withdrawn or revised. The acceptance date will be up to 4 business days thereafter and settlement shortly after that. If the aggregate amount of debt offered in the auction is less than the amount of Offering proceeds available for this purpose, then the remaining amount of Offering proceeds allocated for this process will be applied to repay debt in accordance with the agreed waterfall. In respect of any valid offer not accepted by the Company, the Underwriters have the right (but not the obligation) to accept such offers for their own account, upon which they will purchase the relevant debt from the offering parties at the same discount as was offered to the Company. On 6 October 2014, 18:00 CEST, at the deadline as to which offers could be made, and assuming that EUR 117 million will be available to be applied in the auction process, the closing date of the disposal of ICT will occur before 15 November 2014 and exchange rates are constant compared to 6 October 2014, the Company had received bids such that it can repurchase EUR 146 million (nominal amount) of debt at an average weighted percentage of approximately 79%. If Market Take-up is at least 25%, but less than 50% of the Offer Shares EUR 110 million of the net proceeds from the sale of ICT will be retained for general corporate purposes as additional liquidity buffer for the Group (but of which up to EUR 10 million is at least partly intended to address various Break Costs), and the remainder will up to EUR 100 million (currently, the available amount is estimated at between EUR 70 million and EUR 80 million, as the estimated amount that is expected to be available as net proceeds at closing of the sale of the ICT division is between EUR 180 million and EUR 190 million) be used to fund a partial buyback of the Company’s debt below par under the auction process as described above. Any amounts remaining in the buy-back fund after the

		auction (if there is insufficient participation to fully deplete the fund) and any further remaining (excess) proceeds from the sale of ICT will be applied in accordance with the Existing MTS Waterfall and the net proceeds from the Offering will be applied, *first*, in repayment of amounts owed to, and/or cancellation or collateralisation of the guarantee exposures of, each lender who is also an Underwriter pro rata to its underwriting amount, and, *second*, in repayment of amounts owed to and/or cancellation or collateralisation of the guarantee exposures of, the Main Financiers in accordance with the Existing MTS Waterfall. If Market Take-up is less than 25% of the Offer Shares up to EUR 200 million of the net proceeds from the sale of ICT will be retained for general corporate purposes as additional liquidity buffer for the Group (but of which up to EUR 10 million is at least partly intended to address various Break Costs), and any remainder will be applied in accordance with the Existing MTS Waterfall and the net proceeds from the Offering will be applied, *first*, in repayment of amounts owed to and/or cancellation or collateralisation of the guarantee exposures of, each lender who is also an Underwriter pro rata to its underwriting amount, and, *second*, in repayment of amounts owed to and/or cancellation or collateralisation of the guarantee exposures of, the Main Financiers in accordance with the Existing MTS Waterfall.
E.3	Terms and conditions of the Offering	**Issue Price** EUR 0.01 per Offer Share. **Pre-emptive rights** The statutory pre-emptive rights (*wettelijke voorkeursrechten*) of holders of Ordinary Shares in respect of the Offering have been excluded. **Record Date** The record date for determining the holders of Ordinary Shares who will receive Rights is immediately on the close of trading in the Ordinary Shares on Euronext Amsterdam at 17:40 hours CEST on 8 October 2014 (the "**Record Date**"). Until the close of trading in the Ordinary Shares on Euronext Amsterdam on the Record Date, Ordinary Shares will trade with Rights (*cum*-Rights). As from 9:00 hours CEST on 9 October 2014, Ordinary Shares will trade without the Rights (*ex*-Rights). **Rights** Subject to applicable securities laws, existing holders of Ordinary Shares (excluding the Company in respect of the shares it holds in treasury) as at the Record Date are being granted Rights in registered form to subscribe for the Offer Shares at the Issue Price. Eligible Persons may, subject to applicable securities laws, subscribe for Offer Shares by exercising Rights during the Exercise Period. Each Ordinary Share held immediately after the close of trading in the Ordinary Shares on Euronext Amsterdam at 17:40 hours CEST on the Record Date will entitle its holder to one (1) Right. Eligible Persons will be entitled to subscribe for 131 Offer Shares for every Right held until the end of the Exercise Period. **Exercise Period** The exercise period is from 9:00 hours CEST 9 October 2014 up to 17:40 hours CEST on 22 October 2014 (the "**Exercise Period**"). The time until which notification of exercise instructions may be validly given may be earlier, depending on the financial intermediary through which the Rights are held. Any Rights not exercised by any of the persons making the representations and warranties as set out in "Selling and Transfer Restrictions – Representations and warranties by investors in the offering"

		(an "**Eligible Person**") by the end of the Exercise Period, may no longer be exercised. Once an Eligible Person has validly exercised his Rights, that exercise cannot be revoked or modified, except for certain circumstances. After the Exercise Period has ended, the Offer Shares that were issuable upon the exercise of Rights but that have not been subscribed for during the Exercise Period (the "**Rump Shares**") may be offered through private placements to institutional investors in the Netherlands and certain other jurisdictions by the Underwriters, subject to the terms and conditions of the agreement dated 8 October 2014 between the Company and the Underwriters (the "**Underwriting Agreement**") and subject to applicable securities laws. The Rump Offering and the Rights Offering are collectively referred to as the "**Offering**". **Rump Offering** After the Exercise Period has ended, the Underwriters may, subject to the terms and conditions of the Underwriting Agreement start the Rump Offering. In such Rump Offering, the Underwriters will, subject to the terms and conditions of the Underwriting Agreement, use their reasonable efforts to procure subscribers for any Rump Shares through private placements to institutional investors in the Netherlands and certain other jurisdictions. The price per Rump Share must be at least equal to the Issue Price, plus any expenses related to procuring such subscribers (including any non-recoverable value added tax). The Rump Offering, if any, is expected to commence no later than 7:00 hours CEST on 23 October 2014 and to end no later than 17:40 hours CEST on 23 October 2014. **Unexercised Rights Payment** If, upon completion of the Rump Offering, if any, the aggregate proceeds for the Rump Shares offered and sold in the Rump Offering, minus the selling expenses and any applicable taxes, exceed the aggregate Issue Price for such Rump Shares, such amount will constitute the excess amount (the "**Excess Amount**"). Each holder of a Right that was not exercised at the end of the Exercise Period will be entitled to receive, except as noted below, a part of the Excess Amount in cash *pro rata* to the number of unexercised Rights reflected in each such holder's securities account (the "**Unexercised Rights Payment**"). If the Excess Amount divided by the total number of unexercised Rights is less than EUR 0.01, no Unexercised Rights Payment will be made to the holders of any unexercised Rights, and instead, any such Excess Amount will be retained by the Underwriters for their own benefit. The Unexercised Rights Payment, if any, will be paid to holders of unexercised Rights as soon as practicable after the Settlement Date and will be credited to those holders through the facilities of Euroclear Nederland. The Company, the Underwriters and the Subscription, Listing and Paying Agent (as defined below) cannot guarantee that the Rump Offering, if any, will be successfully completed. If the Rump Offering takes place, neither the Company nor the Underwriters, nor the Subscription, Listing and Paying Agent, nor any other person procuring purchases for the Rump Shares, will be responsible for any lack of Excess Amount arising from any placement of the Rump Shares. **Payment and delivery** A holder of Rights that exercises his Rights should pay the Issue Price for the Offer Shares subscribed for in accordance with the instructions he receives from the financial intermediary through which he holds the Rights. The financial intermediary will pay the Issue Price to the Subscription, Listing and Paying Agent, who will in turn, after deduction of applicable fees and expenses, pay it into an account in the name of the

		Company, which will subsequently be used to partially repay the indebtedness of the Group. Payment for the Offer Shares must be made at the office of the Subscription, Listing and Paying Agent no later than the Settlement Date, which is expected to be on 27 October 2014. Accordingly, financial intermediaries may require payment to be provided by holders of Rights exercising such Rights prior to the Settlement Date. Payment for and delivery of the Offer Shares is expected to take place on 27 October 2014. Delivery of the Offer Shares will take place through the book-entry system of Euroclear Nederland. **Underwriters**: ING Bank N.V. ("**ING**"), Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. ("**Rabobank**"), COMMERZBANK Aktiengesellschaft ("**COMMERZBANK**") and ABN AMRO Bank N.V. ("**ABN AMRO**"). **Subscription, Listing and Paying Agent**: ABN AMRO acting through its Corporate Broking Department, in its capacity as subscription, listing and paying agent. **Conditions to the Offering** The obligations of the Underwriters under the Underwriting Agreement are subject to the fulfilment, or discretionary waiver by the Underwriters of a number of conditions for the benefit of the Underwriters, including but not limited to, in brief, (i) the absence of a material adverse change in the business, financial condition, or results of operations of the Group, (ii) the Main Finance Agreements being in full force and effect and any conditions remaining capable of fulfilment and not being waived and no default or event of default having occurred, (iii) no event of default or other premature termination having occurred under any of the Group's other substantial debt facilities and financing arrangements and no substantial event of default having occurred under any of the Group's other non-substantial debt facilities and financing arrangements, (iv) the agreement for the divestment of the ICT division remaining in full force and effect and the conditions to this agreement remaining capable of fulfilment and not being waived and the Underwriters not becoming aware of circumstance which in the judgment of the Underwriters would significantly adversely impact or delay the closing of the disposal or would reduce the expected amount of the net cash proceeds and (v) certain other, customary, conditions.
E.4	Interests material to the Offering (including conflicts of interests)	The Underwriters (and/or their respective affiliates) are currently lenders under bilateral agreements with members of the Group. In addition, each of the Underwriters is a guarantee provider to members of the Group, both bilaterally under the Existing Guarantee Facilities (with the exception of ABN AMRO) as under the New Syndicated Guarantee Facility and COMMERZBANK, ING and Rabobank are hedge counterparties to members of the Group. Finally, each of the Underwriters is party to the Intercreditor and Security Deed. In such capacities, they have received and may continue to receive customary fees related to such services. The net proceeds of the Offering will be used in cancellation of any cash commitment and/or the prepayment of the principal outstanding amount under any of the RCF, the Committed Bilateral Cash Facilities, and certain smaller committed bilateral credit facilities with COMMERZBANK, and in payment of monies into designated collateral accounts in respect of the commitments under any Guarantee Facility. Accordingly, the Underwriters and their respective affiliates are expected to receive the majority of the net proceeds of the Offering. The Underwriters and the Subscription, Listing, Paying Agent and/or any of their respective affiliates have from time to time been engaged, and may in the future engage, in commercial banking, investment banking and financial advisory and ancillary transactions in the course of their business with the Company (or any parties related to the Company) for which they have received or may receive customary compensation. In respect of the above, the sharing of information is generally restricted for reasons of

		confidentiality, by internal procedures or by rules and regulations (including those issued by the AFM). The Underwriters and their respective affiliates may provide services for the Company and the Company's affiliates in the future. Additionally, the Underwriters, or their respective affiliates may, in the ordinary course of their business, hold, have held and in the future may hold the Company's securities for investment. Also, ING acts as liquidity provider for the trade in Ordinary Shares. Rabobank holds 4,166,667 Cumulative Financing Preference Shares. As a result of acting in the capacities described above, the Underwriters, the Subscription, Listing and Paying Agent and their respective affiliates may have interests that may not be aligned, or could potentially conflict, with (prospective) investors' and the Company's interests. The Committed Shareholders collectively hold an interest of approximately 6.03% in the Company. See "Major shareholders and related party transactions – Major Shareholders".
E.5	Person or entity offering to sell the securities and lock-up arrangements	The Company will be issuing and offering the Rights and the Offer Shares. The Company has agreed with the Underwriters on certain lock-up arrangements for a period of 180 days after the Settlement Date, subject to customary carve-outs, pursuant to which the lock-up arrangements do not apply to the granting of any Shares under the Company's senior management incentive plans, and any hedging activities for such plans and the issuance of Cumulative Preference Shares, in accordance with the terms of the Underwriting Agreement. The Company has undertaken that it will not, and will procure that its subsidiaries and each of the members of Board of Management and the Supervisory Board will not without the prior written consent of the Underwriters, not to be withheld without reason: • issue, offer (in any public offering or private placement other than the Offering), sell, contract to issue or sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of; • enter into any swap or any other agreement or any transaction that transfers in whole or in part, directly or indirectly, any of the economic consequences of ownership of; and • create any charge or security interest over (other than contemplated by the waiver and amendment agreements) any shares in the capital of the Company or any securities convertible or exchangeable into shares in the capital of the Company or warrants or other rights to purchase or acquire any such securities or any debt instruments or other instruments with a similar effect to the foregoing.
E.6	Dilution	Shareholders who transfer, or who do not, not timely or not validly, or are not permitted to, exercise, any of their Rights granted under the Rights Offering will suffer a substantial dilution of their proportionate ownership and voting rights of approximately 99.2% as a result of the issue of the Offer Shares.
E.7	Estimated expenses charged to the investors by the Company	Not applicable; no expenses have been or will be charged to investors by the Company in relation to the Offering.

RISK FACTORS

*Investing in the Offer Securities involves a high degree of risk. In addition to the other information contained in this Prospectus, prospective investors should carefully consider all of the following risk factors and uncertainties, before purchasing the Offer Securities. The risks and uncertainties the Company describes below are not the only ones the Company and its group companies within the meaning of Section 2:24b of the Dutch Civil Code (“**DCC**”) (together with the Company, the “**Group**” and each member of the Group, a “**Group Company**”) face. Additional risks and uncertainties of which the Company is not aware or that the Company currently believes are immaterial may also adversely affect the Company’s or the Group’s business, results of operations, financial condition and prospects. If any of the possible events described below were to occur, the Company’s or the Group’s business, results of operations, financial condition and prospects could be materially and adversely affected and/or such events could adversely affect the price of the Offer Securities. If that happens, investors could lose all or part of their investment. All of these risk factors and events are contingencies which may or may not occur. The Group may face a number of the risks described below simultaneously and one or more of the risks described below may be interdependent. The risks and uncertainties described are not necessarily presented in the order of likelihood that a risk will materialise and/or seriousness of the consequences if a risk should materialise.*

The Prospectus also contains forward-looking statements that involve risks and uncertainties. The Company’s or the Group’s actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks described below and elsewhere in the Prospectus.

Due to the weak earning power of the Group, its significant losses in the financial year 2013 and in the financial year 2014 so far and the concurrent negative effects on liquidity, its current negative equity position, and the necessary operational restructuring and refinancing measures – the success of which cannot be guaranteed –, an investment in the Company’s shares is associated with increased risk. Due to the strained situation of the Group, the materialisation of even a single risk, which may be minor in and of itself, could result in a significant deterioration in the Company’s position and, at worst, lead to its insolvency and thus the potential total loss of an investment into the Offer Shares.

Risks relating to the Group’s business

The Group’s business, results of operations, financial condition and prospects may continue to be impacted by the difficult economic conditions and other factors beyond the Group’s control.

The demand for the Group’s services generally correlates with macro-economic conditions, including the development of the gross domestic product of countries in which the Group operates. The current economic conditions in the European buildings and infrastructure markets as well as the industrial markets in the Netherlands and Spain have resulted, and are expected to continue to result, in customers delaying, limiting or cancelling proposed and existing projects. In general, during periods of economic downturn or otherwise difficult economic conditions, the Group’s customers significantly decrease their capital expenditures, which has a negative impact on the Group’s ability to sell services that support the construction or expansion of new operations, facilities and infrastructures.

As of 2014, the Group still faces difficult conditions in the markets it operates in. The poor economic conditions in Europe have impacted, and continue to affect, government budgets, which may also threaten the continuation of certain public investments that have historically benefited the Group’s business, in particular in the European buildings and infrastructure markets. The reductions in government budgets in recent years have had, and austerity in many of the Group’s key target markets may continue to have, an adverse impact on the Group’s business, results of operations, financial condition and prospects as the Group generates a significant portion of its revenues from services it provides as a contractor or subcontractor on various projects with governmental entities, including state-owned companies.

During periods of difficult economic conditions, the Group may also experience additional difficulties maintaining favourable pricing and payment terms and customers may take longer to pay the Group’s invoices. Any inability to collect invoices in a timely manner is likely to increase working capital (and thereby the cost of financing an otherwise equal level of business is likely to increase), decrease margins and/or may lead to increased write-offs of uncollectible invoices. A decreased demand for the type of services provided by the Group, may lead to competitors competing more heavily to provide such services to the same customers or competitors in adjacent, similarly stressed markets expanding their scope of offered services to compete with the Group for the customers initially serviced by the Group, each of which may put additional pressure on prices.

All of the above risks may, if they materialise, materially impact the Group’s business, results of operations, financial condition and prospects. Due to the current difficult situation of the Group a materialisation of any of these risks could, even if this should occur only in certain sectors or divisions of the Group, jeopardise the ability of the Group to pay its debts as they become due and to continue as a going concern.

The measures adopted by the Group in response to the Irregularities and the Group's Financial and Operational Restructuring may not be sufficient to restore and retain the confidence of customers, suppliers, business partners, employees, credit insurers and other stakeholders.

The Group's business, results of operations, financial condition and prospects depend substantially on the confidence that its customers, suppliers, employees, credit insurers, and other stakeholders (together, also including the Group's shareholders, the "**Stakeholders**") have in the ability of the Group to continue to meet its obligations, deliver its projects and perform its business in the manner and to the standards expected.

In early 2013, after significant unexpected write-offs on projects in Poland and Germany, it became clear that financial results from Imtech Germany and Imtech Poland, for which Imtech Germany bore managerial responsibility, had been considerably inflated. Further write-offs followed in the Netherlands, Spain, Turkey and Marine, because certain business units had sought to disguise declining results as a consequence of weak market circumstances by overstating results and understating operating expenses, but also unethical business behaviour and other irregularities were uncovered. In connection therewith, among other things, the Group conducted a forensic investigation, the Group's board of management and the majority of top- and mid-tier management in the divisions Germany and Eastern Europe was replaced, the annual shareholder meeting was cancelled, the publication of the annual report for 2012 was postponed and the Group completed an approximately EUR 500 million rights issue. Furthermore, in February and March 2014, the Group announced that it uncovered that irregularities had taken place in Switzerland. See "Financial and Operational Restructuring".

As a result of the Irregularities (as defined in "Financial and Operational Restructuring – Background"), and related negative publicity in the Netherlands and in Germany, the Group (including its subsidiaries and business not directly related to the Irregularities) suffered serious damage to its reputation. In addition, the Irregularities and the consequential disruption to the business exacerbated the Group's financial difficulties – see "Financial and Operation Restructuring – Financial and Other Measures". These financial difficulties, and possibly also the Group's damaged reputation, led to existing customers being hesitant to award the Group future business and led to difficulties in attracting new customers (including being removed from consortia formed to bid on certain projects), entering into partnership agreements and retaining services from subcontractors on customary and favourable terms. In addition this led to certain highly skilled employees leaving the Group and to the Group experiencing difficulties in attracting new highly skilled personnel where such personnel was required. Almost all credit insurers cancelled or repeatedly reduced the limits on their credit insurance facilities on the Group, with only limited exposure remaining. Concern over the Group's financial condition and the reduction in credit insurance caused suppliers of materials, services and products to shorten payment periods, demand (additional) advance payments and security (usually in the form of parent guarantees or bank guarantees). This increased the working capital and financing costs of the Group, negatively impacted the availability of and headroom under the Group's credit and guarantee facilities and materially adversely affected the Group's business, results of operations, financial condition and prospects.

With the Operational Measures, including the Group's GRC policy (both terms as defined in "Financial and Operational Restructuring – Background"), and with the other elements of the Financial and Operational Restructuring, the Group intends to improve its financial situation and reputation and restore and retain its Stakeholders' confidence in the Group as a reliable and valued business partner. However, there is a risk that Stakeholders will not regard the measures taken as sufficient in that respect. Therefore, there is a risk that even with these measures and with the Financial and Operational Restructuring, Stakeholders will continue to not have sufficient confidence in the Group. Existing customers may then remain hesitant to award the Group future business and/or withdraw their business from the Group, there may still be difficulties in entering into partnership agreements, procuring materials, services and products from suppliers on customary and favourable terms and in retaining services from subcontractors on customary and favourable terms and credit insurers may (further) reduce or cancel or not (timely) reinstate the limits on their credit insurance facilities on the Group, causing suppliers to not return to normal payment periods or further shorten these periods and demand (additional) advance payments and security. In addition, highly skilled employees may then leave the Group, and it may then be difficult to attract new highly skilled personnel where these are required.

A materialisation of this risk would be likely to materially adversely affect the Group's results of operations, financial condition and prospects. Also, it cannot be excluded that such materialisation would lead to the Group being unable to pay its debts as they become due and that the available liquidity buffers would be insufficient to support the Group's operations, taking away the ability of the Group to continue as a going concern.

The announced operational restructuring measures may fail or may be insufficient to improve the operating and financial performance of the Group as planned.

Since February 2013 the Group has on several occasions adopted significant operational restructuring measures to improve the operating and financial performance of the Group, most recently as announced on 26

August 2014 – see “Financial and Operational Restructuring – Operational Measures”. Amongst other things these measures relate to headcount reductions, improvement of working capital management, the Group’s GRC framework and to a change in culture within the Group, and include the programme in Germany known as “Neue Imtech” as well as “One Imtech” in the Netherlands and “Back to the Top” in Marine. On 26 August 2014, the Group also confirmed medium term targets to execute its turnaround programme with an ongoing focus on improvement of operational performance. See “Business – Medium term targets”.

There can be no certainty that these operational restructuring measures will sufficiently improve the Group’s financial and operational performance as planned. If that does not occur, then this could have a material negative impact on the Company’s business, reputation, results of operations, financial condition and prospects and may in a negative scenario endanger the going concern of the Group. Furthermore, if the current difficult economic conditions worsen or if the current economic environment in which the Group operates does not recover, the Group may also not be able to meet its medium term targets in a timely manner or even at all.

Due to the decreased confidence levels of its Stakeholders before implementation of the Financial and Operational Restructuring and the current situation with respect to its financiers, even a slightly reduced operating and financial performance could have material adverse effects.

Under normal circumstances an insufficient operating and financial performance would likely not immediately cause a decline in the confidence levels of the Group’s Stakeholders. However in view of the Group’s recent history, and in particular due to the reduced levels of confidence that were present before the Financial and Operational Restructuring, there is a risk that even a slight underperformance or slower than expected recovery would have a more serious adverse effect than would otherwise result. Such a further or renewed decline in the confidence levels could quickly lead to existing customers withdrawing their business from the Group or not awarding the Group new business and the other consequences already described above in relation to its customers, suppliers, credit insurers, business partners, employees and other stakeholders.

Under normal circumstances, where insufficient operating and financial performance results in liquidity pressure or other financial problems, it may be expected that the Group would be able to address these with its financiers, for instance by negotiating additional credit lines or negotiating certain waivers. The Group, in its current position, may however not be able to obtain such funds from, or negotiate such alleviation with its financiers. First, because whereas most waivers, amendments and other decisions can be taken on the basis of consent of the majority of certain financier groups, some important waivers, amendments and decisions, including permitting new (if as is typical, supersenior) credit lines to be made available, require unanimous consent from the financiers. Second, the Main Financiers of the Group are not organised in one coherent syndicate but comprise a large number of individual financial institutions, and the terms of the Main Finance Agreements allow the creditors thereunder to transfer their participations to other financiers or third parties or to sell sub-participations therein. This means that the Group can to a significant extent not control who its creditors and their potential sub-participants under the Main Finance Agreements will be. Consequently, the Group’s financiers comprise a large number of financiers that have varying interests, different views on the future of the Group, and challenging intercreditor dynamics and relations. Transfer of the Group’s debt and sub-participation in it could lead to certain financiers or sub-participants being able to exercise significant influence over the Group through the terms of the Main Finance Agreements and sub-participations therein. Each of these financiers and sub-participants may exercise that influence in a way with which other Stakeholders – including shareholders – would not agree and adversely affect the Group’s ability to negotiate a further restructuring with all of its financiers, which in turn could adversely affect the Group’s business, results of operations, financial condition and prospects.

The risk that the Group cannot control who its creditors will be, that its creditors may have varying interests and that the Group may be unable to negotiate a further restructuring with all of its financiers, would be exacerbated as from the second quarter of 2016, when the covenant holiday negotiated with respect to the Company’s Main Finance Agreements will no longer apply. A deterioration in performance would, if it exceeds the headroom taken into account when setting financial covenants, then result in covenant breaches under the finance agreements. The Company may then not be successful in again obtaining waivers. A breach of financial covenants is an event of default under the Group’s Main Finance Agreements and could lead to an acceleration of the maturity of the debt owed under the Group’s financing arrangements including the Main Finance Agreements. Subject to certain applicable grace periods and other limitations on acceleration or enforcement, the lenders under the financing arrangements including the Main Finance Agreements could elect to declare the debt, together with accrued and unpaid interest and other fees, if any, immediately due and payable or in the case of the Group’s guarantee facilities, demand cash collateralisation or bank guarantees. In addition, any default under any financing arrangements could lead to an event of default and acceleration under other financing arrangements, including the Main Finance Agreements, which contain cross-default or cross-acceleration provisions. That may involve termination of the Group's cross currency swaps and interest rate swaps, leading to payment obligations thereunder of up to approximately EUR 14.7 million as at 31 August 2014. The Group’s other financing arrangements, excluding the Group’s Main Finance Agreements, are largely uncommitted and comprise various credit facilities (including leasing facilities) and guarantee facilities. As at 31 August 2014 these facilities had limits of approximately EUR 213.9 million in aggregate (approximately EUR 193.7 million excluding ICT), under which EUR 188.7 million was outstanding (EUR 172.7 million excluding ICT). See “Operational and Financial Review - Bank loans, finance lease liabilities, guarantee facilities and hedge agreements other than the Main Finance Agreements”.

If the debt under the Group’s Main Finance Agreements, other financing agreements or any other future financing arrangement that the Group enters into were to be accelerated as a result of a covenant breach and the security provided by the Group were to be enforced, the Group’s assets may be insufficient to repay in full the Group’s outstanding indebtedness. See also “Operating and Financial Review – External sources of funding, financing and indebtedness – The Common Terms of the Main Finance Agreements – Acceleration”. This would take away the ability of the Group to pay its debts as they become due and continue as a going concern.

If the recent sale of the ICT division does not or not timely close or the proceeds are significantly lower than expected, this may have a material adverse impact on the Group’s business, results, financial condition and prospects.

On 26 August 2014, the Company entered into an agreement with Vinci Energies S.A. regarding the sale of the Group’s ICT division to Vinci Energies S.A. at an enterprise value of EUR 255 million, subject to competition clearance and the closing conditions set out in “Business – Divestment of ICT division”. As also set out in that section, an estimated amount between EUR 180 million and EUR 190 million is expected to be available from the net proceeds at closing for enhancement of the liquidity position of the Group and for debt reduction as agreed with the Main Financiers. See “Financial and Operational Restructuring – Financial and Other Measures – Use of proceeds of the Offering and the ICT sale”. The sale is expected to close in the fourth quarter of 2014. For further information, see “Business – Divestment of ICT division”.

However, it is possible that due to non-fulfilment of closing conditions or unforeseen circumstances the sale will not be completed or that the proceeds will be less than expected. The ICT sale not or not timely completing would negatively affect the Group’s liquidity position. The extent of that negative effect is likely to depend on the Market Take-up (as defined in “Financial and Operational Restructuring – Financial Measures – Use of proceeds of the Offering and the ICT sale”) of the Offering. The ICT sale resulting in proceeds significantly less than expected would negatively affect the Group’s capital position as it would result in a lower debt reduction and therefore higher interest expenses.

If Market Take-up of the Offering is equal to or higher than 50% and the ICT sale does not or not timely close, the Company would still obtain the additional EUR 100 million liquidity buffer envisioned to be retained by it from the proceeds of the Offering.

If Market Take-up of the Offering is less than 50%, all net proceeds from the Offering will be applied in repayment, cancellation or collateralisation of obligations under the Main Finance Agreements. In that scenario, the Company will be dependent on the completion of the sale of the Group’s ICT division for the additional liquidity buffer that is envisioned to be retained by it in accordance with the amendments to the Main Finance Agreements. For more information on the retention and distribution of the proceeds of the Offering and the ICT sale, see “Financial and Operational Restructuring – Financial and Other Measures – Use of proceeds of the Offering and the ICT sale”. The deleveraging effects of the Offering alone are then not sufficient to address the Group’s need for additional liquidity headroom for the next 12 months following the date of this Prospectus. In this scenario, if the ICT sale fails to complete by 31 March 2015 at the latest, a working capital shortfall would occur by April 2015. Such shortfall may occur earlier in case the Market Take-up of the Offering is less than 25%, as in this case the Company considers additional liquidity headroom to be required to address the possible decreased Stakeholder confidence due to the low degree of success of the Offering. See “Operating and Financial Review – Working Capital Statement”. In that case, but also if Market Take-up of the Offering is between twenty-five and 50%, this is likely to have a material negative impact on the Group’s business, results, financial condition and prospects and may endanger the going concern of the Group.

Deteriorating markets and other causes could result in an impairment of goodwill which may adversely affect the Group’s results and financial condition.

Over the past years the Group has made a large number of acquisitions. See “Business – History”. As a result of these acquisitions the Group has accumulated a significant amount of goodwill. As at 30 June 2014, the goodwill amounted to EUR 802.2 million (73.5% of the Group’s total non-current assets). As at 30 June 2014, the divisions carrying the highest amounts of goodwill were Nordic (EUR 419.6 million), UK & Ireland (EUR 133.1 million), Traffic & Infra (EUR 95.6 million) and Marine (EUR 92.3 million). In light of the intended divestment of the ICT division, the related goodwill (EUR 223.4 million as at 31 December 2013) has been reclassified to assets held for sale and a fair value adjustment of EUR 60 million has been accounted for. For more information, see “Operating and Financial Review – Additional Considerations Relating to the Group’s Results – Goodwill and other intangible assets” and “Operating and Financial Review – Principal Factors Affecting Results of Operations and Comparability of Results – Impairments and write-offs – 2014 financial year”.

Under International Financial Reporting Standards as adopted in the European Union (“**IFRS**”), goodwill is subject to impairment if an asset’s recoverable value is below its carrying value. Following lower than expected results for H1 2014, and in light of the difficulties caused by the Irregularities and the Group’s slower than expected recovery, management assessed whether goodwill needed to be impaired as of 30 June 2014. The result of the impairment testing was that, as of 30 June 2014, there was no reason to impair goodwill. However, the outcome of the goodwill impairment test calculation revealed that the expected recoverable amount of the Group has significantly decreased compared to 2013, with a corresponding decrease of headroom. The headroom (being the amount with which the recoverable value exceeds the carrying value) per division is notably limited for Germany & Eastern Europe, Nordic, Spain and Marine.

If the expected recovery of the performance in these divisions is further delayed, goodwill amounts for these divisions may be significantly impaired. Such delays could firstly occur if the current difficult economic conditions worsen or if the current economic environment in which the Group operates does not recover. Furthermore, the announced operational restructuring measures may fail or may be insufficient to improve the operating and financial performance of the Group or the respective divisions as planned which could also lead to a significant impairment of goodwill amounts for the respective divisions – see "Financial and Operational Restructuring – Operational Measures". Additionally there can be no assurance that, following integration into the Group, the acquired companies to which the accumulated goodwill relates will be able to maintain their customer base consistent with expectations or generate the expected growth, margins or cash flows. Although the Group analysed each acquisition target and often made use of earn-out arrangements, its assessments are subject to a number of assumptions concerning elements such as profitability and growth. There can be no assurance that its assessments of and assumptions regarding acquisition targets will prove to be correct and actual developments may differ significantly from expectations. In addition, impairments could be triggered by an increase of the Company's weighted average cost of capital, resulting from external factors such as (amongst others) changes in the (financial) markets. For more information and for observations per division see "Operating and Financial Review – Additional Considerations Relating to the Group's Results – Goodwill and other intangible assets". Also, see note 11 to the H1 2014 Interim Financial Statements incorporated by reference in this Prospectus. Apart from the specific divisional sensitivities, general sensitivities have been assessed for all divisions assuming a 10% lower EBIT in combination with an increase of the discount rate by 1%. If this combination of sensitivities were to occur, an impairment may occur in Germany & Eastern Europe, Nordic, Spain and Marine. If the perpetual growth rate would be reduced to 0%, headroom would remain in all cash-generating units, except for the divisions Germany & Eastern Europe, Nordic, Spain and Marine.

These and other factors may mean that the Group must record significant impairment charges on goodwill. Such charges would have an adverse effect on the Group's results and financial condition and if these impairment charges, alone or together, are material, they could jeopardise the ability of the Group to continue as a going concern.

In connection with the Irregularities and subsequent events or otherwise, the Group may become party to legal proceedings and become subject to regulatory or criminal investigations, which could have a material adverse effect on the Group's business, reputation, results of operations, financial conditions and prospects.

In connection with the Irregularities uncovered in 2013 and 2014 and subsequent events, the Group already faces and may face further claims and/or litigation by shareholders, employees, financiers, customers and/or other third parties. Some Stakeholders have already held the Company and some of its (former) officers liable in person for damages. One investor group had already initiated court proceedings against the Company. In addition the Group in connection with those events is subject to a regulatory investigation. See "Business – Legal and arbitration proceedings". The Group may become subject to additional regulatory investigations and/or even criminal investigations. The Group may for instance face additional claims, litigation and/or regulatory investigations in respect of its financial statements that were published before the first Irregularities were uncovered.

The Company cannot predict when current or future legal proceedings and/or investigations will be completed or initiated in connection with the Irregularities and subsequent events or the likely outcome of any of these legal proceedings and/or investigations. It is possible that such proceedings could lead to criminal charges, civil or regulatory enforcement proceedings, additional civil lawsuits, court sanctioned or out-of-court settlements, judgments and/or consent decrees against the Group, and that, as a result, the Company or any other member of the Group will be required to pay (substantial) fines and damages, consent to injunctions on future conduct, lose the ability to conduct business with public entities or suffer other penalties, including the rescission of contracts, each of which could have a material adverse effect on the Group's business, reputation, results of operations, financial condition and prospects. In addition, such legal proceedings could severely distract the Group's management, result in significant legal defence and other costs, and lead to additional negative publicity and deterioration of Stakeholder confidence in the Group. Furthermore, following any out-of-court settlement agreed upon in respect of any claims or proceedings (as recently concluded with certain investor interest groups (see "Business – Legal and arbitration proceedings") with certain shareholders, other shareholders (e.g. shareholders not eligible to participate in any such settlement) may still file claims with or initiate proceedings against the Company.

In view of the uncertainty around many of the claims, litigations and/or regulatory investigations in connection with the Irregularities and subsequent events and the fact that to date the Company is unaware of any criminal investigations having been opened against it, the Company has currently not made any provisions therefor. Although the Company believes that its assessment of the claims and related liabilities is appropriate, the current absence of provisions may prove inadequate and provisions that may be recorded in respect of any future claims may prove too low or otherwise inadequate. Also, the Group carries insurance of various types, including fraud and general liability coverage. However, not all risks are insurable and not all claims may be reimbursable, including in respect of the legal proceedings, claims and investigations set out above. See "– Risks relating to the Group's business – The Group may incur material liabilities that are not covered by the Group's insurance". The Group may therefore incur material liabilities that are not covered by the Group's insurance.

Such legal proceedings, claims and investigations, inadequate provisioning and the absence of insurance coverage could have a material adverse effect on the Group's business, reputation, results of operations, financial condition and prospects.

The Company cannot assure that, beside the Irregularities, no further or other irregularities have taken place nor that they will not take place in the future, which could lower Stakeholder confidence in the Group and have a material negative impact on the Company's business, reputation, results of operations, financial condition and prospects.

The Group in the past had and still has a decentralised management structure and the Group's business strategy emphasises local decision making and responsibility in order to adapt to regional and local conditions and enhance contact with local customers (see "Business – The Group's strategy"). The Irregularities uncovered in 2013 and the first half of 2014 (set out in more detail in "Financial and Operational Restructuring – Background") and the ensuing investigations revealed serious issues in the corporate culture of certain parts of the Group, ethics of certain of its staff, and the Group's GRC framework. The Operational Measures (as further set out and defined in "Financial and Operational Restructuring – Operational Measures") that have been and continue to be implemented by the Company as part of the Financial and Operational Restructuring are, *inter alia*, intended to strengthen its GRC policy, tighten its control over the Group and improve employee ethics and corporate culture. However, the decentralised management structure involves the risks of difficulties in the implementation of, and compliance with, corporate policies, a possible lack of common corporate culture and less effective controls. Also given the extent of the Group's international operations and the autonomy that the Company grants, and intends to continue to grant, to local management, there can be no assurance that these measures will be successfully implemented.

Therefore, in addition to the uncertain outcome and consequences of the existing and (possible) future legal proceedings and investigations relating to the Irregularities (as set out above), there can be no assurance that no further or other irregularities have taken place which may not yet have been discovered with respect to any projects or other matters. The Company has received and continues to receive from time to time allegations from whistleblowers, which could for instance lead to the discovery of additional misconduct and shortcomings of the Group's internal policies and procedures. See "Financial and Operational Restructuring – Operational Measures – GRC framework." Also, criminal proceedings have been filed by the Company and criminal proceedings by the public prosecutor have been and are expected to be initiated against, *inter alia*, former employees of the Group in Germany and Poland. As governmental enforcement agencies have more powerful investigative tools, these proceedings may lead to further information being discovered with respect to known irregularities or to other irregularities being discovered.

Moreover, even if the abovementioned measures are successfully implemented, there can be no assurance that they will be effective as planned and that no irregularities or other substantial problems will arise in the future or that, if they arise, the Company will be able to identify and address them.

If further past irregularities are uncovered or new irregularities occur and, in either case, are not timely addressed, such irregularities could lead to additional write-offs or impairments and new negative publicity, could further deteriorate Stakeholder confidence in the Group, and could have a material adverse effect on the Company's business, reputation, results of operations, financial condition and prospects and may in the most negative scenario endanger the going concern of the Group.

Under Dutch corporate law, shareholders could initiate proceedings leading to an investigation of the Company's management policies or bring other legal actions against the Company that could have a material adverse effect on the Company's business, reputation and financial condition.

Shareholders representing at least 1% of the Company's issued share capital, or in the aggregate holding shares with a market value of EUR 20 million or more (determined by reference to the closing price on the day preceding the day before initiating such proceedings), could initiate proceedings with the Enterprise Chamber (*Ondernemingskamer*) of the Amsterdam Court of Appeals (the "**Enterprise Chamber**") to investigate the Company's management policies and the conduct of its business. This inquiry right was also provided to Deutsche Bank Luxembourg S.A. as security agent for and on behalf of the Main Financiers (the "**Security Agent**"), in case the Security Agent has taken action to enforce security. If the Enterprise Chamber determines that there are good reasons to doubt the proper management of the Company's affairs, it may appoint experts to conduct investigations and prepare reports at the Company's expense. If, on the basis of these reports, the Enterprise

Chamber should render a finding of corporate misconduct, it may order, at the request of the petitioners of the investigation proceedings, the advocate-general to the Enterprise Chamber, or, if the report has been made available by the Enterprise Chamber to the public at large, any interested party, that one or more measures be taken. These measures may include suspension or annulment of resolutions of the management board of the Company (the "**Board of Management**"), the supervisory board of the Company (the "**Supervisory Board**") and the general meeting of shareholders of the Company (the "**General Meeting**"), the suspension or dismissal of members of the Board of Management or Supervisory Board, the temporary appointment of one or more persons to the Board of Management or Supervisory Board, the temporary deviation from certain provisions of the Articles and the temporary transfer of shares to a nominee. In addition, the Enterprise Chamber may order a wide range of temporary measures during the proceedings. Investigations or legal proceedings could severely distract management, result in significant legal defence and other costs, and may lead to additional negative publicity. Any finding of corporate misconduct could result in further civil claims being brought against the Company, the Board of Management, or the Supervisory Board. Investigations by competent authorities and other legal proceedings could have a material adverse effect on the Company's business, reputation, financial condition and results of operations.

The Group may not be successful in achieving its target financial structure (including reducing its level of indebtedness) in accordance with its plans.

The Group has communicated a maximum Senior Leverage Ratio (as defined in "Operating and Financial Review – External sources of funding, financing and indebtedness – The Main Finance Agreements") target level of 2.0 over time. See "Business – The Group's strategy – Cash and working capital management", "Business – The Group's strategy – Operational excellence programmes" and "Operating and Financial Review — Target financial structure". There can be no assurance that the Group will reach this target. This will be dependent on several factors, including the Offering succeeding, envisaged effects of the Cost and Efficiency Programme occurring (see "Financial and Operational Restructuring – Operational Measures – Operational excellence programmes and restructuring measures"), operational results which are amongst others driven by general economic conditions, and the Group's future cash flows and cash management. Starting March 2013, the Group has reinforced the quality and effectiveness of its governance and compliance mechanisms, including measures to manage working capital, or other operational excellence. See "Financial and Operational Restructuring – Operational Measures – GRC framework". However, this revision and reinforcement may take longer than expected or may not have the envisaged effect at all, which may impact the Group's ability to reach the targeted financial structure. See " – Risks relating to the Group's business – The announced operational restructuring measures may fail or may be insufficient to improve the operating and financial performance of the Group as planned".

The Group is subject to significant restrictive covenants, which limit the Group's operating, strategic and financial flexibility.

The Group's financing agreements (including the Main Finance Agreements, as defined in "Financial and Operational Restructuring – Financial Measures") contain covenants which impose significant restrictions on the Group's operations, including restrictions on the Group's ability to, among other things, incur or guarantee additional debt, grant security, dispose of assets, cash collateralise guarantee facilities, repurchase share capital, make certain payments, including dividends or other distributions and make certain investments or acquisitions, including participating in joint ventures and restrictions on the Group's capital expenditure. See "Operating and Financial Review – External sources of funding, financing and indebtedness – The Common Terms of the Main Finance Agreements" for a description of such covenants. For the avoidance of doubt, the "covenant holiday" which applies up to and including the first quarter of 2016 ("**Q1 2016**") under the Main Finance Agreements extends to the financial covenants only, not also to these restrictive covenants.

These restrictive covenants could limit the Group's ability to finance future operations and capital needs and its ability to pursue acquisitions and other business activities that may be in the Group's or its shareholders' interests. In addition, the financing agreements contain, and any future indebtedness may contain, other and more restrictive affirmative and negative covenants and may also prohibit the Group from prepaying certain other indebtedness prior to the discharge of those other obligations. By thus limiting the Group's operating, strategic and financial flexibility, these restrictive covenants could materially negatively affect the Group's business, results of operations, financial condition and prospects.

The Group depends on generating and up-streaming sufficient cash flow to fund the Group's debt obligations, capital expenditures and on-going operations, which can be negatively impacted by significant fluctuations in working capital.

The Company is a holding company and Imtech Capital is a financing subsidiary, both with no material, direct business operations. The principal assets of the Company are the equity interests and intercompany receivables it directly or indirectly holds in its operating subsidiaries. The principal assets of Imtech Capital are the intercompany receivables it has on other Group Companies. As a result, the Company and Imtech Capital are dependent on (repayment on) loans, dividends and other payments from other Group Companies to generate the funds necessary to meet their financial obligations and for the payment of dividends.

The Company's and the Group's ability to service its debt and fund the Group's on-going operations will depend on the Group's ability to continue to generate and increase cash flow and the Company's and the Group's access to liquidity sources other than cash flow. The Group monitors its cash flow forecasts to ensure it has sufficient cash available on demand to meet expected operational expenses, including the servicing of financial obligations. However, these cash flow forecasts are based on assumptions and expectations that may not prove valid. The Group's ability to continue to generate and grow cash flows is dependent on many factors, some of which are beyond the Company's control, including the Group's ability to offer added-value services to the Group's customers and to maintain and expand the Group's customer base (particularly in the face of increasingly aggressive competition and in light of current difficult economic conditions in the countries in which the Group operates).

Furthermore, cash flow generation is significantly dependent on working capital fluctuations and working capital management. The working capital available to the Group fluctuates due to a number of factors, including but not limited to delayed or failed payments by customers, increasing inventory, adjustment of payment terms, seasonality in rewarding orders, seasonality in payment behaviour of customers, in particular customers in the public sector, and any changes in such payment behaviour, weather conditions and seasonality in general. An important element of the Operational Measures is the strong focus on an improved working capital management – see the "Financial and Operational Restructuring – Operational Measures". If the planned working capital management measures are not sufficiently successfully implemented, the level of working capital requirements will be too high and could create liquidity problems and could result in additional financing being required, which would increase indebtedness and result in additional financing costs. In particular, such additional funding may be very difficult to obtain, also in view of the financial condition of the Group and the consent requirements for additional funding in the Main Finance Agreements.

If the Group is unable to generate and upstream sufficient cash flow, if it loses collection rights in respect of intragroup receivables, such receivables are sold upon a foreclosure of security rights, or the Group or the Company is unable to access additional liquidity sources, the Group may not be able to operate its business, hire and train qualified personnel, adapt the Group's technical expertise in response to technological innovations, grow the Group's business or respond to competitive challenges, which would negatively impact the Group's ability to service or repay the Group's debt or fund the Group's other liquidity and capital needs. The Group's inability to accomplish any of the foregoing could have a material adverse effect on its business, results of operations, financial condition and prospects.

The uncommitted nature of certain of the Group's bank guarantees, surety and bonding facilities that are not Main Finance Agreements may result in non-availability of sufficient guarantee and bonding facilities for the Company and the Group.

In the technical services industry bank guarantees, bonding facilities and performance and/or surety bonds are used to secure contractual obligations towards customers and other third parties and the Group must therefore have sufficient bank guarantee, surety and bonding facilities available. Before the implementation of the MTS (as defined in "Financial and Operational Restructuring – Financial Measures"), the Group's guarantee facilities were largely on an uncommitted basis. These uncommitted facilities were often agreed on a bilateral basis with a bank, bonding facility provider or surety provider and (i) could be terminated at any time and (ii) often permitted the relevant financier to demand cash collateral or a counter guarantee from another financial institution for any guarantees outstanding under its guarantee facility. In reaction to the uncovering of the first Irregularities and the subsequent events, certain of the Group's guarantee providers froze, reduced or even cancelled the limits under their guarantee facilities, sometimes also requesting cash collateral or counter guarantees, causing a rapid reduction of guarantee headroom available to the Group.

Since the implementation of the MTS, the Group's guarantee facilities that are Main Finance Agreements are now on a committed basis and account for the largest part of the outstanding guarantees and guarantee headroom available to the Group (total guarantee limit under the Main Finance Agreements of EUR 793 million as of 30 June 2014, of which approximately EUR 615 million has been utilised). However, the Group also still has a number of smaller guarantee facilities that are largely on an uncommitted basis. As at 30 June 2014, total limits of these facilities amounted to approximately EUR 170 million, of which approximately EUR 160 million was utilised (total limits of EUR 159 million and EUR 151 million utilised excluding the Group's ICT division and the green campus data centre ("**Green Campus**")). Termination or reduction of the limit under one or more of these uncommitted facilities could adversely affect the guarantee headroom available to the Group, especially when counter guarantees are demanded. Demands for cash collateral, and also the possible necessity to utilise the committed bank guarantee arrangements funded by the lenders under the revolving credit facility (see "Operational and Financial Review – External sources of funding, financing and indebtedness – The Main Finance Agreements"), could adversely impact the Group's liquidity position. There can be no assurance that the Group will have sufficient available credit, bank guarantees, bonding facilities and surety and credit lines in the future and unavailability of the same could have a negative impact on the Group's funding and winning new projects, which could have a material adverse effect the Group's business, results of operations, financial condition and prospects.

The Group faces intense competition and a failure of the Group to maintain its competitive position would have a material adverse impact on its business, results of operations, financial condition and prospects.

The markets in which the Group operates are highly competitive. The Group's competitors include large international companies with greater resources than the Group, whose other businesses may provide a readily available customer base for their technical services activities or who may deploy other strategies than the Group that prove to be more effective. In the European buildings and infrastructure markets, in particular in the Dutch buildings and industrial markets and the buildings markets in the UK, Sweden and Finland, the Group also faces competition from smaller competitors operating at local level, many of whom have a strong market presence and strong local relationships. In addition, there could be a consolidation in the currently fragmented markets in which the Group operates (and the Group does not foresee that it will participate in such consolidation in the near future). The diversified service offerings or increased synergies of such consolidated businesses could increase competition. In addition, forward integration by suppliers increases competition.

Because of this intense existing and potential competition, the Group must make constant efforts to remain competitive, adapt the quality and cost value of its service offerings to the needs and requirements of its existing and potential customers and respond to technological innovations and developments in industry standards and products. The Group competes on a variety of factors, including the depth and breadth of the Group's services, the Group's technical expertise, its health, safety and environment track record and price (which is an important factor for securing renewal of contracts, particularly multi-year contracts). The Group also needs to continue to develop new services and processes in order to maintain or improve the Group's competitive position. Failure to remain competitive on any one or more of the factors described could have a material adverse effect on the Group's results and financial condition.

The Company has certain weaknesses in its financial reporting procedures. Failure to timely address these weaknesses may cause financial information provided to the Company by its operating companies to be unreliable, impair effective management of the Group's operations and cause delays in the Group's financial reporting.

A review of the Company's reporting procedures and its GRC approach identified, *inter alia*, a number of weaknesses in the Group's financial reporting procedures. The Group has taken steps to improve and align its internal reporting and operational procedures and financial key performance indicators across the Group, with a special focus on financial consolidation and forward-looking cash analysis. See "Financial and Operational Restructuring – Operational Measures". In spite of these and other improvements, further improvements are still necessary. As a result reporting risks do remain, also as a result of the decentralised corporate and management structure of the Group and the nature of the project business (including uncertainties regarding assessments of project results).

There can be no assurance that the measures taken to address these reporting issues will have the desired effect, and as a result there is a risk of the Company being unable to accurately monitor its operational and financial performance or to take timely, appropriate and adequate management action. Also, any inadequacy of these measures may affect the Company's ability to timely obtain and correctly consolidate financial and performance related information from its operating companies, which could cause delays or errors in its reporting. Such failures could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

With respect to the Group's defined benefit pension plans, disappointing performance, adverse interest movements and longevity risks, as well as changes to the Group's pension plans, may adversely affect the Group's operations, results and financial condition.

The Group has a diverse pension plan portfolio with a variety of pension plans, which includes contributions by the Group towards a number of defined benefit pension plans on the basis of which employees receive pension payments after their retirement. Such plans are applicable in the Netherlands, Germany, Belgium, Sweden, Norway, Austria, Switzerland and Turkey. Defined benefit plans are all plans related to post-retirement payments other than defined contribution plans. See "Operating and Financial Review – Employee Benefit Obligation". For defined benefit plans, the Group is sensitive to such pension plan's performance as the Group is liable to make up for any short-fall. Disappointing performance may adversely affect the Group's results of operations and financial condition.

Longevity risks and an increase in the number of retirees may lead to additional obligations of the Group in respect of its pension plans, which may adversely affect the Group's results and financial condition. Furthermore, with respect to the defined benefit plans, performance and interest movements could have an impact on the results of operations of the Group and its financial position.

The Group's net obligation in respect of each of its defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. The discount rate is the yield at the balance sheet date on AA credit rated corporate bonds with maturity dates approximate to the terms of the Group's obligations. In countries where there are no deep markets in AA credit rated corporate bonds, government bonds with maturity dates approximate to the terms of the Group's obligations are used as the basis for determining discount rates. See "Operating and Financial Review – Employee Benefit Obligation". Adverse interest movements may adversely impact the Group's net obligations in respect of its defined benefit pension plans and may adversely affect the Group's results of operations and financial condition. In H1 2014, actuarial loses have been recognised after discount rates had been decreased as a result of developments in the financial markets. That resulted in a decrease of the Company's equity by EUR 19 million (EUR 27 million pre-tax). After H1 2014 the discount rates have further decreased which may, if sustained, further adversely impact the Group's net obligations in respect of its defined benefit pension plans and materially adversely affect the Group's results of operations and financial condition.

The Group aims to move towards defined contribution plans to the extent possible. However, the Group evaluates its pension portfolio on a continuous basis and, in consultation with the participants in such pension plans, may therefore change the current pension arrangements when and if considered necessary or desirable. Such changes could (i) lead to disputes with and claims from individual current and former employees in case of disagreement with such revised plans and (ii) lead to changes in the pension expenses going forward, which could have a material adverse effect on the Group's operations, results and financial condition.

Execution of large scale and long-term technically complex projects exposes the Group to the risk of significant losses on such projects.

The Group bids for and executes technically complex projects in various sectors. These projects may require significant expertise, such as design, technical and construction expertise, and are typically performed over a lengthy time period that could last from several months to several years. The contracts for these projects carry an increasing degree of risk for the Group because of the Group being increasingly required by its customers to assume substantially all of the risks associated with completing the project and because of ensuing post-completion warranty obligations. Under these contracts, the Group typically assumes the project's technical risk, meaning that it must tailor mechanical and electrical engineering design to satisfy the technical requirements of a project even though, at the time the Group is awarded the project, it may not have previously developed a similar design.

A significant proportion of the Group's profitability depends on costs being accurately calculated and correct estimates being made of the overall risks of a project. In case of inaccurate calculations or estimates, either at the start of a project or with respect to additional costs incurred during the course of a project (see "– Risks relating to the Group's business – The Group may incur significant costs in providing services in excess of original project scope without having an approved change order or it may incur cost overruns for other reasons."), the profitability of the project will generally be affected and the Group may even incur contractual penalties if it does not perform as scheduled. The same will be true if conditions on the basis of which the calculations and estimates were made, should change or prove to be different than assumed or estimated. In addition, customers in these projects are increasingly focusing on these aspects. In the second quarter of 2014, a customer of a large multi-year project of the Group started an audit of the project records. On the basis of its interpretation of the agreements of supplier rebates and charged rates it claims that it is entitled to a reduction in price of several million Euros (which if made would result in a non-operational write-off). However, the Company firmly believes that this claim of the customer is unfounded and it has engaged in talks with the customer to convince it of this.

These risks are exacerbated if the duration of the project is long-term because there is more time for, and an increased risk that, the conditions upon which the Group originally bid and developed a price will change in a manner that increases its costs in a way that it may not be able to pass on to its customers. In addition, the Group may bear the risk of delays or defects caused by unexpected conditions or events. The Group's long-term projects often make the Group subject to penalties if it cannot complete portions of the project in accordance with agreed-upon time limits. The risks inherent in such long-term projects could if they materialise have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group's success depends on efficient execution and effective project and site management, which could be impaired by various factors.

For most projects, the Group provides a broad range of services that involve a high degree of technical sophistication. In order to ensure that the projects the Group undertakes to perform are executed effectively and in a profitable manner, the Group needs to deploy a high degree of project and site management expertise to maximise efficiency in providing the contracted services throughout the term of the project. Even though operational excellence is one of the pillars of the Group's strategy (see "Business – The Group's strategy – Operational excellence programmes"), it cannot be excluded that due to ineffective contract planning, inefficiencies, lack of control in project execution, lack of cost control, replacement of managers or other reasons, the Group is unable to efficiently and render its services in a profitable manner. The Group could then experience increased project execution costs and difficulty in obtaining (timely) payment for its services. It could then also be faced with litigation or other disputes with its customers and with an adverse effect on its reputation. In connection with the irregularities and the difficult financial situation thereafter, certain experienced and highly skilled employees have left the Group which could not always be adequately replaced. This may also result in inefficiencies. A materialisation of each of these risks could materially adversely affect the Group's business, results of operations, financial condition and prospects.

The Group may incur significant costs in providing services in excess of original project scope without having an approved change order or it may incur cost overruns for other reasons.

When commencing a project, the Group first agrees a scope of work and an initial contract price. After commencement, the Group may perform additional services requested by the customer that were not contemplated in the Group's contract price for various reasons, including changes by the customer or incomplete or inaccurate engineering, project specifications and other similar information provided by the customer to the Group. Generally, before performing such additional services or cost overruns, the Group will seek to agree an approved change order and a revised contract price. From time to time, however, the Group may perform such additional services without the benefit of an approved change order from the customer. Even though the Group's contracts generally require the customer to compensate the Group for additional work or expenses incurred under these circumstances, it may fail to obtain adequate compensation for these additional services. In addition, the Group could in case of such a failure under IFRS be required to report in the financial year an adjustment to profit recognised in prior periods under the percentage-of-completion accounting method.

Furthermore there can be cost overruns in a project due to, amongst other things, cost overruns by business partners, changes in the costs of materials or labour, difficulties in obtaining required governmental permits or approvals and changes in conditions. The Group will generally not be able to fully or partially pass on unforeseeable cost overruns to the customer.

In addition, notwithstanding the improvements in project control procedures, which have not been sufficiently efficient in the past, project control risks could arise from time to time due to individual behaviour of project managers. Insufficient management supervision, particularly on large projects, thus may also lead to overruns and other issues that can adversely affect the Group's business and results of operations.

Such failures to obtain adequate compensation for additional services and such cost overruns could have a material adverse effect on the Group's results of operations, financial condition and prospects.

Any failure of the Group's subcontractors or business partners to satisfactorily perform their obligations may materially adversely affect the Group's reputation, business, results of operations, financial condition and prospects.

The Group offers certain of its services to its customers through subcontractors and other business partners, who are generally engaged to perform these services on its behalf. Generally, a substantial portion of the Group's revenues is derived from operations performed by subcontractors.

Poor performance or defaults by a subcontractor or other business partner may lead to project delays, unanticipated additional costs and, possibly, penalties incurred by the Group and claims against the Group, because the Group retains responsibility for the work performed by its business partners.

In addition, the Group is exposed to the operational controls of the Group's business partners, also with respect to the qualifications of their personnel (including in the areas of health, safety and environment) and their compliance with labour and immigration laws. The Group's business partners may not maintain adequate insurance coverage or inadequate financial resources to honour claims resulting from damages or losses inflicted by such business partners on the Group's customers.

If any of these circumstances were to occur in connection with a major project or in relation to several projects accumulated, the Group's reputation, business, results of operations, financial condition and prospects could be materially adversely affected.

The percentage of the Group's revenues derived from larger and more complex projects in the form of performance contracts and DBMF-orders (Design, Build, Maintain and Finance - via third parties - in various combinations) in the market is increasing. As a result the Group is increasingly taking over responsibilities from customers. This type of project, which is generally carried out as a participant in a construction consortium or other form of cooperation, has a higher risk profile and is more complex in legal terms than traditional specification-based projects. Some contracts also include so-called change of control clauses (see "Business – Subcontractors"). Increased participation by the Group in such projects raises the likelihood and the impact of the risks set out above.

The business of the Group may be materially adversely affected by a change of the outsourcing trend observed by the Group.

The Group has recently observed a trend towards more customers outsourcing a substantial part or all of their technical services to external providers such as the Group. Customers who find themselves less equipped to perform the services internally opt to outsource their technical services to providers such as the Group instead. See "Business – Industry trends". Growth in demand for technical services is to an important extent influenced by, *inter alia*, this outsourcing trend. However, there can be no certainty that this outsourcing trend will continue as outsourcing developments are affected by political decisions, public opinion, positive and negative experiences with outsourcing and demand by customers. Certain customers may decide to become more selective in what activities they outsource. The degree of impact such decisions might have depends on whether the services selected to no longer be outsourced are among the more profitable services that the Group provides for such customers, such as consultancy.

Such a negative change of the outsourcing trend could materially adversely affect the Group's business, profitability, results of operations, financial condition and prospects.

The Group is party to public sector contracts, which may be affected by political and administrative decisions, and the success and profitability of such contracts may be influenced by political considerations.

Public sector customers account for a significant portion of the Group's revenues. The extent and profitability of the Group's public sector business may be influenced by political considerations. It may also be affected by political and administrative decisions concerning levels of public spending. In certain cases, due to applicable regulations, such as European Union tender rules, certain terms of public sector contracts, such as pricing terms, contract period, use of business partners and ability to transfer receivables under contract, provide the Group with less flexibility than comparable private sector contracts do. Moreover, decisions to decrease public spending may result in the termination or downscaling of public sector contracts, which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Contracts in the public sector are also subject to review and monitoring by authorities to ensure compliance with applicable laws and regulations, including those prohibiting anti-competitive practices. The Group believes that it complies with these laws and regulations. However, regulatory authorities may nevertheless deem a Group Company to be in violation of such laws or regulations, and the Group or the relevant Group Company could be subject to fines, penalties and other sanctions, including exclusion from participation in tenders for public contracts. Any such event would have a material adverse impact on the Group's business, results of operations, financial condition, prospects and reputation.

The reported amounts of the Group's order intake at any time or during any period are not necessarily indicative of its actual or future revenue or results due to possible cancellations, delays or scope adjustments of projects or maintenance assignments included in the Group's reporting systems.

The Group cannot assure that the reported amounts of the Group's order intake at any time or during any period are a reliable indication of its actual or future revenue or results related to the performance of the projects and maintenance contracts included in the Group's reporting systems. See "Operating and Financial Review – Use of Certain non-IFRS Measures – Order intake". Cancellations, delays and scope adjustments occur from time to time. There can be no assurance that the Group's reported order intake will result in revenue in the future or that the current reporting of the Company of its orders provides an accurate picture of the status of the Group's business. Any cancellations, delays or scope adjustments could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group has engaged in acquisitions, strategic investments, strategic partnerships and alliances that may not be successful, and it may incur unforeseen liabilities from acquisitions that are not covered by effective warranties or indemnities.

Until the discovery of the first Irregularities in Germany and Poland in early 2013, the Group had supplemented its organic growth to a significant extent by a series of acquisitions. These acquisitions carry several inherent risks.

Firstly, relating to any acquired company, the Group may have difficulty in integrating that company's personnel, operations, technology and software and in implementing its business model, reporting systems and GRC framework within that acquired company due to various factors, including corporate culture. Although the Group generally seeks to sign up the target's employees to an employment contract with the Group, key personnel of the acquired company may decide to resign instead of working for the Group. This risk can materialise immediately after the acquisition or in a later stage (for instance if the lack of integration surfaces only later), thereby creating continued risk. In some cases, the Group may have difficulty in integrating the acquired products, services or technologies into its operations. These difficulties could disrupt the on-going business, provide the Group's management with suboptimal information, distract the Group's management and employees and increase its expenses. There can be no assurance that, following integration into the Group, an acquired company will be able to maintain its customer base consistent with expectations or generate the expected growth, margins or cash flows. Although the Group thoroughly analyses each acquisition target and often makes use of earn-out arrangements, its assessments are subject to a number of assumptions concerning profitability, growth, interest rates and company valuations. There can be no assurance that its assessments of and assumptions regarding its acquisition targets will prove to be correct and actual developments may differ significantly from expectations.

Secondly, the acquisitions of companies expose the Group to the risk of unforeseen expenses, losses, or obligations with respect to employees, customers and business partners of acquired businesses, public authorities and other parties. Before making an investment in a company or business, the Group assesses the value or potential value of such company or business and the potential return on such an investment. In making the assessment and otherwise conducting due diligence, the Group relies on the resources available and, in some cases, an investigation by third parties. However, there is no assurance that due diligence examinations carried out by the Group or by third parties in connection with stakes in companies or businesses that the Group has acquired or will acquire are sufficient or reveal all of the risks associated with such companies and businesses, or the full extent of such risks. In addition, acquired companies or businesses may have hidden liabilities that are not apparent at the time of acquisition. The warranties and indemnities that the Group obtained from sellers may not cover all of the liabilities that may arise following the acquisition and any indemnification may not fully compensate the Group for any diminution in the value of its interest in such companies or businesses. The Group may also encounter difficulties enforcing warranties and/or indemnities against a seller for various reasons, including the insolvency of the seller or expiry of claim periods for such warranties and/or indemnities.

A materialisation of such integration difficulties, unknown liabilities that are not covered by effective warranties or indemnities, inability to enforce indemnities, or other abovementioned risks, could have a material adverse effect on the Group's results of operations, financial condition and prospects.

Furthermore, as a result of contractual arrangements with certain of its financiers under its financing agreements, the Group is now restricted from making acquisitions, subject to limited exceptions. The inability to engage in or to complete acquisitions may adversely affect the Group's competitiveness and growth prospects.

The Group may incur liabilities from former and future divestments.

Beside the ICT sale as further set out above in this chapter, the Group decided to dispose of its 80% shareholding in Arma, following the strategic review announced on 7 November 2013. In connection with the disposal of its shareholding in Arma, the Company's potential exposure relating to certain risks relating to the period prior to the divestment may range from EUR 30 to 35 million. The Company has agreed with the purchaser that the purchaser will indemnify it in respect of these risks, but there can be no certainty that the purchaser will perform under the indemnity. For more information on this disposal, see "Business – Divestment of Arma shares", "Operating and Financial Review – Principal Factors Affecting Results of Operations and Comparability of Results – Acquisitions and divestments – Disposal of AE Arma Elektropanç" and note 19 to the H1 2014 Interim Financial Statements.

In relation to these divestments and other divestments, purchasers may claim material amounts of damages relating to e.g. breaches of representations, warranties or indemnities provided to them by the Group, which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group is and may in the future become, party to legal proceedings arising from the normal operation of the Group's business.

In addition to the legal proceedings arising from the Irregularities mentioned above, the Group is and may in the future become, party to legal proceedings arising from the normal operation of the Group's business. Many of the actions against the Group arise out of the normal course of performing services on project sites, and include claims for workers' compensation, personal injury, property damage and contract disputes with customers, suppliers and subcontractors. Furthermore, the Group is, and is likely to continue to be, a plaintiff in legal proceedings against customers seeking to recover payment of contractual amounts due to the Group. Such claims or litigation could result in substantial damages, divert management's attention and create negative publicity and deteriorate stakeholder confidence in the Group.

The Company has made provisions in its financial statements in relation to certain of these legal proceedings and claims in an amount of EUR 9.5 million as of 30 June 2014. The total amount of claims against the Group is EUR 218.4 million as of 30 June 2014 (see "Business – Legal and arbitration proceedings"). Although the Company believes that the assessment of the claims and related liabilities on which the provisions have been made is appropriate, the recorded provisions, and any provisions that may be recorded in respect of future claims if these would materialise, may prove too low or otherwise inadequate. In addition, the Group's insurance may not cover such claims or may be insufficient (see "– Risks relating to the Group's business – The Group may incur material liabilities that are not covered by the Group's insurance"). Only an immaterial amount of these claims is covered by insurance.

Such legal proceedings, claims and investigations, inadequate provisioning and the absence of insurance coverage could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Failure to comply with laws and regulations, in particular those relating to competition, anti-bribery and health and safety, may have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group is subject to laws and regulations relating to several areas such as competition, anti-bribery, health and safety, construction, procurement, administrative issues, accounting, corporate governance, market disclosure, tax, employment, data protection, money laundering and economic sanctions laws and regulations. Such laws and regulations are subject to interpretation and to change over time. The technical services industry, in which the Group is active, is in particular exposed to the risk of non-compliance with rules relating to competition, anti-bribery and health and safety. Any failure to comply with applicable laws and regulations (and in particular those relating to competition, anti-bribery and health and safety) by any of the Group's (current or former) employees, Group Companies or business partners may lead to heavy fines, to damage to the Group's brands and reputation and to exclusion from participation in public tenders as well as the rescission of contracts. In addition such failures may lead to disciplinary, administrative, civil and criminal enforcement actions and civil liability. The precautions the Group takes to prevent and detect non-compliance with these rules may not always have the desired effect.

Failure by any Group Company or the Group's employees or business partners to comply with laws or regulations or acts of misconduct may have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

If the Group fails to ensure safe work environments for its employees, the Group's reputation may be materially adversely affected and the Group could be exposed to financial losses, as well as civil and criminal liabilities, which could have an adverse effect on the Group's business, results of operations and financial condition and prospects.

As a service company, labour laws, Employee Health and Safety regulations may have an important impact on the Group's business and operations. See "Business – Health & Safety (H&S)". New technology and the implementation of new work processes, services, tools and machinery may have unforeseen effects on the working conditions of the Group's employees. In addition, the Group's employees may be exposed to materials that, although not currently considered harmful, could in the future be deemed health hazards, as was the case with asbestos. Unsafe work sites also have the potential to increase employee turnover, negatively impact employee satisfaction and the degree of employee contribution to on-work safety, increase project costs for the Group's customers and raise its operating costs. In addition to generating increased costs and liabilities, serious accidents may negatively impact the Group's safety record and subject the Group to negative publicity, which could adversely affect the Group's reputation and its ability to retain current customers and attract new customers. Thus the Group's failure, or the failure of one of the Group's subcontractors, to comply with applicable regulations or to maintain a safe work environment could result in substantial fines, claims relating to violations of social and working environment legislation or revocation of licenses. Any such claims, or increased costs resulting from such claims or regulatory changes, could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group is exposed to liabilities from projects operated in joint ventures and does not have full control in many of its joint ventures (including joint ventures used in acquisitions), which may limit the conduct of the Group's business.

As is customary in the Group's industry, some of the Group's large projects and services are undertaken through partnerships (in the Netherlands frequently in the form of *vennootschappen onder firma*) with other companies, resulting in joint and several liability for each of the partners and hence the risk to the Group of being held liable for the misconduct of others. See "Business – Project joint ventures". Accordingly, if the joint venture is found liable the Group may face claims for the entire amount and subsequently, if one or more of the joint venture partners is unable or unwilling to pay its proportional share, the Group may incur more losses than *pro rata parte* its share in the joint venture. In individual cases, the Group may provide guarantees or financing commitments for the benefit of the joint venture in a proportion exceeding the Group's ownership share or economic interest in the joint venture

Containing such risks at the level of the legal entity that is the partner in these partnerships may not be possible as a result of existing statements of joint and several liability issued by the Group in connection with the consolidated financial reporting of the Group or other factors. As a result, the Group may be subject to material liability in connection with its joint ventures, which may have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

In addition, the Group will in project joint ventures or joint ventures used in acquisitions typically not have full control over the joint venture's conduct of business, for instance because certain topics are reserved matters for which decision making requires unanimity of the joint venture participants. Such lack of control may mean that the Group cannot implement its strategy or otherwise have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group's projects expose it to potential professional liability, product liability, warranty and other claims, which could be costly, damage the Group's reputation and harm its business.

The Group may encounter difficulties in meeting contractual performance obligations. The Group performs technical services at large industrial facilities where accidents or system failures can be disastrous and costly. In addition, the Group relies on business partners to complete some of its contracts. Any significant occurrence not covered by insurance or in excess of the Group's insurance limits at locations where the Group performs its services could result in significant professional liability, warranty and other claims against the Group, including claims for failure of the project to meet contractually specified milestones or performance standards. The claims and back charges can involve actual damages, as well as contractually agreed upon liquidated sums.

These claims, as well as claims the Group may make against customers or other third parties, if not resolved through negotiation, could result in lengthy and expensive litigation or arbitration proceedings. Expenses associated with claims, or the Group's failure to recover sufficient damages and/or liquidated sums in connection with claims the Group brings against third parties, could materially adversely affect the Group's business, results of operations, financial condition and prospects.

The Group's employees deliver services within buildings and at locations owned or operated by its customers. As a result, the Group may be subject to claims in connection with damage to property, business interruptions, unauthorised use of the customer's property or wilful misconduct or other tortious acts by the Group's employees or people who have gained unauthorised access to premises through the Group's business operations. Such claims may be substantial and may result in adverse publicity for the Group. Accordingly, these claims could have a material adverse effect on the Group's business, results of operations and financial condition and prospects.

A departure of one or more members of senior management of the Group could have a material adverse effect on its business.

The Group's success is dependent, to a large degree, upon the continued service and skills of members of its senior management (which for these purposes includes the top 90 persons within the organisation and the members of the Board of Management), particularly because of its decentralised managing structure. The Group may not be able to retain all of these members. If one or more of the Group's senior managers are unable or unwilling to continue in their present positions, the Group may not be able to replace them easily. Competition for senior management is intense, and the pool of qualified candidates is limited. If any of such senior managers should join a competitor or forms a competing company, the Group may lose customers, know-how and other key personnel. The Group does not generally maintain any "key man" insurance for members of the Group's senior management. Thus a discontinuation by one or more of the Group's senior managers or other key personnel of their services for the Group could materially adversely affect the Group's business, results of operations, financial condition and prospects. In particular, the Irregularities resulted in the departure of almost all of the top management of the Group in 2013. Even though new management promptly took over the leadership of the Group, such developments significantly impact the day to day and overall business of the Group. Any future irregularities or other events that lead to a significant change in management could likewise materially negatively impact the Group's business, results of operations, financial condition and prospects.

The Group is exposed to a risk of default by and lack of funds and credit of its customers.

Under the terms of the Group's contracts, at times the Group commits resources to customer projects prior to receiving payments from customers in amounts sufficient to cover expenditures on these projects as they are incurred. Delays in customer payments require an investment in working capital. Recently the Group has seen many of its customers seek to manage their own working capital by imposing less favourable payment terms on service providers, which can lead to longer intervals between when the Group performs services and actually receives payment for those services. Less favourable payment terms of customers, or lack of funding for certain projects of customers which result in delays of projects, could lead to pressure on the working capital level of the Group.

Furthermore, the Group's customers may experience financial difficulties, including bankruptcies or restructurings, which could require the Group to assume more credit risk or limit the Group's ability to collect payments owed to it.

This risk has been exacerbated by the current difficult economic conditions, which have led to an overall lack of availability of credit and funds in the market, or, where credit and funds are available, made borrowing conditions more onerous. This lack of availability, or the more onerous conditions, of credit and funds may impair the ability of customers of the Group to honour their pre-existing arrangements and fulfil their contractual obligations. The Group is dependent on the recovery of the Group's result. See "– Risks relating to the Group's business – The Group's business, results of operations, financial condition and prospects may continue to be impacted by the difficult economic conditions and other factors beyond the Group's control". If the recovery of the Group's performance and cash development aimed for by the performance recovery measures, does not or does not timely take place, a breach of the financial covenants in the Group's Main Finance Agreements may occur".

If customers delay or default in making payments on projects, this could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Company's dividend may fail to be restored in a timely manner, or at all.

The Company does not intend to pay a dividend in respect of the financial year 2014. Pursuant to the Main Finance Agreements, the Company is not allowed to pay any dividends until the Company certifies that (i) the Senior Leverage Ratio did not exceed 2.0 to 1.0 on two immediately preceding testing dates and (ii) it does not reasonably expect that the Senior Leverage Ratio will exceed 2.0 to 1.0 on the next testing date or immediately following the date of the first payment of dividends or other distributions to the Company's shareholders. See "Operating and Financial Review – External sources of funding, financing and indebtedness – The Common

Terms of the Main Finance Agreements – Dividend and share repurchase restrictions". The Company does not foresee that this will occur before the end of 2015.

Whether dividends are restored, and the declaration, timing and payment of future cash dividends, if any, will be subject to the Company's operational performance and financial position, and will be at the absolute discretion of the Board of Management, with the approval of the Supervisory Board, and is subject to relevant Dutch law and a number of factors, including the level of the Company's distributable reserves and factors such as the Company's business prospects and conditions, cash requirements, earnings and cash flow, capital resources, financial performance and conditions and expansion and capital expenditure or investment plans.

In addition, as the Company itself is a holding company and does not perform any operating activities, its ability to pay a dividend and the level of any dividends in respect of the Ordinary Shares is subject to the extent to which the Company receives funds, directly or indirectly, from its operating subsidiaries in a manner which creates funds from which dividends can be legally paid. However, each subsidiary's ability to pay dividends will depend on the law of the jurisdiction in which such subsidiary is organised or incorporated. Under Dutch law, the Company may make distributions to its shareholders and other persons entitled to distributable profits only up to the amount of the part of the Company's equity which exceeds the nominal value of the issued share capital of the Company and its reserves that must be maintained by law and the Articles. Any failure to restore dividends or any delay in doing so could have a material adverse effect on the price of, and returns on, Ordinary Shares.

Changes in tax laws or challenges to the Group's tax position could materially adversely affect its business, results of operations, financial condition and cash flow.

The Group is subject to tax laws and regulations in each of the jurisdictions in which the Group operates, which are complex and are subject to varying interpretations. The Group cannot be certain that the relevant tax authorities are in agreement with the Group's interpretation of these laws. Changes in tax laws and regulations could adversely affect the Group's tax position, including its effective tax rate or tax payments. The Group often relies on generally available interpretations of tax laws and regulations in the jurisdictions in which the Group operates. If tax laws or their interpretations change, or if the Group's tax positions are challenged by relevant tax authorities, the imposition of additional taxes could require the Group to pay taxes that the Group currently does not collect or pay or increase the costs of the Group's products or services to track and collect such taxes, which could increase the Group's costs of operations and have a material negative effect on the Group's business, results of operations, financial condition and cash flows.

At 30 June 2014 the Group recognised EUR 35.9 million in net deferred tax assets, compared to EUR 19.9 million at 31 December 2013 and EUR 34.0 million at 31 December 2012. The Group has recognised deferred tax assets only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. A change in such assumption could lead to a reduction or a complete loss of the Group's recognised deferred tax assets with a respective adverse effect on the Group's results of operations and financial condition.

The Group may incur material liabilities that are not covered by the Group's insurance.

The Group carries insurance of various types, including employment practices, fraud, pension-related and general liability coverage. However, not all risks are insurable and not all claims are reimbursable and there can be no assurance that the Group will not experience major incidents that are not covered by its insurance. Furthermore, the occurrence of several events resulting in substantial claims for damages may have a material adverse effect on the Group's business, results of operations, financial condition and prospects. In addition, the Group's insurance costs may increase over time in response to negative developments in its claims history or due to material price increases in the insurance market in general. There can be no assurance that the Group will be able to maintain the Group's current insurance coverage or do so at a reasonable cost.

The Company has requested the cabinet of the King to prolong its Royal Designation (as defined below), which request may or may not be granted.

In 2011, the Company was granted the right to use a royal designation in its trade name, which it has done by calling itself "Koninklijke Imtech" or "Royal Imtech" (the "**Royal Designation**"). The terms of the Royal Designation indicate that if the actual or legal structure of the Company changes, the Royal Designation will automatically expire unless the cabinet of the King confirms, upon the Company's request, that it shall prolong the Royal Designation.

Since an amendment of the Articles of Association is necessary to complete the Share Consolidation and qualifies as a change in the actual or legal structure of the Company, the Company has requested the cabinet of the King to prolong the Royal Designation. As of the date of this Prospectus, the Company has not received confirmation that the Royal Designation will be prolonged. It is therefore possible that the cabinet of the King decides not to grant the Company's request to prolong the Royal Designation. Loss of the Royal Designation could have a materially adverse impact on Stakeholder confidence in the Group and could have a material negative impact on the Company's business and reputation (see "– Risks relating to the Group's business – The measures adopted by the Group in response to the Irregularities and the Group's Financial and Operational

Restructuring may not be sufficient to restore and retain the confidence of customers, suppliers, business partners, employees, credit insurers and other stakeholders").

The Group's information technology systems may fail or be interrupted, which could have an adverse effect on its business, results of operations, financial condition and prospects.

The Group relies on information technology systems that allow the Group to gather information upon which the Group's management makes decisions regarding the Group's business, track and bill its services, communicate with its customers and manage its employees. The administration of the Group's business is increasingly dependent on the use of these systems. As a result, system failures or disruptions resulting from disasters, computer viruses, hackers or other causes could have a material adverse effect on the Group's business. In addition, pursuant to contracts with third-party vendors, the Group outsources the operation and maintenance of certain of the Group's information technology systems to seek to ensure effective management of the Group's information technology resources, as well as to improve the cost efficiency of the Group's information technology infrastructure, systems and applications. The Group relies on the ability of the Group's business partners to deliver agreed services. Their failure to perform satisfactorily could have a material adverse impact on the Group's business, results of operations, financial condition and prospects.

The Group could be subject to information technology theft or misuse, which could result in third party claims and harm its business, reputation, results and financial condition.

The Group could face attempts by others to gain unauthorised access to the Group's information technology systems, which could threaten the security of the Group's information and stability of its systems. These attempts could arise from industrial or other espionage or actions by hackers that may harm the Group or its customers. The Group may not be successful in detecting and preventing such theft and attacks. Theft, unauthorised access and use of trade secrets or other confidential business information as a result of such an incident could disrupt the Group's business and adversely affect its reputation and competitive position, which could materially adversely affect the Group's business, results of operation or financial condition.

The Group is exposed to interest rate risk and any fluctuations in the interest rate that are not adequately hedged may adversely affect the Group's business, results of operations and financial condition.

Part of the Group's borrowings and financial assets carry floating interest rates. The objective of the Group's interest rate coverage policy is to hedge at least 50% of the interest rate profile of its forecasted net debt position as at 31 December of each year. To this end the Group uses interest rate swaps with terms that correspond as far as possible with the terms of the (bank) credit facilities. There is no requirement for the Group to transfer collateral under any of its swap contracts.

If interest rates increase and the interest rate risks are not adequately hedged, the increased interest burden may materially adversely affect the Group's business, results of operations and financial condition. On the other side, if the interest rates are hedged, the Group may not benefit from lower interest rates. There can be no assurance that such hedging will be fully effective or beneficial in protecting the Group from the consequences of higher interest rates.

Fluctuations in foreign currency exchange rates may affect the Group's results of operations and financial condition.

The Group's financial statements are presented in euros. Accordingly, when the Group prepares consolidated financial statements, the Group must translate its foreign currency-denominated assets, liabilities, income and expense items into euros at applicable exchange rates. The Group is exposed to foreign currency translation risks by means of investments in and long-term loans to foreign subsidiaries. The translation risk relates primarily to the Swedish and British subsidiaries.

In order to reduce the impact of currency fluctuations and the volatility of returns that may results from its currency exposure, the Group attempts to (partially) hedge this foreign currency translation risk by financing in corresponding foreign currencies. There can be no assurance that such hedging will be fully effective or beneficial in protecting the Group from adverse foreign currency exchange rate movements or that any resets will not result in additional cash outflows before maturity, which could materially affect the Group's results of operations and financial condition.

Catastrophic events, terrorist attacks, acts of war, hostilities, riots, civil unrest, pandemic diseases and other unpredictable events may materially adversely affect the Group.

Catastrophic events, terrorist attacks, acts of war or hostilities, riots, civil unrest, pandemic diseases and other similarly unpredictable events, and responses to those events or acts, may reduce the number of workable days and therefore prevent the Group and its employees from being able to provide services to its customers, in particular in respect of projects executed by the Group in countries outside Europe. Those events and acts may also create economic and political uncertainties which may have an adverse effect on the economic conditions in such countries or decrease the demand for or increase the costs of the Group's services. Such events and acts are difficult to predict and may also affect employees, including key employees. If the Group's business continuity plans do not fully address such events or cannot be implemented under the circumstances, it may incur losses. Unforeseen events can also lead to lower revenue or additional operating costs, such as fixed employee costs not recovered by revenue due to inability to deliver services, higher insurance premiums and the implementation of redundant back-up systems. Insurance coverage for certain unforeseeable risks may also be unavailable. A materialisation of these risks may have a material adverse effect on the Group's business, results of operation or financial condition.

Risks relating to the Offer Securities and the Offering

If the Offering is not completed, this may mean that the Group cannot continue as a going concern.

The Main Finance Agreements (i) require the Company to reduce the outstandings and commitments under the RCF, USPP, Committed Bilateral Cash Facilities (including RGA) and Guarantee Facilities (all as defined "Operational and Financial Review - External sources of funding, financing and indebtedness – The Main Finance Agreements") by EUR 250 million no later than 30 September 2015 and (ii) include a best endeavours undertaking for the Company to reduce such outstandings and commitments by EUR 400 million by 30 September 2015 (otherwise certain additional fees will be payable by the Company and the Company may also be required to issue warrants). See "Operating and Financial Review – External sources of funding, financing and indebtedness – The Common Terms of the Main Finance Agreements – Debt reduction and cash sweep".

If the Offering is not completed (for example, if any of the conditions of the Underwriting Agreement is neither fulfilled nor waived – including, but not limited to, in brief, (i) the absence of a material adverse change in the business, financial condition, or results of operations of the Group, (ii) the Main Finance Agreements being in full force and effect and any conditions remaining capable of fulfilment and not being waived and no default or event of default having occurred (iii) no event of default or other premature termination having occurred under any of the Group's other substantial debt facilities and financing arrangements and no substantial event of default having occurred under any of the Group's other non-substantial debt facilities and financing arrangements, (iv) the agreement for the divestment of the ICT division remaining in full force and effect and the conditions to this agreement remaining capable of fulfilment and not being waived and the Underwriters not becoming aware of any circumstance which in the judgment of the Underwriters would significantly adversely impact or delay the closing of the disposal or would reduce the expected amount of the net cash proceeds and (v) certain other, customary, conditions), the Group is unlikely to be able to satisfy the debt reduction undertakings in the Main Finance Agreements, the financial covenants and other covenants in its finance agreements (including the Main Finance Agreements). In addition this is likely to immediately lead to liquidity issues. It will then be crucial to timely raise equity capital and additional liquidity from alternative sources, which may be very difficult to achieve or alternatively achieve the same result by making a number of divestments, which will significantly reduce the value of the Company and its ability to service the remaining debt, or again agree waivers or amendments with its financiers, which may also be difficult to achieve, also in view of the consent requirements for certain decisions under the Main Finance Agreements, the diversity of the financiers and the challenging intercreditor relations set out above. See "Risk Factors – Risks relating to the Group's business". Due to the decreased confidence levels of its Stakeholders before the Financial and Operational Restructuring and the current situation with respect to its financiers, even a slightly reduced operating and financial performance could have materially adverse effects and may in a negative scenario endanger the going concern of the Group.

Any of the circumstances described above are likely to lead to the maturity of the debts under the Main Finance Agreements and other financing arrangements being accelerated. Such acceleration will likely take away the Group's ability to continue as a going concern.

In case the Rights Offering is unsuccessful, one or more investors participating in the subsequent Rump Offering may, or if the Rump Offering is also unsuccessful, each of the Underwriters may, obtain a significant interest in the Company. The interests of such investors or of the Underwriters may conflict with the interests of other shareholders. Also, such a significant acquisition of an interest in the Company by an investor in the Rump Offering or by Underwriters could result in the Group's German tax losses, tax loss carry-forwards and interest carry-forwards being forfeited in whole or in part.

To the extent that Rights have not been exercised by the end of the Exercise Period, the Rump Shares may be offered in the Rump Offering, *i.e.* through private placements to institutional investors in the Netherlands and certain other jurisdictions by the Underwriters, subject to the terms and conditions of the Underwriting Agreement and subject to applicable securities laws. The Underwriters, subject to the terms and conditions of the Underwriting Agreement, have agreed to use their reasonable efforts to procure purchasers for any Rump Shares. In particular if few Rights are exercised, the Rump Offering can result in an investor purchasing a significant interest in the Company. If the Rump Offering proves to be unsuccessful, any remaining Rump Shares will be acquired by the Underwriters in accordance with and subject to the terms and conditions of the Underwriting Agreement. Accordingly, if few Rights are exercised and in addition the Rump Offering is unsuccessful, each Underwriter will, subject to the terms and conditions of the Underwriting Agreement, acquire an important interest in the Company. See "The Offering – Rump Offering – Rump Shares" and "Plan of Distribution – Underwriting Agreement".

Thus if few Rights are exercised, this may result in (in effect) shareholder control being concentrated with such investors in the Rump Offering. And if few Rights are exercised and if in addition the Rump Offering is unsuccessful, this may result in (in effect) shareholder control being concentrated with Underwriters. These parties may after the closing of the Offering exercise significant influence over corporate matters requiring shareholders' approval and possibly, through board appointments, other corporate matters. Such an investor or Underwriters may vote in a way with which other shareholders would not agree and this concentration of ownership could adversely affect the market price and trading volume of the Ordinary Shares. Also, any Offer Shares acquired by one or more investors participating in a Rump Offering or by the Underwriters may after completion be sold by each of them at a price below the Issue Price. If such investors or one or more of the Underwriters should sell large amounts of Ordinary Shares, this may impact the market price of the Ordinary Shares.

In addition, if such an investor or the Underwriters would obtain an aggregate interest of more than 25% in the Company, there is a risk that under German tax loss forfeiture rules tax losses, tax loss carry-forwards and interest carry-forwards at the level of the Company's (in)direct subsidiaries that are tax resident in Germany are forfeited in whole or in part. If generally, within five years, directly or indirectly more than 25% or more than 50% of the interest in a German legal entity is acquired by an acquiring person (or a related party thereto) or a group of acquiring persons acting in concert, or if a similar situation occurs (harmful acquisition), any tax losses, tax loss carry-forwards and interest carry-forwards accrued up to the date of the harmful acquisition are forfeited in accordance with Section 8c of the German Corporate Income Tax Act (*Körperschaftsteuergesetz*) in whole or in part. If more than 50% of the interest in the respective German entity is (directly or indirectly) so acquired by one acquiring person (or a related party thereto) or a group of acquiring persons acting in concert, all of the tax losses, tax loss carry-forwards and interest carry-forwards may be lost (subject to the hidden-reserves relief). In case of an acquisition of more than 25%, but not exceeding 50% of the interest, tax losses, tax loss carry-forwards and interest carry-forwards may be forfeited (subject to the hidden-reserves relief) on a pro-rata basis, relating to the percentage of interest involved in that acquisition. An "interest" in the German taxpayer can consist of shares in the share capital, membership rights, participation rights or voting rights. As it cannot be excluded that (i) the Underwriters or an investor in the Rump Offering may acquire a qualifying interest in any of the Company's (in)direct subsidiaries that are tax resident in Germany, (ii) the Underwriters may qualify as a group of acquiring persons acting in concert and (iii) the Company's (in)direct German subsidiaries have tax losses, tax loss carry-forwards and interest carry-forwards available, a substantial amount of those tax losses, tax loss carry-forwards and interest carry-forwards may be forfeited under the German tax loss forfeiture rules. For the period up to 30 June 2014, the Company estimates these tax losses, tax loss carry-forwards and interest carry-forwards to amount to around EUR 450 million. Forfeiture of those amounts in whole or in part could adversely impact the Group's financial position and prospects.

Furthermore it cannot be excluded that if few Rights are exercised and in addition the Rump Offering is unsuccessful, Underwriters or some of them will collectively obtain 30% or more of the voting rights in the General Meeting. The Company has no reason to believe, however, that in such case these Underwriters will be deemed to be acting in concert, within the meaning of section 5:70 (1) of the FMSA, and that thus they will not under that section be required to make a mandatory offer for all the Company's shares. Finally it cannot be entirely excluded that if very few Rights are exercised and in addition the Rump Offering is very unsuccessful, one of the Underwriters obtains 30% or more of the voting rights in the General Meeting and would in principle be required to make such mandatory offer. However, pursuant to a statutory exemption for underwriters, the Underwriter (or Underwriters) will be exempted from the obligation to make a mandatory offer, provided that it (or they) shall not exercise any voting rights and the relevant stake is decreased below the 30% voting rights threshold within one year.

The market price of the Ordinary Shares and Offer Securities may fluctuate and may decline below the Issue Price.

The market price of the Company's shares has been volatile in the past and may continue to be volatile and characterised by fluctuating trading volumes in the future. In this regard, the market price of the Ordinary Shares may decline considerably or may continue to fluctuate widely in the future in spite of positive business developments and depending upon many factors beyond the Company's control. Therefore, the Issue Price of the Offer Shares at the time of the Offering may not be indicative of the market price for the Offer Shares after the Offering will have been completed. The market price of the Offer Securities may be significantly affected by, among others, the following factors: (i) the Company's actual or anticipated operational results, (ii) the level of the Group's debt, (iii) future issues of ordinary shares or rights to acquire ordinary shares in the capital of the Company or (iv) general market conditions. The market price of the Offer Securities is also subject to fluctuations in response to the Offering and the investor perception of the success and impact of the Offering. In particular, the market price of the Rights is largely dependent on the market price of the Ordinary Shares. The fact that in this Offering the number of existing Ordinary Shares is very small compared to the number of Rights granted, does not change that; a small change in the market price of the Ordinary Shares (which would mean a small change in the total market capitalisation of the Ordinary Shares) will in principle lead to a change in the market price of the Rights (which would mean a change in the total market capitalisation of the Rights, which, due to the comparatively very large number of Rights granted, will be much larger than the change in total market capitalisation of the Ordinary Shares). A significant drop in the market price of the Ordinary Shares, such that the market price of the Ordinary Shares becomes equal to or lower than the Issue Price, would therefore also adversely affect the value of the Rights. The Company cannot assure that the market price of its Offer Securities will not decline. Should this occur after an Eligible Person exercises its Rights, which exercise cannot be revoked or modified except as provided for in "The Offering", that Eligible Person will suffer an immediate unrealised loss as a result. Moreover, the Company cannot assure that an Eligible Person following the exercise of its Rights will be able to sell the Offer Shares at a price equal to or greater than the Issue Price.

In addition, due to trading the market price of the Ordinary Shares may be influenced by the market price of the Rights. As a result volatility in the market price of the Rights may also lead to volatility in the market price of the Ordinary Shares.

If a holder of Ordinary Shares does not, not timely or not validly exercise all of his Rights, his percentage ownership of Ordinary Shares will be very significantly diluted. Shareholders in certain jurisdictions are excluded from the Offering and may thus also suffer very significant dilution.

The Offering is designed to enable the Company to raise capital in a manner that gives the opportunity to existing holders of Ordinary Shares to subscribe for the Offer Shares pro rata to their shareholding at the Record Date (calculated as the number of Ordinary Shares held divided by the total number of issued Ordinary Shares less the Ordinary Shares that the Company holds in treasury), subject to applicable securities laws.

The Underwriters have agreed, subject to certain conditions, to subscribe for, or to use their reasonable efforts to procure subscribers for any Rump Shares through private placements to institutional investors in the Netherlands and certain other jurisdictions.

To the extent that a holder of Ordinary Shares does not, not timely or not validly exercise his Rights, his proportionate ownership and voting interest in the Company will be very significantly reduced. In addition, a holder of Ordinary Shares holding a number of Ordinary Shares through the giro system which is not exactly divisible in accordance with the consolidation ratio used in the Share Consolidation (as defined in "Description of Share Capital – Share capital") may lose those Ordinary Shares representing a fractional entitlement of less than half a share. See "Description of Share Capital – Share capital".

If an existing holder of Ordinary Shares elects to sell his Rights, or if he decides to hold his Rights through the end of the Exercise Period and is entitled to receive any Unexercised Rights Payment, the consideration he will receive, if any, may not be sufficient to fully compensate him for the dilution of his percentage ownership of Ordinary Shares that may be caused as a result of the Offering. Shareholders residing in the United States, other than QIBs, Australia and Japan are, among shareholders in or from other jurisdictions, excluded from the Offering.

In case closing of the Offering does not take place on the Settlement Date and the Offering is withdrawn, whether or not as a result of a termination of the Underwriting Agreement by the Underwriters, both the exercised and the unexercised Rights will be forfeited without compensation to their holders and the subscriptions for and allocation of Offer Shares that have been made will be disregarded.

It is expected that the closing of the Offering will take place on or about 27 October 2014. With respect to the Offer Securities, the Company has entered into the Underwriting Agreement. The Underwriters are entitled to terminate the Underwriting Agreement under certain circumstances. If the closing of the Offering does not take place on the Settlement Date or at all, whether or not as a result of a termination of the Underwriting Agreement by the Underwriters, the Offering may be withdrawn.

In such event, both the exercised and the unexercised Rights will be forfeited without compensation to their holders and the subscriptions for and allocation of Offer Shares that have been made will be disregarded. Any subscription payments received by the Company will be returned without interest. Any such forfeiture of Rights will be without prejudice to the validity of any settled trades in the Rights. There will be no refund for any Rights, including Rights purchased in the market. All trades in Rights prior to the Settlement Date are at the sole risk of the parties concerned. None of the Group Companies, the Underwriters, the Subscription, Listing and Paying Agent, and Euronext Amsterdam N.V. accepts any responsibility or liability to any person as a result of the withdrawal of the Offering or (the related) annulment of any transactions in Rights on Euronext Amsterdam. Withdrawal of the Offering might have a material adverse effect on the market price of the Ordinary Shares.

The Company cannot assure that a trading market will develop for the Rights and, if a market does develop, the Rights may be subject to greater volatility than the Ordinary Shares. If the Offering fails or is terminated, Rights will become worthless.

The Company intends to set a trading period for the Rights on Euronext Amsterdam from 9:00 hours CEST on 9 October 2014 until 17:40 hours CEST on 21 October 2014. The Company cannot assure, however, that an active trading market in Rights will develop on Euronext Amsterdam during that period. The Company does not intend to apply for the Rights to be traded on any other exchange. Additionally, because the market price of the Rights depends on the market price of the Ordinary Shares, the existing volatility of the Ordinary Shares could magnify the volatility of the Rights. If the Offering were to fail or is terminated for whatever reason, the Rights would lose all value and purchasers of Rights will have lost the money they paid for their Rights without being able to buy Offer Shares with these Rights.

If Eligible Persons do not, not timely or not validly exercise their Rights, they may not be able to subscribe for Offer Shares at the Issue Price and they may not receive a compensation for their unexercised Rights.

The Exercise Period for the Rights commences at 09:00 hours (CEST) on 9 October 2014 and expires at 17:40 hours (CEST) on 22 October 2014. Eligible Persons and, if applicable, financial intermediaries acting on their behalf, must act promptly to ensure that all required exercise instructions are actually received by the Subscription, Listing and Paying Agent before the expiration of the Exercise Period. If Eligible Persons or their financial intermediaries fail to timely or correctly follow the procedures that apply to the exercise of their Rights, the Company may, depending on the circumstances, reject their exercise of Rights. If Eligible Persons fail to timely or validly exercise their Rights, such Rights will continue to be reflected in their securities account only for the purpose of the payment of the Excess Amount (as defined in "The Offering – Rump Offering – Excess Amount"), if any. The Company cannot assure Eligible Persons, however, that there will be an Excess Amount for distribution to holders of unexercised Rights.

In addition, if an Eligible Person neither exercises his Rights nor sells his unexercised Rights, Underwriters have agreed with the Company to use reasonable endeavours to procure subscribers for the Ordinary Shares underlying the Rights. There is no assurance that the Underwriters will be able to procure subscribers at a price per Ordinary Share that exceeds the sum of the Issue Price per Ordinary Share and the Offering expenses. The Underwriters may also cease their endeavour to procure subscribers at any time. Even if the Underwriters are able to procure subscribers for the Ordinary Shares underlying the Rights, the consideration a Shareholder who neither exercises Rights nor sells unexercised Rights will receive, may not be sufficient to compensate him fully for the dilution of his percentage ownership of the Company's share capital which will result from the Offering. See "The Offering – Dilution".

Issuance of additional equity by issuing new Ordinary Shares could lead to a dilution of shareholders' stakes.

The Company may in the future require additional capital to fund its business operations and growth or to repay its debts. Both the raising of additional equity through the issuance of new Ordinary Shares and the potential exercise of conversion and option rights by the holders of convertible preference shares or bonds or bonds with warrants that may be issued in the future could lead to a dilution of Shareholders' stakes. Currently, the Company has 4,166,667 Cumulative Financing Preference Shares outstanding that are, including any accrued dividends, convertible into Ordinary Shares. Also, as part of the MTS the Company has agreed to issue warrants, which can in aggregate be exchanged for a number of Ordinary Shares equal to 5.56% of the issued and outstanding share capital of the Company against the nominal value of the Ordinary Shares, if debt reduction is less than EUR 400 million as at 30 September 2015, and to issue additional warrants, which can in aggregate be exchanged for a number of Ordinary Shares equal to 4.44% of the issued and outstanding share capital of the Company against the nominal value of the Ordinary Shares, if debt reductions is less than EUR 400 million as at 31 December 2015. Therefore, if the Offering is completed successfully, leading to a debt reduction of more than EUR 400 million, the agreement by the Company to issue warrants as part of the MTS will cease to be relevant.

Furthermore, the acquisition of or participation in other companies in return for newly issued Ordinary Shares or the issuance of Ordinary Shares to management or employees under future management or employee stock option plans could also lead to such dilution.

Shareholders in certain jurisdictions are excluded from the Offering. This may have a negative impact on the market price of the Ordinary Shares and may negatively influence the development of a trading market.

Shareholders residing in the United States, other than QIBs, Australia and Japan are, among shareholders in or from other jurisdictions, excluded from participation in the Offering. These persons may decide to sell their Ordinary Shares or, if they can validly do so, their Rights. This could have a negative effect on the market price of the Ordinary Shares, the value of the Rights and a market in the Rights developing, and, in the extreme case, on the success of the Offering.

Shareholders may be subject to exchange rate risk as a result of adverse movements in the value of their local currencies against the euro.

The Rights and the Offer Shares are priced in euro, and will be quoted and traded in euro. In addition, any dividends that the Company may pay will be declared and paid in euro. Accordingly, Shareholders resident in non-euro jurisdictions may be subject to risks arising from adverse movements in the value of their local currencies against the euro, which may reduce the value of the Rights and Offer Shares, as well as that of any dividends paid.

The Articles contain provisions that may prevent, slow down or complicate unwanted takeover attempts and resist unwanted influence on and pressure to amend the strategy of the Company by holders of Ordinary Shares that may be favourable to the holders of Ordinary Shares. In addition, the Company has granted a call option to Stichting Imtech to subscribe for up to 180,000,000 Cumulative Preference Shares.

The Articles contain protection provisions that may have the effect of preventing, slowing down or complicating an unwanted takeover bid or an unwanted concentration of Ordinary Shares and resist unwanted influence on and pressure to amend the strategy of the Company by holders of Ordinary Shares that may be favourable to the holders of Ordinary Shares. In addition, the Company has granted a call option to Stichting Imtech (the "**Foundation**"). Under this call option, the Foundation is entitled to subscribe for up to 180,000,000 Cumulative Preference Shares. See "Description of Share Capital – Call option Cumulative Preference Shares". The option can be exercised if, at the exclusive discretion of the Foundation, (i) the independence or continuity of the Company is threatened or (ii) an (impending) action by one or more people is, or could be, contrary to the interests of the Company, including its shareholders and other Stakeholders.

The issue of Cumulative Preference Shares in this manner would dilute the interest of holders of Ordinary Shares, including voting power. This may have the effect of slowing down or complicating an unwanted takeover bid or an unwanted concentration of Ordinary Shares that may otherwise be in the best interest of the holders of Ordinary Shares or have otherwise resulted in an opportunity for the holders of Ordinary Shares to sell the Ordinary Shares at a premium to the then prevailing market price. These provisions, the consequence of their application or the issue of Cumulative Preference Shares may have an adverse effect on the market price of the Offer Securities.

The rights and responsibilities of a holder of Ordinary Shares are governed by Dutch law and will differ in some respects from the rights and obligations of holders of Ordinary Shares under the laws of other jurisdictions and the shareholder rights under Dutch law may not be as clearly established as the rights of a holder of Ordinary Shares established under the laws of some other jurisdictions.

The Company is incorporated and exists under the laws of the Netherlands. Accordingly, the Company's corporate structure as well as the rights and obligations of the holders of Ordinary Shares may be different from the rights and obligations of shareholders of companies under the laws of other jurisdictions. The exercise of certain shareholders' rights by holders of Ordinary Shares outside the Netherlands may be more difficult and costly than the exercise of rights in a company organised under the laws of other jurisdictions. Resolutions of the General Meeting may be taken with majorities different from the majorities required for adoption of equivalent resolutions in companies organised under the laws of other jurisdictions. Any action to contest any of the Company's corporate actions must be filed with, and will be reviewed by, a Dutch court, in accordance with Dutch law.

If securities or industry analysts do not publish research or reports about the Group's business, or if they adversely change their recommendations regarding the Ordinary Shares, the market price and trading volume of the Offer Securities could be affected.

The market for the Offer Securities will be influenced by the research and reports that industry or securities analysts publish about the Group and its industry. If one or more of the analysts who cover the Group or its industry downgrade the Ordinary Shares, the market price of the Offer Securities may decline. If one or more of these analysts ceases coverage of the Group or fails to regularly publish reports about the Group, it may lose visibility in the financial markets which may adversely affect the market price and trading volume of the Offer Securities.

Shareholders may be unable to effect service of process on the Company, members of the Supervisory Board, Board of Management and senior management in the United States or enforce judgments obtained in United States courts for United States securities laws violations.

The Company is organised under the laws of the Netherlands. None of the members of the Supervisory Board or the Board of Management are residents of the United States and all or a majority of their assets will be located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Company or members of its Supervisory Board or Board of Management, or to enforce any judgments obtained in United States courts predicated upon civil liability provisions of the United States securities laws. In addition, the Company cannot assure shareholders that civil liabilities predicated upon the federal securities laws of the United States will be enforceable in the Netherlands.

IMPORTANT INFORMATION

General

Potential investors should only rely on the information contained in this Prospectus and any supplement to this Prospectus within the meaning of Section 5:23 of the FMSA, should such supplement be published.

This Prospectus contains the information required under the proportionate disclosure regime referenced in Section 7 paragraph (2) subparagraph (g) of the Prospectus Directive and Section 21 paragraph (3) of the Prospectus Regulation. Under the proportionate disclosure regime, a prospectus does not need to contain all of the items of information that would otherwise under the Prospectus Directive and the Prospectus Regulation need to be disclosed in a prospectus for a public offering of shares other than through rights to subscribe for shares. For example, this Prospectus does not need to contain (and does not contain) three years of audited historical financial information of the Company.

The Company does not undertake to update this Prospectus, unless required pursuant to Section 5:23 of the FMSA and therefore potential investors should not assume that the information in this Prospectus is accurate as of any date other than the date of this Prospectus. No person is or has been authorised to give any information or to make any representation in connection with the Offering, other than as contained in this Prospectus. If any information or representation not contained in this Prospectus is given or made in connection with the Offering, that information or representation may not be relied upon as having been authorised by or on behalf of the Company, the Underwriters or any of their respective affiliates. The delivery of this Prospectus at any time after the date of this Prospectus will not, under any circumstances, create any implication that there has been no change in the Group's affairs since the date of this Prospectus or that the information in this Prospectus is correct as of any time since its date.

No representation or warranty, express or implied, is made or given by or on behalf of the Underwriters, the Subscription, Listing and Paying Agent or any of their respective affiliates or any of their respective directors, officers or employees or any other person, as to the accuracy, completeness or fairness of the information or opinions contained in this Prospectus, or incorporated by reference herein, and nothing in this Prospectus, or incorporated by reference herein, is, or shall be relied upon as, a promise or representation by the Underwriters the Subscription, Listing and Paying Agent or any of their respective affiliates as to the past or future.

None of the Underwriters and the Subscription, Listing and Paying Agent, each in any of their respective capacities in connection with the Offering, accepts any responsibility whatsoever for the contents of this Prospectus nor for any other statements made or purported to be made by either itself or on its behalf in connection with the Company, the Offering, the Rights or the Offer Shares (including, for the avoidance of doubt, the Rump Shares). Accordingly, the Underwriters and the Subscription, Listing and Paying Agent disclaim all and any liability, whether arising in tort or contract or otherwise in respect of this Prospectus and/or any such statement.

Although the Underwriters and the Subscription, Listing and Paying Agent are party to various agreements pertaining to the Offering and each of the Underwriters and the Subscription, Listing and Paying Agent has or might enter into a financing arrangement with the Company, this should not be considered as a recommendation by any of them to invest in the Rights or the Offer Shares.

Responsibility statement

This Prospectus is made available by the Company. The Company accepts sole responsibility for the information contained in this Prospectus. The Company declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge and beliefs, in accordance with the facts and contains no omission likely to affect its import.

References to the Company's issued share capital; treasury shares

As per 7 October 2014 the total number of issued Ordinary Shares was 463,552,823 and of these issued Ordinary Shares the Company held 4,910,419 Ordinary Shares in treasury. These treasury shares were held as a hedge for employee incentive schemes, which hedge is to a large extent ineffective now. As a result, the Company may, in the ordinary course and without further notification, sell any treasury shares, subject to compliance with the lock-up arrangement. See "Plan of Distribution – Lock-up arrangements". The Company, as holder of Ordinary Shares in treasury, will not be granted any Rights. In this Prospectus references to relative holdings of Ordinary Shares are to holdings measured against the total number of issued Ordinary Shares (from time to time), without subtraction of Ordinary Shares held in treasury by the Company.

Presentation of financial and other information

IFRS information

The historical consolidated financial information contained in, or incorporated by reference in, this Prospectus (see "Documents Incorporated by Reference"), including the audited consolidated financial statements as of and for the year ended 31 December 2013 (the auditor's report on the audited consolidated financial statements for the 2013 financial year was unqualified but included an emphasis of matters relating to the existence of material uncertainties which may cast significant doubt about the entity's ability to continue as a going concern as set out in note 2 to the audited consolidated financial statements for the 2013 financial year), the consolidated financial statements as of and for the year ended 31 December 2012[1] (the auditor's report on the audited consolidated financial statements for the 2012 financial year was unqualified but included an emphasis of matters relating to the existence of material uncertainties which may cast significant doubt about the entity's ability to continue as a going concern as set out in note 4 to the audited consolidated financial statements for the 2012 financial year) and the unaudited condensed consolidated interim financial statements prepared in accordance with IAS 34 as of and for the six months ended 30 June 2014 (the auditor's review report on the condensed consolidated interim financial statements for H1 2014 was unqualified but included an emphasis of matters relating to the existence of material uncertainties which may cast significant doubt about the entity's ability to continue as a going concern as set out in note 3 to the condensed consolidated interim financial statements for H1 2014) ("**H1 2014**") and the six months ended 30 June 2013[2] ("**H1 2013**"), except where stated otherwise, the financial information contained in "Selected Historical Financial Information", in "Business" and in "Operating and Financial Review" have been prepared in accordance with IFRS, including IFRS interpretations issued by the International Financial Reporting Interpretation Committee.

Non-IFRS information

This Prospectus presents certain measures that are not measures defined by IFRS. These measures include EBITA, being the result from operating activities before amortisation and impairment on intangible assets ("**EBITA**"), EBITDA, being the result from operating activities before depreciation of property, plant and equipment, amortisation of intangible assets and impairment of property, plant and equipment and intangible assets ("**EBITDA**"), operational EBITDA, operational EBITDA margin, cash conversion, net interest bearing debt, order intake, working capital and operational working capital. See "Operating and Financial Review – Use of Certain non-IFRS Measures".

Audited/unaudited financial information

The financial information in this Prospectus for:

- H1 2014 and H1 2013 is unaudited and has been extracted from the unaudited condensed consolidated interim financial statements for H1 2014 which are incorporated by reference in this Prospectus and which also contain comparative financial information for H1 2013, except for the H1 2013 consolidated balance sheet which is extracted from the Company's accounting records;
- the 2013 and 2012 financial years has been extracted from the audited consolidated financial statements for the 2013 financial year which are incorporated by reference in this Prospectus.

Where other financial information in this Prospectus (other than in "Operating and Financial Review") is audited, this is indicated by a footnote. Where there is no such footnote, financial information is unaudited.

Rounding and negative amounts

Certain figures contained in this Prospectus, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances the sum of the numbers in the text or a column or a row in tables contained in this Prospectus may not conform exactly to the total figure given for that column or row.

In tables, negative amounts are shown between brackets. Otherwise, negative amounts are shown by "-" or "negative" before the amount or are shown between brackets.

Currency

All references in this Prospectus to "EUR", "euro", or "€" are to the currency introduced at the start of the third stage of the Economic and Monetary Union, pursuant to the Treaty establishing the European Economic Community, as amended by the Treaty on the European Union. All references to "U.S. dollars" or "USD" are to the lawful currency of the United States. All references to "Swedish Krona" or "SEK" are to the lawful currency of Sweden. All references to "GBP" are to the lawful currency of the United Kingdom.

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1 Comparative consolidated financial information as at 31 December 2012 used in this Prospectus is derived from the audited consolidated financial statements for the financial year ended 31 December 2013.

2 Comparative consolidated financial information as at 30 June 2013 used in this Prospectus is derived from the condensed consolidated interim financial statements for H1 2014.

Exchange rates

The Group's financial statements are presented in euros. Accordingly, when the Group prepares consolidated financial statements, the Group must translate its foreign currency-denominated assets, liabilities, income and expense items into euros at applicable exchange rates. The Group is exposed to foreign currency translation risks by means of investments in and long-term loans to foreign subsidiaries. The translation risk relates primarily to the Swedish and British subsidiaries. Depending on the EUR:GBP or the EUR:SEK exchange rate, this can result in higher or lower contributions to the Company's result in euro. In 2013, revenue and result contributions from the Company's UK subsidiaries suffered from the negative development of the pound sterling versus the euro in comparison to 2012, just as the Swedish subsidiaries suffered as a result of the negative development of the Swedish Krona versus the euro in comparison to 2012. The Group attempts to (partially) hedge this foreign currency translation risk through loans in corresponding foreign currencies.

Market and industry information

All references to market data, industry statistics and industry forecasts in this Prospectus consist of estimates compiled by industry professionals, organisations, analysts, publicly available information, or the Company based on its own knowledge of its sales and markets.

Industry publications generally state that their information is obtained from sources they believe reliable but that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on a number of significant assumptions. Although it has not independently verified this information, the Company believes it is obtained from reliable sources.

In this Prospectus, the Company makes certain statements regarding its competitive and market position. The Company believes these statements to be true, based on market data, industry statistics and publicly available information. All assumptions, estimates and expectations of the Company underlying its statements have been based on careful analysis and are honestly held. The Company cannot guarantee that a third party using different methods to assemble, analyse, or compute market data, would obtain or generate the same results.

The information in this Prospectus that has been sourced from independent sources has been accurately reproduced and, as far as the Company is aware and able to ascertain from the information published by that independent source, no facts have been omitted that would render the reproduced information incomplete, inaccurate or misleading. The Company has not independently verified these data or determined the reasonableness of the assumptions used by their compilers, nor have data from independent sources been audited in any manner.

No incorporation of website

The contents of the Company's website (http://www.imtech.com), including any websites accessible from hyperlinks on the Company's website, do not form part of, and are not incorporated by reference into, this Prospectus.

Potential conflicts of interest

The Underwriters and the Subscription, Listing and Paying Agent, which are regulated in the Netherlands by the Dutch Central Bank (De Nederlandsche Bank N.V., "**DNB**") and the AFM, are acting exclusively for the Company and for no one else in relation to the Offering and the listing of and trading in the Offer Shares and the trading in the Rights and will not be responsible to anyone other than to the Company for giving advice in relation to the Offering and the listing of and trading in the Offer Shares and the trading in the Rights.

The Underwriters (and/or their respective affiliates) are currently lenders under bilateral agreements with members of the Group. In addition, each of the Underwriters is a guarantee provider to members of the Group, both bilaterally under the Guarantee Facilities (as defined in "Operating and Financial Review – Existing sources of funding, financing and indebtedness") and COMMERZBANK, ING and Rabobank are hedge counterparties to members of the Group. Finally, each of the Underwriters is party to the Intercreditor and Security Deed (as defined in "Operating and Financial Review – Existing sources of funding, financing and indebtedness). In such capacities, they have received and may continue to receive customary fees related to such services. The net proceeds of the Offering will be used in cancellation of any cash commitment and/or the prepayment of the principal outstanding amount under any of the RCF, the Committed Bilateral Cash Facilities, and certain smaller committed bilateral credit facilities with COMMERZBANK, and in payment of monies into designated collateral accounts in respect of the commitments under any Guarantee Facility. See "Financial and Operational Restructuring – Financial and Other Measures – Use of proceeds of the Offering and the ICT sale". Accordingly, the Underwriters and their respective affiliates are expected to receive the majority of the net proceeds of the Offering.

The Underwriters and the Subscription, Listing, and Paying Agent and/or any of their respective affiliates have from time to time been engaged, and may in the future engage, in commercial banking, investment banking and financial advisory and ancillary transactions in the course of their business with the Company (or any parties related to the Company) for which they have received or may receive customary compensation. In respect of the above, the sharing of information is generally restricted for reasons of confidentiality, by internal procedures or by rules and regulations (including those issued by the AFM).

The Underwriters and their respective affiliates may provide services for the Company and the Company's affiliates in the future. Additionally, the Underwriters, or their respective affiliates may, in the ordinary course of their business, hold, have held and in the future may hold the Company's securities for investment. Also, ING acts as liquidity provider for the trade in Ordinary Shares.

Rabobank holds 4,166,667 Cumulative Financing Preference Shares (see "Description of Share Capital – General Meeting").

As a result of acting in the capacities described above, the Underwriters, the Subscription, Listing and Paying Agent and their respective affiliates may have interests that may not be aligned, or could potentially conflict, with (prospective) investors' and the Company's interests.

A group of funds managed by Orbis Investment Management Limited and/or its affiliates (together, the "**Committed Shareholders**") are collectively one of the Company's major shareholders (see "Major shareholders and related party transactions – Major Shareholders").

Notice to investors

The distribution of this Prospectus and the offer, acceptance, delivery, transfer, exercise, purchase of, subscription for, or trade in the Offer Securities may be restricted by law in certain jurisdictions. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities law of any such jurisdiction. This Prospectus may not be used for, or in connection with, and does not constitute, any offer to sell, or an invitation to purchase, any of the Offer Securities offered under the Offering in any jurisdiction in which such offer or invitation is not authorised or would be unlawful. Neither this Prospectus, nor any related materials, may be distributed or transmitted to, or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations.

The contents of this Prospectus are not to be considered or interpreted as legal, commercial, investment, financial or tax advice. Each prospective investor should consult his own stockbroker, bank manager, auditor or other financial, legal or tax advisers before making any investment decision with regard to the Offer Securities, to consider such investment decision in light of the prospective investor's personal circumstances, and in order to determine whether or not such prospective investor is eligible to subscribe for the Offer Shares or to trade in the Rights.

As a condition to accept, deliver, transfer, exercise, purchase, subscribe for or trade in Offer Securities, each purchaser in order to be an Eligible Person will be deemed to have made, or, in some cases, be required to make, certain representations and warranties which will be relied upon by the Company, the Underwriters and others. The Company and the Underwriters reserve the right, in their sole discretion, to reject any purchase or subscription of Offer Securities that the Company or the Underwriters believe may give rise to a breach or violation of any law, rule or regulation. A more detailed description of restrictions relating to the Offering is contained in "Selling and Transfer Restrictions".

Notice to investors in the United States

The Offer Securities have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered, sold, pledged, delivered or otherwise transferred except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable state securities laws. Accordingly, the Offering is being extended (i) in the United States, to persons reasonably believed to be QIBs pursuant to Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements under the U.S. Securities Act and applicable state securities laws, and (ii) outside the United States, in offshore transactions within the meaning of and in accordance with Regulation S. Any Offer Securities offered and sold in the United States will be subject to certain transfer restrictions as described in this Prospectus. By accepting delivery of this Prospectus or exercising Rights or purchasing the Offer Shares, prospective investors will be deemed to have made the acknowledgements, representations and warranties set out in "Selling and Transfer Restrictions – United States". The Offer Securities have not been approved or disapproved by the United States Securities and Exchange Commission or any state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

Enforcement of civil liabilities

The ability of Shareholders in certain countries other than the Netherlands to bring an action against the Company may be limited under law. The Company is a public limited liability company (*naamloze vennootschap*) incorporated in the Netherlands and has its statutory seat (*statutaire zetel*) in Rotterdam, the Netherlands. All of the members of the Board of Management and Supervisory Board named herein are non-residents of the United States. All or a substantial proportion of the assets of these non-resident persons and of the Company are located outside the United States. As a result, it may not be possible for investors to effect service of process upon such persons or the Company or to enforce against them in United States courts a judgment obtained in such courts.

The United States and the Netherlands are currently not party to a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Accordingly, a judgment rendered by a court in the United States will not be recognised and enforced by the Dutch courts (or *vice versa*). However, if a person has obtained a final and conclusive judgment for the payment of money rendered by a court in the United States which is enforceable in the United States and files his claim with the competent Dutch court, the Dutch court will generally give binding effect to the foreign judgement insofar as it finds that the jurisdiction of the foreign court has been based on grounds which are internationally acceptable and that proper legal procedures have been observed and except to the extent that the foreign judgment contravenes Dutch public policy.

FORWARD LOOKING STATEMENTS

This Prospectus contains forward-looking statements that reflect the Company's intentions, beliefs or current expectations and projections. Forward-looking statements include statements regarding the Group's future result of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the market in which the Group operates as well as other statements that are not historical facts. The Company has tried to identify forward-looking statements by using words such as "may", "will", "would", "should", "expect", "intend", "estimate", "anticipate", "project", "believe", "could", "hope", "seek", "plan", "foresee", "aim", "objective", "potential", "goal", "strategy", "target", "continue" and similar expressions or their negatives. Forward-looking statements may be found principally in sections in this Prospectus entitled "Risk Factors", "Financial and Operational Restructuring", "Dividends and Dividend Policy", "Business", "Operating and Financial Review" and elsewhere.

The forward-looking statements are based on the Company's beliefs, assumptions and expectations regarding future events and trends that affect the Group's future performance, taking into account all information currently available to the Group, and are not guarantees of future performance. These beliefs, assumptions and expectations can change as a result of possible events or factors, not all of which are known to the Group or are within the Group's control. If a change occurs, the Group's business, financial condition, liquidity, results of operations, anticipated growth, strategies or opportunities may vary materially from those expressed in, or suggested by, these forward-looking statements. Important events and factors that could cause those differences include, but are not limited to:

- general economic conditions affecting the markets in which the Group operates;
- competition in the markets in which the Group operates and the Group's inability to effectively maintain its competitive position;
- the execution of the turnaround program to recover the Group's operational performance and cost development and its ability to comply with the financial covenants and ensure sufficient working capital – see "Financial and Operational Restructuring – Operational Measures";
- the Group's ability to efficiently execute and effectively manage projects and sites;
- the Group's exposure to losses resulting from the execution of large scale and long-term technically complicated projects;
- the Group's ability to remedy weaknesses in and to strengthen its internal controls, GRC framework and financial reporting procedures;
- impairment of goodwill associated with the Group's previous or future acquisitions;
- limitations on the Group's operating, strategic and financial flexibility imposed by restrictive covenants;
- the Group's ability to generate sufficient cash flow to fund its debt obligations, capital expenditures and on-going operations;
- the Group's ability to achieve the target financial structure;
- cancellation or reduction of the Group's credit insurance or credit facilities;
- the Group's ability to obtain additional funding when needed in the future;
- the Group's ability to comply with competition, anti-bribery and health and safety laws and regulations;
- the Group's ability to retain and recruit technical and other key personnel;
- the departure of key personnel or senior management of the Group;
- the Group's incurrence of unforeseen liabilities from former and future acquisitions;
- write-offs or impairments;
- legal proceedings and regulatory and criminal investigations to which the Group may be subject, including an investigation of the Company's management policies;
- the Group's ability to achieve anticipated results of acquisitions and difficulty integrating acquired businesses;
- the Group's ability to successfully manage future growth;
- adverse changes in tax law or challenges to the Group's tax position;
- force majeure occurrences;
- other factors described in this Prospectus, including those set forth under "Risk Factors", "Financial and Operational Restructuring", "Business" and "Operating and Financial Review".

Investors or potential investors should not place undue reliance on the forward-looking statements in this Prospectus. The Company urges investors to read the sections of this Prospectus entitled "Risk Factors", "Financial and Operational Restructuring", "Business" and "Operating and Financial Review" for a more complete discussion of the factors that could affect the Group's future performance and the market in which the Group operates. In light of the possible changes to the Company's beliefs, assumptions and expectations, the forward-looking events described in this Prospectus may not occur. Additional risks not known to the Company or that the Company has not considered material as of the date of this Prospectus could also cause the forward-looking events discussed in this Prospectus not to occur. Except as otherwise required by applicable securities laws and regulations, the Company undertakes no obligation to update publicly or revise publicly any forward-looking statements, whether as a result of new information, future events, changed circumstances or any other reason after the date of this Prospectus.

FINANCIAL AND OPERATIONAL RESTRUCTURING

Background

In early 2013, the Group discovered that the financial results of Imtech Germany and Imtech Poland, for which Imtech Germany bore managerial responsibility, had been considerably inflated, leading to significant and unexpected write-offs on projects in Poland and Germany. Shortly thereafter, the Group uncovered additional irregularities in the Netherlands, Spain and Turkey, as well as in the Marine division, as the management of certain business units sought to disguise declining results related to weak markets by overstating results and understating operating expenses, resulting in further substantial write-offs. The Group also uncovered many instances of unethical business behaviour and other financial irregularities. See "Operating and Financial Review – Principal Factors Affecting Results of Operations and Comparability of Results – Impairments and write-offs". Collectively, these events are referred to as the "**Irregularities**". On 18 June 2013 the Company published a report to shareholders (the "**Report**") on the Irregularities described in it (subject to the limitations set forth in that report) and the measures taken by the Company in response, which is available on the Company's website.

On the basis of investigations and other corrective actions undertaken by the Group and its external expert advisers, the Company concluded that the Irregularities could be explained by a combination of fraudulent actions on the part of certain managers, business controls that failed to operate effectively, and a corporate culture deficient in transparency and accountability. In response, the Group developed measures (i) to establish operational excellence programmes and (ii) to adapt and strengthen the Group's governance, risk and compliance ("**GRC**") framework (together with (i) and the restructuring measures, as set out below, referred to as the "**Operational Measures**"), and (iii) to strengthen the Group's financial structure and adapt it to the Group's operational circumstances (the "**Financial Measures**").

For instance, since early 2013, new management teams have been installed in several operating divisions and in the corporate headquarters. As a result, the majority of senior management has been replaced since the discovery of the Irregularities.

Also, following the developments which are described in the Report, the Company's Board of Management was replaced in full in 2013. The Company's Supervisory Board has also been replaced in 2013, except for Mr. de Rooij and Mrs. Van Andel who had joined the Supervisory Board in 2011 and were requested to continue as a Supervisory Board member in the interest of continuity. With the announcement of the settlement with the VEB (see "Business – Legal and arbitration proceedings – Settlement VEB") on 7 October 2014, Mr De Rooij has resigned his position at the end of that meeting. In the interest of Imtech, Mrs. Van Andel, who has been appointed on the recommendation of Imtech's works council, will stay on as a Supervisory Director.

In February and March 2014, the Group announced that it had uncovered that irregularities had taken place in Switzerland. The management of Fritz & Macziol Schweiz, where the irregularities were uncovered, has been replaced and the business has been downsized significantly with full closure planned in the near future. See "Business – Legal and arbitration proceedings – Fritz & Macziol Schweiz".

Operational Measures

Operational excellence programmes and restructuring measures

In February 2013, in response to the Irregularities, the Company announced a Group-wide operational excellence programme to improve profitability and cash generation and to strengthen the business controls. The programme was focused on margin improvement, project management & project execution, cash & working capital management, risk management and governance & control.

In April 2013, the Company announced a further Group-wide operational excellence programme with a strong focus on improving profitability and cash generation and strengthening business controls (the "**Cost and Efficiency Programme**"). The Cost and Efficiency Programme was focused on the Group's Benelux, Germany& Eastern Europe, Traffic & Infra and Marine divisions and included a headcount reduction plan of 1,300 full time equivalent employees ("**FTEs**") to improve profitability. In the second half of 2013, the Group extended and implemented the headcount reduction plan to cover approximately 2,300 FTEs.

As part of the Cost and Efficiency Programme, at the end of 2013, the Company announced a comprehensive recovery plan for Germany named "Neue Imtech" with the goal of prioritising healthy project margins over volume and achieving efficiencies in staffing, project control and purchasing. "Neue Imtech" aims to, among others, accelerate the conclusion of certain identified legacy issues. See "Business – Divisions –

Germany & Eastern Europe". The Group also began implementing "One Imtech" and "Back to the Top" action plans to drive improvement of results in its Benelux and Marine divisions, respectively. See "Business – Divisions – Benelux – General".

As part of the above efforts the Group has:

- developed working capital plans in all divisions, which are currently in execution;
- introduced a monthly reporting and forecasting framework for all operating entities that includes working capital;
- implemented a treasury management system, which includes a guarantee management system that provides an overview of all outstanding guarantees on a daily basis;
- tightened its guarantee policy to reduce the number of guarantees issued; and
- implemented a cash management tool within the treasury management system, which monitors daily cash balances. The Group now forecasts its cash flow and liquidity every week.

In August 2014, the Company announced an additional round of restructuring measures to be implemented in the second half of 2014 (and subsequently in early 2015 if some elements of the programme are not (fully) implemented before the end of 2014) to strengthen competitiveness and profitability in light of the ongoing challenging market conditions (the "**New Cost and Efficiency Programme**"). The New Cost and Efficiency Programme will include a headcount reduction in the industrial business unit and in the sales & operations and overhead functions in the Netherlands. The Company has announced that a provision for excess Dutch rental contracts will be taken. The New Cost and Efficiency Programme will also include an indirect cost reduction programme in Germany. The Company has also announced that a provision will be taken for excess German rental contracts. Additionally, the Marine division will reduce its headcount, mainly within its German business. Headcount reduction under the New Cost and Efficiency Programme is expected to total approximately 750 FTEs, with restructuring costs for the New Cost and Efficiency headcount reduction effort totalling approximately EUR 30 million, expected to be recognised in the second half of 2014. The contract provisions expected to be taken in relation to the Group's excess office spaces in the Netherlands and Germany amount to approximately EUR 30 million, expected to be recognised in the second half of 2014.

GRC framework

Following the discovery of the Irregularities, the Company reviewed the Group's risk management procedures and systems and decided to accelerate the process of strengthening and improving its GRC policy. Starting March 2013, the Group has reinforced the quality and effectiveness of its governance and compliance mechanisms, changed the role and composition of the Board of Management and the Supervisory Board, adopted other governance measures (including an extension of the "four-eye principle" and a tightening of the authorisation schedule) and strengthened the Group's financial and legal function. The charter of the audit committee of the Supervisory Board (the "**Audit Committee**") was amended to bolster the Audit Committee's risk monitoring function and to reflect the set up of an internal audit department. Additionally, a Board of Management charter specifying the rules governing the principles and best practices for the Board of Management was introduced. Approximately 90% of the current GRC framework has been implemented.

Key elements of the improvements to the GRC framework are intended to support the Group's efforts to achieve operational excellence:

- more stringent operational implementation of the business processes with a special focus on project management, working capital management and cash generation;
- reinforcement of the quality and effectiveness of business controls through a more stringent authorisation matrix, tighter management and monitoring of larger projects and strengthening of the financial function and reporting;
- revision of the management targets and the related components of the variable portion of management compensation to bring these in line with new priorities and strategies;
- strengthening of the Board of Management's operational role by expanding the number of members; and
- adding a corporate insurance function to the GRC framework to help ensure that the balance sheet and the profit and loss account of the Group are protected by the most efficient and cost-effective insurance programme.

The Board of Management has also taken action to establish and maintain a corporate culture founded on an appropriate balance of integrity, loyalty and critical thinking. These core values are reflected in the Group's "code of conduct". In addition, the Company has extended its policy framework to include, *inter alia*, an anti-bribery and anti-corruption policy, a revised remuneration policy and a revised competition policy.

The Group's culture regarding business ethics, compliance and business dilemmas continues to be a top priority for the Board of Management. The Board of Management is well aware that creating a new culture is challenging and a long-term process, and requires the continuous attention of senior management as well as open discussion of major issues and critical situations. During the second half of 2013, a training programme was started for the Group's top 90 managers. This training programme focuses not only on knowledge transfer, but also on the development of an appropriate company culture of integrity, loyalty and critical thinking. The training programme also focuses on improving knowledge of the compliance framework, including the whistleblower procedures. The Company keeps a register of all whistleblower complaints that it receives from time to time. All such complaints are investigated and disclosed to the Board of Management and Supervisory Board, who discuss at least once per quarter the register of whistleblower complaints in the presence of the Director GRC and the head of the internal audit department.

These enhancements to the GRC framework also include reinforcing the Group's tender procedures and procedures for the approval of tenders. The Group has set up a tender review board (the "**Tender Review Board**") to oversee tender procedures for new projects above a threshold of EUR 15 million. In addition some divisions require an approval to proceed (ATP) with a tender at a lower threshold. The approval to proceed is granted by a member of the Board of Management. In the case a tender exceeds revenues of EUR 75 million, either for the Group or as part of a joint venture, an additional approval to proceed is required from the Supervisory Board. Furthermore, the Group's Riskmaster tool enables monitoring at the corporate level all tenders above EUR 4 million, those where a joint venture is involved, where a tender requires execution in a country where the tendering entity has no local base or where tenders indicate a precalculated loss larger than EUR 150,000.

During the execution stage, management responsible for projects exceeding certain thresholds, which are described in the Company's risk procedures, is required to monitor and report risks on a periodic basis throughout the project. Selected projects are reviewed by Group risk management which, apart from an assessment of the project itself, also enables feedback on procedures. In addition, projects are reviewed by divisional risk management.

Steps scheduled to take place in the second half of 2014 include developing and implementing enterprise risk management in the Group budget and periodic reporting process; monitoring and strengthening of an efficient third party screening; developing and rolling-out E-learning on specific compliance themes, such as anti-bribery and anti-corruption policies and competition law.

Financial and Other Measures

The MTS

After the identification of the Irregularities, the Group, among other actions, executed waiver and amendment agreements with its main financiers, including the banks that are the Underwriters of this Offering, in mid-June 2013 and successfully completed a rights issue of approximately EUR 500 million in July 2013. Due to a slower than anticipated recovery of the Group's business and its failure to achieve operational goals, in particular in Germany, the Group, in November 2013, started discussions with its main financiers on a further amendment of its financing agreements, including a resetting of financial covenants. On 17 March 2014, the Group and a quorum of its main financiers, including the banks who are the Underwriters of this Offering (the "**Main Financiers**"), entered into a lock up agreement and a binding term sheet for a medium term solution for the restructuring of the existing indebtedness of the Group (the "**MTS**"). The Group and the Main Financiers agreed on common terms to be implemented in amendments to the Group's finance agreements with the Main Financiers, with respect to terms on pricing, security, guarantor cover, information provisions, financial covenants and undertakings, debt reduction, use of deleveraging proceeds and enforcement rights, in each case with a view to create a level playing field across the Group's various debt instruments (the "**Common Terms**"). On 18 June 2014, the amendments became effective incorporating the Common Terms in the relevant finance agreements between the Main Financiers and the relevant Group Companies, as well as a number of new guarantee facilities and new affiliated agreements (together, the "**Main Finance Agreements**"). These Main Finance Agreements together form the MTS. See "Operating and Financial Review – External sources of funding, financing and indebtedness – The Main Finance Agreements".

As at 31 August 2014, the Main Finance Agreements provided for EUR 1,288 million committed credit facilities (including a revolving credit facility, bilateral cash facilities and senior notes) and EUR 789 million of committed guarantee facilities (excluding RGA). The Common Terms also contain a best efforts obligation on the Company to achieve debt reduction in the amount of EUR 400 million by 30 September 2015.

Other measures

The Group's continued high debt burden and the increased finance costs relating to the MTS combined with a deterioration in the Group's operating and financial performance led to a failure to achieve the intended operational benefits and the expectation of a failure to meet certain covenants in the Main Finance Agreements shortly after the implementation of the MTS. In addition, a decreased confidence of suppliers, customers, employees, credit insurers and others emerged, in particular as from May 2014, and the Company's share price began to decline. Confronted with these circumstances, the Company considered and worked on a range of potential alternative solutions that would preserve the interests of all stakeholders (Shareholders, financiers, employees, customers, suppliers and others) concerned. These alternatives included scenarios such as an acquisition by a third party of the entire business of the Group or of the entire business excluding the business in Germany and in Eastern Europe, strategic mergers and finding an anchor equity investor. Furthermore, they included the sale or winddown of the business in Germany and Eastern Europe. However, none of these alternatives were found to be sufficiently beneficial, as to their commercial terms or at all, to the interests of all stakeholders.

The August 2014 Financial and Operational Restructuring

With no successful alternative solutions being found, the Group contacted the Main Financiers and worked with them towards an agreement providing for a comprehensive financial solution, which was ultimately reached on 25 August 2014 and consisted of the following combined elements aiming to significantly reduce debt:

- the Offering;
- sale of the Group's ICT division; and
- further amendments to the Group's Main Finance Agreements.

On 26 August 2014, the Company entered into an agreement with Vinci Energies S.A. regarding the sale of the Group's ICT division to Vinci Energies S.A. for an enterprise value of EUR 255 million. An estimated amount between EUR 180 million and EUR 190 million is expected to be available as net proceeds at closing of the sale of the ICT division (envisaged to take place in Q4 2014) for enhancement of the liquidity position of the Group and for debt reduction as agreed with the Main Financiers and in accordance with the waterfall described below. See "Business – Divestment of ICT division".

The sale of the ICT division, the Offering, the operational excellence programmes (see "– Operational excellence programmes and restructuring measures"), and the amendment of the Main Finance Agreements explained in more detail below, are collectively referred to as the "**Financial and Operational Restructuring**".

The amendment of the Group's Main Financial Agreements was agreed on 25 August 2014, when the Company, Imtech Capital B.V. and the Main Financiers (now including all RCF Lenders, where the MTS included only a quorum) entered into a second 'lock-up' agreement (the "**Lock-up Agreement**") and a binding term sheet for amendments to the Main Finance Agreements. These amendments will become effective on or about the Settlement Date and will include:

- a step-down in pricing for each financier class;
- no further fees in relation to the amendments, waiver and/or consents provided for and pursuant to the Lock-up Agreement and term sheet;
- a covenant holiday for all financial covenants up to and including the first quarter of 2016 ("**Q1 2016**") and a covenant reset thereafter;
- an additional liquidity buffer for the Company (to be paid out of the proceeds of the Offering or the sale of the ICT division) of at least EUR 100 million;
- a common maturity date for all cash and guarantee facilities that are part of the MTS set at 15 July 2017;
- modification to the Existing MTS Waterfall (as defined below) for the use of proceeds of the Offering and the proceeds from the sale of the ICT division; and
- a potential partial buyback of the Company's cash debt in an auction process (for a description of the terms and conditions of the Main Finance Agreements, see "Operating and Financial Review – External sources of funding, financing and indebtedness – The Main Finance Agreements". For a description of the debt auction process, please see "– Financial and Other Measures –Auction process" below).

Auction process

The auction process referred to above was initiated on 23 September 2014. On terms pre-agreed with its financiers and the Underwriters, the Company invited its RCF lenders, bilateral cash lenders and USPP noteholders to offer part or all of their debt for purchase against a discount by the Company. The invitation extends to all their outstanding debt receivables (but not any unused commitments or headroom), consisting of both principal amounts and accrued paid-in-kind (PIK) interest. The Company would purchase such debt from participating creditors, funded from a pre-agreed part of the proceeds of the Offering or the disposal of ICT (depending on the waterfall as agreed). The amount which can be used for the auction is dependent on the Market Take-up of the Offering and potentially the amount of the net proceeds received from the disposal of ICT. The process was structured as a "Dutch auction", whereby the Company will accept offers in order of offered discount to the nominal value of the debt. Since offers are expressed as a percentage of nominal debt, the Company will first accept offers showing the lowest percentage and continuing to higher prices, in aggregate up to the amount that under the waterfall is available for the auction. If several offers which the Company intends to purchase show the same discount and the Company has an insufficient amount available to accept both offers in full, it will purchase the offered debt pro-rata. Offers may be made under pre-set terms and conditions, including a maximum price of 85% of nominal value. Since the proceeds of the Offering and ICT would, barring the auction, have been used to lower the debt of the Company on a euro for euro basis, any offer accepted by the Company will create immediate value as it allows the Company to repurchase its debt at a discount to the nominal value. The Company will need to pay cash interest accrued on purchased debt at the date of purchase and, depending on the outcome, may incur additional costs related to the mandatory partial termination or close-out of the Group's hedging agreements. However, offerors will not be entitled to any Break Costs (as defined below, see " – Use of proceeds of the Offering and the ICT sale") which could have become due if the Company had paid down debt on a euro for euro basis prior to its stated maturity.

The deadline for offers was 6 October 2014, 18:00 CEST, and the record date for the auction is the later of (i) the Settlement Date and (ii) the closing date of the disposal of ICT, but in any event no later than 31 December 2014. If the closing date of the disposal of ICT will not have occurred before 15 November 2014, the offers can on 15 November 2014 be withdrawn or revised. The acceptance date will be up to 4 business days thereafter and settlement shortly after that. If the aggregate amount of debt offered in the auction is less than the amount of Offering proceeds available for this purpose, then the remaining amount of Offering proceeds allocated for this process will be applied to repay debt in accordance with the agreed waterfall. In respect of any valid offer not accepted by the Company, the Underwriters have the right (but not the obligation) to accept such offers for their own account, upon which they will purchase the relevant debt from the offering parties at the same discount as was offered to the Company. On 6 October 2014, 18:00 CEST, at the deadline as to which offers could be made, and assuming that EUR 117 million will be available to be applied in the auction process, the closing date of the disposal of ICT will occur before 15 November 2014 and exchange rates are constant compared to 6 October 2014, the Company had received bids such that it can repurchase EUR 146 million (nominal amount) of debt at an average weighted percentage of approximately 79%.

Use of proceeds of the Offering and the ICT sale

After deducting the estimated expenses related to the Offering of approximately EUR 33 million that will be paid at or around the Settlement Date, the Company anticipates receiving net proceeds of approximately EUR 567 million from the issue of the Offer Shares. The estimated expenses of approximately EUR 33 million include, amongst other things, the fees due to the AFM, Euronext Amsterdam N.V., the commission of the Underwriters, legal and administrative expenses and publication costs.

The Company, the Underwriters and the Main Financiers agreed to the following three different waterfall arrangements for the application of net proceeds of the Offering and the sale of the ICT division. Which waterfall will be followed is dependent upon the proportion that the number of Offer Shares subscribed and paid for in the Rights Offering on the Settlement Date plus the number of Rump Shares sold and paid for in the Rump Offering, bears to the total number of Offer Shares issued by the Company (expressed as a percentage; the "**Market Take-up**").

The three waterfall arrangements are different from the existing waterfall arrangement that was previously agreed upon in connection with the MTS, which provides primarily for (p)repayment *pro rata* among the Main Financiers or certain classes thereof (the "**Existing MTS Waterfall**") (for a description of the Existing MTS Waterfall, see "Operating and Financial Review – External sources of funding, financing and indebtedness – Other Main Finance Agreements").

If Market Take-up is equal to or greater than 50% of the Offer Shares, all net proceeds from the sale of ICT (less EUR 20 million which will be retained for general corporate purposes as additional liquidity buffer for the Group, but which amount is at least partly intended to address various contractual loss compensation entitlements (break costs and make-whole) arising pursuant to the application of proceeds of the Offering and ICT sale in prepayment of amounts outstanding under the Main Finance Agreements prior to their stated maturity and pursuant to the concurrent partial termination or close-out of the Group's hedging agreements ("**Break Costs**")) will be applied in accordance with the Existing MTS Waterfall. The net proceeds from the Offering will be applied,

- *first*, in a fixed amount of EUR 100 million, as an additional liquidity buffer for the Group;
- *second*, in a maximum aggregate amount of EUR 350 million, in repayment of amounts owed to, and/or cancellation or collateralisation of the guarantee exposures of, each lender who is also an Underwriter pro rata to its underwriting amount;

- *third*, up to an amount of EUR 120 million (currently, the available amount is estimated at approximately EUR 117 million, as net proceeds from the issue of the Offer Shares are expected to be EUR 567 million), to fund a potential partial buyback of the Company's cash debt below par pursuant to the auction process as described in "– Financial and Other Measures –Auction process" above; and
- *fourth*, in repayment of amounts owed to, and/or cancellation or collateralisation of the guarantee exposures of, the Main Financiers in accordance with the Existing MTS Waterfall.

If Market Take-up is at least 25%, but less than 50% of the Offer Shares:

- EUR 110 million of the net proceeds from the sale of ICT will be retained for general corporate purposes as additional liquidity buffer for the Group (but of which up to EUR 10 million is at least partly intended to address various Break Costs), and the remainder will up to EUR 100 million (currently, the available amount is estimated at between EUR 70 million and EUR 80 million, as the estimated amount that is expected to be available as net proceeds at closing of the sale of the ICT division is between EUR 180 million and EUR 190 million) be used to fund a partial buyback of the Company's debt below par under the auction process as described in "– Financial and Other Measures – Auction process" above. Any amounts remaining in the buy-back fund after the auction (if there is insufficient participation to fully deplete the fund) and any further remaining (excess) proceeds from the sale of ICT will be applied in accordance with the Existing MTS Waterfall; and
- the net proceeds from the Offering will be applied, *first*, in repayment of amounts owed to, and/or cancellation or collateralisation of the guarantee exposures of, each lender who is also an Underwriter pro rata to its underwriting amount, and, *second*, in repayment of amounts owed to and/or cancellation or collateralisation of the guarantee exposures of, the Main Financiers in accordance with the Existing MTS Waterfall.

If Market Take-up is less than 25% of the Offer Shares:

- up to EUR 200 million of the net proceeds from the sale of ICT will be retained for general corporate purposes as additional liquidity buffer for the Group (but of which up to EUR 10 million is at least partly intended to address various Break Costs), and any remainder will be applied in accordance with the Existing MTS Waterfall; and
- the net proceeds from the Offering will be applied, *first*, in repayment of amounts owed to and/or cancellation or collateralisation of the guarantee exposures of, each lender who is also an Underwriter pro rata to its underwriting amount, and, *second*, in repayment of amounts owed to and/or cancellation or collateralisation of the guarantee exposures of, the Main Financiers in accordance with the Existing MTS Waterfall.

DIVIDENDS AND DIVIDEND POLICY

General

The Company may only make distributions to Shareholders in so far as the Company's shareholder equity exceeds the sum of the paid up and called part (*gestorte en opgevraagde deel*) of the issued share capital plus the reserves that must be maintained by Dutch law or the Company's Articles of Association (the "**Articles**"). The Company's current Articles contain no statutory reserves. Profits are distributed after the adoption by the General Meeting of the annual accounts from which it appears that said distributions are permitted. Pursuant to the Articles, the Board of Management, with the Supervisory Board, decides how much of the remaining profit (remaining after due observance of section 24 paragraph 3 up to and including paragraph 10 of the Articles in relation to distribution and reservation on any cumulative preference shares with a nominal value of EUR 0.01 in the Company's share capital (the "**Cumulative Preference Shares**") and the distribution and reservation on cumulative financing preference shares with a nominal value of EUR 0.01 in the Company's share capital (the "**Cumulative Financing Preference Shares**", and together with the Ordinary Shares and the Cumulative Preference Shares, the "**Shares**") will be reserved, whilst taking into account any contractual restrictions of the Company in respect of payment of dividend. After reservation by the Board of Management of any profit, the remaining profit shall be at the free disposal of the General Meeting in accordance with the Articles. No Cumulative Preference Shares are currently issued. Currently, there is only one holder of 4,166,667 Cumulative Financing Preference Shares. The Board of Management may, with due observance of the Articles, and with the approval of the Supervisory Board, resolve upon the distribution of interim dividend to the extent the profits so permit.

Dividend policy

No dividend will be paid out for the financial year 2014. As a result of contractual arrangements with the Main Financiers (including under the Main Finance Agreements) the Company is not allowed to pay any dividends until the Company certifies that (i) the Senior Leverage Ratio (as defined in "Operating and Financial Review – External sources of funding, financing and indebtedness – The Main Finance Agreements") did not exceed 2.0 to 1.0 on two immediately preceding testing dates and (ii) it does not reasonably expect that the Senior Leverage Ratio will exceed 2.0 to 1.0 on the next testing date or immediately following the date of the first payment of dividends or other distributions to the Shareholders. See "Operating and Financial Review – External sources of funding, financing and indebtedness – The Common Terms of the Main Finance Agreements". The Company does not foresee that the events listed under (i) and (ii) will occur before the end of 2015.

Whether dividends are restored, and the declaration, timing and payment of future cash dividends, if any, will be subject to the Company's operational performance and financial position, and will be at the absolute discretion of the Board of Management, with the approval of the Supervisory Board, and is subject to relevant Dutch law and a number of factors, including the level of the Company's distributable reserves and factors such as the Company's business prospects and conditions, cash requirements, earnings and cash flow, capital resources, financial performance and conditions and expansion and capital expenditure or investment plans.

Manner and time of dividend payments

Payment of cash dividend on Ordinary Shares will be made in euro. Dividends will be paid to Shareholders through Euroclear Nederland and credited automatically to the Shareholders' accounts. The Company may give Shareholders the choice to receive their dividend either in cash or in Ordinary Shares. Typically, Shareholders will then need to record their choice by the date announced in the dividend payment advertisement.

Dividends and other distributions (irrespective of their form) on Shares will typically be paid to those in whose name the Shares are registered on the day on which the decision to pay the dividend or other distribution is taken. Dividends and other payments are payable as from a day determined by the Board of Management with the approval of the Supervisory Board. The day for payment on Ordinary Shares may differ from payment on Cumulative Preference Shares and on Cumulative Financing Preference Shares.

Dividend history

The Company has not paid any dividends on its Shares for the years ended on 31 December 2013 and 2012.

Uncollected dividends

A Shareholder's claim to dividends and other payments lapses five years after the second day after the day which the claim became payable. Any payment that is not collected within this period reverts to the Company.

Withholding tax on dividend

Dividends are subject to Dutch withholding tax. See "Taxation – Taxation in the Netherlands – Withholding tax".

Dividend ranking of Offer Shares

Offer Shares issued in the Offering will, upon issue, rank equally in all respects with the Ordinary Shares. The Offer Shares will be eligible for any dividend payment which the Company may declare on its Ordinary Shares in the future.

CAPITALISATION AND INDEBTEDNESS

The table below sets forth the Group's unaudited consolidated capitalisation and indebtedness as of 30 June 2014 and on an adjusted basis to give effect to the receipt of the estimated net proceeds of between EUR 180 million and EUR 190 million from the sale of the Group's ICT division and the estimated net proceeds of EUR 567 million from this Offering, at an issue price of EUR 0.01 per Offer Share, and application thereof in accordance with two waterfall scenarios under the waterfall arrangements as described in "Financial and Operational Restructuring – Financial and Other Measures – Use of proceeds of the Offering and the ICT sale". These tables should be read in conjunction with "Operating and Financial Review", the audited consolidated financial statements 2013 and the unaudited condensed consolidated interim financial statements for the six month period ended 30 June 2014, both incorporated by reference into this Prospectus.

The adjusted capitalisation and indebtedness table below is unaudited and has been prepared for illustrative purposes only and, because of its nature, does not provide an accurate representation of the Company's capitalisation and indebtedness following completion of the Offering and the sale of the ICT division.

Capitalisation
(EUR million)

	Actual as of 30 June 2014	**As adjusted for the Offering and sale of the ICT division – first scenario(1)(3)**	**As adjusted for the Offering and sale of the ICT division – second scenario(2)(3)**
Syndicated bank loans	**683.5**	**412.0**	**397.6**
Guaranteed	683.5	412.0	397.6
Secured	683.5	412.0	397.6
Unguaranteed/unsecured	-	-	-
USPPs	**355.2**	**355.2**	**302.5**
Guaranteed	355.2	355.2	302.5
Secured	355.2	355.2	302.5
Unguaranteed/unsecured	-	-	-
Other bank loans (bilateral facilities)	**81.2**	**25.0**	**25.0**
Guaranteed	81.2	25.0	25.0
Secured	81.2	25.0	25.0
Unguaranteed/unsecured	-	-	-
Leases	**7.6**	**7.6**	**7.6**
Guaranteed	-	-	-
Secured	7.6	7.6	7.6
Unguaranteed/unsecured	-	-	-
Contingent consideration	**0.6**	**0.6**	**0.6**
Guaranteed	-	-	-
Secured	-	-	-
Unguaranteed/unsecured	0.6	0.6	0.6
Bank overdrafts	**250.8(4)**	**30.8**	**94.9**
Guaranteed	-	-	-
Secured	-	-	-
Unguaranteed/unsecured	250.8(4)	30.8	94.9
Total current debt (prior to settlement of the auction process)	**1,378.9**	**831.2**	**828.3**
Guaranteed	1,119.9	792.2	725.2
Secured	1,127.5	799.8	732.8
Unguaranteed/unsecured	251.4	31.4	95.5
Debt repurchased in the auction process	N/A	N/A	(145.9)
Total current debt (after settlement of the auction process)	**N/A**	**N/A**	**682.4**
Other bank loans (bilateral facilities)	**0.3**	**0.0**	**0.0**
Guaranteed	-	-	-
Secured	-	-	-
Unguaranteed/unsecured	0.3	0.0	-
Leases	**15.3**	**15.3**	**15.3**
Guaranteed	-	-	-
Secured	15.3	15.3	15.3
Unguaranteed/unsecured	-	-	-
Total non-current debt (excluding current portion of long-term debt)	**15.6**	**15.3**	**15.3**
Guaranteed	-	-	-
Secured	-	-	-
Unguaranteed/unsecured	15.6	15.3	15.3

Shareholder's equity	**(17.1)**	**549.9**	**573.3**
Share capital	374.0	941.0	941.0
Share premium reserve	396.9	396.9	396.9
Other reserves	(788.0)	(788.0)	(764.6)
Total capitalisation	**1,377.4**	**1,396.4**	**1,271.1**

(1) In this first scenario, estimated net proceeds of the sale of the ICT division of EUR 185 million (see "Business – Divestment of ICT Division") are taken into account and Market Take-up is 0%. The proceeds of the Offering and the sale of the ICT division will be used as agreed between the Company, the Underwriters and the Main Financiers and as described in "Financial and Operational Restructuring – Financial and Other Measures – Use of proceeds of the Offering and the ICT sale".

(2) In this second scenario, estimated net proceeds of the sale of the ICT division of EUR 185 million (see "Business – Divestment of ICT Division") are taken into account and Market Take-up is 100%. The proceeds of the Offering and the sale of the ICT division will be used as agreed between the Company, the Underwriters and the Main Financiers and as described in "Financial and Operational Restructuring – Financial and Other Measures – Use of proceeds of the Offering and the ICT sale".

(3) Adjusted to reflect only the effects of the application of the proceeds from the Offering and the sale of the ICT division, but not any other movements in the capitalisation and indebtedness of the Company that may have occurred since 30 June 2014, such as for instance the classification of debt (current or non-current).

(4) Includes EUR 0.3 million drawn amount under credit facilities of certain Group Companies with COMMERZBANK that have limits of EUR 8.0 million in aggregate and will be fully prepaid and cancelled pursuant to the application of part of the net proceeds of the Offering in prepayment and cancellation of limits under facilities with the Underwriters in accordance with the waterfall arrangements set out in "Financial and Operational Restructuring – Use of Proceeds of the Offering and the ICT sale".

Indebtedness
(EUR million)

	Actual as of 30 June 2014	**As adjusted for the Offering and sale of the ICT division – first scenario[(1)(5)]**	**As adjusted for the Offering and sale of the ICT division – second scenario[(2)(5)]**
Cash	329.4	425.6	422.0
Deposits available on demand	1.1	1.1	1.1
Other cash and cash equivalents	1.1	140.7	16.7
Cash and cash equivalents	**331.5**	**567.4**	**439.8**
Current financial receivables	**-**	**-**	**-**
Bank overdrafts	250.8[(6)]	30.8	94.9
Current portion of non-current debt			
Syndicated bank loans	683.5	412.0	397.6
USPPs	355.2	355.2	302.5
Other bank loans	81.2	25.0	25.0
Leases	7.6	7.6	7.6
Contingent consideration	0.6	0.6	0.6
Current financial debt	**1,378.9**	**831.2**	**828.3**
Net current financial indebtedness	**1,047.4**	**263.8**	**388.5**
Syndicated bank loans	-	-	-
USPPs	-	-	-
Other bank loans	0.3	-	-
Leases	15.3	15.3	15.3
Non-current financial indebtedness	**15.6**	**15.3**	**15.3**
Net interest bearing debt (prior to settlement of the auction process)	**N/A**	**N/A**	**403.8**
Cash used in auction process for debt repurchase[(3)]	N/A	N/A	(115.2)
Discount captured on debt repurchase[(4)]	N/A	N/A	(30.7)
Net interest bearing debt (after settlement of the auction process)	**1,063.0**	**279.1**	**258.0**

(1) In this first scenario, estimated net proceeds of the sale of the ICT division of EUR 185 million (see "Business – Divestment of ICT Division") are taken into account and Market Take-up is 0%. The proceeds of the Offering and the sale of the ICT division will be used as agreed between the Company, the Underwriters and the Main Financiers and as described in "Financial and Operational Restructuring – Financial and Other Measures – Use of proceeds of the Offering and the ICT sale".

(2) In this second scenario, estimated net proceeds of the sale of the ICT division of EUR 185 million (see "Business – Divestment of ICT Division") are taken into account and Market Take-up is 100%. The proceeds of the Offering and the sale of the ICT division will be used as agreed between the Company, the Underwriters and the Main Financiers and as described in "Financial and Operational Restructuring – Financial and Other Measures – Use of proceeds of the Offering and the ICT sale". Additionally, this second scenario assumes that the closing date of the disposal of ICT will occur before 15 November 2014 and that exchange rates are constant compared to 6 October 2014, so that actual auction process results conform to the indicative auction process results in "Financial and Operational Restructuring – Financial and other measures – Auction process". All figures presented in this second scenario, with the exception of "Cash used in auction process for debt repurchase", "Discount captured on debt repurchase" and "Net interest bearing debt (after settlement of the auction process)"

reflect the application of estimated net proceeds of the sale of the ICT division of EUR 185 million and estimated net proceeds of EUR 567 million from this Offering, but not the amount of EUR 117 million that is available for the auction process and can be applied pursuant to the auction bids received.

(3) EUR 117 million in cash for auction process consists of Offering proceeds available for auction process, after deducting transaction costs (EUR 33 million), liquidity retention (EUR 100 million) and proceeds allocated to the Underwriters (EUR 350 million) pursuant to the waterfall set out in "Financial and Operational Review – Financial and Other Measures - Use of proceeds of the Offering and the ICT sale". Cash amounts used for cash debt and PIK debt repurchase amounted to EUR €115.2 million and EUR 1.8 million respectively.

(4) The discount captured on the debt repurchase (EUR 30.7 million) reflects the blended discount to par value of the offers that are envisaged to be accepted as at 6 October 2014. Offers envisaged to be accepted reflect fully funded commitments. The actual discount might deviate from this amount and can only be determined on the acceptance date, which will be up to 4 days after the record date. The record date will be the latter of the Settlement Date or the closing date of the disposal of the ICT division and in any case no later than 31 December 2014 (longstop date). The actual blended discount can therefore be subject to variability in foreign exchange rates and any changes or withdrawal in offers in the event the record date has not occurred before 15 November 2014.

(5) Adjusted to reflect only the effects of the application of the proceeds from the Offering and the sale of the ICT division, but not any other movements in the capitalisation and indebtedness of the Company that may have occurred since 30 June 2014, such as for instance the classification of debt (current or non-current).

(6) Includes EUR 0.3 million drawn amount under credit facilities of certain Group Companies with COMMERZBANK that have limits of EUR 8.0 million in aggregate and will be fully prepaid and cancelled pursuant to the application of part of the net proceeds of the Offering in prepayment and cancellation of limits under facilities with the Underwriters in accordance with the waterfall arrangements set out in "Financial and Operational Restructuring – Use of Proceeds of the Offering and the ICT sale".

As at 30 June 2014, the minimum consolidated net assets covenant as included in the Group's Main Financing Agreements was not met. On 25 August 2014, the Group reached agreements with its Main Financiers for a comprehensive financial solution. See "Financial and Operating Restructuring – Financial and Other Measures – The August 2014 Financial and Operational Restructuring" and "Operating and Financial Review – External sources of funding, financing and indebtedness – The Main Finance Agreements".

Due to not meeting the minimum consolidated net assets covenant as at 30 June 2014 and taking into account the agreements signed on 25 August 2014, the Company as at 30 June 2014 did not have the unconditional right to defer settlement of the liability for at least 12 months after that date with respect to the RCF and the USPPs. Accordingly, the carrying value of the RCF of EUR 683.5 million, the USPPs of EUR 355.2 million and the larger part of the bilateral facilities has been reported as current debt.

With respect to the terms and conditions of the loans included in the table above, see "Operating and Financial Review – External sources of funding, financing and indebtedness – Existing borrowings".

The table above includes finance lease liabilities, for which a total amount of EUR 22.9 million was outstanding as at 30 June 2014. The finance lease liabilities are secured with the underlying assets of the finance lease contracts.

In addition to the loans included in the table above, the Company has a loan facility regarding land and buildings developed for the Green Campus data centre in Germany. As at 30 June 2014, an amount of EUR 23.1 million was outstanding on this facility, which is included in liabilities held for sale in the condensed consolidated interim balance sheet as at 30 June 2014. This facility was secured by a pledge for an amount of EUR 18.2 million as at 30 June 2014. As at the date of this Prospectus, the Green Campus data centre has been divested. See "Business – Divestment of Green Campus".

In addition to the loans included in the table above, the Group has guarantee facilities in place for an amount of EUR 962.9 million as at 30 June 2014. See "Operating and Financial Review – External sources of funding, financing and indebtedness – The Main Finance Agreements – Overview – Guarantee Facilities".

Since 30 June 2014, there have been no material changes to the Group's capitalisation and indebtedness, except for an increase in net interest bearing debt. As at 31 August 2014, net interest bearing debt amounted to EUR 1,166.5 million. The increase is mainly due to the increase in syndicated bank loans as at 31 August 2014 to EUR 689.5 million and USPPs as at 31 August 2014 to EUR 362.5 million as a result of exchange rate differences. Other bank loans (bilateral facilities) increased as at 31 August 2014 to EUR 95 million. Bank overdrafts and cash decreased as at 31 August 2014 to EUR 215.4 million and EUR 219.2 million, respectively. For additional information, see "Operating and Financial Review – Recent Developments, Current Trading and Prospects". Taking 31 August 2014 figures into account, Net interest bearing debt as at 31 August 2014 as adjusted for the Offering would be EUR 382.6 million and EUR 361.5 million in the first and second scenarios, respectively.

SELECTED HISTORICAL FINANCIAL INFORMATION

The following selected consolidated financial information for the years ended 31 December 2013 and 2012 is derived from the Company's audited consolidated financial statements 2013 incorporated by reference into this Prospectus. The unaudited consolidated financial information for each of the six month periods ended 30 June 2014 and 2013 is derived from the Company's unaudited condensed consolidated interim financial statements for the six month period ended 30 June 2014 incorporated by reference into this Prospectus. The data should be read in conjunction with "Financial and Operational Restructuring", "Capitalisation and Indebtedness", "Operating and Financial Review", and the consolidated financial statements and the related notes that have been incorporated by reference into this Prospectus.

Financial Statements; Accounting Restatements

Unless otherwise indicated, the financial information included in this document is based on the International Financial Reporting Standards as adopted by the European Union ("**IFRS**").

Preparation of the Group's financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are discussed in "– Critical accounting policies and estimates".

Changes in accounting policies that arise from the application of new or revised standards and interpretations are applied retrospectively, unless otherwise specified in the transitional requirements of the particular standard of interpretation. Retrospective application requires that the results of the comparative period and the opening balances of that period are restated as if the new accounting policy had always been applied. In some cases, the transitional requirements of the particular standard or interpretation specify that the changes are to be applied prospectively. Prospective application requires that the new accounting policy only be applied to the results of the current period and the comparative period is not restated. In addition, comparatives have been reclassified or extended from the previously reported results to take into account any presentational changes. Accordingly, the financial information contained in the consolidated financial statements for a particular year may not be comparable with the financial information contained in the consolidated financial statements for another year due to changes in IFRS and the Company's accounting policies or the retrospective application of discontinued operations.

The 2013 Financial Statements incorporated by reference in this Prospectus, and the financial information for the 2013 financial year extracted therefrom, reflect (i) the application of IAS 19R and (ii) the 2013 decision to dispose of Arma. Consequently, the comparative financial information for the 2012 financial year, and the financial information for 2012 financial year extracted therefrom, contained in the 2013 Financial Statements have been restated to also reflect (i) the application of IAS 19R and (ii) the decision to dispose of Arma, resulting in the restatement of the profit and loss account for 2012 to show the discontinued operations separately from continuing operations. For additional information, see notes 3 and 13 to the 2013 Financial Statements.

The H1 2014 Interim Financial Statements, and the financial information for H1 2014 extracted therefrom, reflect the application of new respectively revised standards (i) IFRS 10, (ii) IFRS 11, (iii) IFRS 12, (iv) IAS 27, (v) IAS 28 and both (vi) the (post-H1) 2013 decision to dispose of Arma and (vii) the 2014 decision to dispose of the ICT division. Consequently, the comparative financial information for H1 2013, and the financial information for H1 2013 extracted therefrom, contained in the H1 2014 Interim Financial Statements have been restated to also reflect (i) IFRS 10, (ii) IFRS 11, (iii) IFRS 12, (iv) IAS 27, (v) IAS 28 and (vi) the decision to dispose of Arma and (vii) the decision to dispose of the ICT division. See notes 4, 5 and 8 to the H1 2014 Interim Financial Statements.

Condensed consolidated profit and loss account

(EUR million unless otherwise indicated)

	Six months ended 30 June 2014(3)	Six months ended 30 June 2013 (restated)(1)(3)	Year ended 31 December 2013	Year ended 31 December 2012 (restated)(2)
Revenue	1,932.6	2,158.8	4,936.3	5,336.3
Other income	19.4	3.3	8.6	18.6

Total revenue and other income	**1,952.0**	**2,162.1**	**4,944.9**	**5,354.9**
Raw and auxiliary materials and trade goods	583.0	691.8	1,815.9	1,820.8
Work by third parties and other external expenses	523.4	587.1	1,166.7	1,312.7
Personnel expenses	726.7	807.8	1,772.0	1,707.8
Depreciation of property, plant and equipment	14.4	16.8	40.5	39.6
Amortisation of intangible assets and impairments of property, plant and equipment and intangible assets	12.7	20.3	84.9	60.7
Other expenses	213.7	235.5	614.2	587.9
Total operating expenses	2,073.9	2,359.3	5,494.2	5,529.5
Result from operating activities	**(121.9)**	**(197.2)**	**(549.3)**	**(174.6)**
Net finance result	(120.9)	(54.4)	(105.0)	(62.0)
Share in results of associates, joint ventures and other investments (net of tax)	0.6	(0.7)	(5.7)	2.8
Result before income tax	**(242.2)**	**(252.3)**	**(660.0)**	**(233.8)**
Income tax expense	10.5	23.7	20.4	(1.8)
Result from continuing operations	**(231.7)**	**(228.6)**	**(639.6)**	**(235.6)**
Result from discontinued operations (net of tax)	(69.8)	(1.9)	(57.0)	(4.9)
Result for the period	**(301.5)**	**(230.5)**	**(696.6)**	**(240.5)**
Attributable to:				
Shareholders of the Company (net result)	(302.0)	(233.2)	(701.2)	(247.2)
Non-controlling interests	0.5	2.7	4.6	6.7
Result for the period	**(301.5)**	**(230.5)**	**(696.6)**	**(240.5)**
Diluted earnings per share				
From continuing operations (euro)	(0.51)	(1.19)	(2.15)	(1.26)
From discontinued operations (euro)	(0.15)	(0.01)	(0.19)	(0.03)
From result attributable to shareholders of the Company (euro)	(0.66)	(1.20)	**(2.34)**	**(1.29)**

(1) Restated in 2014 for IFRS 10, 11, and 12, IAS 27 and 28, and the activities of Arma and ICT, which have been classified as discontinued operations.
(2) Restated in 2013 for the revised reporting of employee benefits (IAS19R) and the activities of Arma, which have been classified as discontinued operations because of the 2013 decision to sell Arma.
(3) These figures have not been subject to an audit.

Condensed consolidated balance sheet
(EUR million)

	As per 30 June 2014(2)	**Year ended 31 December 2013**	**Year ended 31 December 2012 (restated)(1)**
Assets			
Property, plant and equipment	133.5	161.0	170.8
Goodwill	802.2	1,032.8	1,081.6
Other intangible assets	99.4	149.0	218.1
Investments in associated companies and joint ventures	2.2	2.5	3.7
Non-current receivables	17.6	21.9	28.8
Deferred tax assets	35.9	19.9	34
Total non-current assets	**1,090.8**	**1,387.1**	**1.537.0**

Inventories	54.2	72.8	80
Due from customers	444.1	443.9	572.8
Trade receivables	604.6	859.3	1,132.1
Other receivables	126.4	134.0	190.5
Income tax receivables	6.7	8.9	13.3
Cash and cash equivalents	331.5	296.4	385.1
	1,567.5	**1,815.3**	**2.373,8**
Assets held for sale	443.3	79.9	27.6
Total current assets	**2,010.8**	**1,895.2**	**2,401.4**
Total assets	**3,101.6**	**3,282.3**	**3,938.4**
Equity attributable to shareholders of the Company	(23.4)	304.6	514.8
Non-controlling interests	6.3	8.7	9.7
Total equity	**(17.1)**	**313.3**	**524.5**
Loans and borrowings	55.0	907.3	42.7
Employee benefits	231.3	207.1	209.8
Provisions	24.1	35.8	13.0
Deferred tax liabilities	35.3	45.9	62.9
Total non-current liabilities	**345.7**	**1,196.1**	**328.4**
Bank overdrafts	250.8	106.2	314.3
Loans and borrowings	1,128.1	39.7	825.9
Due to customers	267.9	275.2	308.0
Trade payables	515.2	756.5	890.8
Other payables	370.1	476.4	652.9
Income tax payables	13.8	20.3	30.8
Provisions	22.3	38.8	37.7
	2,568.2	**1,713.1**	**3,060.4**
Liabilities held for sale	204.8	59.8	25.1
Total current liabilities	**2,273.0**	**1,772.9**	**3.085.5**
Total liabilities	**3,118.7**	**2,969.0**	**3.413.9**
Total equity and liabilities	**3,101.6**	**3,282.3**	**3.938.4**
Net interest bearing debt(3)	1,063.0	745.0	733.0

(1) Restated in 2013 for the revised reporting of employee benefits (IAS19R).
(2) These figures have not been subject to an audit.
(3) Restated (based on continuing operations).

Weighted average number of ordinary shares

	As per 30 June 2014	**As per 30 June 2013**	**Year ended 31 December 2013**	**Year ended 31 December 2012**
Weighted average number of ordinary shares	451,525,754	193,674,282	299,639,808	192,048,514
Weighted average number of ordinary shares (diluted)	454,305,436	193,791,898	300,575,500	192,721,291

Key figures of the continuing operations
(EUR million unless otherwise indicated)

	Six months ended 30 June 2014(4)	**Six months ended 30 June 2013 (restated)(1)(4)**	**Year ended 31 December 2013**	**Year ended 31 December 2012 (restated)(2)**
Revenue	1,952.0	2,162.1	4,944.9	5,354.9
EBITDA(4)	(94.8)	(160.1)	(423.9)	(74.3)
EBITDA margin(4)	(4.9)%	(7.4)%	(8,6%)	(1.4%)

Operational EBITDA(4)	(24.9)	(58.7)	(44.4)	(23.7)
Operational EBITDA margin(4)	(1.3)%	(2.7)%	(0.9)%	(0.5)%
Non-operational costs(4)	(69.9)	(101.4)	(379.5)	(58.2)
Order intake(4)	1,954.9	2,092.4	4,725.8	n/a(3)
Number of employees (FTEs)	23,215	25,895	26,168	28,022
Tax rate	4.3%	9.4%	3.1%	0.8%
Net profit before amortisation and impairments(4)	(289.3)	(212.9)	(616.3)	(186.5)
Working capital(4)	69.0	332.3(5)	(9.5)	68.5
Operational working capital(4)	9.8	n/a(3)	(85.2)	n/a(3)

(1) Restated in 2014 for IFRS 10, 11, and 12, IAS 27 and 28, and the activities of Arma and ICT, which have been classified as discontinued operations.
(2) Restated in 2013 for the revised reporting of employee benefits (IAS19R) and the activities of Arma, which have been classified as discontinued operations because of the 2013 decision to sell Arma.
(3) The Company has been using order intake and operational working capital as a performance measure starting with the fourth quarter of 2013 as a result of separate reporting of the legacy items.
(4) These figures have not been subject to an audit.
(5) This figure is drawn from the unaudited condensed consolidated interim financial statements for H1 2013 and has not been restated for IFRS 10, 11, 12, IAS 27 and IAS 28 as effective from 1 January 2014.

Result from discontinued operations
(EUR million)

	Six months ended 30 June 2014(1)	**Six months ended 30 June 2013(1)**	**Year ended 31 December 2013**	**Year ended 31 December 2012**
Revenue	281.0	363.9	124.3	78.1
Expenses	289.6	365.7	141.4	84.1
Result before income tax	(8.6)	(1.8)	(17.1)	(6.0)
Income tax	(1.2)	(0.1)	0.9	1.1
Results from operation activities (net of tax)	(9.8)	(1.9)	(16.2)	(4.9)
Loss on sale of discontinued operation	(60.0)	-	(40.8)	-
Result from discontinued operation (net of tax)	**(69.8)**	**(1.9)**	**(57.0)**	**(4.9)**

(1) These figures have not been subject to an audit.

Consolidated statement of cash flows
(EUR million)

	Six months ended 30 June 2014(3)	**Six months ended 30 June 2013 (restated))(1))(3)**	**Year ended 31 December 2013**	**Year ended 31 December 2012 (restated) (2)**
Cash flow from operating activities	**(216.7)**	**(309.3)**	**(270.1)**	**116.5**
Interest paid	(35.1)	(47.9)	(69.9)	(64.8)
Income tax paid	(5.0)	(2.0)	12.5	(43.4)
Net cash flow from operating activities	**(256.8)**	**(359.2)**	**(327.5)**	**8.3**
Net cash flow from investing activities	1.1	(39.1)	(57.8)	(156.4)
Net cash flow from financing activities	169.9	381.8	508.1	7.8
Net decrease/increase of cash, cash equivalents and bank overdrafts	**(85.8)**	**(16.5)**	**122.8**	**(140.3)**
Cash, cash equivalents and bank overdrafts on 1 January	198.2	70.8	70.8	211.5
Effect of exchange rate differences on cash, cash equivalents and bank overdrafts	1.4	2.0	(3.4)	(0.4)
Cash, cash equivalents and bank overdrafts of discontinued operations	(33.1)	-	-	-
Cash, cash equivalents and bank overdrafts at end of period	**80.7**	**56.3**	**190.2**	**70.8**

(1) Restated in 2014 for IFRS 10, 11, and 12, IAS 27 and 28, and the activities of Arma and ICT, which have been classified as discontinued operations.

(2) Restated in 2013 for the revised reporting of employee benefits (IAS19R) and the activities of Arma, which have been classified as discontinued operations because of the 2013 decision to sell Arma.

(3) These figures have not been subject to an audit.

BUSINESS

History

The Company and the Group in its current form were created in 1993 when 35 technical companies were clustered as a separate division with its own management within the Internatio-Müller conglomerate of which they formed part. This was a novel structure as electrical engineering and mechanical engineering were until then generally separated. In 1993 the Group had operations in the Netherlands, Belgium and Luxembourg (the "**Benelux**"), Spain and in the marine market. In 2001 the Company listed its shares on Euronext Amsterdam. From 2001 the Group expanded rapidly, principally through acquisitions. It acquired a total of 85 small and medium sized businesses with revenues ranging from EUR 1 million to around EUR 350 million.

The identification of the Irregularities forced the Group to re-negotiate its existing finance structure and the terms of its finance arrangement with its Main Financiers and to conduct a EUR 500 million rights issue in 2013. See "Financial and Operational Restructuring". Since the discovery of the Irregularities, the Company has adopted several measures to strengthen the Group's governance, risk, control, tender and cash and working capital management policies. See "– The Group's strategy".

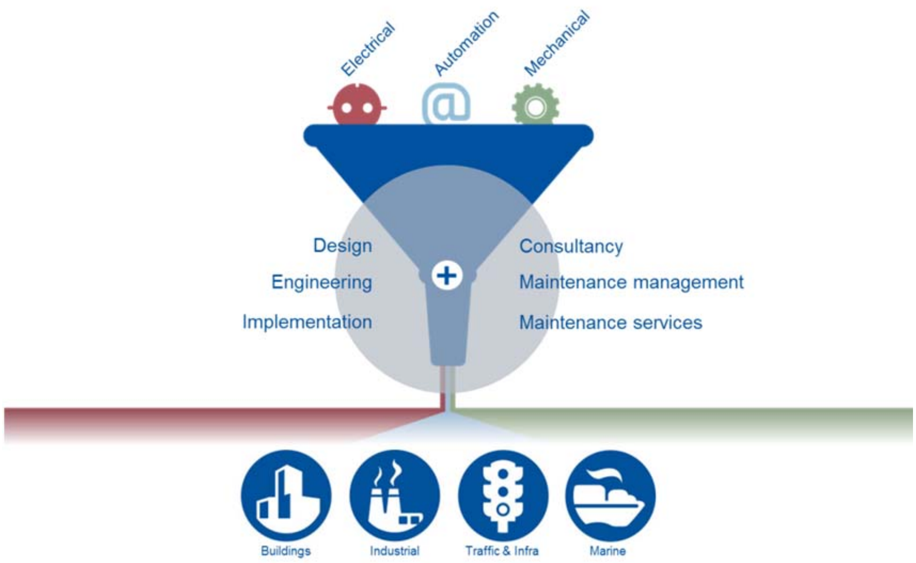
The Group's businesses

The Group is an independent technical services provider, delivering technical solutions to a diverse range of customers in the buildings, industry, traffic & infra and marine market in Europe and selected other countries.

The Group believes it is a leading independent technical services provider in Europe in terms of revenue. The Group principally operates in the Benelux, Germany, the UK, Ireland, Spain and in the Nordic region. As at 30 June 2014, the Group, excluding the ICT division which is currently being divested, had 23,215 FTEs. In the financial year ended 31 December 2013 (including ICT) the Group generated revenues and other income of EUR 4,944.9 million, while it recorded negative EBITDA of EUR 423.9 million and a net loss of EUR 696.6 million.

The Group combines its three technical competences (electrical, automation and mechanical) to offer an entire range of services (from consultancy and design to implementation, maintenance services and maintenance management) to its customers in four end-markets (buildings, industry, traffic & infra and marine). Even though the Company has signed a binding agreement pursuant to which it will divest the ICT division, which is expected to close before the end of the year 2014 (see "– Divestment of ICT division"), it believes such divestment will not have an impact on the value proposition for its customers. Automation expertise and know-how in the field of amongst others building automation, infrastructure automation, telecommunication, industrial automation and technical automation are an integral part of the offered value proposition of the other divisions. The graph below shows how the Group combines its technical competences, to provide its services in the end-markets, as further set out below.

The following graphic provides an overview of the Group's business:



Technical competences

The Group combines electrical, automation and mechanical technical competences to offer its services.

• *Electrical competences*

In electrical, the Group's competences cover a range of electrical engineering solutions, such as low, medium and high voltage, energy distribution, measuring and control technology, instrumentation, infrastructure technology, electrical propulsion, integrated security, access technology, system technology and power electronics.

• *Automation competences*

In automation, the Group's competences are the common automation technologies or automation competences embedded in the divisions who are active in the markets for buildings, industry, traffic & infra and marine where the Group covers the areas of building automation, industrial automation, telecommunication, intelligent transport systems, (dynamic) traffic management and traffic management systems, route information systems, (telecom) networks, infrastructure automation, logistics automation, technical automation, platform automation, navigation and communication technology and satellite communication.

• *Mechanical competences*

In mechanical, the Group's competences cover air, climate and energy solutions (including heating, ventilation and air conditioning ("**HVAC**")), cold and heat storage, clean-room technology, energy management, energy contracting, energy technology, dehumidifier technology, incineration technology, heat technology, sprinkler technology, piping, process technology, fire-extinguishing technology and mechanical (process) installations.

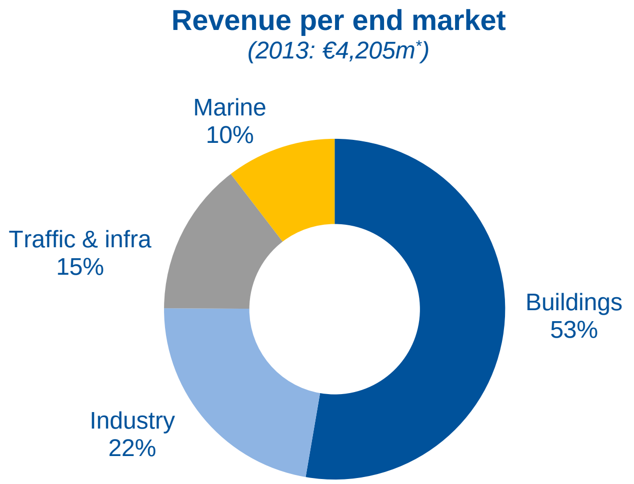
Services

The Group combines the above-mentioned technical competences to provide the following services to its customers:

- *design and consultancy*: includes advisory services, feasibility studies and training;
- *engineering*: includes general engineering, detail engineering and system integration;
- *maintenance management*: includes monitoring and managing technological and organisational maintenance, including cost and process monitoring and QHSE (quality, health, safety and environment) maintenance processes;
- *implementation*: includes the installation and renovation of projects, assembly and system implementation;
- *maintenance services*: maintenance, repair and service activities.

End-Markets

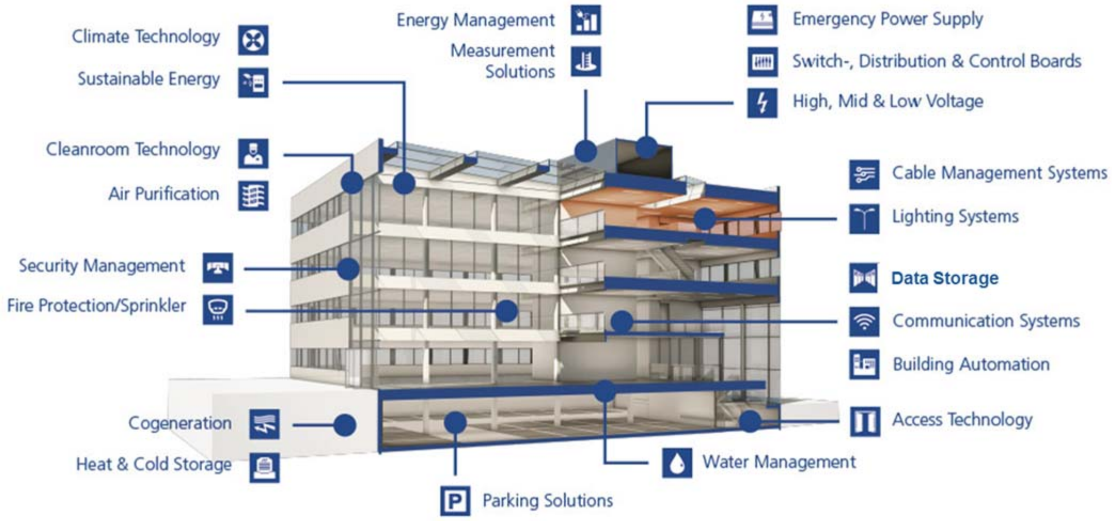
The Group provides its services to the following end-markets: Buildings, Industry, Traffic & Infra and Marine.



*Excluding ICT

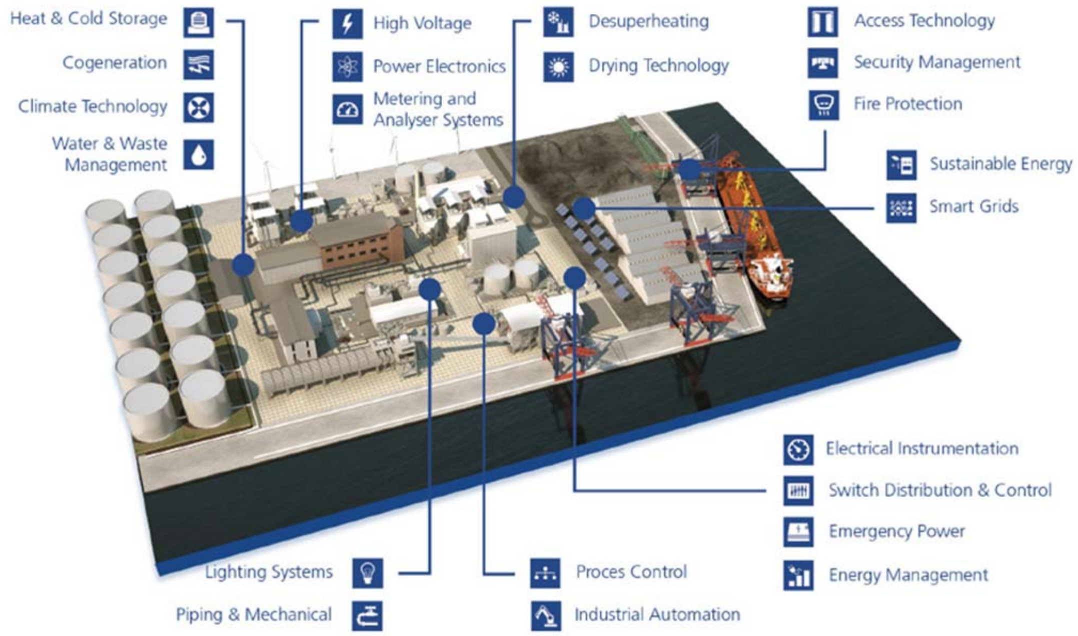
• *Buildings*

All types of buildings including data centres, distribution centres, offices, government buildings, laboratories, airports, museums, parking garages, penal institutions, leisure centres, stadiums, stations, universities and colleges, shopping centres, hospitals and care institutions ('care & cure'). The figure below gives an example of how the Group may use various competences and provide various services in the buildings end-market.



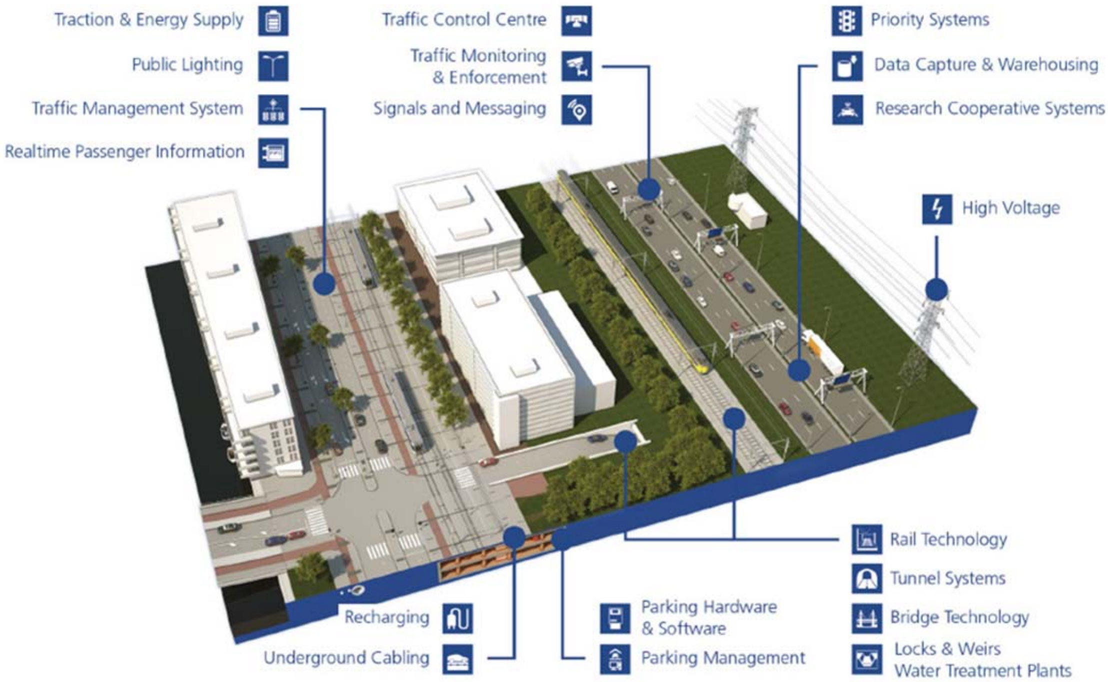
• *Industry*

In the industry end-market the Group focuses on power plants, the automotive industry, chemicals and petrochemicals, the energy and environment market, pharmaceuticals, machine building, oil & gas, the animal feed industry, the aircraft industry and the (luxury) food industry.



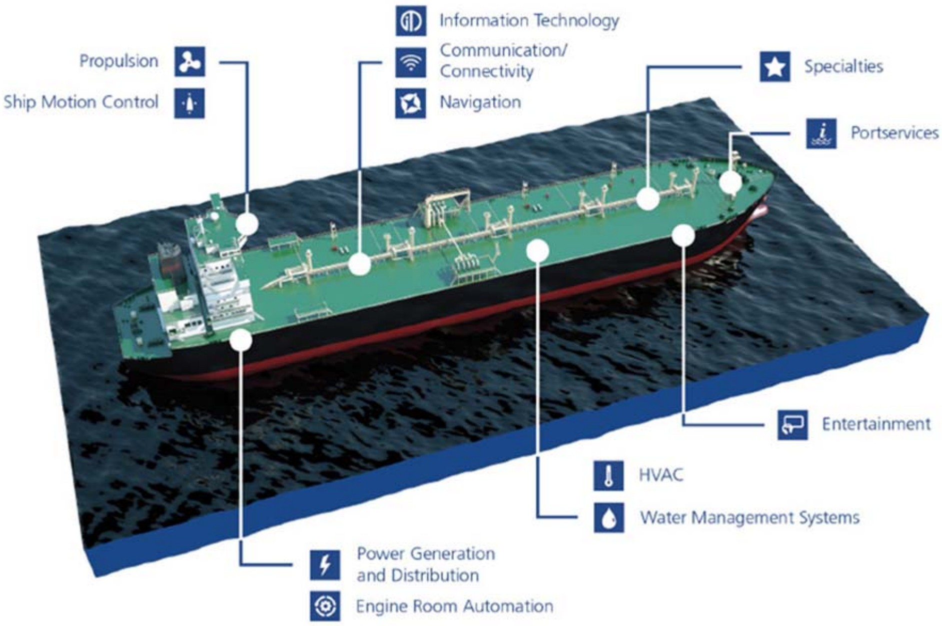
• *Traffic & Infra*

This end-market concerns the measurement, analysis and improvement of traffic flow, (dynamic) traffic management (on the road and water) and traffic infrastructure, traffic safety, airport infrastructure, public transport, parking systems, rail (railway, tram and metro), tunnels, bridges and locks, transport and distribution networks, (public) lighting, (waste) water treatment and management and drinking water. The figure below gives an example of the services and areas of expertise of the Group in this end-market.



• *Marine*

In this end-market the Group has a focus on special purpose ships (dredgers, offshore support ships, crane ships and FPSOs – Floating Production, Storage and Offloading ships), naval vessels (logistic support ships, frigates, corvettes, patrol vessels and submarines), offshore platforms, cargo vessels (container ships, bulk carriers and other cargo ships), passenger liners, luxury yachts and inland waterways vessels. The figure below shows the focus on whole ship solutions of the Group in this end-market.



Industry trends

The Group has identified the following significant recent trends in the industry it operates in:

Growing need for increasingly complex technical services

In the end-markets where the Group is active, technology is increasingly an important factor, which in addition is becoming more and more complex. The Group believes that the need for reliable design, engineering, installation, maintenance management and maintenance services is already growing, and will continue to grow, correspondingly. The Group has experienced that customers find themselves less equipped to source the complex services as mentioned above internally and seek to outsource them to high-quality service providers in close proximity to their operations.

*Increasing regulatory and health and safety ("**H&S**") requirements and an ageing asset base require external expertise*

The Group's end-markets are facing increased regulatory requirements, an ageing asset base and (in particular for the industry market) more stringent health, safety, environmental and quality requirements. As a result, customers in these industries are increasingly focused on improving the integrity of their assets and operations, improving service levels and lowering their costs. The Group believes that customers may increasingly require external expertise in order to accomplish these objectives.

Customers require one-stop-shopping

There is currently a trend among the Group's customers to outsource a wide range of technical services, due to increasing technical complexity of their systems, cost pressures and a desire to devote more attention to their core businesses. The Group also observes that some of its larger customers are increasingly making outsourcing decisions at 'holding' level rather than on a facility-by-facility basis. This leads to an increasing demand for integrated technical service providers that are able to provide technical services across a broad range of technical fields, as well as in multiple locations ('multi-site/multi-service' solutions). As such, the Group believes there is increasing demand for 'one-stop shopping', requiring technical service providers to be able to provide the full suite of services required in all stages of a project, including operation and maintenance of assets.

Increasing importance of 'green technologies'

The Group believes that 'green technologies' present significant opportunities for the technical services market. As sustainability becomes an increasing concern to businesses, national and local authorities and the public at large, energy-efficient solutions in infrastructure and facilities may continue to gain importance. In addition, customers are seeking energy-efficient solutions as they perceive energy prices as high. As a result, the Group has seen new sectors open up related to the design, engineering, installation, operation and maintenance of e.g. photovoltaic and wind plants, hydroelectricity, biomass and bio-fuel plants.

The Group believes that:

(i) the need for advanced technical solutions has become a prime focus for industrial, commercial, maritime, infrastructure and public sector customers, as national and local authorities begin to impose more stringent requirements or offer incentives regarding the use of energy efficient systems and renewable energies in response to growing concerns for sustainable development; and

(ii) the increased average age of facilities requires technical upgrades to bring them in line with regulatory and standard comfort requirements.

A shift in selection criteria in tender processes from price towards more qualitative criteria

The Group perceives a shift in the market from a focus on pricing towards a focus on qualitative criteria when selecting candidates in a tender offer.

Further consolidation in the European technical services market

The technical services market in most European countries continues to be very fragmented. The Group believes that none of the market leaders in these markets has a significant market share. This fragmentation has led and is expected to continue to lead to consolidation in the market.

Retaining and attracting well-trained technical staff remains a critical success factor for technical service companies

The Company believes that there is a shortage of well-trained technical staff in the technical services industry in which it operates and newly-trained personnel (graduating from technical educational programmes) is also scarce. The ability to manage the impact of such shortage is a critical success factor in the technical services industry and employee recruitment and retention are strategic issues.

Competition

The geographical and product/services markets in which the Group competes are highly fragmented and the Group's competition ranges from smaller local competitors to large, multi-national companies. The Group believes that no market leader in the respective geographic markets has a significant or dominant market share. This fragmentation offers opportunities for further consolidation in the market.

Very complex or large projects typically have fewer (but larger) companies competing for them. Competition characteristics and intensity vary within different regions, countries and sectors. Depending on customers' desire to manage technical complexity and risk, particularly on longer-term large and more complex projects, it is not unusual for them to encourage or force service providers to cooperate rather than compete, in support of the customers' objectives.

There is no single, easily identifiable like-for-like competitor that the Group finds itself competing against, nor does it believe that there is any independent technical services provider that offers the same broad and deep portfolio of integrated technical services as the Group. Some of the Group's principal competitors are part of diversified, multi-national companies having a diversified geographic footprint. However, the balance of the Group's competition is highly fragmented and varies across the geographic and business lines in which it operates.

The Group believes the following are the largest companies in the different geographical markets (where the Group is active in the buildings and industrial markets) and technology divisions (where the Group is active in the traffic & infra and marine market):

Competitor	Revenue *(EUR million)*	Part of	Benelux	Germany & Eastern Europe	UK & Ireland	Spain	Nordic	Traffic	Marine
Cofely (GDF Suez Energy Services, Europe)	13,377	GDF Suez	●	●		●			
Cegelec (Vinci Energies, Europe)	8,701	Vinci	●	●					
Bilfinger Berger (Europe, excl. construction)	6,077			●					
The Group (excluding ICT)	4,205		●	●	●	●	●	●	●
Spie (only Europe)	3,798		●	●	●				
Caverion	2,544			●			●		

Stork Technical Services	1,441		●						
Bravida	1,252						●		
Balfour Beatty Engineering Services*	602				●				
SSE Contracting	449	SSE			●				
Grupo Cobra*	1,534					●			
Kapsch	489							●	
Swarco*	455							●	
Siemens	n/a							●	
Wärtsila Ship Power	1,325	Wärtsila							●
Rolls Royce Marine	3,046	Rolls Royce							●
GE-Converteam Marine	n/a	GE							●

Source is each company's 2013 annual accounts, save for the entities with an asterisk (*) where year-end 2012 annual accounts are the source. The revenue for Cofely is based on GDF Suez Energy Services in Europe. For Cegelec, the revenue is based on the European revenue of Vinci Energies. Bilfinger Berger's revenue is based on the total European revenue excluding the construction business. The revenue of both Siemens and GE-Converteam are not included as the Company believes that the revenue of the relevant business units is much lower than the reported revenue of the relevant divisions of these companies. The revenue of the Group is based on continuing operations (excluding ICT division).

The most relevant competitors in the geographical divisions are Cegelec, Cofely, Spie, Caverion and Bravida. As the table above already shows, the competitors in the specific end-markets are different from those in the geographical divisions.

The Group's key competitive strengths

The Group believes that its current strategy is sustainable. Since 2013 management controls have been tightened, different programmes have been implemented to support a cultural change and the ICT division has been sold. See "Financial and Operational Restructuring".

The Group believes that its key competitive strengths are the following:

• *One of the leading technical services providers with strong reputation to execute complex projects*

The Group believes that it is one of the leaders among technical service providers with a reputation for having in-depth knowledge to handle complex technical services projects. While the Company's competition in the technical services industry is mostly fragmented, the Company believes it benefits from the extensive knowledge and experience in various end-markets which enable the Company to successfully complete complex technical services projects. See "– Divisions" for example projects. Given this knowledge and experience, the Company believes it is well-positioned to benefit from cross-selling opportunities and to provide its services in all phases of project execution, i.e. "design, build, maintain and operate".

• *Multi-disciplinary technical services provider offering its customers fully integrated solutions*

The Group believes that its multi-disciplinary know-how helps to position itself as a 'one-stop-shop' for its customers, who are increasingly seeking providers that can offer more complex and integrated technical services solutions. The Group constantly adapts its service offering to meet its customers' ever-changing needs and the Group rolls out new and technological integrated services on a regular basis.

For example, one of the current areas of focus is to provide solutions for improving energy efficiency and energy savings in the markets of buildings, industry and marine, areas that the Group believes present attractive opportunities in 'green technologies'. The integration of sustainable energy solutions in the Group's overall approach resulted in a significant amount of its revenue for its largest projects coming from this sector in 2013. The Group is active in:

- energy efficiency: metering, consultancy, implementation and maintenance of energy-saving technologies;
- energy management and energy contracting: multi-year responsibility for energy provision;
- power plants, decentralised energy provision, waste-to-energy, biomass power plants; biogas power plants, green gas power plants and co-generation power plants;
- thermal energy, solar energy, bio-energy and energy storage;
- 'green' ships, zero emission, diesel-electric propulsion and energy reduction on board ships.

Integrating these applications into the technical infrastructure leads to reduced energy consumption and lower CO2 emissions. This is a major contribution towards meeting the Group's customers' sustainability targets.

• *A dense local network in the regions in which the Group operates allows it to be highly responsive to its customers' needs*

The technical services industry is a 'face-to-face' business, in which the Group believes close proximity to customers is essential. The Group therefore developed extensive branch networks in each of its core markets, with around 440 branches in Europe and 50 branches outside of Europe, mainly within its Traffic & Infra and Marine businesses. The geographical proximity to its customers' facilities allows the Group to be reactive to its customers' needs. The Group believes that due to its extensive presence throughout certain countries in Europe, it is well situated to provide localised services within the agreed time frames/deadlines to its customers. Its dense local network further allows the Group to respond to the perceived growing trend among its large customers to outsource technically complex non-core service operations across their facilities over multiple sites.

• *Long-term customer relationships and high customer retention*

The Group's close customer relationships were built through years of providing technical services for its customers' operations, resulting in detailed knowledge and understanding of its customers' production process, asset base and requirements. For those customers with whom the Group has a long-standing relationship, the Group's restructuring programmes are intended to allow the Group to retain the confidence of such customers as much as possible. In the Group's perception, these relationships have been retained to a large extent so far and remain strong. Relationships with hundreds of the Group's customers date back for several years, including, amongst others, relationships with Airbus, Audi, BMW, the Dutch Directorate-General for Public Works and Water Management, Meyer Werft, Royal Dutch Navy, Skanska, Shell and UK Highways Agency.

• *A predictable recurring revenue flow from a diversified customer base in different end-markets*

The Group believes that its broad customer base with limited concentration in any given end-market, long-standing customer relationships, focus on maintenance services with recurring revenue, broad service offering, as well as its small average order size, provide the Group with predictable revenue flows. The Group has a diversified customer base of approximately 24,000 customers, active within a range of markets and sectors. The Group is consequently less dependent on one or more customers or one particular market or sector. The Group believes that this mitigates its exposure to negative cyclical effects affecting such customers, markets or sectors to some extent.

• *Award winning innovative solutions*

Customers are facing complex challenges due to factors such as increased regulatory requirements, an aging asset base and, in particular for industrial markets, more stringent health, safety, environmental and quality requirements. The Group provides innovative solutions for these challenges and has won numerous awards for innovative solutions developed by its professionals. These innovative solutions provide an opportunity for future growth. Examples in every end-market include:

- The Group is active in the green buildings sector and realised the greenest office building in Germany (head office of Deutsche Bank) by means of a total revitalisation of the technical infrastructure. The Company believes that this building is now deemed to be an iconic reference project in the European buildings market for green building solutions.
- The Group believes itself to be well known for the development, construction and operation of advanced test technology for the automotive industry. The Group offers total testing solutions for both the development of new automotive technologies and for new car models.
- The Group offers total solutions for data centres in order to have such data centres operate in an undisturbed and optimal energy-efficient manner. The Group can realise this by providing emergency generators, advanced building management systems, high-tech camera systems, a state-of-the-art 'control room', fire detectors and protection, evacuation systems and lightning rods. To achieve all of this, the Group is able to provide the basic design both for the building and for the technology, the detail engineering and the implementation of all modular technical solutions. In addition, the Company can maintain these data centres for dozens of years.
- Imtech Traffic & Infra developed and implemented an Intelligent Transportation Systems (ITS), which is an information and communication system for interaction between traffic control systems and vehicles for maximum fuel efficiency to minimise congestion and vehicle stops at signal-controlled intersections and roundabouts.
- An average ship's fuel consumption amounts to one third of the total costs. Ship owners focus more and more on reduction of fuel consumption, not only to reduce costs but also to get a higher ranking on the international "Environmental Ship Index" reflecting the environmental performance of ocean going vessels to, among other things, receive a discount on harbour dues in ports. Imtech Marine offers amongst others (diesel) electric propulsion systems, temporary energy storage systems and energy recovering systems to reduce the fuel consumption and polluting emissions.

The Group's strategy

The Group aims to remain the preferred technical services partner of its customers through delivering integrated technical total solutions, which assist its customers in reducing the total cost of ownership of their facilities. The strategy of the Group is still based on three pillars: operational excellence, organic growth and acquisitions. Given the current financial position of the Group, for 2014, 2015 and 2016 the Company will focus on debt reduction and does not foresee to assume any acquisition activities.

There is a Group-wide focus on culture change and operational excellence. The Group started programmes on these aspects to improve the operational results, reduce costs, improve the working capital and change the management. The new management intends to be more customers focused and to have more contact with customers on management level with the aim to be earlier and better informed by them on intended projects and developments in the field. The Group employs a decentralised management model as the basis for the organisation with a centralised approach towards financial control and reporting and GRC. The Group believes that this model ensures that its relationships with its customers by being responsive to their needs and by stimulating within Group's companies local entrepreneurship. See "Financial and Operational Restructuring".

Operational excellence programmes

The Group's operational excellence programmes focus on improvement of the profitability and cash generation, and to strengthen business controls. The key items of these programmes are margin improvement, cost reduction, resolution of legacy items and reduction of working capital. See "Financial and Operational Restructuring – Operational Measures – Operational excellence programmes and restructuring measures".

Project management and project execution

As a project driven company, the Group believes project management and project execution are key for realising a healthy project profitability. Within the Group, there are differences on how projects are managed and executed (e.g. means of ensuring the most appropriate project manager is working on a particular project, selection of optimal team for a project, selection of the right sub-contractor(s), accurate planning and logistics for the project), and this will remain so in the future. However, in particular in view of the industrial trend that the need for more complex projects is increasing, assessing and rolling out internal best practices to improve project management and project execution is an advantage which can benefit all business units of the Group. The Group continues to focus on improving project management and project execution, and will reinforce project management programmes and continue to assess and implement best practices. See "Financial and Operational Restructuring – Operational Measures – GRC framework".

Procurement processes

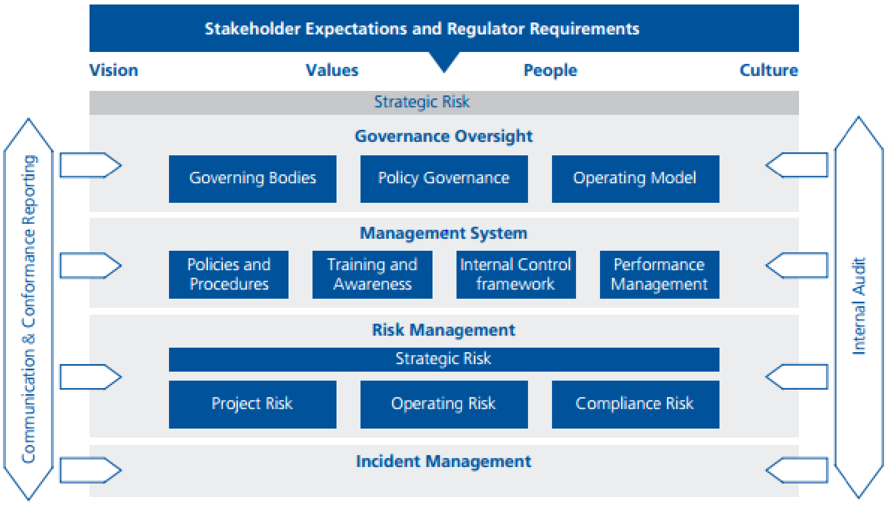
The Group focuses on cross-divisional cooperation in order to realise value and synergies for the Group and its customers. The Group's procurement strategy aims to reduce the total cost of the Group's services for the customer, to improve the Company's working capital and to reduce supply risks. In order to facilitate growth of the Group's 'green technology' solutions, the Group's procurement policy is to identify and encourage its suppliers to innovate and offer 'green technology' that can be used by the Group's divisions, which the Group believes is valued by its customers. Procurement processes are now further improved, amongst other improvements by implementing several GRC policies that affect procurement (for example a third party screening policy) and by key performance indicators-based monitoring of procurement performance.

Cash and working capital management

Within project businesses, cash and working capital management are of great importance. Since 2013, the focus on working capital management has improved and continues to be intensified. See "Financial and Operational Restructuring – Operational Measures – Operational excellence programmes and restructuring measures".

Governance, Risk and Compliance

The Company has defined the scope of GRC in its GRC framework as shown in the chart below:



The organisation within the Group is based on the following principles:

- Governance Oversight: sets the structure for the ongoing operation of the governance framework and provides the hierarchy for reporting and monitoring in line with the Group's decentralised management model;
- Management System: embeds the governance principles into day-to-day business activities by setting clear and simple policies that support training activities, the quality of business controls and performance requirements;
- Risk Management: sets the organisation's risk acceptance levels in respect of strategic, project, operating and compliance risks and aligns behaviour with the group's strategy and expectations; and
- Incident Management: prevents and deters misconduct within the organisation by supporting the appropriate reporting of and timely and adequate handling of all matters that may cause harm or damage to the organisation's reputation.

Risk management is an important element in the daily business of a project driven company and is being closely monitored by the Board of Management. The Company has reinforced the risk management function at group level and the Board of Management is actively involved through the Tender Review Board (which entails meetings between the management of a particular division and a Tender Review Board, consisting of at least one member of the Board of Management, the Director GRC and one of the Group's risk managers) in which all tender offers above a certain threshold are discussed. The reinforcement of the group's risk management function stretches beyond the risk management department and is also applied to finance and control, compliance, IAD (internal audit department) and insurance to build a coherent framework. In addition there are similar procedures in place on divisional level, where similar meetings are held, tenders with lower thresholds are discussed and projects are reviewed by divisional risk managers. For information on the measures that the Group has taken to strengthen and improve its GRC policy, see "Financial and Operational Restructuring – Operational Measures – GRC framework".

Organic growth

As part of the margin improvement, the Group has retained the strategic goal of realising profitable organic growth. The Group envisages fostering this growth through the following four components:

Focus on recurring revenue streams

The Group applies a continuous focus on securing recurring revenue streams (i.e. revenue streams from a customer who keeps returning (for various services) or recurring work such as multi-year maintenance contracts). It believes that leveraging its diverse customer base and contract portfolio contributes to attractive recurring revenue streams across all of its operating segments. The Group envisages providing additional services to existing customers within a certain business segment, introduce new services to existing customers across business segments, or try to secure a sustainable recurring revenue stream from new customers.

Multi-site/multi-service solutions

As set out above, the Group perceives an increasing trend among its customers to outsource a wide range of technical services and seek multi-site/multi-service solutions, due to increasing technical complexity of their systems, cost pressures and a desire to devote more attention to their core businesses. See "– Industry trends –

Customers require one-stop-shopping". The Group believes that these outsourcing trends create attractive growth opportunities. The Group believes it has positioned itself to benefit from these trends through using its wide range of multi-technology competences, logistical expertise and its dense local network in key geographies. This allows the Group to provide a local or multi-national 'one-stop-shop' service offering to its customers for multi-site/multi-service offerings.

Capitalising on past acquisitions

The Group acquired numerous companies over the last years. For many of these acquired companies the integration process has been completed or is in an advanced stage, allowing the Company to benefit from synergies post acquisition. For certain other acquired companies, integration is still in process. For a number of more recent acquisitions, the Company has accelerated the integration processes, mainly through sharing best practices on execution, technology and organising back offices efficiently.

Scaling technologies across the Group

The Group envisaged that it could increasingly leverage its customer relationships and knowledge across the Group in order to unlock additional growth potential, e.g. by sharing customer relationships, competences, notable experience or specific know-how across the Group. In the light thereof, the Group identified the following four markets in which its divisions and business units could share know-how and experiences:

- Water technologies;
- Data centres;
- Care & cure;
- Green technologies.

The Company now defines 'green technologies' as GreenTech to mean 'projects that help reduce the customer's environmental impact'. In 2013 such projects accounted for around 50% of the Company's most material projects (in size and risks). GreenTech focuses include:

- energy efficiency in buildings, data centres, industry, ships, airports, etc., including interaction with smart grids;
- sustainable energy generation;
- increasing the efficiency of fossil fuel energy generation and reducing harmful emissions;
- reducing emissions of fine particles by road traffic through intelligent mobility solutions and traffic technology; and
- achieving clean water and preventing water pollution through sustainable technological infrastructure in water treatment centres.

Medium term targets

On 26 August 2014 the Group confirmed its medium term targets as set in 2013 to execute its turnaround programme with an ongoing focus on improvement of operational performance by implementing operational excellence programmes, as well as internal margin improvement as loss-making projects are replaced with new projects at healthy margins. This includes:

- The Group targets organic growth in excess of GDP growth, and additional growth through acquisitions in fragmented markets if and when the Senior Leverage Ratio is below 2.0.
- The Group aims over time to achieve an operational EBITDA margin range of 4.0% to 6.0%.
- The Group targets a cash conversion ratio, based on operational cash flow as percentage of operational EBITA, of 90%.
- The Group targets a maximum Senior Leverage Ratio of 2.0.
- The principal targeted dividend pay-out ratio is 40% of the net result for shareholders as soon as the leverage Senior Leverage Ratio is below 2.0. See "Dividends and Dividend Policy – Dividend policy" and "Operating and Financial Review – External sources of funding, financing and indebtedness – The Main Finance Agreements".

Corporate structure

The Company is a holding company with no material, direct business operations. The principal assets of the Company are the equity interests it directly or indirectly holds in its operating subsidiaries. As a result, the Company is dependent on loans, dividends and other payments from its subsidiaries to generate the funds necessary to meet its financial obligations, including the payment of dividends.

The Group provides its services principally through the regional and technology subsidiaries. The regional subsidiaries are: Imtech Netherlands, Imtech Belgium, Paul Wagner et Fils, Imtech Germany, Imtech UK & Ireland, Imtech Nordic and Imtech Spain. The technology subsidiaries are: Imtech Traffic & Infra and Imtech Marine. All of these subsidiaries provide their services either directly or through their own subsidiaries. For Imtech ICT see "– Divestment of ICT division". The following diagram is a summary of the Group's regional and technology organisational structure.

Material associates and joint ventures

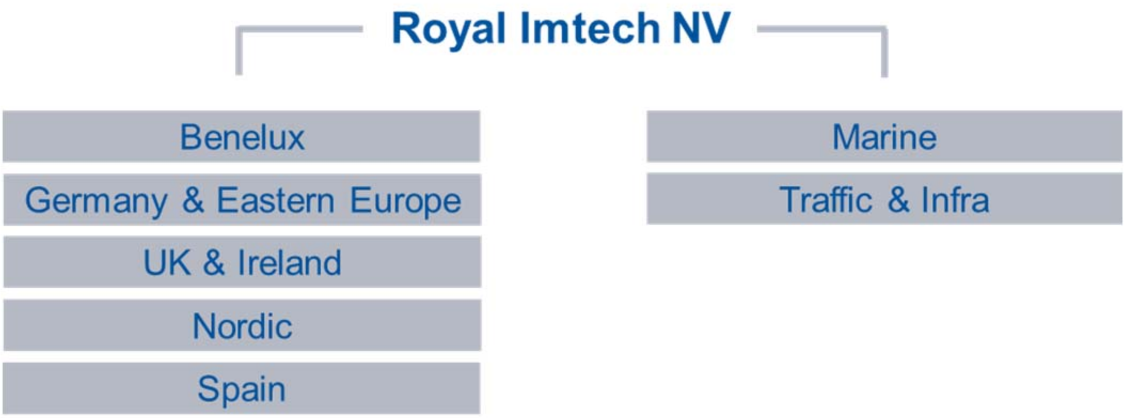
Besides subsidiaries, the Company and other Group Companies hold interests in associates and joint ventures. The Group uses numerous other associates or joint ventures in projects and otherwise. None of these other associates or joint ventures are of a material nature individually, except for Project joint ventures. See "– Project joint ventures".

Divisions

The Group provides its services through a dense regional network organised in seven operating divisions, together with a centralised approach towards financial control and reporting, governance and risk management. Some divisions are split into business units.

Five operating divisions are the local-for-local divisions (i.e. divisions which are based on geography and operate in a context of local standards, rules and regulations and local customers, suppliers and subcontractors, albeit they may follow customers abroad, e.g. Imtech Ireland has worked on installations for its customers in Kazakhstan and Saudi Arabia). These five operating divisions have local presence in: (i) Benelux, (ii) Germany & Eastern Europe, (iii) UK & Ireland, (iv) Nordic and (v) Spain respectively.

Two operating divisions are active in the international technology markets of Traffic & Infra and Marine. The Traffic & Infra division operates in the European market and the Marine division in the global market. The majority of the business of the Group has historically been conducted in the Benelux and Germany. In recent years, the Group expanded its presence in other key European countries through the acquisition of competitors.



Benelux

General

In the Benelux division the Group generated revenues of EUR 682.8 million in the year ended 31 December 2013. In terms of revenue, the Company believes it is one of the leading technical services providers in the Benelux. The Benelux division delivers its services through a regional network of 45 branches spread over five business units: (i) Netherlands Building Services is active in the Dutch buildings market, (ii) Netherlands Industrial Services is active in the Dutch industrial market, (iii) Netherlands Industry International is active in the international industry markets mainly focusing on the oil and gas as well as power and energy industries, (iv) Imtech Belgium is active in the buildings and industry markets and (v) Paul Wagner et Fils is active in the buildings market in Luxembourg. In May 2013, a new managing director was appointed for the Benelux division, followed in September 2013 by the appointment of a new finance director. As of 31 December 2013, the Group had 4,120 FTEs in the Benelux division. No material acquisitions have taken place in the past three years.

All business units within the Benelux division suffered from difficult market conditions in recent years. The Cost and Efficiency Programme in the Netherlands mainly concerned implementing a turnaround plan in the business units Netherlands Building Services and Netherlands Industrial International in response to the changed market conditions and led to a reduction of approximately 350 FTEs. See "Financial and Operational Restructuring – Operational Measures – Operational excellence programmes and restructuring measures".

The Group also began implementing "One Imtech" and "Back to the Top" action plans to drive improvement of results in its Benelux and Marine divisions, respectively. The "One Imtech" programme focuses on adjusting the organisation of the Group's Benelux business to the current market situation, reducing its overhead costs and improving the overall quality of its project execution. The "Back to the Top" programme focuses on operational excellence by increasing the project- and sales-oriented focus of the division's organisation, reducing its overhead costs, strengthening its cash and working capital management and improving the quality of its project execution.

Netherlands Building Services

This business unit focuses on delivering technological solutions and maintenance services for buildings such as energy solutions, building management and installation technology. It distinguishes four different market segments: real estate, care & cure, data centres and building maintenance and service. For the last couple of years, this business unit has realised losses due to adverse market conditions and the lack of focus on margins, customers needs and projects. As a result, this business unit was restructured in 2012 and is currently included in the Cost and Efficiency Programme set out above.

Also, management has been aiming to tighten operational management and project control and introduce a clear operational structure with strict rules and procedures in respect of accepting new projects. In 2013 and 2014, this business unit continued to address operational efficiency issues and had to deal with a weak building market.

Netherlands Industrial Services

This business unit focuses on delivering technological solutions for the industrial market. Solutions are aimed at a continuous improvement of the customers' production process. Disciplines of the business unit are mainly project management for (maintenance) engineering, industrial automation, installation technology and inspections for maintenance.

Netherlands Industry International

The focus of the business unit Netherlands Industry International is on the market segments oil and gas, power electronics and energy. The business unit aims to be involved in the entire design, build, finance, maintain and operate ("**DBFMO**") project cycle. It has customers all over the world (e.g. Shell, Total) in accordance with its strategy to follow customers abroad. Activities in the oil and gas segment include metering and analyser systems and desuper-heaters (heaters to spray cooling water to ensure stable temperature and to prevent thermal shocks in the connecting pipes of a production plant). In respect of power electronics, the business unit is active in the field of engineering and delivering power supply for uranium plants. The energy segment, Netherlands Industry International, focuses on renewable energy projects and sustainable energy production units.

Imtech Belgium

The business unit Imtech Belgium specialises in the areas of electronics, HVAC, sanitary, special piping, industrial automation, telematics and a complete package for technical management and maintenance. Imtech Belgium is active in all stages of the project lifecycle, from design and development over the realisation and start-up to the technical maintenance of installations and systems. Imtech Belgium's key customers include (amongst others) BNP Paribas Fortis, Johnson & Johnson and bpost Group.

This business unit is divided into four regions and implements all stages of a project, from design and development to the realisation and start-up of installations and systems. It integrates climate control, ventilation, heating, sanitation, sprinkler systems, electricity, data networks, voltage panels, automation and piping techniques. The majority of business activities relates to installation projects for general contractors in the construction market or projects for local governments which are subject to public tendering. Both market segments are characterised by fierce competition and pricing pressure. In order to preserve the margins for this business activity, Imtech Belgium aims to reposition itself in markets where it can provide integrated total technical solutions (e.g. care & cure) and become a strategic partner which offers multidisciplinary solutions throughout the project lifecycle, including construction and maintenance, directly to end-customers.

Paul Wagner et Fils

Paul Wagner et Fils operates in Luxembourg. Its activities are engineering, implementation and maintenance of mechanical and electrical solutions in the buildings market.

Key customers

Benelux' key customers include, amongst others, Shell, British Telecom, the Directorate-General for Public Works and Water Management, NXP, Total and GlaxoSmithKline.

Example projects

In 2013, the Dutch Directorate-General for Public Works and Water Management, on behalf of the Ministry of Security and Justice, selected the Pi2 consortium, which comprises Ballast Nedam and the Group, for the new Zaanstad Penitentiary building at Hoogtij. The penitentiary will accommodate over 1,000 detainees and will be multifunctional. It is scheduled to open in 2016. Ballast Nedam (65%) and the Company (35%) are cooperating in the Design, Build, Maintain and Operate phase. The contract has a 25-year term from the time of becoming available, and the contract for the total project has a nominal value of approximately € 300 million.

The Group was awarded the project for the new Innovation Centre for dairy producer Royal Friesland Campina on the Wageningen University Campus. It contains research facilities, laboratories, offices and an Experience Centre, with an innovation kitchen and test bakery. The Group provided a large number of the technological solutions for this complex such as the design and engineering of process systems, utilities, operations and electrical systems and several construction-connected systems. The centre became operational by the end of 2013.

In 2014, the Group delivered the high-tech BT (formerly British Telecom) data centre in Rotterdam. This data centre is designed to house the most advanced computer servers. The Group accepted the entire assignment for BT, from design and construct to build and maintain for the next ten years until 2024. For the design and construct, the Group subcontracted the SWAA architect group and the Barten Groep.

Germany & Eastern Europe

General

The Company entered the German market in 1997 by acquiring the mechanical services company Rud. Otto Meyer followed by the acquisition in 2001 of the electrical services company Rheinelektra. The Eastern European activities mainly cover Poland and Hungary.

In the division Germany & Eastern Europe, the Group generated a revenue of EUR 968.6 million in the year ended 31 December 2013. As of 31 December 2013 Germany & Eastern Europe had 4,740 employees. In September 2013, a new managing director was appointed for the division Germany & Eastern Europe and a new finance director started in October 2013. Germany & Eastern Europe provides a variety of services around the buildings and industry market focusing on energy contracting, clean-room technology, fire protection, stadium technology, (decentralised) power plants and systems, care & cure, data centres, airports and test solutions for the automotive industry. The German part of the operating division constitutes the vast majority in terms of revenue.

The Irregularities cause continued major pressure on this division's business. In the first six months of 2014 the results have improved, though still impacted by weak results on old projects as well as a too high indirect cost structure. In the second quarter of 2014, the order intake was significantly lower than revenue, also as a result of the focus on prioritising margin over volume.

The Group delivers its services in Germany through a regional network of 84 branches. In Germany it is organised in two business units based on skills (Imtech Energy Solutions and Imtech Fire Protection) and four business units determined by geography: (i) North-East, (ii) Mid-West, (iii) South-West and (iv) South-East. In terms of revenue, the regions South-West and South-East are traditionally the larger parts of the Group's German business. No material acquisitions have taken place during the last three years.

In the German market, the division focuses on both large and mid-scale customers in the following services in the buildings and industrial market segments:

- Electrical services: advising, planning, buildings, operating and servicing cost-effective power supply facilities and optimising electrical engineering systems.
- Mechanical services: plan, integrate systems, construct and provide maintenance service in the field of air, climate and energy solutions.
- Buildings market: providing electrical, automation and mechanical solutions for all types of buildings.
- Industrial market: providing services across a wide range of industries, such as power plants, automotive and energy.

Germany & Eastern Europe specialises in energy implementation and offers various services in the field of energy efficiency, energy management, and decentralised power plants. The Group also has a research and development centre in Hamburg. The combination of specific technological competencies and research makes it possible to offer integrated technical solutions. The Group is following its German key customers outside of Germany for specific projects to deliver its technical solutions. The Eastern European activities have been significantly downscaled, especially in Poland and Russia. With respect to Russia, the activities will be wound down before the end of 2014, and are now mainly focused on projects for German customers, particularly in the automotive industry.

Neue Imtech

The Irregularities had a great impact on the Germany & Eastern Europe division. Therefore, as part of the rebuilding of the German organisation, the newly installed management launched a comprehensive recovery plan named "Neue Imtech" with the values "integrity, transparency and cooperation". This program prioritises healthy project margins over volume and focuses on efficiencies in staffing, project control and purchasing and is based on three pillars:

- 'margin not volume', consisting of (i) a focus on qualitative instead of quantitative growth, (ii) Germany & Eastern Europe to step out of project businesses that are unprofitable and high risk, (iii) a reduction in other operating expenses and (iv) an FTE reduction in direct and indirect functions (see "General" above);
- operational excellence, consisting of (i) tender and project management with minimum profit margins, (ii) selective bidding that builds on the Group's technical expertise, and (iii) new project management scheme for operational excellence (including tight controlling and steering);
- new corporate culture, consisting of (i) a creation of new corporate culture with focus on (A) integrity, (B) transparency and (C) cooperation and (ii) values, that will need to be explained to the organisation by way of training so that such values will 'live' in the organisation.

The programme consists of eight building blocks: project execution excellence, procurement, improving sales processes, prudent spending, streamlining organisation and staff, modern cash management, closure of unprofitable branches in Eastern Europe, and establishment of a sustainable strategy.

Executional Excellence	Assure rigorous project management including clear responsibilities and definition of main processes
Procurement	Realize savings in purchasing volume
Sales pipeline	Improve sales processes and system-support to increase profitable business generation (standardized sales process, tools, clear responsibilities, etc.)
Prudent spending	Realize savings in administrative costs and other miscellaneous costs like sponsoring
New organization	Identify redundancies and improvement potentials by consolidating central/shared services, reduce the number of regions and focus on market segments
Cash and capital	Responsible usage of capital expenditure through modern cash management for all cash relevant decisions and processes
Eastern Europe	Closure of unprofitable branches and headcount reduction in Eastern Europe
Vision, strategy, and structure	Establish sustainable vision and strategy

The Neue Imtech program includes accelerating the conclusion of previously identified legacy issues (see above) such as overdue debtors and certain project work in progress positions, leading to non-cash valuation allowances of EUR 230 million included in the results 2013. These valuation allowances mainly result from changes in management accounting estimates, based on a different approach by prioritising closure of issues and cash-in. As part of Neue Imtech, an additional restructuring programme of 300 FTEs in Germany is to be implemented in 2014 to reduce the cost base further and a general cost savings programme of EUR 40 million covering 2013-2015.

The Group believes that with the Neue Imtech programme and the accelerated settlement of the legacy issues it has a basis to improve its performance. Nevertheless, the overall results in the future could be affected by the conclusion of legacy issues and the degree of successful implementation of the Neue Imtech programme.

Key customers

Germany & Eastern Europe's key customers include, amongst others, Airbus, BASF, BMW, Bosch, Daimler, Volkswagen/Audi and Zeiss.

Example project

The Group developed the sustainable technical infrastructure in the multi-purpose project 'Elbarkaden' in Hamburg, including the new head office of Greenpeace. The building received a Gold pre-certification in accordance with German Sustainable Building Council (DGNB) standards. The Group was commissioned to realise the entire energy and technology concept based on the Group's own Active Building® concept. A large number of innovations were implemented, such as: high energy heat recovery, waste heat usage, cold recovery, aquifer thermal storage, special pumping technology, use of renewable energy (photovoltaics, wind power systems, solar power and biomass), water-saving solutions and use of low-emission materials. Smart building automation makes an integrated energy approach possible. As a result the property will generate around one third surplus energy, which can be fed back into the electricity network. The complex was delivered for use in 2013.

UK & Ireland

General

In 2003 the Group acquired mechanical and electrical engineering services company Meica in the UK followed by several other acquisitions in the UK to increase the nation-wide presence. In 2007 the Company acquired the Irish electrical engineering services company Suir Engineering. In 2011, the Group acquired the nationwide technical maintenance company Inviron and the mechanical and electrical engineering services company Smith UK Group. With the acquisition in 2012 of the system integrator Capula the Group's portfolio of technical services it offered in the UK market became more balanced.

In the division UK & Ireland, the Group generated revenues of EUR 738 million in the year ended 31 December 2013. In terms of revenue, the Group is one of the leading technical services providers in the UK and Ireland in the markets for buildings, industry and infrastructure (Source: Construction News, September 2013). In the division UK & Ireland the Group delivers its services through a regional network of 24 branches. As of 31 December 2013, the Group had 3,396 FTEs in UK & Ireland, a reduction of 202 FTEs compared to 2012, which was a result of streamlining the business to market conditions and order intake, particularly for the UK engineering services businesses. In the UK, the division is mainly active in the buildings, industrial and infrastructure industries and in Ireland the division is mainly active in the pharmaceutical and energy industries (and followed many customers to countries outside of Ireland).

In 2011, the Group acquired two companies in the UK. The first acquisition was Inviron, a nationwide technical maintenance company. The second acquisition was Smith Group UK, a technical and electrical engineering services company in the north of the UK which resulted in a broader and wider geographical spread in order to become less dependent on the greater London area economic developments. In 2012, the Group acquired Capula, a system integrator in the power and utility market. The Company terminated the joint venture in Kazakhstan, see "Operating and Financial Review – Principal Factors Affecting Results of Operations and Comparability of Results – Acquisitions and divestments – Other acquisitions and disposals".

Through various acquisitions, the UK & Ireland division diversified its business and has the following six business units.

Engineering Services

Engineering Services includes design, engineering and implementation. This is the traditional core of the UK business, typified by large-scale, long-term construction contracts. Growth within this segment is weak with engineering services impacted by the fragile UK construction sector and an increase in competition.

Technical Maintenance

This business unit includes maintaining, installing and managing the systems and services that support the operations of buildings and other infrastructures. The acquisition of Inviron has strengthened the division's offering in this segment, complementing similar non-core services offered across other parts of the UK & Ireland division. These activities are characterised by a large volume of low-margin contracts across a wide spread customer base.

Infrastructure

The Infrastructure business unit provides a range of design and buildings services to the air and rail industry.

Waste, Water & Energy

This business unit provides planning, design, construction and commissioning solutions for waste water and energy industries under frameworks with the major water companies and is specialised in digestion systems for waste water treatment facilities. These frameworks are often performed under three to five - year framework agreements providing longer term revenue streams. Waste to energy projects represents a new market and a key strategic opportunity for the division due to the relatively higher margins.

The International Operations

This business unit provides mechanical and electrical installation services in Ireland, and on a project basis in Saudi Arabia and Europe, in some instances partnering with other divisions of the Group.

System Integration

A new offering of the division through the acquisition of Capula in May 2012 is System Integration. This business unit specialises in advanced automation control and real-time IT solutions for energy and utility companies. This business unit, typified by relatively strong margins, is viewed by division management as having high growth potential with an aim to leverage existing customer relationships across Europe.

Key customers

Imtech UK & Ireland’s key customers include, amongst others, Amgen Pharma, Carillion, Intel, MACE, Pfizer, Tamar Energy and Thames Water.

Example projects

In 2014, the Group, as part of a joint venture with LiMA, was selected as a construction delivery partner (engineering contractor) by the water company United Utilities for the next capital delivery period (2015 – 2020). United Utilities provides water and sewage services to approximately 7,000,000 people in North West England. LiMA will deliver projects on the water and wastewater infrastructure, including the design and build of major construction projects. The total value of the contract is dependent on the outcome of United Utilities’ Price Review Submission, at the end of 2014. The contract is initially for five years.

In 2014, the Group and Tamar Energy consolidated their emerging relationship with a contract to build a 3MWe Anaerobic Digestion plant in Hertfordshire. Tamar Energy’s strategy is to develop a UK network of up to 40 plants over the next five years. The Group was selected to deliver this project due to its track record of effective EPC delivery of renewable energy projects in the waste and water sectors. The process includes depackaging of waste materials, sanitisation in compliance with the ABP regulations, biogas cleanup prior to CHP utilisation, across-plant odour control, and an innovative biological wastewater treatment plant, enabling the recycling of process water. The Group will also support Tamar Energy throughout the plant commissioning process and plant optimisation activities. The two companies are in discussion regarding a number of other projects in Tamar Energy’s pipeline.

Nordic

History

The Group entered the Nordic market in 2008 by acquiring the Swedish and Norwegian mechanical engineering services company NVS followed in 2010 by the acquisition of the Swedish electrical engineering services company NEA. In 2011, the Group acquired the Swedish mechanical engineering services company Sydtotal and in 2012 the Group completed four small add-on acquisitions. In December 2012, the Group announced its acquisition of the Finnish mechanical and electrical engineering services company EMC Talotekniikka, which was completed in January 2013. In September 2013 a new finance director started in the division Nordic. A new managing director was appointed in June 2014.

General

In the Nordic operating division, the Group generated revenues of EUR 891.6 million in the year ended 31 December 2013. In terms of revenue, the Group believes that it is one of the leading technical services providers in Nordic in the markets of buildings and industry. Around 75% of the revenues in 2013 were generated in Sweden. As of 31 December 2013, the Group had 5,406 FTEs in the Nordic division, an increase of 469 FTEs compared to 2012 which was the result of the acquisition of EMC Talotekniikka.

The operating division performs installations and services within three areas: heating & sanitation, ventilation and electricity. The majority of installations that the Nordic division carries out have been designed by other parties, such as technical consultancy firms and architects.

Imtech Nordic delivers its services through a dense regional network of 160 branches and is organised in three business units. Each of the business units is managed through a business unit head office. Until 2013, the level of integration between the various business units had been low. In order to provide for a better integration, a new strategy was launched to reap the maximum benefits from the Group’s large and small acquisitions in the Nordic division since 2008. To increase its visibility, during the first half of the year all the companies started trading under the same brand name – Imtech Nordic. The Group restructured its business by closing unprofitable branches and integrating the remaining branches. This reduced the Nordic headcount by 143 FTEs at the end of the year. Other important components of the integration programme included streamlining operating processes by integrating back offices for finance, control, procurement and human resources (“**HR**”).

The Nordic division consists of the following three business units:

Imtech Sweden

This business unit offers mechanical and electrical services for both the buildings and industrial markets. The Group’s offering in Sweden comprises amongst others HVAC, pipework, heating, fire protection, industrial installation, power solutions, energy optimisation, security and ICT. The target customer groups are industrial companies, the public sector and construction companies. Revenue is largely derived from installation projects and the remaining percentage relates to maintenance services contracts.

Imtech Norway

This business unit provides a combination of mechanical and electrical services such as installation of piping, electricity and ventilation. Three quarters of its revenue is derived from installation projects and a quarter from maintenance services contracts.

EMC

This Finnish business unit offers mechanical and electrical services within the areas of heating, piping, air conditioning and electricity. The principal customer groups are private real estate companies, industrial companies, construction companies and the public sector. EMC is to the largest extent focused on installation projects and to a minor but notable extent also on maintenance services contracts.

Key customers

The Nordic division often acts as subcontractor of building construction companies such as Skanska, NCC Peab and AF Gruppen.

Example projects

In 2014, the Group obtained a contract from Ikano Retail Centres to design and build a geothermal energy system for the new Ikano Trade Centre in the Swedish city of Umeå. The shopping centre will have a total surface area of 46,000 square metres housing 85 shops. It is a complex energy-saving system using bore holes and ground source heat pumps to provide both heating and cooling. The Group is responsible for electricity, heating, sanitary services, ventilation, control and cooling in the entire geothermal energy system. The system is required to be completed by February 2016.

In 2013 and 2014 the Group worked on the Oslo tunnel for the Norwegian National Rail Administration (JBV) on behalf of the main contractor. This complex project involves one of the oldest and busiest tunnel systems in Norway. Following heightened requirements on fire safety, the Group's activities include the installation of new water piping and material deliveries of pipe and fittings, customised clamps as well as pumps and valves for pumping stations to secure the tunnel.

Spain

General

In Spain, the Group generated revenues of EUR 126.9 million in the year ended 31 December 2013. The Group offers technical services provision in the industry and buildings markets. The Spain division is organised in three business units and is comprised of 21 branches. Each of the business units is managed through a business unit head office. As of 31 December 2013 the Group had 1,560 FTEs in Spain.

The three business units of Spain are Industry, Building Projects and Building Services.

Industry

Industry is divided into projects (e.g. construction, repairs and shutdowns) and maintenance (related to pipes and electrical installations of refineries, petrochemical and steel plants). The customer base of Spain contains large companies operating in the oil and gas, energy, steel and harbour infrastructure. The current Spanish economic downturn has increased competition of small/medium companies which resulted in erosion of margins. Division's management's focus is on: (i) increasing maintenance activities, (ii) reducing the operating and production costs to improve the competitive position and (iii) exploring the Latin American market, with a focus on Chile, by following some of its key customers.

Building Projects

This business unit acts a manager and coordinator of projects and is offering mechanical (HVAC, plumbing and fire protection installations) and electrical services (low and medium voltage). Recently, the business unit started with data centres, which are seen as an attractive market for the business unit. Current principal customers are large and medium-sized Spanish construction groups, replacing real estate companies and other end-customers (who used to be the main customers). This has had an impact on margins and cash flows as construction groups offer lower margins and longer payment terms. The business unit does not have public entities as customers. The objective is to change the customer mix to real estate and other end-customers, although the current economic context makes this difficult to achieve.

Building Services

Building Services is offering (i) traditional maintenance of electrical and mechanical installations of buildings (usually hospitals and shopping centres), (ii) maintenance of medical equipment and recently added (iii) energy efficiency services. The focus is (i) increasing the multi-year maintenance contracts with public entities nationwide, (ii) increasing the medical maintenance and energy efficiency services and (iii) exploring the Latin American market to offer energy efficiency services.

The Group has decided to dispose of its 80% shareholding in Arma, following the strategic review announced on 7 November 2013. See "– Divestment of Arma shares".

Key customers

The key customers of the Spain division include, amongst others, Cepsa, Iberdrola and Acerinox.

Example projects

In 2014, the Group was awarded the maintenance of the Acerinox plant in Campo de Gibraltar for a period of five years. Acerinox is the world's largest producer of stainless steel. The Group will be responsible for the mechanical maintenance of all the principal and ancillary process lines of the integrated steel works, in addition to the servicing of the motor pumps. This maintenance includes corrective works (steel works, hot and cold rolling), preventive and predictive maintenance (programmed check-ups, inspections and corrective works), recovery of replacements (steel works, hot and cold rolling) and preventive and corrective maintenance of the ancillary systems (water plants and distribution, wagons and motor pumps). In addition, factors such as savings in greases, oils and remainder of other materials will be taken into account. The Group believes that this contract represents one of the most important maintenance projects in steel-making plants in Spain and in the whole of Europe. In the execution of this contract the Group will involve more than 225 people.

Traffic & Infra

In 2007, the Group acquired traffic technology specialist Peek Traffic, which was the start of the 'Traffic' division of the Group. Imtech Infra previously formed part of the Benelux division, but since the second quarter of 2013, it forms part of the Traffic & Infra division. With an increasing focus on technology integration and a more focused market approach (i.e. no activities that provide higher margins), the activities of Imtech Traffic and Imtech Infra had become more similar and the Group resolved to integrate the two operations.

In the Traffic & Infra division the Group generated revenues of EUR 384.6 million in the year ended 31 December 2013. In terms of revenue, the Company believes that the Group is one of the leading traffic technology providers in Europe. Traffic & Infra delivers its services through a network of 55 branches in its key markets the UK, the Netherlands, Sweden, Finland and on a project basis in other European countries. The number of employees increased in the first half year of 2014 by 26 FTEs to 2,098 FTEs.

The Group built up its European traffic position through acquisitions in the UK and in the Netherlands plus a number of smaller add-ons to reinforce geographical positions, such as the acquisition of SSR and Polar in 2012.

The activities of the Group in the traffic market are a mix of installation and maintenance projects and product development for dynamic traffic management, intelligent transport systems, and traffic safety and enforcement. Furthermore, the Company is active in the parking market via its subsidiary WPS, which operates in eight countries. The parking activities mainly consist of production, sales and installation of parking systems. The Group's activities in the infrastructure market mainly consist of installation and maintenance projects in basic infrastructure, public lighting, tunnel technical installations, high voltage, rail security and safety, and water treatments plants.

The focus of Traffic & Infra is to integrate various technologies so that fewer systems need to be used, which leads to more efficiency and ultimately higher added value for its customers. This focused approach contributed to the stable performance that the Group has achieved in this market, despite lower government budgets.

As of 23 September 2014, the financial director of Traffic & Infra stepped down and left the Company. The former financial director products divisions will temporarily step in as financial director of Traffic & Infra, until the Company has found a permanent replacement.

Key customers

The division Traffic & Infra's business is largely dependent on governmental budgets and its key customers include, amongst others, the Dutch Ministry of Public Works, certain Dutch and Belgian municipalities, UK Highways Agency and Transport for London.

Example Projects

At the end of 2013, the Group was awarded a contract for the new Traffic Control Centre by the Dutch Directorate-General for Public Works and Water Management, which will be located at Helmond's High-Tech Automotive Campus. The Traffic Control Centre provides monitoring of traffic safety and flow on national roads for the Dutch Provinces of Zeeland, Noord-Brabant and Limburg. In the event of traffic incidents the centre also guides traffic, enabling road users to reach their destinations safely while safeguarding motorway accessibility remains safeguarded. The Group will provide the complete technical design for the new Traffic Control Centre.

In 2013 and 2014, TenneT selected the Group for major projects on their high voltage network and stations in the Netherlands. The Group won a European tender to renovate twelve 380kV stations. The replacement concerns the so-called secondary installations with the objective of maintaining the national high voltage network's control and safety equipment at a high level. The Group provides the drawings, detail engineering, delivery and assembly. Furthermore, the Group has been commissioned to build a new 380kV station. In addition to the engineering activities the Group is also responsible for the coordination of all other activities within this project including those performed by subcontractors. Activities are expected to be completed in 2016.

Marine

Today's marine operations have been built up through acquisition of a worldwide maintenance and services network and companies in Turkey and Canada as well as through a number of smaller add-ons to reinforce geographical positions. These acquisitions included (but are not limited to) the acquisitions of the worldwide service centres network of Radio Holland Group in 2006, the Turkish company Elkon in 2010, the Canadian company Group Techsol Marine in 2011, and Van Stappen & Cada.

In the marine market the Group generated revenues of EUR 415.9 million in the year ended 31 December 2013. Imtech Marine is a service provider and system integrator of technological solutions including communications, automation, entertainment, navigation, and (remote) monitoring and control systems. The revenue is evenly split between projects and services and spread across a variety of sectors including naval, cargo offshore and yachts. Imtech Marine delivers its services through its outfitting centres in the Netherlands, Germany, the UK, Turkey, Canada and China plus through its worldwide services centres of almost one hundred branches along the major international shipping routes and in the major shipbuilding centres. It is the only division that operates globally. The number of employees increased in the first half of 2014 by 41 FTEs to 2,451 FTEs. In August 2013, a new managing director and finance director started in the Marine division.

The Marine division operates across a number of market segments:

- *Offshore* is currently the largest market segment in terms of revenue. Current projects are mainly related to offshore construction and specialised vessels for oil & gas, renewable energy market and smaller workboats.
- *Naval projects* (largely comprising automation and electrical services) tend to be large and long-term projects with long lead times (time from opportunity to production). Opportunities exist particularly in Canada with large investment plans of the Canadian government.
- *Cargo* is the most important segment for the marine services business. Marine has increased focus on greener solutions and technologies.
- *Yachts* is focused on luxury yachts with the delivery of entertainment and IT solutions.
- *Cruise market*, the Group specialises in HVAC and climate systems on board.

Marine aims to operate as a full-service provider and system integrator of tailor-made technology solutions covering the whole ship, including new-builds, refits, maintenance and services. As Marine focuses more on the total life cycle of a ship, it believes this will result in the development of more strategic partnerships with key customers and will link knowledge of the (new) build phase with the operational phase. The purpose is to support and advise customers, considering and balancing benefits, costs and risks over the ships entire life plan.

The Group also began implementing "One Imtech" and "Back to the Top" action plans to drive improvement of results in its Benelux and Marine divisions, respectively. See "– Benelux – General".

Key customers

The division Marine's key customers include, amongst others, shipyards such as Damen and De Vries in the Netherlands, Meyer Werft in Germany and BAE in the UK and customers such as Maersk, Subsea7 and Heerema.

Example projects

In 2013, the Group agreed with the Royal Dutch Navy for the execution of the capability upkeep programme for Walrus-class submarines (IP-W), to ensure that the submarines will remain effectively operational. The contract includes the mechanical engineering and electrical upgrade works. The assignment will be carried out at the naval base in Den Helder, Netherlands and will run until 2020.

In 2013 and 2014, the Group worked for Heerema Fabrication Group (main contractor, who received the total order from Siemens Germany, on behalf of TenneT) on the offshore wind energy platform HelWin2. The Group is responsible for the design, construction and commissioning of the HVAC system. In this project, the Group realised significant energy and weight savings by modifying the pre-design on water-based cooling instead of air-based cooling in some areas. The platform connects a large wind park cluster in the German part of the North Sea. It converts alternating current of wind turbines to direct current, after which it is transported via subsea cables to land. In total the operations provides 690MW of sustainable energy for about 500,000 homes in Germany.

Employees and Human Resources Policy

Overview

The table below provides an overview of the employees of the Group and where they are located. These numbers are measured in FTEs.

	At 30 June 2014	At 31 December 2013	At 31 December 2012
Benelux	4,019	4,120	4,859
Germany & Eastern Europe	4,452	4,740	5,479
UK & Ireland	3,174	3,396	3,598
Nordic	5,369	5,406	4,937
Spain	1,561	1,560	1,809
Traffic & Infra	2,098	2,072	2,315
Marine	2,451	2,410	2,528
The Company (corporate functions)	90	84	75
Total	**23,215**	**23,788**	**25,600**

Three characteristics of the Group, which are the core of the Group's HR policy, are (i) its decentralised business model, (ii) it is a people business and (iii) operating in the technical services industry.

By having a decentralised business model, a strong focus on decentralised entrepreneurship is crucial as many responsibilities, duties and powers of authority are being delegated to local management levels. Stimulating local entrepreneurship is an important part in the management development programmes of the Group. The Group intends to develop its present and future management to realise continuous professional development, develop as an organisation and optimise business opportunities. Management development is in place to educate future managers, assist in preparing employees to succeed senior management and to ensure that employees showing potential are retained and given opportunities for personal and professional development.

At Group and divisional level several management development programmes are in place, e.g. a senior leadership programme and a senior programme on project management. The aim of these programmes is to develop senior managers as "leaders of their business", but also as "leaders of people". To attract young graduates, the Group offers management traineeships ("young capital programmes") and technical traineeships ("young professional programmes").

Team building and networking are essential to create more business activity and enhance business opportunities in both in content as well as in markets. The Group has set-up several councils to share best practices, encourage standards of excellence and provide a collaborative climate. Also, the development programmes, mentioned above, attribute to these goals.

In today's business environments, skilled people are essential. Attraction and retention of motivated and skilled people is one of the core elements of the Group's HR policy. To keep staff and workforce motivated, the Group (i) offers its employees an attractive and market competitive salary package, (ii) promotes and supports the health, safety and well-being of all employees, and (iii) educates, develops and motivates its employees to grow themselves.

The Group is currently reassessing its HR principles, tools and approach so as to further strengthen human resource management within the Group.

Corporate social responsibility

At the Group, corporate social responsibility ("**CSR**") means helping to meet the world's growing economic, environmental and social needs in responsible ways. The Group seeks to accomplish this by focusing on business related areas where it can make a difference. In 2013 the Group re-examined its sustainability approach and identified the most important topics based on various analyses, including stakeholder dialogue, benchmarking, media analysis and a risk-opportunity analysis. It focused first on setting-up a reliable reporting process in order to maximise transparency and to build a solid basis for the further development of the topics. As the Group was committed to giving a reliable account of its performance in 2013, it broadened the scope and collected data from every Group business around the world. This resulted in its first separate "Sustainability Report" that measures the performance of the entire Group. The Group envisages publishing a sustainability report for every year going forward.

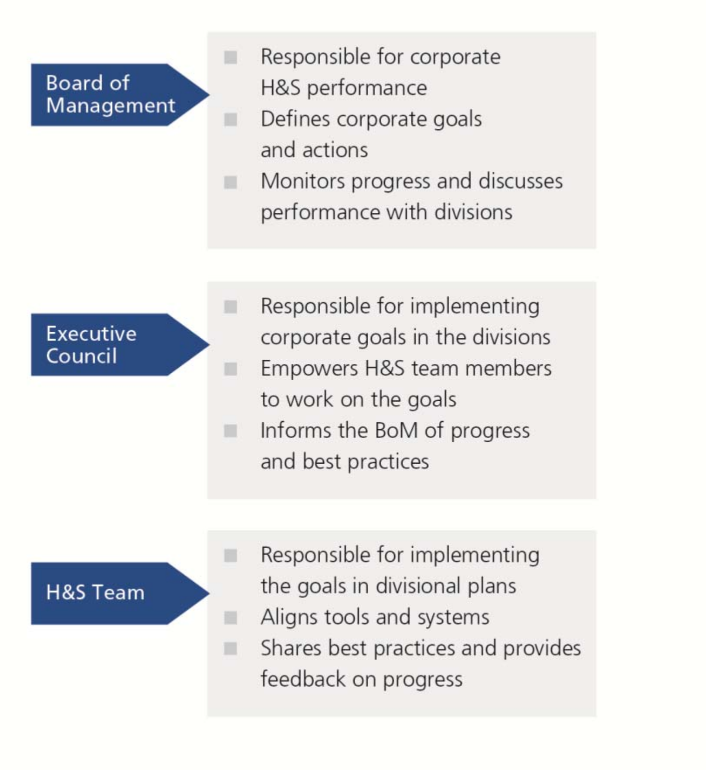
Health & Safety (H&S)

Employee H&S is a top priority of the Group. The Group focuses on a proactive safety culture by developing a healthy attitude at work, acting responsibly and holding each other accountable for what has been said and done. The Group focuses on avoiding any fatalities and incidents that harm people, or put the Group's neighbours or facilities at risk. In line with its strategic objectives of operational excellence and rebuilding its reputation, in 2013 the Group reviewed its safety culture, set new goals and reassessed its H&S working method and approach.

The Group has an H&S policy that focuses on continuous process improvement and improved performance. The Group has implemented uniform management systems for measuring and monitoring its H&S

performance. The Supervisory Board, Board of Management, and Executive Council meetings all monitor H&S performance on a close and ongoing basis.

The Board of Management is responsible for H&S within the Group. The managing directors of the divisions in the Executive Council are responsible for the achievement of the goals in the divisions. The H&S managers of the divisions ("**H&S Team**") implement the goals in their divisional plans. The H&S Team meets three times a year to align tools and systems, share best practices and provide feedback on progress. To improve the Group's performance and develop a proactive safety culture the Group strengthened its H&S plan, set corporate goals and redefined the responsibilities and working method of the new Board of Management, the Executive Council and the global H&S Team. The working method has been reinforced as follows:



For 2014 and 2015 the Group envisages to:

- implement and specify key targets in divisional H&S plans;
- gain insight in divisional actions and management systems;
- structure the H&S reporting process;
- implement safety principles in the Group's GRC programme;
- assess each division in 2014 (using its self-assessment tool); and
- share best-practises and progress on safety performance in cross-divisional groups and meetings, such as the Imtech Young Capital Group, the Company's works council, the Imtech Safety-day in the Netherlands. Learning will be facilitated by sharing knowledge of practices for example in magazines, websites, presentations and newsletters.

International standard

The Group believes it complies with the highest H&S requirements. Various Group Companies are certified on the basis of relevant ISO-quality standards, such as ISO 14001. They all have the required safety certificates and have additional certification for specific projects. Furthermore the Group is working on an international certification for all Group Companies.

Global reporting initiative

H&S is one of the topics of CSR at the Group. The Group complies to the Sustainability Reporting Guidelines of the Global reporting initiative ("**GRI**") as the world's most widely used CSR reporting framework. The Group believes that adhering to these reporting principles will contribute to achieve full transparency on its economic, environmental, and social impact. In 2013, the Group reported consistent with the sustainability reporting guidelines

G3.1 of the GRI in accordance with level B. The Group aims to comply with the G4 principles for its 2014 sustainability report.

Management reporting systems and information technology

The management reporting systems, as reinforced, are set out under "– The Group's strategy" and "Management, Employees and Corporate Governance". The Group's automation infrastructure and business applications are designed to support its business.

The service and maintenance of the automation infrastructure is organised and managed internally. The wide area networks (WAN) and fixed and mobile telephone services are outsourced to international telecom providers such as KPN, Verizon and Vodafone.

The Company has a decentralised automation organisation. For companies operating in the Benelux a shared service centre is responsible for the operational management of common and corporate systems (reporting and consolidation, procurement, etc.). Furthermore, at the different divisions, automation staff manages division specific systems.

Material contracts

The Company's material contracts include its Main Financing Agreements which have been amended and restated as part of the MTS (See "Operating and Financial Review – External sources of funding, financing and indebtedness – The Main Finance Agreements"): the RCF, the USPPs, the NGF, the EGF, the Committed Bilateral Cash Facilities and the Lock-up Agreement.

For a description of these contracts, related hedging agreements, as well as the Intercreditor and Security Deed, equalisation and loss sharing agreements and security documents, also see "Operating and Financial Review – External sources of funding, financing and indebtedness – Other Main Finance Agreements".

Furthermore, certain of the Company's direct and indirect subsidiaries and Group Companies also have their own financing agreements (comprising various credit facilities, including leasing facilities, and guarantee facilities) which are largely uncommitted and which have not been amended and restated. Total limits of these facilities amounted to EUR 245.8 million as at 30 June 2014 (approximately EUR 200.2 million excluding ICT and Green Campus). See "Operational and Financial Review - Bank loans, finance lease liabilities, guarantee facilities and hedge agreements other than the Main Finance Agreements".

Other material contacts of the Company are the Underwriting Agreement (See "Plan of Distribution") and the sale purchase agreement of the ICT division. See "Business – Divestment of ICT division".

The Group believes that there are no material contracts other the above mentioned and other than contracts entered into in the ordinary course of business, to which it or any member of the Group is a party, for the twelve-month period immediately preceding publication of the Prospectus. Also, the Group believes that, save as elsewhere disclosed in the Prospectus, there are no other contracts, other than any contracts entered into in the ordinary course of business, entered into by any member of the Group which contains any provision under which any member of the Group has any obligation or entitlement which is material to the Group as at the date of the Prospectus.

Project joint ventures

As is customary in the Group's industry, some of the Group's large projects and services are taken on in the form of partnership companies (in the Netherlands frequently in the form of *vennootschappen onder firma*), resulting in joint and several liability for each of the partners and hence the risk to the Group of being held liable for the misconduct of others. Typically, the Group aims to get (proportionally) reimbursed by its partner for any claims. However, if one or more joint venture partners are unable or unwilling to pay their proportionate share, the Group may be liable for more than its proportional share in the joint venture. Containing such risks at the level of the legal Group entity acting as partner in these partnerships may not be possible as a result of existing statements of joint and several liability issued by certain members of the Group in connection with the consolidated financial reporting of the Group or other factors. In individual cases, the Group may provide guarantees or financing commitments for the benefit of the joint venture in a proportion exceeding the Group's ownership share in the joint venture.

Project joint ventures are generally established to execute a single project. Occasionally, customers specifically require projects to be realised by different businesses operating in a joint venture in order to reduce the operational and financial risks. At Group level, the amount of revenue generated by individual joint ventures is not measured (neither is such revenue measured on an aggregate level). Revenue and profit recognition is on share interest base within the joint venture. The most relevant current project joint ventures are:

- Tamesis: a joint venture with the UK construction firm Laing O'Rourke for design and build the extension of the existing sewage treatment plants at Beckton and Crossness and two Advanced Digestion schemes also at Beckton and Crossness. The joint venture's customer is Thames Water Utilities. Total contract value for Imtech UK & Ireland is EUR 128 million and is expected to finish in 2015.

- Berlin Brandenburg Airport: a joint venture with the technical services company Caverion for the design and build of mechanical solutions for amongst others fire protections systems. Furthermore, Imtech is involved in the design and build of the electrical solutions for this project. Total initial contract value for Imtech Germany & Eastern Europe is EUR 114 million.
- VIA NZL vof: a joint venture with Volker Wessels for the installation of station and rail systems for the subway in Amsterdam. The joint venture's customer is the City of Amsterdam. Total contract value for Imtech Netherlands and Imtech Traffic & Infra is EUR 95 million and is expected to be delivered in 2016.
- Poseidon: a joint venture with the Belgian construction firm Denys for design, build, finance and maintain for a new tram route in Antwerp. Denys will provide the civil and construction activities and Imtech Traffic & Infra is responsible for all technical solutions. Total contract value for Imtech Traffic & Infra is EUR 30 million. The building part is expected to finish in 2015 and the maintenance component of the contract 25 years later.
- PI Zaanstad: A new prison building where the Group is cooperating with a joint venture partner (Ballast Nedam) for several building services works. The total project is a PPP (public private project) but the Group is no part of the PPP or Special purpose vehicle.
- Prestatiegericht Onderhoud Gelre 2: Maintenance for Dutch railways in a contract area. This is not a joint venture in the traditional sense as the Group is 40% shareholder in Asset Rail B.V. who is executing the project.
- AMP6: framework contracts for UK based Water companies. These are traditional joint ventures where the joint venture has a non exclusive framework contract with a UK based water companies for a series of small projects and maintenance.

The number of larger and more complex projects in the form of performance contracts and DBFMO-orders (via third parties – in various combinations) in the market is increasing. As a result, the Group is increasingly taking over responsibilities from customers, which includes preliminary work such as planning and design, but also aspects of maintenance, monitoring and prevention on the systems. This type of project, which is generally carried out as a participant in a construction consortium or other form of cooperation, has a higher risk profile and is more complex in legal terms than traditional specification-based projects. Some contracts also include so-called change of control clauses. The Group's risk, legal and insurance departments work together with the ultimate aim of an integral risk management approach. This way of working, which in 2013 was further enforced for all DBFMO or similar tenders of significance, aims to achieve that the project risks the Group could face are specified clearly and are taken into consideration when deciding whether or not to accept a project.

Subcontractors

The Group is partially dependent on the services of subcontractors. It has a network of a large number of subcontractors and generally works with smaller parties so that its business is not adversely affected e.g. in case a subcontractor would cease its business or become insolvent. For the year ended 31 December 2013, approximately 23.6% of the Group's total revenue from operations was paid onwards to subcontractors and spent on other external charges, such as third party costs.

The use of subcontractors is particularly prevalent in the implementation of large projects in all market segments. When employed, within a project, subcontractors are generally responsible for the installation of the general technical infrastructure, such as cabling and plumbing. The primary contractual obligation of a subcontractor usually consists of completing a specifically defined part of a project. The Group selects its subcontractors based on, inter alia, their financial soundness and their skills to perform their work efficiently and free of defects. The Group believes that it is successful in contracting qualified subcontractors for it projects. The Group aims to establish and maintain long-lasting relationships with its subcontractors.

Intellectual property, licenses

The Group relies primarily on trade secrets, confidentiality policies and other contractual agreements to protect intellectual property where the Group believes that copyright is not appropriate or obtainable. During the course of its work, the Group is often required to share its drawings and know-how and these are not always protected by an intellectual property right.

An important intellectual property asset is the brand name, "Imtech". The Group operates mainly under the trade name "Imtech", but also has certain other trade names. See "General Information – Legal name and trade names of the Company". The names of divisions and operating companies can be recognised by the name Imtech with the additional specification of the activity which they carry out.

Property, plant and equipment

The Group's main assets consist of land and buildings, and other property, plant and equipment, including vehicles and office furniture. Buildings are mostly rented, although some Group entities own their land and buildings. Most of the vehicles are leased, partially under finance lease (particularly in Sweden) which are recorded on-balance.

The Group's policy is to lease, rather than to own, its properties, preferably on short-term leases in order to maintain flexibility. The Group leases a fleet of light vehicles in all European countries in which it is operating. Leases for light vehicles typically average three to four years.

Most of the lease expenses relate to leases with terms of more than one year. As of 31 December 2013, the net value of property, plant and equipment on the Group's balance sheet was EUR 161.0 million. The Company believes that its properties are adequate for its present needs and that suitable additional or replacement space would be available to the extent required.

Legal and arbitration proceedings

Except as set out in this paragraph, neither the Company, nor any of the other Group Companies, are, or during the 12 months preceding the date of this Prospectus have been, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), which may have, or have had in the recent past significant effects on the Company's and/or the Group's financial position or profitability.

From time to time, the Group is party to various legal and administrative proceedings in the ordinary course of business or otherwise. In accordance with IFRS, the Group makes a provision for a liability when it is both probable that payment will need to be made on an obligation arising from an obligating event and the amount of the payment can reasonably be estimated. As specified in IFRS, the Group considers an obligating event to be one that creates a legal or constructive obligation which leaves the Group with no realistic alternative but to settle the obligation. This is the case where the obligation can be enforced by law or where other parties have valid expectations that the Group will discharge the obligations. The Group considers a present obligation to exist at the end of a reporting period if, based on all available evidence, it is more likely than not that a present obligation exists. If it is more likely than not that a present obligation exists at the end of a reporting period, the Group discloses a contingent liability, unless the possibility of an outflow of resources embodying economic benefits is remote.

These provisions are reviewed at least quarterly and adjusted to reflect the impacts of negotiations, settlements, rulings, advice of legal counsel, and other information and events pertaining to a particular case. Litigation is inherently unpredictable and it is possible that cash flows or results of operations could be materially and adversely affected in any particular period by the unfavourable resolution or disposition of one or more of these contingencies.

Various significant claims are made against the Group by customers relating to work performed by the Group. In addition, also inherently connected with the industry, there are often a number of smaller claims of different sizes and various kinds against the Group. When recognition criteria are met, the Group records a provision for the expected costs related to claims (H1 2014: EUR 9.5 million; 2013 financial year: EUR 9.5 million; 2012 financial year: EUR 3.9 million). The total amount of claims against the Group is EUR 218.4 million as of 30 June 2014. The provisions recorded and expenses incurred in connection with claims negatively impact the Group's margin. Since the management change in 2013, the Group applies a more conservative approach as to the recognition of receivables with respect to claims of the Group against customers.

In connection with the Irregularities, certain investor interest groups have expressed that they may start litigation against the Group. One investor group already initiated court proceedings against the Company by serving a writ of summons. The Group will defend against any civil lawsuits filed against it by or on behalf of shareholders in connection with the events described in the Report. However, where appropriate, the Group may also engage in discussions with insurers and investor interest groups and shareholders to see whether, whilst disclaiming all liability, extended litigation can be avoided through an out-of-court settlement at reasonable terms. The Group already engages in discussions with certain investor interest groups. The following paragraphs set out the material developments. The future progress and outcome of these discussions, as well as the potential financial consequences of investor litigation, are uncertain. It cannot be excluded that investor interest groups other than the investor interest groups mentioned below and/or shareholders will seek to hold the Company liable in connection with the Irregularities. See "Risk Factors" – Risks relating to the Group's business – The Group is and may in the future become, party to legal proceedings arising from the normal operation of the Group's business". In connection with the Irregularities and subsequent events or otherwise, the Group may become party to legal proceedings and become subject to regulatory or criminal investigations, which could have a material adverse effect on the Group's business, reputation, results of operations, financial conditions and prospects.

Settlement VEB

On 7 October 2014, the Company, former members of its Board of Management and (former) members of the Supervisory Board concluded a settlement with the Dutch Investors Association VEB (*Vereniging VEB NCVB*;

"**VEB**") and certain major shareholders, including APG, and KPMG. The settlement relates to claims by VEB members in relation to the developments described in the Report.

Pursuant to the settlement, a settlement fund will be established from which eligible shareholders will be compensated if they decide to opt-in to the settlement. The settlement fund will be funded by the insurers, a contribution by KPMG Accountants N.V., the restitution of bonuses by the former members of the Board of Management and a contribution by the Company. Compensation from the settlement fund is restricted to VEB members. Retail investors who are VEB members on the date of the settlement, and who opt in to the settlement, will receive a compensation based on amongst other things the number of shares in the Company held by them on 1 February 2013 at closing of Euronext. Retail investors who become a VEB member within four months after the date of the settlement, and who opt in to the settlement, will receive up to half the compensation that an investor who is a VEB member on the date of the settlement would have received. The VEB has expressed that it expects eligible VEB members on the date of the settlement to receive about EUR 1 per share and, accordingly, other VEB members a maximum of about EUR 0.50 per share.

A part of the compensation is unconditional and will likely be paid out within one year from the date of the settlement. Another part of the compensation is conditional and will be paid out after 1 July 2018. The exact total amount that eligible shareholders will receive depends amongst other things on the number of opt-ins, their shareholding on 1 February 2013 at closing of Euronext and their trading history. The execution of the settlement will take place under the supervision of the settlement fund.

By opting in to the settlement, eligible shareholders waive all claims against the Company, the members and former members of its Board of Management and the members and former members of the Supervisory Board and certain other parties, including KPMG, in connection with the events set out in the Report.

The settlement will not have a material impact on the Company's results of operations or cash flow.

For additional information on VEB's claims, which are the subject of the settlement, see note 32 to the Company's audited consolidated financial statements for the financial year ended 31 December 2013, which are incorporated by reference in this Prospectus.

Deminor

On 28 August 2013, Deminor International SCRL / CVBA ("**Deminor**") sent the Company a letter on behalf of a number of institutional investors containing a notice of liability addressed to the Company. Stichting Belangenbehartiging Gedupeerde Beleggers Imtech ("**SBGBI**"), a claim foundation established by Deminor, has served a writ of summons to the Company and certain former members of the Board of Management and (former) members of the Supervisory Board. SBGBI seeks – in short – a declaratory decision that the Company and certain former members of the Board of Management and (former) members of the Supervisory Board have acted unlawfully towards shareholders by giving a misleading impression of the Company's performance in the period leading up to events set out in the Report.

There have been meetings with Deminor and SBGBI to explore the possibility of reaching an out-of-court settlement in relation to their constituency. In the last few weeks, contacts and negotiations have intensified but have not resulted in a settlement.

Fritz & Macziol Schweiz

In February and March 2014, the Company announced that it had started an internal investigation following Swiss media coverage which contained allegations of unethical business behaviour by three former managers of Fritz & Macziol Schweiz ("**F&M Schweiz**"). This behaviour allegedly included excessive gifts and entertainment offered to certain Swiss State Secretariat for Economic Affairs ("**Seco**") civil servants. The internal investigation initiated by the Group was conducted by a substantial external team of lawyers, accountants and forensic experts.

Both the Swiss federal public prosecutor's office and the public prosecutor's office of the Canton of Zurich (hereinafter referred to as the "**Swiss Authorities**") started a criminal investigation following Swiss media coverage. The focus of the criminal investigations is the provision of personal benefits in return for IT-orders. At the moment F&M Schweiz is not a suspect in the criminal investigations of the Swiss Authorities.

The Group's initial findings confirm that there existed a non-business like relationship between former management of F&M Schweiz and certain Seco civil servants. This was reflected in excessive entertainment, overly informal contacts and questionable business behaviour. Also a conflict of interest by F&M Schweiz management was identified.

As a result, the management of F&M Schweiz was replaced. Furthermore, F&M Schweiz has been downsized significantly and full closure is planned in the near future. The Company strongly rejects any unethical business behaviour and has further tightened its policies on matters like sponsoring, gifts, hospitality and conflicts of interest.

As of the date of this Prospectus, the criminal investigations by the Swiss Authorities are still ongoing. Therefore it is too early to draw final conclusions and developments in these criminal investigations could trigger further internal investigation. The potential financial exposure of this matter is at the date of this Prospectus difficult to assess.

AFM investigation

The AFM is investigating whether (among others) the Company has complied with the rules on market abuse (including the requirement of section 5:25i FMSA to without delay make public price sensitive information and the prohibition of section 5:58 FMSA on market manipulation) with respect to the period 1 June 2012 through 1 March 2013. The investigation is in the fact-finding phase and relates to, among others, the qualification by the Company of the instrument referred to as a *wissel* (legally, a bill of exchange, but from the context, a promissory note) of about EUR 150 million as "cash and cash equivalents" in the Group's financial statements for the first six months of 2012. The investigation could result in fines and certain other sanctions being imposed by the AFM against the Company and/or its former Board of Management. Such sanctions will, in principle, be published. The Company is fully cooperating with this investigation.

Other

In addition, the Group received a few letters from investors with a demand for compensation for alleged losses on shares in the Company. The Company has denied those claims for lack of legal and factual substantiation.

Divestment of ICT division

On 26 August 2014, the Company entered into an agreement with Vinci Energies S.A. regarding the sale of the Group's ICT division to Vinci Energies S.A. for an enterprise value of EUR 255 million. After deduction of the agreed value items, the value for the Group's ICT division is EUR 223 million. From this amount, transaction costs (currently estimated at approximately EUR 12 million) will be paid and EUR 30 million will be used as security for liabilities assumed by the Company under the sale and purchase agreement. This EUR 30 million is broken down as follows: (i) EUR 5 million relates to possible leakage of cash flows to the Group between the effective date of the transaction (30 June 2014) and closing of the transaction and will be released six months after closing to the extent no leakage of cash flows has been identified during that six month period, and (ii) EUR 25 million relates to warranties, indemnities and the tax covenant, of which EUR 10 million will be released 18 months after closing to the extent there are no pending claims. The remaining EUR 15 million will be released 5 and a half years after closing, again, to the extent there are no pending claims. The Company will receive an amount of interest over the proceeds depending on the date of closing. As a result, an estimated amount between EUR 180 million and EUR 190 million is expected to be available as net proceeds at closing of the sale of the ICT division (envisaged to take place in Q4 2014) for enhancement of the liquidity position of the Group and for debt reduction as agreed with the Main Financiers. See "Financial and Operational Restructuring – Financial and Other Measures – Use of proceeds of the Offering and the ICT sale". For the treatment of the sale of ICT in the H1 2014 accounts, please see "Operating and Financial Review – Financial Statements; Accounting Restatements". In light of the intended divestment of the Group's ICT division, the related goodwill has been reclassified to assets held for sale and a fair value adjustment of EUR 60 million has been accounted for. See "Operating and Financial Review – Principal Factors Affecting Results of Operations and Comparability of Results – Impairments and write-offs – 2014 financial year" and "Operating and Financial Review – Principal Factors Affecting Results of Operations and Comparability of Results – Acquisitions and divestments – Divestiture of the ICT division."

The agreement is subject to competition clearance from the European Commission and closing conditions in respect of (i) completion of and compliance with employee consultation procedure in the Netherlands, (ii) an auditor's report, drawn up at the joint instruction of Vinci Energies S.A. and the Company, on the combined financial statements of the Group Companies of the ICT division as per 30 June 2014, not identifying any material adjustments to those combined financial statements, (iii) no judicial action or proceeding being instituted (or threatened) by a governmental authority or third party challenging the transaction, (iv) absence of allegations of (potentially) material fraud or bribery by or on behalf of any of the Group Companies in the ICT division, and (v) fulfilment by the parties of their respective closing obligations. Closing is envisaged to take place in Q4 2014. See "Operating and Financial Review – Recent Developments, Current Trading and Prospectus – Update on divestment processes and progress on legacy items". However, it is possible that the sale is not closed due to unforeseen circumstances or non-fulfilment of the closing conditions or that the proceeds will be lower than expected. See "Risk Factors – Risks relating to the Group's business – If the recent sale of the ICT division does not or not timely close or the proceeds are significantly lower than expected, this may have a material adverse impact on the Group's business, results, financial condition and prospects". The Group believes that the divesture of the ICT division will not have an impact on the value proposition for the customers. Automation expertise and know-how in the field of amongst others building automation, infrastructure automation, telecommunication, industrial automation and technical automation are an integral part of the offered value proposition of the other Group divisions.

In 2013, the revenue of the ICT division amounted to EUR 740.1 million with an operational EBITDA of EUR 36.9 million. The ICT division employs 2,380 staff and has strong partnerships with worldwide technology leaders such as Cisco, IBM, Microsoft, Juniper and SAP. Its strategy is built on five key portfolio offerings: cloud solutions, managed services, business analysis, collaboration solutions and business solutions. Imtech ICT provides services to approximately 7,000 customers in the Netherlands, Germany, Austria, Sweden, Belgium, Switzerland, the UK and the Philippines.

F&M Schweiz will not be included in the divestment of the ICT division. The business has been downsized significantly and full closure is planned in the near future. See "– Legal and arbitration proceedings – Fritz & Macziol Schweiz".

Divestment of Arma shares

On 20 December 2013, the Group agreed to sell and transfer its 80% shareholding in Arma to the previous owners and management of the company. The Group decided to dispose of the 80% shareholding following the strategic review announced on 7 November 2013. In this review, it was concluded that the profile of Arma was not in line with the Group's current strategic framework.

Of the 80% shareholding to be sold, 31% was transferred on 12 February 2014. The remaining 49% is expected to be transferred on 23 March 2015. The consideration of USD 30.1 million has been and will be paid partly upon closing and partly through instalments until 31 December 2015. Until closing of the transaction on the aforementioned date, 83% of the total consideration will have been received by the company. The transaction has resulted in cash inflows of USD 21.5 million in 2014 and will result in cash inflows of USD 8.6 million in 2015. The future payments are secured by personal and bank guarantees provided by the buyers.

As a result of this transaction, the Group has included Arma as discontinued operation in the 2013 Financial Statements. The transaction has resulted in a non-cash write down of the book value of EUR 40.8 million. Closing of the transaction has been approved by the Turkish competition authorities. See "Operating and Financial Review – Principal Factors Affecting Results of Operations and Comparability of Results – Acquisitions and divestments – Disposal of AE Arma Elektropanç". For the treatment of the sale of the shareholding in Arma in the H1 2014 accounts, please see "Operating and Financial Review – Financial Statements; Accounting Restatements".

Divestment of Green Campus

On 29 August 2014 the Company signed an agreement with Zenium Technology Partners to sell Green Campus, which had been a part of the division Germany & Eastern Europe. The Company had decided in 2013 that, in line with the Neue Imtech strategy, Green Campus had to be considered a non core activity, and should be sold. However, at that time, no suitable buyer could be found. The sale of Green Campus is expected to lead to a decrease in risk profile of the division Germany & Eastern Europe. The transaction was finalised on 18 September 2014 and has led to a non-operational book profit of EUR 18.1 million, which has been recorded in H1 2014.

Divestment of IHC

In July 2014, the Company decided to sell its 50% shareholding in IHC Systems B.V. to IHC Merwede B.V. The Company and IHC Merwede B.V. originally joined forces to develop innovative technologies. The Company is selling its share in IHC Systems B.V. to focus on its own core activities. The negotiations on the sale of the investment in IHC Systems B.V. were finalised in July 2014, and resulted in a book profit of approximately EUR 12 million. The execution of the transaction was finalised on 29 August 2014. The book profit on the sale will therefore be recorded in H2 2014.

OPERATING AND FINANCIAL REVIEW

The following operating and financial review is intended to convey management's perspective on the operating performance and financial condition of the Group during the periods under review. This disclosure is intended to assist readers in understanding and interpreting the consolidated financial statements of the Group prepared in accordance with IFRS incorporated by reference in this Prospectus. The discussion should be read in conjunction with "Selected Historical Financial Information", the consolidated financial statements (or condensed consolidated interim financial statements) of the Group and the accompanying notes incorporated by reference in this Prospectus.

Unless otherwise indicated, the financial information presented in this Operating and Financial Review has been compiled on the following basis:

- *the financial information for H1 2014 and H1 2013 has been extracted from the reviewed but unaudited condensed consolidated interim financial statements for H1 2014, prepared in compliance with IAS 34 ("Interim Financial Reporting"), which are incorporated by reference in this Prospectus and which also contain comparative financial information for H1 2013 (the auditor's review report on the condensed consolidated interim financial statements for H1 2014 was unqualified but included an emphasis of matters relating to the existence of material uncertainties which may cast significant doubt about the entity's ability to continue as a going concern as set out in note 3 to the condensed consolidated interim financial statements for H1 2014) (the "**H1 2014 Interim Financial Statements**"); and*
- *the financial information for the 2013 financial year and 2012 financial year has been extracted from the audited consolidated financial statements for the 2013 financial year, which are incorporated by reference in this Prospectus and which also contain comparative financial information for the 2012 financial year (the auditor's report on the audited consolidated financial statements for the 2013 financial year was unqualified but included an emphasis of matters relating to the existence of material uncertainties which may cast significant doubt about the entity's ability to continue as a going concern as set out in note 2 to the audited consolidated financial statements for the 2013 financial year) (the "**2013 Financial Statements**").*

The following discussion contains forward-looking statements. The Group has based these forward-looking statements on its current expectations about future events. The Group's actual results may differ materially from those anticipated in these forward-looking statements as a result of many important factors, including those set forth under "Risk Factors" and elsewhere in this Prospectus. See also "Forward-Looking Statements" and "Important Information".

In this operating and financial review, references to the "2013 financial year" and the "2012 financial year" refer to the financial years ended 31 December 2013 and 2012, respectively, and references to "H1 2014" and "H1 2013" are to the six months ended 30 June 2014 and 2013, respectively.

This Prospectus contains the information required under the proportionate disclosure regime referenced in Section 7 paragraph (2) subparagraph (g) of the Prospectus Directive and Section 21 paragraph (3) of the Prospectus Regulation. Under the proportionate disclosure regime, a prospectus does not need to contain all of the items of information that would otherwise under the Prospectus Directive and the Prospectus Regulation need to be disclosed in a prospectus for a public offering of shares other than through rights to subscribe for shares (including that it does not need to contain an operating and financial review and is required to contain financial information only for the last financial year). This Operating and Financial Review therefore contains a comparison only of the financial results of the Group for the 2013 and 2012 financial years and H1 2014 and H1 2013.

Financial Statements; Accounting Restatements

Unless otherwise indicated, the financial information included in this document is based on the International Financial Reporting Standards as adopted by the European Union ("**IFRS**").

Preparation of the Group's financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are discussed in "– Critical accounting policies and estimates".

Changes in accounting policies that arise from the application of new or revised standards and interpretations are applied retrospectively, unless otherwise specified in the transitional requirements of the particular standard of interpretation. Retrospective application requires that the results of the comparative period and the opening balances of that period are restated as if the new accounting policy had always been applied. In some cases, the transitional requirements of the particular standard or interpretation specify that the changes are to be applied prospectively. Prospective application requires that the new accounting policy only be applied to the results of the current period and the comparative period is not restated. In addition, comparatives have been reclassified or extended from the previously reported results to take into account any presentational changes. Accordingly, the financial information contained in the consolidated financial statements for a particular year may not be comparable with the financial information contained in the consolidated financial statements for another year due to changes in IFRS and the Company's accounting policies or the retrospective application of discontinued operations.

The 2013 Financial Statements incorporated by reference in this Prospectus, and the financial information for the 2013 financial year extracted therefrom, reflect (i) the application of IAS 19R and (ii) the 2013 decision to dispose of Arma. Consequently, the comparative financial information for the 2012 financial year, and the financial information for 2012 financial year extracted therefrom, contained in the 2013 Financial Statements have been restated to also reflect (i) the application of IAS 19R and (ii) the decision to dispose of Arma, resulting in the restatement of the profit and loss account for 2012 to show the discontinued operations separately from continuing operations. For additional information, see notes 3 and 13 to the 2013 Financial Statements.

The H1 2014 Interim Financial Statements, and the financial information for H1 2014 extracted therefrom, reflect the application of new respectively revised standards (i) IFRS 10, (ii) IFRS 11, (iii) IFRS 12, (iv) IAS 27, (v) IAS 28 and both (vi) the (post-H1) 2013 decision to dispose of Arma and (vii) the 2014 decision to dispose of the ICT division. Consequently, the comparative financial information for H1 2013, and the financial information for H1 2013 extracted therefrom, contained in the H1 2014 Interim Financial Statements have been restated to also reflect (i) IFRS 10, (ii) IFRS 11, (iii) IFRS 12, (iv) IAS 27, (v) IAS 28 and (vi) the decision to dispose of Arma and (vii) the decision to dispose of the ICT division. See notes 4, 5 and 8 to the H1 2014 Interim Financial Statements.

Background

The Company is an independent technical services provider, delivering technical solutions to a diverse range of customers in the buildings, industry, traffic & infra and marine markets in Europe and selected other countries.

The following table sets out certain main financial indicators for the Group as of and for the 2013 and 2012 financial years and H1 2014 and H1 2013. As explained in "– Financial Statements; Accounting Restatements", because the decision to sell the ICT division did not occur until 2014, the financial figures for the 2013 and 2012 financial years include ICT. The financial figures for H1 2013 and H1 2014 exclude ICT.

	As of and for the year ended 31 December		**As of and for the six months ended**	
	2013	**2012 (Restated)(1)**	**30 June 2014(4)**	**30 June 2013 (Restated)(2)(4)**
	EUR million (unless otherwise indicated)			
Continuing Operations				
Total revenue and other income	4,944.9	5,354.9	1,952.0	2,162.1
Result from continuing operations	(639.6)	(235.6)	(231.7)	(228.6)
EBITDA(4)	(423.9)	(74.3)	(94.8)	(160.1)
Operational EBITDA(4)	(44.4)	(23.7)	(24.9)	(58.7)
Operational EBITDA margin(4)	(0.9)%	(0.4)%	(1.3)%	(2.7)%
Discontinued Operations				
Result from discontinued operations (net of tax)	(57.0)	(4.9)	(69.8)	(1.9)
Net interest-bearing debt(4)	745.0	773.0	1,063.0	894.7(5)
Order intake(4)	4,726.0	N/A(3)	1,954.9	n/a
Working capital(4)	(9.5)	106.0	69.0	332.3(5)
Number of employees (FTEs)(4)	26,168	28,022	23,215	n/a

(1) Restated in 2013 for the revised reporting of employee benefits (IAS19R) and the activities of Arma, which have been classified as discontinued operations because of the 2013 decision to sell Arma.

(2) The profit and loss items have been restated for IFRS 10, 11, and 12, IAS 27 and 28, and the activities of Arma and ICT, which have been classified as discontinued operations.

(3) The Company has been using order intake as a performance measure starting with the 2013 financial year and did not publish any order intake figures prior to this period.
(4) These figures have not been subject to an audit.
(5) These figures are drawn from the unaudited condensed consolidated interim financial statements for H1 2013 and have not been restated for IFRS 10, 11, 12, IAS 27 and IAS 28 as effective from 1 January 2014.

The Group manages and assesses the performance of its business through various means, with the primary financial measures including (i) operational EBITDA, (ii) operational EBITDA margin, (iii) working capital and (vi) order intake.

- The Company defines operational EBITDA as EBITDA excluding items that are assessed to be of a non-operational character. Items assessed to be non-operational relate to expenses that, given their size or nature, have been identified as distinct from the ordinary activities of the Group, such as restructuring costs, acquisition expenses, some refinancing costs, write-offs, legacy items (which are items from the past that do not have a direct relation to current operations, but do affect the comparability of results) and results from divestments of operations. As such, management believes operational EBITDA is a measure for operational performance. Operational EBITDA is not a measure defined by IFRS. See "– Use of Certain non-IFRS Measures".
- Operational EBITDA margin (expressed as operational EBITDA as a percentage of total revenue and other income) reflects the Group's performance on contracts and ability to control costs (after excluding items that are assessed to be of a non-operational nature). Operational EBITDA margin is not a measure defined by IFRS. See "– Use of Certain non-IFRS Measures". While the ratios of various elements of operating expenses as a percentage of total revenue and other income can shift as a result of changes in the mix of businesses with different cost profiles, a focus on maintaining and improving overall margins and total operating expenses as a percentage of total revenue and other income is intended to improve efficiencies and profitability. While the Group historically focused on revenue and EBITDA growth, in 2013 the Group shifted its focus towards operational EBITDA margin in line with market practice.
- Working capital reflects the operational performance from a balance sheet perspective, and the Group's ability to control the funding of ongoing projects. Working capital is not a measure defined by IFRS. See "– Use of Certain non-IFRS Measures". The Group is taking steps to reduce working capital, in order to limit the amount of financing needed.
- Order intake reflects a key driver of future revenue and provides management an assessment of the Group's ability to compete. Order intake tends to fluctuate over time as a result of the number, size and quality of tenders in the market at large, the number of tenders pursued by the Group and the number of contract wins, as well as numerous external factors (*e.g.*, weather patterns, the financial environment in relevant markets). Order intake is not a measure defined by IFRS. See "– Use of Certain non-IFRS Measures".

Reporting segments

The Group has eight reporting segments for financial reporting purposes. The reporting segments, which the Company calls divisions, are (1) Benelux, (2) Germany & Eastern Europe, (3) UK & Ireland (4) Nordic, (5) Spain, (6) ICT, (7) Traffic & Infra and (8) Marine. See "Business – Divisions". As a result of the decision to dispose of the ICT division, in conformity with IFRS, the results presented for the Group's continuing operations for H1 2014 (and the comparative results presented for H1 2013) exclude the results from the ICT division, and the results for the 2013 and 2012 financial years include the results from the ICT division. See "– Financial Statements; Accounting Restatements".

These divisions are based on the Group's management structure and internal reporting structure. This reporting segment/division structure is a new structure, as the Group adjusted its divisional reporting in 2013 to align with its divisional structure resulting from changes in the Board of Management and related changes in responsibilities and reporting lines. The activities relating to Infra, which were previously reported in the Benelux division, are now reported in the division Traffic & Infra. Furthermore, Marine and Spain, which were previously included in the reporting segment Other, are now shown separately. The comparative figures 2012 have been adjusted to reflect this reporting structure.

Principal Factors Affecting Results of Operations and Comparability of Results

The Group's operating and financial results, as well as the period-to-period comparability of the Group's financial results, are affected by a number of external and internal factors, as discussed in more detail below.

Impairments and write-offs

2012 financial year

In the 2012 financial year, the Group recorded significant write-offs, including, among others, approximately EUR 370 million relating to the Irregularities in Germany (EUR 220 million) and Poland (EUR 150 million). These write-offs relate to:

- The Adventure World Warsaw (AWW) project in an amount of EUR 50 million;
- An amount of EUR 65 million regarding related projects where investigations revealed various misappropriations of assets, including payments made to vendors and other third parties, and the issuance of bank guarantees for the debts of third parties, without an apparent underlying business rationale;
- Impairments of trade receivables in an amount of EUR 75 million; and
- Revaluation of work in progress in an amount of approximately EUR 180 million.

Additional 2012 impairments in other divisions include an impairment of EUR 20 million relating to the goodwill of the Spanish division resulting from a structural change of view on the Spanish medium- and longer-term market developments. The Company determined that the Spanish division's activities were likely to be at lower volumes and with lower profitability and, as a result, decided to restructure the division.

As a result, although prepared on a consistent basis under IFRS, the comparability of the results for the 2012 financial year relating to the division Germany & Eastern Europe, and the consolidated Group as a whole, are of limited comparative value.

2013 financial year

In the 2013 financial year, the Group recorded valuation allowances and expected project losses resulting from changes in management accounting estimates in the Benelux (EUR 15 million) and Marine (EUR 25 million) divisions. These amounts are included in the result from operating activities.

Additionally, in the 2013 financial year, the Group recorded valuation allowances totalling EUR 230 million (of which EUR 180 million relate to the division Germany & Eastern Europe). The EUR 230 million of valuation allowances primarily resulted from changes in management accounting estimates, based on a different approach to valuing working capital by prioritising the closure of open issues and receiving cash (as opposed to maintaining higher valuations pending protracted client discussions), and included approximately EUR 225 million in operating expenses and EUR 5 million in the result of other investments. Of the EUR 225 million included in operating expenses, approximately EUR 29 million related to impairment losses on (in)tangible assets. The legacy items that remained in the balance sheet as at 31 December 2013 amounted to approximately EUR 82 million. The vast majority of these remaining legacy items do not have a direct relation to current operations, but do affect comparability of results.

Furthermore, on 20 December 2013, the Group agreed to sell and transfer its 80% shareholding in Arma to the previous owners and management of the company. The transaction has resulted in a non-cash write down of the book value of EUR 40.8 million.

2014 financial year

On 26 August 2014, the Group reached agreement regarding the sale of the ICT division at an enterprise value of EUR 255 million. As a result of the agreement, a fair value adjustment of EUR 60 million has been accounted for. This adjustment mainly relates to the impairment of intangible assets.

Reorganisations, cost savings and efficiency improvements

2012 reorganization in the Benelux, Spain and Marine divisions

In October 2012, the Group announced a reorganisation in the Benelux, Spain and Marine divisions resulting in total charges of EUR 50.2 million relating to redundancies involving around 900 FTEs in those businesses. This step was intended to address the disappointing results from the Benelux and Spain divisions, as well as a relapse in the Marine division. Most of the affected employees were involved in new-build activities in the buildings markets in the Benelux, and in part in Spain.

2013 Cost and Efficiency Programme

In April 2013, the Company announced the Cost and Efficiency Programme, a company-wide operational excellence programme with a strong focus on improving profitability and cash generation and strengthening business controls. For further information concerning the Company's various operational excellence programmes, see "Financial and Operating Restructuring – Operational Measures – Operational excellence programmes and restructuring measures". The Cost and Efficiency Programme related primarily to the Benelux, Germany &

Eastern Europe, Traffic & Infra and Marine divisions, and contained a headcount reduction plan of 1,300 FTEs to improve profitability. In the second half of 2013, the Group intensified its recovery plan to extend the headcount reduction plan to cover approximately 2,300 FTEs. The bulk of the increased headcount reductions were completed during H1 2014.

Through the Cost and Efficiency Programme and other cost savings and efficiency improvement measures aimed to address the economic downturn and the ensuing decrease in demand, the Group has taken measures to reduce both costs that are directly attributable to customer-related work and costs that are not directly attributable to customer-related work, such as overhead, marketing expenses, office space, lease payments and IT. These indirect costs are generally not substantially affected by changes in revenue. As a result of the relatively fixed nature of the Group's indirect costs, fluctuations in the demand for the Group's services result in fluctuating profitability.

As part of the Cost and Efficiency Programme, the Group began implementing a "Neue Imtech" action plan in Germany to drive improvement of results. This programme prioritises healthy project margins over volume and was based on a detailed action plan consisting of eight building blocks: project execution excellence, procurement, improving sales processes, prudent spending, streamlining organisation and staff (including headcount reductions of approximately 1,100 FTEs), modern cash management, closure of unprofitable branches in Eastern Europe, and establishment of a sustainable strategy.

The Group also began implementing "One Imtech" and "Back to the Top" action plans to drive improvement of results in its Benelux and Marine divisions, respectively. The "One Imtech" programme focuses on adjusting the organisation of the Group's Benelux business to the current market situation, reducing its overhead costs and improving the overall quality of its project execution. The "Back to the Top" programme focuses on operational excellence by increasing the project- and sales-oriented focus of the division's organisation, reducing its overhead costs, strengthening its cash and working capital management and improving the quality of its project execution.

In 2013, the total cost of the Cost and Efficiency Programme amounted to EUR 103.8 million, which is reflected in the 2013 Financial Statements incorporated by reference in this Prospectus, of which EUR 98.9 million is included in personnel expenses and EUR 4.9 million is included in other expenses (relating to, amongst others, amounts paid on car lease contract guarantees and legal and advisory costs). Costs relating to approximately 300 of the approximately 2,300 FTEs made redundant in connection with the Cost and Efficiency Programme have been incurred in 2014. In H1 2014, the total cost of the Cost and Efficiency Programme amounted to EUR 16.6 million, of which approximately EUR 10.5 million is related to personnel expenses and EUR 6.0 million is related to other expenses.

2014 New Cost and Efficiency Programme

In August 2014, the Company announced the New Cost and Efficiency Programme, additional restructuring measures related, in part, to the "Neue Imtech", "One Imtech" and "Back to the Top" programmes to be implemented in the second half of 2014 in order to strengthen competitiveness and profitability in light of the ongoing challenging market conditions and efficiency programmes. The New Cost and Efficiency Programme will include a headcount reduction in the industrial business unit and in the sales & operations and overhead functions in the Netherlands. The Company also announced that a provision for excess Dutch rental contracts will be taken. The New Cost and Efficiency Programme will also include an indirect cost reduction programme in Germany aimed at continuing to deal with reduced volumes. The Company also announced that a provision will be taken for excess German rental contracts. Additionally, the Marine division will reduce its headcount – mainly within its German business. Total headcount reduction under the New Cost and Efficiency Programme is expected to total approximately 750 FTEs, with restructuring costs for the New Cost and Efficiency headcount reduction effort totalling approximately EUR 30 million. In addition, the contract provisions expected to be taken in relation to the Group's excess office spaces in the Netherlands and Germany amount to approximately EUR 30 million.

Refinancing; financing costs; capitalisation

2013 refinancing

On 17 June 2013, the Company announced an agreement with the Main Financiers securing the continued availability of the Group's main financing arrangements through a refinancing. For additional information, see "Financial and Operating Restructuring – Financial and Other Measures". The total expenditure with respect to refinancing in 2013 amounted to EUR 110.6 million, reflected in the 2013 Financial Statements, of which EUR 22.3 million was included in other expenses, EUR 23.9 million in other finance expenses, EUR 41.5 million was allocated to equity and EUR 22.9 million was capitalised financing cost.

In July of 2013, the Company increased its equity through a successful EUR 500 million rights issue by issuing 356,597,988 ordinary shares at EUR 1.40 per share. In August of 2013, the Company issued 16,666,668 convertible cumulative financing preferred shares at EUR 1.80 per share to increase its equity capital by EUR 30 million. The total net proceeds of the equity increases in July and August of 2013 were EUR 487.1 million.

2014 refinancing

On 17 March 2014 the Group and certain of its financiers reached agreement on the terms for the MTS. These terms became effective on 18 June 2014. As part of the MTS, one-off fees and make-whole amounts were payable to financiers aggregating EUR 55.5 million, of which, EUR 7.6 million was paid in cash, EUR 16.4 million in kind and EUR 31.9 million was added as a contractual make-whole to the principal of the senior notes. These amounts have been included in the net finance result of Q2 2014. On 25 August 2014 and within the context of the Offering and the sale of ICT, the Group reached agreement with certain of its financiers on amendments to the terms of the MTS for a comprehensive financing solution to create a foundation to stabilize operations and implement the targeted operational and financial recovery of the Group. The terms of the new agreement are described in "Liquidity and Capital Resources – Existing Borrowings".

Impact of the Group's financial difficulties on its third-party relationships

In addition to more readily quantifiable impacts on the Group's results flowing from the Irregularities and the Group's subsequent financial difficulties, such as the specific impairments and refinancing costs described above, the Company believes that the Group's results have been affected by other important, but less readily quantifiable factors, in particular those relating to its relationships with various third parties, such as customers, suppliers and subcontractors. For example, the Company believes that its financial situation has led to issues with respect to:

- obtaining favourable credit insurance coverage, as nearly all credit insurers covering the Group's entities have either cancelled or repeatedly reduced their exposure during the last 12 months, with only limited exposure remaining, which contributed to the suppliers' actions below and increases the Group's working capital and financing costs and materially adversely affects the Group's business, results of operations, financial condition and prospects;
- procuring materials, services and products from suppliers, as several of the Group's suppliers reduced payment days or asked for payment upon delivery and an increasing number of suppliers asked for bank guarantees to cover their exposure on the Group which has had an impact on guarantee and liquidity headroom;
- obtaining services from subcontractors on customary and favourable pricing terms, due to pressure on subcontractor pricing;
- existing customers being hesitant to award the Group future business, attracting new customers (including due to being removed from consortia formed to bid on certain projects) and, for continuing customers, decreased prepayments and longer duration accounts receivable; and
- attrition of skilled employees and difficulty attracting new skilled personnel where such personnel are required.

The related impact on the Group's results – whatever their magnitude – is expected to subside over time in connection with a successfully implemented Financial and Operational Restructuring.

Acquisitions and divestments

Divestiture of the ICT division

On 17 April 2014, the Group announced its intention to divest the ICT division. In the balance sheet as at 30 June 2014, the related assets and liabilities of the ICT division are classified as held for sale. Consequently, the comparative condensed consolidated profit and loss account for H1 2013 in the H1 2014 Interim Financial Statements has been restated to show the discontinued operations separately from continuing operations. See note 8 to the H1 2014 Interim Financial Statements. In 2013, the revenue of the ICT division amounted to EUR 746.7 million with an operational EBITDA of EUR 32.7 million.

On 26 August 2014, the Group reached agreement with Vinci Energies S.A. regarding the sale of the ICT division at an enterprise value of EUR 255 million. After deduction of the agreed value items, the value for the Group's ICT division is EUR 223 million. From this amount, an estimated total of between EUR 180 million and EUR 190 million is expected to be available from the net proceeds at closing of the sale for enhancement of the liquidity position of the Group and for debt reduction. The agreement is subject to competition clearance and customary closing conditions and the sale is expected to close in the fourth quarter of 2014. See note 8 to the H1 2014 Interim Financial Statements. See "Business – Divestment of ICT division".

Disposal of AE Arma Elektropanç

The Group decided to dispose of its 80% shareholding in Arma, following the strategic review announced on 7 November 2013. It was concluded that the profile of Arma was not in line with the Group's current strategic framework. On 20 December 2013, the Group agreed to sell and transfer its 80% shareholding to the previous owners and management of Arma. Of the 80% shareholding to be sold, 31% was transferred on 12 February 2014.

The remaining 49% is expected to be transferred on 23 March 2015. The consideration of USD 30.1 million has been and will be paid partly upon closing and partly through instalments until 31 December 2015. See “Business – Divestment of Arma shares” and note 13 to the 2013 Financial Statements.

Divestment of IHC

In July 2014, the Company decided to sell its 50% shareholding in IHC Systems B.V. to IHC Merwede B.V. The Company and IHC Merwede B.V. originally joined forces to develop innovative technologies. The Company is selling its share in IHC Systems B.V. to focus on its own core activities. The negotiations on the sale of the investment in IHC Systems B.V. were finalised in July 2014, and resulted in a book profit of approximately EUR 12 million. The execution of the transaction was finalised on 29 August 2014. The book profit on the sale will therefore be recorded in H2 2014.

Divestment of Green Campus

On 29 August 2014 the Company signed an agreement with Zenium Technology Partners to sell Green Campus, which had been a part of the division Germany & Eastern Europe. The Company had decided in 2013 that, in line with the Neue Imtech strategy, Green Campus had to be considered a non core activity, and should be sold. However, at that time, no suitable buyer could be found. The sale of the Green Campus is expected to led to a decrease in risk profile of the division Germany & Eastern Europe. The transaction was finalised on 18 September 2014 and has led to a non-operational book profit of EUR 18.1 million, which has been recorded in H1 2014.

Other acquisitions and disposals

Historically, the Group actively pursued a buy-and-build strategy and made a large number of acquisitions. Following the Irregularities in Germany and Poland in early 2013, the Group discontinued its acquisition strategy. Through the acquisitions made between 2012 and early 2013, the Group increased its market share in its main markets, entered new markets and expanded its existing range of services. For example: in January 2013, the Group acquired a 100% interest in EMC Talotekniikka (EMC) in Finland, a company active in the technical services market employing 580 employees; in May 2012, the Group acquired Capula Limited in the United Kingdom, a company with over 180 employees; in February 2012, the Group acquired affiliated technical services providers SSR and Polar in Finland (total of 50 employees); in 2012, the Group acquired its 80% stake in Arma in Turkey (around 1,200 employees), which it has subsequently agreed to divest; and in 2012, the Group also completed a number of smaller acquisitions in the Benelux, Nordic, ICT, and Other (Marine and Traffic). The acquisitions in 2012 made an actual contribution of EUR 116 million in total revenue and other income and a net loss of EUR (1.5) million to the net result in 2012.

Since 1 January 2012, other than the planned divestments of Arma and ICT, other notable divestments include: the Group’s planned wind-down of its Russian activities, which resulted in a non-operating loss of approximately EUR 10 million in H1 2014; the Group’s planned closure of its F&M Schweiz business, which resulted in a non-operating loss of EUR 12.4 million in H1 2014; and the Group’s termination of its joint venture in Kazakhstan, which termination will have a limited financial impact in 2014, but will impact the Group’s operational EBITDA in 2015 and 2016, as no further business is foreseen in these years.

In the ordinary course of business, the Group continually seeks to optimize its portfolio of businesses and assets, which includes considering opportunities to acquire or dispose of businesses and assets in a manner that management determines is in the best interests of the Group’s stakeholders.

Competition and bidding for projects

Contracts sought by the Group are often subject to competitive bidding, and the Group’s ability to win competitively awarded contracts is a key factor affecting its revenue and profitability. Inability to win competitively awarded contracts may result in an underutilisation of the Group’s workforce, adversely impacting the Group’s profitability. In addition, the Group expends significant time and expenses in order to prepare bids and participate in bidding processes.

The markets in which the Group operates are highly competitive. The Group’s competitors include both large international companies and – in the European buildings and infrastructure markets, in particular in the Spanish buildings market and the Benelux buildings and infrastructure markets – smaller competitors operating at local level. The intensity of competition varies significantly between sectors and regions. A high level and intensity of competition in the market leads to price pressure and reduces the number of orders the Group wins from its bidding activity.

Economic conditions in the markets in which the Group operates

The Group’s total revenue and other income, profit margin and operational EBITDA are affected by economic conditions in its key markets. Market conditions have been challenging in many of the Group’s key markets in the past years, including in Benelux, Nordic, UK & Ireland and Spain. Over-capacity, pricing pressures reducing margins and increasing competition reflect the difficult economic conditions in mature markets which are showing little or no growth, and in many cases are not expected to return to significant growth in the near future.

Despite implementing strategic reorientations, cost reductions and efficiency measures, the Group has faced low production levels, under-utilisation, under absorption of indirect costs and limited operational EBITDA contribution in the Group’s key markets. For example:

- Markets in Benelux remain challenging, especially the Dutch buildings market. The Dutch industrial businesses has had to deal with longer lead times from customers. The Belgian market, however, has shown early signs of improvement.
- In the UK, the engineering services market is characterised by challenging market conditions resulting in very tight margins in the marketplace. The business environment was considerably more challenging in 2014/2013 than in 2012.
- Over the past few years, the overall economy in the Nordics has weakened, leading to uncertainty and lengthened investment-decision processes. Market conditions both in Sweden and Finland are difficult with lower volumes and margin pressure. The Norwegian market shows some signs of a slowdown. The Group’s Nordic division has nevertheless achieved positive operational EBITDA in H1 2014, despite the difficult market environment.
- The Spanish market is very challenging and fiercely competitive resulting in low production levels and lower project results.
- The German economy has performed reasonably well amidst the economic uncertainty prevailing in Europe; however, the Group’s operations were negatively impacted by the Irregularities.

Additionally, the Group’s total revenue and other income from public sector customers (central government, municipalities, governmental bodies and state-owned companies) has been adversely affected by the current difficult economic circumstances, as governments in most countries in which the Group is active implemented austerity measures. As a result, the Group’s public-sector revenue was affected by delays in decision-making on new projects and postponing or even cancelling existing projects. In addition, the continuing economic downturn caused public sector customers to apply longer payment terms, which affected the Group’s working capital requirements.

Accelerated amortisation of NVS brand name division Nordic

In the H1 2013 results, the Company accelerated amortisation of the NVS brand name, resulting from the rebranding into the name Imtech Nordic. The effect of this acceleration in 2013 amounted to EUR 14.2 million and was included in the amortisation of intangible assets.

Seasonal fluctuations

In line with industry trends, the Group’s total revenue and other income, operating income and working capital requirements are subject to seasonal fluctuations as a result of weather conditions influencing the physical realisation of projects and holiday periods in Europe. The last quarter of the year is seasonally a better quarter with the first and third quarters of the year normally producing somewhat weaker results than the second and fourth quarter.

Project management

A significant proportion of the Group’s business depends on costs being accurately calculated and controlled and projects being completed on time, such that costs are contained within the pricing structure of the contract. This is especially relevant for large-scale and complex projects. In the event of incorrect or inaccurate calculations or estimates, or a lack of adequate control, lower than anticipated profits may be achieved, or a loss may even be incurred. Additionally, the Group may incur penalties if the performance schedule is not met. Deviations between estimates and actual costs of projects may have a significant (negative or positive) impact on the results of the Group. Moreover, the effectiveness of the Group’s project management has a direct impact on the Group’s cashflow and, thus, working capital. The Group aims to recognise and minimise these project-management-related risks early through ongoing project control measures, both precontractual and during execution.

As part of its initiatives to improve operational excellence, the Group is focusing on improving project management and project execution, and will continue to reinforce project management programmes and to assess and implement best practices. See “Business – The Group’s strategy – Operational Excellence”.

Subcontractors

The Group is dependent on the services of a large number of subcontractors. The primary contractual obligation of a subcontractor usually consists of completing a well-defined part of a project. Subcontractors not only have to be and remain financially sound to complete their share of the work, but they must also possess the skills and sophistication to perform their work efficiently and free of defects.

In a downturn it will frequently be possible to negotiate more favourable terms for subcontractor services. The resulting positive impact on the Group's projected margin is typically realised gradually and over time, as subcontractors on long-term projects are often hired at different times during the realisation of the project. In an upturn, the prices for subcontractor services tend to increase, especially if there is a shortage of subcontractors, negatively impacting the Group's projected margin. This negative impact will, for the same reasons, typically also manifest itself gradually and over time. The Group's credit insurance rating also impacts the availability, price and payment terms of subcontracting services, which, in turn, impacts the Group's cash flow and project margins. See "– Principal Factors Affecting Results of Operations and Comparability of Results – Impact of the Group's financial difficulties on its third-party relationships".

A number of factors determine the initial decision as to subcontracting as well as the choice of the specific subcontractor for a given project. These factors include the client's specific requirements, the quality standards to be complied with, the availability of subcontractors, the scope of work and the complexity of the project.

Composition of operating expenses

Raw and auxiliary materials and trade goods, work by third parties and other external expenses, and personnel expenses together account for most of the Group's operating expenses (96.2% of total revenue and other income in financial year 2013, 90.4% of total revenue and other income in financial year 2012). The relative composition of these line items within operating expenses may lead to higher expenses for raw and auxiliary materials and trade goods as well as personnel expenses, and the relative composition is driven in part by exogenous factors, as well as the degree to which the Group's services are subcontracted to third parties. For example, a decrease in subcontracting in a period (and a corresponding decrease of work by third parties and other external expenses) is associated with a higher proportion of services provided by the Group internally, and such interconnections among the operating expense line items means that changes in one aspect of the Group's operating expenses can result in substantial differences in the Group's total operating expenses over time.

Currency exchange rate fluctuations

The Group's financial statements are presented in euros. Accordingly, when the Group prepares consolidated financial statements, the Group must translate its foreign currency-denominated assets, liabilities, income and expense items into euros at applicable exchange rates. The Group is exposed to foreign currency translation risks by means of investments in, and long-term loans to, foreign subsidiaries. The Group's translation risk relates primarily to the Swedish and British subsidiaries. Depending on the EUR:GBP and EUR:SEK exchange rates, this can result in higher or lower Group results. For example, in 2013, a weakening of the Swedish Krona versus the euro resulted in a decreased contribution by the Group's Swedish subsidiaries to the Group's consolidated results. The Group attempts to (partially) hedge this foreign currency translation risk by loans in corresponding foreign currencies.

Customer claims

Various significant claims have been made against the Group, most of which relate to work performed by the Group. These claims are being contested by the Group. A provision has been formed for the expected costs related to claims or, where appropriate, receivables on the claiming customers have not been recognised. Settlement of these claims could take several years. The total of the provision for warranties and claims amounted to EUR 18.6 million as at 30 June 2014 (EUR 20.0 million as at 31 December 2013; EUR 16.1 million as at 31 December 2012).

Additional Considerations Relating to the Group's Results

Goodwill and other intangible assets

In connection with acquisitions, the Group has recognised significant goodwill and intangible assets relating primarily to customer-related and contract-based intangibles. Such intangible assets relating to relationships with customers represented 6.9% and 10.4% of the Group's total non-current assets as at 31 December 2013 and 2012, respectively. The intangible assets relating to goodwill represented 74.5% and 70.4% of the Group's total non-current assets as at 31 December 2013 and 2012, respectively.

Under IFRS, the Group amortises the value of customer-related and contract-based intangibles over their estimated useful lives, which typically range from 2 to 15 years based on relevant factors. Amortisation expense related to customer-related and contract-based intangibles was EUR 28.0 million and EUR 26.6 million for the

2013 and 2012 financial years, respectively. Intangible assets relating to customer-related and contract-based intangibles are also subject to testing for impairment on at least an annual basis. For more information regarding the Group's historical accounting of purchase price allocations in connection with its business acquisitions, see note 4 to the 2013 Financial Statements.

The Group is required to subject goodwill to impairment testing rather than amortisation. Accordingly, on at least an annual basis, the Group must decide whether to impair the carrying value of its goodwill. If the carrying value of the asset is determined to require impairment, then an impairment loss equal to the difference between the prior carrying value and management's determination of current fair value is recorded in the income statement. See notes 4 and 15 of the 2013 Financial Statements incorporated by reference in this Prospectus.

The table below shows the goodwill of the Group's cash-generating units (divisions) during H1 2014:

	As at 31 December 2013	**Reclassification to assets held for sale**	**Effect of movement in exchange rates and other**	**As at 30 June 2014**
Benelux	10.5	–	–	10.5
Germany & Eastern Europe	28.8	–	–	28.8
UK & Ireland	129.0	–	4.1	133.1
Nordic	433.1	–	(13.5)	419.6
Spain	22.3	–	–	22.3
ICT	223.4	(223.4)	–	–
Traffic & Infra	93.4	–	2.2	95.6
Marine	92.3	–	–	92.3
Total	**1,032.8**	**(223.4)**	**(7.2)**	**802.2**

In light of the intended divestment of the ICT division, the related goodwill has been reclassified to held for sale and subsequently taken into account in the fair value assessment. The movements in exchange rate, were mainly attributable to the increase of the Pound Sterling and the decrease of the Swedish Krona versus the euro.

H1 2014 impairment testing

Following lower than expected results for H1 2014, and in light of the difficulties caused by the Irregularities and the Group's slower than expected recovery, management assessed whether goodwill needed to be impaired as of 30 June 2014.

The result of the impairment testing was that, as of 30 June 2014, there was no reason to impair goodwill. However, the outcome of the goodwill impairment test calculation revealed that the expected recoverable amount of the Group has significantly decreased compared to 2013, with a corresponding decrease of headroom. The headroom per division is notably limited for Germany & Eastern Europe, Nordic, Spain and Marine. If the expected recovery of the performance in these divisions is further delayed, goodwill amounts for these divisions may be impaired. Additionally, impairments could be triggered by an increase of the weighted average cost of capital, resulting from external factors such as (amongst others) changes in the (financial) markets. See note 11 of the H1 2014 Interim Financial Statements incorporated by reference in this Prospectus.

Divisional observations

- *Benelux.* The estimated recoverable amount of the division exceeded its carrying amount as at 30 June 2014 by approximately EUR 208 million (31 December 2013: EUR 326 million). The decrease in headroom results from a lower expected EBITDA for the reforecast 2014 and for the updated business plan for 2015 and 2016.

- *Germany and Eastern Europe.* The estimated recoverable amount of the division decreased compared to 31 December 2013 and, as a consequence, was almost equal to its carrying amount as at 30 June 2014. Consequently headroom at 30 June 2014 was limited to EUR 25 million (31 December 2013: EUR 183 million). This change mainly resulted from a lower expected EBITDA for the reforecast 2014 and for the updated business plans 2015 and 2016 compared to 2013, which reflects the slower than anticipated recovery of Germany & Eastern Europe. Despite the delay, management expects recovery, amongst other things, based on the full implementation of the recovery programme "Neue Imtech". An impairment may occur if EBITDA in the perpetual cash flow decreases slightly or if the discount rate increases by 118bps (to a pre-tax discount rate of 10.1%) or if the recovery occurs later than currently estimated.

- *UK & Ireland.* The estimated recoverable amount of the division exceeded its carrying amount as at 30 June 2014 by approximately EUR 166 million (31 December 2013: EUR 494 million). The decrease in headroom resulted from a lower expected EBITDA for the reforecast 2014 and for the updated business plan for 2015 and 2016. The lower EBITDA expectations included the effect of termination of the business activities in Kazakhstan, resulting from the change in licence systems in that country.

- *Nordic*. The estimated recoverable amount of the division unit exceeded its carrying amount as at 30 June 2014 by approximately EUR 34 million (31 December 2013: EUR 146 million). The decrease mainly resulted from a lower expected EBITDA for the reforecast 2014 and for the updated business plan for 2015 and 2016, compared to 2013. An impairment may occur if EBITDA in the perpetual cash flow decreases by more than 6% or if the discount rate increases by more than 50 bps (to a pre-tax discount rate of 9.3%).

- *Spain*. The goodwill impairment test calculation of Spain revealed that the headroom between the recoverable amount and the carrying amount as at 30 June 2014 continued to be limited and was still sensitive. Therefore, any change in the underlying assumptions in the goodwill impairment test calculation for Spain, such as a decrease in EBITDA and/or an increase of the discount rate and/or a later recovery, will lead to an impairment loss.

- *Traffic & Infra*. The estimated recoverable amount of the division exceeded its carrying amount as at 30 June 2014 by approximately EUR 92 million (31 December 2013: EUR 191 million). The decrease in headroom resulted from a lower expected EBITDA for the reforecast 2014 and for the updated business plan for 2015 and 2016.

- *Marine*. The estimated recoverable amount of the division Marine was almost equal to its carrying amount as at 30 June 2014 (31 December 2013 headroom: EUR 88 million). The decrease in headroom mainly resulted from a lower expected EBITDA for the reforecast 2014 and for the updated business plan for 2015 and 2016, compared to 2013. Any change in the underlying assumptions such as a decrease in EBITDA and/or increase of the discount rate and/or a later recovery, may lead to an impairment loss.

Other information

Apart from the specific divisional sensitivities, as described above, general sensitivities have been assessed for all divisions assuming a 10% lower EBIT in combination with an increase of the discount rate by 1%. If this combination of sensitivities were to occur, an impairment may occur in Germany & Eastern Europe, Nordic, Spain and Marine. If the perpetual growth rate would be reduced to 0%, headroom would remain in all cash-generating units, except for the divisions Germany & Eastern Europe, Nordic, Spain and Marine.

Focus on operational EBITDA and cash generation

Historically, the Group's announced strategy had been to significantly grow revenue and EBITDA, with about half of the growth achieved through acquisitions. As a result of contractual arrangements with certain of its financiers (see "– Liquidity and Capital Resources"), including the financial covenants contained therein, the Group is restricted from making acquisitions, and is increasing its focus on operational EBITDA and operational cash flow, consolidated net assets and committed liquidity headroom through improvements in project management, working capital management and cash generation. The Group maintains its medium term targets to achieve an operational EBITDA margin of 4–6%, a cash conversion (being operational EBITDA (plus or minus operational movements in working capital minus capex and plus or minus changes to operational provisions and accruals) divided by EBITA) of 90% and a Senior Leverage Ratio of 2.0. To achieve these targets, the Group will continue to focus on organic growth, improvement of operational performance by implementing operational excellence programs and debt reduction.

Recent Developments, Current Trading and Prospects

The following information has been derived from the Company's trading update as included in its press release issued 7 October 2014.

Order intake in first 8 months remained in line with revenue

Revenue for the continuing operations of the Group for the first 8 months of 2014 amounted to EUR 2,552 million. Order intake over the same period remained in line with revenue. Since Q2 2014, a number of divisions noticed that the uncertainty and turmoil around the Company had a negative impact on the new order pipeline. The publication of the financial measures on 26 August 2014 had a positive impact on customer and other stakeholder sentiment, which should facilitate a return to normalised trading conditions. However, the residual effect of the past uncertainty and turmoil could have an impact on order intake in the next few months to come.

Net debt at the end of August of EUR 1,146 million

The net interest-bearing debt for the Group (including ICT) at the end of August 2014 amounted to EUR 1,146 million, an increase of EUR 108 million compared to EUR 1,038 million at the end of June 2014. This was caused by the normal seasonal increase in working capital which reaches its peak in Q3, cash restructuring costs, cash refinancing costs and paid interest.

Update on divestment processes and progress on legacy items

On 26 August 2014, the Company announced that it had reached an agreement with Vinci S.A. regarding the sale of the entire ICT division at an enterprise value of EUR 255 million, subject to competition clearance and customary closing conditions. The process for closing the transaction is on track, with closing and cash proceeds expected before mid-November 2014. In addition, the closing of the sale of the investment in the Company's joint venture IHC Systems B.V. has been completed, and a book profit of approximately EUR 12 million will be recorded in Q3 2014.

Two previously announced legacy items have been closed: the closing of the sale of a German commercial building, reported as asset held for sale, has been completed at cash neutral terms, and the cash settlement for a 2010 project dispute in Spain has resulted in a cash inflow of EUR 11 million.

Offers received to purchase EUR 146 million notional debt at approximately 79%

On 26 August 2014, the Company announced a partial buyback programme of the Company's cash debt in a "Dutch" auction process. On 6 October 2014, the Company received valid offers to purchase debt with an aggregate par value of EUR 224 million. Per the terms of the offer, the Company may use up to EUR 117 million to fund the debt purchases. Based on the EUR 117 million maximum, the Company envisages accepting offers of up to an aggregate par value of EUR 146 million. The average weighted price of the offers that are envisaged to be accepted equals approximately 79%. The Group's ability to complete the auction and the amount available for the auction remain subject to the outcome of shareholder approval of the Rights Offering, the completion and market take-up of the Rights Offering and the sale of the ICT division. Accordingly, the Company will provide an update on the actual outcome of the Dutch auction in due course.

Shareholder supports Rights Offering

The Committed Shareholders have irrevocably committed to subscribe for Offer Shares in the Rights Offering in proportion to their joint shareholding of 6.03%.

Results of Operations

The table below provides a summary of the Group's results of operation for the 2013 and 2012 financial years and for H1 2014 and H1 2013.

	Year ended 31 December		Six months ended 30 June	
	2013	2012 (Restated)	2014[(1)]	2013 (Restated)[(1)]
	EUR million			
Continuing Operations				
Total revenue and other income	**4,944.9**	**5,354.9**	**1,952.0**	**2,162.1**
Raw and auxiliary materials and trade goods	1,815.9	1,820.8	583.0	691.8
Work by third parties and other external expenses	1,166.7	1,312.7	523.4	587.1
Personnel expenses	1,772.0	1,707.8	726.7	807.8
Depreciation of property, plant and equipment	40.5	39.6	14.4	16.8
Amortisation of intangible assets	56.1	37.4	12.7	20.3
Impairment of property, plant and equipment and intangible assets	28.8	23.3	–	–
Other expenses	614.2	587.9	213.7	235.5
Total operating expenses	5,494.2	5,529.5	2,073.9	2,359.3
Result from operating activities	**(549.3)**	**(174.6)**	**(121.9)**	**(197.2)**
Net finance result	(105.0)	(62.0)	(120.9)	(54.4)
Share in result of associates, joint ventures and other investments (net of tax)	(5.7)	2.8	0.6	(0.7)
Result before income tax	**(660.0)**	**(233.8)**	**(242.2)**	**(252.3)**
Income tax expense	20.4	(1.8)	10.5	23.7
Result from continuing operations	**(639.6)**	**(235.6)**	**(231.7)**	**(228.6)**
Discontinued operations				
Result from discontinued operations (net of tax)	(57.0)	(4.9)	(69.8)	(1.9)

	Year ended 31 December		Six months ended 30 June	
	2013	2012 (Restated)	2014[(1)]	2013 (Restated)[(1)]
	EUR million			
Result for the period	**(696.6)**	**(240.5)**	**(301.5)**	**(230.5)**
Non-IFRS Measures (Continuing Operations)				
EBITDA[(1)]	(423.9)	(74.3)	(94.8)	(160.1)
Non-operational items[(1)]	(379.5)	(50.6)	(69.9)	(101.4)
Operational EBITDA[(1)]	(44.4)	(23.7)	(24.9)	(58.7)

(1) These figures have not been subject to an audit.

Description of Key Profit and Loss Account Items

Total revenue and other income. The Group's total revenue and other income arises from three main revenue flows:

- construction contracts;
- services rendered; and
- sale of goods.

The majority of the Group's total revenue and other income relates to construction contracts (2013: EUR 3,072.8 million). Contract revenue and expenses are, as soon as the outcome of construction contracts can be estimated reliably recognised in profit or loss in proportion to the stage of completion of the contract. In general, it is assumed that profit cannot be estimated reliably during the early stage, such early stage usually being determined as the period in which costs incurred do not exceed 15% of the expected total cost of the project. This is typically the case with projects exceeding a contract value of EUR 2 million. Costs incurred up to that moment are recognised in the period in which they are incurred and revenue is only recognised to the extent of contract costs incurred that it is probable will be recoverable. The stage of completion is determined on the basis of the costs incurred compared with the expected total costs. An expected loss on a contract is recognised immediately in profit or loss. These estimates are uncertain.

A significant part of the total revenue and other income relates to services rendered (2013: EUR 1,270.1 million) and a smaller part is derived from sale of goods (2013: EUR 593.4 million). Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction on the balance sheet date. The stage of completion is determined on the basis of the costs incurred compared with the expected total costs. Revenue from the sale of goods is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer.

The following table sets out the breakdown of total revenue and other income for the 2013 and 2012 financial years:

	Year ended 31 December	
	2013	2012 (Restated)
	EUR million	
Construction contracts	3,072.8	3,427.3
Services rendered	1,270.1	1,353.4
Sale of goods	593.4	555.6
Revenue	**4,936.3**	**5,336.3**
Other income	8.6	18.6
Total revenue and other income	4,944.9	5,354.9

Generally, the type of contract for the Group's services and products is negotiated with customers and may depend on certain factors, including the type and complexity of the work to be performed, degree and timing of the responsibility to be assumed by the contractor for the costs of performance, the extent of price competition and the amount and nature of the profit incentive offered to the contractor for achieving or exceeding specified standards or goals. The Group generates revenues under several types of contracts, including the following:

- *Cost-reimbursement contracts.* Cost-reimbursement contracts provide for the payment of allowable costs incurred during performance of the contract, up to a ceiling based on the amount that has been funded, plus a fee. The Group generates revenue under two general types of cost-reimbursement contracts: (1) cost-plus-fixed-fee and (2) cost-plus-award-fee. The fee under a cost-reimbursement contract is generally payable upon completion of services in accordance with the terms of the contract. Cost-plus-fixed-fee contracts offer no opportunity for payment beyond the fixed fee. Cost-plus-award-fee contracts also provide for an award fee that varies within specified limits based upon the client's assessment of the Group's performance against a predetermined set of criteria or key performance indicators ("**KPIs**"), such as targets for factors like cost, quality, schedule, and performance. This type of contract is generally used when uncertainties involved in contract performance do not permit costs to be estimated with sufficient accuracy to use a fixed-price contract. Cost-reimbursement contracts generally subject the Group to lower risk, but generally require the Group to use its best efforts to accomplish the scope of the work within a specified time and amount of costs.

- *Fixed-price contracts*. Under a fixed-price contract, the Company agrees to perform the specified work or provide specified products, systems and/or services for a pre-determined price. This type of contract is generally used when the customer acquires products and services on the basis of reasonably definitive specifications and which have a determinable fair and reasonable price. To the extent the Group's actual costs vary from the estimates upon which the price was negotiated, the Group will generate more or less profit, or could incur a loss. Some fixed-price contracts have a performance-based component, pursuant to which the Group can earn incentive payments or incur financial penalties based on its performance if the Group meets or exceeds certain KPIs.
- *Unit-rate contracts*. Unit-rate contracts provide for a fixed price on agreed unit rates. To the extent the Group's actual costs vary from the estimates upon which the price was negotiated, the Group will generate more or less profit, or could incur a loss. Some unit-rate contracts have a performance-based component, pursuant to which the Group can earn incentive payments or incur financial penalties based on its performance if the Group meets or exceeds certain KPIs.

These types of contracts are unevenly distributed among divisions, end markets and activities. The amount of risk and potential reward varies under each type of contract. Under cost-reimbursement contracts, there is limited financial risk, because the Group is reimbursed for all allowable costs up to a ceiling. However, profit margins on this type of contract tend to be lower than on fixed-price and unit-rate contracts. Under fixed-price and unit-rate contracts, the Group is required to deliver the objectives under the contract for a pre-determined price. Compared to cost-reimbursement contracts, fixed-price and unit-rate contracts generally offer higher profit margin opportunities because the Group receives the full benefit of any cost savings but generally involve greater financial risk because the Group bears the impact of any cost overruns. In the aggregate, the contract type mix in the Group's total revenue and other income for any given period will affect that period's profitability.

Incremental increases in total revenue and other income will not necessarily result in linear increases in costs, particularly overhead and other indirect costs, thus potentially improving profit margins.

Total operating expenses consists of raw and auxiliary materials and trade goods, work by third parties and other external expenses, personnel expenses, depreciation of property, plant and equipment, amortisation of intangible assets, impairment of property, plant and equipment and intangible assets, and other expenses. See "– Principal Factors Affecting Results of Operations and Comparability of Results – Composition of operating expenses".

Raw and auxiliary materials and trade goods consists of goods and materials used for the realisation of projects. On the one hand, the amount of these expenses fluctuates on the basis of factors that the Group does not completely control (for example, variations in commodity prices which the Group cannot offset). On the other hand, given the fact that they relate to the Group's projects, they vary to a large extent with the volume of the Group's activities. Accordingly, the number, size and complexity of projects under execution during a particular reporting period is an important driver of these expenses. Also the amounts, quality and price of materials and consumables used – in accordance with specifications that may vary from project to project – influence the amount of these expenses.

Work by third parties and other external expenses consists of external labour costs and expenses for goods and materials used by third parties for the completion of projects. Work by third parties and other external expenses is also directly related to projects under execution and in part fluctuates on the basis of factors that the Group does not completely control. Work by third parties and other external expenses is to a large extent driven by the same factors described for raw and auxiliary materials and trade goods (number, size and complexity of projects, and amounts, quality and pricing of raw materials and consumables).

Personnel expenses consists of the costs of personnel employed by the Group, such as of wages and salaries, social security expenses, contributions to defined contribution plans, costs in respect of defined benefit plans, restructuring expenses (which include mainly severance pay and garden leave), share-based payments and expenses in respect of jubilee benefits. Personnel expenses are related to the projects of the Group, either directly, in the form of personnel working on projects, or indirectly, in the form of support staff and management.

Personnel expenses may broadly reflect the general level of activity in the Group and the extent to which work is subcontracted.

Depreciation of property, plant and equipment includes depreciation charges with respect to property, plant and equipment and other fixed assets used by the Group.

Amortisation of intangible assets relates to intangibles that are recognised in respect of acquisitions, software and technology.

Impairment of property, plant and equipment and intangible assets consists of impairments on goodwill and other intangible assets. Impairment tests are performed periodically as well as specifically, if circumstances indicate that the book value of a certain asset may need to be adjusted. Impairments are closely related to future (cash flow) expectations regarding the specific asset.

Other expenses consists of other indirect expenses (mainly relating to housing, IT, offices, company cars, marketing and communication, external advisors and additional FTEs not on the Group's payroll), impairment loss on trade receivables, change in provisions and research and development costs.

Net finance result consists of finance income and finance expenses. Finance income includes, among other things, interest income, expected returns on pension plan assets, change in fair value of contingent consideration and other finance income. Finance expenses consists of interest expense on financial liabilities measured at amortised cost, interest on employee benefit obligations, net change in fair value of cash flow hedges transferred from equity, net currency exchange loss and other finance expenses.

Share in results of associates, joint ventures and other investments mainly relates to the results from a number of relatively small investments and shareholdings of the Group.

Use of Certain non-IFRS Measures

This Prospectus uses certain measures that are not measures defined by IFRS. These measures include EBITDA and operational EBITDA, net interest-bearing debt, working capital, operational working capital and order intake.

The Group uses these measures as an internal tool to assess the performance of the Group and its operating divisions. While the amounts included in these measures are derived from the Group's consolidated financial statements, they are not financial measures determined in accordance with IFRS, and, accordingly, each of these has its own limitations as an analytical tool and should not be considered in isolation from, or as a substitute for, analysis of the Group's results as reported under IFRS. Other companies may define EBITDA, operational EBITDA, net interest-bearing debt, working capital, operational working capital and order intake differently from the Group, which limits their use as a comparative measure.

These non-IFRS financial measures are not audited and are calculated using financial information extracted from the consolidated financial statements incorporated by reference in this Prospectus.

EBITDA and operational EBITDA

The Group defines EBITDA as the result from operating activities before amortisation, impairment on intangible assets and depreciation on property, plant and equipment.

Starting in 2013, the Group also reports operational EBITDA. The Company defines operational EBITDA as EBITDA excluding items that are assessed to be of a non-operational character. Items assessed to be non-operational relate to expenses that given their size or nature, have been identified as distinct from the ordinary activities of the Group, such as restructuring costs, acquisition expenses, some refinancing costs, write-offs, legacy items and results from divestments of operations. As such, management believes operational EBITDA is a measure for operational performance.

EBITDA and operational EBITDA are not measures of operating performance in accordance with IFRS. EBITDA should not be considered a substitute for the result from operating activities, profit before income tax, profit, total comprehensive income, cash flow from operating activities or other profit or loss account or cash flow statement data as determined in accordance with IFRS, or as a measure of profitability or liquidity. EBITDA and operational EBITDA are included herein as supplemental disclosures because the Group believes that these measures, when considered in connection with cash flows from operating, investing and financing activities, provide useful comparative information to an investor and helps investors evaluate the performance of the underlying business by removing the impact of (1) differences in capital structure, including the effects of finance income and expenses, (2) differences in the tax regimes to which the Group is subject, and (3) differences in the method of acquisition and approach to impairment testing of productive assets.

However, because other companies may calculate EBITDA and operational EBITDA differently than the Group does, they may be of limited usefulness as comparative measures. Some of these limitations are: (1) EBITDA and operational EBITDA do not reflect cash expenditures, or future requirements for capital expenditures or contractual commitments; (2) EBITDA and operational EBITDA do not reflect changes in, or cash requirements for, working capital needs for the Group; (3) EBITDA and operational EBITDA do not reflect the finance expenses, or the cash requirements necessary to service the principal payments on the Group's debt; (4) EBITDA and operational EBITDA do not reflect taxation or the cash requirements for any tax payments; and (5) although impairment is a non-cash charge, the assets being impaired will often have to be replaced in the future, and EBITDA and operational EBITDA do not reflect any cash requirements for such replacements.

The following table presents the reconciliation of the result from operating activities to EBITDA for the 2013 and 2012 financial years and H1 2014 and H1 2013, as well as a reconciliation of operational EBITDA.

	Year ended 31 December		Six months ended 30 June	
	2013	**2012 (Restated)**	**2014[(1)]**	**2013 (Restated)[(1)]**
	EUR million			
Result from operating activities	**(549.3)**	**(174.6)**	**(121.9)**	**(197.2)**
Adjustments for:				
Depreciation of property, plant and equipment	40.5	39.6	15.4	16.8
Amortisation of intangible assets	56.1	37.4	11.7	20.3
Impairment of property, plant and equipment and intangible assets	28.8	23.3	(0)	–
EBITDA[(1)]	**(423.9)**	**(74.3)**	**(94.8)**	**(160.1)**
Advisory costs[(1)]	22.5	–	24.8	12.5
Restructuring costs	103.8	50.6	16.6	49.0
Other non-operational items and write-down on legacy items[(1)]	253.2	–	28.5	39.9
Operational EBITDA[(1)]	**(44.4)**	**(23.7)**	**(24.9)**	**(58.7)**

(1) These figures have not been subject to an audit.

For a reconciliation of EBITDA to the result from operating activities for each of the reporting divisions for 2013 and 2012 financial years, please refer to note 5 to the 2013 Financial Statements. A reconciliation of EBITDA to the result from operating activities for each of the (continuing) reporting divisions for H1 2014 and H1 2013 is presented in the tables below.

	Result from operating activities	**Depreciation**	**Amortisation**	**Impairment**	**EBITDA**
			EUR million		
H1 2014					
Benelux	(21.2)	2.2	1.0	-	(18.0)
Germany & Eastern Europe	(38.8)	4.5	0.6	-	(33.6)
UK & Ireland	(1.3)	0.9	1.5	-	1.0
Nordic	(2.4)	4.4	3.9	-	6.0
Spain	(12.6)	0.4	0.0	-	(12.2)
Traffic & Infra	0.3	0.9	2.5	-	3.7
Marine	(4.7)	1.8	1.7	-	(1.2)
Group management	(41.2)	(0.7)	1.5	-	(40.5)
Total	(121.9)	14.4	12.7	-	(94.8)

	Result from operating activities	**Depreciation**	**Amortisation**	**Impairment**	**EBITDA**
			EUR million		
H1 2013					
Benelux	(53.3)	2.4	1.3	-	(49.6)
Germany & Eastern Europe	(66.8)	4.8	0.8	-	(61.2)
UK & Ireland	13.2	0.8	1.4	-	15.5
Nordic	(4.5)	5.1	11.0	-	11.6
Spain	(1.8)	0.4	0.1	-	(1.3)
Traffic & Infra	(21.8)	0.8	2.5	-	(18.5)
Marine	(37.3)	2.0	2.4	-	(32.9)
Group management	(24.9)	0.5	0.6	-	(23.7)

	Result from operating activities	Depreciation	Amortisation	Impairment	EBITDA
			EUR million		
H1 2013					
Benelux	(53.3)	2.4	1.3	-	(49.6)
Germany & Eastern Europe	(66.8)	4.8	0.8	-	(61.2)
UK & Ireland	13.2	0.8	1.4	-	15.5
Total	(197.2)	16.8	20.1	-	(160.1)

Net interest-bearing debt

Net interest-bearing debt is a non-IFRS financial measure and represents total interest-bearing loans and borrowings and other interest-bearing liabilities after deduction of cash and short-term deposits and long- and short-term interest-bearing assets. Management believes that it is a good reflection of the Group's net leverage. Because other companies may define net interest-bearing debt differently from the Group, it may be of limited usefulness as a comparative measure. Reconciliation of net interest-bearing debt to the line items in the consolidated balance sheet is presented below in "– Liquidity and Capital Resources – External Sources of Funding, Financing and Indebtedness".

Working capital and operational working capital

Working capital is a non-IFRS financial measure and is defined by the Company as current assets (excluding cash and cash equivalents) minus current liabilities (excluding bank overdrafts and current loans and borrowings and provisions). Operational working capital is a non-IFRS financial measure and represents working capital less remaining legacy items (which are items from the past that do not have a direct relation to current operations). The Company has been using operational working capital as a performance measure starting with the fourth quarter of 2013 as a result of separate reporting of the legacy items. Management believes operational working capital provides a better view of working capital relating to current operations. Because other companies may define working capital and operational working capital differently from the Group, such measures may be of limited usefulness as a comparative measure.

Reconciliation of working capital and operational working capital to the line items in the consolidated balance sheet is presented in "– Liquidity and Capital Resources – Cash Flow Analysis for the Group for the 2013 and 2012 financial years and H1 2014 and H1 2013 – Working capital".

Order intake

Order intake is a non-IFRS financial measure and is defined by the Company as the value of new orders and changes in existing orders, both for projects and maintenance. In the case of multi-year maintenance contracts, only the first 12 months of revenue are included in order intake. Order intake primarily includes signed contracts but also includes such other orders and changes in existing orders where the facts and circumstances provide management with sufficient certainty of a corresponding inflow of future revenue. Order intake is a key driver reflecting expected future total revenue and other income that provides management with an important perspective on the Company's ability to compete. The Company has been using order intake as a performance measure starting with the 2013 financial year and did not publish any order intake figures prior to this period. Because other companies may define order intake differently from the Group, it may be of limited usefulness as a comparative measure.

Consolidated Results of Operations

Unless otherwise noted, the financial information in this section relates to the Group's results from continuing operations.

Comparison of the financial results of the Group for H1 2014 and H1 2013

The following table sets out the profit and loss account of the Group for H1 2014 and H1 2013.

	Six months ended 30 June			
	2014[(1)]		2013 (Restated)[(1)]	
	EUR million	% of total revenue and other income	EUR million	% of total revenue and other income
Total revenue and other income	**1,952.0**		**2,162.1**	
Raw and auxiliary materials and trade goods	583.0	29.9%	691.8	32.0%
Work by third parties and other	523.4	26.8%	587.1	27.2%

	Six months ended 30 June			
	2014(1)		2013 (Restated)(1)	
	EUR million	% of total revenue and other income	EUR million	% of total revenue and other income
external expenses				
Personnel expenses	726.7	37.2%	807.8	37.4%
Depreciation of property, plant and equipment	14.4	0.7%	16.8	0.8%
Amortisation of intangible assets	12.7	0.7%	20.3	0.9%
Impairment property, plant and equipment and intangible assets	–	–	–	–
Other expenses	213.7	10.9%	235.5	10.9%
Total operating expenses	2,073.9	106.2%	2,359.3	109.1%
Result from operating activities	**(121.9)**	**(6.2)%**	**(197.2)**	**(9.1)%**
Net finance result	(120.9)	(6.2)%	(54.4)	(2.5)%
Share in results of associates, joint ventures and other investments	0.6	0%	(0.7)	0%
Result before income tax	**(242.2)**	**(12.4)%**	**(252.3)**	**(11.7)%**
Income tax expense	10.5	0.5%	23.7	1.1%
Result from continuing operations	**(231.7)**	**(11.9)%**	**(228.6)**	**(10.6)%**
Discontinued operations				
Result from discontinued operations (net of tax)	(69.8)	(3.5)%	(1.9)	(0.1)%
Result for the period	**(301.5)**	**(15.4)%**	**(230.5)**	**(10.7)%**

(1) These figures have not been subject to an audit.

Total revenue and other income

Total revenue and other income for H1 2014 was EUR 1,952.0 million, a decrease of EUR 210.1 million or 9.7% (H1 2013: EUR 2,162.1 million). The change was primarily due to decreases in total revenue and other income in the divisions UK & Ireland, Germany & Eastern Europe and Nordic. Also the divisions Benelux and Spain reported a significant decrease of total revenue and other income. The total revenue and other income decrease was partly offset by an increase in the Marine division.

The following table sets out the divisional split of total revenue and other income for H1 2014 and HI 2013.

	Six months ended 30 June			
	2014(1)	2013(1)	Change	
	EUR million		EUR million	Per cent
Benelux	315.2	340.3	(25.1)	(7.4)%
Germany & Eastern Europe	461.2	513.5	(52.3)	(10.2)%
UK & Ireland	303.5	400.1	(96.6)	(24.1)%
Nordic	406.1	451.8	(45.7)	(10.1)%
Spain	42.4	65.8	(23.4)	(35.6)%
Traffic & Infra	191.6	197.9	(6.3)	(3.2)%
Marine	235.9	193.2	42.7	22.1%
Inter-Segment revenue/eliminations	(3.9)	(0.5)	(3.4)	–
Total revenue and other income	1,952.0	2,162.1	(210.1)	(9.7)%

(1) These figures have not been subject to an audit.

Total operating expenses

Total operating expenses for H1 2014 were EUR 2,073.9 million, a decrease of EUR 285.4 million, or 12.1% (H1 2013: EUR 2,359.3 million). As a percentage of total revenue and other income, total operating expenses were 106.2% in H1 2014 (H1 2013: 109.1%). The decrease was mainly attributable to the decrease of "raw and auxiliary materials and trade goods", "work by third parties and other external expenses" and "personnel expenses".

Raw and auxiliary materials and trade goods

Raw and auxiliary materials and trade goods for H1 2014 were EUR 583.0 million, a decrease of EUR 108.8 million, or 15.7% (H1 2013: EUR 691.8 million). As a percentage of total revenue and other income, raw and auxiliary materials and trade goods were 29.9% in H1 2014 (H1 2013: 32.0%). The decrease was primarily attributable to the decrease in total revenue and other income, given the interrelated nature of these costs and revenues. The decrease in the percentage of total revenue compared to H1 2013 is attributable to a slightly different mix of projects.

Work by third parties and other external expenses

Work by third parties and other external expenses for H1 2014 was EUR 523.4 million, a decrease of EUR 63.7 million, or 10.8% (H1 2013: EUR 587.1 million). As a percentage of total revenue and other income, work by third parties and other external expenses were 26.8% in H1 2014 (H1 2013: 27.2%). The decrease was primarily attributable to the decrease in total revenue and other income, given the interrelated nature of these costs and revenues.

Personnel expenses

Personnel expenses for H1 2014 were EUR 726.7 million, a decrease of EUR 81.1 million, or 10.0% (H1 2013: EUR 807.8 million), mainly attributable to the decrease in headcount and lower restructuring costs. As a percentage of total revenue and other income, personnel expenses were 37.2% in H1 2014 (H1 2013: 37.4%).

The following table sets out the breakdown of personnel expenses for H1 2014 and H1 2013.

	Six months ended 30 June	
	2014(1)	**2013 (Restated)**(1)
	EUR million	
Wages and salaries	568.9	608.9
Social security expenses	147.3	154.1
Restructuring	10.5	44.8
Personnel expenses	726.7	807.8

(1) These figures have not been subject to an audit.

Wages and salaries for H1 2014 amounted to EUR 568.9 million, a decrease of EUR 40.0 million, or 6.6% (H1 2013: EUR 608.9 million). The change was primarily due to a decrease in headcount.

Social security expense for H1 2014 amounted to EUR 147.3 million, a decrease of EUR 6.8 million, or 4.4% (H1 2013: EUR 154.1 million). The change was primarily due to lower wages and salaries as a result of a decrease in headcount.

Restructuring expense for H1 2014 amounted to EUR 10.5 million, a decrease of EUR 34.3 million, or 76.6% (H1 2013: EUR 44.8 million). The change was primarily due to the Cost and Efficiency Programme in 2013 in Germany & Eastern Europe, Traffic & Infra and Benelux, which was largely completed in 2014.

Depreciation of property, plant and equipment

Depreciation of property, plant and equipment for H1 2014 was EUR 14.4 million, EUR 2.4 million less than H1 2013 (EUR 16.8 million). The change was minimal as a percentage of total revenue and other income (0.7% in H1 2014 compared to 0.8% in H1 2013), with the slight decrease attributable to lower property, plant and equipment balances following restricted capital expenditure and disposals.

Amortisation of intangible assets

Amortisation of intangible assets for H1 2014 was EUR 12.7 million, a decrease of EUR 7.6 million, or 37.4% (H1 2013: EUR 20.3 million). The change was due to a decrease in intangible assets, including as a result of impairment. As a percentage of total revenue, amortisation of intangible assets was 0.7% in H1 2014 (H1 2013: 0.9%). The decrease is attributable to lower intangible assets as a result of regular amortisation and impairments in "customers relationships/contracts" and "brands". Furthermore, in H1 2013, an additional impairment regarding the NVS brand was recognised. See "– Principal Factors Affecting Results of Operations and Comparability of Results – Accelerated amortisation of NVS brand name division Nordic".

Impairment property, plant and equipment and intangible assets

There was no impairment of property, plant and equipment and intangible assets for either H1 2014 or H1 2013.

Other expenses

Other expenses for H1 2014 amounted to EUR 213.7 million, a decrease of EUR 21.8 million, or 9.3% (H1 2013: EUR 235.5 million). As a percentage of total revenue and other income, other expenses were 10.9% in H1 2014 (H1 2013: 10.9%). Other expenses in H1 2014 and H1 2013 were partly impacted by costs relating to internal investigations in connection with the Irregularities.

The following table sets out the breakdown of other expenses for H1 2014 and H1 2013.

	Six months ended 30 June	
	2014(1)	**2013 (Restated)(1)**
	EUR million	
Other indirect expenses	218.2	227.2
Impairment loss on trade receivables	(1.3)	12.7
Change in provisions (excluding restructuring related to personnel)	(3.8)	(5.8)
Research and development costs	0.6	1.3
Total other expenses	213.7	235.4

(1) These figures have not been subject to an audit.

Result from operating activities

The result from operating activities for H1 2014 was EUR (121.9) million, an improvement of EUR 75.3 million, or 38.2% (H1 2013: EUR (197.2) million).

Operational EBITDA and operational EBITDA margin

The Group recorded a substantial negative operational EBITDA of EUR (24.9) million for H1 2014 (H1 2013: EUR (58.7) million). Operational EBITDA margin, expressed as the ratio of operational EBITDA to total revenue and other income, was (1.3)% in H1 2014 (H1 2013: (2.7)%). Although Germany & Eastern Europe and Benelux showed improved results in H1 2014, they still reported losses. UK & Ireland and Nordic realised a positive operational EBITDA, though at a lower level than H1 2013. Traffic & Infra and Marine showed an improvement and reported a positive operational EBITDA.

Net finance result

Net finance result for H1 2014 was EUR (120.9) million, an increase in net expense of EUR 66.5 million compared with H1 2013: (EUR (54.4) million).

Finance income for H1 2014 was EUR 3.0 million, a decrease of EUR 8.4 million (H1 2013: EUR 11.4 million). The decrease was largely driven by the fact that, during H1 2013, the Company experienced increased finance income from the positive change in the fair value of contingent considerations (remeasurement of earn out obligations).

Finance expenses for H1 2014 were EUR 123.9 million, an increase of EUR 58.1 million, or 88.3% (H1 2013: EUR 65.8 million). Finance expenses include certain one-off payments to the Group's financiers under the MTS, including certain extension and commitment fees and contractual make-whole penalties, which are paid partly in cash and partly in kind. The change was primarily due to the increase of the interest expenses due to extension and commitment fees and contractual make-whole penalties related to refinancing in H1 2013. Furthermore, the interest expenses increased due to higher interest rates. See note 9 to the H1 2014 Interim Financial Statements.

The following table sets out finance income, finance expenses and the net finance result of the Group for H1 2014 and H1 2013.

	Six months ended 30 June	
	2014(1)	**2013 (Restated)(1)**
	EUR million	
Interest income	0.3	–
Interest income on plan assets	1.2	1.2
Change in fair value of contingent consideration	–	9.6
Other finance income	1.5	0.6
Finance income	3.0	11.4
Interest expense on financial liabilities measured at amortised cost	(97.4)	(24.9)
Interest cost on defined benefit obligation	(4.7)	(4.7)

	Six months ended 30 June	
	2014[(1)]	2013 (Restated)[(1)]
	EUR million	
Net change in fair value of cash flow hedges transferred from equity	(0.4)	(0.5)
Net currency exchange loss	(0.7)	(7.9)
Other finance expenses	(20.7)	(27.8)
Finance expense	(123.9)	(65.8)
Net finance result	**(120.9)**	**(54.4)**

(1) These figures have not been subject to an audit.

Share in results of associates, joint ventures and other investments

Share in results of associates, joint ventures and other investments for H1 2014 was EUR 0.6 million (H1 2013: EUR (0.7) million).

Result before income tax

As a consequence of the above, the Group recorded a loss before tax of EUR 242.2 million for H1 2014 (H1 2013: EUR 252.3 million loss).

Income tax expense

Income tax expense for H1 2014 was a credit of EUR 10.5 million, a decrease of EUR 13.2 million (H1 2013: EUR 23.7 million credit). The Group's effective tax rate for H1 2014 was 4.3% (H1 2013: 9.4%). The effective tax rate was impacted by losses made in H1 2014. The effective tax rate is significantly impacted by losses made in countries where the Group does not expect sufficient taxable profits in the foreseeable future to recognise a deferred tax asset, including the fact that German tax losses cannot always be fully compensated with future profits.

Discontinued operations

The result (loss) of EUR 69.8 million from discontinued operations (net of tax) for H1 2014 included the EUR 60 million fair value adjustment accounted for in connection with the sale of ICT. See "– Principal Factors Affecting Results of Operations and Comparability of Results – Acquisitions and divestments". Additionally, the result (loss) from discontinued operations (net of tax) for H1 2014 included a net loss of EUR 12.4 million of F&M Schweiz as a result of the downsizing of the unit and its full closure as planned in the near future.

Result for the period

As a consequence of the above, the net loss for H1 2014 was EUR 301.5 million, an increase of EUR 71.0 million, or 30.8% (H1 2013: EUR 230.5 million loss).

Comparison of the financial results for H1 2014 and H1 2013 by division

The following table sets forth a breakdown of total revenue and other income, operational EBITDA and operational EBITDA margin by division for H1 2014 and H1 2013.

	Total revenue and other income		Operational EBITDA		Operational EBITDA margin	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2014[(1)]	2013[(1)]	2014[(1)]	2013[(1)]	2014[(1)]	2013[(1)]
	EUR million				per cent	
Benelux	315.2	340.3	(15.1)	(17.7)	(4.8%)	(5.2%)
Germany & Eastern Europe	461.2	513.5	(15.3)	(55.2)	(3.3%)	(10.7%)
UK & Ireland	303.5	400.1	4.9	15.6	1.6%	3.9%
Nordic	406.1	451.8	12.7	15.7	3.1%	3.5%
Spain	42.4	65.8	(3.3)	(1.0)	(7.8%)	(1.5%)
Traffic & Infra	191.6	197.9	4.0	2.3	2.1%	1.2%
Marine	235.9	193.2	0.5	(9.3)	0.2%	(4.8%)
Group management / eliminations	(3.9)	(0.5)	(13.3)	(9.1)	N/A	N/A
Total	**1,952.0**	**2,162.1**	**(24.9)**	**(58.7)**	**(1.3%)**	**(2.7%)**

(1) These figures have not been subject to an audit.

Benelux

In the Benelux division, total revenue and other income for H1 2014 was EUR 315.2 million, a decrease of EUR 25.1 million, or 7.4% (H1 2013: EUR 340.3 million). The decrease reflected relatively weak order intake in prior periods, particularly for the industrial business as a result of poor market conditions.

The business units within the Benelux division, Building Services, Industrial Services and Industry International, suffered from difficult market conditions especially in the buildings and infra market. Against the background of the difficult market conditions prevailing in the Netherlands, the Company has announced and begun to implement the Cost and Efficiency Programmes described elsewhere in this Prospectus in order to strengthen the competitiveness and profitability of the Group's companies in the Netherlands.

Operational EBITDA for H1 2014 was EUR (15.1) million, a positive shift of EUR 2.6 million (H1 2013: EUR (17.7) million). Operational EBITDA margin was (4.8)% in H1 2014 (H1 2013: (5.2)%). Operational EBITDA for H1 2013 was positively impacted by the effects of the restructuring initiated in 2012, the Cost and Efficiency Programme and positive results in Belgium and Luxembourg. The positive shift in H1 2014 was the result of improved costs savings across the Benelux division however the resulting benefits were partially offset by additional loss provisions for the Building Services business unit's Noord-Zuid Lijn project (EUR 3.0 million) and Industrial Services business unit's Taqa project (EUR 1.8 million) in H1 2014.

Order intake amounted to EUR 370.2 million during H1 2014, compared to EUR 296.0 million in H1 2013. The change of the order intake was mainly due to a number of relatively large new orders. Ongoing difficult market conditions, particularly in the buildings and industrial markets, continue to impact order levels, and delayed or cancelled projects are also having an effect.

Germany & Eastern Europe

In the Germany & Eastern Europe division, total revenue and other income for H1 2014 was EUR 461.2 million, a decline of EUR 52.3 million, or 10.2% (H1 2013: EUR 513.5 million). The decrease reflects the Group's focus on margin over volume and the difficult circumstances for the division Germany & Eastern Europe relating to the Irregularities and the subsequent downsizing of the Group's business in Germany & Eastern Europe.

Operational EBITDA for H1 2014 was EUR (15.3) million, a positive shift of EUR 39.9 million (H1 2013: EUR (55.2) million). The negative operational EBITDA for both H1 2014 and H1 2013 was driven by project losses and low revenue, resulting in low coverage of overhead cost in combination with a relatively high cost level, as well as slippage and follow-up costs relating to old projects and under-absorption of indirect costs. The positive shift in operational EBITDA in H1 2014 reflects a measure of improvement across these loss drivers. Operational EBITDA margin was (3.3)% in H1 2014 (H1 2013: (10.7)%).

In 2013, the Group announced its "Neue Imtech" comprehensive recovery plan to rebuild the German organization. Management believes the plan is well advanced and largely on track, with a substantial majority of initiatives complete or in progress. See "– Principal Factors Affecting Results of Operations and Comparability of Results – Reorganisations, cost savings and efficiency improvements".

Order intake amounted to EUR 351.7 million during H1 2014, compared to EUR 452.0 million in H1 2013. The decrease was mainly due to the focus on prioritising margin over volume.

UK & Ireland

In the UK & Ireland division, total revenue and other income for H1 2014 was EUR 303.5 million, a decrease of EUR 96.6 million, or 24.1% (H1 2013: EUR 400.1 million). The decrease in revenue was due in part to slow project start-ups, which resulted in low production levels.

Operational EBITDA for H1 2014 was EUR 4.9 million, a decrease of EUR 10.7 million, or 68.6% (H1 2013: EUR 15.6 million). The decline reflects the lower revenue level compared to H1 2013. Operational EBITDA margin was 1.6% in H1 2014 (H1 2013: 3.9%). The decrease reflects margin pressure in the UK due to continuing poor market conditions especially in the UK engineering services business, partly offset by strong performance of the international export activities.

Order intake as at 30 June 2014 amounted to EUR 347.4 million, compared to EUR 339.1 million in H1 2013 an increase of 2.4%. The intake includes large contract wins.

After a change in the license system by the government in Kazakhstan, the Group chose to terminate its joint venture there, which had been served from the Group's base in Ireland. The joint-venture termination will have a limited financial impact in 2014, but will have a negative impact on the Group's operational EBITDA and revenue in 2015 and 2016, as no further business is foreseen in these years.

Nordic

In the Nordic division, total revenue and other income for H1 2014 was EUR 406.1 million, a decrease of EUR 45.7 million, or 10.1% (H1 2013: EUR 451.8 million). The decrease was partly due to the weakness of the overall economy in the region.

Operational EBITDA for H1 2014 was EUR 12.7 million, a decrease of EUR 3.0 million, or 19.1% (H1 2013: EUR 15.7 million). The decrease was mainly due to weak project results in both Sweden and Finland, and margin pressure in the market. As a consequence the operational EBITDA margin for H1 2014 declined to 3.1%, compared to 3.5% in H1 2013.

Order intake amounted to EUR 437.3 million during H1 2014, compared to EUR 508.3 million in H1 2013. The decrease was mainly due to pressure in the market (all Nordic markets but especially in central and southern of Sweden), slow start of the year in Norway (longer lead terms between initiation and closing of tenders) and the cancellation of Phase 4 and Phase 5 of the NKS project.

Spain

In the Spain division, total revenue and other income for H1 2014 was EUR 42.4 million, a decrease of EUR 23.4 million, or 35.6% (H1 2013: EUR 65.8 million). The decrease was due to continued challenging economic conditions in the markets for both building projects and industry projects, as well as delays in a number of projects. The decrease also includes a EUR 7.6 million reversal of revenue in connection with an arbitration relating to the Company's Repsol project. In connection with this project, the Company was awarded approximately EUR 11 million, which is expected to be received before the end of 2014.

Operational EBITDA for H1 2014 was EUR (3.3) million, EUR 2.3 million worse than in H1 2013 (EUR (1.0) million). The decrease is as a result of fierce competition and delays in execution of projects. As a consequence the operational EBITDA margin for H1 2014 declined to (7.8)%, compared to (1.5)% in H1 2013.

Order intake amounted to EUR 37.8 million during H1 2014, compared to EUR 50.9 million during H1 2013. The decrease was mainly due to the ongoing decline of the market.

Traffic & Infra

In the Traffic & Infra division, total revenue and other income for H1 2014 was EUR 191.6 million, a decrease of EUR 6.3 million, or 3.2% (H1 2013: EUR 197.9 million). The decrease includes the effects of further cuts to governmental budgets, including those of two key customers: the Dutch and UK governments.

Operational EBITDA for H1 2014 was EUR 4.0 million, an increase of EUR 1.7 million, or 73.9% (H1 2013: EUR 2.3 million). The increase reflects the success of the Cost and Efficiency Programme. As a result the operational EBITDA margin for H1 2014 amounted to 2.1%, compared to 1.2% in H1 2013.

Order intake during H1 2014 was EUR 159.0 million (H1 2013: EUR 211.8 million). The decrease was mainly due to the lagging order intake in the Netherlands and Finland, which was mainly the consequence of the depressed markets in combination with the Group's increasingly selective tendering criteria targeting better project margins.

Marine

In the Marine division, total revenue and other income for H1 2014 was EUR 235.9 million, an increase of EUR 42.7 million, or 22.1% (H1 2013: EUR 193.2 million). The increase was mainly due to higher production levels compared to H1 2013 when Marine experienced delays in large projects.

Operational EBITDA for H1 2014 was EUR 0.5 million, a positive shift of EUR 9.8 million (H1 2013: EUR (9.3) million). The increase was primarily due to improved results in Germany. Operational EBITDA margin increased to 0.2% in H1 2014 (H1 2013: (4.8%)). This is mainly attributable to the increased focus of the newly installed management on project control, agreed conditions for new projects and working capital management.

Order intake during H1 2014 was EUR 251.5 million (H1 2013: EUR 234.3 million).

Group management / eliminations

Operational EBITDA for H1 2014 was EUR (13.3) million, a negative shift of EUR 4.2 million (H1 2013: EUR (9.1) million). This was primarily due to higher costs relating to extra staff and (legal) advisors who supported the Company.

Comparison of the financial results of the Group for the 2013 and 2012 financial years

The following table sets out the profit and loss account of the Group for the 2013 and 2012 financial years.

	Year ended 31 December			
	2013		2012 (restated)	
	EUR million	% of total revenue and other income	EUR million	% of total revenue and other income
Total revenue and other income	**4,944.9**	**100.0%**	**5,354.9**	**100.0%**
Raw and auxiliary materials and trade goods	1,815.9	36.7%	1,820.8	34.0%
Work by third parties and other external expenses	1,166.7	23.6%	1,312.7	24.5%
Personnel expenses	1,772.0	35.8%	1,707.8	31.9%
Depreciation of property, plant and equipment	40.5	0.8%	39.6	0.7%
Amortisation of intangible assets	56.1	1.1%	37.4	0.7%
Impairment property, plant and equipment and intangible assets	28.8	0.6%	23.3	0.4%
Other expenses	614.2	12.4%	587.9	11.0%
Total operating expenses	5,494.2	111.1%	5,529.5	103.2%
Result from operating activities	**(549.3)**	**(11.1%)**	**(174.6)**	**(3.2%)**
Net finance results	(105.0)	(2.1%)	(62.0)	(1.2%)
Share in results of Associates, Joint Ventures and Other Investments	(5.7)	(0.1%)	2.8	0.1%
Result before income tax	(660.0)	**(13.3%)**	**(233.8)**	**(4.4%)**
Income tax expense	20.4	0.4%	(1.8)	(0%)
Result from continuing operations	(639.6)	**(12.9%)**	**(235.6)**	**(4.4%)**
Result from discontinued operations (net of tax)	(57.0)	(1.2%)	(4.9)	(0.1%)
Result for the period	**(696.9)**	**(14.1%)**	**(240.5)**	**N/A**
Operational EBITDA[(1)]	(44.4)	(0.9%)	(23.7)	(0.4%)

(1) These figures have not been subject to an audit.

Total revenue and other income

Total revenue and other income for the 2013 financial year was EUR 4,944.9 million, a decrease of EUR 410.0 million, or 7.7% (2012 financial year: EUR 5,354.9 million). The decrease was primarily due to lower revenue in Germany & Eastern Europe. Benelux, Marine, Spain and UK & Ireland divisions. The total revenue and other income decrease was partly offset by an increase in revenue in the Nordic, ICT and Traffic & Infra divisions.

The following table sets out the divisional split of total revenue and other income for the 2013 and 2012 financial years.

	Year ended 31 December		Change	
	2013	2012 (Restated)		
	EUR million		EUR million	Per cent
Benelux	683.9	768.2	(84.3)	(11.0)%
Germany & Eastern Europe	969.0	1,372.1	(403.1)	(29.4)%
UK & Ireland	738.1	750.6	(12.5)	(1.7)%
Nordic	892.7	805.2	87.5	10.9%
Spain	126.9	156.1	(29.2)	(18.7)%
ICT	746.7	674.9	71.8	10.6%
Traffic & Infra	387.6	348.9	38.7	11.1%
Marine	418.9	494.1	(75.2)	(15.2)%
Group Management / eliminations	(18.9)	(15.2)	(3.7)	(24.3)%
Total revenue and other income	4,944.9	5,354.9	(410.0)	(7.7)%

The following table sets out the breakdown of total revenue and other income of the Group for the 2013 and 2012 financial years.

	Year ended 31 December	
	2013	2012 (Restated)
	EUR million	
Construction contracts	3,072.8	3,427.3
Services rendered	1,270.1	1,353.4
Sale of goods	593.4	555.6
Revenue	4,936.3	5,336.3
Other income	8.6	18.6
Total revenue and other income	4,944.9	5,354.9

Revenue from construction contracts decreased by 10.3% to EUR 3,072.8 million in the 2013 financial year from EUR 3,427.3 million in the 2012 financial year. Revenue from services rendered decreased by 6.2% to EUR 1,270.1 million in the 2013 financial year from EUR 1,353.4 million in the 2012 financial year. The decrease is mainly attributable to Germany & Eastern Europe and, to a lesser extent, Benelux, Marine Spain and UK & Ireland. Revenue from the sale of goods increased by 6.8% to EUR 593.4 million in the 2013 financial year from EUR 555.6 million in the 2012 financial year, mainly due to the increased activities of ICT in 2013 – the revenue generated by ICT is primarily recognised as revenue from the sale of goods.

Other income in 2013 included, amongst others, the result from disposal of non-current assets. In 2012 other income included the reversal of impairments on vendor loans for EUR 4.9 million related to the sale of subsidiaries in previous years.

There were no customers in 2013 or 2012 that accounted for more than 10% of annual total revenue and other income.

Order intake

The order intake during the 2013 financial year was EUR 4.725 billion.

Total operating expenses

Total operating expenses for the 2013 financial year were EUR 5,494.2 million, a decrease of EUR 35.3 million, or 0.6% (2012 financial year: EUR 5,529.5 million). As a percentage of total revenue and other income, total operating expenses were 111.1% in the 2013 financial year (2012 financial year: 103.3%). The decrease was primarily attributable to the decrease in "raw and auxiliary materials and trade goods" and "work by third parties and other external expenses", offset by an increase in "personnel expenses".

Raw and auxiliary materials and trade goods

Raw and auxiliary materials and trade goods for the 2013 financial year were EUR 1,815.9 million, a decrease of EUR 4.9 million, or 0.3% (2012 financial year: EUR 1,820.8 million). As a percentage of total revenue and other income, raw and auxiliary materials and trade goods were 36.7% in the 2013 financial year (2012 financial year: 34.0%). The higher share as a percentage of total revenue and other income in 2013 was caused primarily by the decrease in revenue due to increased competition and pressure on prices and margin, together with write-offs of work in progress (due from customers and due to customers).

Work by third parties and other external expenses

Work by third parties and other external expenses for the 2013 financial year was EUR 1,166.7 million, a decrease of EUR 146.0 million, or 11.1% (2012 financial year: EUR 1,312.7 million). As a percentage of total revenue and other income, work by third parties and other external expenses was 23.6% in the 2013 financial year (2012 financial year: 24.5%). The decrease was primarily attributable to the decrease in total revenue and other income, given the interrelated nature of these costs and the volume of the Group's activities.

Personnel expenses

Personnel expenses for the 2013 financial year were EUR 1,772.0 million, an increase of EUR 64.2 million, or 3.8% (2012 financial year: EUR 1,707.8 million). As a percentage of total revenue and other income, personnel expenses were 35.8% in the 2013 financial year (2012 financial year: 31.9%). The higher share as a percentage of total revenue and other income in 2013 was caused principally by the increase of the restructuring costs in connection with the Cost and Efficiency Programme.

The following table sets out the breakdown of personnel expenses for the 2013 and 2012 financial years.

	Year ended 31 December	
	2013	2012 (Restated)
	EUR million	
Wages and salaries	1,331.8	1,304.9
Social security expenses	284.9	285.0
Contributions to defined contribution plans	45.0	40.3
Costs in respect of defined benefit plans	8.9	23.2
Restructuring	98.9	47.7
Share-based payments	2.4	5.8
Costs in respect of jubilee benefits	0.1	0.9
Personnel expenses	1,772.0	1,707.8

Wages and salaries for the 2013 financial year amounted to EUR 1,331.8 million, an increase of EUR 26.9 million, or 2.1% (2012 financial year: EUR 1,304.9 million). The increase was primarily due to general salary increases, relatively more (expensive) white collar personnel, offset in part by a decrease in FTEs.

Social security expenses for the 2013 financial year were EUR 284.9 million and in line with previous year.

Contributions to defined contribution plans for the 2013 financial year were EUR 45.0 million, an increase of EUR 4.7 million or 11.7% (2012 financial year: EUR 40.3 million). The increase was primarily due to the termination of a Group's pension fund in the Netherlands as per 1 June 2012 whereby the pensions were transferred to an insurance company and an industry-wide pension fund (see "Major Shareholders and Related Party transactions – Related party transactions – Stichting Pensioenfonds Imtech in liquidation") resulting in a shift from defined benefits to defined contribution.

Costs in respect of defined benefit plans for the 2013 financial year were EUR 8.9 million, a decrease of EUR 14.3 million, or 61.6% (2012 financial year: EUR 23.2 million). The decrease was primarily attributable to a settlement of the defined benefit plan in 2012, as discussed above.

Restructuring expenses for the 2013 financial year included in personnel expenses were EUR 98.9 million, an increase of EUR 51.2 million, or 107.3% (2012 financial year: EUR 47.7 million). The restructuring mainly related to the divisions Benelux, Germany & Eastern Europe, Traffic & Infra and Marine and resulted in approximately 2,300 FTEs being made redundant, for which expenses relating to approximately 300 FTEs have been incurred in 2014. See "– Principal Factors Affecting Results of Operations and Comparability of Results – Reorganisations, cost savings and efficiency improvements".

Depreciation of property, plant and equipment

Depreciation of property, plant and equipment for the 2013 financial year was EUR 40.5 million and in line with 2012 (2012 financial year: EUR 39.6 million). As a percentage of total revenue and other income, depreciation of property, plant and equipment was 0.8% in the 2013 financial year (2012 financial year: 0.7%).

Amortisation of intangible assets

Amortisation of intangible assets for the 2013 financial year was EUR 56.1 million, an increase of EUR 18.7 million, or 50% (2012 financial year: EUR 37.4 million). As a percentage of total revenue and other income, amortisation of intangible assets was 1.1% in the 2013 financial year (2012 financial year: 0.7%). The increase is mainly attributable to the rebranding of the companies in the Nordic division and, as a result, the remaining useful life was shortened and the amortisation was accelerated. See "– Principal Factors Affecting Results of Operations and Comparability of Results – Accelerated amortisation of NVS brand name division Nordic".

Impairment of property, plant and equipment and intangible assets

Impairment of property, plant and equipment and intangible assets for the 2013 financial year was EUR 28.8 million, an increase of EUR 5.5 million, or 23.6% (2012 financial year: EUR 23.3 million). The increase related to the impairment of a commercial building of EUR 21.0 million in 2013.

Other expenses

Other expenses for the 2013 financial year amounted to EUR 614.2 million, an increase of EUR 26.3 million, or 4.5% (2012 financial year: EUR 587.9 million). As a percentage of total revenue and other income, other expenses were 12.4% in the 2013 financial year (2012 financial year: 11%). The increase was, to a large extent, due to external advisory costs and costs of additional FTEs who are not on the Group's payroll and were hired to support the Group as a result of the Irregularities.

The following table sets out the breakdown of other expenses for the 2013 and 2012 financial years.

	Year ended 31 December	
	2013	2012 (Restated)
	EUR million	
Other indirect expenses	498.8	465.2
Impairment loss on trade receivables	78.0	106.2
Change in provisions (excluding restructuring related to personnel)	30.6	10.1
Research and development costs	6.8	6.4
Total other expenses	614.2	587.9

Other indirect expenses for the 2013 financial year were EUR 498.8 million, an increase of EUR 33.6 million, or 7.2% (2012 financial year: EUR 465.2 million). The increase included EUR 22.3 million relating to the refinancing.

Impairment loss on trade receivables for the 2013 financial year was EUR 78.0 million, a decrease of EUR 28.2 million, or 26.6% (2012 financial year: EUR 106.2 million). The impairment loss on trade receivables mainly relates to the division Germany & Eastern Europe.

Change in provisions (excluding restructuring related to personnel) for the 2013 financial year was EUR 30.6 million, an increase of EUR 20.5 million, or 203.0% (2012 financial year: EUR 10.1 million). The increase was primarily due to additions made to the provisions for warranties and claims and to other provisions.

Research and development costs for the 2013 financial year were EUR 6.8 million (2012 financial year: EUR 6.4 million).

Result from operating activities

As a consequence of the above, the result from operating activities for the 2013 financial year was EUR (549.3) million, a decrease of EUR 374.7 million (2012 financial year: EUR (174.6) million).

Result from discontinued operations

The following table sets out the breakdown of the result from discontinued operations (net of tax) for the 2013 and 2012 financial years.

	Year ended 31 December	
	2013	2012
	EUR million	
Revenue	124.3	78.1
Expenses	141.4	84.1
Result before income tax	(17.1)	(6.0)
Income tax	0.9	1.1
Results from operating activities (net of tax)	(16.2)	(4.9)
Result on sale of discontinued operations (as a result of impairment of assets)	(40.8)	–
Result from discontinued operations (net of tax)	(57.0)	(4.9)

Result from discontinued operations for the 2013 financial year was EUR (57.0) million, a negative shift of EUR 52.1 million (2012 financial year: EUR (4.9) million). Discontinued operations in 2013 and 2012 related principally to the Group's planned disposition of Arma. "See – Principal Factors Affecting Results of Operations and Comparability of Results – Acquisitions and divestments".

Operational EBITDA and operational EBITDA margin

As a consequence of the above, the Group recorded an operational EBITDA of EUR (44.4) million for the 2013 financial year (2012 financial year: EUR (23.7) million). Operational EBITDA margin was (0.9)% in the 2013 financial year (2012 financial year: 0.4%). The decline in operational EBITDA for 2013 reflects the negative impact of the difficult market circumstances and the Irregularities.

Net finance result

Net finance result for the 2013 financial year was EUR (105.0) million, a decrease of EUR 43 million, or 69.4% (2012 financial year: EUR (62.0) million). The following table sets out finance income, finance expenses and net finance result for the 2013 and 2012 financial years.

	Year ended 31 December	
	2013	2012 (Restated)
	EUR million	
Interest income	1.4	1.6
Interest income on plan assets	2.6	8.1
Change in fair value of contingent consideration	14.3	6.1
Other finance income	1.9	4.2
Finance income	20.2	20.0
Interest expense on financial liabilities measured at amortised cost	(67.5)	(38.8)
Interest cost on defined benefit obligation	(9.5)	(15.1)
Net change in fair value of cash flow hedges transferred from equity	(1.4)	(5.2)
Net currency exchange loss	(4.4)	(2.9)
Other finance expenses	(42.4)	(20.0)
Finance expenses	(125.2)	(82.0)
Net finance result	**(105.0)**	**(62.0)**

Finance income for the 2013 financial year was EUR 20.2 million, an increase of EUR 0.2 million, or 1% (2012 financial year: EUR 20.0 million). The increase was primarily due to a decrease (release) of the earn-out obligations relating to historic acquisitions resulting from lower-than-anticipated target performance.

Finance expenses for the 2013 financial year were EUR 125.2 million, an increase of EUR 43.2 million, or 52.7% (2012 financial year: EUR 82.0 million). The increase was primarily due to an increase in interest expense on financial liabilities measured at amortised cost, mainly reflecting the higher interest rates in light of the refinancing of the Company. The other finance expenses include EUR 23.9 million relating to the refinancing of the Company.

Share in results of associates, joint ventures and other investments

Share in results of associates, joint ventures and other investments for the 2013 financial year was EUR (5.7) million, a negative shift of EUR 8.5 million (2012 financial year: EUR 2.8 million). The decrease was primarily due to a write-off of a financial asset in Germany.

Result before income tax

As a consequence of the above, the Group recorded a result before tax of EUR (660.0) million for the 2013 financial year (2012 financial year: EUR (233.8) million).

Income tax expense

As a consequence of the above, income tax benefit for the 2013 financial year was EUR 20.4 million, a positive shift of EUR 22.2 million (2012 financial year: EUR (1.8) million). The Group's effective tax rate for the 2013 financial year was 3.1% (2012 financial year: 0.8%). The increase of the effective tax rate reflects the change in geographical spread of results (especially in the division Germany & Eastern Europe). The effective tax rate is also significantly impacted by losses made in countries where the Group does not expect sufficient taxable profits in the foreseeable future to recognise a deferred tax asset, including the fact that German tax losses cannot always be fully compensated with future profits.

Result for the period

As a result of the above, loss for the 2013 financial year was EUR 696.6 million, compared to a loss of EUR 240.5 million in the 2012 financial year.

Comparison of the financial results for the 2013 and 2012 financial years by division

The following table sets forth a breakdown of total revenue and other income, operational EBITDA and operational EBITDA margin by division for the 2013 and 2012 financial years.

	Total revenue and other income		Operational EBITDA		Operational EBITDA margin	
	Year ended 31 December		Year ended 31 December		Year ended 31 December	
	2013	2012 (Restated)	2013[(1)]	2012 (Restated)[(1)]	2013[(1)]	2012 (Restated)[(1)]
	EUR million				Per cent	
Benelux	683.9	768.2	(17.6)	(19.1)	(2.6%)	(2.5%)
Germany & Eastern Europe	969.0	1,372.1	(107.7)	(131.2)	(11.1%)	(9.6%)
UK & Ireland	738.1	750.6	30.7	44.6	4.2%	5.9%
Nordic	892.7	805.2	29.8	59.6	3.3%	7.4%
Spain	126.9	156.1	(2.3)	(0.8)	(1.8%)	(0.5%)
ICT	746.7	674.9	32.7	43.8	5.0%	6.6%
Traffic & Infra	387.6	348.9	12.0	11.6	3.1%	3.4%
Marine	418.9	494.1	(9.9)	(0.5)	(2.4%)	(0.1%)
Group Management / eliminations	(18.9)	(15.2)	(16.3)	(31.7)	N/A	N/A
Total	4,944.9	5,354.9	(48.6)	(23.7)	(0.9%)	(0.4%)

(1) These figures have not been subject to an audit.

Benelux

In the Benelux division, total revenue and other income for the 2013 financial year was EUR 683.9 million, a decrease of EUR 84.3 million, or 11.0% (2012 financial year: EUR 768.2 million). The decrease reflects the difficult market circumstances, especially in the buildings market in the Netherlands.

As a result of the challenging market conditions in both the buildings services and the infrastructure market, the Group announced an extensive restructuring in October 2012 including a reduction in the workforce in the Benelux division by 730 FTEs and leading to costs relating to redundancy payments. This restructuring was completed in the beginning of 2013. A charge of EUR 35.7 million was recorded in 2012 in connection with this restructuring.

The division continued to face difficult market circumstances and fierce domestic and international competition, especially in the buildings market. The Dutch building and construction market was affected by lack of economic growth and investments with clients postponing or cancelling projects and downsizing maintenance and service contracts, leading to significant increases in competition and pressure on prices and margin. The disappointing results in the buildings and infrastructure markets were, to an extent, offset by good performances from the business units active in the industry market, and in the field of international industrial markets.

Operational EBITDA for the 2013 financial year was EUR (17.6) million (2012 financial year: EUR (19.1) million). The loss primarily reflected the continued difficult market circumstances, pressure on margins and underutilisation resulting in insufficient recovery of overhead cost. Operational EBITDA margin was (2.6%) in the 2013 financial year compared to (2.5%) in 2012 financial year.

Order intake during the 2013 financial year amounted to EUR 625.5 million.

Germany & Eastern Europe

In the Germany & Eastern Europe division, total revenue and other income for the 2013 financial year was EUR 969.0 million, a decrease of EUR 403.1 million, or 29.4% (2012 financial year: EUR 1,372.1 million) which was mainly attributable to the prioritisation of margin over volume. Revenue and other income for 2012 also reflected the impact of revenue reversals relating to the Irregularities in Germany and Poland.

Operational EBITDA for the 2013 financial year was EUR (107.7) million (2012 financial year: EUR (131.2) million). Included in operational EBITDA were effects of the write-offs in Germany and Poland, as described in "– Principal Factors Affecting Results of Operations and Comparability of Results – Impairments and write-offs". Operational EBITDA margin was (11.1%) in the 2013 financial year (2012 financial year: (9.6%)).

Order intake during the 2013 financial year was EUR 800.6 million.

UK & Ireland

In the UK & Ireland division, total revenue and other income for the 2013 financial year, EUR 738.1 million, remained relatively stable compared to the 2012 financial year (EUR 750.6 million). The slight decline included a negative currency impact of EUR 27.9 million.

The UK buildings market, in which the business units Engineering Services and Technical Maintenance are active, was affected by a lack of economic growth and investment driven by a combination of government cutbacks and the reluctance of the private sector. In this context, over-capacity in the UK buildings industry has led to a significant increase in competition and a change in behaviour amongst main contractors. This has led to reductions in contract bid margins, an increase in pre-contract costs of projects, and delays in the works certification and debtor recovery process. The Irish economy also remained relatively challenging. Nevertheless, the UK/Ireland division achieved a relatively stable performance, mainly due to focus on international activities.

Operational EBITDA for the 2013 financial year was EUR 30.7 million, a decrease of EUR 13.9 million, or 31.2% (2012 financial year: EUR 44.6 million). The decline primarily reflected margin pressure in the UK engineering services business. Operational EBITDA margin for the 2013 financial year was 4.2%, compared to 5.9% in the 2012 financial year, reflecting the abovementioned margin pressure in the UK engineering services business.

Order intake during the 2013 financial year was EUR 673.7 million.

Nordic

In the Nordic division, total revenue and other income for the 2013 financial year was EUR 892.7 million, an increase of EUR 87.5 million, or 10.9% (2012 financial year: EUR 805.2 million) primarily as a result of the consolidation of the Finnish company EMC with EUR 101.8 million revenue.

Market conditions in Scandinavia varied, with demand being higher in Norway and Northern Sweden than in Southern Sweden and Finland. Over the past few years the overall economy in the region has weakened. Although this has led to uncertainty and, as a consequence, lengthened the investment decision process, management believes that the Group's strategy of clustering technological competencies with added-value for customers enabled it to respond effectively.

Operational EBITDA for the 2013 financial year was EUR 29.8 million, a decrease of EUR 29.8 million, or 50.0% (2012 financial year: EUR 59.6 million). The decline primarily relates to weak project results and some margin pressure in the market. Operational EBITDA margin for the 2013 financial year was 3.3% compared to 7.4% in the 2012 financial year.

Order intake during the 2013 financial year was EUR 888.1 million.

Spain

In the Spain division, total revenue and other income for the 2013 financial year was EUR 126.9 million, a decrease of EUR 29.2 million, or 18.7% (2012 financial year: EUR 156.1 million). The decrease was primarily due to challenging economic conditions in the markets for both building projects as well as industry projects.

Operational EBITDA for the 2013 financial year was EUR (2.3) million, an increased loss of EUR 1.5 million, or 188% (2012 financial year: EUR (0.8) million). The change primarily relates to the challenging economic conditions in the markets for both building projects as well as industry projects. Operational EBITDA margin for the 2013 financial year was (1.8)%, compared to (0.5)% in the 2012 financial year.

Order intake during the 2013 financial year was EUR 122.6 million.

ICT

In the ICT division, total revenue and other income for the 2013 financial year was EUR 746.7 million, an increase of EUR 71.8 million, or 10.6% (2012 financial year: EUR 674.9 million). The increase was primarily attributable to one-off projects initiated by some of the Group's strategic partners at the end of the fourth quarter 2013.

Operational EBITDA for the 2013 financial year was EUR 32.7 million, a decrease of EUR 6.9 million, or 15.8% (2012 financial year: EUR 43.8 million). The decrease primarily relates to pressure on margins. Operational EBITDA margin for the 2013 financial year was 5.0% compared to 6.6% in the 2012 financial year.

Order intake during the 2013 financial year was EUR 777.6 million.

Traffic & Infra

In the Traffic & Infra division, total revenue and other income for the 2013 financial year was EUR 387.6 million, an increase of EUR 38.7 million, or 11.1% (2012 financial year: EUR 348.9 million). The increase was primarily driven by the good performance of the businesses in Belgium and Nordic, partly offset by a decrease in the Dutch business.

Operational EBITDA for the 2013 financial year was EUR 12.0 million, an increase of EUR 0.4 million, or 3.4% (2012 financial year: EUR 11.6 million). Operational EBITDA margin for the 2013 financial year was 3.1% compared to 3.4% in the 2012 financial year.

Order intake during the 2013 financial year was EUR 361.5 million.

Marine

In the Marine division, total revenue and other income for the 2013 financial year was EUR 418.9 million, a decrease of EUR 75.2 million, or 15.2% (2012 financial year: EUR 494.1 million). The decrease was primarily attributable to low order intake in 2012.

Operational EBITDA for the 2013 financial year was EUR (9.9) million, an increased loss of EUR 9.4 million (2012 financial year: EUR (0.5) million). Operational EBITDA margin for the 2013 financial year was (2.4)% compared to (0.1)% in the 2012 financial year. The higher operational EBITDA loss was primarily due to weak project results and inefficiencies.

Order intake during the 2013 financial year was EUR 476.2 million.

Group management / eliminations

In the 2013 financial year, group management / eliminations accounted for EUR (18.9) million of total revenue and other income in the elimination of intra-Group transactions.

Operational EBITDA for the 2013 financial year was EUR (16.3) million and relates to advisory costs, personnel costs and other headquartering costs.

Liquidity and Capital Resources

Cash flow analysis for the Group for the 2013 and 2012 financial years and H1 2014 and H1 2013

Working capital

The table below sets out the Group's working capital.

	At 31 December		At 30 June	
	2013	2012 (Restated)	2014(2)	2013(3)
	EUR million			
Inventories	72.8	80.0	54.2	81.8
Due from customers	443.9	572.8	444.1	666.8
Trade receivables	859.3	1,132.1	604.6	938.8
Other receivables	134.0	190.5	126.4	244.9
Income tax receivables	8.9	13.3	6.7	10.9
Current assets (excluding cash and cash equivalents)	1,518.9	1,988.7	1,236.0	1,943.2
Due to customers	275.2	308.0	267.9	319.3
Trade payables	756.5	890.8	515.2	704.6
Other payables	476.4	652.9	370.1	562.4
Income tax payables	20.3	30.8	13.8	24.6
Current liabilities (excluding bank overdrafts and loans and borrowings)	1,528.4	1,882.5	1,167.0	1,610.9
Working capital	(9.5)	106.0	69.0	332.3
Remaining legacy items in working capital	75.7	N/A(1)	59.2	N/A(1)
Operational working capital	(85.2)		9.8	

(1) The Company has been using operational working capital as a performance measure starting with the fourth quarter of 2013 as a result of separate reporting of the legacy items.

(2) These figures have not been subject to an audit.

(3) These figures are drawn from the unaudited condensed consolidated interim financial statements for H1 2013 and have not been restated for IFRS 10, 11, 12, IAS 27 and IAS 28 as effective from 1 January 2014.

During the periods under review, the Group's operating cash flow has been heavily influenced by the components and valuations of working capital.

As at 30 June 2014, working capital increased to EUR 69.0 million compared to EUR (9.5) million at 31 December 2013. This increase, a shift of EUR 78.5 million, included the effect from excluding the ICT division, which had a positive working capital effect in an amount of EUR 28.6 million at 30 June 2014. Without the effect of exclusion of the ICT division, the working capital increase at 30 June 2014 amounts to a shift of EUR 49.9 million. The change in the Group's working capital during H1 2014 is attributable primarily to regular seasonality patterns, in which the Group's working capital requirements rise during the first half of the year from lows at year end. Furthermore, the decline in trade and other payables reflects the pressure of suppliers and sub-contractors on the Group to further shorten its payment cycle. The exclusion of the ICT division in H1 2014 has primarily affected inventories, trade and other receivables and trade and other payables and has had limited effect on amounts due from customers and due to customers. As at 30 June 2014, the balance sheet included remaining legacy items in working capital (which are items from the past that do not have a direct relation to current operations) in an amount of EUR 59.2 million compared to EUR 75.7 million at 31 December 2013. This decrease of EUR 16.5 million is primarily related to closure and progress of certain legacy items in Germany and Spain.

In the second half of 2013, the Group's working capital decreased to EUR (9.5) million at 31 December 2013 from EUR 332.3 million at 30 June 2013. This decrease in working capital was primarily due to valuation allowances amounting to EUR 193.9 million taken in the fourth quarter of 2013. The main elements in these valuation allowances were work in progress (due from customers and due to customers) in an amount of EUR 110.5 million and trade receivables in an amount of EUR 66.8 million. See "– Principal Factors Affecting Results of Operations and Comparability of Results – Impairments and write-offs".

The Group's working capital increased from EUR 106.0 million at 31 December 2012 to EUR 332.2 million at 30 June 2013. This increase in working capital was mainly attributable to a reduction in trade and other payables in an aggregate amount of EUR 276.7 million which occurred as a result of creditors tightening payment terms.

The Group is taking steps to reduce its working capital requirements through enhancing its working capital and cash management, with particular attention being given to customer billing and invoice-payment procedures. The Group has also tightened its accounting policies and strengthened monthly reporting and forecasting and working capital management in each of the Group's divisions and business units. Moreover, the Company has revised its treasury manual, implemented a treasury management system and restructured its cash management and cash pooling arrangements.

Cash flow information

The selected cash flow information for the Group for the 2013 and 2012 financial years and H1 2014 and H1 2013 presented below has been extracted from the Group's financial statements incorporated by reference elsewhere in this Prospectus.

	Year ended 31 December		Six months ended 30 June	
	2013	2012 (Restated)	2014(1)	2013(2)
	EUR million			
Result for the period	(696.6)	(240.5)	(301.5)	(230.5)
Operating cash flow before changes in working capital and provisions	**(353.0)**	**28.5**	**(107.9)**	**(134.0)**
Change in inventories	7.7	0.4	3.8	(0.8)
Change in amounts due from/to customers	67.9	36.0	(4.5)	(76.8)
Change in trade and other receivables	241.7	(103.9)	154.3	161.0
Change in trade and other payables	(254.9)	113.8	(238.0)	(271.2)
Change in provisions and employee benefits	20.5	41.7	(24.4)	12.5
Cash flow from operating activities	**(270.1)**	**116.5**	**(216.7)**	**(309.3)**
Interest paid	(69.9)	(64.8)	(35.1)	(47.9)
Income tax paid	12.5	(43.4)	(5.0)	(2.0)
Net cash flow from operating activities	**(327.5)**	**8.3**	**(256.8)**	**(359.2)**
Net cash flow from investing activities	**(57.8)**	**(156.4)**	**1.1**	**(39.1)**
Net cash flow from financing activities	**508.1**	**7.8**	**169.9**	**381.8**
Net decrease/increase of cash, cash equivalents and bank overdrafts	122.8	(140.3)	(85.8)	(16.5)
Cash, cash equivalents and bank overdrafts on 1 January	70.8	211.5	198.2	70.8
Effect of exchange rate differences on cash, cash equivalents and bank overdrafts	(3.4)	(0.4)	1.4	2.0
Cash, cash equivalents and bank overdrafts of discontinued operations	–	–	(33.1)	–
Cash and cash equivalents at end of period	**190.2**	**70.8**	**80.7**	**56.3**

(1) These figures have not been subject to an audit.

(2) These figures are drawn from the unaudited condensed consolidated interim financial statements for H1 2014 and have not been restated for IFRS 10, 11, 12, IAS 27 and IAS 28 as effective from 1 January 2014.

Cash flow from operating activities

The Group's net cash outflow from operating activities was EUR (256.8) million in H1 2014, a positive shift from an outflow of EUR (359.2) million in H1 2013. The change resulted principally from improved operating cash flow before changes in working capital and provisions in H1 2014, due primarily to positive adjustments for non-cash items, including net finance result and fair value adjustment of discontinued operations. In addition, the working capital movements described above had a positive effect on cash flow in H1 2014 compared to H1 2013.

The Group's net cash flow from operating activities decreased by EUR 386.6 million to an outflow of EUR (270.1) million in the 2013 financial year from an inflow of EUR 116.5 million in the 2012 financial year. The decrease was primarily a result of the decrease in the result for the period in 2013. The negative effect was in part offset by lower income tax paid in the financial year 2013.

Cash flow from investing activities

The Group's net cash inflow from investing activities increased to EUR 1.1 million in H1 2014 from an outflow of EUR (39.1) million in H1 2013. See " – Capital expenditure (investments)".

The Group's net cash outflow investing activities decreased by 63.0% to EUR (57.8) million in the 2013 financial year from an outflow of EUR (156.4) million in the 2012 financial year. See " – Capital expenditure (investments)".

Cash flow from financing activities

The Group's net cash inflow from financing activities decreased to EUR 169.9 million in H1 2014 from EUR 381.8 million in H1 2013. The movement primarily relates to reduced proceeds from loans and borrowings.

The Group's net cash inflow from financing activities increased to EUR 508.1 million in the 2013 financial year from EUR 7.8 million in the 2012 financial year. The movement was primarily a result of the completion in 2013 of the Company's approximately EUR 500 million capital increase (plus EUR 30 million preference share issue) and increased loans and borrowings in 2013 as compared to 2012 due to the Group's higher financing needs. The net proceeds of EUR 487.1 million were used to repay the outstanding debt.

External sources of funding, financing and indebtedness

Existing borrowings

The following table contains an overview of the Group's loans and borrowings as at 30 June 2014.

	30 June 2014(1)		
	Current	Non-current	Total
	EUR million		
Syndicated bank loans	683.5	-	683.5
USPPs	355.2	-	355.2
Other bank loans	81.2	0.3	81.5
Finance lease liabilities	7.6	15.3	22.9
Contingent consideration	0.6	-	0.6
Paid in kind reserve	-	21.7	21.7
Bank overdrafts	250.8	-	250.8
Derivatives at fair value	-	17.7	17.7
Total	1,378.9	55.0	1,433.9

(1) These figures have not been subject to an audit.

The following table shows the Group's net interest-bearing debt as at 31 December 2013 and 2012 and as at 30 June 2014 and 2013.

	At 31 December		At 30 June	
	2013	2012	2014(1)	2013(1)(2)
	EUR million		EUR million	
Loans and borrowings – non-current	907.3	42.7	55.0	1,076.1
Loans and borrowings – current	39.7	825.9	1,128.1	211.2
Bank overdrafts	106.2	314.3	250.8	72.4
Cash and cash equivalents	(296.4)	(385.1)	(331.5)	(128.7)

Excluding:

	At 31 December		At 30 June	
	2013	2012	2014[(1)]	2013[(1)(2)]
	EUR million		EUR million	
Payment in kind reserve	5.3	-	21.7	-
Contingent consideration – non-current........	-	17.6	-	17.5
Derivatives at fair value – non-current	6.5	7.2	17.7	7.6
Net interest-bearing debt	745.0	773.1	1,063.0	1,205.9

(1) These figures have not been subject to an audit.

(2) These figures are drawn from the unaudited condensed consolidated interim financial statements for H1 2013 and have not been restated for IFRS 10, 11, 12, IAS 27 and IAS 28 as effective from 1 January 2014.

The net interest-bearing debt of the Group at 30 June 2014, as adjusted for the completion of the Offering and closing of the disposal of the ICT division and application of the proceeds therefrom, would have been EUR 279.1 million (in the first Offering scenario) or EUR 258.0 million (in the second Offering scenario). For more information and an explanation of the two Offering scenarios, see "Capitalisation and Indebtedness".

The Group is party to mainly committed and additional uncommitted financing arrangements. With respect to uncommitted financing arrangements, the relevant financiers generally may terminate their agreements (including loans then outstanding) at their discretion.

The Main Finance Agreements

Overview

On 17 March 2014 the Company and a quorum of its Main Financiers entered into the MTS. On 18 June 2014 the implementation of the Common Terms into the Main Finance Agreements became effective. The amendment of the Group's Main Finance Agreements was agreed on 25 August 2014, when the Company, Imtech Capital B.V. and the Main Financiers (now including all RCF Lenders, where the MTS included only a quorum) entered into the Lock-up Agreement and a binding term sheet for amendments to the Main Finance Agreements. These amendments will become effective on or about the Settlement Date, subject to settlement of the Offering (the "**Amendments**"). See "Financial and Operational Restructuring – The August 2014 Financial and Operational Restructuring". Following the effective date of the amendments the maturity of all Main Finance Agreements will be harmonised on 15 July 2017 (the "**Common Maturity Date**").

The obligations of the Group under the Main Finance Agreements owing to any of the Main Financiers are secured by a single security package. See "– External Sources of funding, financing and indebtedness – Other Main Finance Agreements – Security Documents and Guarantees". Each Finance Agreement contains extensive financial covenants and undertakings. See "– External Sources of funding, financing and indebtedness – The Common Terms of the Main Finance Agreements".

The existing financing agreements that were amended and restated to reflect the Common Terms in June 2014 are still applicable at the date of this Prospectus, but will automatically be amended upon the occurrence of the Settlement Date and this overview reflects the terms of the Main Finance Agreements following the Amendments. The below overview of applicable provisions have been described as if the Amendments are already effective.

Due to not meeting the minimum consolidated net assets covenant as at 30 June 2014 and taking into account that the Lock-up Agreement and binding term sheet were signed on 25 August 2014, the Company did not have, at 30 June 2014, the unconditional right to defer settlement of the liabilities for at least twelve months after the reporting period. In the H1 2014 Interim Financial Statements the RCF, the USPPs and the Committed Bilateral Cash facilities (all as defined below) have therefore been classified and reported as current liabilities.

*Revolving Credit Facility ("**RCF**")*

The RCF is a EUR 700 million multicurrency revolving credit facility that was originally concluded in November 2010. The borrowers under the RCF are the Company and Imtech Capital. Each borrower and a number of the Company's other subsidiaries are guarantors under the RCF. The term of the RCF will be extended pursuant to the Amendments until the Common Maturity Date. As at 30 June 2014, an amount of EUR 683.5 million was drawn under the RCF and the available headroom under the RCF was EUR 16.5 million.

The cash interest rate on the RCF is based on the prevailing floating rate plus a margin and mandatory costs (if applicable). The base rate for each loan depends on the currency of that loan (primarily EURIBOR) and the tenor is linked to that loan's interest period chosen by the borrower. Possible interest periods are three months, six months or any other period agreed between the parties (primarily three months). The margin is 3.75% but is subject to reduction depending on the Senior Leverage Ratio (Margin) as defined and explained below (see "– The

Common Terms of the Main Finance Agreements – Financial Covenants"). The RCF cash margin after the Amendments is not different from before the Amendments, but before effectiveness of the Amendments an additional 3.75% payment-kind-margin applies that is also subject to reduction depending on the Senior Leverage Ratio (Margin). The capitalised payment-in-kind interest accrues cash interest (and, up to effectiveness of the Amendments, additional payment-in-kind margin) at the same rate as RCF loans denominated in euro.

Pursuant to distribution of the net proceeds of the Offering and the sale of the ICT division, in accordance with the waterfalls set out in "Financial and Operational Restructuring – Financial and Other Measures – Use of proceeds of the Offering and the ICT sale", the outstanding amounts and commitment under the RCF will be partly prepaid and cancelled. See "Capitalisation and Indebtedness".

As at 30 June 2014, the Company had EUR 275 million of interest rate swaps outstanding to partially hedge the floating interest rate risk on the RCF. The Company hedges the floating 3 months EURIBOR towards a fixed interest rate via various tranches, maturing in September 2014 (EUR 100 million), September 2015 (EUR 100 million) and September 2016 (EUR 75 million). The first tranche that matured in September 2014 (EUR 100 million) has not been renewed in anticipation of the partial repayment of outstanding amounts under the RCF with the proceeds of the Offering and sale of the ICT division. The hedging is in line with the Group's policy to hedge at least 50% of its forecasted net debt as per year end. As at 31 August 2014 the interest rate swaps had a negative marked-to-market value (adjusted to fair value) of approximately EUR 1.3 million in aggregate (which value was approximately EUR 1.2 million negative as at 30 June 2014).

USPPs

In December 2011 the Group issued senior notes, which are secured at the Prospectus date, by means of a private placement in the United States, the UK and the Netherlands ("**USPP 2011**"). The transaction raised the equivalent of USD 300 million. In June 2012, the Group issued a second private placement for a total of EUR 100 million (the "**USPP 2012**" and together with the USPP 2011, the "**USPPs**"). The proceeds of the USPPs were used to refinance existing debt. Under the USPPs, Imtech Capital acted as issuer and the Company acted as parent guarantor. Pursuant to the MTS a number of the Company's subsidiaries now act as guarantor of the USPPs. The USPPs consist of five different tranches for the USPP 2011 and two different tranches for the USPP 2012. The tranches are (original pricing as at issuance of the original notes in 2011 and 2012 respectively):

- USD 20 million 6.15% (originally 4.15%), originally maturing in December 2016;
- USD 140 million 7.25% (originally 5.25%), originally maturing in December 2021;
- USD 26 million 7.35% (originally 5.35%), originally maturing in December 2023;
- EUR 25 million 6.52% (originally 4.52%), originally maturing in December 2016;
- GBP 50 million 7.27% (originally 5.27%), originally maturing in December 2021;
- EUR 50 million 5.8125% (originally 3.8125%), originally maturing in June 2019;
- EUR 50 million 6.24% (originally 4.24%), originally maturing in June 2021.

Before the Amendments, cash coupon on the USPP is 1% higher than set out above and also includes payment-in-kind coupon of 2%. The capitalised payment-in-kind coupon accrues cash coupon (and, up to effectiveness of the Amendments, additional payment-in-kind coupon) at the same rates as the USPPs to which it relates.

Pursuant to the MTS, the maturity date of the USPPs has been amended to the Common Maturity Date. For certain USPP tranches this meant a tenor shortening. To compensate the USPP holders of these USPP tranches for that tenor shortening, the Company has issued the following tranches of "crystallized make-whole" notes to these USPP holders, with the same pricing as those USPP tranches and also maturing on the Common Maturity Date (original pricing as before effectiveness of the Amendments and including the 2% payment-in-kind coupon):

- USD 17,905,500 7.25% (originally 10.25%), maturing on 15 July 2017;
- USD 3,858,117 7.35% (originally 10.35%), maturing on 15 July 2017;
- GBP 5,833,568 7.27% (originally 10.27%), maturing on 15 July 2017;
- EUR 2,858,396 5.8125% (originally 8.8125%), maturing on 15 July 2017;
- EUR 5,890,945 6.24% (originally 9.24%), maturing on 15 July 2017.

To hedge the currency risk under the USPPs denominated in USD, the Group had cross-currency swaps for an aggregate nominal amount of originally USD 186 million. However, on 18 June 2014 the cross-currency swaps have been amended to include the aggregate nominal amount of the crystallised make-whole notes denominated in USD, leading to an aggregate nominal amount of USD 208 million and covering the original fixed interest payments. As part of the MTS the maturity dates of these hedging agreements were on average shortened to match the Common Maturity Date. In the case of any prepayment of the USPPs denominated in USD, the cross-currency swaps hedging those USPP must be terminated or closed out *pro rata* to that prepayment, in which case the Group may be required to pay any negative marked-to-market value relating to the terminated or closed-out part of the relevant cross-currency swaps. As at 31 August 2014 the cross-currency swaps had a negative marked-to-market value (adjusted to fair value) of approximately EUR 10.4 million in aggregate (which value was approximately EUR 16.5 million negative as at 30 June 2014).

Due to their specific nature the USPPs contain some representations and covenants in addition to the Common Terms.

Also depending on Market Take-up of the Offering and the results of the auction process, pursuant to distribution of the net proceeds of the Offering and the sale of the ICT division in accordance with the waterfalls set out in “Financial and Operational Restructuring – Financial and Other Measures – Use of proceeds of the Offering and the ICT sale” the USPP may be prepaid in part. See “Capitalisation and Indebtedness”.

Committed Bilateral Cash Facilities

There are five committed bilateral credit facilities part of the MTS, with committed limits in aggregate amounting to EUR 225.4 million as at 30 June 2014 (the “**Committed Bilateral Cash Facilities**”). For flexibility purposes, four of these facilities can be used either as cash or, but only partly, as guarantee facilities. For that purpose, the RCF lenders and certain lenders of the Committed Bilateral Cash Facilities made available a EUR 50 million RCF-funded bank guarantee arrangement incorporated in certain Committed Bilateral Cash Facilities (the “**RGA**”). These bilateral facilities mature on the Common Maturity Date. At 30 June 2014 EUR 131.3 million was drawn under the Committed Bilateral Cash Facilities of which none under the RGA. The headroom on 30 June 2014 therefore was EUR 94.1 million of which EUR 50 million also as headroom under the RGA.

The interest rate arrangements of the RCF (before and after the Amendments) also apply to the Committed Bilateral Cash facilities. The guarantee fee that applies under the EGFs (before and after the Amendments), as set out below, is also applicable to any guarantees that are drawn under the RGA.

However, pursuant to distribution of the net proceeds of the Offering and the sale of the ICT division, in accordance with the waterfalls set out in “Financial and Operational Restructuring – Financial and Other Measures – Use of proceeds of the Offering and the ICT sale”, the Committed Bilateral Cash facilities of the financiers that are also Underwriters (ABN AMRO, ING and Rabobank) will be fully repaid and cancelled. The Company will continue to be able to utilise the RGA limits under these facilities, but only to the extent that RCF-funded cash collateral has been provided for the full amount of those utilisations on a blocked account. In exchange, the guarantee fee under the RGA under these facilities will be reduced to 0.50% per annum.

Also depending on Market Take-up of the Offering and the results of the auction process, pursuant to distribution of the net proceeds of the Offering and the sale of the ICT division in accordance with the waterfalls referenced above, the Committed Bilateral Cash Facilities other than those of the Underwriters may be partly or fully prepaid and cancelled as well.

Guarantee Facilities

A number of existing bank guarantee facilities were amended and restated to reflect the terms of the MTS (the “**EGF’s**”). In addition, certain Main Financiers made available a EUR 166 million syndicated bank guarantee facility (the “**NGF**” and together with the EGF the “**Guarantee Facilities**”). The Group has undertaken to draw new guarantees under the EGF and NGF before calling upon the RGA (as defined above). Each of these Guarantee Facilities is provided on a committed basis and relates to, amongst others, advance payment guarantees, performance guarantees as well as warranty guarantees. The Common Maturity Date applies to each Guarantee Facility. As at 30 June 2014, these facilities had committed limits in aggregate amounting to EUR 792.9 million. As at 30 June 2014, EUR 614.7 million was outstanding under these facilities, leading to a headroom of EUR 178.2 million.

The guarantee fee under the Guarantee Facilities ranges between 1.0% to 1.88% per annum in cash for the EGF’s (before the Amendments: 1.0% to 2.5% per annum in cash and in addition 0.0% to 1.25% per annum payment-in-kind guarantee fee) and between 1.20% and 2.25% per annum in cash for the NGF (before the Amendments: 1.0% to 3.0% per annum in cash and in addition 0.0% to 1.5% per annum payment-in-kind guarantee fee), all depending on the Senior Leverage Ratio (Margin). The guarantee fee is payable on the outstanding amount of each bank guarantee from the utilisation date until the date on which such bank guarantee is fully discharged. The capitalised payment-in-kind guarantee fee under each Guarantee Facility accrues cash interest (and, up to effectiveness of the Amendments, additional payment-in-kind margin) at the same rate as guarantees denominated in euro under that facility.

Pursuant to distribution of the net proceeds of the Offering and the sale of the ICT division, in accordance with the waterfalls set out in “Financial and Operational Restructuring – Financial and Other Measures – Use of proceeds of the Offering and the ICT sale”, cash collateral will be deposited for part of the exposures of the Underwriters under their Guarantee Facilities.

Other Main Finance Agreements

Intercreditor and Security Deed

As part of the MTS the Main Financiers, the Company, Imtech Capital B.V. and certain of its other subsidiaries, and the Security Agent (as defined below) entered into an Intercreditor and Security Deed (the "**Intercreditor and Security Deed**"). The Intercreditor and Security Deed includes a waterfall for the distribution of any proceeds, including deleveraging proceeds, among the Main Financiers (the Existing MTS Waterfall). Pursuant to the Intercreditor and Security Deed the Company must hold several bank accounts with Deutsche Bank Luxembourg S.A. as common agent of the Main Financiers on which it must under certain conditions deposit cash as collateral for guarantee exposure under the Guarantee Facilities and the RGA (the "**Collateral Accounts**").

The Existing MTS Waterfall distinguishes between the application of the first EUR 250 million of deleveraging proceeds (the "**Initial Deleveraging Proceeds**") and any deleveraging proceeds thereafter (whereby application of the latter depends on the nature of those proceeds e.g. whether they are disposal proceeds, rights issue proceeds or other deleveraging proceeds). Broadly speaking, the Initial Deleveraging Proceeds are applied pro rata in repayment of amounts owed to and/or cancellation of the RCF, the Committed Bilateral Cash Facility of The Royal Bank of Scotland plc and the USPPs whereas other deleveraging proceeds are applied, after in certain circumstances making deductions for benefit of the Company (for instance in the case of a disposal, in which case the Company is allowed to retain up to EUR 5 million in aggregate per any financial year after 2014):

- *first*, only if they are disposal proceeds, in payment into a Collateral Account as collateral for guarantee exposure under the NGF up to a maximum amount of 20% of the commitment under the NGF (from time to time); and

- *second*, *pro rata* in repayment of amounts owed to and/or cancellation or collateralisation of the guarantee exposures of or under (as the case may be) the RCF, the Committed Bilateral Cash Facilities, the USPPs and, only if they are disposal proceeds, the EGF's (the latter up to a maximum amount of 40% of the total EGF commitments (from time to time)).

The Intercreditor and Security Deed also arranges for the subordination of any intragroup receivables owed by Group Members that are party to it. A Group Member is defined as the Company and each subsidiary of the Company as defined in Section 2:24A of the Dutch Civil Code (*Burgerlijk Wetboek*) (whether or not such subsidiary is incorporated under the laws of the Netherlands) (each a "**Group Member**").

Security documents and guarantees

The Company, Imtech Capital, each Dutch division holding company and each other subsidiary of the Company (i) whose total assets or total revenues by reference to the Company's audited consolidated financial statements account for five per cent or more of the consolidated total assets or consolidated total revenues of the Group (each a "**Material Subsidiary**") or (ii) incorporated in the Netherlands and which had over EUR 1 million of revenue in the year preceding the signing of the MTS or had over EUR 1 million of gross assets on the date of signing of the MTS (each a "**Dutch Subsidiary**") provided security (rights of pledge and guarantees) for the obligations of the Group under the Main Finance Agreements. The Main Financiers appointed Deutsche Bank Luxembourg S.A. to act as the Security Agent. The Security Agent holds the security as trustee for and on behalf of or for the benefit of the Main Financiers. An event of default under any of the Main Finance Agreements that is not remedied or waived generally leads to the security becoming enforceable after the Security Agent delivers an enforcement notice. However, the Security Agent may refrain from taking any action to enforce the security, unless instructed otherwise by the requisite majority of two of the following three creditor groups: (i) the RCF lender group and the Committed Bilateral Cash Facilities lender group, (ii) the USPP holder group or (iii) the guarantee provider group. After the delivery of an enforcement notice the Security Agent is authorised to collect any pledged intragroup receivables, exercising the voting rights relating to the pledged shares and any distributions relating to the pledged shares. The Security Agent may also sell the pledged assets by way of enforcements of the pledges.

The security that was provided pursuant to the MTS includes a right of pledge on all shares of each Dutch division holding company, each Material Subsidiary and relevant Dutch Subsidiary and a right of pledge on the intragroup receivables owned by each of these companies. The voting rights attached to the pledged shares and the right to collect any dividend or other distribution relating to the pledged shares remain with the shareholders unless the Security Agent delivers a voting notice or an enforcement notice or both. The pledgors remain authorised to collect the pledged intragroup receivables unless the Security Agent delivers an enforcement notice.

The security also includes a guarantee from the Company, each Dutch division holding company and each Material Subsidiary and each relevant Dutch Subsidiary for the obligations of the Group to the Main Financiers under the Main Finance Agreements. Lastly the security includes a right of pledge on various collateral bank accounts, reserve bank accounts and prepayment bank accounts that the Company is obligated to hold under the Intercreditor and Security Deed for depositing any deleveraging proceeds.

Each Main Finance Agreement and the Intercreditor and Security Deed contains a positive pledge clause that stipulates (i) that the Company shall procure a right of pledge on the shares in and on the intragroup receivables owed by any Group Member becoming a Material Subsidiary (as evidenced by the audited consolidated financial statements of the Company) and (ii) requires further security upon the request of the Main Financiers, a general positive pledge undertaking. Any new Material Subsidiary must also accede as guarantor.

The Common Terms of the Main Finance Agreements

The most important Common Terms implemented into the Main Finance Agreements can be summarised as follows:

Maturity

The maturity for all Main Finance Agreements is harmonised on the Common Maturity Date. See "– External Sources of funding, financing and indebtedness – The Main Finance Agreements – Overview".

Financial covenants

The Company and its Main Financiers have agreed to not apply the existing financial covenants up to and including the first quarter of 2016 and apply them in modified form thereafter.

During the second and third quarter of 2016 a minimum MFA Operational EBITDA (the "**EBITDA Floor**") applies. MFA Operational EBITDA (which is the "Operational EBITDA" as defined in the Main Finance Agreements (MFA)) is the consolidated last twelve months EBITDA adjusted for certain exceptional, one off, non-recurring or extraordinary items such as, amongst others, fees directly related to the refinancing of the Group's indebtedness and costs associated with an operational restructuring of the business of any Group Member, which items are capped at certain maximum amounts that are calculated at expected amounts with a buffer for unforeseen items ("**MFA Operational EBITDA**"). The MFA Operational EBITDA corresponds to the last twelve months operational EBITDA as reported as long as the relevant exceptional, one off, non-recurring or extraordinary items do not exceed the capped amounts, which caps have been calculated at expected amounts with a buffer for unforeseen items.

The EBITDA Floor for each 12-month testing period ending on a relevant testing date is:

Column 1 (Testing Date)	**Column 2 (EBITDA Floor)**
30 June 2016	EUR 58,000,000
30 September 2016	EUR 67,000,000

As of (and including) the second quarter of 2016 a minimum Operating Cashflow (the "**OCF Floor**") applies. The OCF is defined as MFA Operational EBITDA plus (or minus) organic movements in working capital minus capital expenditures plus (or minus) changes of operational provisions and accruals. The OCF Floor for each relevant testing date is:

Column 1 (Testing Date)	**Column 2 (OCF Floor)**
30 June 2016	EUR 15,000,000
30 September 2016	EUR 23,000,000
31 December 2016	EUR 40,000,000
31 March 2017	EUR 39,000,000
30 June 2017	EUR 46,000,000

As of (and including) the fourth quarter of 2016 the financial covenants that apply in addition to the OCF Floor (see above), are a maximum Senior Leverage Ratio, a maximum Total Leverage Ratio and a minimum Interest Cover Ratio. The Senior Leverage Ratio is the ratio of consolidated senior net debt to MFA Operational EBITDA ("**Senior Leverage Ratio**"). Consolidated senior net debt is the sum of loans, borrowings and bank overdrafts, minus payment in kind reserve, subordinated loans (if any) and (except for any restricted cash) cash and cash equivalents. Restricted cash is the amount of cash and cash equivalents that in terms of timing or costs cannot be easily exported due to exchange, fiscal or legal restrictions, is held on accounts for fiscal retentions or is held by a joint-venture, but does not include the amount of cash and cash equivalents that is blocked for guarantee facilities. The pricing of the RCF, the Committed Bilateral Credit Facilities and the Guarantee Facilities set out above depends on an adjusted version of the Senior Leverage Ratio, in which restricted cash in addition to the elements set out above does include the amount of cash and cash equivalents that is blocked for guarantee facilities (including amounts held in cash collateral accounts for the Guarantee Facilities) ("**Senior Leverage Ratio (Margin)**").

The Total Leverage Ratio is the ratio of consolidated total net debt to MFA Operational EBITDA ("**Total Leverage Ratio**"). Consolidated total net debt is equal to the consolidated senior net debt plus subordinated loans (if any).

The Interest Cover Ratio is the ratio of Operational EBIT to Consolidated Net Finance Charges ("**Interest Cover Ratio**"). Operational EBIT is the consolidated last twelve months EBIT adjusted for certain exceptional, one off, non-recurring or extraordinary items such as, amongst others, fees directly related to the refinancing of the Group's indebtedness and costs associated with an operational restructuring of the business of any Group Member, which items are capped at certain maximum amounts that are calculated at expected amounts with a buffer for unforeseen items ("**Operational EBIT**"). EBIT is the result from operating activities ("**EBIT**"). The Consolidated Net Finance Charges are the last twelve months aggregate of "interest expense on financial liabilities measured at amortized costs" (*rentelast uit tegen geamortiseerde kostprijs gewaardeerde financiële verplichtingen*) plus "net change in fair value of cash flow hedges transferred from equity" (*nettomutatie reële waarde van uit het eigen vermogen overgeboekte kasstroomafdekkingen*) minus (a) to the extent included in the above mentioned line items, any amounts paid in cash relating to any guarantee facilities, (b) "interest income" (*interestbaten*), and (c) amortised interest or fees relating to fees directly related to a refinancing of the Group's indebtedness (the "**Consolidated Net Finance Charges**").

The maximum Senior Leverage Ratio for each relevant testing date is:

Column 1 (Testing Date)	**Column 2 (Ratio)**
31 December 2016	5.90 : 1
31 March 2017	6.20 : 1
30 June 2017	5.80 : 1

The maximum Total Leverage Ratio for each relevant testing date is:

Column 1 (Testing Date)	**Column 2 (Ratio)**
31 December 2016	5.90 : 1
31 March 2017	6.20 : 1
30 June 2017	5.80 : 1

The minimum Interest Cover Ratio for each relevant testing date is:

Column 1 (Testing Date)	**Column 2 (Ratio)**
31 December 2016	0.90 : 1
31 March 2017	1.02 : 1
30 June 2017	1.15 : 1

The Company must ensure that, as of 1 April 2016, its total equity, including non-controlling interests, (calculated in accordance with GAAP) is at least zero. Lastly the financial covenants include a minimum liquidity headroom of EUR 100 million as of 1 April 2016 for each liquidity overview and forecast at the end of each week within the 13-week period that is covered in each monthly update that the Company must provide pursuant to the information undertakings.

Debt reduction and cash sweep

In addition to the application of the proceeds received pursuant to the Offering and the sale of ICT as described under "Financial and Operational Restructuring – Financial Measures – Use of proceeds of the Offering and the ICT sale", the Company must apply designated deleveraging proceeds, such as the proceeds of an offering and of disposals and 75% of any excess cash flow, towards prepayment and cancellation of the cash facilities and payment into designated cash collateral accounts as cash collateral for outstanding guarantees. See "External sources of funding, financing and indebtedness – Other Main Finance Agreements – Intercreditor and Security Deed".

Change of control

In the event that any person (other than (i) Stichting Imtech or (ii) the Underwriters as a consequence of, on or about the date of settlement of, the Offering) gains control of more than 50% of the issued shares or the voting rights of the Company, or is required to make a mandatory offer for all of the issued shares of the Company and related depositary receipt, issued with the Company's concurrence, pursuant to Section 5:70 of the Dutch FMSA, the Main Financiers may cancel their commitment and declare outstanding loans with accrued interest, bank guarantees and all other amounts immediately due and payable. This is subject to an optional negotiation phase of maximum thirty days that did not result in agreement on alternative terms.

Negative pledge

No Group Member may provide any security over any of its assets, unless the prior written consent of the requisite majority of the Main Financiers is obtained. This negative pledge includes, amongst others, any sale, transfer or other disposal of assets on terms whereby they may be leased or re-acquired by a Group Member and any sale, transfer or other disposal of receivables on recourse terms, in circumstances where the arrangement or transaction is entered into primarily as a method of raising financial indebtedness or to finance the acquisition of an asset. Security that is provided in the ordinary course of business or banking arrangements, security for project debt and other security up to a basket amount of EUR 10 million is excluded from the negative pledge.

Financial indebtedness

The Group is restricted in incurring further financial indebtedness unless the prior written consent of the requisite majority of the Main Financiers is obtained. There are limited exceptions relating to for instance financial indebtedness owing by a Group Member to another Group Member, project debt, unsecured and unsubordinated financial indebtedness and other financial indebtedness up to a basket amount of EUR 10 million.

Loans, credit and equity contributions

It is generally not allowed for Group Members to be a creditor in respect of loans, to provide credit or make an equity contribution to any person, other than to a Group Member, unless this is done in the ordinary course of business and the value of these transactions does not exceed EUR 25 million in aggregate. There is a basket of EUR 5 million for loans, credit and equity contributions outside the ordinary course of business.

Mergers, acquisitions, disposals

No Group Member may enter into any amalgamation, demerger, merger or corporate reconstruction if this transaction is reasonably likely to have a an adverse effect on, amongst others, (i) the financial condition, business or assets of the Group, taken as a whole, (ii) the ability to perform any payment obligations under the Main Finance Agreements, or (iii) the Company's ability to meet its financial covenants. There is an exception to this restriction if the prior written consent of the requisite majority of the Main Financiers is obtained. Furthermore all Group Members are restricted in making any acquisitions, excluding acquisitions in the ordinary course of trading and acquisitions with the aggregate net purchase price under EUR 5 million per financial year of the Company. Disposals (a transaction or a series of transactions to sell, lease or otherwise dispose any assets) by Group Members are also restricted with very few exceptions.

Dividend and share repurchase restrictions

No Group Member may declare, make or pay any dividend or repurchase share capital until the Company certifies that the Senior Leverage Ratio did not exceed 2.0 to 1.0 on two immediately preceding testing dates and it does not reasonably expect that the Senior Leverage Ratio will exceed 2.0 to 1.0 on the next testing date or immediately following the date of the first payment of dividends or other distributions to the Company's shareholders. There are few exceptions to this restriction among which are intra-group transactions or transactions relating to minority joint-venture partners.

Cash collateral

As per 30 June 2014 the Company has provided EUR 21 million in cash collateral (EUR 18.5 million excluding the ICT division), primarily to secure guarantee facilities.

See "– The Main Finance Agreements – Committed Bilateral Cash Facilities", "– The Main Finance Agreements – Guarantee Facilities", and "– Other Main Finance Agreements – Intercreditor and Security Deed"), for cash collateral arrangements for the Underwriters and other Main Financiers under their Guarantee Facilities and RGA.

Restricted capex

The Company has undertaken to ensure that in each financial year the capital expenditure of the Group does not exceed the aggregate of 115% of the budgeted amount of capital expenditure in the preceding financial year and the actual amount of capital expenditure in that preceding financial year.

Information undertakings

In addition to the existing generally accepted information undertakings (amongst others relating to the Company's annually, semi-annually and quarterly financial statements) the Company must provide each Main Financier with monthly updates on the financial condition and trading of the Group on a division by division basis by means of a written update on, amongst others, the progress made on the various restructuring plans underpinning the Company's business plan, the investigations into alleged irregularities, the relationship with the credit insurers and the status of any shareholder litigation against the Group. In addition the Company must provide to each Main Financier on a monthly basis a 13-week forward looking liquidity overview and forecast for the Group and a detailed overview of the Group's guarantee facilities. Lastly, the Company must on a quarterly basis supply to each Main Financier a certificate detailing compliance with the financial covenants.

Acceleration

If the Company fails to comply with the financial covenants or if the Company or any of its subsidiaries which is party to a Main Finance Agreement does not comply with the undertakings, this constitutes an event of default under the Main Finance Agreements. Other events of default are, amongst others, non-timely payment, the occurrence of an insolvency within the Group and any cash or guarantee facility under a Main Finance Agreement becoming unavailable. If an event of default is continuing, Rabobank as the RCF agent and the bilateral cash lenders may accelerate their agreements if the requisite majority RCF lenders and bilateral cash lenders have elected to do so; the USPP holders may accelerate if the requisite majority of the USPP holders elect to do so; and the Deutsche Bank Luxembourg S.A. as the NGF agent and the guarantee providers may accelerate if the requisite majority of the guarantee providers elect to do so. Upon acceleration any commitment may be immediately cancelled and any outstanding loans may be declared immediately due and payable. The guarantee providers may declare that full cash cover in respect of any outstanding bank guarantees is immediately due and payable. The Group's cross-currency swaps and interest rate swaps may be terminated or closed out and any negative marked-to-market value of those swaps may become immediately due and payable.

Bank loans, finance lease liabilities, guarantee facilities and hedge agreements other than the Main Finance Agreements

Apart from the Main Finance Agreements other bank loans, finance lease liabilities guarantee facilities and hedge agreements have been agreed against generally accepted conditions. The Group's other financing arrangements, excluding the Group's Main Finance Agreements, are largely uncommitted and as at 30 June 2014 had limits of approximately EUR 245.8 million in aggregate (approximately EUR 200.2 million excluding ICT and Green Campus), whereof approximately EUR 75.8 million in credit facility limits and approximately EUR 170 million in guarantee facility limits (EUR 41.3 million and EUR 159.1 million respectively excluding ICT and Green Campus). Of the credit facilities approximately 45.4 million related to finance lease liabilities (EUR 22.0 million excluding ICT and Green Campus), the average maximum remaining term of which was 2.4 years and the average interest rate of these liabilities outstanding was approximately 2%. Under the other credit facilities (limits: EUR 30.4 million; EUR 19.1 million excluding ICT and Green Campus), as at 30 June 2014 EUR 11.3 million was outstanding (EUR 3.6 million excluding ICT and Green Campus), leaving a headroom of EUR 19.1 million (EUR 15.5 million excluding ICT and Green Campus). As at 30 June 2014 property, plant and equipment with a carrying amount of EUR 11.6 million were provided as security for bank loans. As at 30 June 2014, under the guarantee facilities other than those among the Main Finance Agreements EUR 160.4 million was outstanding, leading to a headroom under these facilities of EUR 9.6 million (EUR 151.1 million outstanding and EUR 8.0 million headroom excluding ICT and Green Campus).

Pursuant to distribution of the net proceeds of the Offering and the sale of the ICT division, in accordance with the waterfalls set out in "Financial and Operational Restructuring – Financial and Other Measures – Use of proceeds of the Offering and the ICT sale", committed bilateral credit facilities between certain Group Companies and COMMERZBANK, with limits of EUR 8.0 million in aggregate and an outstanding amount of EUR 0.3 million as at 30 June 2014, will be fully prepaid and cancelled.

Target financial structure

During the coming year, the Group will remain focused on regaining its financial health, amongst others by reducing its debt. The Group aims over time to achieve a maximum Senior Leverage Ratio of 2.0. See "Business – Medium term targets" and "Risk Factors – Risks relating to the Group's business – The Group may not be successful in achieving its target financial structure (including reducing its level of indebtedness) in accordance with its plans".

Working Capital Statement

The Company's current cash resources, together with its existing borrowings, do not provide it with sufficient working capital for its present requirements, meaning for the next 12 months following the date of this Prospectus.

As at the date of this Prospectus, the Company expects to have sufficient working capital until 31 December 2014. In the context of the current financial measures and restructuring, a temporary waiver of the financial covenants in the Company's Main Finance Agreements has been granted until 31 December 2014. Conditional upon settlement of the Offering taking place ultimately by 31 December 2014, the Group will be granted an additional covenant holiday by the Main Financiers for all financial covenants up to and including Q1 2016. Therefore, if the Offering is not completed by 31 December 2014 at the latest, the temporary waiver falls away without the covenant holiday up to and including Q1 2016 being in place, which will result in non-fulfilment of one or more of the financial covenants under the Main Finance Agreements and thereby constitute an event of default under the Main Finance Agreements allowing the Main Financiers to accelerate the maturity of the debt owed under their Main Finance Agreements. Such acceleration would, taking into account outstanding amounts and foreign exchange rates as at 31 August 2014, result in a payment obligation of EUR 1,242.4 million under the RCF, the USPPs and the Committed Bilateral Cash Facilities (or, in case of any additional drawdown thereunder after 31 August 2014, such higher amount outstanding at that time), as well as cash collateral demands for then outstanding guarantees under the Guarantee Facilities and the uncommitted guarantee facilities up to approximately EUR 773.7 million (EUR 765.3 million excluding ICT) and additional payment obligations under hedging arrangements up to approximately EUR 14.7 million. The event of default or acceleration under the Main Finance Agreement may also cause a cross-default under the Group's other main financing arrangements resulting in a payment obligation of up to approximately EUR 34.0 million (EUR 26.3 million excluding ICT).

In order to avoid this working capital shortfall, the Company must complete the Offering by 31 December 2014 at the latest.

However, if Market Take-up (as defined in "Financial and Operational Restructuring – Financial Measures – Use of proceeds of the Offering and the ICT sale") of the Offering is less than 50%, all net proceeds from the Offering will be applied in repayment, cancellation or collateralisation of obligations under the Main Finance Agreements. In that scenario, the Company will be dependent on completion of the sale of the Group's ICT division for the additional liquidity buffer that is envisaged to be retained by it in accordance with the amendments to the Main Finance Agreements and the deleveraging effects of the Offering alone are then not sufficient to address the Group's need for additional liquidity headroom for the next 12 months following the date of this Prospectus. For more information on the retention and distribution of the proceeds of the Offering and the ICT sale, see "Financial and Operational Restructuring – Financial and Other Measures – Use of proceeds of the Offering and the ICT sale".

On 26 August 2014, the Company entered into an agreement with Vinci Energies S.A. regarding the sale of the Group's ICT division to Vinci Energies S.A. at an enterprise value of EUR 255 million. The sale is expected to close in Q4 2014. An estimated amount between EUR 180 million and EUR 190 million is expected to be available from the net proceeds at closing for enhancement of the liquidity position of the Group and for debt reduction as agreed with the Main Financiers. See "Business – Divestment of ICT division".

In the scenario that the Offering completes with a Market Take-up of less than 50% and the ICT sale fails to complete by 31 March 2015 at the latest, a working capital shortfall would occur by April 2015. Such shortfall may occur earlier in case the Market Take-up of the Offering is less than 25%, as in this case the Company considers additional liquidity headroom to be required to address the possible decreased Stakeholder confidence due to the low degree of success of the Offering. In this scenario (whether below or above 25% Market Take-up) the Company may seek alternatives, including the entering into further debt or equity financing arrangements by means of private or public offerings, enter into negotiations with its existing financiers and decrease its operational and capital expenditure.

The Company is in the process of implementing measures to enhance recovery of the Group's performance. Since February 2013 the Group has on several occasions adopted significant operational restructuring measures to improve the operating and financial performance of the Group, most recently as announced on 26 August 2014 – see "Financial and Operational Restructuring – Operational Measures". Amongst other things these measures relate to headcount reductions, improvement of working capital management, the Group's GRC framework and to a change in culture within the Group, and include the programme in Germany known as "Neue Imtech" as well as "One Imtech" in the Netherlands and "Back to the Top" in Marine. The measures have already been implemented in part, and to the extent not implemented, are expected to be implemented to a large extent in the course of 2014. The Company expects these measures to already start yielding results in the course of 2014 and 2015.

The Company is confident that if the Offering is completed by 31 December 2014 at the latest and the sale of the ICT division is completed by 31 March 2015 at the latest and the measures as described above are implemented, it will have sufficient working capital for at least the next 12 months following the date of this Prospectus.

In a scenario under which future performance and cash flow developments are less favourable than expected, the Company believes the Group has various and sufficient options available that if realised, and realised timely, address such adverse circumstances and remedy covenant breaches or resolve pressure on available liquidity headroom. These options include, but are not limited to:

- further measures around working capital management;
- accessing the capital markets; and
- disposal of assets, business units or even divisions.

Some of the options available to the Group are subject to external factors including approval of the financiers, the shareholders or the Underwriters. As a result it is uncertain if these measures can be executed successfully and implemented in a timely manner which would result in the necessary relief to liquidity. The Company has not taken any decisions to implement any of these potential additional measures.

Capital expenditure (investments)

The Group's capital expenditure was EUR 17.9 million and EUR 26.0 million for H1 2014 and H1 2013, respectively.

The Group's capital expenditure was EUR 57.4 million and EUR 80.0 million for the financial years 2013 and 2012, respectively. The decreases in capital expenditure in H1 2014 and the 2013 financial year were mainly due to the Group's restrictive capital expenditure policy.

The Group has not planned significant capital expenditures for the remainder of financial year 2014 and does not plan to raise the level of its capital expenditure significantly over the near term, in line with the revised terms of the Group's financing arrangements under the MTS.

Contingencies and Commitments

See "– Quantitative and Qualitative Disclosure Concerning Market Risk – Liquidity risk" for a table setting out the Group's non-derivative and derivative financial liabilities as at 31 December 2013.

In addition, the Group leases buildings and other property, plant and equipment on the basis of operating leases. The lease contracts generally have a term of a limited number of years with an option for extension. None of the lease contracts involve conditional lease instalments. In the financial year 2013, an expense of EUR 127.3 million was recognised in profit or loss for operating leases (2012: EUR 118.4 million). In H1 2014, an expense of EUR 39.6 million was recognized in profit or loss for operating leases (H1 2013: EUR 37.2 million), which equals the minimum lease payments under non-cancellable operating leases.

The Group's guarantee facilities are described in "– External Sources of Funding, Financing and Indebtedness – Additional Guarantee Facilities."

Employee Benefit Obligation

The Group makes financial contributions towards various pension plans. These plans include both defined benefit and defined contribution plans. The Group's employee benefit obligation in relation to the retirement and other benefits of its employees amounted to EUR 231.3 million at 30 June 2014, compared to EUR 207.1 million at 31 December 2013 and EUR 209.8 million at 31 December 2012. The increase in H1 2014 was caused primarily by a decrease in discount rates as a result of developments in the financial markets. For further information, see note 18 to the H1 2014 Interim Financial Statements and note 26 to the 2013 Financial Statements. See "Risk Factors – Risks relating to the Group's business – With respect to the Group's defined benefit pension plans, disappointing performance, adverse interest movements and longevity risks, as well as changes to the Group's pension plans, may adversely affect the Group's operations, results and financial condition".

Deferred Tax Assets

At June 30, 2014 the Group recognised EUR 35.9 million in net deferred tax assets, compared to EUR 19.9 million at 31 December 2013 and EUR 34.0 million at 31 December 2012. The Group has recognised deferred tax assets only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. A change in such assumption could lead to a reduction or a complete loss of the Group's recognised deferred tax assets. For further information, see note 18 to the 2013 Financial Statements. See "Risk Factors – Risks relating to the Group's business – Changes in tax laws or challenges to the Group's tax position could materially adversely affect its business, results of operations, financial condition and cash flow".

Off-Balance Sheet Arrangements and Contingent Liabilities

The Group has no off-balance sheet arrangements, as determined for purposes of IFRS.

The Group is involved in various claims, legal proceedings and investigations. While the outcome of these cannot be predicted with certainty, the Group believes based upon legal advice and information received, that the financial outcome will not materially affect its consolidated financial position but could be material to its results of operations or cash flows in an individual accounting period.

Investor claims

On 21 June 2013 APG has held the members of the Company's former Board of Management as well as all members of the Supervisory Board during the period in which the events set out in the Report took place, liable in person.

On 25 June 2013 the VEB also sent a letter to the Company holding it as well as the members and former members of its Board of Management and Supervisory Board liable for damages suffered by shareholders in connection with the events referred to in the Report. In its letter, VEB reserved its rights to initiate proceedings with the Enterprise Chamber to investigate the Company's management policies and the conduct of its business. Furthermore, on the same date, VEB sent a letter addressed to each of the members of the Supervisory Board holding them liable for the damages that have occurred due to the publication of the annual accounts 2010 and 2011 (restated in the opening balance sheet 2011 and the balance sheet 2011, respectively, as included in the audited consolidated financial statements for the 2012 financial year). VEB also invited the Company to enter into negotiations to discuss an out-of court-settlement.

On 28 August 2013, Deminor sent the Company a letter on behalf of a number of institutional investors containing a notice of liability addressed to the Company. On 6 August 2014 a claim foundation established by Deminor, SBGBI served a writ of summons to the Company and certain former members of the Board of Management and (former) members of the Supervisory Board. The claim foundation seeks – in short – a declaratory decision that the Company and certain former members of the Board of Management and (former) members of the Supervisory Board have acted unlawfully towards shareholders by giving a misleading impression of the company's performance in the period leading up to events set out in the Report.

. The Company reached an out-of-court settlement with APG and VEB on 7 October 2014, see "Business – Legal and arbitration proceedings – Settlement VEB"). Discussions with insurers and the other aforementioned parties are ongoing. There have been meetings with Deminor and SBGBI to explore the possibility of reaching an out-of-court settlement in relation to their constituency. In the last few weeks, contacts and negotiations have intensified but have not resulted in a settlement.

In addition, the Group received several letters from investors with a demand for compensation for alleged losses on shares in the Company. The Group has denied those claims for lack of legal and factual substantiation.

F&M Schweiz investigation

In early 2014 it became clear that the Company's subsidiary F&M Schweiz was under suspicion of unethical business behaviour, including excessive gifts and entertainment. The Group has started and is still conducting forensic investigations and is fully cooperating with the Swiss authorities, which have also started investigations. Findings to date are that former management had non-business like relationships with civil servants and that F&M Schweiz is at this stage not a (criminal law) suspect. Investigations by the public prosecutor are ongoing and might take a year or longer. At this point in time it is not possible to reliably assess the financial consequences thereof and therefore a provision has not been recognised.

As of the date of this Prospectus, the F&M Schweiz business has been downsized significantly and full closure is planned in the near future.

AFM investigation

The AFM is investigating whether (among others) the Company has complied with the rules on market abuse (including the requirement of section 5:25i FMSA to without delay make public price sensitive information and the prohibition of section 5:58 FMSA on market manipulation) with respect to the period 1 June 2012 through 1 March 2013. The investigation is in the fact-finding phase and relates to, among others, the qualification by the Company of the instrument referred to as a *wissel* (legally, a bill of exchange, but from the context, a promissory note) of about EUR 150 million as "cash and cash equivalents" in the Group's financial statements for the first six months of 2012. The investigation could result in fines and certain other sanctions being imposed by the AFM against the Company and/or its former Board of Management. Such sanctions will, in principle, be published. The Company is fully cooperating with this investigation.

Other

With respect to Arma, risks with potential exposure amounting to EUR 30 million to EUR 35 million were identified, mostly relating to the period prior to its acquisition. As described in "Business – Divestment of Arma shares", Arma was divested in 2014, and when these risks materialise, they will be indemnified by the buyers of the company.

Various other significant claims have been made against the Group, most of which relate to work performed by the Group. These claims are being contested vigorously. A provision has been formed for the expected costs related to claims or, where appropriate, receivables on the claiming customers have not been recognised. Settlement of these claims could take several years.

See also “Business – Legal and arbitration proceedings”.

Critical Accounting Policies and Estimates

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities and income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making the judgements regarding the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results can differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Critical accounting policies are those accounting estimates that require management to make assumptions about matters that are highly uncertain at the time the estimates are made and would have resulted in material changes to the financial statements if different estimates, which management reasonably could have used, were made.

The Group’s critical accounting policies are discussed below and in note 4 to the 2013 Financial Statements incorporated by reference in this Prospectus.

Going concern basis for the Preparation of the financial statements

Following the revelation of the Irregularities in Germany and Poland early 2013, the Group reached agreement with the Main Financiers regarding an amendment to the financing structure on 15 June 2013. As part of this agreement, the Group has taken several initiatives to improve its financial position, including a EUR 500 million capital increase (plus EUR 30 million preference share issue) completed in 2013. On 7 November 2013, the Group indicated that it had started discussions with the Main Financiers on an amendment of its finance agreements. In the fourth quarter 2013, on the basis of updated financial forecasts, the Group expected that it would not be able to meet the financial covenants under its financing arrangements as of 30 September 2014 and re-entered into negotiations with the Main Financiers.

On 17 March 2014, the Group and a quorum of the Main Financiers entered into a lock-up agreement and a binding term sheet for the MTS for the committed credit and guarantee facilities of the Group. This MTS was implemented in full documentation on 17 June 2014. The terms of the MTS are described in “Financial and Operational Restructuring” and “- Main Finance Agreements”.

The Group had breached its minimum consolidated net assets covenant per 30 June 2014. In addition, due to worse than anticipated results in the first half year 2014 and significantly reduced expectations for the second half year 2014, the Group expects to breach its other covenants in the remainder of 2014. Consequently, the Group would have been in default under its financial covenants if it had not succeeded in negotiating a waiver of its financial covenants and the additional steps set out below.

To address the need for revised financial covenants and additional liquidity, the Group successfully negotiated an amendment of certain terms of the financing agreements and the ability to strengthen its capital structure through the application of the proceeds of this Offering and the sale of the Group’s ICT division, and has thus laid out a path to a so-called “financial and operational solution” on the capital structure of the Group. These steps, which required full lender consent, are set forth in a Lock-up Agreement and term sheet which was signed on 25 August 2014. Implementation is expected in the fourth quarter 2014. The elements of the proposed financial and operational solution are set out in “Financial and Operational Restructuring”.

The completion of the proposed financial and operational solution is expected to lead to a significant deleveraging of the Group. With these steps, the Group will be able to fulfil its deleveraging commitment to financiers of EUR 400 million and any contingent penalties (non-cash fees and issuance of warrants) related to non-fulfilment of this commitment are expected to be cancelled. In addition, management’s intention is to further reduce the outstanding debt after the implementation of the financial and operational solution.

Management believes that upon the implementation of the steps constituting the financial and operational solution on the capital structure of the Group, including this Offering, management will be able to focus on the improvement of the business with the goal of achieving stability and recovery across the business. Additionally, it is expected that the Group’s stabilised financial position will reduce external pressure on working capital, liquidity and guarantees and will enable the Group to return to normalised business throughout the industries where the Group operates.

In light of the above, the Group has assessed the going concern assumption on the basis of which the H1 Interim Financial Statements have been prepared. Going concern is dependent on a successful and timely finalisation of the financial and operational solution on the capital structure of the Group as proposed, including the Offering. Furthermore, there is a risk that the operational improvements do not occur at a sufficient pace which could lead to pressure on available liquidity headroom ahead of implementation of the financial and operational solution. Although management believes that these risks are manageable, the impact thereof could be significant, because the Group's ability to continue as a going concern is primarily dependent on the successful and timely completion of the financial and operational solution, including the Offering. This situation indicates the existence of uncertainties which may cast significant doubt about the Company's ability to continue operating as a going concern, see "Financial and Operational Restructuring".

Recent Accounting Pronouncements

New Standards Applied in 2013

IAS 19 Employee benefits was amended in June 2011 (IAS 19R). The revised IAS 19 standard no longer allows the deferred recognition of actuarial gains and losses and past service costs. Instead, actuarial gains and losses should be recognised in other comprehensive income and past service costs in the profit and loss account as they occur. Secondly, the interest cost and expected return on plan assets will be replaced with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset). Thirdly, companies are required to disclose more detailed information on specific risks in their defined benefit plans. Finally, the revisions further clarify the classification of various costs involved in benefit plans like expenses and taxes.

The Group has adopted the revised IAS 19 Employee benefits (IAS 19R) as per the financial year 2013. IAS 19R must be applied retrospectively with a restatement of comparative numbers for 2012. This retrospective application affects equity in the balance sheet at 1 January 2012, equity in the balance sheet at 31 December 2012 and the profit and loss account 2012. This means that all unrecognised actuarial gains at 1 January 2012 have been recognised at once, leading to an increase in equity of EUR 23.3 million (net of tax EUR 18.5 million). The amount included in the defined benefit obligation for future administration cost has been released, resulting in an increase of equity at 1 January 2012 of EUR 6.1 million (EUR 4.2 million net of tax). The curtailment and settlement gain of EUR 5 million in 2012 as a result of application of IAS 19R has been reversed into a settlement loss of EUR 15.4 million (EUR 11.6 million net of tax). A decrease of other pension expenses recognised in the profit and loss account 2012 by EUR 2.1 million (net of tax EUR 1.1 million). The unrecognised actuarial losses at 31 December 2012 have been recognised at once, resulting in a decrease of equity of EUR 56.4 million negative (net of tax EUR 40.6 million negative). These changes have been accounted for with the following effects on the relevant comparative figures for 2012: increase of equity at 1 January 2012 with EUR 29.4 million (EUR 22.7 million net of tax), increase of pension expenses recognised in the profit and loss account 2012 by EUR 18.3 million (net of tax EUR 14.2 million) and decrease of equity at 31 December 2012 with EUR 45.3 million (EUR 32.1 million net of tax).

As a result of an amendment to IAS 1, the Group modified the presentation of items of other comprehensive income, to present separately items that would be reclassified to profit or loss in the future from those items, that would never be reclassified to profit or loss.

IFRS 13 (Fair Value Measurement) establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other IFRS standards. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. It also replaces and expands the disclosure requirements about fair value measurements in other IFRS standards, including IFRS 7 Financial Instruments: Disclosures. The change had no significant impact on the measurements and disclosures of the Group's assets and liabilities valued at fair value (financial instruments an assets/liabilities held for sale).

New Standards Applied in 2014

IFRS 10 replaced the parts of IAS 27 that dealt with consolidated financial statements and SIC-12 Consolidation – Special Purpose Entities, in essence, changing the definition of control. This change in definition of control has had no material impact on the composition of the Group.

IFRS 11 replaced IAS 31 "Interests in Joint Ventures" and the guidance in SIC-13 "Jointly Controlled Entities – Non-Monetary Contributions by Ventures", and has been incorporated in IAS 28 (as revised in 2011). The change in accounting for joint arrangements has had a (non-material) effect on the information in the H1 2014 Interim Financial Statements. In essence, this change resulted in proportional consolidation of the Group's share in joint arrangements, whereas previously these shares were accounted for as equity accounted investments.

IFRS 12 is a new disclosure standard applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. The application of IFRS 12 has had no impact on the financial statements for H1 2014 of the Group.

A number of other new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group.

Quantitative and Qualitative Disclosure Concerning Market Risk

In the context of its normal business operations the Group faces credit, liquidity, foreign currency and interest rate risks. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain foreign currency and interest rate risk exposures.

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, investment securities and cash and cash equivalents.

Management of the Group has drawn up a credit policy and the credit risk is monitored constantly. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group has a diversified customer base, predominantly spread over Europe. Where necessary, customers are subjected to a credit check and use is made of various banking products (bank guarantees, letters of credit, etc.) and advance payments. Credit risk insurance is rarely used.

Management of the Group has drawn up a policy with respect to cash and cash equivalents. Cash is mainly held in cash pools, which are spread throughout various countries in various currencies. Operationally, these cash pools are netted, reducing net outstanding cash balances. Cash balances are held with reputable banks, primarily in the European Union.

The carrying amount of the financial assets represents the maximum credit risk and was on the balance sheet date:

	Year ended 31 December	
	2013	2012 (Restated)
	EUR million	
Non-current receivables	21.9	28.8
Trade receivables	859.3	1,132.1
Other receivables	134.0	190.5
Cash and cash equivalents	296.4	385.1
Total	1,311.6	1,736.5

On the balance sheet date the trade receivables by country were as follows:

	Year ended 31 December	
	2013	2012 (Restated)
	EUR million	
Germany	250.9	387.0
The Netherlands	165.6	190.7
Sweden	107.7	117.8
The UK	93.6	110.0
Belgium	46.5	44.0
Spain	50.0	57.4
Norway	20.7	25.8
Finland	11.5	3.9
Ireland	7.9	5.8
Other countries	104.9	189.7
Total	859.3	1,132.1

On the balance sheet date the aging of the trade receivables was as follows:

	Year ended 31 December				
	2013			2012 (Restated)	
	Gross – not impaired	Gross - impaired	Impairment	Gross	Impairment
	EUR million				
Not past due	620.9	31.9	17.3	771.0	3.2
Past due 1 to 60 days	94.2	17.5	8.3	189.0	5.6
Past due 61 to 180 days	24.7	20.3	11.9	50.2	4.8
Past due 181 days to one year	18.7	24.2	20.5	126.3	57.2
Past due more than one year	36.8	171.4	143.3	153.9	87.5
Total	795.3	265.3	201.3	1,290.4	158.3
Impairment		(201.3)		(158.3)	

The gross amounts (both not impaired and impaired) reflect the amount of revenue recognised plus value added tax, if any. Amounts billed to the customer, but which are not probable to result in revenue and consequently have not been recognised, are not included in the gross amount. This is particularly relevant for the amounts past due more than 181 days, for which the amounts billed are significantly higher than the gross amounts shown. Amounts past due more than one year predominantly relate to customers who dispute the receivables and in various cases have filed counterclaims. Gross impaired relates to trade receivables for which an impairment is recognised. The impairment is based on management's best estimate of amounts recoverable, but these estimates are uncertain.

The Group believes that the unimpaired amounts are still collectible, based on historic payment behaviour and analysis of customer credit risk, including underlying customers' credit ratings, when available

Movements in the allowance for impairment in respect of trade receivables during the year were as follows:

	2013	2012 (Restated)
	EUR million	
As at 1 January	158.3	63.4
Assumed in a business combination	80.9	108.1
Impairment loss recognised during the year	(33.3)	(16.1)
Allowance used during the year	(2.9)	(1.9)
Reversal of impairments during the year	–	3.0
Reclassification from provisions	(1.7)	1.8
As at 31 December	201.3	158.3

The (increase in the) allowance for impairment in respect of trade receivables mainly relates to the division Germany & Eastern Europe.

Liquidity risk

The primary objective of liquidity management is to safeguard, as far as possible, sufficient liquidity enabling the Group to meet its current and future payment obligations. The Group aims for sufficient credit facilities as well as a well-spread maturity schedule. For this purpose, the Group has at its disposal a number of (un)committed credit facilities (reference is made to note 25 of the 2013 Financial Statements).

The following table indicates the contractual maturities of the financial liabilities, including interest payments, the periods in which the cash flows associated with cash flow hedges are expected to occur and the fair value of the related hedging instruments. This table is also indicative of the periods in which the cash flows associated with derivatives that are cash flow hedges are expected to impact profit or loss. The interest rate swaps are derivatives used as hedging instruments for cash flow hedges.

	Carrying amount	Contractual cash flows	< 6 months	6 – 12 months	1 – 2 years	2 – 5 years	> 5 years
31 December 2013							
Non-derivative financial liabilities							
Syndicated bank loans	539.3	606.4	11.3	11.3	583.8	–	–
Senior notes	320.6	502.6	10.0	11.2	20.9	102.4	358.1

	Carrying amount	Contractual cash flows	< 6 months	6 – 12 months	1 – 2 years	2 – 5 years	> 5 years
Other bank loans	32.8	45.0	7.8	4.6	2.3	5.5	24.8
Finance lease liabilities	25.3	26.2	4.2	5.6	4.0	11.7	0.7
Bilateral bank loans	22.5	22.5	22.5	–	–	–	–
Bank overdrafts	106.2	106.2	106.2	–	–	–	–
Trade and other payables	1,232.4	1,232.4	1,133.5	78.2	9.9	4.8	6.0
Derivative financial liabilities							
Cross currency swaps used for hedging	5.8						
Outflow		195.3	3.7	3.7	29.6	27.1	131.2
Inflow		(189.7)	(3.5)	(3.5)	(28.4)	(25.4)	(128.9)
Interest rate swap	0.7	1.4	0.4	0.3	0.7	–	–
Forward currency contracts	0.5	0.5	0.5	–	–	–	–
Total	2,286.1	2,548.8	1,296.6	111.4	622.8	126.1	391.9
31 December 2012							
Non-derivative financial liabilities							
Syndicated bank loans	488.3	488.3	488.3	–	–	–	–
Senior notes	326.3	327.2	327.2	–	–	–	–
Other bank loans	6.9	7.3	4.8	1.4	1.1	–	–
Finance lease liabilities	22.3	24.1	4.0	2.4	13.6	4.1	–
Contingent consideration (non-current)	17.6	19.0	–	–	10.7	8.3	–
Bank overdrafts	314.3	314.3	314.3	–	–	–	–
Trade and other payables	1,541.8	1,541.8	1,434.7	95.1	5.4	3.1	3.5
Derivative financial liabilities							
Cross currency swaps used for hedging	7.2	–	–	–	–	–	–
Outflow	–	144.4	144.4	–	–	–	–
Inflow	–	(140.7)	(140.7)	–	–	–	–
Interest rate swaps	1.2	1.2	–	1.2	–	–	–
Forward currency contracts	0.6	0.8	0.8	–	–	–	–
Total	2,726.5	2,727.7	2,577.8	100.1	30.8	15.5	3.5

Foreign currency transaction risk

Foreign currency transaction risks faced by the Group arise from both purchases and sales, including contracts with customers related to projects to be executed, and financing liabilities expressed in currencies other than the functional currency of the Group entities, predominantly the euro, the Swedish Krona, the British pound and the US dollar. Virtually all purchases and sales take place in the functional currency of the respective Group entities. Almost all purchases and sales in a currency other than the functional currency are hedged via forward currency contracts, swaps as well as bank overdrafts in foreign currencies. The Group classifies forward currency contracts and swaps as cash flow hedges and states them at fair value.

Foreign currency translation risk

The Group is exposed to foreign currency translation risks by means of investments in and long-term loans to foreign subsidiaries. This foreign currency translation risk is in principle not hedged, under the assumption that foreign currency fluctuations and interest and inflation developments balance out in the long run. The translation risk relates primarily to the Swedish and British subsidiaries.

At the end of 2013 the Group has SEK denominated loans amounting to 500 million SEK in place (2012: 500 million SEK). This loan is intended as an economic hedge of the translation effect of the results of the Swedish subsidiaries. Further, the Group had undertaken cross currency swaps in respect of the senior notes converting fixed 186 million USD into fixed euro borrowings with different tenors, with a reference amount of EUR 137 million. The Group classifies cross currency swaps as cash flow hedges and states them at fair value.

During 2013 no material ineffectiveness has been recognised in profit or loss in relation to cash flow hedges and net investment hedges (2012: nil).

The most important exchange rates during the financial year were:

	Average rate		Rate on balance sheet date	
	2013	2012 (Restated)	2013	2012 (Restated)
GBP/euro	1.18	1.23	1.20	1.23
SEK/euro	0.12	0.11	0.11	0.12
USD/euro	0.75	0.78	0.73	0.76

Interest rate risk

The objective of the Group's policy is to fix at least 50% of the interest rate profile of the forecasted net debt position as per year-end. In line with this, the Group has arranged interest rate swaps, for which hedge accounting has been applied.

As at 31 December 2013 the Group had undertaken interest rate swaps with a reference amount of EUR 275 million (31 December 2012: EUR 65 million). The Group classifies interest rate swaps as cash flow hedges and states them at fair value.

Interest rates may be impacted by the credit rating of the Company. Furthermore, non-compliance with loan covenants may impact the interest rates or other loan terms and conditions. The irregularities in Germany and Poland have impacted the credit rating of the Group. As part of the waiver obtained on 15 June 2013, it was amongst others agreed with the lenders that the margin on the loans to be paid was increased.

On the balance sheet date the interest rate profile of the Group's interest-bearing financial instruments was as follows:

	As at 31 December	
	2013	2012 (Restated)
	EUR million	
Instruments with a fixed interest rate		
Finance lease receivables (non-current and current)	2.7	6.2
Other non-current receivables (including current portion)	12.6	14.6
Secured bank loans	(8.6)	(5.2)
Unsecured bank loans	(56.7)	(0.1)
Unsecured USPPs	(320.6)	(326.3)
Finance lease liabilities	(25.3)	(22.3)
Total	(395.9)	(333.1)
Instruments with a variable interest rate		
Cash and cash equivalents	296.4	385.1
Secured bank loans	(1.6)	(1.6)
Unsecured bank loans	(505.2)	(488.3)
Bank overdrafts	(106.2)	(314.3)
Total	(316.6)	(419.1)

A 1% change in the interest rate as per balance date would mean that the result and equity would increase or decrease by the amounts shown in the following table. These figures assume that all other variables, and currency exchange rates in particular, remain constant. Tax effects have also not been taken into account.

Sensitivity Analysis	Result			Equity	
	For the year ended 31 December 2013			As at 31 December 2013	
	Amount	1% increase	1% decrease	1% increase	1% decrease
Instruments with a variable interest rate:					
Current	190.2	1.9	(1.9)	–	–
Non-current	(506.8)	(5.1)	5.1	–	–
Total	(316.6)	(3.2)	3.2	–	–
Interest rate swaps					
Current	275.0	2.8	(2.8)	4.2	(4.2)
Cash flow sensitivity (net)	(41.6)	(0.4)	0.4	4.2	(4.2)

Sensitivity Analysis	Result			Equity	
	For the year ended 31 December 2012			As at 31 December 2012	
	Amount	**1% increase**	**1% decrease**	**1% increase**	**1% decrease**
Instruments with a variable interest rate:					
Current	(418.1)	(4.2)	4.2	–	–
Non-current	(1.0)	–	–	–	–
Total	(419.1)	(4.2)	4.2	–	–
Interest rate swaps					
Current	65.0	0.7	(0.7)	0.3	(0.3)
Cash flow sensitivity (net)	(354.1)	(3.5)	3.5	0.3	(0.3)

The interest rate swaps and cross currency swaps taken out in 2013 amounted to EUR 275 million and EUR 137 million, respectively, and complied with the Group's interest rate policy, such that at least 50% of the interest rate exposure of the forecasted net debt position as at 31 December 2013 had been hedged (31 December 2012: EUR 65 million and EUR 137 million, respectively).

The position in respect of the cash, cash equivalents and bank overdrafts, which had variable interest rates and were not hedged, fluctuated throughout the year as the need to finance working capital changed.

MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE

This section summarises certain information concerning the Board of Management, the Supervisory Board and the Company's employees, as well as certain provisions of the Articles in respect of the Board of Management and Supervisory Board. The Articles are incorporated by reference. See "Documents Incorporated by Reference". For the availability of the Articles, see "General Information – Availability of documents".

Two-tier board structure and mitigated structure regime

The Company has a two-tier board structure consisting of the Board of Management and the Supervisory Board. According to the Articles, the Supervisory Board should comprise of at least five members. The Articles provide that the Supervisory Board is considered complete if an interim vacancy occurs. In that case a new member of the Supervisory Board must be appointed as soon as possible. The Company is subject to the provisions in the DCC referred to as the "structure regime" (*structuurregime*). The Company is a company under a mitigated structure regime by use of the exemption to the structure regime as referred to in Section 2:153 paragraph 3 sub b DCC as the majority of the Company's employees works outside the Netherlands. The consequence thereof is that members of the Board of Management are appointed by the General Meeting and not by the Supervisory Board. Under Dutch law, a "structure company" (*structuurvennootschap*) is a public company that meets the following criteria: (1) according to the balance sheet with explanatory notes the sum of the issued capital of the company and its reserves amounts to at least EUR 16 million, (2) the company or a dependent company has, pursuant to a legal obligation, established a works council; and (3) the company and its dependent companies together normally employ at least 100 employees in the Netherlands. Due to being a structure company, the members of the Supervisory Board are appointed according to a special procedure (described below), in which not only the Supervisory Board and General Meeting, but also the Company's central works council (*centrale ondernemingsraad*; the "**Works Council**") plays an important role. For structure companies, a number of important resolutions of the Board of Management are mandatorily subject to the Supervisory Board's approval (like e.g. resolutions related to (i) the issuance or acquisition of equity of debt, (ii) the entering in or ending of a material alliance, (iii) the acquisition, increase or decrease of an interest in a major (i.e. value of at least 25% of the issued share capital plus reserves of the Company) participation, (iv) major investments, (v) an amendment of the articles, (vi) the liquidation of the Company, (vii) the filing of a winding up or suspension of payments petition, (viii) the termination of the employment contracts of a substantial number of employees at once or within a short period of time, (ix) a substantial amendment of employment conditions of a substantial number of employees, (x) a reduction of the issued capital).

In addition to the statutory Board of Management and the Supervisory Board, the Company has an executive council that is responsible, among other things, for regional operations. This executive council is comprised of members of the Board of Management, the company secretary, the managing directors of the divisions, the Group Director GRC and the Group Director Human Resources.

Board of Management

Powers and function

The Board of Management is entrusted with managing the Company and represents the Company. The Board of Management is responsible for the achievement of the targets, strategy (with related risk profile), financing, development of the results and corporate social responsibility. The Board of Management is also responsible for the internal risk management and control systems related to business activities and for compliance with all relevant legislation and regulations. It has specified its responsibilities, composition, and working method within the Board of Management in the Board of Management Rules. See "– Board of Management – Board of Management Rules".

The Board of Management submits all relevant information to the Supervisory Board and/or the Supervisory Board committees in good time and is accountable to the Supervisory Board and the General Meeting. In accordance with the Articles certain decisions of the Board of Management are subject to the approval of the Supervisory Board and/or the General Meeting, as more fully described below. See "–Board of Management – Board meetings and decisions". The lack of such approval however does not affect the representative authority of the Board of Management or members of the Board of Management.

The Board of Management notifies the Supervisory Board and/or the Supervisory Board committees, in writing, of the main lines of the strategic policy, the general and financial risks and the internal risk management and control systems. The Board of Management submits to the Supervisory Board for approval the:

- operational and financial targets;
- strategy for achieving these targets;
- parameters to be applied in executing the strategy, for example in respect of the financial ratios; and

- relevant aspects of corporate social responsibility.

The internal risk management and control instruments applied by the Company are:

- risk analyses of the financial and operational targets;
- guidelines for the preparation of financial reports and for the procedures to be followed;
- a monitoring and reporting system; and
- business principles included in a code of conduct with various policies, including a whistle-blower's policy.

The Board of Management determines, with approval of the Supervisory Board, which portion of the profit will be attributed to the reserves of the Company. The remaining profit is at the disposal of the General Meeting.

The Board of Management as a whole, as well as each member of the Board of Management is independently authorised to represent the Company. Pursuant to the Articles, the Board of Management may divide its duties among its members and to general managers (*hoofddirecteuren*). These general managers are, at the proposal of the Board of Management, appointed by the Supervisory Board. The Board of Management can also appoint proxy holders (*procuratiehouders*), who are authorised to represent the Company within the limits of their authority.

Board of Management Rules

The Board of Management has adopted rules governing the Board of Management principles and best practices of the Company (the "**Board of Management Rules**"). The Board of Management Rules describe the responsibilities of the Board of Management, its composition and the tasks of the chairman. They address independence, (re-)appointment, term, resignation and remuneration of members of the Board of Management. The Board of Management Rules also describe the procedures for: Board of Management meetings and resolutions, a conflict of interest, complaints and notification of irregularities. In addition, the Board of Management Rules address the relationship with the Supervisory Board, the shareholders and the Works Council. Finally, the Board of Management Rules contain provisions about confidentiality, non-compliance, amendment and governing law.

Appointment and removal

The Supervisory Board determines the number of members of the Board of Management.

The General Meeting appoints the members of the Board of Management by an absolute majority of the votes cast, generally upon a binding nomination by the Supervisory Board. The Supervisory Board appoints a member of the Board of Management as chairman of the Board of Management. If the Board of Management is made up of more than two members, the Supervisory Board may appoint another member as vice-chairman of the Board of Management. The appointment(s) may be withdrawn at any time by the Supervisory Board.

The General Meeting may at any time suspend or dismiss a member of the Board of Management, by adopting a resolution. The Supervisory Board can also suspend a member of the Board of Management. See "– Supervisory Board – Meetings and decisions" below for a description of the procedure. The General Meeting may only adopt a resolution to suspend or dismiss a member of the Board of Management by an absolute majority of the votes cast, if such majority represents at least one third of the issued share capital, unless the proposal was made by the Supervisory Board. A second General Meeting as referred to in Section 2:120, paragraph 3 DCC may not be convened in respect of dismissal or suspension of a member of the Board of Management. However, if, in the first General Meeting not at least one third of the issued share capital was represented but an absolute majority of the votes cast was in favour of the proposal to suspend or dismiss a member of the Board of Management a new General Meeting may be convened at which the resolution may be adopted by an absolute majority of the votes cast, regardless of the proportion of the issued share capital represented. If either the General Meeting or the Supervisory Board has suspended a member of the Board of Management, the General Meeting may, within three months after the suspension has taken effect, resolve to terminate or to extend the suspension, which extension may only be made once for a maximum of three months or to dismiss the member of the Board of Management. The suspension will lapse automatically if the General Meeting fails to take a decision about the extension of the suspension within the initial three month period. A member of the Board of Management who has been suspended or dismissed shall be given the opportunity to account for his actions at the General Meeting and to be assisted by an adviser.

Terms

Members of the Board of Management are appointed for a maximum term of four years, unless the General Meeting resolves to appoint a member of the Board of Management for a longer term. Unless a member of the Board of Management resigns at an earlier date, his term terminates at the end of the annual General Meeting to be held in the fourth year after the year of his appointment. A member of the Board of Management can be reappointed, with due observance of the foregoing. The Supervisory Board may draw up a rotation schedule for members of the Board of Management.

Qualifications

Newly adopted Dutch legislation that took effect on 1 January 2013 requires a Dutch public limited liability company which meets at least two of the three criteria referred to in Section 2:397 paragraph 1 DCC (which criteria are: (1) the value of the company's assets according to its balance sheet is, on the basis of the purchase price or manufacturing costs more than EUR 17.5 million; (2) the net turnover is more than EUR 35 million; and (3) the average number of employees is 250 or more) (such a company a "**Large Company**"), to pursue a policy of having at least 30% of the seats of the board of management held by men and at least 30% of the seats on the board of management held by women to the extent these seats are held by natural persons. Based on the Company's assets and turnover, this rule also applies to the Company. Pursuant to this new legislation, the Company will be required to take this allocation of seats into account in connection with the (nomination for the) appointment of members of the Board of Management. If the Company does not comply with these gender diversity rules, it must explain in its annual report (1) why the seats are not allocated in accordance with this ratio, (2) how the Company has attempted to achieve a well-balanced allocation; and (3) how the Company aims to achieve a well-balanced allocation in the future. These rules will automatically lapse on 1 January 2016. Currently, there are no women on the Board of Management.

Pursuant to other newly adopted Dutch legislation that took effect on 1 January 2013, restrictions apply with respect to the overall number of board of management (including one-tier board) positions and supervisory board positions that a member of the board of management of, inter alia, a Dutch public limited liability company may hold. Based on the Company's assets and turnover, this rule also applies to the Company. Pursuant to this new legislation, a person may not be a member of the board of management if (a) he holds more than two supervisory positions with a Large Company (as further described in that Section) or (b) if he acts as chairman of the supervisory board or, in the case of a one-tier board, serves as chairman of the board of a Large Company. The term 'supervisory position' refers to the position of supervisory director, non-executive director in case of a one-tier board, or member of a supervisory body established by the articles of association. The Company complies with this legislation.

Board meetings and decisions

Pursuant to the Articles, the Board of Management can adopt a resolution by an absolute majority of the votes cast. In the event of a tie vote, the chairman of the Board of Management will cast the deciding vote. If the Board of Management comprises only two members, the decision lies with the Supervisory Board. Adopted minutes of a meeting of the Board of Management are evidence of the proceedings in the meetings. Resolutions can also be adopted without holding a meeting, provided that such resolutions are adopted in writing or in any other electronic way that can be reproduced on paper, and all members of the Board of Management have expressed themselves in favour of the proposal concerned.

Pursuant to Dutch law and the Articles, the Board of Management must obtain the approval of the General Meeting and the Supervisory Board for resolutions regarding an important change in the identity or character of the Company or its business. This includes in any event: (i) the transfer of all or substantially all business to a third party; (ii) entering into or terminating a long-term collaboration by the Company or a subsidiary with another legal person or company or as fully liable partners in a limited or general partnership, if the collaboration or the termination of the collaboration is of material importance to the Company; (iii) the Company's or a subsidiary taking or divesting a participating interest in the capital of a company with a value of at least one third of the amount of its assets according to its consolidated balance sheet with explanatory notes according to its most recently adopted financial statements.

The Board of Management has specified its responsibilities, composition and working method within the Board of Management Charter. The Board of Management submits all relevant information to the Supervisory Board and/or its committees in good time and is accountable to the Supervisory Board and the General Meeting. Pursuant to the Articles resolutions of the Board of Management requires the approval of the Supervisory Board regarding:

- participation in the capital of other enterprises when the value exceeds the amount of EUR 10 million;
- investment in durable means of production when their value exceeds the amount of EUR 10 million;
- investment in real estate when its value exceeds the amount of EUR 10 million; and
- entering into projects of a nature and size as further determined by the Supervisory Board.

Conflict of interest

Pursuant to the Articles, a member of the Board of Management shall not participate in any decision-making concerning a subject or transaction in which that member of the Board of Management has an interest conflicting with the interests of the Company.

The law provides that a member of the board of management may not participate in the adoption of resolutions (including deliberations in respect of these) if he has a direct or indirect personal conflict of interest. This rule also applies to the Company. Pursuant to this new legislation, if no resolution can be adopted by the Board of Management as a consequence hereof, the resolution concerned will be adopted by the Supervisory Board. In addition, if a member of the Board of Management does not comply with the provisions on conflicts of interest, the resolution concerned is subject to nullification (*vernietigbaar*) and this member may be liable towards the Company.

Members of the Board of Management

At the date of this Prospectus, the Board of Management is composed of the following four members:

Name	Date of birth	Position	Member as of	Term
GJA (Gerard) van de Aast	17 July 1957	Chairman and CEO	01 January 2013	2017
J (Hans) Turkesteen	03 November 1963	Member and CFO	11 February 2013	2017
FNE (Felix) Colsman	31 August 1970	Member	02 October 2013	2017
PC (Paul) van Gelder	06 June 1969	Member	16 September 2013	2018

The following internal division of focus areas is applied, although such division may be reviewed and amended from time to time:

- CEO: direct operational responsibility and focus on divisions UK & Ireland and the Benelux.
- CFO: primarily has an internal focus, including on management of working capital and cash flow, management of the Group's financing structure, the implementation of the enhanced GRC policies, and the control and treasury departments of the Company.
- Felix Colsman is responsible for the division Germany & Eastern Europe.
- Paul van Gelder focuses on the divisions Marine, Traffic & Infra, Nordic and Spain.

The Company's registered address serves as the business address for all members of the Board of Management. See "Description of Share Capital – General".

GJA (Gerard) van de Aast

As per 01 January 2013, Gerard van de Aast (57 years old) became a member of the Board of Management. Gerard van de Aast took over as CEO and chairman of the Board of Management as of 27 February 2013. Gerard van de Aast has a broad background and experience, having worked in the Netherlands, the UK, Germany and the United States. He was CEO of Koninklijke VolkerWessels Stevin N.V. from 2009 to the end of 2012. Before that, he was CEO of Reed Business Information and an executive board member of the listed Reed Elsevier from 2000 until 2009 and also served as supervisory board member of Océ N.V. from 2006 through 2010. Today he is member of the supervisory board of N.V. Nederlandse Spoorwegen (since March 2014). Prior to that he held management positions in Compaq Enterprise Products and Services, Digital Equipment Corporation and Philips Information Systems, and before that he ran his own software enterprise.

J (Hans) Turkesteen

Hans Turkesteen (50 years old) was appointed as CFO as of 11 February 2013 and appointed as a member of the Board of Management per 28 June 2013. Hans Turkesteen is a certified accountant. From 2008 until February 2013 he was CFO and member of the board of management of both Stork B.V. and Stork Technical Services B.V., which in August 2012 successfully implemented a complete financial restructuring. He started work in 1982 as an accountant at Andersen. In 1993 he was appointed as partner and later managing partner of Andersen's Dutch mergers and acquisitions practice. He played an instrumental role in the transition from Andersen to Deloitte, where he was managing partner of Deloitte's financial advisory and capital market practice.

FNE (Felix) Colsman

Felix Colsman (44 years old) was appointed as member to the Board of Management as of 2 October 2013. Felix Colsman is a German national and has served as vice-president and general manager service and technology Europe of Johnson Controls Building Efficiency division. Prior to that, he was managing director at Minimax, a global leader in fire protection. Felix Colsman also worked for The Boston Consulting Group and Heitkamp & Thumann Group.

PC (Paul) van Gelder

Paul van Gelder (45 years old) was appointed as member to the Board of Management as of 16 September 2013. Paul van Gelder previously served as the CEO of Nederlandse Gasunie N.V. and was employed with Taqa Energy Europe B.V., British Petroleum, Driessen Aerospace Group N.V. and the Dutch Royal Airforce and Navy.

Potential conflict of interests

The Company is not aware of any potential conflict between any duties of the members of the Board of Management to the Company and their private interests and/or other duties. There are no arrangements or understandings with major shareholders, customers, suppliers or others pursuant to which any member of the Board of Management was selected as such.

During the last five years, none of the members of the Board of Management (1) have been convicted of fraudulent offenses, (2) have served as a director or officer of any entity subject to bankruptcy proceedings, receivership or liquidation, or (3) have been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies), or disqualification by a court from acting as a member of the administrative, management or supervisory body of an issuer, or from acting in the management or conduct of the affairs of any issuer.

Additional member of the Board of Management

The Company and the Underwriters agreed that the Company shall use its commercially reasonable efforts to find an additional member to the Board of Management as soon as practicable, with a view to strengthening the Board of Management. The responsibilities of this additional board member shall be determined in close consultation with the members of the Board of Management and the Supervisory Board. On the date of this Prospectus, this search is still ongoing.

Supervisory Board

Powers and function

The Supervisory Board supervises the Board of Management and the general course of business within the Company. The Supervisory Board also advises the Board of Management. The members of the Supervisory Board perform their tasks with the interests of the Company and its stakeholders in mind, including the corporate social responsibility aspects relevant for the Company. The Board of Management shall promptly provide the Supervisory Board with the information it needs to carry out its duties. The Supervisory Board may, at the Company’s expense, seek the advice of experts in such fields as the Supervisory Boards deems desirable for the proper performance of its duties.

Supervisory Board Rules

In accordance with the Articles, the Supervisory Board has adopted standing rules of the Supervisory Board (the “**Supervisory Board Rules**”).

Appointment and removal

The Supervisory Board should consist of at least five members, who may not be (i) employed by the Company or a dependent company, or (ii) a manager employed by an employees’ organisation which is involved in determining the conditions of employment of employees of the Company or a dependent company. The Articles provide that the Supervisory Board is considered complete if an interim vacancy occurs. In that case a new member of the Supervisory Board must be appointed as soon as possible. Only natural persons can be members of the Supervisory Board. Members of the Supervisory Board are appointed by the General Meeting on the nomination of the Supervisory Board. The General Meeting and the Works Council may recommend to the Supervisory Board persons to be nominated for appointment as members. The Supervisory Board appoints a chairman and may appoint a vice-chairman from among its members and a secretary either from among its members or elsewhere.

For one third of the number of members of the Supervisory Board a person recommended by the Works Council shall be put on the nomination list by the Supervisory Board, unless the Supervisory Board raises objections against the recommendation, based on the expectation that the person recommended will be unsuitable for the duties of a Supervisory Board member, or that the appointment in accordance with the recommendation will result in an unacceptable composition of the Supervisory Board. If the number of members of the Supervisory Board cannot be divided by three, the next lower figure which can be divided by three shall be taken into account, in order to establish the number of members to whom such right of recommendation applies. If the Supervisory Board raises objections against a person recommended by the Works Council, the Supervisory Board shall notify the Works Council of its objections, stating its reasons. The Supervisory Board shall at once enter into consultation with the Works Council in view of achieving agreement concerning the nomination. If the Supervisory Board finds that no agreement can be achieved, a representative of the Supervisory Board appointed to this effect shall request the Enterprise Chamber to uphold the objections. The request shall not be filed earlier than after expiration of four weeks after the commencement of the consultation with the Works Council. The Supervisory Board shall put the person recommended on the nomination list, if the Enterprise Chamber declares the objections unfounded. If the Enterprise Chamber upholds the objections, the Works Council may submit a new recommendation.

The General Meeting may reject the nomination by an absolute majority of votes cast, representing at least one-third of the issued share capital. If the General Meeting with an absolute majority of the votes cast rejects the nomination, but this majority does not represent at least one-third of the issued share capital, a new General Meeting can be convened, in which meeting the nomination can be rejected by an absolute majority of the votes cast (regardless of the issued capital represented at this second meeting). If the nomination is rejected, the Supervisory Board shall submit a new nomination. If the General Meeting does not appoint the person nominated and does not resolve to reject the nomination, the Supervisory Board appoints the person nominated.

The appointment by the General Meeting may be effected in the same meeting as the one in which the General Meeting is given the opportunity to submit the recommendation, provided that the convocation to the meeting mentions: (i) when, for which reason and according to which profile a Supervisory Board member has to be appointed; (ii) the name of the person to be nominated by the Supervisory Board, further mentioning that the information concerning and the reasons for the nomination, have been deposited for inspection at the office of the Company; and (iii) that the nomination referred to under (ii) shall only be considered a nomination, if the General Meeting does not submit a recommendation, all this without prejudice to the powers of the Works Council.

Also, the General Meeting may dismiss the Supervisory Board by an absolute majority of votes cast, representing at least one-third of the issued share capital. If not at least one-third of the issued share capital was represented at the General Meeting, a new meeting may not be convened. The resolution resulting in the dismissal of the Supervisory Board shall state the reasons, and such a resolution shall not be passed before the Board of Management has informed the Works Council about the proposal for the resolution and the reasons for it. Notification shall be effected at least 30 days before the General Meeting dealing with the proposal. If the Works Council defines a position about the proposal, to which it is entitled according to Dutch law, the Board of Management shall inform the Supervisory Board and the General Meeting about it. The Works Council may have its position explained in the General Meeting.

The Enterprise Chamber may, following a request to this effect, dismiss a Supervisory Board member for neglecting his duties, for other serious reasons, or for major changes of the circumstances on which grounds maintaining him as a Supervisory Board member cannot reasonably be required of the Company. The request may be submitted by the Company, in this matter represented by the Supervisory Board, as well as by a representative of the General Meeting or of the Works Council appointed to this effect. A Supervisory Board member may be suspended by the Supervisory Board; the suspension will terminate by operation of law, if the Company has not, within one month after the commencement of the suspension, submitted a request to the Enterprise Chamber.

Pursuant to article 14.3 of the Articles, the Supervisory Board has adopted a profile of the size and composition of the Supervisory Board.

Terms

Members of the Supervisory Board are appointed for a maximum term of four years, provided that, unless a member of the Supervisory Board resigns at an earlier date, his or her term of office lapses on the day of the next annual General Meeting to be held in the fourth year after the year of his or her appointment. A retiring member of the Supervisory Board can be re-appointed. A member of the Supervisory Board serves for a maximum period of 12 years, which period may be interrupted.

Qualifications

Similar to the gender diversity rules for the composition of the Board of Management described above, Large Companies should pursue a policy of having at least 30% of the seats on the supervisory board be held by men and at least 30% of the seats on the supervisory board be held by women. This rule also applies to the Company because it qualifies as a Large Company. Pursuant to this new legislation, the Company will be required to take this allocation of seats into account in connection with the following actions: (1) the (nomination for the) appointment of members of the Supervisory Board; (2) drafting the criteria for the size and composition of the Supervisory Board, as well as the designation, the appointment, the recommendation and the nomination for appointment of members of the supervisory board; and (3) drafting a profile for the members of the Supervisory Board. In addition, if the Company does not comply with the gender diversity rules, it is required to explain in the annual report (1) why the seats are not allocated in accordance with this ratio, (2) how the Company has attempted to achieve a well-balanced allocation; and (3) how the Company aims to achieve a well-balanced allocation in the future. Currently there are two women in the Supervisory Board out of seven members of the Supervisory Board.

Similar to the rules for the composition of the board of management described above restrictions apply as to the overall number of board of management positions and supervisory board positions that a member of the supervisory board of a Dutch public limited liability company may hold. This rule also applies to the Company.

Pursuant to this legislation, a person may not be a member of the Supervisory Board if he or she holds more than five supervisory positions with Large Companies. Acting as a chairman of the supervisory board or a supervisory body established by the articles of association or, in case of a one-tier board, chairman of the board of management, of a Large Company will count twice. The term 'supervisory position' refers to the position of supervisory director, non-executive director in case of a one-tier board or member of a supervisory body established by the articles of association. The Company complies with the applicable law.

Meetings and decisions

Pursuant to the Supervisory Board Rules and the Articles, the Supervisory Board can only adopt resolutions by an absolute majority in vote and if at least half of the members are present or represented. In the event of a tied vote, the resolution shall be voted on a second time. If the second vote is also tied, the chairman has the casting vote. The Supervisory Board shall meet whenever required to do so by the chairman or by two or more of its other members. Meetings of the Supervisory Board are attended by the members of the Board of Management, unless the Supervisory Board decides otherwise. Resolutions can also be adopted without holding a meeting, provided that all members of the Supervisory Board are informed about the proposal and more than half the members of the Supervisory Board are in favour of the proposal. A resolution adopted in this way shall be signed by the chairman and the secretary. The Supervisory Board will determine each year which of its members will attend consultations meetings with the Works Council.

Conflict of interest

Pursuant to the Articles, in case of a conflict of interest of a member of the Supervisory Board, the conflicted member of the Supervisory Board will not take part in the discussion and in the decision-making. There are no arrangements or understandings with major shareholders, customers, suppliers or others pursuant to which any member of the Supervisory Board was selected as such.

Similar to the rules for the composition of the Board of Management described above, Dutch law provides that a member of the supervisory board of a Dutch public limited liability company may not participate in the adoption of resolutions (including deliberations in respect of these) if he or she has a direct or indirect personal conflict of interest. This rule also applies to the Company. Pursuant to the law, if no resolution can be taken as a consequence hereof, the resolution concerned will be adopted by the General Meeting. If a member of the Supervisory Board does not comply with the provisions on conflicts of interest, the resolution concerned is subject to nullification (*vernietigbaar*) and this member may be liable towards the Company.

Members of the Supervisory Board

On 7 October 2014, the Company issued a press release in which it published that Mr Joop de Rooij (who was a member of the Supervisory Board as of 2011) would step down as member after the extraordinary General Meeting held on that day. As a result there is one vacancy in the Supervisory Board. See "Management, Employees and Corporate Governance – Supervisory Board – Appointment and removal". It is envisaged that an additional seventh member will be appointed in due course.

At the date of this Prospectus, the Supervisory Board is therefore composed of the following six members:

Name	**Date of birth**	**Position**	**Member as of**	**Term**
CJA (Kees) van Lede	21 November 1942	Chairman	2013	2015
FJGM (Frans) Cremers	07 February 1952	Vice-chairman	2013	2017
RD (Ruth) van Andel	14 June 1961	Member	2011	2015
B (Ben) van der Veer	24 March 1951	Member	2014	2018
ME (Marike) van Lier Lels	19 October 1959	Member	2014	2018
JJ (Jeremy) Beeton	31 March 1953	Member	2014	2018

The Company's registered address serves as the business address for all members of the Supervisory Board. See "Description of Share Capital – General".

CJA (Kees) van Lede (1942)

Mr Van Lede was first appointed on 2 August 2013 as chairman of the Supervisory Board. His current term ends in 2015. He is chairman of the Governance & Nomination Committee and member of the HR & Remuneration Committee. Mr Van Lede is the former CEO of Akzo Nobel N.V. He has supervisory board memberships with Royal Philips N.V., Air France KLM S.A., L'Air Liquide S.A. and is a senior adviser to JP Morgan Plc. He was a member of the supervisory board of Heineken N.V., Reed Elsevier plc, Reed Elsevier Groep plc and D.E Master Blenders 1753 N.V.

FJGM (Frans) Cremers (1952)

Mr Cremers was first appointed on 2 August 2013 as vice-chairman of the Supervisory Board. His current term ends in 2017. He is chairman of the Audit Committee and member of the Governance & Nomination Committee. He will succeed Mr Van Lede as chairman of the Supervisory Board, on which moment his chairmanship of the Audit Committee will end. Mr Cremers is the former CFO of VNU N.V. He has supervisory board memberships with Royal Vopak N.V., SBM Offshore N.V. (vice-chairman), Unibail-Rodamco SE, Schiphol Group and Parcom Capital Management. He is also a member of the board of directors of Stichting Preferente Aandelen Philips and Stichting Preferente Aandelen Heijmans. Mr Cremers was a member of the supervisory board of Dutch Railways until March 2014 (vice-chairman), Fugro N.V. until 2013 (vice-chairman) and Rodamco Europe N.V. until 2007.

RD (Ruth) van Andel (1961)

Mrs Van Andel was first appointed in on 18 August 2011. Her current term ends in 2015. Mrs Van Andel is chairman of the HR & Remuneration Committee and member of the Past Events Committee. She is contact person (*vertrouwenspersoon*) for the employee representative bodies. She was a lawyer/partner at Clifford Chance LLP in Amsterdam (until 1 May 2013). Mrs Van Andel is a member of the supervisory board of Stadsschouwburg and Philharmonie (Haarlem). She is also a board member of Youth Sports Fund Netherlands (*Stichting Jeugdsportfonds Nederland*) and until 2010 she was a board member of the combined school (*Scholengemeenschap*) Sancta Maria in Haarlem.

B (Ben) van der Veer (1951)

Mr Van der Veer was first appointed on 22 May 2014. His current term ends in 2018. He is member of the Audit Committee. Mr van der Veer currently serves on the Supervisory Board of Aegon N.V., TomTom N.V. and Royal FrieslandCampina N.V. (not listed), and is a non-executive member of the Boards of Reed Elsevier PLC and Reed Elsevier N.V. Mr Van der Veer was Chairman of the Board of Management of KPMG N.V. until September 2008.

ME (Marike) van Lier Lels (1959)

Mrs Van Lier Lels was first appointed on 22 May 2014. Her current term ends in 2018. Mrs Van Lier Lels has been recommended by the Central Works Council within the meaning of Section 2:158 paragraph 6 DCC and acts as contact person for the employee representative bodies (in addition to Mrs Van Andel).She currently serves on the Supervisory Board of TKH Group N.V. and Eneco Holding N.V. and is a non-executive member of the Board of Reed Elsevier N.V. She previously held management positions with Royal Nedlloyd, Van Gend & Loos, Deutsche Post Euro Express and Schiphol Group.

JJ (Jeremy) Beeton (1953)

Mr Beeton was first appointed on 22 May 2014. His current term ends in 2018. He currently serves as non-executive director at SSE Plc. and is a member of the Court of Strathclyde University. Mr Beeton was Director General of the Government Olympic Executive responsible for the London 2012 Olympic Games and held various positions at, amongst others, Bechtel Ltd., Haden Maclellan Holdings PLC, Cleveland Bridge & Engineering UK & Middle East Ltd.

Potential conflicts of interests

The Company is not aware of any potential conflicts of interests between the private interest or other duties of the members of the Supervisory Board and their duties to the Company. During the last five years, none of the members of the Supervisory Board (1) have been convicted of fraudulent offenses, (2) have served as a director or officer of any entity subject to bankruptcy proceedings, receivership or liquidation or (3) have been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies), or disqualification by a court from acting as a member of the administrative, management or supervisory body of an issuer or from acting in the management or conduct of the affairs of any issuer.

Supervisory Board committees

The Supervisory Board has an Audit Committee, a Governance & Nomination Committee, a HR & Remuneration Committee and a Past Events Committee. The Supervisory Board has drawn up rules on each committee's principles and best practices.

Audit Committee

The Audit Committee assists the Supervisory Board in fulfilling its supervisory responsibilities for the integrity of the Company's financial statements, the financial reporting process, the system of internal business controls and risk management, the internal and external audit process, the external auditor's qualifications, independence and performance as well as the Company's process for monitoring compliance with laws and regulations and the Company's business principles. The Audit Committee reports its findings to the Supervisory Board, and, in preparation of the resolutions to be adopted by the Supervisory Board, provides all information and documents required. The Audit Committee meets at least two times a year. At least once a year (a part of) a meeting will be held without the members of the Board of Management, with the external auditor.

The Audit Committee consists of at least three members, who shall all be members of the Supervisory Board. All members of the Audit Committee must be independent. The Supervisory Board appoints the chairman of the Audit Committee from among its members. The chairman of the Supervisory Board may not be the chairman of the Audit Committee. After Mr De Rooij stepped down as member of the Supervisory Board, he also automatically stepped down from the the Audit Committee, which is currently composed of Mr Cremers (chairman) and Mr Van der Veer.

Governance & Nomination Committee

The Governance & Nomination Committee advises the Supervisory Board on the exercise of its duties regarding the governance and remuneration of the members of the Board of Management and Supervisory Board, and prepares decisions of the Supervisory Board on these subjects. The duties of the Governance & Nomination Committee include the preparation of proposals of the Supervisory Board on the selection criteria and appointment procedures with respect to supervisory and managing directors to be adopted by the Supervisory Board as well as the composition and governance of the Board of Management and Supervisory Board. The Governance & Nomination Committee also prepares evaluates the performance of individual supervisory and managing directors. The Governance & Nomination Committee meets at least once every year.

The Governance & Nomination Committee consists of at least two members. All members of the Governance & Nomination Committee except one must be independent (as specified in the Supervisory Board Rules). None of its members except one may at the same time serve as a member of the Board of Management of another Dutch listed company. The Supervisory Board appoints a chairman of the Governance & Nomination Committee from among its members. Neither the chairman of the Supervisory Board nor any of the current or former members of the Board of Management nor any member of the Board of Management of another listed company may (at the same time) be the chairman of the Governance & Nomination Committee. The Governance & Nomination Committee is currently composed of Mr Van Lede (chairman) and Mr Cremers.

HR & Remuneration Committee

The HR & Remuneration Committee advises the Supervisory Board on its duties regarding the selection and appointment of members of the Board of Management and members of the Supervisory Board and prepares its decisions on these subjects. The duties of the HR & Remuneration Committee include the drafting of proposals for the remuneration policy and plans for members of the Board of Management and employees directly reporting to the Board of Management as well as certain other specified employees. The HR & Remuneration Committee meets at least once every year.

The HR & Remuneration Committee consists of at least two members. All members of the HR & Remuneration Committee except one must be independent. None of its members except one may at the same time be a member of the Executive Board of another Dutch listed company. Neither the chairman of the Supervisory Board nor any of the current or former members of the Board of Management nor any member of the Board of Management of another listed company may (at the same time) be the chairman of the HR & Remuneration Committee. The HR & Remuneration Committee is currently composed of Mrs Van Andel (chairman) and Mr Van Lede.

Past Events Committee

The Past Events Committee advises the Supervisory Board on its duties and prepares the Supervisory Board's decision-making process in respect of the actions the Company has taken and may take in order to reduce the Company's risk profile. During the year 2013 certain events, including fraudulent actions, came to light which have had a serious financial impact on the Company and its stakeholders. The Past Events committee will advise the Supervisory Board in all matters relating to these events and actions and, if required, further actions to be taken, including actions to be taken on shareholder claims against the company and/or its corporate bodies. The Past Events Committee's duties include monitoring and evaluating periodically the (results of the) actions in general that were taken in respect of strategy, business model and governance and evaluate the best practices and practical do's and don'ts rolled out by the Board of Management. The Past Events Committee meets at least four times every year.

The Past Events Committee consists of at least two members. All members of the Past Events Committee except one must be independent. None of its members except one may at the same time be a member of the Executive Board of another Dutch listed company. After Mr De Rooij stepped down as member of the Supervisory Board, he also automatically stepped down from the Past Events Committee, which is currently composed of Mrs Van Andel. The vacancy in the Past Events Committee may be filled in by another member of the Supervisory Board, but as of the date of this Prospectus no appointment has been made.

Remuneration

Board of Management remuneration information

In accordance with the Articles, the General Meeting adopts the policy regarding the remuneration of the Board of Management upon a proposal of the Supervisory Board. Simultaneously with the submission of the Supervisory Board's proposal to the General Meeting, the proposal must be submitted in writing to the Works Council for its information. The remuneration of the individual members of Board of Management is determined by the Supervisory Board with due observance of the remuneration policy for the Board of Management. The Supervisory Board shall submit to the General Meeting, for its approval, a proposal regarding arrangements for remuneration in the form of shares or rights to subscribe for shares. As described above, the HR & Remuneration Committee is responsible for preparing the proposal to the General Meeting on the remuneration policy for the Board of Management and for and preparing a proposal for adoption by the Supervisory Board on the remuneration of individual members of the Board of Management. The lack of approval of the General Meeting does not affect the representative authority of the Supervisory Board.

The remuneration package of the members of the Board of Management aims to achieve the optimal balance between short term results and long term objectives, and consists of the following components: a base salary (i.e. fixed management fee), a short term and a long term variable income, and secondary conditions (fringe benefits). The base salary is fixed at the median level of the reference market for directors of larger Dutch group companies. The variable remuneration consists of a short term incentive paid out in cash (40% of variable remuneration for the members of the Board of Management, 55% for the CEO) and a long term incentive paid out in Ordinary Shares (60% of variable remuneration for the members of the Board of Management, 80% for the CEO). In case of an "at target realisation" of the predetermined targets, the total variable remuneration amounts to 135% (CEO) or 100% (CFO) of the base salary. The number of shares is calculated by dividing the 'at target' amount by the share price on the day the shares are conditionally awarded (i.e. annually, on the first day after the General Meeting on which the Company's shares are quoted ex-dividend). See "– Revised senior management incentive plans" for a description of the short term incentive plan and the long term incentive plan. The remuneration structure and elements do not encourage risk taking that is not in line with the risk profile of the company. The determination of the level and structure of the remuneration of the Board of Management is also based on financial and non-financial indicators relevant to the long term objectives.

Remuneration and benefits for the (former) Board of Management in 2013

The remuneration of the members of the Board of Management consists of the following components: base salary, cash variable income for short-term performance, a variable income payable in Ordinary Shares for long-term performance and additional benefits, including pension arrangements.

In 2013 the total remuneration of members of the (former) Board of Management amounted to EUR 2,746,287 (2012: to EUR 3,103,699) and can be specified as follows:

	Base salary		**Variable salary[1]**		**Settlement**	
	2013	2012	**2013**	2012	**2013**	2012
In euro						
GJA van de Aast, since 1 January 2013	**750,000**	-	**-**	-	**-**	-
J Turkesteen, since 11 February 2013	**536,207**	-	**-**	-	**-**	-
FNE Colsman, since 1 September 2013	**183,333**	-	**-**	-	**-**	-
PC van Gelder, since 16 September 2013	**162,261**	-	**-**	-	**-**	-
RJA van der Bruggen, until 2 April 2013	**189,653**	736,050	**-**	555,192	**-**	-
BRIM Gerner, until 31 December 2013[2]	**514,500**	514,500	**-**	282,240	**50,000**	-
Total	**2,335,954**	1,250,550	**-**	837,432	**50,000**	-

	Pension and social security expenses		**Share based payments[3]**		**Total**	
	2013	2012	**2013**	2012	**2013**	2012
GJA van de Aast, since 1 January 2013	**149,191**	-	**54,985**	-	**954,176**	-
J Turkesteen, since 11 February 2013	**119,610**	-	**32,991**	-	**688,808**	-
FNE Colsman, since 1 September 2013	**25,518**	-	**30,242**	-	**239,093**	-

PC van Gelder, since 16 September 2013	**26,460**	-	**30,242**	-	**218,963**	-
RJA van der Bruggen, until 2 April 2013	**-**	202,582	**(203,707)**	322,628	**(14,054)**	1,816,452
BRIM Gerner, until 31 December 2013[2]	**221,313**	205,455	**(126,512)**	285,052	**659,301**	1,287,247
Total	**542,092**	408,037	**(181,759)**	607,680	**2,746,287**	3,103,699

(1) Amounts paid relate to previous year performance.
(2) Until 11 February 2013 as CFO, thereafter as advisor.
(3) IFRS2 value.

Members of the former Board of Management also received an expense allowance which, in the context of agreements with the tax authorities, is partially grossed.

With regard to pension provisions, Mr Van de Aast and Mr Van Gelder receive a contribution towards a defined contribution plan. Mr Turkesteen and Mr Colsman receive a contribution towards their pension arrangement. For Mr Van der Bruggen a defined benefit arrangement (*eindloon*) was applicable and an average salary arrangement (*middelloon*) was applicable for Mr Gerner. The variable part of the salary of Mr Van der Bruggen and Mr Gerner was, respectively, included in the pensionable salary partly and fully.

The pension and social security expenses exclude the crisis tax of 16% on taxable income, including expenses related to share based payments, above EUR 150,000. For Mr Van de Aast this amounts to EUR 100,662, for Mr Turkesteen EUR 79,710, for Mr Van Gelder EUR 1,917 and for Mr Gerner EUR 69,745 (2012: for Mr Van der Bruggen EUR 369,481 and for Mr Gerner EUR 196,588).

The contracts of the members of the Board of Management include claw back clauses and are furthermore aligned with Dutch laws (Section 2:135 DCC).

Applicable cash short-term variable income targets for performance 2013

For the CEO the ‘at target’ level for 2013 is 55% of his annual base salary 2013, which amounts to EUR 412,500. For the CFO the ‘at target’ short-term variable income level for 2013 is 40% of his annual base salary, which amounts to EUR 240,000. For the other members of the Board of Management the ‘at target’ short-term variable income level for 2013 is 40% of their base salary, which amounts to € 73,333.

In August 2013 the Supervisory Board approved, given the Irregularities and subsequent events, both organisationally and financially in the first six months of 2013, to use the second half (June-December) targets as determined in July 2013 as the base for the full year short term variable income. On the basis of the results, financial and other, as regards the short term variable income over 2013, the Supervisory Board has decided to grant 100%, of the ‘at target’ to the members of the Board of Management, on a pro rata basis. 50% of the payment in cash is deferred on a discretional basis by the Supervisory Board by granting conditional shares similar to the share scheme. For these conditional shares no targets are set. After three years the Supervisory Board has full discretion to decide if any of the conditional shares are awarded. After the unconditional award of the shares a lock up period of two years applies. As provided for in the share scheme, the Supervisory Board also has full discretion to award bonus shares. For every two awarded shares one extra share can be awarded.

The number of shares granted conditionally to the current Board of Management (excluding any bonus shares) as part of their short-term variable income for 2013 is indicated in the table below. The awarded conditional shares which are part of the STI 2013 will be converted in a gross amount against the original value of those shares on May 23, 2014 in October 2014 and the net amount shall also be used for the purchase of shares as part of the BIP in connection to the Offering. See “– Revised senior management incentive plans – Bonus Incentive Plan (BIP)”.

	Number 2014[1]
Price	1,152
GJA van de Aast	179,036
J Turkesteen	104,167
FNE Colsman	31,829
PC van Gelder	31,829
Total	**346,861**

(1) Year of awarding is 2014. The 3-year vesting period will end after the General Meeting in 2017.

Share scheme in 2013

Under the Board of Management share scheme, which was approved by the General Meeting on 10 December 2012, conditional shares could be awarded to the Board of Management. See "– Equity incentives – Board of Management share scheme (long term incentive plan)". Shares are conditionally granted to the members of the Board of Management and may become unconditional after a three-year period upon the achievement of 'Total Shareholders' Return' compared to the peer group (60%) and cash conversion (40%).

The 'at target' level of the long-term incentive is 80% of base management fee for the CEO of the Board and 60% for the other members of the Board of Management. The fair value was determined, taking into account the terms and conditions upon which the shares were awarded, after deduction of the discounted value of the expected dividends in the period that the shares are conditional. For the shares awarded unconditionally a lock up-period of two years, or until the termination of employment by the Company if this is shorter, is applicable.

The number of shares granted conditionally ('at target') to the current Board of Management for performance 2013 is indicated in the table below. Please note that it is expected that the Supervisory Board shall re-calculate the number of shares granted conditionally ('at target') under the long-term incentive plan 2013 and 2014 for the current members of the Board of Management based on the historical share price adjusted for the effects of the Offering, in order to ensure that the members of the Board of Management shall be in the same position as before the Offering. Such re-calculation is expected to take place after Settlement.

	Total	**Number 2014[1]**	**Number 2013[2]**
Price		1,152	2,018
GJA van de Aast	997,193	520,833	297,324
J Turkesteen	595,061	312,500	178,394
FNE Colsman	481,815	286,458	163,528
PC van Gelder	481,815	286,458	163,528
Total	**2,209,023**	**1,406,249**	**802,774**

(1) Year of awarding is 2014. The 3-year vesting period will end after the General Meeting in 2017.
(2) Year of awarding is 2013. The 3-year vesting period will end after the General Meeting in 2016.

Due to the specific and difficult circumstances during the financial year 2013, the Supervisory Board decided to waive the 2013 performance targets for current members of the Board of Management for the long term variable income 2013 on a 100% level.

Former Board of Management arrangements

René van der Bruggen, the Company's former CEO, stepped down as CEO on 27 February 2013 and retired as per 3 April 2013. René van der Bruggen did not receive any severance payment. Since 8 February 2013, Boudewijn Gerner stepped down from his position as chief financial officer ("**CFO**") and is no longer a member of the Board of Management. In the interest of the short term continuity within the Company it was initially agreed that Boudewijn Gerner stayed on as an advisor for the Company until his pension date 15 April 2014. However, following the course of events during the first half year of 2013 it was agreed with the former CFO that his employment contract terminated prematurely as of 31 December 2013. In connection with the termination the former CFO was paid EUR 50,000 gross.

Considering the restated results of previous years, it is agreed with Mr Van der Bruggen to pay back EUR 1.5 million which relates to the variable income received for the years 2011 and 2010 (EUR 555,192 and EUR 500,625) and unconditionally awarded shares under the former Board of Management share scheme (EUR 444,183). Mr Gerner agreed to pay back EUR 704,074 which relates to the variable income received for the years 2011 and 2010 (EUR 282,240 and EUR 246,834) and unconditionally awarded shares under the former Board of Management share scheme (EUR 175,000). For 2012 and for 2013 no variable income has been awarded to the former members of the Board of Management, and no short-term variable income was awarded to the former members of the Board of Management in respect of 2012 or 2013.

In addition, the Supervisory Board decided to cancel all conditionally granted shares to Mr Van der Bruggen (46,108 shares) and to Mr Gerner (37,101 shares). As a result, no conditionally granted shares to the former Board of Management are outstanding as at 31 December 2013 (31 December 2012: Mr Van der Bruggen 46,108 conditionally granted shares and Mr Gerner 37,101 conditionally granted shares).

The Company has not provided any personal loans, advances or guarantees to the Board of Management members.

Service contracts

Service contract of GJA (Gerard) van de Aast

The service contract of Gerard van de Aast is governed by Dutch Law and has been entered into for a term of approximately four years and can be prolonged in case of reappointment. The total remuneration package consists of a base salary of EUR 750,000 per year excluding value added tax, participation in the short term incentive plan and the long term incentive plan in accordance with the remuneration policy for the Board of Management and the Board of Management share scheme, and a contribution to the costs of the pension scheme and term life insurances. The service contract contains claw back provisions.

Both parties are entitled to terminate the service contract by taking into account a notice period. A notice period of six months applies for the Company, and three months for Mr Van de Aast. In case of termination by the Company other than for cause as defined under Dutch employment law (Section 7:678 DCC), Mr Van de Aast shall be entitled to a severance payment equal to one year in wages.

Service contract of J (Hans) Turkesteen

The service contract of Hans Turkesteen is governed by Dutch Law and has been entered into for a term of approximately four years which can be prolonged in case of reappointment. The total remuneration package consists of a base salary of EUR 600,000 per year excluding value added tax, participation in the short term incentive plan and the long term incentive plan in accordance with the remuneration policy for the Board of Management and a compensation of EUR 125,000 per year excluding value added tax for pension costs and certain other benefits. The service contract contains claw back provisions.

Both parties are entitled to terminate the service contract by taking into account a notice period. A notice period of six months applies for the Company, and three months for Mr Turkesteen. In case of termination by the Company other than for cause as defined under Dutch employment law (Section 7:678 DCC), Mr Turkesteen shall be entitled to a severance payment equal to one year in wages.

Service contract of PC (Paul) van Gelder

The service contract of Paul van Gelder is governed by Dutch Law and has been entered into for a term of four and a half years which can be prolonged in case of reappointment. The total remuneration package consists of a base salary of EUR 550,000 per year excluding value added tax, participation in the short term incentive plan and the long term incentive plan in accordance with the remuneration policy for the Board of Management and a contribution to the costs of the pension scheme and term life insurances. The service contract contains claw back provisions.

Both parties are entitled to terminate the service contract by taking into account a notice period. A notice period of six months applies for the Company, and three months for Mr Van Gelder. In case of termination by the Company other than for cause as defined under Dutch employment law (Section 7:678 DCC), Mr Van Gelder shall be entitled to a severance payment equal to one year in wages.

Service contract of FNE (Felix) Colsman

The service contract of Felix Colsman is governed by Dutch Law and has been entered into for a term of four and a half years which can be prolonged in case of reappointment. The total remuneration package consists of a base salary of EUR 550,000 per year excluding value added tax, participation in the short term incentive plan and the long term incentive plan in accordance with the remuneration policy for the Board of Management and a contribution to the costs of the pension scheme and term life insurances. The service contract contains claw back provisions.

Both parties are entitled to terminate the service contract by taking into account a notice period. A notice period of six months applies for the Company, and three months for Mr Colsman. In case of termination by the Company other than for cause as defined under Dutch employment law (Section 7:678 DCC), Mr Colsman shall be entitled to a severance payment equal to one year in wages.

Supervisory Board remuneration information

Pursuant to the Articles, the General Meeting determines the remuneration of the members of the Supervisory Board. The most recent adjustment of the remuneration, effective as of 2 August 2013, was based on the median level of comparable companies and will be reviewed every two to three years. Effective 2 August 2013 the annual remuneration of the chairman is EUR 75,000, the annual remuneration of the vice-chairman is EUR 60,000 and the annual remuneration of the other members of the Supervisory Board is EUR 50,000 (until 2 August 2013: EUR 52,500, EUR 41,500 and EUR 37,500 respectively). The chairman and other members of the Audit Committee receive a supplementary annual fee of EUR 12,500 and EUR 10,000, respectively (until 2 august 2013: EUR 7,500 and EUR 5,000 respectively).

The chairmen of the Governance & Nomination Committee and the HR & Nomination Committee, the other members of the Governance & Nomination Committee and the HR & Nomination Committee and the contact persons for the representative bodies receive a supplementary annual fee of EUR 10,000, EUR 7,500 and EUR 7,500 respectively (until 2 August 2013: EUR 5,000, EUR 3,500 and EUR 3,500, respectively). Certain Supervisory Board members also received a contribution towards expenses of EUR 1,875. Since 2 August 2013 Supervisory Board members no longer receive such a contribution towards expenses, which, in the context of agreements with the tax authorities, was partially grossed for the year 2013.

No member of the Supervisory Board has an employment or service contract with the Company which provide for benefits upon termination.

Remuneration and benefits for the Supervisory Board in 2013

The table below provides an overview of the remuneration of each member of the Supervisory Board for the financial year 2013 and 2012. The Supervisory Board members do not receive any fixed allowance or performance-related incentives. The Company has not provided any personal loans, advances or guarantees to Supervisory Board members.

	2013	**2012**
In EUR		
CJA van Lede[2 + 4], Chairman since 2 August 2013	38,191	-
FJGM Cremers[1 + 4], Vice-Chairman since 2 August 2013	33,030	-
EA van Ameronge[2 + 3], until 2 August 2013	26,833	46,000
RD van Andel[2 + 3 + 5]	57,093	42,750
A Baan († 5 April 2013) [1]	15,500	45,500
RMJ van der Meer[1 + 2], Chairman until 28 June 2013	30,500	61,000
JJ de Rooij[1 + 5+6]	52,244	37,500
A van Tooren[1], until 2 August 2013	26,591	45,000
	279,982	**277,750**
Social security expenses	3,981	5,421
Total	**283,963**	**283,171**

(1) Member of the Audit Committee. Mr De Rooij since 26 April 2013.
(2) Member of the HR & Remuneration Committee.
(3) Contact person for the Representative Bodies.
(4) Member of the Governance & Nomination Committee.
(5) Member of the Past Events Committee. Mr De Rooij and Mrs Van Andel since 2 August 2013.
(6) Mr De Rooij stepped down as per 7 October 2014.

Equity holdings

At the date of this Prospectus the members of the Board of Management do not hold shares in the Company, but the members of the Board of Management have been granted conditional shares, a portion of which will vest after the end of the General Meeting in 2016. See "– Remuneration – Share scheme in 2013".

At the date of this Prospectus no Supervisory Board member holds shares or options on shares in the Company.

Equity incentives

Stock option plan 2011

Under the former stock option plan 2011, until 2012 the Board of Management could grant to senior management (consisting of the top 150 managers) of the Group options to acquire shares in the Company for a pre-determined exercise price based on the listed price of a Share during a specified period. The share options have a term of seven years and are conditional for the first three years. The vesting period is three years continuing service. The Supervisory Board, upon the proposal of the Board of Management approved in advance the total number of options to be granted, the term, including the period during which exercise of the option was not permitted and the exercise price. Upon expiry of the vesting period, options would only vest in case of continued employment of the relevant executive with the Group. On termination of employment with the Company the conditional share option rights within the vesting period will in principle lapse and the other share option rights must be exercised within three months. On a change of control all conditional share option rights become unconditional. In 2013 no share options have been granted and no share options have been exercised. On 31 December 2013 the weighted average remaining term of the outstanding share options was 3.4 years (31 December 2012: 4.4 years) and no share options were in the money. The stock option plan has been replaced by the long term incentive plan. See "– Revised senior management incentive plans".

Board of Management share scheme (long term incentive plan)

Under the Board of Management share scheme, which was approved by the General Meeting on 10 December 2012, conditional shares could be awarded to the Board of Management. The Supervisory Board, upon the proposal of the Remuneration Committee, and in accordance with the remuneration policy for the Board of Management, determined the number of conditional shares to be awarded. Vesting of the conditional shares would depend on (i) continuous engagement with the Company and (ii) the achievement of specified long-term targets during a three year period (in certain circumstances the Supervisory Board could change the targets). Certain exceptions (i.e. in case of expiration of fixed term of engagement, termination of the engagement as a result of death, physical injury, disability or illness and termination of the engagement by the Company for specified reasons) applied to the requirement of continuous engagement. After vesting, the shares were, generally, subject to a 2-year lock up period. In case of a change in control, all conditional shares would vest and the 2-year lock up period would not apply. This plan will be revised. See "– Revised senior management incentive plans".

Revised senior management incentive plans

As set out above, the Group used to have in place a share scheme for the Board of Management and a stock option plan for its senior management (consisting of the top 150 managers). In addition there was a bonus scheme for its senior management and a separate bonus scheme for the Board of Management, entirely or partially based on the growth of the relevant division measured by EBITA and a predetermined budget and which often included yearly growth targets. There was no uniform bonus system, the bonuses awarded and the calculation thereof varied from one person to another.

Revised incentive plans

The Group has, in 2013, with the assistance of an external consultant, revised its remuneration policy and the incentive plans for senior management and the Board of Management. The redesigned incentive plans aim to (i) align the remuneration with the Company's strategy, targets and incentives (greater focus on generation of cash and less focus on growth), (ii) fit within the decentralised organisation model (i.e. encourage local entrepreneurship and encourage building and strengthening the relationships with customers and other stakeholders) and (iii) fit with the reinforcement of business controls and governance.

The new remuneration policy for the Board of Management was approved in the General Meeting of 28 June 2013 and the incentive plans have been revised. They consist of a short term incentive plan and a long term incentive plan (which are described in more detail below). Under both plans, vesting of an award is subject to (i) continuous employment with the Company and (ii) achievement of certain predefined performance conditions. The performance calculation will be the same for senior management and the members of the Board.

Provisions that apply to both the short term and long incentive plan

As set out above, vesting of an award under the short term and the long term incentive plans will only occur if, in addition to the achievement of the performance measures described below, the participant continues to be employed with the Company until the end of the relevant vesting period. Awards made to good leavers (i.e. participants who are no longer employed by the Company at the relevant vesting date as a result of retirement, illness or death) will vest according to the original vesting scheme but time pro-rated.

Both the short term and the long term incentive plans contain a reasonableness test (in case the incentive plan would produce an unfair result due to extraordinary circumstances during the period in which the predetermined performance criteria have been or should have been achieved, the value of the remuneration can be adjust upwards or downwards) and a claw back provision (power to recover any variable remuneration awarded on the basis of incorrect financial or other data). These provisions are in line with best practice provisions II.2.10 and II.2.11 of the Code (as defined below) respectively.

Short term incentive plan

Participants in the short term incentive plan will be entitled to receive a payment in cash. The amount of the bonus will depend on the achievement of predefined performance conditions measured over a 1-year performance period, relating to:

- 40% EBITA;
- 30% cash conversion/working capital (cash conversion demonstrates how the reported operational profits are converted in operational cash and is calculated by dividing operating cash flow by operational EBITA);
- 30% personal objectives (key performance indicators can differ per individual and can be quantitative and/or qualitative targets).

Performance under the first two criteria will be rewarded as follows: (a) if 80% of the target is achieved, the bonus will be 50% of the target bonus, (b) if 100% of the target is achieved, the bonus will be 100% of the target bonus and (c) if 120% of the target is achieved, the bonus is 150% of the target bonus. In case performance lies between 80% and 100% of the budget or between 100% and 120% of the budget, the cash bonus will be calculated in a linear manner. In case performance is below 80% of the target, there will be no pay out. Performance is independently assessed per performance measure.

On the basis of the results, financial and other, as regards the short term variable income over 2013, the Supervisory Board has decided to grant 100%, of the 'at target' to the members of the Board of Management, on a pro rata basis. 50% of the payment in cash is deferred on a discretional basis by the Supervisory Board by granting conditional shares similar to the share scheme. See "– Remuneration – Applicable cash short-term variable income targets for performance 2013".

Long term incentive plan

Participants in the long term incentive plan (performance share plan) will be entitled to receive Ordinary Shares for no consideration. The number of Ordinary Shares that will vest at once will depend on the achievement of predefined performance conditions measured over a 3-year performance period (cliff vesting), relating to:

- 60%: total shareholder return of the Company compared to the total shareholder return of the companies of the AMX index[3] plus a number of AEX listed companies subject to a maximum of 6 out of 12 companies selected as peers of the Company by external consultant. If the Company ranks: (i) 1st: 150% of the Ordinary Shares granted will vest (maximum), (ii) 7th: 100% of the Ordinary Shares granted will vest, (iii) 13th: 50% of the Ordinary Shares granted will vest and (iv) below the 13th position: no Ordinary Shares will vest. For positions 2 up to and including 6 and positions 8 up to and including 12, the percentage will be calculated in a linear manner.
- 40%: cash conversion. In case performance is (i) below threshold, no Ordinary Shares will vest, (ii) at threshold, 50% of the Ordinary Shares granted will vest, (iii) at target, 100% of the Ordinary Shares granted will vest and (iv) at maximum, 150% of the Ordinary Shares granted will vest. In case performance lies between at threshold and at target of the budget or between at target and at maximum of the budget, the percentage of Ordinary Shares to vest will be calculated in a linear manner.

The number of Ordinary Shares conditionally granted is determined based on a percentage of annual base salary. That percentage depends on the position of the relevant senior manager or member of the Board of Management. There are five groups:

- Board of Management: (i) CEO: 80% and (ii) other members of the Board of Management 60% of the annual base salary;
- Members of the executive council of the Company: 35% of the annual base salary;
- Group 1 (senior management, level immediately below the executive council of the Company): 25% of the annual base salary;
- Group 2 (senior management, level immediately below group 1): 20%;
- Group 3 (senior management, level immediately below group 2): 17.5%.

The Group applies a hedging policy under which it generally purchases the Ordinary Shares required under the share plan on the market. The sum of the maximum performance targets (and corresponding pay-out levels) determines the required funding. No bonus pool is used (e.g. a bonus pool funded by a percentage of the

[3] The AMX index is made up of shares issued by the 25 most traded companies listed on Euronext Amsterdam following the companies included in the AEX index in such a way that it is suitable to serve as the underlying value for index-linked products such as derivatives (source: https://indices.nyx.com/en/products/indices/NL0000249274-XAMS).

profits and where a forced ranking system is used to determine which plan participant receives which percentage of the total bonus pool).

The number of Ordinary Shares conditionally granted can be restated by the Supervisory Board in order to reflect any issue of shares or other property titles of a material significance to third parties during the conditional period. It is expected that the Supervisory Board shall re-calculate the number of shares granted conditionally ('at target') under the long-term incentive plan 2013 and 2014 for the five groups mentioned above, based on the historical share price adjusted for the effects of the Offering in order to ensure that the participants shall be in the same position as before the Offering. Such re-calculation is expected to take place after Settlement.

Share ownership guidelines

For the Board of Management, share ownership guidelines will be in place, as well as requirements as to the period during which the Ordinary Shares must be held. The CEO must hold Ordinary Shares worth 2 times his annual base salary and the other members of the Board of Management must hold Ordinary Shares worth 1.5 times their annual base salary via the "save as you earn" principle. This means that the Ordinary Shares that vested under the performance share plan should be held until the required level of Ordinary Shares is built up (members of the Board are allowed to sell Ordinary Shares to fulfil tax obligations) and no additional investments are required.

Bonus Incentive Plan (BIP)

It is expected that as of 2014, a new Bonus Incentive Plan ("**BIP**") shall be adopted as part of the remuneration policy for the Board of Management. The BIP is subject to shareholder approval scheduled for the next AGM of 2015. The BIP encourages personal investment and ongoing shareholding in the Company's shares, and as such facilitating strong alignment with Shareholders interest. As part of the BIP, the members of the Board of Management have each agreed to invest (i) certain amounts as set out in the table below in the Rights Offering by taking up, at the price per Rump Share that results from the Rump Offering, Rump Shares in the Rump Offering (see "The Offering – Rump Offering – Rump Shares") and (ii) a minimum of 50% and up to 100% of their net short term incentive plan bonuses over 2014, 2015 and 2016, with voluntary participation thereafter of up to 100% hereof, in shares of the Company at the then prevailing share price. The other members of the executive council of the Company (being the company secretary, the managing directors of the divisions, the Group Director GRC and the Group Director Human Resources) can participate on a voluntary basis up to 100% of their net short term incentive plan bonuses. The awarded conditional shares, which are part of the STI 2013 will be converted in a gross amount against the original value of those shares on May 23, 2014 in October 2014 and the net amount shall also be used for the purchase of shares as part of the BIP in connection to the Offering.

In case the participants in the BIP have invested in shares, subject to (i) continued employment, (ii) retaining the shares during a three-year performance period, (iii) performance conditions being met, and (iv) the discretion of the Supervisory Board, participating members of the Board of Management and the executive council of the Company in the BIP will be awarded with up to net one matching share for each share they have purchased. In determining the amount of matching shares, the Supervisory Board will take into consideration performance criteria such as total shareholder return, earnings-per-share growth, development of net debt and development of operational performance. In the event of a change of control, the vesting of the matching shares is subject to the discretion of the Supervisory Board. A claw-back provision will be applicable similar to that included in the long term and short term incentive plans described above.

As part of the BIP, it is envisaged that the members of the Board of Management shall invest in the Company's shares in accordance with the following table, assuming that the members of the Board of Management will invest the minimum amount of 50% of their net short term incentive plan bonuses over 2014, 2015 and 2016 (values in EUR):

	In Rump Offering	**The minimum of 50% of the aggregate 2014-2016 net short term incentive plan bonus at target**[(1)]	**Total**
	Amount in EUR	Target amount in EUR	Amount in EUR
GJA van de Aast	300,000	310,000	610,000
J Turkesteen	100,000	180,000	280,000
FNE Colsman	100,000	165,000	265,000
PC van Gelder	100,000	165,000	265,000

Total	**1,420,000**

(1) This amount refers to 50% of the total amount of the net short term incentive plan bonus at target, as described in "– Remuneration – Board of Management remuneration information", over the years 2014, 2015 and 2016 (using the base salary over 2013 of every member of the Board of Management as a basis for these calculations).

Indemnification and insurance

Under Dutch law, members of the Board of Management, Supervisory Board and certain other officers may be held liable for damages in the event of improper or negligent performance of their duties. They may be held jointly and severally liable for damages to the Company and to third parties for infringement of the Articles or of certain provisions of the DCC. In certain circumstances, they may also incur additional specific civil and criminal liabilities. Members of the Board of Management, Supervisory Board and certain other officers are insured under an insurance policy taken out by the Company against damages resulting from their conduct when acting in the capacities as members or officers.

The Articles stipulate that current and former members of the Supervisory Board and the Board of Management are entitled to reimbursement of:

- reasonable costs of conducting a defence against claims in relation to acts or failures to act in the exercise of their duties or the exercise of any other duties currently or previously performed by them at the Company;
- any damages or fines payable by them as a result of an act or failure to act as referred to above; and
- reasonable costs of appearing in other legal proceedings in which they are involved as current or former members of the Board of Management or the Supervisory Board, with the exception of proceedings primarily aimed at pursuing a claim on their own behalf.
- There shall, however, be no entitlement to reimbursement if and to the extent that:
- it has been established by a Dutch court in a final and conclusive judgment that the act or failure to act of the person concerned may be characterised as intentional, conscious, reckless or seriously culpable, unless Dutch law provides otherwise or this would be unacceptable in view of the standards of reasonableness and fairness (*redelijkheid en billijkheid*) when taking into account the relevant circumstances; or
- the costs or financial loss of the person concerned are covered by insurance and the insurer has paid out the costs or financial loss.

Corporate governance

The Board of Management and the Supervisory Board acknowledge the importance of good corporate governance. In 2003, the Dutch Corporate Governance Committee, also known as the Tabaksblat Committee, issued the Dutch corporate governance code (the "**Code**"). In December 2008, the Netherlands Corporate Governance Code Monitoring Committee (Frijns Committee) proposed an amended and updated Code. The Code applies to all companies listed on Euronext Amsterdam and therefore applies to the Company. The Code contains a number of principles and best practice provisions for listed companies in respect of their managing boards, supervisory boards, shareholders and general meetings of shareholders, financial reporting, auditors, disclosure, compliance and enforcement standards and uses a "comply or explain" approach.

The Company is required under Dutch law to disclose in its annual report whether or not it applies the provisions of the Code and, if it does not apply those provisions, to explain why it does not.

The Code states that a company is also in compliance with the Code if its general meeting of shareholders has approved the corporate governance structure and the deviations from the Code's principles. The Company is committed to adhering to the best practices of the Code as much as possible, and has concluded that it satisfies the principles and best practice provisions of the Code.

The Company applies the principles and best practices of the Code with the exception of the following deviation: The Supervisory Board will be composed in such manner that the combination of experience, expertise and independence of its members satisfies the requirements laid down in its profile and is supportive to the Supervisory Board to properly and effectively carry out its duties vis-à-vis the Company and its stakeholders. Although the Supervisory Board strives for a diverse composition in terms of amongst others gender and age in achieving a desired balance in its composition, the profile of the Supervisory Board may deviate in this respect from clause III.3.1 of the Code. The required expertise and experience, as well as the availability of the right candidates, are decisive when proposing candidates for (re)appointment. Therefore although the Company pays close attention to gender diversity in the profiles of new Board of Management and Supervisory Board members in accordance with Section 2:166 paragraph 2 DCC, the Company does not strictly follow the recommendation for an explicit target on gender diversity and has not formulated concrete targets in this respect.

MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Major shareholders

The following table sets forth the holders of actual direct and indirect and notifiable interests (*substantiële deelnemingen*), a holding of at least 3%, of the share capital or voting rights in the Company as at 30 September 2014. The percentages are as shown in the register of the AFM.

Shareholder		Share Capital	Voting Rights
Orbis Holdings Limited	Indirect	3.03%	3.03%

The Commited Shareholders (which, for the avoidance of doubt, includes Orbis Holdings Limited) collectively hold an interest of approximately 6.03% in the Company.

In addition to the major shareholder mentioned in the shareholder table above, the AFM register shows four notifications of interests between 3% and 5% that were submitted respectively on 7 February 2012, 29 June 2010, 10 February 2009 and 15 June 2007, i.e. before 1 July 2013. As of the date of the Prospectus, the lowest threshold applicable under Dutch law is 3%, whereas up to 1 July 2013 this was 5%. Based hereon and on information of Company, these notifications can no longer be deemed current and the Company believes that these holdings are currently below 3%. In addition hereto, the AFM register shows a notification of 27 August 2009 of an interest held by WAM Acquisitions GP, Inc. of 5%. Based on information received by it, the Company believes that this notifications can no longer be deemed current and that this holding is currently below 3%.

Except as disclosed above, the Company is not aware of any person who, on the date of this Prospectus, directly or indirectly, has a beneficial interest of 3% or more in the Company's share capital.

The Company's major shareholders do not have other voting rights than other shareholders. The Company is not directly or indirectly owned or controlled by another corporation or by any foreign government. The Company does not know of any arrangement that may, at a subsequent date, result in a change of control.

Short positions

The following table sets forth the holders of net short positions, according to the AFM registers, of at least 0.5% in the share capital of the Company as at 30 September 2014. The percentages are as shown in the register of the AFM.

Holder of short position	Short position
Marshall Wace LLP	2.39%
GMT Capital Corp	1.96%
CapeView Capital LLP	1.36%
Lansdowne Partners (UK) LLP	1.08%
Lucerne Capital Management, LLC	0.76%
GLG Partners (UK) LLP	0.54%

Except as disclosed above, the Company is not aware of any person who, on the date of this Prospectus, directly or indirectly, has a short position of 0.5% or more in the Company's share capital.

Holdings of members of the Board of Management and the Supervisory Board

The following table sets forth the holdings of the members of the Board of Management and the Supervisory Board, according to the Company's records, of the share capital or voting rights in the Company as at 30 September 2014. The five groups mentioned in "Management, Employees and Corporate Governance – Equity incentives – Long term incentive plan", including the members of the Board of Management, will be awarded with a number of additional restricted share awards proportionate to the effects of the Offering.

Shareholder	Type of securities	Number of securities	Number of Voting Rights
G.J.A. van de Aast	'Restricted share award'	997,193	0
F.N.E. Colsman	'Restricted share award'	481,815	0
P.C. van Gelder	'Restricted share award'	481,815	0
J. Turkesteen	'Restricted share award'	595,061	0

Related party transactions

The Company applies IAS 24 *Related party disclosures.* There is a related party relationship with associated companies, joint ventures and their managing directors and supervisory directors. Transactions with such persons and partners are conducted on an arm's length basis. See note 16 to the H1 2014 Interim Financial Statements.

Joint ventures and associates

Transactions with joint ventures are conducted at arm's length. See "Business – Corporate Structure – Material associates and joint ventures". Transactions with associated companies are conducted at arm's length. On 31 December 2013 associates owed the Group EUR 1.6 million (2012: EUR 0.5 million). See "Business – Corporate Structure – Material associates and joint ventures".

Board of Management and Supervisory Board

The remuneration paid to members of the Board of Management and Supervisory Board and the pension agreements for the members of the Board of Management are set out in detail in "Management, Employees and Corporate Governance – Remuneration". There are no other business transactions with members of the Board of Management and Supervisory Board.

Major shareholder

The Committed Shareholders have entered into a commitment letter with the Company in connection with the Offering. See "Plan of Distribution – Commitment of Major Shareholder".

DESCRIPTION OF SHARE CAPITAL

General

The Company is a public limited liability company (*naamloze vennootschap*) incorporated and existing under Dutch law by a notarial deed dated 5 January 1970. The Company has its corporate seat in Rotterdam, the Netherlands, its registered office at Kampenringweg 45a, 2803 PE Gouda, the Netherlands and is registered with the trade register in Rotterdam, the Netherlands, under number 24114856. Its telephone number is +31 (0) 18 2543543.

The Shares are subject to, and have been created under, Dutch law.

Corporate objects

The Company's corporate objects are to acquire, participate in, finance, manage and to have any other interest in, other companies or business enterprises engaged in the development, design, production, sale, installation and maintenance of technical systems and products, to raise funds, borrow in any other way, to lend, to provide guarantees, to render services in the fields of trade and finance, to invest in financial instruments, to acquire, develop, hold, turn to account, to create charges over, dispose of or in any other way utilise immovable and other registered properties, to commercialise licenses, copyrights, patents, designs, secret processes or formulas, trademarks and similar interests, to promote the sale and purchase of – and the trade in – these items, including allowing the use of these items and receiving loyalties and other income connected with these activities, and to perform all other acts that are advisable, necessary, usual or related to the abovementioned objects, in the widest sense and including any activity or object which is incidental or may be conducive to these objects.

Share capital

The Company's share capital is divided into Ordinary Shares, Cumulative Preference Shares and Cumulative Financing Preference Shares, each of the shares have a nominal value of EUR 0.01.

At the date of this Prospectus, the Company's authorised share capital amounts to EUR 11,885,404.44, divided into:

- 758,540,444 Ordinary Shares, each share with a nominal value of EUR 0.01, of which 463,552,823 are issued (including treasury shares);
- 180,000,000 Cumulative Preference Shares, each share with a nominal value of EUR 0.01, of which none have been issued and outstanding; and
- 250,000,000 Cumulative Financing Preference Shares, each share with a nominal value of EUR 0.01, of which 4,166,667 are issued and outstanding.

At the date of this Prospectus, the Company holds 4,910,419 (1.05%) Ordinary Shares, each share with a nominal value of EUR 0.01, in its own capital. All outstanding Ordinary Shares are paid up.

An overview of the Company's authorised and issued share capital on the date of this Prospectus, 31 December 2013 and 2012 is set out below.

	Date of this prospectus		**31 December 2013**		**31 December 2012**	
	Authorised share capital	**Issued share capital**	**Authorised share capital**	**Issued share capital**	**Authorised share capital**	**Issued share capital**
Ordinary Shares	758,540,444	463,552,823	758,540,444	450,657,904	120,000,000	94,059,916
Cumulative Preference Shares	180,000,000	0	180,000,000	0	180,000,000	0
Cumulative Financing Preference Shares	250,000,000	4,166,667	241,666,666	16,666,668	60,000,000	0
Total	1,188,540,444	467,719,490	1,180,207,110	467,531,682	360,000,000	94,059,916

In 2014, until the date of this Prospectus, the number of outstanding Ordinary Shares increased in total by 12,894,919, which were all issued by the Company pursuant to conversions of Cumulative Financing Preference Shares on respectively 10 February, 18 March and 3 August 2014**.**

In 2013, the number of outstanding Ordinary Shares increased in total by 365,138,432. The Company issued 365,138,432 Ordinary Shares in total pursuant to a rights offering and a conversion of Cumulative Financing Preference Shares.

In 2012, the number of outstanding Ordinary Shares increased in total by 1,313,134. The Company issued 1,313,134 Ordinary Shares as stock dividend.

On 7 October 2014, the General Meeting resolved, among others:

- to amend the Company's Articles to increase the number of shares included in the Company's authorised share capital (the "**Increase Authorised Share Capital**"), to enable the Rights Offering; and
- to amend the Company's Articles to consolidate the issued Ordinary Shares and Cumulative Finance Preference Shares in the share capital of the Company (the "**Share Consolidation**").

On 25 September 2014 the Board of Management determined, with approval of the Supervisory Board, to first implement the Increase Authorised Share Capital, followed by the Share Consolidation.

On or around 27 October 2014, the amendment to the Articles implementing the Increase Authorised Share Capital will become effective. Upon the amendment of the Articles becoming effective, the number of Ordinary Shares included in the Company's authorised share capital will be increased to a number equal to 150% of the total number of Ordinary Shares in issue after the Rights Offering (rounded upwards to the nearest million). Furthermore, the number of Cumulative Financing Preference shares included in the Company's authorised share capital will be increased pro rata to the increase of the number of Ordinary Shares and also rounded upwards to the nearest million. The number of Cumulative Preference Shares in the Company's authorised share capital will not be increased in connection with the Rights Offering.

In addition, on or around 27 October 2014 the Company will amend the Articles to implement the Share Consolidation, following which the issued Ordinary Shares and Cumulative Financing Preference Shares will be consolidated in a ratio, to be determined by the Board of Management as follows:

$$\frac{A}{B} = \frac{1}{Y}$$

Whereby:

A = the volume weighted average market price (*VWAP*) of the ordinary shares on the trading day preceding the day of the Share Consolidation.

B = the contemplated (theoretical) market price of the Ordinary Shares after the Share Consolidation as determined by the Board of Management, within a range of EUR 5 to EUR 15, notwithstanding the Consolidation Maximum, and subject to Supervisory Board approval, which price must be such that Y is a whole number not higher than 500 (the "**Consolidation Maximum**").

Y = the number of ordinary shares that will be consolidated into 1 Ordinary Share.

If, after the Share Consolidation, a holder of Ordinary Shares holds a number of Ordinary Shares through the giro system which is not exactly divisible in accordance with the consolidation ratio above, his bank or broker will round the number of Ordinary Shares held by that holder of Ordinary Shares up or down, in accordance with the particular contractual arrangement between that bank or broker and the holder of Ordinary Shares. Settlement and rounding-off will be done in the customary manner by the banks or brokers. In general, a fractional entitlement of half a Share or more held will be rounded up against payment of the missing fractional entitlement, a fractional entitlement of less than half a share held will be rounded down against settlement of the remaining fractional entitlement. Fractional entitlements will not be traded on Euronext Amsterdam.

Register of shareholders

The Shares are in registered form and are only available in the form of an entry in the Company's shareholders' register and not in certificated form. The shareholders' register shall be kept by or on behalf of the Company. The Company's shareholders' register must be kept accurate and up to date.

The Company's shareholders' register records the names and addresses of the holders of the Shares and the amount paid up on each Share, the date the Shares were acquired, the date of acknowledgement by or giving of notice to the Company, the number of Shares and the particulars of the class of the shares. In addition, the share premium paid on each Cumulative Financing Preference Share is recorded in the shareholders' register. The shareholders' register also includes the names and addresses of those with right of pledge (*pandrecht*) or a right of usufruct (*vruchtgebruik*) on those Shares. The Company's shareholders' register is updated on a regular basis. Every discharge from liability for non-payment is also recorded in the Company's shareholders' register.

When a Share is part of a collective depot (*verzameldepot*) or a giro depot (*girodepot*), the Company will enter the Share in the shareholders' register in the name of the central institute of the affiliated institution, as the case may be, thereby stating that the Share became part of a giro depot (*girodepot*) or a collective depot (*verzameldepot*), as the case may be. The name and address of the central institute or the affiliated institution, will be entered in the Company's shareholders' register, stating the date on which those shares became part of a collective depot (*verzameldepot*) or the giro depot (*girodepot)*, the date of acknowledgement by or giving of notice to the Company, as well as the paid-up amount on each Share. The currently issued Ordinary Shares are listed.

Issue of Shares

The General Meeting, or the Board of Management if authorised by the General Meeting, and with the approval by the Supervisory Board, may resolve upon further issue of Shares. As long as the Board of Management is authorised to issue Shares, the General Meeting may not pass a resolution to issue further Shares. If the General Meeting is authorised to resolve on share issues, a proposal of the Board of Management is required subject to the approval of the Supervisory Board.

A resolution of the General Meeting to issue Shares or to designate the Board of Management as being authorised to issue Shares, shall be valid only if accompanied by a prior or simultaneous resolution of approval by shareholders of each class whose rights are affected by the issue.

If the Board of Management has been designated as the body authorised to resolve upon further issue of Shares, the number and class of Shares must be specified in such designation. Upon such designation, the duration of the designation shall be set, which shall not exceed five years. The designation may be extended, from time to time, for periods not exceeding five years. Unless such designation provides otherwise, it may not be withdrawn. Although the duration of the designation as provided by law may be a maximum of five years, the Company adheres to the good practice of limiting this duration to 18 months.

Ordinary Shares and Cumulative Financing Preference Shares may be issued only against payment in full. Cumulative Preference Shares may be issued against partial payment, with the proviso that the part of the nominal amount that must be paid up on each Cumulative Preference Shares must be the same and at least 25% of the nominal amount must be paid up when the Cumulative Preference Shares is issued.

The Cumulative Financing Preference Shares can be converted by a resolution of the Board of Management on the request of the holder of the Cumulative Financing Preference Shares concerned. The number of Ordinary Shares originating from conversion of the Cumulative Financing Preference Shares is calculated by dividing the aggregate nominal value of the Cumulative Financing Preference Shares together with the share premium paid on the Cumulative Financing Preference Shares being converted and the accumulated but unpaid and undeclared dividends on the Cumulative Financing Preference Shares being converted by the applicable conversion price. The current conversion price amounts to EUR 1.80. This conversion price is to be adjusted in accordance with the applicable anti-dilution provisions as approved by the General Meeting. Both the Share Consolidation and the Offering will lead to an adjustment of the conversion price.

The following applies to the issue of Cumulative Preference Shares and the granting of a right to subscribe for Cumulative Preference Shares if the Board of Management has been designated as the body authorised to issue Shares. The Board of Management shall be obliged to convene a General Meeting within four weeks after such issue of Cumulative Preference Shares in which the reasons for the issue of Cumulative Preference Shares shall be explained unless this explanation has already been given in an earlier General Meeting. Such an issue of Cumulative Preference Shares requires the prior approval or other co-operation of the General Meeting in the event that (i) as a result of this issue and/or (ii) as a result of the earlier issue of Cumulative Preference Shares by the Board of Management such a number of Cumulative Preference Shares can be subscribed for and/or have been issued that the total nominal amount of the Cumulative Preference Shares issued by the Board of Management exceeds 100% of the total nominal amount of the other Cumulative Preference Shares issued prior to said issue. The foregoing is not applicable to the issue of Cumulative Preference Shares pursuant to the exercise of a previously acquired right to subscribe for shares in relation to an option right.

The Board of Management shall be obliged to convene a General Meeting within two years after the issue of Cumulative Preference Shares to the Foundation and at that meeting submit a proposal concerning the purchase or cancellation of these issued Cumulative Preference Shares. If at that meeting it is not resolved that the Company should repurchase or cancel the relevant Cumulative Preference Shares, the Board of Management shall be obliged to each time within two years after such proposal has been placed on the agenda, again convene a General Meeting at which such proposal is again submitted, which obligation will cease as soon as the Cumulative Preference Shares are no longer issued or are no longer held by a person other than the Company.

During the annual General Meeting of 22 May 2014, the General Meeting authorised the Board of Management, subject to the approval of the Supervisory Board, to issue Ordinary Shares or Cumulative Financing Preference Shares for a period up to 31 January 2016 upon the issue respectively the grant of rights to subscribe for such shares.

No Rights allowing it to participate in the Offering will be granted to the Company as holder of Ordinary Shares.

At the extraordinary General Meeting held on 7 October 2014, the General Meeting authorised the Board of Management, subject to the approval of the Supervisory Board, to issue Ordinary Shares for a period of 6 months up to whatever number of Ordinary Shares is required to raise gross proceed of EUR 600 million through the Rights Offering.

Call option Cumulative Preference Shares

Pursuant to a resolution passed by the General Meeting held on 21 June 1974, the Articles include the possibility of issuing Cumulative Preference Shares. In connection herewith, the Foundation was founded in 1982. The object of the Foundation is to look after the interests of the Group. Specifically, the Foundation seeks to ensure that the interests of the Group and all their stakeholders are safeguarded as well as possible and that influences that could undermine the independence and/or continuity of the Group or could conflict with their interests are averted to the best of the Foundation's ability. The Foundation attempts to achieve its object partly by acquiring, through the option referred to below or otherwise and holding Cumulative Preference Shares in the Company's capital and by exercising the rights connected with those shares. The Company is willing, in principle, to grant the Foundation by agreement when the occasion so arises the right to instigate an inquiry, as understood in Section 2:345 DCC, should this be desirable or imperative at the discretion of both parties within the context of the objective of the Foundation.

The Company has granted the Foundation a call option to acquire Cumulative Preference Shares in the Company's capital up to the number of outstanding ordinary and Cumulative Financing Preference Shares with a maximum of the number of Cumulative Preference Shares included in the authorised share capital from time to time (currently 180 million). This option regards any number of Cumulative Preference Shares that the Foundation may acquire, subject to a maximum nominal amount as reflected as authorised share capital in the Articles. This will enable the Foundation to acquire 180 million Cumulative Preference Shares, which would give it 27.79% of the issued share capital. After the completion of the Offering, the 180 million Cumulative Preference Shares would represent 0.30% of the issued share capital. The Share Consolidation will not affect this percentage materially.

The Foundation has a credit facility to enable it to pay the amount to be paid up on the Cumulative Preference Shares which ends in May 2015. The Cumulative Preference Shares must be paid up for 25% of the nominal amount. The management board of the Foundation has the exclusive right to determine whether or not to exercise this right to acquire Cumulative Preference Shares.

Pre-emptive rights

Holders of Ordinary Shares have a pre-emptive right in the event of an issue of Ordinary Shares. Holders of Ordinary Shares have no pre-emptive right upon the issue of Cumulative Financing Preference Shares and Cumulative Preference Shares. No pre-emptive right exists in respect of issue of shares for consideration other than cash or in respect of shares that are issued to employees of the Company or of the Group.

The General Meeting may resolve to restrict or exclude the pre-emptive rights, which resolution requires a majority of at least two-thirds of the votes cast if less than half of the issued share capital is represented at the General Meeting. If half or more of the issued share capital is represented, the resolution can be adopted with an absolute majority of the votes cast. Furthermore, such resolution can only be adopted on the proposal of the Board of Management and subject to the approval of the Supervisory Board. The above right to restrict or exclude the pre-emptive rights of the General Meeting is not applicable if such right has been granted to the Board of Management as set out below. The General Meeting may designate the Board of Management to resolve to limit or exclude the pre-emptive rights if the Board of Management is also authorised to issue Shares at that time. This designation may be granted for a specified period of not more than five years and only if the Board of Management has also been designated or is simultaneously designated as the body authorised to resolve to issue Shares. The designation to limit or exclude pre-emptive rights may be extended, from time to time, for no longer than five years at a time and only applies as long as the designation to issue Shares is in force. A resolution of the Board of Management to restrict or exclude pre-emptive rights is subject to the approval of the Supervisory Board.

The issue that is subject to pre-emptive rights and the period during which these rights can be exercised shall be announced in the manner as stated in the Articles. The pre-emptive rights can be exercised during a period of at least two weeks following the day of announcement.

During the General Meeting of 22 May 2014, the General Meeting authorised the Board of Management, subject to the approval of the Supervisory Board, to limit or exclude pre-emptive rights for a period up to 31

January 2016 upon the issue respectively the grant of rights to subscribe for such Shares. During the General Meeting of 7 October 2014, the General Meeting authorised the Board of Management, subject to the approval of the Supervisory Board, to limit or exclude pre-emptive rights for a period of 6 months in connection with an issue of Ordinary Shares up to the number of Ordinary Shares which is required for the Company to raise gross proceeds of EUR 600 million through the Offering.

Repurchase of shares

The Company may acquire fully paid-up Shares for no consideration or if (i) the Company's shareholders equity less the payment required to make the acquisition does not fall below the sum of called-up and paid-in share capital and any statutory reserves and (ii) the nominal value of the Shares which the Company acquires, holds or holds as pledge or which are held by a subsidiary does not exceed half of the issued capital. The Board of Management needs authorisation by the General Meeting for the repurchase of Shares for consideration. This authorisation is valid for a maximum of 18 months. During the General Meeting of 22 May 2014, the General Meeting authorised the Board of Management hereto for a period up to 22 November 2015. As part of the authorisation, the General Meeting specifies the number of Shares that may be repurchased, the manner in which the Shares may be acquired and the price range within which the Shares may be acquired. The authorisation is not required for the acquisition of Shares in order to transfer them to employees of the Group in accordance with a regulation applicable to them. The Board of Management may resolve, subject to the approval of the Supervisory Board, to dispose of Shares acquired by the Company in its own capital.

Shares held by the Company in its own share capital shall not entitle the Company to any distribution in respect of such Shares. For the computation of the amount of profit to be distributed on each Share, the Shares held by the Company in its own capital shall not be included. The Company or a Subsidiary cannot cast votes for Shares belonging to the Company or for a share for which the Company or a Subsidiary holds the depositary receipts. Usufructuaries (*vruchtgebruikers*) of shares belonging to the Company or a Subsidiary do, however, retain their voting rights if the usufruct was established before the share belonged to the Company or its subsidiary. With due observance of the relevant statutory provisions, the Company may obtain a right of pledge on shares or depositary receipts for shares in the Company's own capital.

When determining to what extent a certain part of the share capital is represented or to what extent a majority represents a certain part of the share capital, no account shall be taken of Shares which are not entitled to voting rights. If someone acquires shares or their depositary receipts in the Company's own capital in his own name for the account of the Company, these shares or their depositary receipts must immediately be transferred to the Company at a consideration.

The Company is subject to contractual arrangements with certain of its financiers (including under the finance agreements that are part of the MTS) which include provisions limiting the repurchase of shares by the Company until the date on which the Company certifies that the Senior Leverage Ratio did not exceed 2.0 to 1.0 on two immediately preceding testing dates and it does not reasonably expect that the Senior Leverage Ratio will exceed 2.0 to 1.0 on the next testing date or immediately following the date of the first payment of dividends or other distributions to the Company's shareholders. There are few exceptions to this restriction among which are intra-group transactions or transactions relating to minority joint-venture partners. See "Operating and Financial Review – External sources of funding, financing and indebtedness – The Common Terms of the MTS – Dividend and share repurchase restrictions".

Capital reduction

The General Meeting may resolve, but only if proposed by the Board of Management and after approval of the Supervisory Board, to reduce the issued share capital by cancellation of Shares or by reducing the nominal value by amending the Articles. Under Dutch law, the resolution to reduce the issued share capital must specifically state the shares concerned and lay down rules for the implementation of the resolution. The resolution to cancel Shares may only concern Shares which are held by the Company or to shares for which the Company holds depositary receipts.

A resolution to reduce the issued share capital requires a majority of at least two-thirds of the votes cast in the General Meeting if less than one-half of the issued share capital is represented at that meeting. A resolution to reduce the issued share capital shall in addition require the prior simultaneous approval by each group of Shareholders of the same class whose rights are affected.

Transfer of shares, transfer restrictions

The Shares are in registered form. The transfer of a Share or of a restricted right thereto requires a deed of transfer drawn up for that purpose and acknowledgement of the transfer by the Company in writing. The latter condition is not required in the event that the Company is party to the deed of transfer.

Pursuant to the Dutch Securities Giro Act (*Wet giraal effectenverkeer*) if an Ordinary Share is transferred for inclusion in a collection deposit (*verzameldepot*), the transfer will be accepted by the intermediary (*intermediair*) concerned. If an Ordinary Share is transferred for inclusion in the giro deposit (*girodepot*), the transfer will be accepted by the central institute (*Centraal Instituut*), being Euroclear Nederland. The transfer and acceptance of Ordinary Shares in a collection deposit (*verzameldepot*) or the giro deposit (*girodepot*), respectively, can be effected without the cooperation of the other participants in a collection deposit (*verzameldepot*) or the giro deposit (*girodepot*), respectively.

Any transfer of Cumulative Preference Shares requires the approval of the Supervisory Board. Any transfer of Cumulative Financing Preference Shares requires the approval of the Board of Management.

General Meeting

The annual General Meeting must be held within six months after the start of each financial year. Recurring agenda items on the annual General Meeting are: the report of the Board of Management concerning the Company's affairs and the management as conducted during the previous financial year, the report of the Supervisory Board and its committees, the adoption of the Company's annual accounts, the allocation of profits in so far as this is at the disposal of the General Meeting and if applicable, the proposal to pay dividend, delegation of authority to issue shares, delegation of authority to restrict or exclude pre-emptive rights, the discharge of the members of the Board of Management and the members of the Supervisory Board, the delegation of authority to purchase own Shares and the composition of the Board of Management and the Supervisory Board.

Extraordinary General Meetings can be held whenever the Board of Management and/or the Supervisory Board deem desirable. The General Meetings must be convened by the Board of Management or the Supervisory Board by sending a convening notice, which must be given no later than the 42nd day before the date of the General Meeting. Such notice must include the location and the time of the meeting, an agenda indicating the items for discussion and any proposals for the agenda. The General Meetings must be held in the municipality of Rotterdam, Amsterdam, The Hague, Gouda or Haarlemmermeer, the Netherlands. The notice of a General Meeting is given in such manner as shall be authorised by Dutch law.

Proposals of shareholders and other persons entitled to attend the General Meetings will only be included in the agenda, if such proposal is made in writing to the Board of Management no later than 60 days before the General Meeting and the shareholders or other persons entitled to attend General Meetings, solely or jointly representing shares amounting to at least 1% of the issued share capital, or representing, according to an official list of Euronext Amsterdam, at least a market value of EUR 50 million.

Each holder of Shares is entitled to attend the General Meeting, to address the General Meeting and to exercise voting rights pro rata to its shareholding, either in person or by proxy. Each holder of Shares that wishes to attend the General Meeting and to exercise its voting rights must register no later than 28 days before the date of the General Meeting. Members of the Board of Management and members of the Supervisory Board may attend a General Meeting and they have an advisory vote. Each holder of Shares may cast one vote per Share held. Resolutions of the General Meeting are passed by an absolute majority of votes cast unless Dutch law or the Articles explicitly and mandatorily prescribe a larger majority.

Each holder of financing preference shares has the same rights and obligations as a holder of Shares as described in the paragraph above, except in respect of dividend entitlements. In addition, certain reserved matters require prior written consent from all holders of financing preference shares before they can be adopted by the General Meeting. These reserved matters include any change to the Company's Articles or share capital adversely affecting the economic position or legal rights of the holders of finance preference shares and any payments of dividends that deviate from the dividend policy.

Annual accounts

The Company's financial year coincides with the calendar year. Annually, within four months after the end of the financial year, the Board of Management must prepare the annual accounts and make them generally available for inspection by the holders of Shares at the offices of the Company. Non-compliance with this requirement may lead to a fine of up to EUR 4 million by the AFM. The annual accounts must be accompanied by an independent auditor's report, the annual report and certain other information required under Dutch law. The annual accounts shall be signed by the members of the Board of Management and the Supervisory Board and if a member does not sign, the reason for this must be stated. The annual accounts, independent auditor's report, annual report and other information required under Dutch law must be made available to the holders of Shares from the date of the notice convening the annual General Meeting. The annual accounts are adopted by the General Meeting. Within two months after the end of the first six months of the financial year, the Board of Management must prepare a semi-annual financial statement and make it publicly available. If the semi-annual financial reporting is audited or reviewed, the independent auditor's report must be made publicly available together with the semi-annual financial reporting.

During a period between ten weeks after the start and six weeks before the end of each half of the financial year the Board of Management must prepare an interim statement and make it publicly available. The interim statement includes an explanation of the important events and transactions that took place during the period between the start of the financial year and publication of the interim statement and the consequences for the financial position of the Company. The interim statement also includes a general description of the financial position and the performance of the Company during that period. The Company is obliged to publish the annual, semi-annual and quarterly statements and comply with other reporting obligations, including those resulting from the listing of the Ordinary Shares on Euronext Amsterdam, in accordance with relevant Dutch law.

Amendment of Articles

A resolution to amend the Articles may only be taken by the General Meeting by an absolute majority of votes, pursuant to a proposal of the Board of Management that has been approved by the Supervisory Board.

Liquidation

The General Meeting may resolve to dissolve the Company by an absolute majority of votes pursuant to a proposal of the Board of Management that has been approved by the Supervisory Board. In the event of the dissolution of the Company, the Company will be liquidated in accordance with the statutory provisions. During liquidation, the provisions of the Articles will remain in effect as far as possible. The balance of the Company's assets remaining after all liabilities have been paid shall, if possible, first be applied for the payment of all the holders of Cumulative Preference Shares of the nominal amount paid on their Cumulative Preference Shares plus the amount equal to the compulsory payment on Cumulative Preference Shares relating to previous years (subsection 3 of Section 24 of the Articles)

Subsequently, if possible, the holders of Cumulative Financing Preference Shares will be paid the nominal amount of their shares increased in the manner as provided in Section 24 subsection 21 (repayment on shares). If the balance remaining is not sufficient to make the payments referred to in the previous sentence, such payments to the holders of Cumulative Financing Preference Shares will be made pro rata to the amounts which would have been paid if the balance had been sufficient for full payment.

Any balance remaining shall be distributed to the holders of Ordinary Shares in proportion to the nominal amount of each shareholder's holding in Ordinary Shares.

Transitional provision

Following the amendment of the Articles on 15 October 2001, shareholders and holders of a right of usufruct or pledge whose rights are based on a bearer share may not exercise the rights attached to that share as long as they (a) are not registered in the shareholders' register or (b) have not transferred the share to an intermediary for the purpose of incorporation in a collective depot (*verzameldepot*). Registration and transfer as referred to in the previous sentence may take place only against delivery of the share certificates to the Company. The Company charges costs for any exchange as referred to above as from 31 December 2001.

Rules governing obligations of shareholders to make a public offer

European Directive 2004/25/EC of 21 April 2004 relating to public takeover bids, also known as the 'takeover directive', has been implemented in the FMSA.

Under these implementing rules, a shareholder who (individually or acting in concert with others) directly or indirectly obtains control of a Dutch listed company such as the Company will generally be required to make a public offer for all shares. Such control is deemed present if a (legal) person is able to exercise, alone or acting in concert, at least 30% of the voting rights in the general meeting of shareholders of a Dutch listed company.

Furthermore it is generally prohibited to launch a public offer for shares of a Dutch listed company, such as the Ordinary Shares, unless an offer memorandum has been approved by, in the case of the Company, the AFM. A public offer is launched by way of publication of the approved offer memorandum. The public offer rules are intended to ensure that in the event of a public offer, among other things, sufficient information will be made available to the holders of the shares, that the holders of the shares will be treated equally, that there will be no abuse of inside information and that there will be a proper and timely offer period. See "Description of Share Capital – Issue of shares" for a description of certain protective measures in respect of a takeover of the Company.

Squeeze-out procedures

Pursuant to Section 2:92a DCC, a shareholder who for his own account holds at least 95% of the issued share capital of a Dutch listed company may initiate proceedings against the minority shareholders jointly for the transfer of their shares to him. The proceedings are held before the Enterprise Chamber and can be instituted by means of a writ of summons served upon each of the minority shareholders in accordance with the provisions of the Dutch Code of Civil Procedure (*Wetboek van Burgerlijke Rechtsvordering*). The Enterprise Chamber may grant the claim for squeeze-out in relation to all minority shareholders and will determine the price to be paid for the shares, if necessary after appointment of one or three experts who will offer an opinion to the Enterprise Chamber on the value to be paid for the shares of the minority shareholders. Once the order to transfer becomes final before the Enterprise Chamber, the person acquiring the shares shall give written notice of the date and place of payment and the price to the holders of the shares to be acquired whose addresses are known to him. Unless the addresses of all of them are known to the acquiring person, such person is required to publish the same in a daily newspaper with a national circulation.

The offeror under a public offer is also entitled to start a squeeze-out procedure if, following the public offer, the offeror holds at least 95% of the outstanding share capital and represents at least 95% of the total voting rights. The claim of a takeover squeeze-out must be filed with the Enterprise Chamber within three months following the expiry of the acceptance period of the offer. The Enterprise Chamber may grant the claim for a takeover squeeze-out in relation to all minority shareholders and will determine the price to be paid for the shares, if necessary after appointment of one or three experts who will offer an opinion to the Enterprise Chamber on the value to be paid for the shares of the minority shareholders. In principle, the offer price is considered reasonable if the offer was a mandatory offer or if at least 90% of the shares to which the offer related were received in case of a voluntary offer.

The DCC also entitles those minority shareholders that have not previously tendered their shares under an offer to transfer their shares to the offeror, provided that the offeror has acquired at least 95% of the share capital and represents at least 95% of the total voting rights. In regard to price, the same procedure as for takeover squeeze out proceedings initiated by an offeror applies. This claim must also be filed with the Enterprise Chamber within three months following the expiry of the acceptance period of the offer.

Obligations to disclose holdings and transactions

Shareholders may be subject to requirements under the FMSA regarding disclosure of holdings. Shareholders are advised to seek professional advice on these obligations. The most important holdings disclosure requirements for the Shareholders are:

- any person who, directly or indirectly, acquires or disposes of an actual or potential interest in the capital and/or or voting rights of the Company must forthwith give written notice to the AFM of such acquisition or disposal if, as a result of such acquisition or disposal, the total percentage of the capital interest and/or voting rights held, reaches, exceeds or falls below the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%; and
- any person whose capital interest or voting rights in the Company reaches, exceeds or falls below a threshold due to a change in the Company's outstanding share capital, or in votes that can be cast on the Shares of the Company as notified to the AFM by the Company, should notify the AFM no later than the fourth trading day after the AFM has published the Company's notification of the change in its outstanding share capital.

In addition, any person with a capital interest or voting rights in the Company of at least 3% will be required to notify the AFM of any changes in the composition (actual or potential) of this interest annually within four weeks from 31 December at 12 midnight CEST.

For the purpose of calculating the percentage of capital interest or voting rights, the following interests must, inter alia, be taken into account: (i) shares and voting rights directly held (or acquired or disposed of) by any person; (ii) shares and voting rights held (or acquired or disposed of) by such person's controlled entity or by a third party for such person's account or by a third party with whom such person has concluded an oral or written voting agreement; (iii) voting rights acquired pursuant to an agreement providing for a temporary transfer of voting rights against a payment; (iv) shares which such person (directly or indirectly) or third party referred to above, may acquire pursuant to any option or other right to acquire shares; (v) shares which determine the value of certain cash settled financial instruments such as contracts for difference and total return swaps; (vi) shares that must be acquired upon exercise of a put option by a counterparty; and (vii) shares which are the subject of another contract creating an economic position similar to a direct or indirect holding in those shares. Special attribution rules apply to shares and voting rights which are part of the property of a partnership or other community of property. A holder of a pledge or right of usufruct in respect of shares can also be subject to the reporting obligations, if such person has, or can acquire, the right to vote the shares. The acquisition of (conditional) voting rights by a pledgee or beneficial owner may also trigger the reporting obligations as if the pledgee or beneficial owner were the legal holder of the shares.

For the same purpose, the following instruments qualify as "shares": (i) shares, (ii) depositary receipts for shares (or negotiable instruments similar to such receipts), (iii) negotiable instruments for acquiring the instruments under (i) or (ii) (such as convertible bonds), and (iv) options for acquiring the instruments under (i) or (ii).

Pursuant to the FMSA, the Company is required to inform the AFM immediately if the Company's issued share capital or voting rights changes by 1% or more since the Company's previous notification. Other changes to the Company's capital or voting rights need to be notified within eight days after the end of the quarter in which the change occurred. Furthermore, each member of the Board of Management and Supervisory Board must immediately give written notice to the AFM by means of a standard form of any change in his or her holding of Shares and voting rights in the Company.

The AFM keeps a public registry of and publishes all notifications made pursuant to the FMSA at its website http://www.afm.nl.

In addition, pursuant to Regulation (EU) No 236/2012 each person holding a net short position attaining 0.2% of the issued share capital of a Dutch listed company is required to report it to the AFM. Each subsequent increase of this position by 0.1% above 0.2% will also need to be reported. Each net short position equal to 0.5% of the issued share capital of a Dutch listed company and any subsequent increase of that position by 0.1% will be made public via the AFM short selling register. To calculate whether a natural person or legal person has a net short position, their short positions and long positions must be set off. A short transaction in a share can only be contracted if a reasonable case can be made that the shares sold can actually be delivered, which requires confirmation of a third party that the shares have been located.

Pursuant to the amendment of the FMSA, referred to above, a requirement to notify the AFM of any gross short position was introduced. For the notification of gross short positions the same thresholds will apply as for notifying an actual or potential interest in the capital and/or or voting rights of a Dutch listed company, as referred to above.

Insiders

The Company's insiders as described in Section 5:60 of the FMSA are obliged to notify the AFM when they carry out or cause to be carried out, for their own account, a transaction in shares or in securities of which the value is at least in part determined by the value of the shares. Insiders of the Company as described in Section 5:60 of the FMSA include the members of the Board of Management and Supervisory Board, and would also include any persons who have a managerial position within the Company and in that capacity are authorised to make decisions which have consequences for the future development and prospects of the Company and can have access to inside information on a regular basis.

In addition, persons designated by the Dutch Market Abuse Decree (*Besluit Marktmisbruik Wft*) who are closely associated with the members of the Board of Management and Supervisory Board or any other insider referred to above must notify the AFM of the existence of any transaction conducted for their own account relating to the shares of the Company or securities of which the value is at least in part determined by the value of such shares. The Dutch Market Abuse Decree designates the following categories of persons as being closely related for the purposes of the Dutch Market Abuse Decree: (i) the spouse or any partner considered by national law as equivalent to a spouse, (ii) dependent children, (iii) other relatives who have shared the same household for at least one year at the relevant transaction date and (iv) any legal person, trust or partnership, among other things, managed or controlled by members of the Board of Management and Supervisory Board or any other insiders referred to above.

This notification must be made no later than the fifth business day following the transaction date. The notification may be delayed until the moment that the value of the transactions performed for that person's own account, together with the transactions carried out by the persons associated with that person, reach or exceed an amount of EUR 5,000 in the calendar year in question. Non-compliance with the reporting obligations under the FMSA could lead to criminal fines, administrative fines, imprisonment or other sanctions. In addition, non-compliance with the reporting obligations under the FMSA may lead to civil sanctions.

TAXATION

Taxation in the Netherlands

The following is intended as general information only and it does not purport to present any comprehensive or complete description of all aspects of Dutch tax law which could be of relevance to a holder of Shares, Offer Shares and/or Rights. For Dutch tax purposes, a holder of Shares, Offer Shares and/or Rights may include an individual or entity who does not have the legal title, but to whom nevertheless the Shares, Offer Shares and/or Rights are attributed based either on such individual or entity holding a beneficial interest in the Shares, Offer Shares and/or Rights or based on specific statutory provisions, including statutory provisions pursuant to which Shares, Offer Shares and/or Rights are attributed to an individual who is, or who has directly or indirectly inherited from a person who was, the settlor, grantor or similar originator of a trust, foundation or similar entity that holds the Shares, Offer Shares and/or Rights.

Prospective holders of Shares, Offer Shares and/or Rights should therefore consult their tax adviser regarding the tax consequences of any purchase, ownership or disposal of Shares, Offer Shares and/or Rights.

The following summary is based on the Dutch tax law as applied and interpreted by Dutch tax courts and as published and in effect on the date hereof, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.

For the purpose of this paragraph, "**Dutch Taxes**" shall mean taxes of whatever nature levied by or on behalf of the Netherlands or any of its subdivisions or taxing authorities. The Netherlands means the part of the Kingdom of the Netherlands located in Europe.

Any reference hereafter made to a treaty for the avoidance of double taxation concluded by the Netherlands includes the Tax Regulation for the Kingdom of the Netherlands (*Belastingregeling voor het Koninkrijk*), the Tax Regulation for the country of the Netherlands (*Belastingregeling voor het land Nederland*) and the Agreement between the Taipei Representative Office in the Netherlands and the Netherlands Trade and Investment Office in Taipei for the avoidance of double taxation.

Withholding tax

A Shareholder is generally subject to Dutch dividend withholding tax at a rate of 15% on dividends distributed by the Company. Generally, the Company is responsible for the withholding of such dividend withholding tax at source; the dividend withholding tax is for the account of the Shareholder.

Dividends distributed by the Company include, but are not limited to:

- distributions of profits in cash or in kind, whatever they be named or in whatever form;
- proceeds from the liquidation of the Company, or proceeds from the repurchase of Shares and/or Offer Shares by the Company in excess of the average paid-in capital recognised for Dutch dividend withholding tax purposes;
- the par value of Shares and/or Offer Shares issued to a Shareholder or an increase in the par value of Shares, to the extent that no contribution, recognised for Dutch dividend withholding tax purposes, has been made or will be made; and
- partial repayment of paid-in capital, that is
  - not recognised for Dutch dividend withholding tax purposes; or
  - recognised for Dutch dividend withholding tax purposes, to the extent that the Company has "net profits" (*zuivere winst*), unless:
    - (a) the General Meeting has resolved in advance to make such repayment; and
    - (b) the par value of the Shares and/or Offer Shares concerned has been reduced with an equal amount by way of an amendment to the Articles.

The term "net profits" includes anticipated profits that have yet to be realised.

Notwithstanding the above, no withholding is required in the event of a repurchase of Shares and/or Offer Shares, if certain conditions are fulfilled.

Furthermore, subject to certain exceptions under Dutch law, the Company may not be required to transfer to the Dutch tax authorities the full amount of Dutch dividend withholding tax withheld in respect of dividends distributed by the Company, if the Company has received a profit distribution from a qualifying foreign subsidiary, which distribution is exempt from Dutch corporate income tax and has been subject to a foreign withholding tax of at least 5%. The amount that does not have to be transferred to the Dutch tax authorities can generally not exceed the lesser of (i) 3% of the dividends distributed by the Company and (ii) 3% of the profit distributions the Company received from qualifying foreign subsidiaries in the calendar year in which the Company distributes the dividends (up to the moment of such dividend distribution) and the two previous calendar years; further limitations and conditions apply.

If a Shareholder is resident or deemed to be resident in the Netherlands, other than, with some exceptions, an individual who has opted to be treated as if resident in the Netherlands, such Shareholder is generally entitled to an exemption or a full credit for any Dutch dividend withholding tax against its Dutch (corporate) income tax liability and to a refund of any residual Dutch dividend withholding tax.

If a Shareholder is resident in a country other than the Netherlands, under certain circumstances exemptions from, reduction in or refunds of, dividend withholding tax may be available pursuant to Dutch domestic law or treaties or regulations for the avoidance of double taxation.

A Shareholder who satisfies the conditions of the 1992 Double Taxation Treaty between the United States and the Netherlands for the avoidance of double taxation, as amended most recently by the Protocol signed March 8, 2004 (the "**Treaty**"), may be entitled to a reduction in the Dutch withholding tax by way of an exemption, reduction or refund. The main conditions are: being a resident of the United States for the purposes of the Treaty, being the beneficial owner of the distributed dividend and being qualified under Section 26 of the Treaty (the limitation on benefits section). Such Shareholder (a "**United States shareholder**") will effectively be subject to Dutch dividend withholding tax as follows:

- if the United States shareholder is an exempt pension trust as described in Section 35 of the Treaty, or an exempt organisation as described in Section 36 of the Treaty, the United States shareholder is entitled to an exemption from Dutch dividend withholding tax;
- if the United States shareholder is a company which holds directly at least 10% but less than 80% of the voting power in the Company, the United States shareholder is entitled to a reduction of Dutch dividend withholding tax to a rate of 5%;
- if the United States shareholder is a company which holds directly at least 80% of the voting power in the Company and certain other conditions are met, the United States shareholder is entitled to an exemption from Dutch dividend withholding tax;
- in all other cases, the United States shareholder will be subject to Dutch dividend withholding tax at a rate not exceeding 15% (i.e. the regular Dutch dividend withholding tax rate).

United States shareholders qualifying for a reduction in the Dutch withholding tax may generally claim (1) an exemption or reduction at source, or (2) a refund, by filing, through the withholding agent as mentioned in Section 9 of the Dutch Dividend Withholding Tax Act 1965 (*Wet op de dividendbelasting 1965*), a completed and signed copy of one of the following forms within three years after the end of the calendar year in which the withholding tax was levied:

- if the United States shareholder is an exempt pension trust as described in Section 35 of the Treaty: Form IB 96 USA; or
- if the United States shareholder is an exempt organisation as described in Section 36 of the Treaty: Form IB 95 USA.

According to Dutch domestic anti-dividend stripping rules, no credit against Dutch (corporate) income tax, exemption from, reduction in or refund of, Dutch dividend withholding tax will be granted if the recipient of the dividend paid by the Company is not considered to be the beneficial owner (*uiteindelijk gerechtigde*) of such dividends as meant in these rules.

No Dutch dividend withholding tax will be due upon the issue of the Rights or with respect to the Unexercised Rights Payments.

Taxes on income and capital gains

This paragraph does not purport to describe the possible Dutch tax considerations or consequences that may be relevant to a holder of Shares, Offer Shares and/or Rights:

- who is an individual and for whom the income or capital gains derived from the Shares, Offer Shares and/or Rights are attributable to employment activities, the income from which is taxable in the Netherlands;
- that is an entity that is not subject to Dutch corporate income tax or is in full or in part exempt from Dutch corporate income tax (such as pension funds);

- that is an investment institution (*beleggingsinstelling*) as defined in Section 6a or 28 of the Dutch 1969 Corporate income tax act (*Wet op de vennootschapsbelasting 1969*; "**CITA**"); or
- which is entitled to the participation exemption (*deelnemingsvrijstelling*) with respect to the Shares, Offer Shares and/or Rights as defined in Section 13 CITA.

Residents in the Netherlands

The description of certain Dutch tax consequences in this paragraph is only intended for the following holders of Shares, Offer Shares and/or Rights:

- individuals who are resident or deemed to be resident in the Netherlands for Dutch income tax purposes ("**Dutch Individuals**"); and
- entities that are subject to Dutch corporate income tax and are resident or deemed to be resident in the Netherlands for Dutch corporate income tax purposes ("**Dutch Corporate Entities**").

Dutch Individuals engaged or deemed to be engaged in an enterprise or in miscellaneous activities

Dutch Individuals are generally subject to income tax at statutory progressive rates with a maximum of 52% with respect to any benefits derived or deemed to be derived from Dutch Enterprise Shares (including Unexercised Rights Payments) (as defined below), including any capital gains realised on the disposal thereof.

"**Dutch Enterprise Shares**" are Shares, Offer Shares and/or Rights or any right to derive benefits there from:

- which are attributable to an enterprise from which a Dutch Individual derives profits, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth of such enterprise (other than as an entrepreneur or a shareholder); or
- of which the benefits are taxable in the hands of a Dutch Individual as benefits from miscellaneous activities (*resultaat uit overige werkzaamheden*) including, without limitation, activities which are beyond the scope of active portfolio investment activities.

Dutch Individuals holding a (fictitious) substantial interest

Dutch Individuals are generally subject to income tax at statutory rate of 25% with respect to any benefits derived or deemed to be derived from Shares, Offer Shares and/or Rights, excluding Dutch Enterprise Shares, (including any capital gains realised on the disposal thereof and including Unexercised Rights Payments) that are attributable to a (fictitious) substantial interest (such shares being "**Substantial Interest Shares**").

Generally, a holder of Shares, Offer Shares and/or Rights has a substantial interest (*aanmerkelijk belang*) in the Company if such holder, alone or together with his partner, directly or indirectly:

- owns, or holds certain rights on, Shares and/or Offer Shares representing 5% or more of the total issued and outstanding capital of the Company, or of the issued and outstanding capital of any class of shares of the Company;
- holds rights to acquire Shares and/or Offer Shares, whether or not already issued, representing 5% or more of the total issued and outstanding capital of the Company, or of the issued and outstanding capital of any class of shares of the Company; or
- owns, or holds certain rights on, profit participating certificates that relate to 5% or more of the annual profit of the Company or to 5% or more of the liquidation proceeds of the Company.

A holder of Shares, Offer Shares and/or Rights will also have a substantial interest if its partner or one of certain relatives of the holder of Shares, Offer Shares and/or Rights or of its partner has a substantial interest.

Generally, a holder of Shares, Offer Shares and/or Rights has a fictitious substantial interest (*fictief aanmerkelijk belang*) in the Company if, without having an actual substantial interest in the Company:

- an enterprise has been contributed to the Company in exchange for Shares, Offer Shares and/or Rights on an elective non-recognition basis;
- Ordinary Shares, Offer Shares and/or Rights have been obtained under gift law, inheritance law or matrimonial law, on a non-recognition basis, while the previous holder had a substantial interest in the Company;
- Ordinary Shares, Offer Shares and/or Rights have been acquired pursuant to a share merger, legal merger or legal demerger, on an elective non-recognition basis, while the holder prior to this transaction had a substantial interest in an entity that was party thereto; or

- Ordinary Shares, Offer Shares and/or Rights held by the holder, prior to dilution, qualified as a substantial interest and, by election, no gain was recognised upon disqualification of these Shares, Offer Shares and/or Rights.

Dutch Individuals not engaged or deemed to be engaged in an enterprise or in miscellaneous activities or having a (fictitious) substantial interest

Generally, a Dutch Individual who owns Shares, Offer Shares and/or Rights, excluding Dutch Enterprise Shares and Substantial Interest Shares, will be subject annually to an income tax imposed on a fictitious yield on such Shares, Offer Shares and/or Rights under the regime for savings and investments (*inkomen uit sparen en beleggen*). Irrespective of the actual income or capital gains realised, the annual taxable benefit of all the assets and liabilities of a Dutch Individual that are taxed under this regime, including the Shares, Offer Shares and/or Rights, is set at a fixed amount. The fixed amount equals 4% of the fair market value of the assets reduced by the liabilities and measured, in general, exclusively at the beginning of every calendar year. The tax rate under the regime for savings and investments is a flat rate of 30%.

Dutch Corporate Entities

Dutch Corporate Entities are generally subject to corporate income tax at statutory rates up to 25% with respect to any benefits derived or deemed to be derived (including any capital gains realised on the disposal) of Shares, Offer Shares and/or Rights.

Non-residents in the Netherlands

A holder of Shares, Offer Shares and/or Rights other than a Dutch Individual or Dutch Corporate Entity, will not be subject to any Dutch Taxes on income or capital gains with respect to the ownership and disposal of the Shares, Offer Shares and/or Rights, other than dividend withholding tax as described above, except if:

- the holder of Shares, Offer Shares and/or Rights, whether an individual or not, derives profits from an enterprise, whether as entrepreneur or pursuant to a co-entitlement to the net worth of such enterprise other than as an entrepreneur or a shareholder, which enterprise is, in whole or in part, carried on through a permanent establishment (vaste inrichting) or a permanent representative (vaste vertegenwoordiger) in the Netherlands, to which the Shares, Offer Shares and/or Rights are attributable;
- the holder of Shares, Offer Shares and/or Rights is an individual and derives benefits from miscellaneous activities carried out in the Netherlands in respect of the Shares, Offer Shares and/or Rights, including, without limitation, activities which are beyond the scope of active portfolio investment activities;
- the holder of Shares, Offer Shares and/or Rights is an individual and has a substantial interest or a fictitious substantial interest in the company, which (fictitious) substantial interest is not attributable to the assets of an enterprise;
- the holder of Shares, Offer Shares and/or Rights is not an individual and has a substantial interest or a fictitious substantial interest in the Company, which (fictitious) substantial interest is not attributable to the assets of an enterprise and (one of) the main purposes of the chosen ownership structure is the evasion of Dutch income tax or dividend withholding tax;
- the holder of Shares, Offer Shares and/or Rights is an individual and is entitled to a share in the profits of an enterprise, other than by way of the holding of securities, which enterprise is effectively managed in the Netherlands and to which enterprise the Shares, Offer Shares and/or Rights are attributable;
- the holder of Shares, Offer Shares and/or Rights is not an individual and is entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, other than by way of the holding of securities, which enterprise is effectively managed in the Netherlands and to which enterprise the Shares, Offer Shares and/or Rights are attributable; or
- the holder of Shares, Offer Shares and/or Rights is not an individual, is resident of Aruba, Curacao, or Sint Maarten and derives profits from an enterprise, which enterprise is, in whole or in part, carried on through a permanent establishment or a permanent representative on Bonaire, Sint Eustatius or Saba, to which the Shares, Offer Shares and/or Rights are attributable.

Gift tax and inheritance tax

No Dutch gift or inheritance tax is due in respect of any gift of the Shares, Offer Shares and/or Rights by, or inheritance of the Shares, Offer Shares and/or Rights on the death of, a holder of Shares, Offer Shares and/or Rights, except if:

- at the time of the gift or death of the holder of Shares, Offer Shares and/or Rights, the holder of Shares, Offer Shares and/or Rights is resident, or is deemed to be resident, in the Netherlands;

- the holder of Shares, Offer Shares and/or Rights passes away within 180 days after the date of the gift of the Shares, Offer Shares and/or Rights and is not, or not deemed to be, at the time of the gift, but is, or deemed to be, at the time of his death, resident in the Netherlands; or
- the gift of the Shares, Offer Shares and/or Rights is made under a condition precedent and the holder of Shares, Offer Shares and/or Rights is resident, or is deemed to be resident, in the Netherlands at the time the condition is fulfilled.

For purposes of Dutch gift or inheritance tax, an individual who is of Dutch nationality will be deemed to be resident in the Netherlands if it has been resident in the Netherlands at any time during the ten years preceding the date of the gift or his death. For purposes of Dutch gift tax, any individual, irrespective of his nationality, will be deemed to be resident in the Netherlands if he has been resident in the Netherlands at any time during the 12 months preceding the date of the gift.

Other taxes and duties

No other Dutch Taxes, including value added tax and taxes of a documentary nature, such as capital tax, stamp or registration tax or duty, are payable by or on behalf of a holder of Shares, Offer Shares and/or Rights by reason only of the purchase, ownership and disposal of the Shares, Offer Shares and/or Rights.

Residency

A holder of Shares, Offer Shares and/or Rights will not become resident, or deemed resident in the Netherlands for tax purposes by reason only of holding the Shares, Offer Shares and/or Rights.

Certain United States federal income tax considerations

The following is a description of certain United States federal income tax consequences of receiving, exercising and disposing of Rights, and purchasing, owning and disposing of Offer Shares, to the U.S. Holders described below that own the Rights or Offer Shares as capital assets for United States federal income tax purposes. This description does not address any state, local or non-United States tax consequences, nor does it describe all of the tax consequences that may be relevant in light of a U.S. Holder's particular circumstances, including alternative minimum tax consequences, the potential application of the "Medicare contribution tax" on net investment income, and tax consequences applicable to U.S. Holders subject to special rules, such as:

- certain financial institutions;
- dealers or traders in securities who use a mark-to-market method of tax accounting;
- persons holding Ordinary Shares as part of a hedge, straddle, conversion or other integrated transaction;
- persons whose functional currency for United States federal income tax purposes is not the U.S. dollar;
- entities classified as partnerships for United States federal income tax purposes;
- tax-exempt entities, "individual retirement accounts" or "Roth IRAs";
- persons that own or are deemed to own 10% or more of the Company's voting stock; or
- persons holding Ordinary Shares in connection with a trade or business conducted outside of the United States.

If an entity that is classified as a partnership for United States federal income tax purposes owns Ordinary Shares, the United States federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partnerships owning Ordinary Shares and partners in such partnerships should consult their tax advisers.

This discussion is based on the Internal Revenue Code of 1986, as amended, (the "**Code**") administrative pronouncements, judicial decisions, final, temporary and proposed Treasury regulations and the 1992 Double Taxation Treaty between the United States and the Netherlands for the avoidance of double taxation, as amended most recently by the Protocol signed March 8, 2004 (the "**Treaty**"), all as of the date hereof. These laws are subject to change, possibly on a retroactive basis. Prospective investors should consult their tax advisers concerning the United States federal, state, local and non-United States tax consequences of receiving, exercising and disposing of Rights, receiving any Unexercised Rights Payments and purchasing, owning and disposing of Offer Shares in their particular circumstances.

For purposes of this discussion, a "**U.S. Holder**" is a beneficial owner of Ordinary Shares that is, for United States federal income tax purposes:

- a citizen or individual resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organised in or under the laws of the United States, any State or the District of Columbia; or

- an estate or trust the income of which is subject to United States federal income taxation regardless of its source.

This discussion assumes that the Company has not been, is not, and will not become, a passive foreign investment company (a “PFIC”), as described below.

Distribution of Rights

Although the tax consequences of the receipt of Rights by a U.S. Holder are not free from doubt, the Company believes, and this discussion assumes, that a U.S. Holder should not be required to include any amount in income for United States federal income tax purposes as a result of the receipt of Rights.

Tax basis and holding period of Rights

If the fair market value of the Rights on the date they are distributed equals or exceeds 15% of the fair market value on such date of the Ordinary Shares with respect to which the Rights are distributed, then a U.S. Holder’s tax basis in its existing Ordinary Shares must be allocated between the existing Ordinary Shares and the Rights received with respect to such Ordinary Shares in proportion to their relative fair market values on the date of distribution. If, however, the Rights expire before being sold or exercised by a U.S. Holder, the allocation rule described above and the election to allocate tax basis described below will not apply. A U.S. Holder will not recognise any loss as a result of such expiration and the tax basis in its existing Ordinary Shares will not change as a result of the Rights Offering.

Alternatively, if the fair market value of the Rights on the distribution date is less than 15% of the fair market value of the existing Ordinary Shares with respect to which the Rights are distributed, then a U.S. Holder’s tax basis in the Rights generally will be zero and such U.S. Holder’s tax basis in its existing Ordinary Shares generally will not change as a result of the Rights Offering. However, in such event, a U.S. Holder may elect to allocate to the Rights a portion of the tax basis in such holder’s Ordinary Shares in accordance with the allocation method described in the preceding paragraph. A U.S. Holder who wishes to make this election must attach a statement to this effect to the U.S. Holder’s United States federal income tax return for the tax year in which the Rights are received. The election will apply to all of the Rights received by the U.S. Holder pursuant to the Rights Offering and, once made, will be irrevocable. U.S. Holders should consult their own tax advisers regarding the advisability and specific procedures for making such an election in the event that the value of the Rights is less than 15% of the value of the existing Ordinary Shares with respect to which the Rights were issued.

The holding period of a Right will include a U.S. Holder’s holding period for the existing Ordinary Share with respect to which the Right was distributed.

Exercise of Rights

The exercise of Rights by a U.S. Holder will not be a taxable transaction for United States federal income tax purposes. A U.S. Holder’s tax basis in each Offer Share acquired upon exercise of a Right will equal the sum of (i) the Issue Price paid by the holder for the Offer Share and (ii) the U.S. Holder’s tax basis (as determined above), if any, in the Right exercised, each determined in U.S. dollars. The holding period of any Offer Share so acquired will begin on the date the Right was exercised.

Sale or other taxable disposition of Rights

A U.S. Holder will generally recognise capital gain or loss on the sale or other taxable disposition of a Right, which will be long-term capital gain or loss if the U.S. Holder’s holding period for the Right is more than one year. Long-term capital gains of non-corporate U.S. Holders are subject to United States federal income tax at rates lower than those applicable to ordinary income. The amount of the U.S. Holder’s gain or loss will be equal to the difference between the amount realised on the sale or other taxable disposition and such holder’s tax basis in the Right, each determined in U.S. dollars. Any gain or loss will generally be United States-source gain or loss for foreign tax credit purposes. The deductibility of capital losses is subject to limitations. U.S. Holders should consult their tax advisers regarding the United States federal income tax consequences of receiving any sale proceeds in euros, including the appropriate conversion rate and the possible recognition of foreign currency gain or loss (which, if applicable, would be treated as U.S.-source ordinary income or loss).

Taxation of distributions

Distributions received by a U.S. Holder on Offer Shares (including the amount of any Dutch taxes withheld, excluding any amount not paid to the Dutch tax authorities), other than certain pro rata distributions of Ordinary Shares to all Shareholders, will constitute dividend income to the extent paid out of the company’s current or accumulated earnings and profits (as determined under United States federal income tax principles). Because the Company does not maintain calculations of its earnings and profits under United States federal income tax principles, it is expected that distributions generally will be reported to U.S. Holders as dividends. Subject to applicable limitations, dividends paid to certain non-corporate U.S. Holders may be taxable at favourable rates. U.S. Holders should consult their tax advisers regarding the availability of the reduced tax rate on dividends.

Dividends will be treated as foreign-source income to U.S. Holders for foreign tax credit purposes and will not be eligible for the dividends received deduction generally available to United States corporations under the Code. Dividends will be included in a U.S. Holder's income on the date of the U.S. Holder's receipt of the dividend. The amount of dividend paid in euros will be the U.S. dollar amount calculated by reference to the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars. If the dividend is converted into U.S. dollars on the date of receipt, a U.S. Holder should not be required to recognise foreign currency gain or loss in respect of the amount received. A U.S. Holder may have foreign currency gain or loss if the dividend is converted into U.S. dollars after the date of receipt, and any such gain or loss will be U.S. – source ordinary income or loss.

Subject to applicable limitations, Dutch income taxes withheld from dividends on Ordinary Shares at a rate not exceeding any applicable Treaty rate will be creditable against the U.S. Holder's United States federal income tax liability (see "– Taxation in the Netherlands – Withholding Tax"), but any Dutch income taxes withheld in excess of the applicable Treaty rate will not be eligible for credit against a U.S. Holder's United States federal income tax liability.

Upon making a distribution to Shareholders, the Company may be permitted to retain a portion of the amounts withheld as Dutch dividend withholding tax. See "– Taxation in the Netherlands – Withholding Tax". The amount of Dutch withholding tax that the Company may retain reduces the amount of dividend withholding tax that the Company is required to pay to the Dutch tax authorities but does not reduce the amount of tax the Company is required to withhold from dividends paid to U.S. Holders. In these circumstances, it is likely that the portion of dividend withholding tax that the Company is not required to pay to the Dutch tax authorities with respect to dividends distributed to U.S. Holders would not qualify as a creditable tax for United States foreign tax credit purposes. Subject to applicable limitations, in lieu of claiming a foreign tax credit, a U.S. Holder may elect to deduct foreign taxes, including any Dutch taxes, in computing its taxable income.

The rules governing foreign tax credits are complex, and U.S. Holders should consult their tax advisers regarding the creditability of foreign taxes in their particular circumstances.

Sale or other taxable disposition of Ordinary Shares

A U.S. Holder will generally recognise capital gain or loss on the sale or other taxable disposition of Ordinary Shares, equal to the difference between the amount realised on the sale or other taxable disposition and such U.S. Holder's tax basis in the Ordinary Share, each as determined in U.S. dollars. This gain or loss generally will be capital gain or loss, and will be long-term capital gain or loss if at the time of sale or disposition such Ordinary Shares have been held for more than one year. Any gain or loss will generally be U.S.-source for foreign tax credit purposes. The deductibility of capital losses is subject to limitations. U.S. Holders should consult their tax advisers regarding the United States federal income tax consequences of receiving any sale proceeds in euros, including the appropriate conversion rate and the possible recognition of foreign currency gain or loss (which, if applicable, would be treated as U.S. source ordinary income or loss).

Passive foreign investment company considerations

In general, a non-U.S. corporation will be a PFIC for any taxable year in which (i) 75% or more of its gross income consists of passive income (such as dividends, interest, rents and royalties) or (ii) 50% or more of the average quarterly value of its assets consists of assets that produce, or are held for the production of, passive income. If a non-U.S. corporation directly or indirectly owns at least 25% (by value) of the stock of another corporation, the corporation will be treated, for purposes of the PFIC tests, as owning its proportionate share of other corporation's assets and receiving directly its proportionate share of the other corporation's income.

The Company believes that it was not a PFIC for United States federal income tax purposes for its most recent taxable year and does not expect to be one for its current taxable year or in the foreseeable future. Because PFIC status depends on the composition and character of a company's income and assets and the market value of its assets (including assets of 25% owned subsidiaries) from time to time, there can be no assurance that the Company will not be a PFIC for any taxable year. If the Company were a PFIC for any taxable year during which a U.S. Holder held a Right or an Ordinary Share, certain material adverse United States federal income tax consequences could apply to such U.S. Holder.

If the Company were a PFIC for any taxable year during which a U.S. Holder held an Ordinary Share (or, under proposed Treasury regulations, a Right) gains recognised by such U.S. Holder on a sale or other disposition of Ordinary Shares (or, under proposed Treasury regulations, Rights) would be allocated ratably over the holder's holding period for such Ordinary Shares (or Rights). The amount allocated to the taxable year of the sale or other disposition and to any year before the Company became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for such year and an interest charge would be imposed on the resulting tax liability attributable to each such year. Further, any distribution in respect of Ordinary Shares in excess of 125% of the average of the annual distributions on such Ordinary Shares received by a U.S. Holder during the preceding three years or the holder's holding period, whichever is shorter, would be subject to taxation in the same manner as described immediately above. Certain elections may be available to U.S. Holders that would result in alternative treatments (such as market-to-market treatment). If the Company were or has been a PFIC for any taxable year during which a U.S. Holder held Ordinary Shares, it generally will continue to be treated as a PFIC with respect to such U.S. Holder for all succeeding taxable years during which the U.S. Holder holds the Ordinary Shares even if the Company ceases to meet the threshold requirements for PFIC status. U.S. Holders should consult their own tax advisers regarding the potential application of the PFIC rules to their ownership of Rights and Ordinary Shares for any taxable year.

Information reporting and backup withholding

Payments of dividends and sales proceeds that are made within the United States or through certain United States-related financial intermediaries generally are subject to information reporting and to backup withholding unless the U.S. Holder is a corporation or other exempt recipient (and if required establishes it exempt status) or, in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies it is not subject to backup withholding. The amount of any backup withholding withheld from a payment to a U.S. Holder will be allowed as a refund or a credit against the U.S. Holder's United States federal income tax liability, provided that the required information is timely furnished to the IRS.

Transfer reporting requirements

A U.S. Holder that subscribes for Offer Shares may be required to file Form 926 with the IRS if the aggregate Subscription Price paid by the U.S. Holder, when aggregated with all transfers of cash made by the U.S. Holder (or any related person) to the Company within the preceding twelve-month period, exceeds USD 100,000 (or its foreign currency equivalent). U.S. Holders that are required to file Form 926, but fail to do so, could be subject to substantial penalties. U.S. Holders should consult their tax advisers to determine whether they are subject to any Form 926 filing requirements.

Foreign financial asset reporting

Certain U.S. Holders who are individuals (and under proposed Treasury Regulations, certain entities) may be required to report information relating to securities issued by a non-U.S. person, subject to certain exceptions (including an exception for securities held in accounts maintained by U.S. financial institutions). U.S. Holders should consult their tax advisers regarding their reporting obligations with respect to the Rights or Ordinary Shares.

THE OFFERING

General

The Company is offering 60,082,154,924 Offer Shares by granting Rights to the Shareholders with a nominal value of EUR 0.01 each at an Issue Price of EUR 0.01 per Offer Share and for a total amount of approximately EUR 600 million. Subject to applicable securities laws and the terms set out in this Prospectus, these Rights will entitle Eligible Persons (as defined in "Selling and Transfer Restrictions") to subscribe for the Offer Shares in accordance with the terms and conditions set forth herein. No offer of Offer Shares is being made to Shareholders who are not Eligible Persons and are therefore not permitted to exercise the Rights granted to them. The Company, as holder of Ordinary Shares in treasury, will not be granted any Rights.

Shareholders who transfer, or who do not, not timely or not validly, or are not permitted to, exercise, any of their Rights granted under the Rights Offering will suffer a substantial dilution of their proportionate ownership and voting rights of approximately 99.2% as a result of the issue of the Offer Shares. However, such Shareholders may receive valuable consideration on the sale of their Rights or on the placement of the Rump Shares.

Following expiry of the Exercise Period, the Underwriters, subject to the terms and conditions of the Underwriting Agreement, have agreed to use their reasonable efforts to procure subscribers for any Rump Shares through private placements to institutional investors in the Netherlands and certain other jurisdictions. The price per Rump Share must be at least equal to the Issue Price, plus any expenses related to procuring such purchasers (including any non-recoverable value added tax). The Underwriters, severally and not jointly, will subscribe and pay for (i) any Offer Shares subscribed for in the Rights Offering but not paid for by such subscribers on the Settlement Date, and (ii) any Rump Shares not sold in the Rump Offering, if any, or sold but not paid for on the Settlement Date, *pro rata* to their respective underwriting commitments at the Issue Price, in accordance with the terms and subject to the conditions of the Underwriting Agreement.

For information on applicable selling and transfer restrictions in respect of the Offer Shares and the Rights, see "Selling and Transfer Restrictions".

The statutory pre-emptive rights (*wettelijke voorkeursrechten*) of holders of Ordinary Shares in respect of the Offering have been excluded for the purpose of the Offering. See "Description of Share Capital – Pre-emptive rights".

Expected timetable

Subject to acceleration or extension of the timetable for the Offering, the timetable below lists certain expected key dates for the Offering:

Record Date	Immediately after the close of trading on Euronext Amsterdam at 17:40 hours CEST, on 8 October 2014
Start of *ex*-Rights trading in the Ordinary Shares commences on Euronext Amsterdam	9:00 hours CEST on 9 October 2014
Start of the Exercise Period	9:00 hours CEST on 9 October 2014
Start of trading in the Rights on Euronext Amsterdam	9:00 hours CEST on 9 October 2014
End of trading in the Rights on Euronext Amsterdam	17:40 hours CEST on 21 October 2014
End of the Exercise Period	17:40 hours CEST on 22 October 2014[1]
Start of the Rump Offering (if any)	7:00 hours CEST on 23 October 2014
End of the Rump Offering (if any)	17:40 hours CEST on 23 October 2014
Allotment of the Offer Shares	Expected 24 October 2014
Listing of and start of trading in the Offer Shares on Euronext Amsterdam	Expected 27 October 2014
The Settlement Date	Expected 27 October 2014[2]

[1] The time until which notification of exercise instructions may be validly given may be earlier, depending on the financial intermediary through which a person holds its Rights.

The number of Offer Shares subscribed for in the Rights Offering and the announcement of the start of the Rump Offering, if any, will be made public through a press release published in the Netherlands, which will be placed on the Company's website, at the latest in the morning of the day following the end of the Exercise Period.

The results of the Rump Offering, if any, will be made public through a press release published in the Netherlands, which will be placed on the Company's website, as soon as possible after allotment of the Offer Shares.

The Company may adjust the dates, times and periods given in the timetable and throughout this Prospectus in consultation with the Underwriters. If the Company should decide to adjust dates, periods or times, the Company will notify Euronext Amsterdam, holders of Ordinary Shares and holders of Rights, as well as the public through a press release published in the Netherlands, which will be placed on its website.

Rights Offering

Rights

Subject to applicable securities laws, existing holders of Ordinary Shares (excluding the Company in respect of the shares it holds in treasury) as at the Record Date are being granted Rights in registered form to subscribe for the Offer Shares at the Issue Price. Each Ordinary Share held immediately after the close of trading in the Ordinary Shares on Euronext Amsterdam at 17:40 hours CEST on the Record Date will entitle its holder to one (1) Right. See "– Rights Offering – Record Date". Eligible Persons will be entitled to subscribe for 131 Offer Shares for every Right held until the end of the Exercise Period. No Rights allowing it to participate in the Offering will be granted to the Company as holder of Ordinary Shares in treasury. For trading in the Rights see "– Rights Offering – Trading in the Rights".

A holder of Ordinary Shares as at the Record Date will customarily receive details of the aggregate number of Rights to which it will be entitled from the financial intermediary through which it holds the Ordinary Shares. The financial intermediary will provide the relevant Shareholders with this information in accordance with its usual customer relationship procedures. Shareholders should contact the financial intermediary through which they hold Ordinary Shares if they are entitled to receive Rights but have received no information from their financial intermediary with respect to the Rights Offering.

Only Shareholders who qualify as Eligible Persons as of the Record Date will be entitled to take up, exercise, sell or otherwise transfer Rights pursuant to the grant of Rights by the Company. Rights that are credited to the account of any other person will not constitute an offer of the Offer Shares to such person and will not confer any rights upon such person, including the right to take up exercise, sell or otherwise transfer such credited Rights, subject to the discussion in "– Rump Offering – Excess Amount" below. Receipt of this Prospectus by a person other than an Eligible Person shall not, subject to certain exceptions, constitute an offer of Offer Shares to that person.

The Company urges holders of Rights to carefully study the restrictions described in "Selling and Transfer Restrictions".

Record Date

The Record Date for determining the holders of Ordinary Shares who will receive Rights (subject to applicable securities laws) is immediately after the closing of trading in the Ordinary Shares on Euronext Amsterdam at 17:40 hours CEST on 8 October 2014.

Until the close of trading in the Ordinary Shares on Euronext Amsterdam on the Record Date, Ordinary Shares will trade with Rights (*cum*-Rights). As from 9:00 hours CEST on 9 October 2014, Ordinary Shares will trade without the Rights (*ex*-Rights).

Trading in the Rights

Trading in the Rights on Euronext Amsterdam is expected to commence at 9:00 hours CEST on 9 October 2014 and will continue until 17:40 hours CEST on 21 October 2014. The Rights will be traded on Euronext Amsterdam under the symbol "IMRI" and ISIN code NL0010886883.

The transfer of the Rights will take place through the book-entry form system of Euroclear Nederland.

Rights can be traded or purchased by Eligible Persons only. An Eligible Person who wishes to sell one or more Rights should instruct the financial intermediary through which it holds the Rights in accordance with the instructions received from that financial intermediary. An Eligible Person may also instruct a financial intermediary to purchase Rights on its behalf.

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[2] Financial intermediaries may require payment to be provided by holders of Rights exercising such Rights, prior to the Settlement Date.

All transactions in Rights prior to the Settlement Date are at the sole risk of the parties concerned. the Company, the Underwriters, the Subscription, Listing and Paying Agent and Euronext Amsterdam do not accept any responsibility or liability with respect to the withdrawal of the Offering or the related annulment of any transactions in Rights or Offer Shares on Euronext Amsterdam.

Exercise Period

Subject to the restrictions set out below, an Eligible Person, whether a holder of Ordinary Shares as at the Record Date or a subsequent transferee of Rights, can only validly subscribe for Offer Shares by exercising its Rights from 9:00 hours CEST on 9 October 2014 up to 17:40 hours CEST on 22 October 2014, which is the end of the Exercise Period. **The time until which notification of exercise instructions may be validly given may be earlier, depending on the financial intermediary through which the Rights are held.**

If an Eligible Person has not exercised its Rights by the end of the Exercise Period, these can no longer be exercised by the Eligible Person. Once an Eligible Person has validly exercised its Rights, it cannot revoke or modify that exercise unless the Company changes a material term of the Offering or amends this Prospectus in any material respect leading to a supplement to this Prospectus within the meaning of Section 5:23 FMSA being published, in which event the holder will have the right, exercisable within two business days after publication of the supplement, to revoke the exercise. Accordingly, once a holder of Rights has validly exercised its Rights, it must pay the Issue Price for the Offer Shares subscribed for, even if the market price of the Ordinary Shares fluctuates below the Issue Price. For trading in the Rights see "– Rights Offering – Trading in the Rights".

The Company and the Underwriters are not taking any action outside the Netherlands to permit the exercise and transfer of Rights by the general public. **The Company urges holders of Rights to carefully study the restrictions described under "Selling and Transfer Restrictions"**. The Company reserves the right, with sole and absolute discretion, to treat as invalid any subscription or purported subscription which appears to the Company to have been executed, effected or dispatched in a manner that may involve a breach or violation of the laws of any jurisdiction or if the Company believes that the same may violate applicable legal or regulatory requirements or may be inconsistent with the procedures and terms set out in this Prospectus or in breach of the representations and warranties to be made by an accepting holder, as described in "Selling and Transfer Restrictions".

Subscription and payment

An Eligible Person, whether a holder of Ordinary Shares as at the Record Date or a subsequent transferee of Rights, who wishes to exercise its Rights, should instruct the financial intermediary through which it holds the Rights in accordance with the instructions received from that financial intermediary. The financial intermediary will be responsible for collecting exercise instructions from Eligible Persons holding Rights and for informing the Subscription, Listing and Paying Agent. See "– Subscription, Listing and Paying Agent".

A holder of Rights that exercises its Rights should pay the Issue Price for the Offer Shares subscribed for in accordance with the instructions it receives from the financial intermediary through which it holds the Rights. The financial intermediary will pay the Issue Price to the Subscription, Listing and Paying Agent, who will in turn after deduction of applicable fees and expenses, pay it into an account in the name of the Company, which will subsequently be used to partially repay the indebtedness of the Group. Payment for the Offer Shares must be made at the office of the Subscription, Listing and Paying Agent no later than the Settlement Date, which is expected to be on 27 October 2014. Accordingly, financial intermediaries may require payment to be provided by holders of Rights exercising such Rights prior to the Settlement Date.

All requirements concerning deadlines, validity and form of instructions to a financial intermediary in relation to the exercise, sale or purchase of Rights will be determined by the relevant financial intermediary in accordance with its usual customer relations procedures or as it otherwise notifies to the holders of Rights.

None of the Company or the Underwriters is liable for any action or failure to act by a financial intermediary through which Ordinary Shares or Rights are held, or by the Subscription, Listing and Paying Agent in connection with any subscriptions or purported subscriptions.

Unexercised Rights

After the Exercise Period has ended, any unexercised Rights will continue to be reflected in the securities account of the relevant holder of such Rights solely for the purpose of the distribution of the Excess Amount (as defined in "– Rump Offering – Excess Amount"), if any.

Rump Offering

Rump Shares

Following expiry of the Exercise Period, the Underwriters, subject to the terms and conditions of the Underwriting Agreement, have agreed to use their reasonable efforts to procure subscribers for any Rump Shares through private placements to institutional investors in the Netherlands and certain other jurisdictions. The price per Rump Share must be at least equal to the Issue Price, plus any expenses related to procuring such purchasers (including any non-recoverable value added tax). The Underwriters, severally and not jointly, will subscribe and pay for (i) any Offer Shares subscribed for in the Rights Offering but not paid for by such subscribers on the Settlement Date, and (ii) any Rump Shares not sold in the Rump Offering, if any, or sold but not paid for on the Settlement Date, *pro rata* to their respective underwriting commitments at the Issue Price, in accordance with the terms and subject to the conditions of the Underwriting Agreement.

The Rump Offering, if any, is expected to commence no later than 7:00 hours CEST on 23 October 2014 and to end no later than 17:40 hours CEST on 23 October 2014.

Excess Amount

If, upon completion of the Rump Offering, if any, the aggregate proceeds for the Rump Shares offered and sold in the Rump Offering, minus the selling expenses and any applicable taxes, exceed the aggregate Issue Price for such Rump Shares, such amount will constitute the "**Excess Amount**". Each holder of a Right that was not exercised at the end of the Exercise Period will be entitled to receive, except as noted below, a payment in respect of such holders' unexercised Rights (the "**Unexercised Rights Payment**"). If the Excess Amount divided by the total number of unexercised Rights is less than EUR 0.01, no Unexercised Rights Payment will be made to the holders of any unexercised Rights, and instead, any such Excess Amount will be retained by the Underwriters for their own benefit. The Company will not be entitled to receive any Excess Amount. The Company will announce whether any Unexercised Rights Payment is available for payment to holders of unexercised Rights by means of a press release published in the Netherlands and which is placed on the Company's website.

The Unexercised Rights Payment, if any, will be paid to holders of unexercised Rights as soon as practicable after the Settlement Date and will be credited to those holders through the facilities of Euroclear Nederland. Unexercised Rights Payments will be made in euro only without interest and after withholding of any applicable taxes.

The Company cannot guarantee that the Offering will yield Excess Amounts

Pursuant to the Underwriting Agreement, the Underwriters may use their reasonable efforts to place the Rump Shares in the Rump Offering. Neither the Company nor the Underwriters can guarantee that the Rump Offering, if any, will be successfully completed. The price per Rump Share must be at least equal to the Issue Price, plus any expenses related to procuring purchasers in the Rump Offering (including any non-recoverable value added tax). If the Rump Offering takes place, neither the Company, nor the Underwriters, nor the Subscription, Listing and Paying Agent, nor any other person procuring purchases for the Rump Shares, will be responsible for any lack of Excess Amount arising from any placement of the Rump Shares.

Allotment of Offer Shares

Allotment of Offer Shares issued pursuant to the Offering is expected to take place on 24 October 2014 and will be notified by means of a press release which will also be placed on the Company's website.

Settlement and listing

Payment for and delivery of the Offer Shares is expected to take place on 27 October 2014. Delivery of the Offer Shares will take place through the book-entry system of Euroclear Nederland. The address of Euroclear Nederland is Herengracht 459-469, 1017 BS Amsterdam, the Netherlands.

Application has been made to admit the Offer Shares to listing and trading on Euronext Amsterdam. Barring unforeseen circumstances, it is expected that the Offer Shares will be admitted to listing and trading, and that trading in the Offer Shares will commence on Euronext Amsterdam on 27 October 2014.

The Ordinary Shares are listed on Euronext Amsterdam under the symbol IM and ISIN code NL0006055329.

Conditions to the Offering

Each of the Rights Offering and the Rump Offering, if any, is subject to certain conditions. See "Plan of Distribution – Conditions to the Offering".

Subscription, Listing and Paying Agent

In respect of the Offering ABN AMRO, acting through its Corporate Broking Department, is acting as Subscription, Listing and Paying Agent. The Subscription, Listing and Paying Agent will accept subscriptions for the Offer Shares. The financial intermediary through which Eligible Persons hold their Rights will be responsible (except for subscriptions on Rights held by holders of Ordinary Shares in registered form or their transferees which should be addressed to the Company) for collecting instructions from them and for informing the Subscription, Listing and Paying Agent of their exercise instructions.

Dilution

If a holder of Ordinary Shares does not participate in the Offering, its proportionate capital and voting interest in the Company will be significantly diluted by up to 99.2% by the issue of the Offer Shares.

Ranking and dividends

The Offer Shares will, upon issue, rank *pari passu* in all respects with the, at that the time, outstanding Ordinary Shares. The Offer Shares will be eligible for any dividend payment which the Company may declare on Ordinary Shares after the Settlement Date. See "Dividends and Dividend Policy – Dividend ranking of Offer Shares".

Non-Dutch stamp taxes

Purchasers of the Offer Shares may be required to pay stamp taxes and other taxes in accordance with the laws and practices of the county of purchase in addition to the Issue Price.

Currency

The Offering will be carried out and trading in the Rights will be effected in euros. The Offer Shares will be denominated in euros. Distributions, if any, will also be made in euros.

Governing law and competent courts

The Rights, their terms and conditions and the Offering shall be governed by and construed in accordance with the laws of the Netherlands. Any dispute arising out of or relating to the Rights or the Offering shall be finally and exclusively settled by the competent courts in Amsterdam, the Netherlands.

PLAN OF DISTRIBUTION

Commitment of Major Shareholders

The Committed Shareholders have committed to participate in the Offering in respect of their entire capital interest at the time of entering into such commitment, by timely and duly exercising all of the Rights that they receive in the Offering and thereby subscribing collectively for a total number of Offer Shares that is *pro rata* to their shareholding in the capital of the Company at the time of entering into the commitment. For this commitment, the Company will pay the Committed Shareholders a commitment fee of 1.50% of the aggregate gross proceeds of the Offering multiplied by 6.03%.

Underwriting Agreement

The Underwriters, subject to the terms and conditions of the Underwriting Agreement, have agreed to use their reasonable efforts to procure subscribers for any Rump Shares through private placements to institutional investors in the Netherlands and certain other jurisdictions. The price per Rump Share must be at least equal to the Issue Price, plus any expenses related to procuring such purchasers (including any non-recoverable value added tax). The Underwriters, severally and not jointly, will subscribe and pay for (i) any Offer Shares subscribed for in the Rights Offering but not paid for by such subscribers on the Settlement Date, and (ii) any Rump Shares not sold in the Rump Offering, if any, or sold but not paid for on the Settlement Date, pro rata to their respective underwriting commitments at the Issue Price, in accordance with the terms and subject to the conditions of the Underwriting Agreement:

Underwriters	**Percentage**
ING	33.33%
Rabobank	29.17%
COMMERZBANK	25.00%
ABN AMRO	12.50%
Total	**100%**

In the Underwriting Agreement, the Company has given certain representations and warranties and undertakings to the Underwriters. In addition, the Company has agreed to indemnify the Underwriters against certain liabilities in connection with the Offering. The underwriting and placing commission to be paid to the Underwriters is expected to amount to up to approximately 3.5% of the gross proceeds of the Offering (but excluding commitment fees payable to Committed Shareholders who have subscribed and paid for Offer Shares in accordance with their commitment, which commitment fees shall be equal to 1.50% of the aggregate gross proceeds of the Offering multiplied by 6.03%) in accordance with the arrangements set out in the Underwriting Agreement.

Offers and sales of the Offer Shares in the United States will be made by affiliates of the Underwriters who are U.S. registered broker-dealers.

Conditions to the Offering

The obligations of the Underwriters under the Underwriting Agreement are subject to the fulfilment, or discretionary waiver by the Underwriters of a number of conditions for the benefit of the Underwriters, including but not limited to, in brief, (i) the absence of a material adverse change in the business, financial condition, or results of operations of the Group, (ii) the Main Finance Agreements being in full force and effect and any conditions remaining capable of fulfilment and not being waived and no default or event of default having occurred (iii) (a) no event of default or other premature termination having occurred under any of the Group's other debt facilities and financing arrangements providing for EUR 22.5 million or more and (b) no event of default or other premature termination exceeding an aggregate amount of EUR 50 million having occurred under the Group's debt facilities and financing arrangements providing for less than EUR 22.5 million, (iv) the agreement for the divestment of the ICT division remaining in full force and effect and the conditions to this agreement remaining capable of fulfilment and not being waived and the Underwriters not becoming aware of circumstance which in the judgment of the Underwriters would significantly adversely impact or delay the closing of the disposal or would reduce the expected amount of the net cash proceeds and (v) certain other, customary, conditions.

If any or all of the conditions to the Offering are not met or not waived by the Underwriters or if certain circumstances occur prior to payment for and delivery of the Offer Shares, the Underwriters will be allowed to terminate the Underwriting Agreement.

In such event, the Offering will be withdrawn. Consequently, (i) both the exercised and unexercised Rights will lapse without compensation to their holders, (ii) subscriptions for, and allotments of Offer Shares that have been made, will be disregarded and (iii) any subscription payments made and received by the Company, the Subscription, Listing and Paying Agent, any of the Underwriters will be returned without interest or compensation. Any dealings in the Rights or the Offer Shares prior to settlement and delivery are at the sole risk of the parties concerned. The lapsing of Rights will be without prejudice to the validity of any trades in Rights that have been settled. Any non-settled trades in Rights that have occurred on Euronext Amsterdam will be deemed null and void. There will be no refund or compensation in respect of Rights purchased in the market or in any other manner. The Underwriters, the Company, the Subscription, Listing and Paying Agent and Euronext Amsterdam do not accept any responsibility or liability with respect to the withdrawal of the Offering or the related annulment of any transactions in Rights or Offer Shares on Euronext Amsterdam.

Lock-up arrangements

The Company has agreed with the Underwriters on lock-up arrangements for a period of 180 days after the Settlement Date, subject to customary carve-outs, pursuant to which the lock-up arrangements do not apply to the granting of any Shares under the Company's senior management incentive plans, and any hedging activities for such plans and the issuance of Cumulative Preference Shares, in accordance with the terms of the Underwriting Agreement. The Company has undertaken that it will not, and will procure that its subsidiaries and each of the members of Board of Management and the Supervisory Board will not:

(a) issue, offer (in any public offering or private placement other than the Offering), sell, contract to issue or sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of;

(b) enter into any swap or any other agreement or any transaction that transfers in whole or in part, directly or indirectly, any of the economic consequences of ownership of;

(c) create any charge or security interest over (other than contemplated by the waiver and amendment agreement),

any shares in the capital of the Company or any securities convertible or exchangeable into shares in the capital of the Company or warrants or other rights to purchase or acquire any such securities or any debt instruments or other instruments with a similar effect to the foregoing, without the prior written consent of the Underwriters, which consent shall, if requested, not be withheld without reason.

SELLING AND TRANSFER RESTRICTIONS

General

No action has been or will be taken to permit a public offering of the Offer Securities in any jurisdiction outside the Netherlands. The Offering to persons resident in, or who are citizens of, a particular jurisdiction may be affected by the laws of that jurisdiction. Investors should consult their professional advisers as to whether the investor requires any governmental or any other consent or needs to observe any other formalities to enable the investor to accept, sell, exercise or purchase the Rights and/or to subscribe for the Offer Shares. The Offering is only made in those jurisdictions in which, and only to those persons to whom, the Offering may be lawfully made.

Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus will be sent for information only and should not be copied nor redistributed. If an investor receives a copy of this Prospectus in any territory other than the Netherlands, the investor may not treat this Prospectus as constituting an invitation or offer to the investor, nor should the investor in any event deal in Offer Securities unless, in the relevant territory, such an invitation or offer could lawfully be made to the investor and Offer Securities can lawfully be dealt in without contravention of any registration or other legal requirements.

Accordingly, if an investor receives a copy of this Prospectus or any other offering materials or advertisements, it should not, in connection with the Offering, distribute or send the same, or transfer Offer Securities to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If the investor forwards this Prospectus or any other offering materials or advertisements into any such territory (whether under a contractual or legal obligation or otherwise) the investor should draw the recipient's attention to the contents of this section.

The Offer Securities have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered, sold, pledged, delivered or otherwise transferred except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable state securities laws. Accordingly, the Offering is being extended (i) in the United States, to persons reasonably believed to be QIBs pursuant to Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements under the U.S. Securities Act and applicable state securities laws, and (ii) outside the United States, in offshore transactions within the meaning of and in accordance with Regulation S. Any Offer Securities offered and sold in the United States will be subject to certain transfer restrictions described under "– United States" below. In addition, until 40 days after the later of the commencement of the Offering and the Settlement Date, an offer, sale or transfer of the Rights or the Offer Shares within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer, sale or transfer is made otherwise than pursuant to Rule 144A. The Offer Securities have not been approved or disapproved by the United States Securities and Exchange Commission or any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

Subject to the specific restrictions described below, if investors (including, without limitation, any investors' nominees, custodians and trustees) are outside the Netherlands and wish to sell, transfer or exercise Rights or subscribe for or purchase Offer Securities, they must satisfy themselves as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

Subject to certain exceptions, financial intermediaries, including brokers, custodians and nominees, are not permitted to send or otherwise distribute this Prospectus or any other information regarding the Offering to any person that does not qualify as an Eligible Person. The information set out in this section is intended as a general guide only. If an investor is in any doubt as to his position, he should consult his professional adviser.

Exercise of Rights

Rights are granted to Shareholders as at the Record Date. Rights credited to the account of a person that is not an Eligible Person, shall not constitute an offer of Offer Shares to such person.

The Company reserves the right, with sole and absolute discretion, to treat as invalid the exercise, purported exercise or transfer of any Rights, which appears to the Company or the Company's agents:

- to have been executed, effected or dispatched from outside the Netherlands, unless the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction;
- to involve a (potential) breach or violation of the laws or regulations of any jurisdiction;
- to involve an acceptance, or purported acceptance, that may violate applicable legal or regulatory requirements or may be inconsistent with the procedures and terms set out in this Prospectus;
- to purport to exclude or modify any of the representations and warranties required or deemed to be made by an exercising Right holder, as set out in "– Representations and warranties by investors in the Offering".

Notwithstanding any other provision of this Prospectus, the Company reserves the right to permit the investor to exercise Rights if the Company, in the Company's sole and absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question. In any such case, neither the Company nor the Underwriters and the Subscription Listing and Paying Agent accept any liability for any actions that the investor takes or for any consequences that the investor may suffer by the Company accepting the investor's exercise of Rights.

Representations and warranties by investors in the Offering

Subject to certain exceptions, each person who (i) accepts, takes up, delivers, sells or otherwise transfers Rights, (ii) exercises Rights, or (iii) purchases, subscribes for, trades or otherwise deals in Offer Securities being granted or offered, respectively, in the Offering, will be deemed to have made, and in some cases be required to explicitly confirm, each of the following representations and warranties to the Company, to the Subscription, Listing and Paying Agent, to the Underwriters and to any person acting on their behalf, unless, in the Company's sole discretion, the Company waives such requirement:

In relation to the Rights Offering:

- The investor was a Shareholder as at the Record Date, or the investor lawfully acquired or may lawfully acquire Rights, directly or indirectly, from such a Shareholder or from a person that subsequently lawfully acquired Rights.
- In relation to the Offering:
- The investor may lawfully be granted or offered, accept, take up, obtain, purchase, exercise, subscribe for, receive, trade or otherwise deal in Offer Securities in the jurisdiction in which the investors resides or is currently located;
- Subject to the exceptions described under "– United States", "– Economic European Area" and "– Canada" below, the investor (i) is resident or located in the Netherlands, and (ii) is not accepting an offer to acquire, take up or exercise Offer Securities on a nondiscretionary basis for a person who is resident or located outside the Netherlands at the time the instruction to accept was given;
- Unless the investor is an existing shareholder and reasonably believed to be a QIB as defined in Rule 144A, the investor is located outside the United States, and any person for whose account or benefit it is acting on a non-discretionary basis is located outside the United States and, upon acquiring Offer Securities, the investor and any such person will be located outside the United States;
- The investor understands that neither the Rights nor the Offer Shares have been or will be registered under the U.S. Securities Act and may not be offered, sold, pledged, resold, delivered, allotted, taken up or otherwise transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;
- The investor is either located outside the UK, or the investor is a person who is a "qualified investor" (as defined in Section 86(7) of the Financial Services and Markets Act 2000 of the UK, as amended (the "FSMA"));
- The investor is not acquiring Offer Securities with a view to the offer, sale, transfer, delivery or distribution, directly or indirectly, of such Offer Securities into a jurisdiction where such cannot be lawfully done.

A person who can make the representations and warranties described above shall be deemed an "**Eligible Person**" for the purposes of the Offering.

The Company, the Underwriters the Subscription, Listing and Paying Agent and any persons acting on their behalf will rely upon the truth and accuracy of the investor's representations and warranties. Any provision of false information or subsequent breach of these representations and warranties may subject the investor to liability.

If the investor is a person acting on behalf of another person exercising or purchasing Offer Securities (including, without limitation, as a nominee, custodian or trustee), the investor will be required to provide the foregoing representations and warranties to the Company, the Underwriters and the Subscription, Listing and Paying Agent with respect to the exercise or purchase of Offer Securities on behalf of such person. If the investor does not provide the foregoing representations and warranties, neither the Company, nor the Underwriters and the Subscription, Listing and Paying Agent, nor any persons acting on behalf of either of the Company, the Underwriters or the Subscription, Listing and Paying Agent, will be bound to authorise the allocation of any Offer Shares to the investor or the person whose behalf the investor is acting.

United States

Neither the Rights nor the Offer Shares have been or will be registered under the U.S. Securities Act or with any securities authority of any state or other jurisdiction of the United States and may only be offered or sold within the United States to persons who are reasonably believed to be QIBs. Further, the Rights and the Offer Shares may be resold by purchases in the United States only pursuant to an exemption from securities registration, if any, available under the laws of the state where the sale is made.

The Rights may not be exercised by any persons who have not executed and timely returned an investor letter to the Company.

Each holder of Offer Securities in the United States, by accepting delivery of this Prospectus, will be deemed to have represented, agreed and acknowledged that, among other things (terms used in this paragraph that are defined in Rule 144A or Regulation S are used herein as defined therein):

a) It: (i) is a QIB; (ii) is aware, and each beneficial owner of such Offer Securities has been advised, that the sale of the Offer Securities to it is being made in reliance on an exemption from the registration requirements of the U.S. Securities Act, which may include Rule 144A, or in a transaction not subject to, the registration requirements of the U.S. Securities Act; and (iii) is acquiring such Offer Securities for its own account or for the account of QIB.

b) It acknowledges that the Offer Securities are "restricted securities" within the meaning of Rule 144(A)(3) under the U.S. Securities Act and understands that such securities have not been and will not be registered under the U.S. Securities Act and may not be offered, sold, pledged or otherwise transferred except (i) to a person reasonably believed to be QIB in a transaction meeting the requirements of Rule 144A; (ii) in the case of Offer Shares issued upon the exercise of Rights, in accordance with Rule 144 under the U.S. Securities Act; (iii) in an offshore transaction in accordance with Rule 904 of Regulation S; or (iv) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities law of any state or any territory of the United States and of any other jurisdiction.

c) For so long as the Offer Shares are restricted securities, no such Offer Shares may be deposited into any American depositary receipt facility established or maintained by a depositary bank, other than a restricted depositary receipt facility, and that such Offer Shares will not settle or trade through the facilities of the Depositary Trust Company Inc. or any other United States exchange or clearing system.

d) If, in the future, it offers, resells, pledges or otherwise transfers any Offer Securities, it shall notify the subsequent transferee of the transfer restrictions set out in paragraphs (a) to (c) above.

e) It is not an affiliate (as defined in Rule 501(b) under the U.S. Securities Act) of the Company, and is not acting on behalf of an affiliate of the Company.

f) It has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Offer Shares, and it has the financial ability to bear the economic risk of investment in the Offer Shares.

g) The Offer Securities have not been offered to it by means of any "general solicitation" or "general advertising" as defined in Regulation D under the U.S. Securities Act.

h) If it is acquiring any Offer Securities for the account of one or more other investors, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

i) The Company, the Underwriters and each of their respective affiliates and agents, and others, will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Each holder of the Offer Securities outside the United States will, pursuant to Regulation S, be deemed to have represented and agreed that it has received a copy of the Prospectus and such other information as it deems necessary to make an informed investment decision and that:

a) it acknowledges that the Offer Securities have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority of any state of the United States, and are subject to significant restrictions on transfer;

b) it and the person, if any, for whose account or benefit it is acquiring the Offer Securities, were located outside the United States at the time the buy order for such Offer Securities was originated and continue to be located outside the United States and have not purchased any Offer Securities for the benefit of any person in the United States or entered into any arrangement for the transfer of any Offer Securities to any person in the United States;

c) it is exercising, subscribing for otherwise acquiring the Offer Securities in an offshore transaction in accordance with Rule 903 or 904 of Regulation S and is aware of the restrictions on the offer and sale of the Offer Shares pursuant to Regulation S as described in this Prospectus;

d) the Offer Securities have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.

In addition, each holder of Offer Securities will be deemed to have acknowledged and agreed that:

- it is relying on this Prospectus in conducting its examination of the Company and the terms of the Offering, including the merits and risks involved, and in making an investment decision regarding the Offer Securities; and
- no person is authorised to give any information or make any representations other than those contained in this Prospectus and, if given or made, such information or representations will not be relied upon as having been authorised by the Company or the Underwriters nor will the Company or the Underwriters have any liability or responsibility therefore.

Persons receiving this Prospectus are hereby notified that the Company and other sellers of Rights or Offer Shares may be relying on an exemption from the registration requirements of Section 5 of the U.S. Securities Act.

UK

Neither this Prospectus nor any other offering material has been submitted to the clearance procedures of the Financial Services Authority in the UK. Neither the Rights nor the Offer Shares are being or have been offered or sold in the UK except to qualified investors. In the immediately preceding sentence, 'qualified investors' has the meaning given to it in Section 86 of the FSMA.

Each of the Underwriters respectively, represents, warrants and agrees that:

- it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business;
- it has not offered or sold and will not offer or sell the Offer Securities in the UK other to qualified investors as defined in Section 86 of FSMA;
- it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of FSMA) received by it in connection with the issue or sale of the Offer Securities in circumstances in which Section 21(1) of the FSMA does not apply in respect of which an exemption (as set out in the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005) applies;
- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Offer Securities in, from or otherwise involving the UK.

European Economic Area

In relation to each EEA State which has implemented the Prospectus Directive (a "**Relevant Member State**"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State, an offer to the public of any Offer Securities which are the subject of the Offering contemplated by this Prospectus may not be made in that Relevant Member State prior to the publication of a prospectus in relation to the Offer Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State, all in accordance with the Prospectus Directive, except that an offer to the public in that Relevant Member State of any Offer Securities may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- to any legal entity which is a qualified investor as defined in the Prospectus Directive;

- to fewer than 100 natural or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive; or
- in any other circumstances falling within Section 3(2) of the Prospectus Directive,

provided that no such offer of Offer Securities shall require the Company or the Underwriters to publish a prospectus pursuant to Section 3 of the Prospectus Directive or supplement a prospectus pursuant to Section 16 of the Prospectus Directive.

For the purposes of this provision, the expression an 'offer to the public' in relation to any Offer Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offering and any Offer Securities to be offered so as to enable an investor to decide to purchase any Offer Securities, as the same may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Canada

Selling Restrictions

This Prospectus is not, and under no circumstances is to be construed as, an advertisement or a public offering of the securities referred to in this document in Canada. No securities commission or similar authority in Canada has reviewed or in any way passed upon this Prospectus or the merits of the securities described and any representation to the contrary is an offence.

This Prospectus constitutes an offering of the Offer Securities in the Canadian province of Ontario only (the "**Private Placement Province**") and is for the confidential use of only those persons to whom it is delivered by the Underwriters in connection with the offering of the Offer Securities in the Private Placement Province. This Offering is exempt from the requirement that the Company prepare and file a prospectus with the relevant Canadian securities regulatory authorities. Accordingly, any resale of the Offer Securities must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with prospectus and dealer registration requirements or exemptions from the prospectus and dealer registration requirements. These resale restrictions may in some circumstances apply to resales of the Offer Securities outside of Canada. Canadian purchasers are advised to seek legal advice prior to any resale of the Offer Securities.

The Company is not a "reporting issuer", as such term is defined under applicable Canadian securities laws, in any province or territory of Canada. Canadian investors are advised that the Company is not required to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Offer Securities to the public in any province or territory of Canada. Canadian investors are further advised that the Company does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Offer Securities to the public in any province or territory of Canada in connection with this Offering.

Representations of Purchasers

Each Canadian investor who purchases Offer Securities will be deemed to have represented to the Company, the Underwriters, the Subscription, Listing and Paying Agent and any dealer who sells Offer Securities to such purchaser that:

(a) the offer and sale of the Offer Securities was made exclusively through the final version of this Prospectus and was not made through an advertisement of the Offer Securities in any printed media of general and regular paid circulation, radio, television or telecommunications, including electronic display, or any other form of advertising in Canada;

(b) such purchaser has reviewed and acknowledges the terms referred to above under the section entitled "– Canada – Selling Restrictions";

(c) such purchaser has reviewed and acknowledges the representations required to be made by all purchasers of the Offer Securities as set forth under the section entitled "Important Information – Notice to Investors" and "Selling and Transfer Restrictions" contained within this Prospectus and hereby makes such representations;

(d) where required by law, such purchaser is purchasing as principal, or is deemed to be purchasing as principal in accordance with applicable securities laws of the province in which such purchaser is resident, for its own account and not as agent for the benefit of another person;

(e) such purchaser, or any ultimate purchaser for which such purchaser is acting as agent, is entitled under applicable Canadian securities laws to purchase the Offer Securities without the benefit of a prospectus qualified under such securities laws, and without limiting the generality of the foregoing, is an "accredited investor" as defined in section 1.1 of NI 45-106, and:

(i) is purchasing the Offer Securities from a dealer registered as an "investment dealer" or "exempt market dealer" as defined under applicable securities laws; or

(ii) is a "Canadian permitted client" as defined in section 8.18 of NI 31-103 and is purchasing the Offer Securities from a dealer permitted to rely on the "international dealer exemption" contained in section 8.18 of NI 31-103, in which case, the purchaser also acknowledges that the purchaser has received the notice required to be provided by such dealer under s. 8.18 of NI 31-103;

(f) such purchaser is not a person created or used solely to purchase or hold the Offer Securities as an "accredited investor" as described in paragraph (m) of the definition of "accredited investor" in section 1.1 of NI 45-106;

(g) none of the funds being used to purchase the Offer Securities are, to its knowledge, proceeds obtained or derived, directly or indirectly, as a result of illegal activities and that:

(i) the funds being used to purchase the Offer Securities and advanced by or on behalf of the investor to the Underwriters do not represent proceeds of crime for the purpose of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) (the "**PCMLTFA**");

(ii) the investor is not a person or entity identified in the Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism (the "**RIUNRST**"), the United Nations Al-Qaida and Taliban Regulations (the "**UNAQTR**"), the United Nations Côte d'Ivoire Regulations (the "**Côte d'Ivoire Regulations**"), the Regulations Implementing the United Nations Resolution on the Democratic People's Republic of Korea (the "**UNRDPRK**"), the United Nations Democratic Republic of the Congo Regulations (the "**Congo Regulations**"), the Regulations Implementing the United Nations Resolution on Eritrea (the "**RIUNRE**"), the Regulations Implementing the United Nations Resolution on Iran (the "**RIUNRI**"), the United Nations Liberia Regulations (the "**Liberia Regulations**"), the Regulations Implementing the United Nations Resolutions on Somalia (the "**RIUNRS**"), the United Nations Sudan Regulations (the "**Sudan Regulations**"), the Regulations Implementing the United Nations Resolutions on Libya (the "**Libya Regulations**"), the Special Economic Measures (Burma) Regulations (the "**Burma Regulations**"), the Special Economic Measures (Iran) Regulations (the "**Iran Regulations**"), the Special Economic Measures (Zimbabwe) Regulations (the "**Zimbabwe Regulations**") or the Freezing Assets of Corrupt Foreign Officials (Tunisia and Egypt) Regulations (the "**FACPA Tunisia and Egypt Regulations**"), the Special Economic Measures (Syria) Regulations (the "**Syria Regulations**"), or the Special Economic Measures (DPRK) Regulations (the "**DPRK Regulations**");

(iii) the Underwriters may in the future be required by law to disclose the investor's name and other information relating to the investor and any purchase of the Offer Securities, on a confidential basis, pursuant to the PCMLTFA, Criminal Code (Canada), RIUNRST, UNAQTR, UNRDPRK, RIUNRE, RIUNRI, RIUNRS, the Côte d'Ivoire Regulations, the Congo Regulations, the Liberia Regulations, the Sudan Regulations, the Libya Regulations, the Burma Regulations, the Iran Regulations, the Zimbabwe Regulations, the FACPA Tunisia and Egypt Regulations, the Syria Regulations, the DPRK Regulations, or as otherwise may be required by applicable laws, regulations or rules, and by accepting delivery of this Prospectus, the investor will be deemed to have agreed to the foregoing;

(iv) to the best of the investor's knowledge, none of the funds to be provided by or on behalf of the investor to the Underwriters, or the Subscription, Listing and Paying Agent are being tendered on behalf of a person or entity who has not been identified to the investor; and

(v) the investor shall promptly notify the Underwriters, the Subscription, Listing and Paying Agent if the investor discovers that any of the representations contained in this subparagraph (g) cease to be true, and shall provide the Company and the Underwriters with appropriate information in connection therewith; and

(h) where required by applicable securities laws, regulations or rules, the investor will execute, deliver and file such reports, undertakings and other documents relating to the purchase of the Offer

Securities by the investor as may be required by such laws, regulations and rules, or assist the Company, the Underwriters and the Subscription, Listing and Paying Agent, as applicable, in obtaining and filing such reports undertakings and other documents;

(i) such purchaser acknowledges that the distribution of the Offer Securities in Canada is being made on a private placement basis only and that the such purchaser will not receive a prospectus that has been prepared in accordance with Canadian securities laws and filed with any securities regulatory authority in Canada;

(j) such purchaser acknowledges that any Offer Securities subscribed for are restricted securities in Canada and any resale of such Offer Securities must be made in accordance with applicable Canadian securities laws, which may require such resale to be made in accordance with prospectus and registration requirements or exemptions from the prospectus and registration requirements, that such resale restrictions may apply to resales of the Offer Securities outside of Canada; and

(k) such purchaser acknowledges that such purchaser should consult its own legal, financial and tax advisers with respect to the tax consequences of an investment in the Offer Securities in its particular circumstances and with respect to the eligibility of the Offer Securities for investment by such purchaser under relevant Canadian legislation and regulations, and that such purchaser has not relied on the Company, the Underwriters or their authorised agents or the contents of subscription documents (if any), or any related offering materials authorised and approved by the Company, for distribution to the such purchaser for any legal, financial or tax advice.

In addition, each resident of Ontario who purchases the Offer Securities will be deemed to have represented to the Company, the Underwriters, the Subscription, Listing and Paying Agent and each dealer from whom a purchase confirmation was received, that such purchaser:

(a) has been notified by the Company:

  (i) that the Company may be required to provide certain personal information pertaining to the purchaser as required to be disclosed in Schedule I of Form 45-106F1 under NI 45-106 (including its name, address, telephone number and the number and value of any Offer Securities purchased), which Form 45-106F1 may be required to be filed by the Company under NI 45-106;

  (ii) that such personal information may be delivered to the Ontario Securities Commission (the "**OSC**") in accordance with NI 45-106;

  (iii) that such personal information is collected indirectly by the OSC under the authority granted to it under the securities legislation of Ontario;

  (iv) that such personal information is collected for the purposes of the administration and enforcement of the securities legislation of Ontario; and

  (v) that the public official in Ontario who can answer questions about the OSC's indirect collection of such personal information is the Administrative Support Clerk at the OSC, Suite 1903, Box 55, 20 Queen Street West, Toronto, Ontario M5H 3S8, Telephone: (416) 593-3684; and

(b) has authorised the indirect collection of the personal information by the OSC.

Further, the purchaser acknowledges that its name, address, telephone number and other specified information, including the number of Offer Securities it has purchased and the aggregate purchase price paid by the purchaser, may be disclosed to other Canadian securities regulatory authorities and may become available to the public in accordance with the requirements of applicable Canadian laws. By purchasing the Offer Securities, the purchaser consents to the disclosure of such information.

INDEPENDENT AUDITORS

General

The consolidated financial statements for the years ended 31 December 2013 and 2012, incorporated by reference in this Prospectus, have been audited by KPMG Accountants N.V. ("**KPMG**"), as stated in its reports. Both audit opinions were unqualified, but included an emphasis of matter paragraph relating to the existence of material uncertainties which may cast significant doubt about the entity's ability to continue as a going concern as set out in note 2 (2013) and note 4 (2012) to the audited financial statements for both 2013 and 2012. These emphasis of matter paragraphs are set out below.

KPMG is an independent registered accounting firm. The address of KPMG is Laan van Langerhuize 1, 1186 DS Amstelveen, the Netherlands. The auditor who signs on behalf of KPMG is a member of the Netherlands Institute of Chartered Accountants (*Nederlandse Beroepsorganisatie van Accountants*).

The Group's condensed consolidated interim financial statements for the six-month period ended 30 June 2014 and for the six-month period ended 30 June 2013 have not been audited. The Group's condensed consolidated interim financial statements for the six-month period ended 30 June 2014 have been reviewed by KPMG as stated in their review report, incorporated by reference into this Prospectus. The auditor's review report on the condensed consolidated interim financial statements for H1 2014 was unqualified but included an emphasis of matter paragraph relating to the existence of material uncertainties which may cast significant doubt about the entity's ability to continue as a going concern as set out in note 3 to the condensed consolidated interim financial statements for H1 2014. This emphasis of matter paragraph is set out below.

KPMG has given, and has not withdrawn, its consent to the incorporation by reference of its reports in this Prospectus in the form and context in which they are included. As the Offer Securities have not been and will not be registered under the U.S. Securities Act, KPMG has not filed a consent under the U.S. Securities Act.

The Company confirms that the information in the auditor's reports incorporated by reference in this Prospectus has been accurately reproduced and that as far as the Company is aware and able to ascertain from information published by the auditors, no facts have been omitted which would render the auditor's reports inaccurate or misleading.

Emphasis of matter paragraphs

Annual report 2013

"We draw attention to note 2 to the consolidated financial statements which indicates the existence of material uncertainties which may cast significant doubt about the entity's ability to continue as a going concern. Our opinion is not qualified in respect of this matter." For note 2 to the consolidated financial statements see pages 83-96 of the Company's annual report 2013.

Annual report 2012

"We draw attention to note 4 to the consolidated financial statements which indicates the existence of material uncertainties which may cast significant doubt about the entity's ability to continue as a going concern. Our opinion is not qualified in respect of this matter." For note 4 to the consolidated financial statements see pages 106-107 of the Company's annual report 2012.

Half year report for the six month period ended 30 June 2014

"We draw attention to note 3 to the interim financial statements, which indicates the existence of material uncertainties which may cast significant doubt about the entity's ability to continue as a going concern. Our conclusion is not qualified in respect of this matter." For note 3 to the interim financial statements see pages 26-28 of the Company's half year report for the six month period ended 30 June 2014.

GENERAL INFORMATION

Corporate resolutions

On 7 October 2014, the General Meeting authorised the Board of Management, subject to the approval of the Supervisory Board, to grant the Rights and to issue the Offer Shares and to validly exclude the statutory pre-emptive rights (*wettelijke voorkeursrechten*) of holders of Ordinary Shares in relation to the Offering.

On 7 October 2014, the Board of Management resolved, subject to the approval of the Supervisory Board, to grant the Rights and to issue the Offer Shares and to validly exclude the statutory pre-emptive rights (*wettelijke voorkeursrechten*) of holders of Ordinary Shares in relation to the Offering. The Supervisory Board approved, ratified and confirmed the aforementioned resolution of the Board of Management on 7 October 2014.

Significant changes in the Company's financial or trading position

No significant changes in the financial or trading position of the Company or the other Group Companies have occurred since 30 June 2014, other than:

- an additional round of restructuring measures (the New Cost and Efficiency Programme) which is expected to be implemented to strengthen competitiveness and profitability in light of the ongoing challenging market conditions (the Company is planning to implement the New Cost and Efficiency Programme in the second half of 2014, however it remains a possibility that some elements of the programme will not be finalised before the end of 2014, in which case the measures will be further implemented in 2015; see "Financial and Operational Restructuring – Operational Measures – Operational excellence programmes and restructuring measures"); and
- see "Operating and Financial Review – Recent Developments, Current Trading and Prospects".

Publication of the results of the Offering

The number of Offer Shares subscribed for in the Rights Offering, the announcement of the start of the Rump Offering, if any, the results of such Rump Offering, as well as whether any amount of the Unexercised Rights Payment is available for distribution to holders of unexercised Rights, will be published through a press release published in the Netherlands, which will be placed on the Company's website as soon as possible after allocation of the Offer Shares.

Legal name and trade names of the Company

The Company's legal name is Royal Imtech N.V. The Company's trade names include "Royal Imtech N.V.", "Van Rietschoten & Houwens", "Van Buuren Van Swaaij", "Imtech" and "Nettenbouw".

Availability of documents

Subject to applicable laws, the following documents (or copies thereof), where applicable, may be obtained free of charge from the Company's website (http://www.imtech.com):

- this Prospectus and any supplement to the Prospectus;
- The Group's audited consolidated financial statements, including the notes thereto, as of and for the financial years ended 31 December 2013 and 31 December 2012;
- The Group's unaudited reviewed condensed consolidated interim financial statements for the six-month periods ended 30 June 2014;

the current Articles in Dutch and in English.

In addition, copies of the unofficial English translation and the original Dutch version of the Articles of the Company, this Prospectus and any supplement to the Prospectus will be available free of charge at the Company's offices in Gouda during normal business hours for the life of this Prospectus.

Up-to-date investment information and press releases are freely available for download from the Company's website: http://www.imtech.com.

In addition, the Company has set up a toll free helpline and an email address for Shareholders and investors to answer questions regarding this Prospectus. The toll free telephone number of this helpline is 00800 3912 3912, and the email address is imtech@georgeson.com.

DEFINITIONS

The following definitions are used in this Prospectus.

2013 Financial Statements	The audited consolidated financial statements for the 2013 financial year
ABN AMRO	ABN AMRO Bank N.V.
AFM	The Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*)
Amendments	The amendments of the Group's Main Finance Agreements that were agreed on 25 August 2014, when the Company, Imtech Capital B.V. and the Main Financiers entered into the Lock-up Agreement and a binding term sheet for amendments to the Main Finance Agreements. These amendments will become effective on or about the Settlement Date, subject to settlement of the Offering.
APG	APG Algemene Pensioen Groep N.V.
Arma	AE-Arma Elektropanç
Articles	The articles of association of the Company, as amended from time to time
Audit Committee	The audit committee of the Supervisory Board
Benelux	The Netherlands, Belgium and Luxembourg
BIP	Bonus Incentive Plan
Board of Management	The management board (*raad van bestuur*) of the Company
Board of Management Rules	The rules governing the Board of Management principles and best practices of the Company
Break Costs	Various contractual loss compensation entitlements (both break costs and make-whole) arising pursuant to the application of proceeds of the Offering and ICT sale in prepayment of amounts outstanding under the Main Finance Agreements prior to their stated maturity and pursuant to the concurrent partial termination or close-out of the Group's hedging agreements
Burma Regulations	The Special Economic Measures (Burma) Regulations
cash conversion	Operational cash flow divided by operational EBITA, reflecting the Company's ability to generate cash
CEO	Chief executive officer
CEST	Central European Summer Time
CFO	Chief financial officer
CITA	Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*)
Code	The Dutch corporate governance code
Collateral Accounts	Several bank accounts that the Company must hold with Deutsche Bank Luxembourg S.A. as common agent of the Main Financiers, pursuant to the Intercreditor and Security Deed, on which the Company must under certain conditions deposit cash as collateral for guarantee exposure under the Guarantee Facilities and the RGA
COMMERZBANK	COMMERZBANK Aktiengesellschaft
Committed Bilateral Cash Facilities	The five committed bilateral cash facility agreements that are amended and restated on 17 June 2014 to reflect the terms of the MTS. See "Operating and financial review – External sources of funding, finance and indebtedness – The Main Finance Agreements – Committed Bilateral Cash Facilities"

Committed Shareholders	A group of funds managed by Orbis Investment Management Limited and/or its affiliates, which funds have collectively entered into a commitment letter with the Company in connection with the Offering
Company	Royal Imtech N.V.
Common Maturity Date	15 July 2017
Common Terms	Common terms to be implemented in amended finance documents of all Main Financiers, applicable to (and thereby replacing bilateral, deviating) terms on pricing, security, guarantor cover, information provision, financial covenants and undertakings, restructuring undertakings, debt reduction, use of deleveraging proceeds and enforcement rights, in each case with a view to create a level playing field across the Group's various debt instruments and were implemented in the Main Finance Agreements on 17 June 2014
Congo Regulations	The United Nations Democratic Republic of the Congo Regulations
Consolidated Net Finance Charges	The last twelve months aggregate of "interest expense on financial liabilities measured at amortised costs" (*rentelast uit tegen geamortiseerde kostprijs gewaardeerde financiële verplichtingen*) plus "net change in fair value of cash flow hedges transferred from equity" (*nettomutatie reële waarde van uit het eigen vermogen overgeboekte kasstroomafdekkingen*) minus (a) to the extent included in the above mentioned line items, any amounts paid in cash relating to any guarantee facilities, (b) "interest income" (interestbaten), and (c) amortised interest or fees relating to fees directly related to a refinancing of the Group's indebtedness
Consolidation Maximum	The number of ordinary shares that will be consolidated into 1 Ordinary Share, that is a whole number not higher than 500
Cost and Efficiency Programme	A company-wide operational excellence programme with a strong focus on improving profitability and cash generation and strengthening business control
Côte d'Ivoire Regulations	The United Nations Côte d'Ivoire Regulations
CSR	Corporate social responsibility
Cumulative Financing Preference Shares	Cumulative financing preference shares with a nominal value of EUR 0.01
Cumulative Preference Shares	Cumulative preference shares with a nominal value of EUR 0.01
DCC	Dutch Civil Code
DBFMO	Design, build, finance, maintain and operate
Deminor	A European company focusing on services in the field of shareholder engagement, investor protection, recovery of investment losses and corporate governance
DPRK Regulations	The Special Economic Measures (DPRK) Regulations
DNB	The Dutch Central Bank N.V. (*De Nederlandsche Bank N.V.*)
Dutch Corporate Entities	Entities that are subject to the CITA and are resident or deemed to be resident in the Netherlands for corporate income tax purposes
Dutch Enterprise Shares	Shares or any right to derive benefits from Shares which are attributable to an enterprise from which a Dutch Individual derives profits, whether as an entrepreneur or pursuant to a co-entitlement to the net worth of such enterprise (other than as an entrepreneur or a shareholder) or of which the benefits are taxable in the hands of a Dutch Individual as benefits from miscellaneous activities including, without limitation, activities which are beyond the scope of active portfolio investment activities

Dutch Individuals	Individuals who are resident or deemed to be resident in the Netherlands for Dutch income tax purposes or individuals who opt to be treated as if resident in the Netherlands for Dutch income tax purposes
Dutch Subsidiary	Each subsidiary of the Company incorporated in the Netherlands which had over EUR 1 million of revenue in the year preceding the signing of the MTS or had over EUR 1 million of gross assets on the date of signing of the MTS
Dutch Taxes	Taxes of whatever nature levied by or on behalf of the Netherlands or any of its subdivisions or taxing authorities
€ or EUR or euro	The lawful currency of the European Monetary Union
EBITDA	Result from operating activities before depreciation of property, plant and equipment, amortisation of intangible assets and impairment of property, plant and equipment and intangible assets
EBITDA Floor	The minimum Operational EBITDA that applies during the second and third quarter of 2016 between the Company and its Main Financiers
EBITA	Result from operating activities before amortisation and impairment on intangible assets
EBIT	Result from operating activities.
EEA	European Economic Area
EGF	The Group's main existing bank guarantee facilities that were amended and restated on 17 June 2014 to reflect the terms of the MTS. See: "Operating and financial review – External sources of funding, financing and indebtedness – The Main Finance Agreements – Guarantee Facilities"
Elements	Summaries that are made up of disclosure requirements
Eligible Person	A person defined as such in "Selling and Transfer Restrictions"
Enterprise Chamber	The enterprise chamber (*Ondernemingskamer*) of the Amsterdam Court of Appeals
Euroclear Nederland	Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.
Euronext Amsterdam	Euronext in Amsterdam, a regulated market of Euronext Amsterdam N.V.
Excess Amount	The excess amount the aggregate proceeds for the Rump Shares offered and sold in the Rump Offering, minus the selling expenses and any applicable taxes, that exceeds the aggregate Issue Price for such Rump Shares
Exercise Period	From 9:00 hours CEST on 9 October 2014 until 17:40 hours CEST on 22 October 2014
Existing MTS Waterfall	The existing waterfall arrangement that was previously agreed upon with the MTS
F&M Schweiz	Fritz & Macziol Schweiz
FACPA Tunisia and Egypt Regulations	The Freezing Assets of Corrupt Foreign Officials (Tunisia and Egypt) Regulations
Financial and Operational Restructuring	The sale of the ICT division, the Offering, the Operational Measures and the amendment of the Main Finance Agreements collectively
FMSA	Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*)
Foundation	Stichting Imtech

FSMA	The Financial Services and Markets Act 2000, is an act of the Parliament of the UK
FTEs	Full-time equivalents of the Group's employees
GBP	The pound sterling, the lawful currency of the UK
General Meeting	The Company's general meeting of shareholders, being the corporate body, or where the context require so, the physical meeting
GRC	Governance, risk and compliance
Green Campus	The Green Campus data centre in Frankfurt. See "Business – Divestment of Green Campus".
GRI	Global reporting initiative
Group	The Company and its Group Companies
Group Companies	Group companies within the meaning of Section 2:24b DCC, belonging to the Group, which includes the Company
Group Director GRC	The Company's group director GRC
Group Member	The Company and each subsidiary of the Company as defined in Section 2:24a of the Dutch Civil Code (Burgerlijk Wetboek) (whether or not such subsidiary is incorporated under the laws of the Netherlands)
Guarantee Facilities	The EGF, NGF and the RGA. See: "Operating and financial review – External sources of funding, finance and indebtedness – The Main Finance Agreements – Guarantee Facilities"
H1 2013	The six months period from 1 January 2013 to 30 June 2013
H1 2014	The six month period from 1 January 2014 to 30 June 2014
H1 2014 Interim Financial Statements	The reviewed but unaudited consolidated interim financial statements for H1 2014, prepared in compliance with IAS 34
H&S	Health and safety
H&S Team	The H&S managers of the divisions
HR	Human resources
HR & Remuneration Committee	The HR & remuneration committee of the Supervisory Board
HVAC	Heating, ventilation and air conditioning
IAS	International Accounting Standards
ICT	Information and communication technology
IFRS	International Financial Reporting Standards as adopted by the European Union
IM	The symbol under which the Ordinary Shares are listed on Euronext Amsterdam
ING	ING Bank N.V., acting through its corporate finance division
Initial Deleveraging Proceeds	The first EUR 250 million of deleveraging proceeds as distinguished in the Existing MTS Waterfall
Intercreditor and Security Deed	The intercreditor and security deed dated 17 June 2014 between, amongst others, the Company and the Main Financiers
Interest Cover Ratio	The ratio of Operational EBIT to Consolidated Net Finance Charges
Internal Revenue Code	Internal Revenue Code of 1986, as amended
Iran Regulations	The Special Economic Measures (Iran) Regulations

Irregularities	In early 2013, after significant unexpected write-offs on projects in Poland and Germany, it became clear that financial results from Imtech Germany and Imtech Poland, for which Imtech Germany bore managerial responsibility, had been considerably inflated. Further write-offs followed in the Netherlands, Spain, Turkey and Marine, because certain business units had sought to disguise declining results as a consequence of weak market circumstances by overstating results and understating operating expenses, but also unethical business behaviour and other irregularities were uncovered. In addition, in February and March 2014 the Group announced that it uncovered that irregularities had taken place in Switzerland.
IRS	The Internal Revenue Service of the United States
ISIN	International Securities Identification Number
Issue Price	EUR 0.01 per Offer Share
IT	Information technology
KPI	Key performance indicator
KPMG	KPMG Accountants N.V.
Large Company	Dutch public limited liability company which meets at least two of the three criteria referred to in Section 2:397 section 1 DCC, which criteria are: (1) the value of the company's assets according to its balance sheet is, on the basis of the purchase price or manufacturing costs, more than EUR 17.5 million; (2) the net turnover is more than EUR 35 million; and (3) the average number of employees is 250 or more
Liberia Regulations	The United Nations Liberia Regulations
Libya Regulations	The Regulations Implementing the United Nations Resolutions on Libya
Lock-up Agreement	The agreement that amended the Group's Main Finance Agreements between the Company, Imtech Capital B.V. and the Main Financiers (now including all RCF Lenders, where the MTS included only a quorum) dated 25 August 2014
Main Financiers	A quorum of the Group's main financiers that is party to the MTS
Main Finance Agreements	The Group's main finance arrangements between the Main Financiers and Group Companies that were newly entered into or amended and restated on 17 June 2014 to reflect the Common Terms of the MTS
Market Take-up	The proportion that the number of Offer Shares subscribed and paid for in the Rights Offering on the Settlement Date plus the number of Rump Shares sold and paid for in the Rump Offering, bears to the total number of Offer Shares issued by the Company (expressed as a percentage)
Material Subsidiary	Each subsidiary of the Company whose total assets or total revenues by reference to the Company's audited consolidated financial statements account for five per cent or more of the consolidated total assets or consolidated total revenues of the Group
MFA Operational EBITDA	The consolidated last twelve months EBITDA adjusted for certain exceptional, one off, non-recurring or extraordinary items, such as, amongst others, fees directly related to the refinancing of the Group's indebtedness and costs associated with an operational restructuring of the business of any Group Member, which items are capped at certain maximum amounts that are calculated at expected amounts with a buffer for unforeseen items

MTS	The medium term solution for the restructuring of the existing indebtedness of the Group and the Common Terms which were implemented into the Main Finance Agreements
New Cost and Efficiency Programme	Additional restructuring measures to be implemented in the second half of 2014 in order to strengthen competitiveness and profitability in light of the ongoing challenging market conditions and efficiency programmes, as announced by the Company in August 2014
NGF	The Group's new syndicated bank guarantee facility dated 17 June 2014 that was provided by certain Main Financiers
Governance & Nomination Committee	The governance & nomination committee of the Supervisory Board
OCF	The Operational Cashflow
OCF Floor	The minimum OCF that applies during the second and third quarter of 2016 between the Company and its Main Financiers
Offering	Rights Offering and Rump Offering
Offer Securities	Offer Shares and Rights
Offer Shares	60,082,154,924 new Ordinary Shares that will be offered in the Offering
Operational EBIT	The consolidated last twelve months EBIT adjusted for certain exceptional, one off, non-recurring or extraordinary items such as, amongst others, fees directly related to the refinancing of the Group's indebtedness and costs associated with an operational restructuring of the business of any Group Member, which items are capped at certain maximum amounts that are calculated at expected amounts with a buffer for unforeseen items
Operational Measures	Measures to establish the Group's operation through a number of operational excellence programmes and measures to adapt and strengthen the Group's GRC framework
Ordinary Shares	The ordinary shares in the Company's share capital with a nominal value of EUR 0.01 per share
OSC	The Ontario Securities Commission
PCMLTFA	The Canadian *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*
PFIC	Passive foreign investment company
Private Placement Province	The Canadian province of Ontario
Prospectus	This prospectus dated 8 October 2014
Prospectus Directive	Directive 2003/71/EC and amendments thereto, including Directive 2010/73/EU
Prospectus Regulation	Regulation (EU) No. 809/2004, as amended from time to time
Q1 2016	The first quarter of 2016
Q2 2014	The second quarter of 2014
QIBs	Qualified institutional buyers
Rabobank	Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.
RCF	The EUR 700 million multicurrency revolving credit facility agreement dated 1 November 2010, which the Company and Imtech Capital B.V. have entered into as borrowers with a syndicate of lenders
Record Date	17:40 hours CEST on 8 October 2014
Regulation S	Regulation S under the U.S. Securities Act
Relevant Member State	An EEA State which has implemented the Prospectus Directive

Report	The report to shareholders dated 18 June 2013
RGA	The RCF-funded bank guarantee facility that was incorporated in certain Committed Bilateral Cash Facilities on 17 June 2014 pursuant to the RCF. See “Operating and financial review – External sources of funding, financing and indebtedness – The Main Finance Agreements – Guarantee Facilities”
Rights	The transferable subscription rights for Offer Shares
Rights Offering	The offer to subscribe for Offer Shares through the exercise of the Rights
RIUNRE	The Regulations Implementing the United Nations Resolution on Eritrea
RIUNRI	The Regulations Implementing the United Nations Resolution on Iran
RIUNRS	The Regulations Implementing the United Nations Resolutions on Somalia
RIUNRST	The Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism
RSA	New Hampshire revised statutes
Royal Designation	Koninklijke Imtech or Royal Imtech
Rule 144A	Rule 144A under the U.S. Securities Act
Rump Offering	The offer and sale of the Rump Shares
Rump Shares	The Offer Shares that were issuable upon the exercise of Rights but that have not been validly subscribed for during the Exercise Period
SBGBI	Stichting Belangenbehartiging Gedupeerde Beleggers Imtech
SEK or Swedish Krona	The lawful currency of Sweden
Seco	Swiss State Secretariat for Economic Affairs
Security Agent	Deutsche Bank Luxembourg S.A.
Senior Leverage Ratio	The Senior Leverage Ratio is the ratio of consolidated senior net debt to MFA Operational EBITDA. Consolidated senior net debt is the sum of loans, borrowings and bank overdrafts, minus payment in kind reserve, subordinated loans (if any) and (except for any restricted cash) cash and cash equivalents. Restricted cash is the amount of cash and cash equivalents that in terms of timing or costs cannot be easily exported due to exchange, fiscal or legal restrictions, is held on accounts for fiscal retentions or is held by a joint-venture, but does not include the amount of cash and cash equivalents that is blocked for guarantee facilities.
Senior Leverage Ratio (Margin)	An adjusted version of the Senior Leverage Ratio, in which restricted cash includes the amount of cash and cash equivalents that is blocked for guarantee facilities (including amounts held in cash collateral accounts for the Guarantee Facilities)
Settlement Date	27 October 2014
Shareholder	The holder of one or more Ordinary Shares
Share Consolidation	The consolidation of the issued Ordinary Shares and Cumulative Finance Preference Shares in the share capital of the Company
Shares	The Ordinary Shares, the Cumulative Preference Shares and the Cumulative Financing Preference Shares
Stakeholders	The Group’s customers, suppliers, employees, credit insurers, shareholders, and other stakeholders

Subscription, Listing and Paying Agent	ABN AMRO, acting through its Corporate Broking Department, in its capacity as subscription, listing and paying agent
Substantial Interest Shares	Shares, excluding Dutch Enterprise Shares, (including any capital gains realised on the disposal thereof) that are attributable to a (fictitious) substantial interest
Sudan Regulations	United Nations Sudan Regulations
Supervisory Board	The supervisory board (*raad van commissarissen*) of the Company
Supervisory Board Rules	The rules adopted by the Supervisory Board regarding its functioning and internal organisation
Syria Regulations	The Special Economic Measures (Syria) Regulations
Swiss Authorities	Both the Swiss federal public prosecutor's office and the public prosecutor's office of the Canton of Zurich
Tender Review Board	A tender review board to oversee the tender procedures for new projects set up by the Group
Total Leverage Ratio	The Total Leverage Ratio is the ratio of consolidated total net debt to MFA Operational EBITDA. Consolidated total net debt is equal to the consolidated senior net debt plus subordinated loans (if any).
Treaty	Income tax treaty between the Netherlands and the United States
UK	The United Kingdom of Great Britain and Northern Ireland
UNAQTR	The United Nations Al-Qaida and Taliban Regulations
Underwriters	ING, Rabobank, COMMERZBANK and ABN AMRO
Underwriting Agreement	The agreement dated 8 October 2014 between the Company and the Underwriters
Unexercised Rights Payment	A part of the Excess Amount paid in cash proportional to the number of unexercised Rights
United States	The United States of America
United States shareholder	A Shareholder who satisfies the conditions of the Treaty
UNRDPRK	The Regulations Implementing the United Nations Resolution on the Democratic People's Republic of Korea
USD	The United States Dollar, the lawful currency in the United States
USPP 2011	The senior notes that are now secured issued by the Group by means of a private placement in the United States, the UK and the Netherlands in December 2011
USPP 2012	The senior notes that are now secured issued by the Group by means of a private placement in the United States, the UK and the Netherlands in June 2012
USPPs	USPP 2011 and USPP 2012
U.S. Holder	A beneficial owner of Ordinary Shares that is, for United States federal income tax purposes: (i) a citizen or individual resident of the United States, (ii) a corporation, or other entity taxable as a corporation, created or organised in or under the laws of the United States or any political subdivision thereof, or (iii) an estate or trust the income of which is subject to United States federal income taxation regardless of its source
U.S. Securities Act	The United States Securities Act of 1933, as amended
VEB	Dutch Investors' Association (*Vereniging van Effectenbezitters*)
working capital	Current assets (excluding cash and cash equivalents) minus current liabilities (excluding bank overdrafts and current loans and borrowings)

Works Council	The central works council of the Company
Zimbabwe Regulations	The Special Economic Measures (Zimbabwe) Regulations

DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated in this Prospectus by reference and, as such, form part of this Prospectus:

- unofficial English translation and the original Dutch version of the Articles of the Company, as at the date of this Prospectus, which have previously been published;
- The Company's audited consolidated financial statements prepared in accordance with IFRS for the financial year ended 31 December 2013 which have been previously published, and the auditor's report dated 17 March 2014, attached as pages 73 up to and including 156, respectively pages 158 up to and including 159, to the Company's annual report 2013;
- The Company's audited consolidated financial statements prepared in accordance with IFRS for the financial year ended 31 December 2012 which have been previously published, and the auditor's report dated 18 June 2013, attached as pages 88 up to and including 172, respectively pages 174 up to and including 175, to the Company's annual report 2012;
- The Company's unaudited reviewed condensed consolidated interim financial statements for the six-month period ended 30 June 2014 which have previously been published, and the auditor's review report dated 26 August 2014, attached as pages 20 up to and including 42 to the Company's half year report for the six month period ended 30 June 2014.

These documents (or copies thereof) may be obtained free of charge from the Company's website (www.imtech.com).

No Incorporation of Website

The contents of the Company's website, including any websites accessible from hyperlinks on the Company's website, do not form part of and are not incorporated by reference into this Prospectus.

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