



**GRONTMIJ N.V.**

*(a public company incorporated under the laws of the Netherlands, with its corporate seat in De Bilt, the Netherlands)*

Two (2) for one (1) rights issue of 42,645,000 new bearer depositary receipts of ordinary shares at an issue price of EUR 1.87 for each bearer depositary receipt.

Grontmij N.V. (**Grontmij** or the **Company**) offers 42,645,000 new bearer depositary receipts of ordinary shares in its capital with a nominal value of EUR 0.25 each (the **Offer BDRs**). The Offer BDRs are being offered by granting the holders of bearer depositary receipts (the **BDRs**) of ordinary shares in the capital of Grontmij with a current nominal value of EUR 0.25 each (the **Ordinary Shares**) and holders of Ordinary Shares other than Grontmij share administration trust (*Stichting Administratiekantoor van aandelen Grontmij N.V.*) (the **Trust Office**) on the Record Date transferable subscription entitlements (the **Rights**) to subscribe for Offer BDRs pro rata to their holdings in the BDRs and Ordinary Shares, at an issue price of EUR 1.87 for each Offer BDR (the **Issue Price**), subject to applicable securities laws and on the terms set out in this Prospectus (the **Rights Offering**).

Each BDR or Ordinary Share held immediately after the close of trading in BDRs on NYSE Euronext in Amsterdam (**Euronext Amsterdam**) at 17:40 Central European Time (**CET**) on 10 May 2012 (the **Record Date**) will entitle its holder, other than the Trust Office, (each a **BDR Holder**) to one Right. Subject to applicable securities laws and the terms set out in this Prospectus, Eligible Persons (as defined in chapter 8 "Selling and Transfer Restrictions") (whether a BDR Holder on the Record Date or a subsequent transferee of Rights) will be entitled to subscribe for two (2) Offer BDRs for every one (1) Right held against payment of the Issue Price for each Offer BDR by exercising their Rights from 09:00 CET on 11 May 2012 until 15:00 CET on 23 May 2012 (the **Exercise Period**). Exercised Rights cannot be revoked or modified, except for certain circumstances as set out in chapter 6 "Offering". The statutory pre-emptive rights (*wettelijke voorkeursrechten*) of the BDR Holders in respect of the Rights Offering have been excluded.

The following BDR Holders have irrevocably committed themselves to subscribe for a number of Offer BDRs, *pro rata* to their capital interest at the time of entering into such irrevocable commitment: Kempen Orange Fund N.V. (0.55%), Kempen Oranje Participaties N.V. (5.30%), Delta Lloyd Deelnemingen Fonds N.V. (10.04%), Delta Lloyd Levensverzekering N.V. (6.10%), Darlin N.V. (5.02%), Optiverder B.V. (5.63%) and ING AM Insurance Companies B.V., acting as manager of ING Dochterfonds (15.88%) (the **Committed BDR Holders**). Following the expiry of the Exercise Period, any Offer BDRs that were issuable upon the exercise of Rights, but have not been subscribed for during the Exercise Period (the **Rump BDRs**) will be offered for sale by ING Bank N.V. and Nordea Bank Danmark A/S (the **Joint Global Coordinators**) by way of a private placement to institutional investors in the Netherlands and certain other jurisdictions (the **Rump Offering**).

The Rump Offering is expected to commence at 08:00 CET on or about 24 May 2012 and to end no later than 17:30 CET on or about 24 May 2012. The Joint Global Coordinators will use their reasonable efforts to procure purchasers for the Rump BDRs. The price per Rump BDR must be at least equal to the Issue Price, plus any expenses related to procuring such purchasers (including any non-recoverable value added tax). Any Rump BDRs not sold in the Rump Offering (excluding any Offer BDR in respect of which the Committed BDR Holders have irrevocably committed themselves to subscribe for) will be subscribed and paid for by the Joint Global Coordinators at the Issue Price, subject to the terms and conditions of an underwriting agreement entered into between Grontmij and the Joint Global Coordinators on 9 May 2012 (the **Underwriting Agreement**).

The Rights Offering and the Rump Offering, together referred to as the **Offering**, will be subject to the terms and conditions of the Underwriting Agreement.

BDR Holders who transfer, or who do not, or are not permitted to, exercise any of their Rights granted under the Offering will suffer a dilution of their proportionate ownership and voting rights of up to approximately 66.7% caused by the issue of the Offer BDRs.

Application has been made for the admission to listing and trading of the Rights and the Offer BDRs on Euronext Amsterdam. Grontmij expects that the Rights will be admitted to listing and trading on Euronext Amsterdam and that trading will commence at 09:00 CET on 11 May 2012 and will end at 13:00 CET on 22 May 2012, barring unforeseen circumstances. The Rights will be traded under the symbol "GRONR". Grontmij expects that the Offer BDRs will be admitted to listing and trading on Euronext Amsterdam and that trading will commence at 09:00 CET on or about 29 May 2012 under the current symbol "GRONT", barring unforeseen circumstances.

The Rights and Offer BDRs (including the Rump BDRs) will be delivered through the book-entry systems of Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. trading as Euroclear Nederland (**Euroclear Nederland**), in accordance with its normal settlement procedures applicable to equity securities.

**Investing in the Rights and the Offer BDRs involves certain risks. See chapter 2 "Risk factors" for a description of certain risks that should be carefully considered by potential investors prior to an investment in the Rights and the Offer BDRs.**

This Prospectus constitutes a prospectus for the purposes of Article 3 of the Prospectus Directive 2003/71/EC of the European Parliament and of the Council of the European Union (and amendments thereto, including the Prospective Directive Amendment Directive 2010/73/EC of the European Parliament and Council (the **2010 PD Amending Directive**) to the extent implemented in the Relevant Member State), including all relevant implementing measures (the **Prospectus Directive**) and has been prepared in accordance with chapter 5.1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) and the rules promulgated thereunder (the **Dutch Financial Supervision Act**). This Prospectus has been approved by the Dutch Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) (the **AFM**).

Distribution of this Prospectus may, in certain jurisdictions, be subject to specific regulations or restrictions. Persons in possession of this Prospectus are urged to inform themselves of any such restrictions which may apply in their jurisdiction and to observe them. Any failure to comply with these restrictions may constitute a violation of the securities laws of that jurisdiction. The Company disclaims all responsibility for any violation of such restrictions by any person. Also see chapter 8 "Selling and Transfer Restrictions".

The Rights and the Offer BDRs have not been, and will not be, registered under the United States Securities Act of 1933, as amended from time to time (the **Securities Act**) and may not be exercised, offered or sold in the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia (the **United States**) or to, or for the account or benefit of, US persons (as defined in regulation S under the Securities Act (**Regulation S**)) unless they are registered under the Securities Act, or an exemption from the registration requirements of the Securities Act is available. The Offering will be made in reliance on Regulation S.

Joint Global Coordinators

ING and Nordea

**This Prospectus is dated 10 May 2012**

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## 1. SUMMARY

*The following information should be read as an introduction to this Prospectus only. Any decision to invest in the Rights or Offer BDRs should be based on a consideration of this Prospectus (including the information in chapter 2 "Risk factors" and any supplement to this Prospectus) and the information incorporated by reference into this Prospectus, as a whole and not just this summary. Certain capitalised terms used in this summary are defined in chapter 20 "Definitions".*

*This summary does not provide a complete overview and does not contain all the information that the potential investor should consider in connection with any decision relating to the Rights or Offer BDRs. Civil liability is attached to the Company in respect of this summary but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to the information contained in this Prospectus is brought before a court in a Member State, the plaintiff investor may, under the national legislation of that Member State, be required to bear the costs of translating this Prospectus or any document incorporated in this Prospectus by reference before the legal proceedings are initiated.*

### 1.1 Industry and business

The Group is active within the engineering consultancy industry. The Group's business is structured in eight separate geographic regions. The regions are the Netherlands, France, Denmark, Sweden, United Kingdom, Belgium, Germany and 'other markets'. The 'other markets' include the Group's activities in Poland, Turkey and Hungary with an emerging presence in China. The Group also carries out certain non-core activities. The latter includes operating the Group's non-core assets (mainly real estate development projects and waste management operations). Performance is measured based on segment operating results, as included in the internal management reports that are reviewed by the Executive Board. Within the geographic regions, Grontmij is active in four business lines being Planning & Design, Transportation & Mobility, Water & Energy and Monitoring & Testing. The business lines will mainly serve as a platform for leveraging Grontmij's skills, knowledge and expertise and to drive the Group's growth activities. Both the public sector, national and regional, and private sector are major customers for Grontmij in all Grontmij's operating countries. The Group employs approximately 9,000 employees.

At the beginning of 2012, the Company introduced a new strategy called 'Back-on-Track' for the period up to 2015. Highlights of the new 'Back on Track' strategy of the Company:

- (a) Focus on Europe: engineering consultancy market is expected to follow its long-term, above GDP growth trend;
- (b) Restructuring in 2012 to achieve cost improvements, operational excellence improvements, to do selected divestments and to strengthen governance and controls;
- (c) Position Grontmij to realise profitable organic growth, and untap the national and cross border possibilities of five selected Group growth activities: (i) Energy (business line Water & Energy), (ii) highways & roads (business line Transportation & Mobility), (iii) light rail (business line Transportation & Mobility), (iv) sustainable buildings (business line Planning & Design) and (v) Monitoring & Asset management (business line Monitoring & Testing); and
- (d) A set of ambitious and at the same time realistic financial goals: (i) organic revenue growth target of 3 – 5% per year with 2012 as base year, (ii) EBITA target margin of 6 – 8% on total revenue in 2015 and (iii) trade working capital ratio target of maximum 15% of total revenue by the end of 2013.

The Group considers the following as its key strengths: (i) it is a services provider with specialist knowledge with local presence and ability to work cross-border; (ii) it is active in market sectors with potential for

growth; (iii) it has a leading position and reputation in main markets; (iv) it has a diversified customer base; and (v) its sustainability.

## **1.2 Risk factors**

Investing in the Rights and the Offer BDRs involves a high degree of risk. Potential investors should carefully consider the risks described below and all of the other information in this Prospectus before deciding to invest in the Rights or Offer BDRs. If any of the events or developments described below occurs, Grontmij's business, financial condition, results of operations, profit or the price of the Rights and Offer BDRs could be adversely affected and potential investors could lose all or part of their investment in the Rights or Offer BDRs.

Although Grontmij believes that the risks and uncertainties described below are the risks and uncertainties which Grontmij currently considers to be material for the Group, they are not the only ones the Group faces. Additional risks and uncertainties that are not presently known to the Company, or that the Company currently deems immaterial, may also have a material adverse effect on the Group's business, results of operations, profit or financial condition and could adversely affect the price of the Rights or Offer BDRs.

Grontmij's revenue, profit and its financial condition are likely to continue to be adversely affected by the impact that the recent economic downturn has had, and may continue to have, on customer spending.

Grontmij is dependent on the policies and spending of its public sector customers for a substantial portion of its revenue and any change in their policies, programmes, spending levels or procurement methodologies may adversely affect its revenue, profit and financial condition.

The Company has engaged in acquisitions, strategic investments, strategic partnerships and alliances that may not be successful, and may in the future engage in transactions that do not have the desired effect. The Company may not be able to successfully complete transactions.

Grontmij may incur liabilities from former acquisitions and divestments and future acquisitions and divestments may not realise all anticipated benefits.

Customers increasingly demand greater risk assumption by the Group.

The Company is exposed to the risk of damage to its brands and reputation and the brands and reputations of its partners.

The Company depends on the performance of third party subcontractors and business partners.

Grontmij's Back on Track strategy may not be fully implemented.

The Company may fail to implement the targeted cost reductions or the cost reduction measures may have a lesser impact than anticipated.

The Company may fail to improve its operational excellence (including working capital reduction) or the measures to improve its operational excellence may have a lesser impact than anticipated.

The Company may fail to divest certain non-core assets and activities or the divestments may have a lesser impact than anticipated.

The Company may fail to strengthen its governance and control processes, or the measures that it has taken to that end may have a lesser impact than anticipated, which could adversely affect the Company's ability to manage the Group's operations effectively and may cause delays or errors in the Group's financial reporting.

The Company's business is focused on Europe and it is therefore particularly exposed to changes in the economic, political and market conditions in this region.

The five selected growth activities on which the Company focuses may not generate the anticipated growth and margin.

If calculations or estimates of the overall risks, revenue or costs of any particular project or contract prove inaccurate or circumstances change, then lower than anticipated profit may be achieved or a loss may be incurred on such projects or contracts.

Grontmij's internal control systems may not adequately identify all risks and the Company may not properly assess the impact such risks may have.

Grontmij relies significantly on the skills and experience of the Executive Board members and a (potential) loss of these individuals could adversely affect Grontmij.

Grontmij's future success depends on its ability to attract, retain and motivate qualified personnel.

Grontmij's profitability may suffer if the Company is not able to maintain adequate utilisation of its workforce.

If Grontmij fails to complete on time, misses a required performance standard or otherwise fails to adequately perform on projects, Grontmij may incur a loss on that project which adversely affects its revenue, profit and financial condition.

Grontmij is dependent on its IT systems and IT service providers, any failure in these systems or by the IT service providers may adversely affect the Company.

Grontmij's general liability, professional indemnity and project risk insurance may not provide sufficient coverage which may affect the Company's revenue, profit and financial condition.

Grontmij is exposed to credit risks which, if they materialise, may adversely affect its profit and financial condition.

Adverse weather conditions, catastrophic events, terrorist attacks, acts of war, hostilities, riots, civil unrest, pandemic diseases and other unpredictable events may adversely affect Grontmij.

Grontmij has identified certain weaknesses in its financial reporting. Failure to address these weaknesses, or to do so in time or if these actions do not have the desired effect, may cause financial information provided to Grontmij by its operating companies to be unreliable which may impair effective management of the Group's operations and may cause delays in the Group's external financial reporting.

Grontmij's financial flexibility is restricted by its level of indebtedness and its financial covenants which may adversely affect its revenue, profit and financial condition.

The demand for Grontmij's services is sensitive to upturns and downturns in the market while Grontmij has a relatively large fixed cost base.

Deteriorating markets could result in the impairment of goodwill and other intangible assets or fixed assets which may adversely affect Grontmij's profit and financial condition.

If projects are terminated before certain milestones are reached, Grontmij's customers may not pay in full all amounts due to the Company, or costs incurred by it, which may adversely affect the Company's profit.

Grontmij is exposed to liquidity risk and any inability to maintain sufficient cash flows could materially disrupt its business operations, harm its reputation and its ability to raise further capital and financing.

Grontmij is subject to certain financial covenants and any breach of such covenants may result in the accelerated maturity of some or all of its indebtedness.

Grontmij is exposed to interest rate risk and any fluctuations in the interest rate that are not adequately hedged may adversely affect the Company's profit and financial condition.

Grontmij's tax liability may increase if tax laws and regulations become subject to adverse interpretations or inconsistent enforcement or may be greater than currently anticipated.

Grontmij's assessment of tax assets and tax liabilities may prove incorrect which may adversely affect its profit and financial condition.

Grontmij may need additional equity or debt funding in the future which may not be available.

Exchange rate fluctuations may adversely affect Grontmij's revenue and profit.

Disappointing performance of defined benefit pension plans may adversely affect Grontmij's revenue and profit.

Failure to comply with laws and regulations may harm Grontmij.

Employee, agent or partner misconduct or failure to comply with anti-bribery and other government laws and regulations could harm Grontmij's reputation, reduce its revenue and profit, and subject it to administrative, criminal and civil enforcement actions.

The market price of the Rights and Offer BDRs may be volatile and investors may not be able to sell the Offer BDRs or the Rights at or above the price at which they acquired them.

In case closing of the Offering does not take place on the closing date, or at all, the Offering may be withdrawn. Both the exercised and the unexercised Rights will be forfeited without compensation to their holders, and the subscriptions for and allocation of Offer BDRs that have been made will be disregarded.

If the Offering and/or the Refinancing is not completed, there may be consequences for the Group which could have a material adverse effect on its business, results of operations or financial condition.

No active trading market may develop for the Rights and if a market does develop, the market price of the Rights will be affected by, and may be subject to greater volatility than, the market price of BDRs.

BDR Holders will experience significant dilution as a result of the completion of the Offering if they do not or cannot exercise their Rights in full.

Grontmij's ability to pay dividends to BDR Holders may be constrained in which case appreciation of market price, if any, may be the BDR Holders' only source of economic gains (if any).

Grontmij may in the future seek to raise capital by conducting equity offerings or other increases in capital which may further dilute BDR Holders' stake.

Future sales – or the possibility of future sales – of a substantial number of the BDRs may affect the market price of the BDRs.

Rights may not be acquired and/or exercised by certain BDR Holders resident outside the Netherlands and these BDR Holders will experience dilution in connection with the Offering and any future offerings. BDR Holders' pre-emptive rights in future offerings may also be excluded entirely which will lead to dilution of the BDR Holders' stake.

The Company's articles of association contain provisions that may prevent, slow down or discourage takeover attempts and resist unwanted influence on and pressure to amend the strategy of the Company by BDR Holders that may be favourable to the BDR Holders.

The rights and responsibilities of a BDR Holder will be governed by Dutch law and will differ in some respects from the rights and obligations of BDR Holders under the laws of other jurisdictions and the shareholder rights under Dutch law may not be as clearly established as the shareholder rights established under the laws of some other jurisdictions.

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

BDR Holders may be subject to exchange rate risks.

In case the Rump Offering is unsuccessful, the Joint Global Coordinators may obtain a significant interest in the Company and their interests may conflict with the interests of other BDR Holders.

US investors may have difficulty enforcing their rights against Grontmij and its directors and officers.

### 1.3 Summary of the terms of the Offering

<b>Company</b>	Grontmij N.V.
<b>Ordinary Shares and BDRs outstanding</b>	As at the date of this Prospectus, the Company's issued and outstanding share capital comprises 21,322,500 Ordinary Shares. As at the date of this Prospectus, 21,043,948 BDRs are outstanding.  Immediately after the Offering, the Company's issued and outstanding share capital comprises 63,967,500 Ordinary Shares. Immediately after the Offering, 63,688,948 BDRs are outstanding.
<b>Listing of and trading in existing BDRs</b>	The existing BDRs are listed and traded on Euronext Amsterdam under the symbol "GRONT".
<b>Use of proceeds</b>	The Company expects to receive approximately EUR 80 million in gross proceeds from the Offering. The Company expects the total costs related to the Offering to be EUR 7 million, and any related corporate tax benefit has not yet been taken into account. The Company will use the full net proceeds of the Offering to repay in part its Current Facility (of which the Company has already repaid EUR 35 million) on or about 29 May 2012 and will use the funds available under the New Credit Agreement for business restructuring and general corporate purposes.
<b>Offering</b>	The Offering comprises 42,645,000 Offer BDRs.
<b>Issue Price</b>	EUR 1.87 for each Offer BDR.
<b>(In-)Eligible Person</b>	Any person residing in an Ineligible Jurisdiction or with a citizenship from an Ineligible Jurisdiction such that he cannot lawfully participate in the Offering; or any BDR Holder or any other person residing in a jurisdiction outside the Netherlands wherein the Rights and the Offer BDRs may be offered, but to



whom certain restrictions apply, as set out in chapter 8 "Selling and Transfer Restrictions", as a result of which he cannot lawfully participate in the Offering is an **Ineligible Person**. In this Prospectus, persons who are not Ineligible Persons are referred to as **Eligible Persons**.

**Pre-emptive rights**

The statutory pre-emptive rights (*wettelijke voorkeursrechten*) for the shares underlying BDRs of the BDR Holders in respect of the Offering have been excluded.

**Record Date**

The Record Date is immediately following the close of trading in the BDRs on Euronext Amsterdam at 17:40 CET on 10 May 2012.

**Rights**

Each BDR or Ordinary Share held immediately after the close of trading in BDRs on Euronext Amsterdam at 17:40 CET on the Record Date will entitle its holder, other than the Trust Office, to one Right. Subject to applicable securities laws and the terms set out in this Prospectus, Eligible Persons (whether a BDR Holder on the Record Date or a subsequent transferee of Rights) will be entitled to subscribe for two (2) Offer BDRs for every one (1) Right held against payment of the Issue Price for each Offer BDR. No fractional Offer BDRs will be issued.

If a person holds BDRs on the Record Date, the financial intermediary through which that person holds BDRs will customarily provide that person with details of the aggregate number of Rights to which that person will be entitled, subject to applicable securities laws. If a person is a BDR Holder entitled to receive Rights but has received no information from its financial intermediary with respect to the Offering, that person should contact its financial intermediary.

If a person holds Ordinary Shares (other than the Trust Office) rather than BDRs and those Ordinary Shares are registered in the Company's shareholders' register, that person will receive Rights to subscribe for Offer BDRs and will be sent a letter by the Company, informing that person of the number of Rights to which it is entitled and of the procedures that it must follow to exercise or trade its Rights.

Upon exercise of the Rights granted to that person, that person will receive Offer BDRs in accordance with and subject to the terms and conditions of this Prospectus. No Ordinary Shares will be received by that person.

**Irrevocable commitments**

The following BDR Holders have irrevocably committed themselves to subscribe for a number of Offer BDRs, pro rata to their capital interest at the time of entering into such irrevocable commitment: Kempen Orange Fund N.V. (0.55%), Kempen Oranje Participaties N.V. (5.30%), Delta Lloyd Deelnemingen Fonds N.V. (10.04%), Delta Lloyd Levensverzekering N.V. (6.10%), Darlin N.V. (5.02%), Optiverder B.V. (5.63%) and ING AM Insurance Companies B.V., acting as manager of ING Dochterfonds (15.88%). The Committed BDR Holders' obligations in connection with their respective commitments will automatically lapse on 30

June 2012 at 17:30 hours (Amsterdam time), or when any material inaccuracies or omissions in the information provided to the relevant Committed BDR Holders in connection with their commitments would come to light concerning the Company, that would give these Committed BDR Holders cause to reconsider the investment in the Offer BDRs.

In consideration of each Committed BDR Holders' undertaking to subscribe for new Offer BDRs and subject to completion of the Offering, the Company shall pay the Committed BDR Holders a commitment fee of 2% of the total Issue Price for the Offer BDRs that are subject to such Committed BDR Holder's irrevocable undertaking.

**Listing of and trading in the Rights**

Trading in the Rights on Euronext Amsterdam is expected to commence at 09:00 CET on 11 May 2012 and to cease at 13:00 CET on 22 May 2012.

The Rights will be traded under the symbol "GRONR". If a person is an Eligible Person and wishes to sell all or part of its Rights and that person is holding its BDRs through a financial intermediary, that person may instruct the financial intermediary through which it holds its Rights in accordance with the instructions received from it. An Eligible Person may also instruct its financial intermediary to buy Rights on its behalf. If a person is interested in trading, selling or buying Rights, it should be aware that it may be restricted from buying and/or exercising Rights and acquiring Offer BDRs if that person is located in a jurisdiction other than the Netherlands and therefore ineligible to participate in the Offering.

**Exercise Period**

The Exercise Period starts at 09:00 CET on 11 May 2012. Subject to applicable securities laws, Eligible Persons can only validly exercise their Rights during the Exercise Period. The last date and/or time before which notification of exercise instructions may be validly given may be earlier than the end of the Exercise Period, depending on the financial intermediary through which the relevant person holds its Rights.

Once a person has validly exercised its Rights, that person cannot revoke or modify that exercise unless the Company amends a material term of the Offering or amends this Prospectus in any material respect. If a person has exercised its Rights, that person will be obliged to pay the Issue Price for each Offer BDR subscribed for. Upon exercise of the Rights, such Rights must be delivered to the BDR Holder's financial intermediary, the financial intermediary of the subsequent transferee of Rights, or the investor's financial intermediary.

If a person has not validly exercised its Rights before the end of the Exercise Period at 15:00 CET on 23 May 2012 (or so much earlier as instructed by its financial intermediary), that person will no longer be able to exercise its Rights.

**Rump Offering and underwriting**

Following the expiry of the Exercise Period, the Joint Global Coordinators will offer the Rump BDRs (if any) for sale by way of

private placements in the Netherlands and certain other jurisdictions, subject to the terms and conditions of the Underwriting Agreement.

The Rump Offering is expected to commence at 08:00 CET on or about 24 May 2012 and to end no later than 17:30 CET on or about 24 May 2012.

The price per Rump BDR will be at least equal to the Issue Price plus any expenses related to procuring buyers for the Rump BDRs (including any non-recoverable value added tax).

The Joint Global Coordinators will subscribe and pay the Issue Price for each and any Rump BDR not sold in the Rump Offering, subject to the terms and conditions of the Underwriting Agreement, excluding any Offer BDR in respect of which the Committed BDR Holders have irrevocably committed themselves to subscribe for.

#### **Unexercised Rights Payment**

Upon the completion of the Rump Offering, if the aggregate proceeds for the Rump BDRs offered and sold in the Rump Offering, after deduction of selling expenses (including any non-recoverable value added tax) exceed the total Issue Price for such Rump BDRs (such 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 a part of the Excess Amount in cash proportional to the number of unexercised Rights reflected in such holder's securities account (the **Unexercised Rights Payment**), but only if that amount is equal to or exceeds EUR 0.01 per unexercised Right.

Grontmij cannot guarantee that the Rump Offering will be successfully completed. Should the Rump Offering take place, Grontmij, the Subscription, Listing and Settlement Agent, the Joint Global Coordinators or any person procuring buyers of Rump BDRs will not be responsible for any lack of Excess Amount arising from any placement of the Rump BDRs in the Rump Offering.

#### **Dilution**

BDR Holders who transfer, or who do not, or are not permitted to, exercise any of their Rights granted under the Offering will suffer a dilution of their proportionate ownership and voting rights of up to approximately 66.7% caused by the issue of the Offer BDRs.

#### **Payment and delivery**

Payment for the Offer BDRs to the Subscription, Listing and Settlement Agent must be made no later than on the Settlement Date, which is expected to be 29 May 2012.

BDR Holders, and other persons holding Rights, that hold their Rights through a financial intermediary should pay the Issue Price for each Offer BDR subscribed for in accordance with the instructions they receive from their financial intermediary. The financial intermediary will pay the Issue Price to the Company through the Subscription, Listing and Settlement Agent. Financial intermediaries may require the payment for the Offer BDRs prior to the Settlement Date.

	The Offer BDRs will be delivered through the book-entry systems of Euroclear Nederland.
<b>Listing and trading of the Offer BDRs</b>	Application has been made for admission to listing and trading of the Offer BDRs on Euronext Amsterdam. The Company expects that the Offer BDRs will be listed, and that trading in the Offer BDRs will commence, on Euronext Amsterdam at 09:00 CET on or about 29 May 2012, barring unforeseen circumstances.  The Offer BDRs will be listed and traded on Euronext Amsterdam under the symbol "GRONT".
<b>Codes for the Offer BDRs</b>	Symbol: "GRONT". ISIN code: NL0000853034. Common code: 030403380.
<b>Codes for the Rights</b>	Symbol: "GRONR". ISIN code: NL0010168712 . Common code: 078246197.
<b>Voting rights, dividends and ranking</b>	The Offer BDRs will, upon issue, rank <i>pari passu</i> in all respects with the then outstanding BDRs. The Offer BDRs will be eligible for any dividends which the Company may declare on Ordinary Shares for which the BDRs have been issued, after the Settlement Date.
<b>Joint Global Coordinators</b>	ING Bank N.V. and Nordea Bank Danmark A/S.
<b>Subscription, Listing and Settlement Agent</b>	ING Bank N.V. in connection with the listing and admission of the Offer BDRs on Euronext Amsterdam only.
<b>Selling and transfer restrictions</b>	Subject to applicable securities laws, the Rights are being granted to existing BDR Holders. The Rights may only be exercised, bought or sold by Eligible Persons. No action has been or will be taken to permit a public offering of the Rights and the Offer BDRs in any jurisdiction outside the Netherlands. The Rights and the Offer BDRs have not been and will not be registered under the Securities Act and may not be exercised, offered, issued, sold, taken up, delivered, renounced, or transferred in or into the United States. The Rights and Offer BDRs are being offered by the Company only pursuant to Regulation S and only in those jurisdictions in which, and only to those persons to whom, offers and placement of the Offer BDRs (pursuant to the exercise of the Rights or otherwise) may lawfully be made.  Holders of Rights who exercise or trade their Rights or persons who buy Rights will be deemed to have made the representations and warranties set out elsewhere in the Prospectus.  Potential investors in the Rights and the Offer BDRs should carefully read chapter 8 "Selling and Transfer Restrictions".
<b>Conditions to the Offering</b>	The obligations of the Joint Global Coordinators under the Underwriting Agreement are subject to a number of conditions for

the benefit of the Joint Global Coordinators (for a selection of these conditions, see 7.3 'Conditions to the Offering'). If any or all of the conditions to the Underwriting Agreement are not met or not waived by the Joint Global Coordinators or if certain circumstances occur prior to payment for and delivery of the Offer BDRs, the Joint Global Coordinators may terminate the Underwriting Agreement, in which case the obligation of the Joint Global Coordinators to subscribe and pay for any Rump BDRs not sold in the Rump Offering (excluding any Offer BDR in respect of which the Committed BDR Holders have irrevocably committed themselves to subscribe for), and for any BDRs sold in the Offering but not timely paid for by such subscribers, will lapse. In this event, the Offering may be withdrawn. Upon withdrawal of the Offering, both the exercised and the unexercised Rights granted will be forfeited without compensation to their holders and the subscriptions for and allocation of the Offer BDRs that have been made will be disregarded. Any subscription payment 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, but non-settled trades will be deemed null and void. There will be no refund for any Rights bought in the market. All trades in Rights prior to the Settlement Date are at the sole risk of the parties concerned. The Company, the Subscription, Listing and Settlement Agent, the Joint Global Coordinators and Euronext Amsterdam do not accept any responsibility or liability for any loss or damage incurred by any person as a result of a withdrawal of the Offering or (the related) annulment of any transactions in Rights on Euronext Amsterdam.

**Lock-up arrangements**

The Company and the Trust Office have agreed certain lock-up arrangements with the Joint Global Coordinators. These arrangements will be effective in accordance with, and subject to, the terms and conditions of the Underwriting Agreement and until 180 days after the Settlement Date.

## 1.4 Summary of financial information

This summary of financial information should be read in conjunction with the Consolidated Financial Statements and the notes thereto, incorporated by reference into this Prospectus. See also section 3.2 "Presentation of financial and other information".

### *Condensed consolidated statement of financial position*

*(EUR thousands, before appropriation of result)*

	Year ended 31 December		
	2011 <i>(audited)</i>	2010 <sup>1</sup>	2009 <sup>2</sup>
Goodwill	165,984	185,337	129,097
Intangible assets	62,825	73,690	70,426
Property, plant and equipment	49,506	49,542	38,697
Investments in equity accounted investees	7,244	7,863	14,265
Other financial assets	18,797	33,147	26,677
Deferred tax assets	2,953	2,979	7,913
<b>Non-current assets</b>	<b>307,309</b>	<b>352,558</b>	<b>287,075</b>
Receivables	371,099	374,900	249,883
Inventories	16,358	18,679	36,343
Income taxes	7,053	356	683
Cash and cash equivalents	44,371	61,933	29,670
Assets classified as held-for-sale	-	82,857	-
<b>Current assets</b>	<b>438,881</b>	<b>538,725</b>	<b>316,579</b>
<b>Total assets</b>	<b>746,190</b>	<b>891,283</b>	<b>603,654</b>
Share capital	5,331	5,206	4,441
Share premium	96,391	96,558	61,342
Reserves	44,950	39,043	80,652
Result for the year	-55,860	16,973	20,261
<b>Total equity attributable to equity holders of Grontmij</b>	<b>90,812</b>	<b>157,780</b>	<b>166,696</b>
Non-controlling interest	41	21	1,134
<b>Total equity</b>	<b>90,853</b>	<b>157,801</b>	<b>167,830</b>
Loans and borrowings	147,253	214,456	32,738
Employee benefits	13,018	10,305	13,673
Derivatives used for hedging	4,873	-	-
Provisions	41,402	40,521	28,138
Deferred tax liabilities	30,958	28,944	33,535
<b>Non-current liabilities</b>	<b>237,504</b>	<b>294,226</b>	<b>108,084</b>
Bank overdrafts	22,595	21,016	49,299
Loans and borrowings	52,417	24,756	22,555
Income taxes	3,718	-	-
Trade and other payables	325,100	332,005	242,805
Provisions	14,003	6,185	13,081
Liabilities classified as held for sale	-	55,294	-
<b>Current liabilities</b>	<b>417,833</b>	<b>439,256</b>	<b>327,740</b>
<b>Total equity and liabilities</b>	<b>746,190</b>	<b>891,283</b>	<b>603,654</b>

<sup>1</sup> Figures of 2010 are reclassified, see section 3.2 "Presentation of financial and other information".

<sup>2</sup> Figures of 2009 are reclassified, see section 3.2 "Presentation of financial and other information".

## Condensed consolidated income statement

(EUR thousands)

	Year ended 31 December		
	2011 <i>(audited)</i>	2010 <sup>3</sup>	2009 <sup>4</sup>
Revenue from services	899,644	803,224	750,291
Revenue from contract work	32,332	27,340	28,476
Revenue from the sale of goods	1,532	10,734	21,033
<b>Total revenue</b>	<b>933,508</b>	<b>841,298</b>	<b>799,800</b>
Third-party project expenses	-183,884	-152,742	-169,925
<b>Net revenue</b>	<b>749,624</b>	<b>688,556</b>	<b>629,875</b>
Direct employee expenses	-516,257	-452,540	-418,744
Direct other expenses	-4,393	-6,567	-2,001
<b>Total direct expenses</b>	<b>-520,650</b>	<b>-459,107</b>	<b>-420,745</b>
<b>Gross margin</b>	<b>228,974</b>	<b>229,449</b>	<b>209,130</b>
Other income	-69	1,507	3,722
Indirect employee expenses	-79,938	-83,097	-71,489
Amortisation	-8,835	-7,146	-6,990
Depreciation	-15,551	-13,404	-11,323
Impairments of non-current assets	-28,374	-	-
Indirect other operating expenses	-138,624	-100,133	-97,063
<b>Total indirect expenses</b>	<b>-271,322</b>	<b>-203,780</b>	<b>-186,865</b>
Share of results of investments in equity accounted investees	3,072	1,654	1,975
Reclassification from equity of available for sale financial assets	-	-	5,166
Result on sale of equity accounted investees (net of income tax)	-2,412	-676	177
	<b>660</b>	<b>978</b>	<b>7,318</b>
<b>Operating result</b>	<b>-41,757</b>	<b>28,154</b>	<b>33,305</b>
Finance income	7,528	6,578	5,353
Finance expenses	-21,119	-15,639	-10,624
<b>Net finance expenses</b>	<b>-13,591</b>	<b>-9,061</b>	<b>-5,271</b>
<b>Result before income tax</b>	<b>-55,348</b>	<b>19,093</b>	<b>28,034</b>
Income tax expense	-7,504	-5,249	-7,625
<b>Result after income tax from continuing operations</b>	<b>-62,852</b>	<b>13,844</b>	<b>20,409</b>
Profit from discontinued operations (net of income tax)	6,911	3,408	-
<b>Total result for the year</b>	<b>-55,941</b>	<b>17,252</b>	<b>20,409</b>

<sup>3</sup> Figures of 2010 are reclassified, see section 3.2 "Presentation of financial and other information".

<sup>4</sup> Figures of 2009 are reclassified, see section 3.2 "Presentation of financial and other information".

## Condensed consolidated statement of cash flows

(EUR thousands)

	Year ended 31 December		
	2011 <i>(audited)</i>	2010 <sup>5</sup>	2009 <sup>6</sup>
Result after income tax	-55,941	17,252	20,409
Result from discontinued operations	-6,911	-3,408	-
<b>Result after income tax continuing operations</b>	<b>-62,852</b>	<b>13,844</b>	<b>20,409</b>
Net cash from operating activities	8,846	31,242	52,279
Net cash from / (used for) investing activities	11,667	-58,127	-17,826
Net cash from / (used for) financing activities	-44,494	90,482	-47,644
<b>Movements in net cash position for the year of the continuing operations</b>	<b>-23,981</b>	<b>63,597</b>	<b>-13,191</b>
Movements in net cash position for the year of discontinued operations	-10,663	11,626	-
<b>Movements in net cash position for the year of the continuing and discontinued operations</b>	<b>-34,644</b>	<b>75,223</b>	<b>-13,191</b>

<sup>5</sup> Figures of 2010 are reclassified, see section 3.2 "Presentation of financial and other information".

<sup>6</sup> Figures of 2009 are reclassified, see section 3.2 "Presentation of financial and other information".



## 2. RISK FACTORS

*Investing in the Rights and the Offer BDRs involves a high degree of risk. Potential investors should carefully consider the risks described below and all of the other information in this Prospectus before deciding to invest in the Rights or Offer BDRs. If any of the events or developments described below occurs, Grontmij's business, financial condition, results of operations, profit or the price of the Rights and Offer BDRs could be adversely affected and they could lose all or part of their investment in the Rights or Offer BDRs.*

*Although Grontmij believes that the risks and uncertainties described below are the risks and uncertainties which Grontmij currently considers to be material for the company, they are not the only ones the Company faces. Additional risks and uncertainties that are not presently known to the Company, or that the Company currently deems immaterial, may also have a material adverse effect on its business, results of operations, profit or financial condition and could adversely affect the price of the Rights or Offer BDRs.*

### 2.1 Risks related to the market

***Grontmij's revenue, profit and its financial condition are likely to continue to be adversely affected by the impact that the recent economic downturn has had, and may continue to have, on customer spending.***

Demand for the Group's services is cyclical and vulnerable to economic downturns, public sector austerity programmes and reductions in private sector spending. The current economic downturn has resulted, and may continue to result, in customers delaying, limiting or cancelling proposed and existing projects. The customers of the Company may also find it more difficult to raise capital in the future due to limitations on the availability of credit and other uncertainties in the national, municipal and corporate credit markets. This may further adversely affect demand for its services. The Company may also have difficulties maintaining favourable pricing and payment terms and the customers may take longer to pay the Company's invoices. Any inability to collect invoices in a timely manner may lead to an increase in the Company's accounts receivables and to increased write-offs of uncollectible invoices. As a result of decreased demand for the type of services the Group provides, suppliers are competing more heavily to provide such services to the same customers which may also continue to put pressure on growth and prices. These factors may impact the Company's revenue, profit and financial condition.

***Grontmij is dependent on the policies and spending of its public sector customers for a substantial portion of its revenue and any change in their policies, programmes, spending levels or procurement methodologies may adversely affect its revenue, profit and financial condition.***

The Group is dependent on the policies of its public sector customers, including policies concerning investments in civil engineering and infrastructure. The level of public spending may decline as a consequence of austerity measures. A decrease in spending by public sector customers may have an adverse effect on the Company's revenue, profit and financial condition.

Public sector customers in each of the countries in which the Group operates may decide in the future to change certain of their policies and programmes, including reducing present and/or future investments in civil engineering and infrastructure projects or other areas in which the Company would expect to compete for work. Such changes in policies or programmes may lead to a reduction in investment in civil engineering and infrastructure projects.

Public sector customers in each of the countries in which the Group operates could also change their procurement methodologies, which could have an adverse impact on the Group's revenue, profit and financial condition. For example, if these public sector customers move towards other contracting models, such as framework agreements, the Group may not be able to secure such framework agreements, following which it will not be able to provide any services to the relevant customer for a longer period. In addition, providing services based on a framework agreement could have an adverse effect on the prices. Another

example is the joint procurement by several public sector customers (such as municipalities) of services provided by the Group. The Group may not be able to secure such agreements, following which for a longer period it will not be able to provide any services to the relevant public sector customers. Accordingly, if there are changes in the policies, programmes or procurement methodologies of public sector customers, the Company may be unable to maintain the existing levels of work for public sector customers and its margins could decrease. This could adversely affect its revenue, profit and financial condition.

## **2.2 Risks related to the business**

***The Company has engaged in acquisitions, strategic investments, strategic partnerships and alliances that may not be successful, and may, in the future, engage in transactions that do not have the desired effect. The Company may not be able to successfully complete transactions.***

The Company has engaged in acquisitions, strategic investments, strategic partnerships and alliances and may continue to do so in the future. The Company may not be able to complete those transactions on terms that it finds commercially acceptable, or at all. The inability to engage in or to complete such transactions may adversely affect its competitiveness and growth prospects.

If the Company acquires a company, it may have difficulty in assimilating that company's personnel, reporting, operations, technology, software and financial integration or to adapt its reporting to its own reporting systems. In addition, key personnel of the acquired company may decide to resign instead of working for the Company. In some cases, the Company has, or may have, difficulty in integrating the acquired products, services or technologies into its operations. These difficulties could disrupt the ongoing business, provide the Company's management with suboptimal information, distract the Company's management and employees and increase its expenses.

Furthermore, the acquisition of companies and their integration into the Group may not be as economically successful as expected (as was the case with Ginger, whose contribution to the full year EBITA during 2011 was lower than anticipated and whose financial reporting systems and procedures still needed to be aligned with the systems and procedures of the Company) or the management of such acquired companies may not be immediately embedded in the organisation structure of the Company (as also shown in the case of Ginger).

Each of these factors may adversely affect the Company's revenue, profit and financial condition.

***Grontmij may incur liabilities from former acquisitions and divestments and future acquisitions and divestments may not realise all anticipated benefits.***

Over the past years, the Company has divested a number of businesses and subsidiaries. The Company sold Ginger's telecom division in 2011. There may be unanticipated or unintended effects of past and future divestments. The sale agreements may contain warranties and indemnities that may give rise to unexpected liabilities and future divestments may not realise anticipated benefits. These liabilities may adversely affect the Company's profit and financial condition.

Before making an investment in a company or business, the Company 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 Company 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 Company or by third parties in connection with stakes in companies or businesses that the Company has acquired over the past years have been sufficient or have revealed 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 were not apparent at the time of acquisition. Although the Company normally obtains some warranties and indemnities from the seller, these warranties and indemnities may not cover all of the liabilities that may arise following the acquisition or any indemnification may not fully compensate the Company for any diminution in the value of its interest in such companies or businesses.

The Company 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. The absence of warranties and indemnities, expiry of the claim period for breach of warranty or indemnity or failure to successfully recover any amounts under a warranty or indemnity may adversely affect its profit and financial condition.

***Customers increasingly demand greater risk assumption by the Group.***

The customers of the Group increasingly demand a greater risk assumption for faulty performance. If an advice proves incorrect or services are rendered faulty, and this results in damages, the relevant company of the Group could be held responsible and liable for these damages. This may adversely affect the profit and financial condition of the Company.

***The Company is exposed to the risk of damage to its brands and reputation and the brands and reputations of its partners.***

The Company's success and its results depend in part on the strength of its brands and reputations, as well as the brands and reputations of partners that the Company works with in delivering services to customers. The Company attracts (and retains) business partly as a result of its customers' trust in the Company and its partners.

The brands and reputation of the Company or of its partners may be damaged due to, amongst others, mistakes in projects, non-compliance with regulations or business principles, health and safety issues, customer and supplier issues, litigation, employee misconduct, difficulties in operational or financial management, or negative publicity. Any damage to the brands and reputation of the Company or its partners may result in existing customers withdrawing their business from the Company or not awarding the Company future business, and an inability to attract new customers. This may adversely affect the Company's revenue, profit and financial condition.

***The Company depends on the performance of third party subcontractors and business partners.***

The Company partly relies on third-party subcontractors and business partners for carrying out its work. To the extent that the Company cannot engage subcontractors or business partners at reasonable costs, or if the amount that the Company is required to pay exceeds its estimates, its ability to complete a project in a timely fashion, or at a profit, may be impaired. In addition, if a subcontractor or a business partner is unable to deliver its services according to the negotiated terms for any reason, including the deterioration of its financial condition, the Company may be required to buy the services from another source at a higher price. Furthermore, a subcontractor or a business partner could cause damage, for which the Company could be held liable. This may adversely affect the Company's revenue, profit and financial condition.

### **2.3 Risks related to Grontmij's Back on Track strategy and operations**

***Grontmij's Back on Track strategy may not be fully implemented.***

The Back on Track strategy of the Company implies an extensive implementation programme focused on six actions: cost reductions, operational excellence improvement (including working capital reduction), selected divestments, strengthening governance and control processes, focus on Europe and focus on selected growth activities. The Company has to rigorously implement the planned actions to achieve the envisaged results. Although the Company has put in place a programme management structure to implement the strategy and the implementation structure has the full support of the Executive Board, there is the risk that the Company may not, or may not fully, achieve the implementation targets. This may adversely affect the Company's revenue, profit and financial condition.

***The Company may fail to implement the targeted cost reductions or the cost reduction measures may have a lesser impact than anticipated.***

The Company has announced on 19 December 2011 and 9 March 2012 to implement cost reduction measures in respect of support staff, real estate and IT. Additionally, after reviewing the budget of 2012 for the operations in France and given the fact that performance of the Planning & Design activities are below expectations, restructuring in 2012 of the Planning & Design activities and the French headquarters is necessary. These restructurings are planned for 2012. These cost-savings targets and initiatives are based on assumptions and expectations that may not be valid. As a consequence, the results of cost reduction measures that the Company has implemented (if at all) could fall short of the anticipated amounts. The costs involved with the implementation of these cost reduction measures may be higher than anticipated and/or the Company may fail to (fully) implement the cost reduction measures. Especially the implementation of the restructuring of the Planning & Design activities in France, which are carried out by a significant number of legal entities spread out over France with (in some cases multiple levels of) local management, may be difficult and may not (fully) succeed or the costs involved with the implementation may be higher than anticipated. In addition, the implementation of these cost reduction measures may (partly) disrupt the ongoing business and may distract the Company's management and employees. These factors may adversely affect the Company's revenue, profit and financial condition.

***The Company may fail to improve its operational excellence (including working capital reduction) or the measures to improve its operational excellence may have a lesser impact than anticipated.***

As part of its strategy, the Company focuses on the improvement of its operational excellence. The Company focuses on three main areas: reduction of trade working capital, improvement of project management which mainly revolves around managing project profitability and improvement of commercial excellence. The targeted improvements and initiatives are based on assumptions and expectations that may not be valid. Therefore, the results of the operational excellence measures that the Company has implemented (if any) could fall short of the envisaged improvement. Further, the envisaged improvement of operational excellence is significantly dependent on the commitment and cooperation of the Group's management and employees. Failure to achieve such commitment and cooperation may impede the (full) realisation of the envisaged improvements. The Company may fail to (fully) implement the operational excellence improvement measures. This may adversely affect the Company's revenue, profit and financial condition.

***The Company may fail to divest certain non-core assets and activities or the divestments may have a lesser impact than anticipated.***

The Company has identified certain non-core assets and activities as eligible for divestment or discontinuation. The Company may not realise all anticipated benefits, may incur losses due to revaluations of these non-core assets and activities or may not be able to sell all the identified non-core assets and activities, as the Company is dependent on potential buyers' willingness to buy these assets and activities. The Company may also incur liabilities from these divestments. These factors may adversely affect the Company's revenue, profit and financial condition.

***The Company may fail to strengthen its governance and control processes, or the measures that it has taken to that end may have a lesser impact than anticipated, which could adversely affect the Company's ability to manage the Group's operations effectively and may cause delays or errors in the Group's external financial reporting.***

The Company has started a programme to improve and align the internal reporting and operational and financial key performance indicators across its operating countries. Special attention will be put on financial consolidation, while focusing on forward-looking cash analysis. The organisation of the Group has been simplified and the Executive Board is now directly responsible for the different operating countries: every country reports directly to one of the Executive Board members. Financial reporting has been adjusted to reflect this focus on accountability per country, starting with the full year figures for 2011. The four business lines will mainly serve as a platform for leveraging skills, knowledge and expertise and to drive the Group's growth activities. In France, there will be additional focus on enhancing the governance and improving the reporting and the financial controls. Moreover, the current consolidation process requires multiple manual interfaces between the group and the country financial systems. The Company started a project to improve

both the system side and the process side of its consolidation, also focusing on forward-looking cash analysis.

Failure to implement these measures, or to implement these in time or if these measures do not have the desired effect, may result in the Company being unable to accurately monitor its performance or to take timely, appropriate and adequate management action. Also, such failure may prevent the Company from obtaining financial and performance related information from its operating companies on time and correctly consolidating that information on time. This may cause delays or errors in its external reporting. The costs involved with the implementation of these measures may also be higher than anticipated. These factors could have an adverse effect on the Company's revenue, profit and financial condition.

***The Company's business is focused on Europe and it is therefore particularly exposed to changes in the economic, political and market conditions in this region.***

The Company focuses on delivering its services to customers in the public and private sectors in Europe. The Company focuses on realising profitable organic growth in Europe. For these reasons, the Company is particularly exposed to changes in the economic, political and market conditions in Europe, or any part of it. Any adverse changes in the economic, political and market conditions in Europe, or any part of it, in which the Company operates could have an adverse effect on the Company's revenue, profit and financial condition.

***The five selected growth activities on which the Company focuses may not generate the anticipated growth and margin.***

The Company has identified five selected growth activities across its markets where it believes it can leverage the customer relationships and knowledge of one or more countries. The Company assessed the extent to which its expertise can be leveraged in other countries against market outlooks and potential profitability of these sectors. The assessments are based on assumptions and expectations that may not be valid. Although dedicated teams within the Company have been brought together to accelerate these actions, the Company may not be able to (fully) leverage the knowledge between countries and thus may not, or not fully, benefit from these growth activities. Failure to retain the specific expertise or market positions, that were the basis for defining the growth activities, may also adversely affect the Company's ability to take advantage of the outlooks and expected profitability of these growth activities. These factors may have an adverse effect on the Company's revenue, profit and financial condition.

***If calculations or estimates of the overall risks, revenue or costs of any particular project or contract prove inaccurate or circumstances change, then lower than anticipated profit may be achieved or a loss may be incurred on such projects or contracts.***

The profit of the Company partly 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 relevant contract. In case of wrong or inaccurate calculations or estimates or lack of sufficient control, lower than anticipated profit may be achieved or a loss may be incurred. The Company may also incur penalties if the performance schedule is not met. Cost overruns can be due to increasing complexity of certain projects with multiple partners, inefficiency, miscalculations, cost escalation or cost overruns by the Company or subcontractors, limited possibility to pass on price increases to customers or other factors which result in lower profit or a loss on a project. A significant number of contracts are partly based on cost calculations which are subject to a number of assumptions. If estimates of the overall risks or calculations of the revenue or costs prove inaccurate or circumstances change, lower profit may be achieved or losses may be incurred on such projects or contracts. Such risks are aggravated if the contract involves a large and/or complex project. All of these factors may adversely affect the profit and financial condition of the Company.

***Grontmij's internal control systems may not adequately identify all risks and the Company may not properly assess the impact such risks may have.***

Grontmij is still in the process of implementing its risk-management framework to identify and to mitigate risks, in particular in respect of strategic, operational, tax, compliance-related (including integrity) and financial risks. Risks can manifest themselves in many ways, including business interruption, poor performance, IT system malfunctions or failures, non-performance from partners or subcontractors, breach of applicable laws and regulations, human errors, employee misconduct or internal and external fraud. The Company is in the process of addressing this. The current lack of full implementation of these frameworks and the potential inability to implement the envisaged measures may have as a result that the Company's risk management activities may not adequately identify all risks and the Company may not properly assess the impact such risks may have. As a result, the Company may suffer financial losses or damage to its reputation. This may have an adverse effect on the Company's revenue, profit and financial condition.

***Grontmij relies significantly on the skills and experience of the Executive Board members and a (potential) loss of these individuals could adversely affect Grontmij.***

The success and the successful conduct of its business depends on its ability to attract, retain and motivate highly qualified management teams. In particular, the members of the Executive Board have in-depth knowledge of the Group, its strategy and its business and it may be difficult to swiftly replace these persons, if that would become necessary. This may adversely affect the Company's revenue, profit and financial condition.

***Grontmij's future success depends on its ability to attract, retain and motivate qualified personnel.***

The Company's ability to execute projects and to obtain new contracts depends largely on the Company's ability to attract, retain and motivate key personnel, including senior managers, highly skilled technical employees, project leaders and other technical personnel. The Company believes that there is significant competition for technical employees who possess the skills needed to perform the services that it offers. This competition is expected to continue, or even increase, due to an ageing workforce, in the long run. If the Company fails to attract new technical employees or to retain and motivate its technical employees, the Company may be unable to win projects and deliver its services and products up to the quality standards that are expected from the Company by its customers. In addition, any failure to successfully attract, retain and motivate qualified personnel may force the Company to use more subcontractors which may affect its margins. These factors may adversely affect the Company's revenue, profit and financial condition.

***Grontmij's profitability may suffer if the Company is not able to maintain adequate utilisation of its workforce.***

The cost of providing services, including the extent to which the Company utilises its workforce, affects its profitability. The rate at which the Company utilises its workforce is affected by a number of factors, including:

- The Company's ability to transfer employees from completed projects to new assignments;
- The Company's ability to forecast demand for its services and thereby maintain an appropriate headcount;
- The Company's ability to manage attrition; and
- The Company's ability to match the skill sets of its employees to the needs of the marketplace.

If the Company over-utilises its workforce, the Company's employees may become disengaged which will lead to increase in the rate of employee attrition. If the Company under-utilises its workforce, its profit margin, profit and financial condition may adversely be affected.

***If Grontmij fails to complete on time, misses a required performance standard or otherwise fails to adequately perform on projects, Grontmij may incur a loss on that project which adversely affects its revenue, profit and financial condition.***

The Company usually commits to its customers that it will complete projects by a scheduled date and that a project, when completed, will achieve specified performance standards. If the project is not completed by the scheduled date or the Company fails to meet required performance standards or to (duly) perform other contractual obligations, the Company may be liable to pay compensation or damages for breach of contract, incur significant additional costs or incur a loss or penalties (as a result of, for example, civil liability), and payment of the Company's invoices may be delayed. Performance of projects can also be affected by a number of factors beyond the Company's control, including unavoidable delays from governmental inaction, public opposition, inability to obtain financing, weather conditions, unavailability of materials, changes in the project scope of services requested by its customers, industrial accidents, environmental hazards, labour disruptions and other factors. In some cases, the Company may also be subject to agreed-upon financial damages by the contract, when it fails to meet performance standards. This may adversely affect the Company's revenue, profit and financial condition.

***Grontmij is dependent on its IT systems and IT service providers, any failure in these systems or by the Group's IT service providers may adversely affect the Company.***

The Company's ability to provide services to its customers depends, among other things, on the efficient and uninterrupted operation of its IT systems, and also on the performance of its IT service providers. The Company has a highly dispersed IT infrastructure and application landscape. A wide variety in operating systems and other software is being used within the Group. Some of these operating systems and software packages are no longer supported by the suppliers. Almost all applications used throughout the Group are local applications (i.e. provided by local providers and locally supported); some standard applications are centralised (i.e. provided by head office and supported centrally). This results in a complex process of monitoring the compliance with the Group's IT standard, such as information security and business systems continuity. The Company's IT systems are also vulnerable to damage or interruption from viruses, worms, Trojan horses, floods, fires, power loss, telecommunication failures, human error and similar events. The IT systems may also be subject to sabotage, vandalism and similar misconduct.

Any failure of, or damage to, the Group's IT systems, non-performance by its IT service providers, non-compliance with its IT standard or failure or delay in implementing new IT systems in the future or higher than expected IT capital expenditures could adversely affect the Company's revenue, profit and financial condition.

***Grontmij's general liability, professional indemnity and project risk insurance may not provide sufficient coverage which may affect the Company's revenue, profit and financial condition.***

The Company maintains general liability insurance coverage and professional indemnity and project risk insurance coverage, including coverage for errors and omissions. However, this coverage may not continue to be available on reasonable terms and may be unavailable in sufficient amounts to cover one or more large claims. In addition, an insurer may reject coverage as to any claim or it may become insolvent. A successful assertion of one or more large claims against the Company that exceed its available insurance coverage or results in changes in its insurance policies, including premium increases or the imposition of a large deductible or co-insurance requirement, may affect the Company's revenue, profit and financial condition.

***Grontmij is exposed to credit risks which, if they materialise, may adversely affect its profit and financial condition.***

The Company is exposed to the risk that a customer, or counterparty of a financial instrument, delays or defaults on a payment obligation. Credit risk is mostly incurred on receivables due by the customers to the Company. The past tightening of credit could increase this risk, as more customers, and counterparties of financial instruments, may be unable to secure sufficient liquidity to pay their obligations. If the Company's

customers, or other counterparties of financial instruments, delay or default on their payment obligations, the Company may suffer an adverse effect on its profit and financial condition.

***Adverse weather conditions, catastrophic events, terrorist attacks, acts of war, hostilities, riots, civil unrest, pandemic diseases and other unpredictable events may adversely affect Grontmij.***

Adverse weather conditions, 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 Company and its employees from being able to provide services to its customers. Those events and acts may also create economic and political uncertainties which may have an adverse effect on the economic conditions in the countries where the Company operates, and more specifically, could adversely affect the Company's revenue, profit and financial condition. Those events and acts are difficult to predict and may also affect property, financial assets, trading positions or employees, including key employees. If the Company'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. These risks may have an adverse effect on the Company's revenue, profit and financial condition.

## **2.4 Financial risks**

***Grontmij has identified certain weaknesses in its financial reporting. Failure to address these weaknesses, or to do so in time or if these actions do not have the desired effect, may cause financial information provided to Grontmij by its operating companies to be unreliable which may impair effective management of the Group's operations and may cause delays in the Group's financial reporting.***

An external review of the Company's financial reporting procedures in late 2011 and further internal review in early 2012 have indicated three weaknesses in the Group's current financial reporting procedures:

- (i) for 2011 Ginger and its subsidiaries only reported on a fully consolidated basis in June and December, with limited financial information on the first and third quarters and on key performance indicators of the business. For all other periods, very limited information was made available to head office on Ginger's financial performance. In 2012, Ginger has reported, and will report, in each of the first two quarters on a fully consolidated basis and in the second half year will start reporting monthly on a fully consolidated basis;
- (ii) there is currently no key financial control framework defining financial (reporting) risks and mitigating controls for the entire Group; and
- (iii) key business performance indicators across the Group differ in terms of definition and application.

The Company has resolved on a number of mitigating actions to address these weaknesses to be undertaken in 2012. Failure to implement these actions, or to implement these in time or if these actions do not have the desired effect, may result in the Company being unable to accurately monitor its operational and financial performance or to take timely, appropriate and adequate management action. Also, such failure may affect the Company to timely obtain and correctly consolidate financial and performance related information from its operating companies and thus cause delays or errors in its reporting. This may have an adverse effect on the Company's revenue, profit and financial condition.

***Grontmij's financial flexibility is restricted by its level of indebtedness and its financial covenants which may adversely affect its revenue, profit and financial condition.***

The Company has a significant level of indebtedness. As at 31 December 2011, the Company had a total consolidated gross indebtedness (loans, borrowings and overdrafts) of EUR 222.3 million, total consolidated



assets of EUR 746.2 million and total cash position of EUR 44.4 million. Following completion of the Offering, the Company expects to reduce its total consolidated indebtedness, but its financial position will remain substantially leveraged.

Generally, the Company's indebtedness could:

- require the Company to dedicate a substantial portion of its cash flow from operations to make interest and principal payments on its indebtedness, which reduces the availability of its cash to fund its working capital, to make capital expenditures, to engage in acquisitions, strategic investments, strategic partnerships or alliances, or to use the cash for further other general corporate purposes;
- limit its ability to make distributions to the BDR Holders;
- increase its vulnerability to general adverse economic and industry conditions; and
- limit its ability to obtain future financing.

Specifically, in connection with its indebtedness, the Company is subject to restrictive covenants and, following the Offering, will continue to be subject to restrictive covenants. These restrictive covenants limit the Company's financial and operational flexibility and this may have an adverse effect on its revenue, profit and financial condition and distributions to BDR Holders.

***The demand for Grontmij's services is sensitive to upturns and downturns in the market while Grontmij has a relatively large fixed cost base.***

The demand for the Company's services is sensitive to upturns and downturns in the market while most of its costs are fixed (such as personnel expenses). Failure to counteract cyclical movements by bringing stability to its revenue and reducing its costs may have an adverse effect on the Company's profit and financial condition.

***Deteriorating markets could result in the impairment of goodwill and other intangible assets or fixed assets which may adversely affect Grontmij's profit and financial condition.***

Over the years, the Company has acquired several businesses, both to accelerate the growth of its own business and to improve its overall market position. In some acquisitions, a material part of the purchase price is made up of goodwill.

Under IFRS, goodwill and intangible assets with an indefinite lifespan are not amortised but are subject to annual impairment tests or more frequent tests if there are indications of impairment. The Company has recorded goodwill in its balance sheet at 31 December 2011 of EUR 166 million which is subject to regular testing. (Other intangible assets deemed separable from goodwill arising from acquisitions are amortised).

To the extent that the current economic downturn worsens or the economic environment in which the Company operates does not recover, the Company may need to record further impairment charges relating to its businesses, and such charges may have an adverse effect on its profit and financial condition.

***If projects are terminated before certain milestones are reached, Grontmij's customers may not pay in full all amounts due to the Company, or costs incurred by it, which may adversely affect the Company's profit.***

Many of its contracts require the Company to satisfy specified design, engineering, procurement or construction milestones to receive payment. As a result, under these types of arrangements, the Company may incur costs, or perform significant amounts of work, prior to payment. If a customer determines not to proceed with the completion of a project before a milestone is reached, the Company may encounter difficulties in collecting payment of amounts due to it or costs incurred by it. This may adversely affect the Company's profit and financial condition.

***Grontmij is exposed to liquidity risk and any inability to maintain sufficient cash flows could materially disrupt its business operations, harm its reputation and its ability to raise further capital and financing.***

The Company 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, the cash flow forecasts are based on assumptions and expectations that may not be valid. In addition, the potential impact of unforeseeable circumstances, such as a further significant deterioration of economic conditions, natural disasters, or non-payment by large customers, cannot be effectively factored into these calculations. The Company's customers demand longer payment terms which affects the Company's cash position. Any inability to maintain sufficient cash available on demand to meet expected operational expenses may force the Company to increase its indebtedness against higher interest and could materially disrupt its business operations, reputation and ability to raise further capital and financing. This may adversely affect the Company's profit and financial condition.

***Grontmij is subject to certain financial covenants and any breach of such covenants may result in the accelerated maturity of some or all of its indebtedness.***

The Company is subject to certain financial covenants under the Current Facility. A successful completion of the Offering will enable a new financing facility (replacing the Current Facility) (subject to the completion of the Offering and certain other market standard conditions precedent being met) for which the interest coverage covenant (EBITA/financial income and expense) will be 1.75x by year-end 2012, gradually increasing to 4.0x by the end of 2014.

Under the New Credit Agreement, the net debt/EBITDA covenant is as follows:

31 December 2012	4.00
31 March 2013	4.00
30 June 2013	3.50
30 September 2013	3.50
31 December 2013	3.00
31 March 2014	3.00
30 June 2014	2.75
30 September 2014	2.75
31 December 2014	2.50
31 March 2015	2.50
30 June 2015	2.50
30 September 2015	2.50
31 December 2015	2.50
31 March 2016	2.50

The covenants are calculated according to specific definitions in the agreed term sheet for the (re-)financing agreement:

- (a) Net Debt/adjusted EBITDA (adjusted means corrected for acquisition and disposals).
- (b) EBITA/Net Financial Income and Expense.

There can be no assurance that the financial covenants can be complied with over the shorter or longer term. The financial ratios of the Group may adversely be affected by, among other things, disappointing financial results, increasing interest rates, further tightening of credit or unexpected economic, political and foreign exchange developments.

This may result in a breach of the financial covenants. A breach of those financial covenants may cause the Company to default on its outstanding debt. If the Company fails to remedy that default, this could result in

higher interest payments, penalties or the maturing of some or all of its debt may be accelerated. This may adversely affect its profit and financial condition.

***Grontmij is exposed to interest rate risk and any fluctuations in the interest rate that are not adequately hedged may adversely affect the Company's profit and financial condition.***

Part of the Company's borrowings and financial assets carry floating interest rates. The Company uses interest rate swaps to hedge its interest rate risk exposure arising from corporate financing activities, where considered necessary. If interest rates increase and the interest rate risks are not adequately hedged, the increased interest burden may adversely affect the Company's profit and financial condition. Furthermore, if the interest rates are being hedged, the Company may not profit from lower interest rates. The potential early terminations of such hedging agreements may result in the Company incurring significant costs or penalties.

***Grontmij's tax liability may increase if tax laws and regulations become subject to adverse interpretations or inconsistent enforcement or may be greater than currently anticipated.***

Tax laws and regulations applicable to the Company may be subject to change, varying interpretations and inconsistent enforcement which could have an adverse effect on the Company's profit and financial condition. It is possible that tax authorities in the countries in which the Company operates will introduce additional tax measures. The introduction of any such provisions may affect the Company's overall tax efficiency and may require the Company to pay additional taxes. Any such additional tax exposure could have an adverse effect on the Company's profit and financial condition. The Company may also face an increase in its (income) taxes, if tax rates increase in the countries in which the Company operate, or treaties between those countries and the Netherlands are modified in an adverse manner. This may adversely affect the Company's profit and financial condition.

***Grontmij's assessment of tax assets and tax liabilities may prove incorrect which may adversely affect its profit and financial condition.***

The Company has made provisions for its tax liabilities in its financial statements and although the Company believes that the assessment of these liabilities on which the provisions have been made is appropriate, the recorded tax liabilities may prove too high or too low. It is possible that the tax authorities in the countries in which the Company operates will have a different interpretation than the Company or inconsistent enforcement on tax laws and regulations applicable. This may affect the Company's profit and financial condition.

The Company has recorded deferred tax assets in its financial statements and although the Company believes that the assessment of these assets is appropriate, the deferred tax assets recorded in its consolidated financial statements may not be fully recoverable. These assets can be utilised only if, and to the extent that, the Group generates adequate levels of taxable income in future periods to offset the tax loss carry-forwards and reverse the temporary differences prior to expiration of those deferred tax assets. The ability of the Company to generate taxable income is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond its control. If the Company generates lower taxable income than the amount it has assumed in determining the deferred tax assets, the value of its deferred tax assets will be reduced which may affect the Company's profit and financial condition.

***Grontmij may need additional equity or debt funding in the future which may not be available.***

The Company may need to raise additional capital to pursue its business strategy in the future. Additional funds may not be available when the Company needs them on terms that are acceptable, or at all. If adequate funds are not available on a timely basis, the Company may curtail development programmes and may be required to delay, scale back, sell or eliminate certain of its assets and/or activities, which may have an adverse affect on the Company's revenue, profit and financial condition or cause the Company to discontinue its operations.

***Exchange rate fluctuations may adversely affect Grontmij's revenue, profit and financial condition.***

The Company operates and sells its services globally, with the main focus on Europe, and a substantial portion of its assets, liabilities, costs, sales and income are denominated in currencies other than the Euro (the Company's functional and reporting currency). The exchange rates between foreign currencies and the Euro may fluctuate. The Group's sensitivity to changes in foreign currency exchange rates is relatively limited, as a major part of both the Group's income and expense is denominated in Euro which forms a natural hedge (i.e. income and expenses in the same currency). Moreover, those Grontmij operating companies with a different functional currency (Denmark, Hungary, Poland, Turkey, Sweden and the United Kingdom) mainly have local operations (cost base) and are themselves only exposed to foreign-exchange currency risk to a limited extent. The natural hedging and other hedging arrangements (if any) may be inadequate or not available or may subject Grontmij to increased operating or financing costs. As a result, currency fluctuations may affect the Company's revenue, profit and financial condition.

***Disappointing performance of defined benefit pension plans may adversely affect Grontmij's profit and financial condition.***

The Company has established pension plans for its employees in accordance with the relevant regulations and practice in each of its regions. In almost all countries the applicable pension plan is on the basis of defined contribution. To the extent defined benefit plans apply, the Company is sensitive to such pension plan performance as the Company is liable to make up for any short-fall. Disappointing performance may adversely affect the Company's profit and financial condition.

## **2.5 Compliance risk**

***Failure to comply with laws and regulations may harm Grontmij.***

The Company is subject to laws and regulations relating to several areas such as environment, health & safety, construction, procurement, administrative, accounting, corporate governance, market disclosure, tax, employment and data protection. Such laws and regulations may be subject to change and interpretation. Any failure to comply with applicable laws and regulations that may change over time may lead to disciplinary, administrative, civil and/or criminal enforcement actions, fines, penalties and civil liability and may carry negative publicity harming the Company's business and reputation.

In addition, changes in such laws and regulations may impose more onerous obligations on the Company and limit its profitability, including increasing costs associated with its compliance. Failure to comply with laws and regulations may have an adverse effect on the Company's profit and financial condition.

***Employee, agent or partner misconduct or failure to comply with anti-bribery and other government laws and regulations could harm Grontmij's reputation, reduce its revenue and profit, and subject it to administrative, criminal and civil enforcement actions.***

Misconduct, fraud or non-compliance with applicable government laws and regulations, or other improper activities by any of the Company's employees, agents or partners could have an adverse effect on its business and reputation. Such misconduct could include the failure to comply with government procurement regulations, competition laws and regulations, regulations regarding the protection of classified information, regulations prohibiting bribery and other foreign corrupt practices, regulations regarding the pricing of labour and other costs in government contracts, regulations on lobbying or similar activities, regulations pertaining to the internal controls over financial reporting, environmental laws and any other applicable laws or regulations.

The policies within the Company enforce compliance with these regulations and laws and the Company takes precautions intended to prevent and detect misconduct. However, since the Company's internal controls are subject to inherent limitations, including human error, it is possible that these controls could be intentionally circumvented or become inadequate because of changed conditions. As a result, the Company

cannot ensure that its controls will protect it from reckless or criminal acts committed by its employees, agents, partners and others. Failure to comply with applicable laws or regulations or acts of misconduct could subject the Company to fines and penalties and suspension or debarment from contracting, any or all of which could harm the Company's business and reputation, subject the Company to administrative, criminal and civil enforcement actions and adversely affect its revenue, profit and financial condition.

## **2.6 Risks related to the Offering, Rights, the Offer BDRs and the Refinancing**

***The market price of the Rights and Offer BDRs may be volatile and investors may not be able to sell the Offer BDRs or the Rights at or above the price at which they acquired them.***

The market price of the BDRs may be subject to great fluctuations in response to many factors, including equity market fluctuations, general economic conditions and regulatory changes which may adversely affect the market price of the Rights and the BDRs, regardless of the Company's actual performance or conditions in its key markets. The Offer BDR Holders may not be able to resell the Offer BDRs at or above the price at which they acquired them. The same applies to the Rights.

***In case closing of the Offering does not take place on the closing date, or at all, the Offering may be withdrawn. Both the exercised and the unexercised Rights will be forfeited without compensation to their holders, and the subscriptions for and allocation of Offer BDRs that have been made will be disregarded.***

It is expected that the closing of the Offering will take place on or about 29 May 2012. If the Offering does not take place on the closing date (for example, if any of the conditions of the Underwriting Agreement is not fulfilled nor waived), the Offering may be withdrawn. The Committed BDR Holders' obligations in connection with their respective commitments will automatically lapse on 30 June 2012 at 17:30 hours (Amsterdam time), (or when any material inaccuracies or omissions in the information provided to the relevant Committed BDR Holders in connection with their commitments would come to light concerning the Company, that would give these Committed BDR Holders cause to reconsider the investment in the Offer BDRs). In such an event, both the exercised and the unexercised Rights will be forfeited without compensation to their holders and the subscriptions for and allocation of Offer BDRs 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 but non-settled trades will be deemed null and void. There will be no refund for any Rights bought in the market. All trades in Rights prior to the Settlement Date are at the sole risk of the parties concerned. The Company, the Subscription, Listing and Settlement Agent and the Joint Global Coordinators do not accept 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. Euronext Amsterdam does not accept any responsibility or liability to any person as a result of the withdrawal of the Offering or annulment of any transactions in Rights on Euronext Amsterdam. Withdrawal of the Offering may have an adverse effect on the market price of the BDRs and the value of those Ordinary Shares not represented by BDRs.

***If the Offering and/or the Refinancing is not completed, there may be consequences for the Group which could have a material adverse effect on its revenue, profit and financial condition.***

As part of the Group's financial restructuring, the Group has agreed with the syndicate of lending banks to amend its existing credit facilities agreement (see section 13.7 "Existing borrowings") by way of entering into an amendment and restatement agreement, which, amongst other things, provides for a new facility (see section 13.8 "New financing"). This amendment and restatement agreement is conditional upon the completion of the Offering (and certain other, market standard, conditions). If the Offering is not completed (for example, if any of the conditions of the Underwriting Agreement is not fulfilled nor waived), and, as a result, the Group is unable to satisfy this condition of the amendment and restatement agreement, or the Refinancing does otherwise not complete, there will be a number of consequences. In particular, the Group will continue to be subject to the financial covenants in the Current Facility, and it will be required to raise capital from alternative sources, which may not be available or may not be available on commercially acceptable terms. A breach of the financial covenants could cause an event of default and, if unremedied,

result in higher interest payments or penalties or accelerate the repayment of some or all of its indebtedness. If a significant portion of the Group's indebtedness were to become repayable immediately, its revenue, profit and financial condition would be materially adversely affected. As a result, the Group may be required to reduce investments in its business, including further reductions in its workforce, which may be detrimental to its competitiveness and impair its ability to respond quickly and effectively to any recovery in its markets and/or dispose of assets at less than their book value. The Group could furthermore be required to issue additional BDRs which could further dilute its BDR Holders in shareholding and voting rights and/or to seek additional debt financing which may increase the debt service obligations of the Company, require the payment of additional fees, or result in the Company being subject to additional or more onerous covenants, or its subsidiaries being required to pledge additional security. Any of the aforementioned risks could have a material adverse effect on the Group's revenue, profit and financial condition.

***No active trading market may develop for the Rights and if a market does develop, the market price of the Rights will be affected by, and may be subject to greater volatility than, the market price of BDRs.***

The Company cannot ensure that an active trading market in the Rights will develop or be sustained. The Company can also not ensure that an active trading market in the BDRs will be sustained. The Rights are expected to have an initial value that is lower than that of BDRs and will have a limited trading life that may impair the development or sustainability of an active trading market.

If such a market fails to develop or be sustained, this could affect the liquidity and price of the Rights and/or the BDRs (as the case may be), as well as increase their price volatility. Accordingly, the Company cannot assure investors of the liquidity of any such market, any ability to sell the Rights and/or the BDRs, or the prices that may be obtained for the Rights and/or the BDRs. In addition, the price at which Rights may trade on Euronext Amsterdam will be subject to the same risks which affect the market price of BDRs as described in this chapter "Risk Factors". Accordingly, the market price of the Rights may be highly volatile.

***BDR Holders will experience significant dilution as a result of the completion of the Offering if they do not or cannot exercise their Rights in full.***

BDR Holders who transfer, or who do not, or are not permitted to, exercise any of their Rights granted under the Offering will suffer a dilution of their proportionate ownership and voting rights of up to approximately 66.7% caused by the issue of the Offer BDRs. The consideration that BDR Holders may receive from a sale of Rights may not be sufficient to compensate fully for such dilution of their BDRs.

***Grontmij's ability to pay dividends to BDR Holders may be constrained in which case appreciation of market price, if any, may be the BDR Holders' only source of economic gains (if any).***

The Company may only make distributions to the BDR Holders and other persons entitled to the profit available for distribution insofar as the Company's equity is larger than the amount of the paid-up part of the capital increased with the reserves that should be maintained pursuant to the law or the Company's articles of association (see chapter 4 "Dividend Policy").

The Company's ability to generate income and pay dividends is dependent on the ability of its subsidiaries to declare and pay dividends. The Company's ability to declare and the ability of its subsidiaries to pay dividends may be restricted, as applicable regulations may prohibit the payment of dividends in certain circumstances. The Company is also subject to certain financial covenants under its borrowings which may restrict it from paying out dividends or from making other distributions (see also section 13.8 "New financing").

If dividends are not paid in the future, appreciation of the market price of the BDRs, if any, would be the BDR Holders' sole source of economic gains.

***Grontmij may in the future seek to raise capital by conducting equity offerings or other increases in capital which may further dilute BDR Holders' stake.***

The Company may in the future seek to raise capital through public or private debt or equity financings by issuing additional BDRs or other shares, debt or securities convertible into BDRs, rights or other shares to acquire these securities and exclude the pre-emptive rights pertaining to the then outstanding BDRs or other shares. Any additional capital raised through the issue of additional BDRs or other shares may dilute a BDR Holder's stake. Any additional issue of BDRs or other shares, or the public perception that an issue may occur, may also affect the market price of the BDRs and may increase the volatility in the market price of the (Offer) BDRs.

***Future sales – or the possibility of future sales – of a substantial number of the BDRs may affect the market price of the BDRs.***

Following the Offering, sales of a substantial number of BDRs in the public market, or the perception that such sales may occur, may affect the market price for the BDRs. The Company and the Trust Office and the Joint Global Coordinators have agreed certain lock-up arrangements. The restrictions applicable to the Company (and the Trust Office) are in effect for a period of 180 calendar days after the Settlement Date. These do not apply to, inter alia, the issue of the Offer BDRs. After the 180 calendar days period there will be no lock-up agreements. A subsequent sale of such (large) number of BDRs may adversely affect the market price of the BDRs.

***Rights may not be acquired and/or exercised by certain BDR Holders resident outside the Netherlands and these BDR Holders will experience dilution in connection with the Offering and any future offerings. BDR Holders' pre-emptive rights in future offerings may also be excluded entirely which will lead to dilution of the BDR Holders' stake.***

BDR Holders resident in certain jurisdictions outside the Netherlands, including the United States, Canada, Australia and Japan, may not be entitled to or may be unable to acquire and/or exercise the Rights, unless the Rights and/or the Offer BDRs have been registered with the relevant authorities in such jurisdictions, or unless any such acquisition or exercise is made in accordance with an exemption from registration requirements. For example, BDR Holders in the US may not be able to exercise their pre-emptive rights or participate in a rights offer, as the case may be, unless a registration statement under the Securities Act is effective with respect to such rights or an exemption from the registration requirements is available. The Company does not intend to file a prospectus or registration statement in any jurisdiction outside the Netherlands in respect of the Rights or the Offer BDRs. For this reason, the Company expects that BDR Holders in such jurisdictions, including without limitation the United States, Canada, Australia and Japan, will not be able to participate in the Offering. Further, the Company cannot assure investors that any registration statement will be filed as to enable the exercise of such BDR Holders' pre-emptive rights or participation in future offerings.

In the event of an increase of the Company's share capital, BDR Holders are generally entitled to full pre-emptive rights. If authorised by the General Meeting, the Executive Board has the authority to restrict or exclude the BDR Holders' pre-emptive rights in the context of an issue of BDRs. BDR Holders do not have pre-emptive rights to subscribe for an issue of Preference Shares. Designation of the Executive Board as the body competent to restrict or exclude the pre-emptive right may be extended by a resolution of the General Meeting for a period not exceeding five years in each case. Designation by resolution of the General Meeting cannot be withdrawn unless determined otherwise at the time of designation.

During the Annual General Meeting on 9 May 2012, the General Meeting authorised the Executive Board, for a period of 18 months, to restrict or exclude the BDR Holders' pre-emptive rights, in the context of an issue of BDRs and Rights, to subscribe for BDRs up to an amount of 10% of the then outstanding share capital and an additional 10% in case of a merger or acquisition (see also section 14.6 "Issue of Shares").

An exclusion of pre-emptive rights for BDR Holders in future offerings may lead to a dilution of BDR Holders' voting rights and may lead to a dilution of BDR Holders' economic rights.

***The Company's articles of association contain provisions that may prevent, slow down or discourage takeover attempts and resist unwanted influence on and pressure to amend the strategy of the Company by BDR Holders that may be favourable to the BDR Holders.***

The Company's articles of association contain protection provisions that may have the effect of preventing, slowing down or complicating an unwanted takeover bid or an unwanted acquisition of BDRs and resist unwanted influence on and pressure to amend the strategy of the Company by BDR Holders. The Company has granted a call option to the foundation preference shares Grontmij (*Stichting Preferente aandelen Grontmij*; the **Foundation**). Under this call option, the Foundation is entitled to subscribe for Preference Shares up to a maximum that is equal to 100% of the Company's issued and outstanding share capital immediately prior to the exercise of the call option, minus one Preference Share. The Preference Shares can be issued in case of (the threat of) an undesired acquisition of the majority of the BDRs or Ordinary Shares by one party or several parties acting in concert, in case of (the threat of) an undesired concentration of BDRs or Ordinary Shares with one party or several parties acting in concert and to prevent any undesired disruption of independent management of the Group.

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

***The rights and responsibilities of a BDR Holder will be governed by Dutch law and will differ in some respects from the rights and obligations of BDR Holders under the laws of other jurisdictions and the shareholder rights under Dutch law may not be as clearly established as the shareholder rights 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 BDR Holders 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 BDR Holders 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 Grontmij's business, or if they adversely change their recommendations regarding the BDRs, the market price and trading volume of the Offer BDRs and the value of those Ordinary Shares not represented by BDRs could be affected.***

The market for the BDRs will be influenced by the research and reports that industry or securities analysts publish about the Company and its industry. If one or more of the analysts who cover the Company or its industry downgrade the BDRs, the market price of the Offer BDRs may decline. If one or more of these analysts ceases coverage of the Company or fails to regularly publish reports about the Company, it may lose visibility in the financial markets which may adversely affect the market price and trading volume of the Offer BDRs and the value of those Ordinary Shares not represented by BDRs.

***BDR Holders may be subject to exchange rate risks.***



The Rights and Offer BDRs are priced in Euros and will be quoted and traded in Euros. In addition, any dividends the Company may pay (if at all), subject to loan covenants and other factors, will be declared and paid in Euros. Accordingly, BDR Holders resident in non-EMU jurisdictions are 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 BDRs as well as that of any dividends paid.

***In case the Rump Offering is unsuccessful, the Joint Global Coordinators may obtain a significant interest in the Company and their interests may conflict with the interests of other BDR Holders.***

If any Rights have not been exercised by the end of the Exercise Period, the Joint Global Coordinators may offer Rump BDRs relating to such Rights for sale by way of private placements in the Netherlands and certain other jurisdictions (excluding any Offer BDR in respect of which the Committed BDR Holders have irrevocably committed themselves to subscribe for). If such Rump Offering proves to be unsuccessful, any remaining Rump BDRs will be acquired by the Joint Global Coordinators in accordance with and subject to the terms and conditions of the Underwriting Agreement.

An unsuccessful Rump Offering combined with a significant number of Rights not being exercised may result in the (indirect) ownership and shareholder control to be concentrated with the Joint Global Coordinators. These parties may exercise significant influence over corporate matters requiring shareholders' approval after the closing of the Offering. Each of the Joint Global Coordinators may vote in a way with which other BDR Holders would not agree and this concentration of ownership could adversely affect the market price and trading volume of the Offer BDRs or delay or prevent a change of control that could otherwise be beneficial to the Company's other BDR Holders.

***US investors may have difficulty enforcing their rights against Grontmij and its directors and officers.***

Grontmij is a public limited liability company incorporated under the laws of the Netherlands. The members of the Executive Board and Supervisory Board reside outside the United States. The assets of these individuals are located outside the United States. The Company's assets are predominantly located outside of the United States. As a result, it may be difficult for investors to effect service of process within the United States upon the Company, its affiliates or its directors and officers, or to enforce judgments obtained in the United States against the Company, its affiliates or its directors and officers, including judgments based on the civil liability provisions of the US federal securities laws.

### 3. IMPORTANT INFORMATION

Potential investors are expressly advised that an investment in the Rights and the Offer BDRs entails certain risks and that they should therefore carefully review the entire contents of this Prospectus. Furthermore, before making an investment decision with respect to any of the Rights or the Offer BDRs, potential investors should consult their stockbroker, intermediary, bank manager, lawyer, auditor or other financial, legal and tax advisers and carefully review the risks associated with an investment in the Rights or the Offer BDRs and consider such an investment decision in light of the potential investor's personal circumstances.

#### 3.1 Responsibility statement

Potential investors should only rely on the information contained in this Prospectus and any supplement to this Prospectus within the meaning of article 5:23 of the Dutch Financial Supervision Act.

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, that information or representation may not be relied upon as having been authorised by the Company, or any of its 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.

This Prospectus is made available by the Company. The Company accepts 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, in accordance with the facts and contains no omission likely to affect its import.

No representation or warranty, express or implied, is made or given by or on behalf of the Joint Global Coordinators or any of their 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 Joint Global Coordinators or any of their affiliates as to the past or future.

ING Bank N.V. and Nordea Bank Danmark A/S in their capacity as Joint Global Coordinators, and ING Bank N.V. as Subscription, Listing and Settlement Agent for the Offering, accept no 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 Grontmij, the Offering, the Rights or the Offer BDRs (including, for the avoidance of doubt, the Rump BDRs). Accordingly, ING Bank N.V. and Nordea Bank Danmark A/S disclaim all and any liability, whether arising in tort or contract or otherwise in respect of this Prospectus and/or any such statement.

This Prospectus will be published in English only. Terms used in this Prospectus are defined in chapter 20 "Definitions".

#### 3.2 Presentation of financial and other information

This Prospectus includes the audited consolidated financial statements (including the notes and auditor's report) of the Group as of and for the years ended 31 December 2011, 2010 and 2009 (the **Consolidated Financial Statements**) and the unaudited consolidated interim consolidated financial information of the Group as of and for the three-month periods ended 31 March 2012 and 2011 (the **Q1 Figures**) which are attached to this Prospectus as Appendix 1. The Consolidated Financial Statements have been prepared in

accordance with International Financial Reporting Standards (**IFRS**) as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

In the consolidated financial statements for the year ended 31 December 2011 and/or in this Prospectus some reclassifications have been made in the 2010 and 2009 consolidated statement of financial position, consolidated income statement and consolidated statement of cash flows for comparison purposes. The original consolidated financial statements for the years ended 31 December 2010 and 2009, respectively were not restated.

In the consolidated income statement, the total operating expenses have been split into direct and indirect expenses and the line gross margin has been added to express the direct result on the total revenue. This split in expenses follows from the split in direct staff (billable to projects) and non-direct staff (not billable to projects). In the consolidated income statement the profit from discontinued operations is presented as a single line item.

In 2011, the Group has restructured the business from four business lines to eight separate geographic regions. The regions are the Netherlands, France, Denmark, Sweden, United Kingdom, Belgium, Germany and 'other markets'. The 'other markets' include the Group's activities in Poland, Turkey and Hungary with an emerging presence in China. The Group also carries out certain non-core activities. The latter includes operating the Group's non-core assets (mainly real estate development projects and waste management operations). Following this change in the composition of the Group's management and reporting structure, the Group has revised the disclosure note of the segment information including the adjustment of the corresponding items of segment information for the comparative period presented.

Effective 2011, the Group reports claims payable and the related insurance reimbursement receivables separately on the consolidated statement of financial position, and comparative figures have been adjusted accordingly. Claims for finalised projects are presented in provisions and for non-finalised projects in amounts due from or to customers. The related insurance reimbursement receivable is presented in receivables.

At the date of the Group's financial report for the year 2011 and except for the weaknesses in the Company's risk management and control systems as disclosed in chapter 2 "Risk factors", and following consultation with the Supervisory Board and its audit committee (which at the date of this Prospectus no longer exists), the Executive Board was of the opinion that the risk management and control systems worked properly in 2011 and that systems, along with mitigating actions were adequate enough to provide a reasonable degree of certainty that the Group's financial report for the year 2011 do not contain any errors of material significance. The Executive Board took into account an independent business review by an external consultant and the additional recommendations from the Company's external independent auditor and will give follow-up on these weaknesses. Nothing has come to the Executive Board's attention to change its opinion as on the date of the Prospectus.

All abovementioned changes in presentation do not affect results, shareholders' equity or cash flow in the current and previous reporting periods.

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 a column or row of a table contained in this Prospectus may not conform exactly to the total figure given for that column or row.

Any financial information in this Prospectus is unaudited, unless explicitly indicated otherwise. Unless otherwise indicated, financial information relating to the Company is presented in Euros.

### **3.3 Incorporation by reference**

The Current Articles of Association and the Consolidated Financial Statements are incorporated in, and form part of, this Prospectus by reference and can be obtained free of charge on the Company's website at

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The auditor's reports incorporated by reference are the original auditor's reports that were issued on 8 March 2012, 9 March 2011 and 10 March 2010 with respect to the Consolidated Financial Statements for the years ended 31 December 2011, 31 December 2010 and 31 December 2009, respectively. These Consolidated Financial Statements also contained the Company's financial statements and profit appropriation provisions and proposal. For the purposes of the Prospectus, the Company's financial statements are not incorporated by reference, as they are not relevant for the investor in respect of the Offering and the profit appropriation provisions and proposal are discussed in chapter 4 "Dividend Policy" and section 14.16 "Dividends".

Potential investors should only rely on the information that is provided in this Prospectus or incorporated by reference into this Prospectus. No other documents or information, including the contents of the Company's website (www.grontmij.com) or of websites accessible from hyperlinks on that website, form part of, or are incorporated by reference into, this Prospectus.

### **3.4 Restrictions on the Offering**

The Offering, the distribution of this Prospectus, any related materials and the offer and sale of Rights and the Offer BDRs (including, for the avoidance of doubt, the Rump BDRs) may, in certain jurisdictions other than the Netherlands, including, but not limited to, the United States, be restricted by law. This Prospectus may not be used for, or in connection with, and does not constitute an offer to sell, or a solicitation to purchase, any of the Rights or the Offer BDRs (including, for the avoidance of doubt the Rump BDRs) in any jurisdiction in which such offer or solicitation is not authorised or is unlawful. The content of this Prospectus is not to be considered or interpreted as legal, financial or tax advice.

Persons in possession of this Prospectus are required to inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of

any such jurisdiction. The Company does not accept or assume any responsibility or liability for any violation by any person of any such restrictions.

As a condition to a purchase of any Rights or the Offer BDRs (including, for the avoidance of doubt, the Rump BDRs), each purchaser 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 Joint Global Coordinators and others. The Company and the Joint Global Coordinators reserve the right, in their sole and absolute discretion, to reject any purchase of Rights and Offer BDRs that the Company or the Joint Global Coordinators believe may give rise to a breach or violation of any law, rule or regulation. For a more detailed description of restrictions relating to the Offering, see chapter 8 "Selling and Transfer Restrictions".

### ***Certain US matters***

The Rights and the Offer BDRs (including, for the avoidance of doubt, the Rump BDRs) have not been, and will not be, registered under the Securities Act and may not be exercised, offered, sold or otherwise transferred in or into the United States or to, or for the account or benefit of, US persons (as defined in Regulation S) unless the Rights and Offer BDRs (including, for the avoidance of doubt, the Rump BDRs) are registered under the Securities Act, or exempt from the registration requirements of the Securities Act. There will be no offering of the Rights and Offer BDRs in the United States. Neither the Rights nor the Offer BDRs (including, for the avoidance of doubt, the Rump BDRs) have been recommended by any United States federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not passed upon the merits of the Offering or confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

### **3.5 Forward-looking statements**

Certain statements contained in this Prospectus that are not historical facts are 'forward-looking statements'. This Prospectus contains forward-looking statements which are based on the Company's beliefs and projections and on information currently available to the Company. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Company's control and all of which are based on the Company's current beliefs and expectations about future events. Forward-looking statements are typically identified by the use of forward-looking terminology such as 'believes', 'expects', 'may', 'will', 'could', 'should', 'intends', 'estimates', 'plans', 'assumes', 'anticipates', 'annualised', 'goal', 'target' or 'aim' or the negative thereof or other variations thereof or comparable terminology, or by discussions of strategy that involve risks and uncertainties.

Forward-looking statements involve inherent risks and uncertainties and speak only as of the date they are made. The Company undertakes no duty to and will not necessarily update any of the forward-looking statements in light of new information or future events, except to the extent required by applicable law. A number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement as a result of risks and uncertainties facing the Company and its subsidiaries. Such risks and uncertainties are discussed in chapter 2 "Risk factors". Should one or more of these risks or uncertainties materialise, or should any underlying assumptions prove to be incorrect, the Company's actual financial condition or results of operations could differ materially from those described in this Prospectus. The Company urges investors to read chapter 2 "Risk factors", chapter 10 "

Business overview" and chapter 13 "Operating and financial review" for a more complete discussion of the factors that could affect the Company's future performance and the industry in which the Company operates.

Potential investors are cautioned that forward-looking statements apply only on the date of this Prospectus.

### **3.6 Enforcement of civil liabilities**

The ability of a foreign BDR Holder to bring an action against the Company may be limited under law. Grontmij is a public limited liability company incorporated under the laws of the Netherlands. The members of the Executive Board and Supervisory Board reside outside the United States. The assets of these individuals are located outside the United States. The Company's assets are predominantly located outside of the United States. As a result, it may be difficult for investors to effect service of process within the United States upon the Company, its affiliates or its directors and officers, or to enforce judgments obtained in the United States against the Company, its affiliates or its directors and officers, including judgments based on the civil liability provisions of the US federal securities laws.

### **3.7 Market and industry data**

All references in this Prospectus (often in footnotes) to market data and industry statistics consist of estimates compiled by information from competitors and the Company itself. Industry publications used by the Company to make those references, such as Global Insight December 2011, Euroconstruct November 2011, Boston Consulting Group's analyses, the United Nations World Urbanisation Prospect 2011, NL Ingenieurs Branchereport 2010 and reports generally state that their information is obtained from sources they believe to be reliable but that the accuracy and completeness of such information is not guaranteed and not audited and that the projections they contain are based on a number of significant assumptions.

In this Prospectus, the Company makes certain statements regarding its competitive position. The Company believes these statements to be true based on market data and industry statistics which are in the public domain, but the Company has not independently verified the information.

The information in this Prospectus that has been sourced from third parties has been accurately reproduced and, as far as the Company is aware and able to ascertain from the information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Although the Company believes these sources are reliable, as the Company does not have access to the information, methodology and other bases for such information, the Company has not independently verified the information.

## 4. DIVIDEND POLICY

### 4.1 General

Pursuant to Dutch law and the Company's articles of association (both the Current Articles of Association and the New Articles of Association), distribution of profit may only take place after the adoption of the annual accounts. The annual accounts must allow such distribution. The Executive Board may only decide to make distributions if, and insofar as, shareholders' equity exceeds the sum of the nominal value of the issued share capital, plus the reserves as required to be maintained by Dutch law and by the Company's articles of association (both the Current Articles of Association and the New Articles of Association). The Company is also subject to certain financial covenants under its borrowings which may restrict it from paying out dividends or from making other distributions: the New Credit Agreement imposes a number of obligations, including a restriction on the Company making any distributions (including dividends) unless in relation to annual dividends in any financial year (the **Dividend Payment Year**) in respect of profits generated in the immediately preceding financial year, provided that (i) the Company shall not make any such distribution unless the net debt/EBITDA ratio on the last day of each of the two last financial quarters of the Company in the immediately preceding financial year was less than 2.00:1, (ii) the dividend is declared and paid out before 30 June of the Dividend Payment Year, (iii) the maximum amount of dividend is determined by the leverage headroom and (iv) no event of default has occurred or will result from the payment of such dividend.

If Preference Shares are outstanding, the Company must first pay dividend on those Preference Shares. The dividend is based on the percentage equal to the weighted average one month EURIBOR over the number of days to which the payment relates, plus a 3-5% margin, to be determined by the Executive Board with the approval of the Supervisory Board. The dividend is calculated over the paid-up part of the nominal value of the Preference Shares. After the payment of dividend on the outstanding Preference Shares, the Executive Board determines, subject to the approval of the Supervisory Board, which part of the remaining profit must be added to reserves. The remaining part of the profit, after allocation to the reserves, will be at the disposal of the General Meeting. The General Meeting may, at the proposal of the Executive Board, which proposal having been approved by the Supervisory Board, resolve that that payment of dividend may be made wholly or partly in Shares or BDRs.

Subject to the approval of the Supervisory Board and subject to Dutch law and the Company's articles of association (both the Current Articles of Association and the New Articles of Association), the Executive Board may resolve to distribute an interim dividend.

See also section 14.16 "Dividends".

### 4.2 Dividend history

Due to the loss in the year ended 31 December 2011, the Company will not declare any dividends over 2011.

Over 2010, the Company declared a dividend of EUR 0.50 per Ordinary Share. The dividend was declared payable in the form of Ordinary Shares or BDRs, as applicable, with distribution in cash as an alternative. The exchange ratio for distribution in Ordinary Shares or BDRs was set at 29:1 based on the volume weighted average price of all BDRs traded on Euronext Amsterdam on 8, 9 and 10 June 2011. 31% of the BDR Holders opted for distribution in cash, as the Company offered an incentive to opt for a stock dividend.

Over 2009, the Company declared a dividend of EUR 1.00 per Ordinary Share. The dividend was declared payable in the form of Ordinary Shares or BDRs, as applicable, with distribution in cash as an alternative. The exchange ratio for distribution in Ordinary Shares or BDRs was set at 44:3 based on the volume weighted average price of all BDRs traded on Euronext Amsterdam on 1, 2 and 3 June 2010. 69% of the BDR Holders opted for distribution in cash.

### **4.3 Dividend policy**

Pursuant to the Company's articles of association (both the Current Articles of Association and the New Articles of Association), profit distributions may not exceed the distributable part of the equity. If in any year losses are incurred no dividend may be paid out for that year. In subsequent years, too, payment of dividends can take only place when those losses have been offset by profit, unless it is resolved to clear the losses to the debit of the distributable part of the equity or to pay dividends from the distributable part of the equity. The General Meeting may, on a proposal of the Executive Board which has been approved by the Supervisory Board, resolve to clear the loss to the debt of the distributable part of the equity or to pay dividends from the distributable part of the equity.

In accordance with these provisions in the Company's articles of association (both the Current Articles of Association and the New Articles of Association), the Company presented to the General Meeting on 9 May 2012 a dividend policy with a target cash dividend pay-out ratio of 35%-50% of the net income after tax as long as the net debt/EBITDA ratio is below 2.0x for two consecutive quarters before the quarter in which the dividend proposal is decided upon and is expected to remain below this level as a consequence of the dividend payment.

In addition and on a one-off basis, the Company intends to return to its shareholders an amount to a level of maximum EUR 30 million in total, provided this allows the Company to stay below a net debt/EBITDA ratio of 1.5x, having taken into account the cash impact of this return.

### **4.4 Dividend ranking of Offer BDRs**

The Offer BDRs will, after allotment and issue, rank equally in all respects with existing Ordinary Shares and BDRs in the capital of the Company and will be eligible for any dividend payment that may be declared on Ordinary Shares and BDRs in the future.

### **4.5 Manner and time of dividend payments**

Cash dividends (if any) will be made in Euro. Dividends on Ordinary Shares and BDRs will be made to BDR Holders through the intermediary that holds BDRs in administration and to holders of Ordinary Shares by the Company itself. The payment term is 30 calendar days as of the date on which the General Meeting declared the dividend. There are no restrictions under Dutch law in respect of BDR Holders who are non-residents of the Netherlands. However, see chapter 18 "Taxation" for a discussion of certain aspects of taxation of dividends and refund procedures for non-residents of the Netherlands.

### **4.6 Uncollected dividends**

A claim for any dividend declared lapses five years after the date on which those dividends were released for payment. Any dividend that is not collected within this period reverts to the Company.

### **4.7 Taxation on dividends**

Dividend payments are generally subject to withholding tax in the Netherlands. See chapter 18 "Taxation" for a discussion of certain aspects of taxation of dividends and refund procedures.



## **5. USE OF PROCEEDS**

On 9 March 2012, the Company announced, amongst other things, the financial restructuring of its business, as part of its new strategy named "Back-on-Track" (see section 10.3 "Strategy 2012-2015"). To obtain sufficient financial flexibility and to enable the Company to focus on the execution of the restructuring plans and the operational activities, the financial restructuring involves a new debt facility for an amount of EUR 180 million with a tenor of four years and a short-term working capital facility until year-end 2012 of EUR 10 million and the Offering.

The Company expects to receive approximately EUR 80 million in gross proceeds from the Offering. The Company expects the total costs related to the Offering to be EUR 7 million, and any related corporate tax benefit has not yet been taken into account.

The Company will use the full net proceeds of the Offering to repay in part its Current Facility (of which the Company has already repaid EUR 35 million) on or about 29 May 2012 and will use the funds available under the New Credit Agreement for business restructuring and general corporate purposes.

## 6. OFFERING

### 6.1 Introduction

Grontmij intends to offer 42,645,000 Offer BDRs by granting Rights to the BDR Holders on the Record Date *pro rata* to their holdings in the BDRs and Ordinary Shares, subject to applicable securities laws and on the terms set out in this Prospectus. Each BDR or Ordinary Share held immediately after the close of trading in BDRs on Euronext Amsterdam at 17:40 CET on the Record Date entitles its BDR Holder to one Right. Subject to applicable securities laws and the terms set out in this Prospectus, Eligible Persons (whether a BDR Holder on the Record Date or a subsequent transferee of Rights) will be entitled to subscribe for two (2) Offer BDRs for every one (1) Right held against payment of the Issue Price for each Offer BDR by exercising their Rights during the Exercise Period. Following the expiry of the Exercise Period, the Joint Global Coordinators will offer for sale any Rump BDRs by way of private placements in the Netherlands and certain other jurisdictions.

### 6.2 Expected timetable

The timetable below lists certain expected key dates for the Offering:

Record Date	17:40 CET on 10 May 2012
Start of <i>ex</i> -Rights trading in the BDRs	9:00 CET on 11 May 2012
Start of Exercise Period	9:00 CET on 11 May 2012
Start of trading in the Rights	9:00 CET on 11 May 2012
End of trading in the Rights	13:00 CET on 22 May 2012
End of Exercise Period	15:00 CET on 23 May 2012
Start of Rump Offering	8:00 CET on 24 May 2012
End of Rump Offering	17:30 CET on 24 May 2012
Allotment of the Offer BDRs	24 May 2012
Issue of Ordinary Shares underlying the Offer BDRs	29 May 2012
Issue of, payment for and delivery of the Offer BDRs	29 May 2012
Listing of, and start of trading in, the Offer BDRs	9:00 CET on 29 May 2012

The Company will make the results of the Offering public by publication of a press release as soon as possible after allotment of the Offer BDRs.

The last date and/or time before which notification of exercise instructions may be validly given by the holder of any Right may be earlier than the date and/or time specified above as the end of the Exercise Period, depending on the financial intermediary through which such Rights are held.

The Company may adjust the dates, times and periods given in the timetable and throughout this Prospectus. If the Company should decide to adjust dates, times or periods, it will notify Euronext Amsterdam and the AFM and issue a press release and, if required, place an advertisement in a Dutch national daily newspaper. Any other material alterations will be published in a press release on the Company's website and in a supplement to this Prospectus (if required).

### 6.3 Rights

Subject to applicable securities laws, each person holding BDRs or Ordinary Shares (other than the Trust Office) immediately following the close of trading in the BDRs on Euronext Amsterdam at 17:40 CET on the Record Date will be entitled to one Right for each BDR or Ordinary Share held. An Eligible Person will be entitled to subscribe for two (2) Offer BDRs for every one (1) Right held. Rights can only be exercised in multiples of one (1). No fractional Offer BDRs will be issued. Eligible Persons may sell any excess Rights or acquire additional Rights to subscribe for a whole number of Offer BDRs on Euronext Amsterdam in the trading period commencing at 09:00 CET on 11 May 2012 and ending at 13:00 on 22 May 2012. Any excess

Rights that are not sold before the expiry of this period, will lapse.

If a BDR Holder holds BDRs on the Record Date, the financial intermediary through which it holds BDRs will customarily provide that BDR Holder with details of the total number of Rights to which that BDR Holder will be entitled, subject to applicable securities laws. A BDR Holder should contact its financial intermediary if it is entitled to receive Rights but has received no information from its financial intermediary with respect to the Offering.

If a person (other than the Trust Office) holds Ordinary Shares rather than BDRs and its Ordinary Shares are registered in the Company's shareholders' register on the Record Date, that person will receive rights to subscribe for Offer BDRs and will be sent a letter by the Company, informing that person of the number of Rights to which it is entitled and of the procedures that it must follow to exercise or trade its Rights. Upon exercise of the Rights granted to that person, that person will receive Offer BDRs in accordance with and subject to the terms and conditions of this Prospectus. No Ordinary Shares will be received by that person.

The statutory pre-emptive rights of the BDR Holders have been excluded with respect to the Offering.

Only BDR Holders 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 an Ineligible Person will not constitute an offer of the Offer BDRs 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.

#### **6.4 Record Date**

The Record Date for determining the holders of the outstanding BDRs or Ordinary Shares (other than the Trust Office) who will receive Rights (subject to applicable securities laws) is immediately following the close of trading in BDRs on Euronext Amsterdam at 17:40 CET on 10 May 2012. Until the close of trading in the BDRs on Euronext Amsterdam on the Record Date, the BDRs will trade *cum*-Rights. From 9:00 CET on 11 May 2012, the BDRs will trade *ex*-Rights.

#### **6.5 Listing and trading of Rights**

The Company expects trading of the Rights on Euronext Amsterdam to commence at or around 09:00 CET on 11 May 2012 and to end at 13:00 CET on 22 May 2012, barring unforeseen circumstances. The Rights will be traded under the symbol "GRONR". The transfer of Rights will take place through the book-entry systems of Euroclear Nederland. Persons interested in trading, buying or selling Rights should be aware that the exercise of Rights by holders who are located in countries other than the Netherlands is subject to restrictions as described under chapter 8 "Selling and Transfer Restrictions".

The Rights are traded under the following characteristics:

Symbol:	"GRONR"
ISIN code:	NL0010168712
Common code:	078246197

BDR Holders who are Eligible Persons and wish to sell all or part of their Rights and are holding their BDRs through a financial intermediary, should instruct the financial intermediary through which they hold their Rights in accordance with the instructions received from it. BDR Holders who are Eligible Persons may also instruct their financial intermediary to buy or sell Rights on their behalf. BDR Holders who are interested in trading, buying or selling Rights should be aware that they may be restricted from buying, selling and/or exercising Rights and acquiring Offer BDRs if they are located in a jurisdiction other than the Netherlands and therefore are not eligible to participate in the Offering. See chapter 8 "Selling and Transfer Restrictions".

## **6.6 Exercise Period**

Subject to the restrictions set out below, an Eligible Person (whether a BDR Holder on the Record Date or a subsequent transferee of Rights) can only validly exercise his Rights from 09:00 CET on 11 May 2012 until 15:00 CET on 23 May 2012. The last date and/or time before which notification of exercise instructions may be validly given by holders of Rights may be earlier, depending on the financial intermediary through which their Rights are held. After the Exercise Period, Eligible Persons will no longer be able to exercise their Rights. Once Rights have been validly exercised, such exercise cannot be revoked or modified, unless the Company amends 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 of the Dutch Financial Supervisory Act 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. Even if the market price of the BDRs fluctuates below the Issue Price after the Rights have been exercised, the Issue Price for any Offer BDRs subscribed for will be payable. Upon exercise of the Rights, such Rights must be delivered to the BDR Holder's financial intermediary, the financial intermediary of the subsequent transferee of Rights, or the investor's financial intermediary.

The Company and the Joint Global Coordinators have not and will not take any action outside the Netherlands to permit the exercise and transfer of Rights by the general public. The Company urges all potential investors to carefully study the restrictions described under chapter 8 "Selling and Transfer Restrictions". The Company and Joint Global Coordinators reserve 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 this Prospectus.

## **6.7 Dilution**

BDR Holders who transfer, or who do not, or are not permitted to, exercise any of their Rights granted under the Offering will suffer a dilution of their proportionate ownership and voting rights of up to approximately 66.7% caused by the issue of the Offer BDRs.

## **6.8 Subscription**

An Eligible Person (whether a BDR Holder on the Record Date or a subsequent transferee of Rights) wishes to exercise its Rights must instruct its financial intermediary in accordance with the instructions received from its financial intermediary. The financial intermediary will be responsible for collecting exercise instructions from Eligible Persons and for informing the Subscription, Listing and Settlement Agent of the Eligible Person's exercise instructions. All questions concerning the timelines, validity and form of instructions to a financial intermediary in relation to the exercise, sale or purchase of Rights will be determined by the financial intermediary in accordance with its usual customer relations procedures or as it otherwise notifies its customers. Neither the Company nor the Joint Global Coordinators are liable for any action, or failure to act, by a financial intermediary through which BDR Holders hold their BDRs or Rights in connection with any subscriptions or purported subscriptions.

## **6.9 Unexercised Rights and Rump Offering**

Rights cannot be exercised after 15:00 CET on 23 May 2012, which is the end of the Exercise Period. At that time, any unexercised Rights will continue to be reflected in the BDR Holder's securities account solely for the purpose of the distribution of the Excess Amount, if any.

After the Exercise Period has ended, the Joint Global Coordinators will, subject to the terms and conditions of the Underwriting Agreement, start the Rump Offering (excluding any Offer BDR in respect of which the Committed BDR Holders have irrevocably committed themselves to subscribe for). In the Rump Offering

the Joint Global Coordinators will offer the Rump BDRs (if any) for sale by way of private placements in the Netherlands or elsewhere, subject to the terms and conditions of the Underwriting Agreement. The Rump BDRs are the Offer BDRs that were issuable upon the exercise of the Rights but that were not subscribed for during the Exercise Period. Subject to the terms and conditions of the Underwriting Agreement, the Joint Global Coordinators have agreed to use their reasonable efforts to procure buyers for any and all Rump BDRs through private placements in the Netherlands or elsewhere. The price per Rump BDR 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 Rump Offering, if any, is expected to start on or about 24 May 2012 at 08:00 CET and to end no later than 17:30 CET on or about 24 May 2012. The Joint Global Coordinators will subscribe or pay the Issue Price for each and any Rump BDR not sold in the Rump Offering and any Offer BDRs for which no payment has been made by subscribers for the Offer BDRs on the Settlement Date at the Issue Price (excluding those Offer BDRs in respect of which the Committed BDR Holders have committed to exercise their respective Rights), subject to the terms and conditions of the Underwriting Agreement.

#### **6.10 Allotment**

Allotment of Offer BDRs to be issued pursuant to the Offering is expected to take place on 24 May 2012. Eligible Persons who have subscribed for Offer BDRs and paid the Issue Price ultimately on the Settlement Date may obtain information on the number of Offer BDRs they have been allotted through their own financial intermediary.

#### **6.11 Excess Amount**

If the total proceeds for the Rump BDRs sold in the Rump Offering, after deduction of any expenses related to procuring buyers of the Rump BDRs (including any non-recoverable value added tax), exceed the total Issue Price for those Rump BDRs (such 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. Such holder is entitled to receive its part of the Excess Amount in cash proportionate 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, the Company will be entitled to the Excess Amount. The Unexercised Rights Payments, if any, will be distributed to the holders of unexercised Rights as soon as practicable following the closing of the Rump Offering. Those payments, if any, will be credited to those holders through the book-entry systems of Euroclear Nederland. Payments will be made in Euros only, without interest and following the withholding of any applicable taxes.

If the Company has announced that an Excess Amount is available for distribution to holders of unexercised Rights and such holder has not received payment thereof within a reasonable time following the closing of the Rump Offering, such holder should contact the financial intermediary through which it holds unexercised Rights. The Company cannot guarantee that the Rump Offering will take place. Should the Rump Offering take place, the Company, the Subscription, Listing and Settlement Agent, the Joint Global Coordinators or any other person procuring buyers for Rump BDRs will not be responsible for any lack of Excess Amount arising from any placement of the Rump BDRs in the Rump Offering. The holders of unexercised Rights have no claim towards the Company, the Joint Global Coordinators, Subscription, Listing and Settlement Agent or any other party in respect of any Unexercised Rights Payment.

#### **6.12 Issue, payment and delivery**

BDR Holders or investors who hold their Rights through a financial intermediary, should, in accordance with the instructions they receive from their financial intermediary, pay the Issue Price for each Offer BDR subscribed for. The financial intermediary will pay the total Issue Price to the Subscription, Listing and Settlement Agent, who will in turn pay it to the Company after deduction of applicable fees and expenses.

Payment for the Offer BDRs to the Subscription, Listing and Settlement Agent must be made no later than the Settlement Date which is expected to be 29 May 2012. Financial intermediaries may require the payment for the Offer BDRs prior to the Settlement Date.

Payment for and delivery of the Offer BDRs is expected to take place on 29 May 2012. The Offer BDRs will be issued in bearer form and entered into the collection deposit (*verzameldepot*) and giro deposit (*girodepot*) on the basis of the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*). Delivery of Offer BDRs will take place through the book-entry systems of Euroclear Nederland. The address of Euroclear Nederland is Herengracht 459-469, 1017 BS Amsterdam, the Netherlands.

### **6.13 Listing and trading of the Offer BDRs**

Application has been made for the listing and trading of the Offer BDRs on Euronext Amsterdam. The Company expects that the Offer BDRs will be admitted for listing and trading, and that trading in the Offer BDRs will start, on Euronext Amsterdam at 09:00 CET on 29 May 2012, barring unforeseen circumstances. The outstanding BDRs are listed and will remain listed on Euronext Amsterdam under the symbol "GRONT".

The Offer BDRs will be traded under the following characteristics:

Symbol:	"GRONT"
ISIN code:	NL0000853034
Common code:	030403380

All dealings in Rights and Offer BDRs prior to, and after, closing of the Offering are at the sole risk of the parties concerned. Any forfeiture of Rights will be without prejudice to the validity of any settled trades in the Rights. There will be no refund of any Rights purchased in the market. Euronext Amsterdam, the Company, the Joint Global Coordinators and Subscription, Listing and Settlement Agent do not accept any responsibility or liability with respect to any person as a result of the withdrawal of the Offering or (the related) annulment of any transactions in Rights or Offer BDRs on Euronext Amsterdam.

### **6.14 Ranking and dividends**

The Offer BDRs will, upon issue, rank *pari passu* in all respects with the then outstanding BDRs and will be eligible for any dividends which the Company may declare on the Ordinary Shares after the Settlement Date. See also chapter 4 "Dividend Policy".

### **6.15 Agent**

In respect of the Offering, ING Bank N.V. is acting as Subscription, Listing and Settlement Agent in the Netherlands. The address of the Subscription, Listing and Settlement Agent is Bijlmerplein 888, 1102 MG Amsterdam, the Netherlands.

### **6.16 Governing law**

The Rights and the Offering are governed by and shall be construed in accordance with Dutch law. The Rights and the Offer BDRs will be created in accordance with Dutch law, the Company's articles of association (both the Current Articles of Association and the New Articles of Association) and the trust conditions of the Trust Office.

### **6.17 Costs**

The costs related to the Offering are approximately EUR 7 million.

## **6.18 Currency**

The Offering will be carried out and trading in the Rights will be effected in Euros. The Offer BDRs will be denominated in Euros. Distributions, if any, will also be made in Euros.

## 7. PLAN OF DISTRIBUTION

### 7.1 Irrevocable commitment major BDR Holders

The following Committed BDR Holders support the Offering and have irrevocably committed themselves to subscribe for a number of Offer BDRs pro rata to their capital interest at the time of entering into such irrevocable commitment: Kempen Orange Fund N.V. (0.55%), Kempen Oranje Participaties N.V. (5.30%), Delta Lloyd Deelnemingen Fonds N.V. (10.04%), Delta Lloyd Levensverzekering N.V. (6.10%), Darlin N.V. (5.02%), Optiverder B.V. (5.63%) and ING AM Insurance Companies B.V., acting as manager of ING Dochterfonds (15.88%). Together, these Committed BDR Holders have committed themselves to subscribe for 48.51% of the total number of Offer BDRs.

The above-mentioned Committed BDR Holders have confirmed the casting of the voting rights attached to their BDRs as at the registration date for the respective General Meeting in favour of resolutions in respect of the issue of the Offer BDRs, the exclusion of the statutory pre-emption rights in connection therewith and the amendment of the Current Articles of Association. The above-mentioned Committed BDR Holders' obligations in connection with their respective commitments will automatically lapse on 30 June 2012 at 17:30 hours (Amsterdam time), or when any material inaccuracies or omissions in the information provided to the relevant Committed BDR Holders in connection with their commitments would come to light concerning the Company, that would give these Committed BDR Holders cause to reconsider the investment in the Offer BDRs.

The Company, in consideration of each such Committed BDR Holder's irrevocable commitment to subscribe for Offer BDRs in the Offering *pro rata* to its capital interest in the Company, shall pay each such Committed BDR Holder a commitment fee equal to 2% of the total Issue Price for the Offer BDRs that are subject to each such Committed BDR Holder's irrevocable commitment, subject to (i) the Offering being completed and (ii) full compliance by each Committed BDR Holder individually of its obligations under the irrevocable commitment.

### 7.2 Underwriting Agreement

Pursuant and subject to the terms and conditions of the Underwriting Agreement, the Joint Global Coordinators will agree to use their reasonable efforts to procure buyers for the Rump BDRs through private placements in the Netherlands or elsewhere at a price per Rump BDR that is at least equal to the Issue Price and any expenses related to procuring such buyers (including any non-recoverable value added tax). The Joint Global Coordinators, severally and not jointly, will subscribe and pay for any Rump BDRs not sold in the Rump Offering and any Offer BDRs for which no payment has been made by subscribers for the Offer BDRs on the Settlement Date at the Issue Price (excluding those Offer BDRs in respect of which the Committed BDR Holders have committed to exercise their respective Rights) pro rata to the following underwriting commitments, subject to the terms and conditions of the Underwriting Agreement:

<b>Joint Global Coordinators</b>	<b>Percentage</b>
ING Bank N.V.	30.89%
Nordea Bank Danmark A/S	20.59%
<b>Total</b>	<b>51.49%<sup>7</sup></b>

In the Underwriting Agreement, the Company has given certain representations and warranties and undertakings to the Joint Global Coordinators. In addition, the Company agrees to indemnify the Joint Global Coordinators against certain liabilities in connection with the Offering.

<sup>7</sup> In respect of the remaining 48.51% the Committed BDR Holders have committed to exercise their respective Rights (see section 7.1 "Irrevocable commitment major BDR Holders").



### **7.3 Conditions to the Offering**

The obligations of the Joint Global Coordinators under the Underwriting Agreement are subject to the fulfilment, or discretionary waiver by the Joint Global Coordinators, of a number of customary conditions for the benefit of the Joint Global Coordinators, including but not limited to (i) a material adverse change in the business, financial condition, or results of operations of the Group, (ii) receipt of customary documentation, (iii) the Committed BDR Holders having subscribed and paid for the relevant committed Offer BDRs in compliance with the relevant Committed BDR Holder's commitment letter entered into by it and each of these commitment letters being in full force and effect, (iv) the New Credit Agreement and any agreements and arrangements pursuant or ancillary thereto being in full force and effect, any conditions thereunder having been fulfilled (except, in respect of the New Credit Agreement only, for the fulfilment of the conditions precedent that the full net proceeds of the Offering have been applied in prepayment of the facilities under the existing facility agreement, the absence of any breaches of any member of the Group thereof and any events of default outstanding thereunder, (v) the making of necessary filings with or obtaining confirmations from regulatory authorities, Euronext Amsterdam and Euroclear Nederland, and (vi) none of the representations and warranties given by the Company to the Joint Global Coordinators in the Underwriting Agreement being untrue, incomplete or inaccurate. If any or all of the conditions to the Underwriting Agreement are not met or not waived by the Joint Global Coordinators or if certain circumstances occur prior to payment for and delivery of the Offer BDRs, the Joint Global Coordinators will be allowed to terminate the Underwriting Agreement. In that case the obligation of the Joint Global Coordinators to subscribe and pay for any Rump BDRs not sold and paid for in the Rump Offering will lapse. In this event, the Offering may be withdrawn. Upon withdrawal of the Offering, the Rights granted will be forfeited without compensation to their holders or the persons entitled to the rights attached thereto and the Offer BDRs will not be offered and issued. Any subscription payment received by the Company will be returned promptly without interest.

Any such forfeiture of Rights will be without prejudice to the validity of any settled trades in the Rights, but non-settled trades will be deemed null and void. There will be no refund in respect of any Rights bought in the market. All trades in Rights or Offer BDRs prior to the Settlement Date are at the sole risk of the parties concerned. The Company, the Subscription, Listing and Settlement Agent, the Joint Global Coordinators and Euronext Amsterdam do not accept any responsibility or liability for any loss or damage incurred by any person as a result of a withdrawal of the Offering or (the related) annulment of any transactions in Rights on Euronext Amsterdam.

### **7.4 Lock-up arrangements**

The Company and the Trust Office have agreed with the Joint Global Coordinators on certain lock-up arrangements for a period of 180 days after the Settlement Date. Except as expressly required by the Underwriting Agreement or save with the prior written consent of the Joint Global Coordinators, the Company and the Trust Office (nor any of their or the Company's subsidiaries, affiliates, branches, associates, (subsidiaries of) holding companies, joint ventures that the Company or the Trust Office have entered into and each of the Trust Office's and the Company's respective officers, directors, supervisory board members, employees, representatives, and agents from time to time have agreed to, during the abovementioned period of 180 days, 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, or;
- (c) Create any charge or security interest over,

any shares or any securities convertible or exchangeable into securities or warrants or other rights to purchase securities or any debt instrument or other instruments with a similar effect to the Offering.

These lock-up arrangements shall not apply to (any hedging activities of) shares issued under the Company's "Medewerkers Participatieplan of Stichting ESPP Grontmij" (**ESPP**, see 15.5 "Equity holdings", (any hedging activities of) shares issued under the plan of "Stichting Medewerkers Participatie Grontmij" (see 15.4 "Remuneration") and Preference Shares issued to "Stichting Preferente Aandelen Grontmij" (see 14.19 "Foundation preference shares Grontmij") provided that such issues are made consistent with past practice on customary terms.

## **7.5 Potential conflicts of interest**

ING Bank N.V. and Nordea Bank Danmark A/S are acting as Joint Global Coordinators and joint bookrunners, and ING Bank N.V. also acts as Subscription, Listing and Settlement Agent for the Offering.

The Joint Global Coordinators are acting exclusively for the Company and for no one else in relation to the Offering, the Rump BDRs and the Offer BDRs and will not be responsible to anyone other than to the Company for giving advice in relation to, respectively, the Offering of the Offer BDRs and the Rights.

The Joint Global Coordinators (and/or 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). As a result of these transactions, any Joint Global Coordinator may have interests that may not be aligned, or could potentially conflict, with investors' and the Company's interests.

ING Bank N.V. and Nordea Bank Danmark A/S (and/or its respective affiliates) are currently lenders to the Company in all facilities as described in section 13.7 "Existing borrowings". As the Company's lenders, they have received and may continue to receive customary fees related to their services. As a result of acting in the capacities described above, ING Bank N.V. and Nordea Bank Danmark A/S may have interests that may not be aligned, or could potentially conflict, with investors' and the Company's interests.

ING Groep N.V. holds all the issued and outstanding shares in ING Bank N.V. ING Groep N.V. holds a capital interest of 15.88% through its subsidiary ING AM Insurance Companies B.V., acting as manager of ING Dochterfonds. The latter has entered into an irrevocable commitment to subscribe for Offer BDRs (see also section 7.1 "Irrevocable commitment major BDR Holders").

## 8. SELLING AND TRANSFER RESTRICTIONS

### 8.1 Notice to investors

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 BDRs.

No action has been or will be taken to permit a public offering of the Rights and the Offer BDRs in any jurisdiction outside the Netherlands. 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 purposes only and should not be copied or redistributed. If the investor receives a copy of this Prospectus, the investor may not treat this Prospectus as constituting an invitation or offer to the investor of the Rights and the Offer BDRs, unless, in the relevant jurisdiction, such an offer could lawfully be made to the investor, or the Rights and the Offer BDRs could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if the investor receives a copy of this Prospectus or any other offering materials or advertisements, the investor should not distribute or send it to any person in or into any jurisdiction where to do so would or may contravene local securities laws or regulations. If the investor forwards this Prospectus or any other offering materials or advertisements into any such territories (whether under a contractual or legal obligation or otherwise) the investor should draw the recipient's attention to the contents of this chapter 8 "Selling and Transfer Restrictions".

In accordance with the terms and subject to the conditions as contained in this Prospectus:

- (a) the Rights being granted in the Rights Offering may be exercised only by an Eligible Person (as defined below), subject to applicable securities laws;
- (b) the Rights being granted or Offer BDRs being offered in the Offering may not be offered, sold, resold, exercised, transferred or delivered, directly or indirectly, in or into jurisdictions outside the Netherlands wherein the Rights and the Offer BDRs may not be offered at all, including, without limitation, the United States, Australia, Canada and Japan (the **Ineligible Jurisdictions**); and
- (c) this Prospectus may not be sent to:
  - (i) any person residing in an Ineligible Jurisdiction or with a citizenship from an Ineligible Jurisdiction such that he cannot lawfully participate in the Offering; or
  - (ii) any BDR Holder or any other person residing in a jurisdiction outside the Netherlands wherein the Rights and the Offer BDRs may be offered, but to whom certain restrictions apply, as set out in this chapter 8 "Selling and Transfer Restrictions", as a result of which he cannot lawfully participate in the Offering

(such a person being an **Ineligible Person**).

In this Prospectus, persons who are not Ineligible Persons are referred to as **Eligible Persons**.

Subject to the specific restrictions described below, investors (including, without limitation, any investor's nominees and trustees) wishing to subscribe for the Offer BDRs or to trade in the Rights, 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.

The information set out in this chapter 8 "Selling and Transfer Restrictions" is intended as a general guideline only. Investors that are in any doubt as to whether they are eligible to subscribe for the Offer BDRs or to trade in the Rights, should consult their professional adviser without delay.

## **8.2 Representations and warranties by investors in the Offering**

If a person (i) takes up, delivers or otherwise transfers the Rights, (ii) exercises the Rights to subscribe for the Offer BDRs or (iii) trades or otherwise deals in the Rights granted or the Offer BDRs offered in the Offering, such person will be deemed to have made, and, in some cases, be required to make, the following representations and warranties to the Company, the Subscription, Listing and Settlement Agent and the Joint Global Coordinators and any person acting on the Company's or their behalf, unless such requirement is waived by the Company and the Joint Global Coordinators:

- (a) such person is not located in an Ineligible Jurisdiction (in which Rights or Offer BDRs may not be offered at all) as a result of which such person will be qualified as an Ineligible Person;
- (b) such person is not an Ineligible Person for any other reason;
- (c) such person is not acting, and has not acted, for the account or benefit of an Ineligible Person;
- (d) such person will not offer, sell or otherwise transfer either a Right or an Offer BDR to any person located in the United States (which will be deemed to be satisfied when trading Rights or Offer BDRs in the marketplace through Euronext Amsterdam); and
- (e) such person was a BDR Holder at 17:40 CET on the Record Date or such person legally acquired Rights in the marketplace during the trading period as set out in section 6.5 "Listing and trading of Rights".

The Company, the Subscription, Listing and Settlement Agent and the Joint Global Coordinators and any persons acting on behalf of the Company, the Subscription, Listing and Settlement Agent or the Joint Global Coordinators will rely upon representations and warranties made by any person. Any provision of false information or subsequent breach of these representations and warranties may subject any person who made and breached these representations and warranties to liability. The Company, the Subscription, Listing and Settlement Agent and the Joint Global Coordinators reserve the right, in their sole and absolute discretion, to reject any purchase of Rights and Offer BDRs that the Company, the Subscription, Listing and Settlement Agent or the Joint Global Coordinators believe may give rise to a breach or violation of any law, rule or regulation.

If a person is acting on behalf of an eligible holder of Rights (including, without limitation, as a nominee, custodian or trustee), such person will be required to provide the foregoing representations and warranties to the Company, the Subscription, Listing and Settlement Agent and the Joint Global Coordinators with respect to the exercise of Rights on behalf of such eligible holder. If a person does not or is unable to provide the foregoing representations and warranties, neither the Company, the Subscription, Listing and Settlement Agent nor the Joint Global Coordinators will be bound to authorise the allocation of any of the Offer BDRs being offered in the Offering to such person or the person on whose behalf such person is acting; neither will they be liable for any damages incurred as a result thereof.

If a person (including, without limitation his/her nominees and trustees) is outside the Netherlands and wishes to exercise or otherwise deal in his/her Rights or subscribe for the Offer BDRs, such person must satisfy himself/herself as to the observance of all applicable laws of all relevant territories, 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. The comments set out in this section are intended as a general guide only. If a person is in any doubt as to whether such person is eligible to exercise its Rights or subscribe for the Offer BDRs, such person should consult a professional adviser without delay.

The Rights will initially be credited to the financial intermediaries for the accounts of all BDR Holders who hold BDRs in custody through such financial intermediary on the Record Date. A financial intermediary may not exercise any Right on behalf of any Ineligible Person and will be required in connection with any exercise of the Rights to certify to such effect.

Financial intermediaries are not permitted to send this Prospectus or any information about the Offering into any Ineligible Jurisdiction or to any Ineligible Persons. The crediting of Rights to the account of Ineligible Persons does not constitute an offer of the Offer BDRs to such persons. Financial intermediaries, which include brokers, custodians and nominees, holding for Ineligible Persons may consider selling any and all Rights held for the benefit of such persons to the extent permitted under their arrangements with such persons and applicable law and to remit the net proceeds to the accounts of such persons.

Exercise instructions or certifications sent from or postmarked in any Ineligible Jurisdiction will be deemed to be invalid and the Rights and the Offer BDRs will not be delivered to addresses inside any Ineligible Jurisdiction. The Company, the Subscription, Listing and Settlement Agent and the Joint Global Coordinators reserve the right to reject any exercise (or revocation of such exercise) in the name of any person who provides an address in an Ineligible Jurisdiction for acceptance, revocation of exercise or delivery of such Rights and Offer BDRs, who is unable to represent or warrant that such person is not an Ineligible Person, who is not acting on a discretionary basis for such persons, or who appears to the Company or the Company's agents to have executed its exercise instructions or certifications in, or dispatched them from, an Ineligible Jurisdiction. Furthermore, the Company reserves the right, with sole and absolute discretion, to treat as invalid any exercise or purported exercise of Rights that appears to the Company to have been executed, effected or dispatched in a manner that may involve a breach or violation of the laws or regulations of any jurisdiction or if the Company believes that the same may violate or be inconsistent with applicable legal or regulatory requirements, 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 this Prospectus.

Despite any other provision of this Prospectus, the Company, the Subscription, Listing and Settlement Agent and the Joint Global Coordinators reserve the right to permit any person to exercise its Rights if the Company, the Subscription, Listing and Settlement Agent and the Joint Global Coordinators, in the Company's absolute discretion, are satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question. Applicable exemptions in certain jurisdictions are described further below. In any such case, the Company, the Subscription, Listing and Settlement Agent and the Joint Global Coordinators do not accept any liability for any actions that any person takes or for any consequences that any person may suffer by the Company accepting that person's exercise of Rights.

### **8.3 For investors in the European Economic Area**

In relation to each Member State which has implemented the Prospectus Directive (each, a **Relevant Member State**), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**), an offer to the public of the Offer BDRs through a grant of the Rights may not be made in that Relevant Member State other than the offer in the Netherlands once the Prospectus has been approved by the AFM and published in accordance with the Prospectus Directive as implemented in the Netherlands, except that, with effect from and including the Relevant Implementation Date, an offer to the public of the Offer BDRs through a grant of the Rights may be made in that Relevant Member State at any time under the following exemptions under the Prospectus Directive, if it has been implemented in that Relevant Member State:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year, (ii) a total balance sheet of more than EUR 43 million and (iii) an annual net turnover

of more than EUR 50 million, as shown in its last annual or consolidated accounts (if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, this exception is no longer valid);

- (c) to fewer than 100 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); or
- (d) in any other circumstances falling within article 3(2) of the Prospectus Directive,

provided that no such offer of Rights and Offer BDRs shall result in a requirement for the publication by the Company of a prospectus pursuant to article 3 of the Prospectus Directive.

For the purposes of this provision, the expression 'an offer to the public' in relation to any Rights and Offer BDRs 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 Rights to be granted and Offer BDRs to be offered so as to enable an investor to decide to exercise, purchase or subscribe any Rights and Offer BDRs, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

#### **8.4 For investors in Switzerland**

The Rights and/or Offer BDRs may not be offered or distributed in or from Switzerland on the basis of a public solicitation, as such term is defined under the current practice of the Swiss Federal Banking Commission, and neither this Prospectus nor any supplement thereto relating to the Rights and/or Offer BDRs may be offered or distributed in connection with any such offering or distribution.

#### **8.5 For investors in the United Kingdom**

In addition to the restrictions identified above, any invitation or inducement to engage in investment activity (within the meaning of article 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of the Rights and the Offer BDRs may only be communicated or caused to be communicated in the United Kingdom in circumstances in which article 21(1) of the Financial Services and Markets Act 2000 does not apply or if an exemption (as set out in the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005) applies.

#### **8.6 For investors in the United States of America**

The Rights and the Offer BDRs have not been and will not be registered under the Securities Act and may not be offered, granted, issued, sold, taken up, delivered, renounced or transferred in or into the United States. In addition, until 40 days following the commencement of the Offering, an offer or sale of the Rights and the Offer BDRs within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act.

Each investor in the Rights and the Offer BDRs will be deemed to have represented and agreed as follows (terms used in this section that are defined in Regulation S are used herein as defined therein):

- (a) the investor, and the person, if any, for whose account it is acquiring such Rights and Offer BDRs (i) is outside the United States and (ii) is acquiring the Rights and Offer BDRs in an offshore transaction meeting the requirements of Regulation S;
- (b) the investor is aware that the Rights and the Offer BDRs have not been and will not be registered under the Securities Act and are being distributed and offered outside the United States in reliance on Regulation S;

- (c) the Rights and the Offer BDRs may not be offered, sold, pledged or otherwise transferred except in accordance with Rule 903 or 904 of Regulation S or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable securities laws of any state or other jurisdiction of the United States; and
- (d) the investor acknowledges that the Company, the Joint Global Coordinators and others will rely upon the truth and accuracy of the foregoing representations and agreements. Any certificate representing the Offer BDRs or any depositary receipts representing the right to receive deposited Offer BDRs shall bear a legend setting forth the foregoing transfer restrictions.

## 9. INDUSTRY OVERVIEW

### 9.1 Introduction

The Group is active within the engineering consultancy industry. The Group's business is structured in eight separate geographic regions. The regions are the Netherlands, France, Denmark, Sweden, United Kingdom, Belgium, Germany and 'other markets'. The 'other markets' include the Group's activities in Poland, Turkey and Hungary with an emerging presence in China. The Group also carries out certain non-core activities. The latter includes operating the Group's non-core assets (mainly real estate development projects and waste management operations). Performance is measured based on segment operating results, as included in the internal management reports that are reviewed by the Executive Board. Within the geographic regions, Grontmij is active in four business lines being Planning & Design, Transportation & Mobility, Water & Energy and Monitoring & Testing. The business lines mainly serve as a platform for leveraging Grontmij's skills, knowledge and expertise and to drive the Group's growth activities. Both the public sector – national and regional - and private sector are major customers for Grontmij in all Grontmij's operating countries.

### 9.2 Size and position of the main markets

The Group's main markets are Belgium, Denmark, France, Germany, the Netherlands, Sweden and the United Kingdom. In addition to the Group's main markets and its activities in the 'other markets' Poland, Turkey and Hungary and an emerging presence in China, the Group has also subsidiaries, branches and offices outside Europe, for example in Russia, Vietnam and the former French overseas territories. Revenue generated by these subsidiaries, branches and offices are included in the revenue of the business in the Group's main markets, because management of the business in the main markets is accountable for these subsidiaries, branches and offices outside Europe.

The table below shows the Group's revenue for the years ending 31 December 2011, 2010 and 2009 by geography.

<i>(EUR thousands)</i>	<b>For the year ended 31 December</b>		
	<b>2011</b>	<b>2010</b>	<b>2009</b>
<b>Country</b>			
The Netherlands	246.0	271.0	301.2
France	210.8	111.4 <sup>8</sup>	-
Denmark	147.0	147.1	163.7
Sweden	92.6	80.3	77.7
United Kingdom	71.3	80.8	93.1
Belgium	78.5	64.9	54.7
Germany	53.8	51.9	55.7
Other markets	17.1	17.8	12.3
Non-core and other <sup>9</sup>	16.5	16.1	41.4
<b>Total</b>	<b>933.5</b>	<b>841.3</b>	<b>799.8</b>

#### *The Netherlands*

With an estimated market share of 10%<sup>10</sup> based on revenue, the Company is one of the top three players in the Dutch engineering market<sup>11</sup>. The Company's main areas of expertise are major infrastructure projects and sustainable buildings. The Company also offers a full range of water utilities activities, an especially important expertise in the Netherlands.

<sup>8</sup> As of 18 June 2010.

<sup>9</sup> This includes non-core activities (see section 9.1 "Introduction") and head office.

<sup>10</sup> Euroconstruct November 2011, Pure Data December 2011 and Grontmij's annual reports 2010 and 2011.

<sup>11</sup> NL Ingenieurs Branchereport 2010.



The Group's customer base in the Netherlands is strongly focused on the public sector. Public and semi-public customers represented approximately 70% of the Group's 2011 revenue in the Netherlands. Main customers are local governments, departments of the central government and a number of large public and semi-public utilities.

#### *France*

Ginger, which was acquired in 2010, is a premier player in Monitoring and Testing in France (for an explanation of what Monitoring and Testing is, see 10.6 "Business lines"): the Company believes it has a market-leading position in CEBTP assessment and testing. CEBTP is the French and international benchmark on all geotechnical aspects of new buildings and the restoration of historic constructions. The Company won several major projects in 2011, such as the renovation of part of the Eiffel Tower, consultancy on the sizeable Les Halles urban renewal project, and won the tender for the modernisation of the world-famous Longchamps race course – all in Paris. Within Monitoring & Testing, the majority of the customers are from the private sector and in Planning & Design the majority of the customers is from the public sector.

#### *Denmark*

Grontmij is a top three player in the Danish engineering market based on revenue<sup>12</sup>. Main areas of expertise are water utilities, sustainable buildings and hospitals, ports and marine works and road infrastructure. The Company is one of few consultants able to deploy multi-disciplinary teams drawing on cross-border expertise. In 2011, some of the largest projects won in Denmark involved rail. The Company was awarded the contract to advise on Denmark's first-ever high-speed rail link. The customer base is evenly split between public and private customers with sales to the public sector increasing over the past years.

#### *Sweden*

With an estimated 6% of the Swedish engineering market based on revenue<sup>13</sup>, Grontmij is an increasingly significant player in Sweden. The business lines of Planning & Design and Transport & Mobility are the main areas of expertise. The public sector is traditionally the Group's main customer base in Sweden. However, one of the Company's biggest contracts in 2011 was a private-sector development of the Mall of Scandinavia in the capital Stockholm. This will be the largest retail and leisure complex in the region.

#### *Belgium*

Grontmij is a top three player in the Belgian engineering market based on revenue<sup>14</sup>. Main areas of expertise are the infrastructure and process industry activities. Compared to other markets in which the Group operates, the Group has a relatively strong focus on the private sector in Belgium. The Group received the Architects Association Innovation Design Award for new sustainable bus depots and the prestigious Energy Award for Grontmij's own newly renovated head office in Mechelen.

#### *United Kingdom*

The Company is a top 25 player in the United Kingdom engineering market based on revenue<sup>15</sup>. In 2011, the Company was able to win a prestigious project for the new Forth Bridge in Scotland. The Company will also be working on a pioneering energy project with Yorkshire Water. Grontmij will be involved in the 'reshaping' of the landmark Centre Point building in the heart of London.

Grontmij's UK business is primarily focused on private customers, which generated 77% of 2011 revenue, and comprises framework contracts with the privately owned water companies and delivers high-end

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<sup>12</sup> Euroconstruct November 2011, Pure Data December 2011 and Grontmij's annual reports 2011.

<sup>13</sup> Sector Review December 2011, p.29. By: The Swedish Federation of Consulting, Engineers and Architects.

<sup>14</sup> Euroconstruct November 2011, Pure Data December 2011 and Grontmij's annual reports 2011.

<sup>15</sup> Euroconstruct November 2011, Pure Data December 2011 and Grontmij's annual reports 2011.

commercial/residential projects in London to developers. Public sector work is confined to UK Highway schemes, and public environmental bodies.

### *Germany*

In Germany, the Company works in Planning & Design, Transportation & Mobility and Water & Energy. In 2011, the Company was able to win the design of the prestigious Terminal 3 extension to Frankfurt Airport. At Munich Airport, the Company was appointed general engineer for a state-of-the-art combined heat and power plant to service the entire airport facility.

In Germany, the Company is operating in a highly fragmented marketplace with over 75,000 small to medium sized engineering companies. With less than 1% of the German engineering market, Grontmij is, however, a top ten player<sup>16</sup>. The majority of the Group's customers in Germany are public sector customers. Essentially, this is a local-for-local operating environment where local knowledge and expertise is important.

### *Other markets*

Grontmij has small operations in Hungary, Poland and Turkey. The Company has also launched a start-up in China in 2011 to handle projects there. For all other markets, customers are central and local governments and private sector customers, such as project development companies.

## **9.3 Competitive landscape**

The engineering consultancy industry is, in general, highly fragmented and the Group competes with a large number of companies that range from small, local and regional companies to large, international companies. Very complex or large projects typically have less (but larger) companies competing for them. Competition intensity varies within different regions, countries and sectors but is generally fierce.

The Group's main competitors in Belgium are Arcadis, Technum Tractebel Engineering and TPF. Main competitors in Denmark are Rambøll Gruppen A/S and COWI koncernen. Main competitors in Germany are Fichtner, Obermeyer, IBV and Pöyry. Main competitors in France are Egis, Arcadis, Artelia and Ingerop. Main competitors in Sweden are Sweco and ÅF-koncernen. Main competitors in the Netherlands are Arcadis, Oranjewoud, DHV, Royal Haskoning and Witteveen & Bos. Main competitors in the United Kingdom are WS Atkins, Mouchel Group, Arup, WSP and Halcrow.

The Group believes that it is well positioned to compete because of its key strengths as described in section 10.4 "Key strengths", its reputation, long-term customer relationships, local knowledge, employee expertise, broad range of services and extensive European network of offices. The Group believes that its ability to provide cross-border specialist services for all phases within a project provides the Group with a competitive advantage when tendering for complex and large (inter)national projects.

## **9.4 Market developments**

The engineering consultancy industry is cyclical by nature meaning that it is vulnerable to economic downturns but may also benefit strongly from economic upturns. The industry is also "late cyclical" meaning that the impact of economic downturns or upturns shows only after a certain period of time. In times of economic downturn, the Group may benefit from governmental stimulus plans although overall public spending is generally lower in an economic downturn. However, the current focus in most European countries on decreasing budget deficits may hamper such stimulus plans.

In recent years, the engineering consultancy industry in Europe has been impacted by the economic downturn, particularly by:

- (a) the reduction in public and private customers' spending;

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<sup>16</sup> Sector Review December 2011, by the Swedish Federation of Consulting Engineers and Architects.

- (b) the stagnation or collapse of the real estate markets in several countries;
- (c) limitations on the availability of credit in the governmental or private and public credit markets which places constraints on the customers in their spending; and
- (d) delay in decision-making on new projects and postponing or even cancelling existing projects.

These factors have affected the overall demand for the Company's services. Further, the Company believes that competition has become increasingly fierce due to the lower market volume for which the same amount of industry participants compete, and customers demand more favourable pricing and other terms, which has put pressure on fees and margins.

## **9.5 Market trends**

The Group has identified the following market trends that have and are expected to influence the Group's business and the markets in which it operates:

### ***Moderately positive market outlook***

Despite the ongoing economic crisis in Europe, the Group expects for the period from 2012 to 2015 that the engineering consultancy market will follow its long-term, above-GDP growth trend. There is a moderately positive market outlook for Europe with nominal annual growth in the 3-4% range for the period from 2012 to 2015<sup>17</sup>.

### ***Urbanisation and scarcity of resources are primary drivers for growth***

An increasing number of people are moving to urban areas<sup>18</sup>. This growing urbanisation puts pressure on the existing infrastructure which requires innovative, sustainable solutions. This growing urbanisation is also driven by the scarcity of clean water and more focus on sustainable energy.

### ***Increase in use of tender procedures for complex and large international projects***

Private customers are increasingly using tender procedures for complex and large international projects. Tender procedures may increase competition between engineering consultancy companies participating in the tender. Although participation in these tender procedures may be expensive and time consuming, they also provide the opportunity of creating substantial revenue, if the tender is won.

### ***Increase in customer demand for preferred supplier relationship***

Multinational companies tend to select preferred suppliers to safeguard a certain level of quality of the service to be procured throughout their organisation and manage costs efficiently. Preferred suppliers are typically selected based on their ability to deliver services in multiple countries and the level of experience. As preferred supplier relationships may involve long-term supplies and significant revenue, building and maintaining such relationships is increasingly important.

### ***Increased demand for mobility***

Central governments in Western Europe have announced significant infrastructure investments in the coming years, mostly in highways, rail and water, based on the increasing demand for mobility of goods and persons between urban hubs within these countries.

### ***Increased focus on sustainability***

<sup>17</sup> Global Insight December 2011; Euroconstruct November 2011; Industry reports; Company annual reports; BCG analyses.

<sup>18</sup> The United Nations World Urbanisation Prospect, 2011.

Preserving resources and quality of life for future generations is of significant importance. The environmental impact of projects is more important than ever, and advising on appropriate mitigation measures is a key element. This focus on sustainability is an important driver for Grontmij's customers' needs.

## **10. BUSINESS OVERVIEW**

### **10.1 Introduction**

The Group is active within the engineering consultancy industry. The Group's business is structured in eight separate geographic regions. The regions are the Netherlands, France, Denmark, Sweden, United Kingdom, Belgium, Germany and 'other markets'. The 'other markets' include the Group's activities in Poland, Turkey and Hungary with an emerging presence in China. The Group also carries out certain non-core activities. The latter includes operating the Group's non-core assets (mainly real estate development projects and waste management operations). Performance is measured based on segment operating results, as included in the internal management reports that are reviewed by the Executive Board. Within the geographic regions, Grontmij is active in four business lines being Planning & Design, Transportation & Mobility, Water & Energy and Monitoring & Testing. The business lines mainly serve as a platform for leveraging Grontmij's skills, knowledge and expertise and to drive the Group's growth activities. Both the public sector – national and regional – and private sector are major customers for Grontmij in all Grontmij's operating countries.

The Group's total revenue in 2011 was EUR 933.5 million (2010: EUR 841.3 million) and result after tax was EUR -55.9 million (2010: EUR 17.3 million).

### **10.2 History**

The Company was founded in 1913 by Doedo Veenhuizen, a farmer by trade. The Company focused on cultivating wasteland, helping farmers with flood protection and reclamation of land. In 1915, the Company became a public company (*naamloze vennootschap*). The (depository receipts for) Ordinary Shares in the Company were listed on the Euronext Amsterdam on 28 January 1982.

The Group has developed from a local engineering and project development company, primarily operating in the Netherlands, Belgium and Germany, to a large engineering consultancy firm operating in Europe. The Group became a multidisciplinary design, engineering and management consultancy company. From 1995 to 2005, the Group further expanded in Belgium and Germany and into Poland and the number of employees increased to approximately 4,000.

The Group has grown both organically and through acquisitions, such as the acquisition of the Carl Bro Group in August 2006. In 2008, the Group acquired three companies in the United Kingdom, Roger Preston & Partners, Trett Consulting and Whitelaw Turkington. In 2010, the Group acquired Ginger.

In 2010 and 2011, there was only limited organic growth due to deterioration in many of the Group's markets as a result of the financial crisis. However, the Group's total revenue still increased from EUR 841.3 million in 2010 to EUR 933.5 million in 2011 and the number of employees rose to approximately 11,000, primarily due to the acquisition of Ginger. Thereupon, due to the sale of Ginger's telecom division and other personnel reduction, the workforce declined to approximately 9,000.

### **10.3 Strategy 2012-2015**

In recent years, Grontmij has grown both organically and through acquisitions. As a result, Grontmij has been significantly leveraged in recent years. The economic decline in some of the Company's major European markets since the crisis of 2008 and the fact that the Company did not always sufficiently anticipate changes in the market have put considerable pressure on the Company's finances.

However, Grontmij has strong positions in the majority of its operating countries and the Company believes that the prospects for market growth in Europe in the 2012-2015 period are moderately positive, in spite of challenging economic conditions. Therefore, by implementing the following newly developed strategy, the Company is convinced that by focusing on its European business and on five selected growth activities it will succeed in gradually reinstating positive revenue growth and improving its EBITA margins.

At the beginning of 2012, the Company introduced a new strategy called 'Back-on-Track' for the period up to 2015. The new strategy will focus on restructuring and realising a profitable organic growth. These pillars are divisible into six actions. Based on these pillars, the Company has set ambitious financial goals which the Company believes to be realistic: EBITA target margin of 6 – 8% on total revenue in 2015, organic revenue growth target of 3 – 5% per year with 2012 as base year, and a trade working capital ratio target of approximately 15% of total revenue by the end of 2013.

The strategy is as follows:

(a) Focus on restructuring

The restructuring programme consists of four main actions: cost reductions, operational excellence improvement, selected divestments and the strengthening of the governance & control processes.

(i) Cost reductions

The Company has identified targeted cumulative cost savings of EUR 36 million (EUR 43 million including France) by the end of 2015, aimed at total target annual cost reductions of EUR 15 million (EUR 18 million including France) from 2015 onwards. The cost reductions (excluding France) will be achieved both in the country operations and by streamlining the Group headquarters. 51% of these total cost savings are expected to be achieved through the reduction of support functions, 36% of these total cost savings are expected to be achieved by reducing real-estate costs by rationalising the number of offices and the square metres per employee, and 13% of these total cost savings are expected to be realised by a reduction in IT costs and IT-related staff. These targeted cost reductions are expected to have a one-off cash impact (cash out) of EUR 12 million (EUR 15 million including France), spread out over the period 2012 up to 2015.

(ii) Operational excellence improvement

The Company has established three main initiatives (based on internal and external benchmarks and best practices) to improve operational excellence. Firstly, the Company will enhance steering on trade working capital, for which it has initiated a Group-wide programme. With this programme, the Company aims to lower its trade working capital to 15% of total revenue by the end of 2013. Secondly, the Company will focus on project management excellence and project profitability, since the Company sees significant differences within the Group on how projects are managed and what impact this has on profitability. To this end, the Company will use internal best practices and implement these across the Group. Thirdly, the Company will focus on commercial excellence, where the Company will concentrate even more on customer needs, implement clear bid/no-bid procedures and focus more on higher price realisation.

(iii) Selected divestments

An in-depth portfolio review has resulted in the identification of certain non-core assets and activities eligible for divestment or discontinuation. These are (semi-) blue-collar maintenance work and services (with revenue in 2011 of EUR 29 million), other services (already identified: Trett Consultants with revenue in 2011 of EUR 16 million) and non-core assets (already identified: real estate development and waste management, with revenue in 2011 of EUR 20 million). In 2012, the Company will continue to make these activities available for sale, start preparation and take final decisions on (timing of) divestments.

(iv) Strengthening governance and control processes

The Company has started a programme to improve and align the internal reporting and operational and financial key performance indicators across its operating countries. Special attention will be put on financial consolidation, while focusing on forward-looking cash analysis. The organisation will

be simplified by more steering as one company. Furthermore, the Executive Board will now be directly responsible for the different countries. Every country reports directly to one of the Executive Board members. Incentive structures for both Executive Board and country managing directors will be aligned with the new strategy. Financial reporting has been adjusted to reflect this focus on accountability per country, starting with the full year financial figures for 2011. The four business lines will mainly serve as a platform to leverage skills, knowledge and expertise and to drive the Group's areas. In France there will be an additional focus on enhancing the governance and improving the reporting and the financial controls.

(b) Realising profitable organic growth

The Company intends to realise growth by performing the following two actions.

(i) Focus on Europe

The Company will retain its focus on its current European main markets: the Netherlands, France, Denmark, Sweden, the United Kingdom, Belgium and Germany. The Company is exploring the possibilities to off-shore basic, low-value-add engineering activities to low-cost countries in Eastern Europe or Asia. Other activities outside the European main markets will only be pursued on a project basis and will be evaluated against stringent criteria.

(ii) Focus on five selected growth activities

The Company has identified five selected growth activities across its markets where it believes that it can leverage the customer relationships and knowledge of one or more countries. The five Group growth activities are based on specific expertise and the market position that the Company has in its European main markets. The Company assessed the extent to which this expertise is leveragable to other markets against market outlooks and potential profitability of these sectors. The five Group growth activities were identified within the business lines:

(A) Energy (conventional and bio)

The Company foresees an increased growth in Europe in development of new conventional and bio energy power plants. This is mainly driven by the continuing trend in sustainable energy production, that is experienced by the Company, and decreased focus on nuclear energy following the events in Japan last year. The Company has extensive experience in both activities.

(B) Highways and roads

Central governments in current European main countries, such as the Netherlands, have announced significant infrastructure investments in the coming years. The Company is well positioned to profit from this, with its expertise in highway and road projects in the Netherlands, Belgium and Denmark.

(C) Light rail

In recent years, the Company has seen strong growth in light rail projects across Europe. With continuing city congestion, the Company expects this trend to continue in coming years. In contrast to most of the heavy and high-speed rail projects, light rail knowledge is easily transferable across countries because systems and signalling are less country specific.

(D) Sustainable buildings

The Company expects the sustainable building activity to continue to grow. This is because customers' investments in sustainable building of both existing and new buildings are generally recovered quickly. The main advantage is the significantly lower energy consumption of sustainable compared to traditional buildings. The Company is well positioned in this activity, both because of its project experience and its BREEAM certified sustainable building specialists.

(E) Monitoring & Asset management

Projects in Monitoring & Asset management generally have high margins due to the specific competencies required, the proprietary systems, and the long-term customer relationships. Asset management involves systematic process of operating, maintaining and upgrading assets (such as road-infrastructure, airfield pavement, engineering structures, rail roads and buildings) cost effectively. Solutions such as the so-called RoSy pavement monitoring and consultancy system (an asset management tool developed by the Company in Denmark) are currently being rolled out to other countries and market appetite has been strong.

The Company believes that it can benefit from and will be able to create cross-country synergies in higher growth and margin activities by working closer together, focusing on these five activities. Dedicated teams within the Company have been brought together to accelerate these actions.

#### 10.4 Key strengths

The Group considers the following as its key strengths:

***Services provider with specialist knowledge, local presence and ability to work cross-border***

The Group provides a wide range of services from design to execution of a project in its core segments. It provides these services in various countries through its offices in its local markets and globally. Most of the Group's projects require multiple kinds of services in several countries. The Group's professionals are highly skilled and trained and have knowledge of, and experience in, the specific business lines and markets in which the Group is active. By sharing knowledge, referrals, skills and expertise obtained in one business line or market with other business lines and markets, locally and globally, the Group is able to execute complex projects and create innovative solutions. As a service provider with specialist knowledge, strong local presence and the ability to work cross-border, the Group believes that it is in a strong position when tendering for new projects, including complex and large international projects or for a role as preferred supplier.

***Active in market sectors with potential for growth***

The Group is active in markets that it believes have potential for growth as customers are facing complex challenges due to factors such as climate change, population growth and urbanisation, where engineering consultancy services are key in order to provide solutions. The Group provides such solutions and has won numerous awards for innovative solutions developed by its professionals.



### ***Leading position and reputation in main markets***

The Group is the third largest engineering consultancy firm in Europe<sup>19</sup>. The Group also holds leading positions in most of its main markets, as pointed out in chapter 9 "Industry overview" of this Prospectus. The Group believes that it has a good reputation and a strong brand name in its main markets both with customers and partners. The Group's leading position and good reputation in its main markets are important factors for attracting customers and for attracting and retaining highly skilled employees. Therefore, in the upcoming years the main focus will be on the main markets.

### ***Diversified customer base***

The Group's customers range from local municipalities and private companies to national governments and governmental authorities and large (multinational) corporations within a range of markets and sectors. The Group is not dependent on one or more customers or one particular market or sector. The Group believes that this should mitigate the Group's exposure to negative cyclical effects affecting such customers, markets or sectors.

### ***Sustainability***

The Group's professionals work closely with its customers to embed sustainability. The Group also creates innovative solutions for sustainability issues and is embedding sustainability into the Group's projects from bid and concept design to project planning and execution.

Customers are increasingly demanding sustainable services and solutions. The Group believes that its efforts on embedding sustainability in its organisation and services constitutes a competitive advantage.

## **10.5 Organisation**

### ***Management***

The Executive Board is responsible for the day-to-day operations of the Group and the execution of the Group's strategy. The Executive Board is chaired by the Company's CEO. The Executive Board is directly accountable for the different operating countries.

Country managing directors have been appointed in each of the Group's main markets (Belgium, the Netherlands, France, Sweden, Denmark, Germany and United Kingdom) as well as the other markets (Hungary, Poland and Turkey). Each country managing director is responsible for the financial performance of its respective country and is primarily responsible for setting sales targets and driving performance. The country managing director executes business objectives according to budget and business plan. Each country managing director keeps and optimizes local domestic market positions by meeting country based business targets and developing business in alignment with Grontmij strategy. Each country managing director reports to the responsible member of the Executive Board.

### ***Legal structure***

The Company is the ultimate holding company of the Group. The Group mainly operates through a number of operating subsidiaries in different countries. The Group's main operating subsidiaries are located in the Netherlands, Belgium, Germany, France, Denmark, Sweden, United Kingdom and other countries. See section 19.3 "Material subsidiaries" which contains a list of the material subsidiaries.

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<sup>19</sup> ENR (Engineering News record), data 2011, based on revenue.

## 10.6 Business lines

The Group's business is structured in eight separate geographic regions (see chapter 9 "Industry overview"). Within the separate geographic regions where Grontmij is active, the Company operates in four business lines: Planning & Design; Transportation & Mobility; Water & Energy and Monitoring & Testing. The business lines mainly serve as a platform for leveraging the skills, knowledge and expertise present within the Group and to drive Group growth activities. The Group is also active in Poland, Turkey and Hungary with an emerging presence in China. Both the public sector – national and regional - and private sector are major customers for Grontmij in all its operating countries. The Group has no customers for which revenue are individually significant.

The table below shows the Group's total revenue for the years ending 31 December 2011, 2010 and 2009 by business line.

<i>(EUR millions)</i>	Year ending on 31 December		
	2011	2010	2009
<b>Business line</b>			
Planning & Design	367.2	348.9	327.0
Transportation & Mobility	203.7	188.9	187.7
Water & Energy	186.8	180.2	197.5
Monitoring & Testing	137.8	79.0	23.3
Other	38.0	44.3	64.3
<b>Total</b>	<b>933.5</b>	<b>841.3</b>	<b>799.8</b>

The Group's business lines have been affected by the economic decline in some of the Group's major European markets since the crisis of 2008 to a varying extent. The business lines Transportation & Mobility and Monitoring & Testing have proved to be less vulnerable to cyclical effects and have continued to trade well. The business line Planning & Design has been significantly impacted by deteriorating real estate markets leading to less projects for new constructions as well as cuts in public spending, civil engineering and infrastructure projects, mainly of local governments. Within the business line Water & Energy, Water was significantly impacted by the highly cyclical nature of the United Kingdom market. Energy has shown signs of recovery in most countries.

### *Planning & Design*

Representing 39% (2010: 42%) of the Group's total revenue, Planning & Design is its biggest business line. Planning & Design covers the multidisciplinary services such as environmental management and design, urban planning, building, land use, leisure and landscaping – everything which influences the places and spaces within which people live and work.

Furthermore, a growing part of the Company's work concerns the so-called BREEAM certification for buildings. This environmental assessment methodology is recognised worldwide as a benchmark for sustainable building. Certification is carried out on existing and new buildings. The Company was the first to employ licensed 'BREEAM in use' assessors around Europe. Increasingly, the Company experiences that owners see certification as part of lifecycle management. The Company is currently working on an additional tool that will enable owners to calculate a building's lifecycle costs, whereby strategic decisions on when investment or when maintenance would be more useful can be made.

Within this business line the Company has defined sustainable buildings as a Group growth activity.

### *Selected projects*

All Planning & Design projects have a strong local focus. The Group was able to win significant contracts in Copenhagen, Frankfurt and Paris. In Germany, the Company has been awarded the design of Frankfurt Airport's new Terminal 3. In addition, the Company delivers structural design and consulting services for the new Lufthansa administrative building at Frankfurt Airport. Supporting the redevelopment of Paris' Eiffel

Tower includes supervising the environmental aspects of this project. Also in Paris, the Company won the tender for modernising the Longchamps race course.

### ***Transportation & Mobility***

In 2011, Transportation & Mobility generated 22% of the Group's total revenue (2010: 23%). Transportation & Mobility covers management and design services for roads, railways, tunnels, waterways, traffic management systems and airports – all elements of enabling mobility and movement. Within this business line the Company has defined highways & roads and light rail as Group growth activities.

#### *Selected projects*

The Company was able to secure a number of major projects including the design for Stockholm's new ring road and two transport contracts in Turkey.

### ***Water & Energy***

In 2011, Water & Energy generated 20% of the Group's total revenue (2010: 21%). Water & Energy covers management and design services for water, waste water treatment, industry, process, sustainable industrial processes, energy techniques and renewable energy – all of which are linked by the types of (technical) processes inherent to the work the Group does. Within this business line the Group has defined (conventional and bio-) energy as a Group growth activity.

#### *Selected projects*

The Group was successful in winning a number of significant assignments, including two environmental projects in Hungary, major biofuel contracts in Sweden and Norway and a waste-to-energy plant in Poland.

### ***Monitoring & Testing***

In 2011, Monitoring & Testing generated 15% of the Group's total revenue (2010: 9%). Monitoring & Testing covers all scientific and technical knowledge used in construction, including geotechnical studies, structural and material diagnostics and pathologies, product audits and certifications and maintenance and monitoring for complex projects, inspections and tests both on site and in the laboratories. Within this business line the Group has defined monitoring & asset management as a Group growth activity.

#### *Selected projects*

In France, Ginger has been awarded the project of several services for the Mont Blanc motorway, including site preparation, site monitoring and exterior highway inspection. Further, Ginger has been selected by the city of Nice to undertake geotechnical and geological investigations into the future path of two additional tram lines in Nice.

In the Netherlands, the Group is developing a mobile mapping application for railways. Innovation on airport pavement management came from the Group's Danish Transportation & Mobility team and is now in use by employees of Monitoring & Testing.

## **10.7 Project acquisition**

Projects are acquired either on the basis of a specific request to the Group from customers or through the Group tendering for projects in tender procedures. In tender procedures, the Group is one of a number of bidders. The majority of the Group's projects are acquired through tender procedures.

Tender procedures are most common with public sector customers that are under an obligation to acquire services or products through a tender procedure. Tender procedures are subject to detailed laws and

regulations. Private customers are increasingly using tender procedures for complex and large national and international projects.

Participating in a tender procedure is time consuming and significant costs may be incurred, especially tenders for complex, large-scale projects, public private partnerships (PPPs) and framework contracts with a multi-year term that require specific qualifications. Expenses are usually reimbursed, at least in part, if the Group is successful in the tender and in some cases also if the Group is unsuccessful. Due to the current market conditions, price has become an increasingly important factor in tender procedures. Other factors, which the Group believes are important to be successful in tender procedures are, among others, certifications, experience of employees and references through prior projects.

## **10.8 Contracts**

The Group enters into a large number of contracts for projects each year with customers, joint venture partners, associates and subcontractors. A considerable part of the Group's revenue is derived from a large number of contracts of a relatively limited size. The Group enters into several types of contracts. Increasingly, the Company is confronted with framework agreements under which projects are granted. Although the Group aims at using its own standard terms and conditions, contracts are often tailored to a specific project to take into account specific risks, requests or needs in a project or as a result of negotiations with the contracting party.

The most important types of contracts used in the engineering industry are the following:

### ***Lump Sum/Fixed Fee Contract***

With this kind of contract the Group agrees to carry out a described and specified project for a fixed price. Such contracts are very often used in engineering contracts. A fixed fee or lump sum contract is suitable if the scope and schedule of the project can be sufficiently defined to allow the consulting engineer to estimate project costs.

### ***Cost plus contract***

A contract in which the customer agrees to pay the cost of all labour and materials plus an amount for overhead and profit (usually as a percentage of the labour and material cost). This type of contract is favoured if the scope of the work is indeterminate or highly uncertain and the kinds of amounts of resources needed are also uncertain. Under this arrangement complete records of all time and materials spent by the Group on the work must be maintained. This type of contract is also combined with a cap on the total fees.

### ***Incentive contracts***

Under incentive contracts, compensation is based on engineering performance according to an agreed target - budget, schedule and/or quality. The two basic categories of incentive contracts are fixed price incentive contracts and cost reimbursement incentive contracts. Fixed price incentive contracts are preferred when contract costs and performance requirements are reasonably certain. Cost reimbursement contracts provide the initially negotiated fee to be adjusted later by a formula based on the relationship of total allowable costs to total target costs. This type of contract specifies a target cost, a target fee, minimum and maximum fees, and a fee adjustment formula. After project performance, the fee payable to the Group is determined in accordance with the formula.

### ***Framework Contracts***

Framework contracts can be concluded between one or more contracting customers and one or more suppliers. These framework agreements set out the main terms that apply for each project undertaken for the relevant customer, often for a relatively long period. The specific details of each project are set out in separate contracts. Framework contracts can be based on all three above-mentioned types of contracts.

Where the Group participates in joint ventures or associates for delivery of services, the Group usually enters into fixed-fee contracts with the joint venture or associate company for delivery of services to the customer through the joint venture or associate company.

The Group enters into contracts with subcontractors either on a fixed-fee basis or on an hourly rate basis. The main part of contracts with subcontractors are entered into on a fixed-fee basis, which carries the risk of differences between the Group's contract with the customer and its contract with a subcontractor. The Group tries to limit this risk by entering into customer contracts only after having secured specific bids from its subcontractors and by mirroring the terms and conditions of the customer contract in the subcontractor contract.

### **10.9 Project execution – joint ventures, associates, consortiums and subcontractors**

Projects are usually carried out by one of the Group's operating companies, unless they are carried out by joint ventures or associates. The Group is able to carry out projects in different countries due to its large network of offices. The company transfers know-how and experience from one country to another to facilitate the execution of projects for which local knowledge or experience in that latter country may be missing.

The Group also carries out projects through joint ventures and associates with, inter alia, other consultants, architects, construction companies and real estate developers.

Joint ventures are formed in cases where the participants of a project have joint control and where strategic, financial and operating decisions must be made by unanimous consent. In some of the joint ventures, the Group has assumed joint and several liability. Associates are usually limited liability companies in which the Group holds a non-controlling interest.

Joint ventures and associates are used to execute projects that, because of their scope, size or complexity, cannot be executed by the Group alone or, in some cases, to reduce the operational and financial risks in the project by sharing these risks with other companies. Joint ventures and associates may also be used to execute projects with a local partner outside the Group's markets where local knowledge and experience of the partner is required.

The Group uses subcontractors such as engineers. In 2011, the Group's third party project expenses (ie total costs of services and materials which relate directly to contracts carried out for the Group's customers) amounted to EUR 183.9 million (2010: EUR 152.7 million).

### **10.10 Human resources**

The quality of the Company's employees is key to its success. For that reason the Company aims to be a preferred employer, sensitive to local conditions and with an international focus. This means that policies to ensure internal career development are important for the Company to retain qualified people and their skills and utilise them fully for both the benefit of the Company, and the benefit of its customers.

The Company has a policy in place aimed at developing people who are motivated and capable of holding senior commercial positions, becoming technical specialists or project managers. Business and managerial skills are becoming increasingly important. The Company supports the development of talented employees, including managers. The Group's international departments also have a global pool of experienced freelance professionals who are regularly retained to serve on a project basis.

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

- (a) stimulating entrepreneurship and an entrepreneurial culture;
- (b) paying attention to the environment, safety and social development;

- (c) training and educating employees and management;
- (d) creating challenging career perspectives;
- (e) offering employment conditions and a remuneration structure in line with the market; and
- (f) providing a healthy and safe work environment.

Throughout the Group, shifts in demand for personnel due to slower economic conditions has meant the loss of jobs. This is specifically the case in the Netherlands and in the United Kingdom. Other staff have been redeployed to capitalise on growth in, for example, transportation. Human resources management should support the balance between retention and cost control. The calculation of staff is based on the number of permanent and temporary contracts, as well as external agency staff. Total FTEs at year-end 2011 is 8,587 (2010: 8,552).

### **10.11 Sustainability**

The Group aspires to play an active role in the development of the societies where the Group operates by acting responsibly in all aspects of its business. This is done through addressing environmental concerns, including environmental change, developing sustainable and workable solutions to a wide variety of challenges and working effectively on climate change. The principle of "sustainability by design" forms the basis of the Group's corporate social responsibility policy. The Group believes this principle is important, since the Group often does work that can have a major effect on environmental issues.

Sustainability is embedded into the Group's projects from bid and concept design to project planning and execution. The Group is defining sustainability standards and guiding principles. These standards and guidelines are already implemented in the Group's business in Denmark, France, Germany, the Netherlands and in the United Kingdom, and are in the process of being implemented throughout the remainder of the Group.

The Group's progress on embedding sustainability is being measured.

### **10.12 Research and development**

The Group does not engage in any significant research and development.

### **10.13 Information technology**

IT systems are important to the Group's operations. The Group continuously invests in IT systems to deliver best possible value to its customers and to improve the ability to share knowledge across the organisation.

The Group's IT systems make use of a wide range of specialised engineering applications (CAD, GIS, calculation software), standard applications such as Microsoft Sharepoint for project cooperation, Tagetik software for financial consolidation as well as its own developed or acquired software, such as the resumé and customer reference system "PROUD". Next to this, Grontmij provides commercial GIS-ICT services to customers.

IT systems are set up to support the decentralised business of the Group. It is aimed at running and supporting IT where it is the most efficient, using both in-house resources and external service providers.

Grontmij IT is in the process of adopting an information security policy in line with the ISO-27001 Code of Practice. This includes a risk-analysis framework that stress tests the availability, integrity and confidentiality of information against specific threats to the Group's business processes and supporting information systems and IT systems.

#### **10.14 Brands and intellectual property**

The Group holds and uses various patents, licences, copyrights, trademarks and trade names as part of the ordinary course of business. The Group relies primarily on trade secrets, confidentiality policies and other contractual agreements to protect intellectual property where the Group believes that patent or copyright is not appropriate or obtainable. The Group believes that its intellectual property rights are adequately protected. However, the Group believes that it does not depend, in any material respect, on the existence of such rights other than its trade name "Grontmij" and the software licences that it uses.

The Group operates mainly under the trade name "Grontmij". The Group also operates under "Ginger", "CEBTP", "Coplan" and "Trett". The Group believes that "Ginger", "CEBTP" and "Coplan" trade names currently have a higher level of recognition in France than "Grontmij".

#### **10.15 Property, plant and equipment**

##### ***Property***

The Group owns and leases properties for office use in a number of jurisdictions globally. At 31 December 2011, the net book value of land and buildings owned by the Group was EUR 17.6 million (2010: EUR 11.8 million). As at 31 December 2011, the Group has mortgaged real estate (buildings) in the amount of EUR 6.8 million (2010: EUR 5.4 million) as collateral for a secured bank loan.

##### ***Plant and equipment***

The Group owns and leases various plant and equipment to operate its business, such as company-owned cars, special drills, measurement equipment and laboratory equipment.

The majority of the Group's plant and equipment is owned, or leased under financial lease contracts with the option to acquire these assets at the end of the term at a reduced price in comparison to market value. At 31 December 2011, the net book value of the Group's plant and equipment (including financial leases) was EUR 31.9 million (2010: EUR 36.6 million). The assets leased under financial leases serve as collateral in respect of the lease liabilities. At 31 December 2011, their net book value was EUR 6.1 million (2010: EUR 0.4 million).

##### ***Existing or planned material expenditure on property, plant and equipment***

In the second half of 2011, the Group decided to implement an office space reduction programme to reduce costs. The office space reduction programme entailed one-off costs in respect of early termination of the lease agreements and relocation costs in the amount of EUR 2.8 million in 2011. The office space reduction programme entails a reduction in operating lease obligations in the amount of approximately EUR 5 to 6 million on an annual basis from 2015 onwards. In 2011, the total amount of capital expenditure on property, plant and equipment was EUR 20.4 million.

#### **10.16 Insurance**

The Group is insured against a number of risks that could materialise in the Group's normal course of business, such as professional indemnity, general liability and project risks insurances. These risks are insured at country level through the Group's subsidiaries. At Group level, the Group holds directors' and officers' liability insurance.

The Group believes that its current insurance cover is appropriate for the Group, pertaining to the nature and size of its business.

### **10.17 Material contracts**

To avoid lengthy and costly legal proceedings, the Company and former member of the Executive Board Mr J.L. Schnoebelen have entered into a settlement agreement on 8 March 2012. Under the settlement agreement it was agreed to terminate his consulting agreement and to settle their differences regarding, amongst others, the operational management and strategy of the Company. Based on this settlement agreement, the Company and Ginger will pay a total amount of EUR 2.7 million to Mr Schnoebelen and an entity controlled by Mr Schnoebelen. The Company and Mr Schnoebelen further agreed that Mr Schnoebelen will acquire all shares of GBCC, a 100% subsidiary of Ginger active in the field of turnkey project management, for a consideration of EUR 400,000.

For a description of the Group's financing arrangements, see section 13.7 "Existing borrowings" and 13.8 "New financing".

Other than as set out above, the Company or any other member of the Group has not entered into material contracts (apart from contracts entered into in the ordinary course of business) in the two years immediately preceding the date of this Prospectus and has not entered into any contracts (apart from contracts entered into in the ordinary course of business) pursuant to which the Company or any member of the Group has an obligation or entitlement that is material to the Group as at the date of the Prospectus.

### **10.18 Risk management**

The main risks that have to be taken into account by the Company, are the economic risks and the risks affiliated to the market environments (financial as well as operational) in which the Company operates.

The Company is still in the process of implementing the 'COSO risk management framework' in which key risk areas are identified and mitigation is defined. Based on this framework, there is a continuous process that involves both the identification of current and new risks and the mitigation of actions at market, business, operational and financial levels. The implementation of the risk management framework will be based on the 'three lines of defence principle':

- (a) The first line of defence is the risk ownership by the countries. Country management has the primary responsibility for the risk management. Each country maintains a so-called risk register that is submitted monthly by country management directly to the Executive Board, ensuring a short reporting line. The risk register records and monitors the risks per country on strategic, operational and project levels and in the course of 2012 risks on financial and IT level will also be included. It also leads to mitigating action on identified risks.
- (b) The second line of defence is the risk monitoring and control by the countries' quality & risk managers and corporate risk management (embedded in the internal audit function). They are responsible for frameworks and regulations, advising the business, objective monitoring and reporting on execution, management and risks.
- (c) The third line of defence is the risk assurance by the internal auditor. The internal auditor is responsible for providing audit assurance on governance, risk and control processes.

The Executive Board has overall responsibility for the Group's risk management. The Group's risk management policy is aimed at the long-term sustainable management of business activities and limiting and/or appropriate hedging of risk. Through training and by setting management standards and procedures, the Company aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Supervisory Board oversees how management monitors compliance with risk management procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.



The Company also intends to implement a key financial control framework defining financial (reporting) risks and mitigating controls in 2012. Key business performance indicators across the Group differ in terms of definition and application. For 2011 Ginger and its subsidiaries only reported on a fully consolidated basis in June and December, with limited financial information on the first and third quarters and on key performance indicators of the business. For all other periods, very limited information was made available to head office on Ginger's financial performance. In 2012, Ginger has reported, and will report, in each of the first two quarters on a fully consolidated basis and in the second half year will start reporting monthly on a fully consolidated basis. The Company also intends to implement a tax management framework to increase controls and improve tax accounting and reporting. See also 2.3 "Risks related to Grontmij's Back on Track strategy and operations" under "*Grontmij's internal control systems may not adequately identify all risks and the Company may not properly assess the impact such risks may have.*"

#### **10.19 Litigation**

The Group is party to various legal disputes, generally incidental to its business. The various individual amounts of the claims are generally considered not significant. The amounts of some claims are significant but taking into account the merits of the claim, the Group considers these claims as low risk. On the basis of legal and other advice, the Executive Board is of the view that the outcome of pending legal disputes will not have a significant impact on the consolidated financial position of Grontmij because adequate provisions have been recognised as well as the related insurance reimbursement receivables.

The Group is not involved in any governmental, legal or arbitration proceedings and has not within the 12 months preceding the date of this Prospectus been involved in such proceedings, which may have or have in the recent past had a significant effect on the Group's financial position or profitability, and is not aware that any such proceedings are pending or threatened.

## 11. CAPITALISATION AND INDEBTEDNESS

The following table sets out the Company's capitalisation and indebtedness as at 31 March 2012. This table should be read in conjunction with the Operating and Financial Review (Chapter 13 of this Prospectus), the Consolidated Financial Statements and the notes thereto, incorporated by reference into this Prospectus and the Q1 2012 figures and the notes thereto attached as Appendix 1 to this Prospectus. The table shows the Company's capitalisation and indebtedness as at 31 March 2012, as adjusted for the effects of the Offering as if the Offering would have been completed on such date and the effect of the New Credit Agreement. The effect of the Offering is based on the issue of 42,645,000 Offer BDRs at an Issue Price of EUR 1.87. The effect of the New Credit Agreement assumes a prepayment of EUR 73.0 million on the Current Facility and the information in the table is based on estimated costs of the Refinancing of EUR 11.0 million.

The table below has been prepared for illustrative purposes only and, because of its nature, does not provide an accurate representation of the Group's capitalisation following completion of the Refinancing.

This table and the information set out in it has not been audited.

<i>(EUR thousands) (unaudited)</i>	<b>As at 31 March 2012</b>	<b>As Adjusted for the Offering</b>	<b>Change in Facility</b>	<b>Adjusted for Offering and refinancing</b>
<b>CAPITALISATION*</b>				
Guaranteed/secured current debt**	52,073	-	-	52,073
Unguaranteed/secured current debt***	15,047	-	-	15,047
Unguaranteed/unsecured current debt****	29,117	-	-	29,117
<b>Total current debt</b>	<b>96,237</b>	<b>-</b>	<b>-</b>	<b>96,237</b>
Guaranteed/secured non-current debt**	161,735	-	-73,000	88,735
Unguaranteed/secured non-current debt***	1,214	-	-	1,214
Unguaranteed/unsecured non-current debt****	-	-	-	-
<b>Total non-current debt</b>	<b>162,949</b>	<b>-</b>	<b>-73,000</b>	<b>89,949</b>
Share Capital	5,331	10,661	-	15,992
Share Premium	96,391	62,085	-	158,476
Legal reserves	7,987	-	-	7,987
Other Reserves	-19,688	-	-	-19,688
<b>Shareholders' Equity</b>	<b>90,021</b>	<b>72,746</b>	<b>-</b>	<b>162,767</b>
<b>Total Debt and Shareholders' equity</b>	<b>349,207</b>	<b>72,746</b>	<b>-73,000</b>	<b>348,953</b>
<b>NET INDEBTEDNESS</b>				
A. Cash & Cash Equivalents	52,916	-	-4,000	48,916
B. Bank Overdraft	-43,991	-	-	-43,991
C. Trading securities	-	-	-	-
<b>D. Liquidity (A+B)</b>	<b>8,925</b>	<b>-</b>	<b>-4,000</b>	<b>4,925</b>
<b>E. Current financial receivable</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
F. Current bank debt	-50,000	-	50,000	0
G. Current portion of non-current debt	-	-	-	-
H. Other current financial debt	-2,246	-	-	-2,246
<b>I. Current financial debt (F+G+H)</b>	<b>-52,246</b>	<b>-</b>	<b>50,000</b>	<b>-2,246</b>
<b>J. Net current financial indebtedness (I+E+D)</b>	<b>-43,321</b>	<b>-</b>	<b>46,000</b>	<b>2,679</b>

K. Non-current bank loans	-155,000	-	23,000	-132,000
L. Bond Issued				
M. Other non-current loans	-7,949	-	-	-7,949
<b>N. Non-current financial indebtedness (K+L+M)</b>	<b>-162,949</b>	<b>-</b>	<b>23,000</b>	<b>-139,949</b>
<b>O. Net financial indebtedness (J+N)</b>	<b>-206,270</b>	<b>-</b>	<b>69,000</b>	<b>-137,270</b>

\* The debt items listed under capitalization relate only to interest bearing loans and are excluding capitalized interest costs

\*\* Guaranteed/secured current debt contains the outstanding part of the Current Facility (EUR 205.0 million) which is secured through a share pledge on shares of subsidiaries , financial leases (EUR 4.5 million) and mortgages on buildings (EUR 4.3 million)

\*\*\* Unguaranteed/secured current debt contains factoring facilities on a recourse basis for which the related invoices are pledged, the balance is represented in the bank overdraft and some small loans.

\*\*\*\* Unguaranteed/unsecured current debt contains the bank overdraft positions

For a description of the indirect indebtedness and contingent liabilities, see section 13.7 "Existing borrowings" and 13.9 "Commitments, contingencies and contractual obligations".

## 12. SELECTED FINANCIAL INFORMATION

### *Consolidated financial information*

The following table presents selected consolidated financial information for the Group as of and for the years ended 31 December 2011, 2010 and 2009. This selected consolidated financial information should be read in conjunction with the Consolidated Financial Statements and the notes thereto, incorporated by reference into this Prospectus. See also section 3.2 "Presentation of financial and other information".

### *Condensed consolidated statement of financial position*

*(EUR thousands, before appropriation of result)*

	<b>Year ended 31 December</b>		
	<b>2011</b>	<b>2010<sup>20</sup></b>	<b>2009<sup>21</sup></b>
	<i>(audited)</i>		
Goodwill	165,984	185,337	129,097
Intangible assets	62,825	73,690	70,426
Property, plant and equipment	49,506	49,542	38,697
Investments in equity accounted investees	7,244	7,863	14,265
Other financial assets	18,797	33,147	26,677
Deferred tax assets	2,953	2,979	7,913
<b>Non-current assets</b>	<b>307,309</b>	<b>352,558</b>	<b>287,075</b>
Receivables	371,099	374,900	249,883
Inventories	16,358	18,679	36,343
Income taxes	7,053	356	683
Cash and cash equivalents	44,371	61,933	29,670
Assets classified as held-for-sale	-	82,857	-
<b>Current assets</b>	<b>438,881</b>	<b>538,725</b>	<b>316,579</b>
<b>Total assets</b>	<b>746,190</b>	<b>891,283</b>	<b>603,654</b>
Share capital	5,331	5,206	4,441
Share premium	96,391	96,558	61,342
Reserves	44,950	39,043	80,652
Result for the year	-55,860	16,973	20,261
<b>Total equity attributable to equity holders of Grontmij</b>	<b>90,812</b>	<b>157,780</b>	<b>166,696</b>
Non-controlling interest	41	21	1,134
<b>Total equity</b>	<b>90,853</b>	<b>157,801</b>	<b>167,830</b>
Loans and borrowings	147,253	214,456	32,738
Employee benefits	13,018	10,305	13,673
Derivatives used for hedging	4,873	-	-
Provisions	41,402	40,521	28,138
Deferred tax liabilities	30,958	28,944	33,535
<b>Non-current liabilities</b>	<b>237,504</b>	<b>294,226</b>	<b>108,084</b>
Bank overdrafts	22,595	21,016	49,299
Loans and borrowings	52,417	24,756	22,555
Income taxes	3,718	-	-
Trade and other payables	325,100	332,005	242,805
Provisions	14,003	6,185	13,081
Liabilities classified as held for sale	-	55,294	-
<b>Current liabilities</b>	<b>417,833</b>	<b>439,256</b>	<b>327,740</b>
<b>Total equity and liabilities</b>	<b>746,190</b>	<b>891,283</b>	<b>603,654</b>

<sup>20</sup> Figures of 2010 are reclassified, see section 3.2 "Presentation of financial and other information".

<sup>21</sup> Figures of 2009 are reclassified, see section 3.2 "Presentation of financial and other information".

## Condensed consolidated income statement

(EUR thousands)

	Year ended 31 December		
	2011 <i>(audited)</i>	2010 <sup>22</sup>	2009 <sup>23</sup>
Revenue from services	899,644	803,224	750,291
Revenue from contract work	32,332	27,340	28,476
Revenue from the sale of goods	1,532	10,734	21,033
<b>Total revenue</b>	<b>933,508</b>	<b>841,298</b>	<b>799,800</b>
Third-party project expenses	-183,884	-152,742	-169,925
<b>Net revenue</b>	<b>749,624</b>	<b>688,556</b>	<b>629,875</b>
Direct employee expenses	-516,257	-452,540	-418,744
Direct other expenses	-4,393	-6,567	-2,001
<b>Total direct expenses</b>	<b>-520,650</b>	<b>-459,107</b>	<b>-420,745</b>
<b>Gross margin</b>	<b>228,974</b>	<b>229,449</b>	<b>209,130</b>
Other income	-69	1,507	3,722
Indirect employee expenses	-79,938	-83,097	-71,489
Amortisation	-8,835	-7,146	-6,990
Depreciation	-15,551	-13,404	-11,323
Impairments of non-current assets	-28,374	-	-
Indirect other operating expenses	-138,624	-100,133	-97,063
<b>Total indirect expenses</b>	<b>-271,322</b>	<b>-203,780</b>	<b>-186,865</b>
Share of results of investments in equity accounted investees	3,072	1,654	1,975
Reclassification from equity of available for sale financial assets	-	-	5,166
Result on sale of equity accounted investees (net of income tax)	-2,412	-676	177
	<b>660</b>	<b>978</b>	<b>7,318</b>
<b>Operating result</b>	<b>-41,757</b>	<b>28,154</b>	<b>33,305</b>
Finance income	7,528	6,578	5,353
Finance expenses	-21,119	-15,639	-10,624
<b>Net finance expenses</b>	<b>-13,591</b>	<b>-9,061</b>	<b>-5,271</b>
<b>Result before income tax</b>	<b>-55,348</b>	<b>19,093</b>	<b>28,034</b>
Income tax expense	-7,504	-5,249	-7,625
<b>Result after income tax from continuing operations</b>	<b>-62,852</b>	<b>13,844</b>	<b>20,409</b>
Profit from discontinued operations (net of income tax)	6,911	3,408	-
<b>Total result of the year</b>	<b>-55,941</b>	<b>17,252</b>	<b>20,409</b>

<sup>22</sup> Figures of 2010 are reclassified, see section 3.2 "Presentation of financial and other information".

<sup>23</sup> Figures of 2009 are reclassified, see section 3.2 "Presentation of financial and other information".

## Condensed consolidated statement of cash flows

(EUR thousands)

	Year ended 31 December		
	2011 <i>(audited)</i>	2010 <sup>24</sup>	2009 <sup>25</sup>
Result after income tax	-55,941	17,252	20,409
Result from discontinued operations	-6,911	-3,408	-
<b>Result after income tax continuing operations</b>	<b>-62,852</b>	<b>13,844</b>	<b>20,409</b>
Net cash from operating activities	8,846	31,242	52,279
Net cash from / (used for) investing activities	11,667	-58,127	-17,826
Net cash from / (used for) financing activities	-44,494	90,482	-47,644
<b>Movements in net cash position for the year of the continuing operations</b>	<b>-23,981</b>	<b>63,597</b>	<b>-13,191</b>
Movements in net cash position for the year of discontinued operations	-10,663	11,626	-
<b>Movements in net cash position for the year of the continuing and discontinued operations</b>	<b>-34,644</b>	<b>75,223</b>	<b>-13,191</b>

<sup>24</sup> Figures of 2010 are reclassified, see section 3.2 "Presentation of financial and other information".

<sup>25</sup> Figures of 2009 are reclassified, see section 3.2 "Presentation of financial and other information".

## **13. OPERATING AND FINANCIAL REVIEW**

The following discussion and analysis should be read in conjunction with the rest of this Prospectus, including the information set out in chapter 12 ("Selected Financial Information") and the Consolidated Financial Statements and the notes thereto, incorporated by reference into this Prospectus.

### **13.1 Overview**

The Group is active within the engineering consultancy industry. The Group's business is structured in eight separate geographic regions. The regions are the Netherlands, France, Denmark, Sweden, United Kingdom, Belgium, Germany and 'other markets'. The 'other markets' include the Group's activities in Poland, Turkey and Hungary with an emerging presence in China. The Group also carries out certain non-core activities. The latter includes operating the Group's non-core assets (mainly real estate development projects and waste management operations). Performance is measured based on segment operating result, as included in the internal management reports that are reviewed by the Executive Board. Within the geographic regions, Grontmij is active in four business lines being Planning & Design, Transportation & Mobility, Water & Energy and Monitoring & Testing. The business lines will mainly serve as a platform for leveraging Grontmij's skills, knowledge and expertise and to drive the Group's growth activities. Both the public sector – national and regional - and private sector are major customers for Grontmij in all Grontmij's operating countries.

The Group's total revenue in 2011 was EUR 933.5 million (2010: EUR 841.3 million) and result after tax was EUR -55.9 million (2010: EUR 17.3 million).

### **13.2 Key factors affecting the results of operations**

The key factors that affect the Group's financial results include the following:

#### ***Acquisitions and divestments***

Acquisitions and divestments have had a significant impact on the Group's revenue and profit. Through past acquisitions the Group increased its market share in its main markets, entered new markets and expanded its existing range of services. The Group made one significant acquisition in the past three years, namely Ginger in 2010. Since the acquisition there has been limited integration of Ginger into the Group. On 24 January 2012, the country managing director of France was dismissed following a disagreement. Following that decision, a new country managing director has been appointed and the budget for the financial year 2012 has been reviewed by the new management. As announced on 20 February 2012, the contribution of France to the full year 2011 EBITA was lower than anticipated. Although the Monitoring & Testing business line performs in line with expectations, the performance of the Planning & Design activities are below expectations and restructuring of these activities and of the France headquarters have been planned in 2012.

In 2008, the Company acquired three businesses in the United Kingdom: Whitelaw Turkington, Trett Consultants and Roger Preston & Partners. In 2011, both revenue and profitability in the United Kingdom did not recover in line with expectations. For the full year 2011, an impairment loss of EUR 19.9 million was necessary on goodwill, predominantly in the United Kingdom. This impairment loss is related to the goodwill of acquisitions in 2006 and 2008.

Following the acquisition of Ginger in 2010 and the smaller acquisitions in the United Kingdom in 2008 that were made at the height of the market, the Company was highly leveraged. This impacted the Company's performance and return to shareholders negatively in 2011.

The Company made one significant divestment in 2011 and 2010, namely Ginger's telecom division in 2011 and one smaller divestment being Kontrola GmbH and Kontrola GmbH & Co KG in 2010. The impact of these acquisitions and divestments is set out in section 13.3 below.

### ***Economic conditions and government austerity measures***

The Group's revenue depends to a large extent on economic conditions. In an economic downturn, the customers of Grontmij spend less on its services. This applies to all of the sectors that the Company is active in and all countries. Revenue generated by the Company's public sector customers (central government, municipalities, governmental bodies and state-owned companies) was particularly adversely affected by the economic downturn, leading to a significant decrease in revenue from public sector customers. The Group generates approximately one-third of its revenue from public sector customers. In response to the economic downturn the public sector, in most countries that the Group is active in, has implemented austerity measures. As a result, the public sector revenue was affected by delays in decision-making on new projects and postponing or even cancelling existing projects. In the first half of 2010, demand in the UK, Denmark and Sweden was negatively impacted by rapid governmental spending reductions in these countries. In 2011 the Euro crisis prompted further cutbacks in public sector spending. Furthermore, a decrease in demand by the public sector has increased price competition between the Group and its competitors, which has affected the Group's margins. In addition, the continuing economic downturn caused local public sector customers to apply longer payment terms, which affected the Group's working capital requirements.

### ***Cost reduction***

To address the economic downturn and the ensuing decrease in demand, the Group has taken measures to reduce its fixed cost base. These are costs that are not directly attributable to customer-related work and include overhead costs such as office space, lease payments and IT costs. These indirect costs are not affected by changes in revenue. The fluctuations in the demand for the Group's services result in fluctuating EBITA as the Group's indirect costs are to a certain extent inflexible. The Group is taking measures to reduce indirect costs by reducing the number of offices (in Netherlands from 22 to 8) and a reduction of support functions, IT costs and IT-related staff. In addition, the Company will take measures to reduce its direct cost base through redundancies in its workforce in 2012, for which provisions have been formed in 2011.

### ***Competition in the markets in which the Group operates***

On an international level, the Group competes with several companies that operate in the same sectors in a large number of countries and regions. In addition, the Group competes with companies that operate in one of its main markets, and also with smaller companies with only a regional presence, that have a substantially lower cost base than the Group. The intensity of this competition varies substantially between the sectors and countries and regions. An increase in the level of competition leads to price pressure and reduces the number of orders the Group wins.

## **13.3 Acquisitions and divestments**

The Group's results are influenced by acquisitions and divestments. The acquisitions and divestments with a consideration (individually) exceeding EUR 1.5 million in 2011, 2010 and 2009 are listed below.

### ***Acquisitions and divestments in 2011***

On 18 October 2011 the Group sold the telecom division of Ginger to management and mbo Partenaires in line with the Group's strategy to divest non-core activities. The divestment was structured as a share sale. Cash proceeds from the sale of Ginger's telecom division amounted to EUR 30.1 million. In addition, an aggregate amount of EUR 2.5 million is to be received in monthly instalments during the years 2012-2015. The result (book profit net of expenses) was EUR 2.2 million.

On 18 November 2011 the Group acquired the remaining 20% interest in Libost for EUR 2.2 million in cash, increasing its ownership to 100%. Libost is a Belgian engineering agency with whom other Grontmij companies work together on various projects including public-private projects in Transportation & Mobility. The book value of Libost's net assets in the Group's financial statements on the date of the acquisition was EUR 4.5 million. The Group recognised a decrease in non-controlling interests of EUR 1.4 million and a



decrease in equity (other reserves) of EUR 1.1 million.

### ***Acquisitions and divestments in 2010***

On 18 June 2010, the Group obtained control of Ginger by acquiring 51.8% of the shares and voting rights in Ginger. Between 18 June 2010 and 5 July 2010, the Group acquired a further 16.1% and on 21 July 2010 the Group announced a public offer for all of the remaining outstanding shares through which the Group increased its shareholding to 98.6%. The Group acquired the remaining outstanding shares through a statutory squeeze-out in October 2010. The total purchase price for Ginger was EUR 120.0 million. In 2010 (period from 18 June to 31 December 2010), Ginger, excluding the telecom division, contributed total revenue of EUR 111.4 million and result after income tax of EUR 3.0 million to the Group's results. In 2011, Ginger contributed total revenue of EUR 210.8 million and result after income tax of EUR -2.7 million to the Group's results.

On 1 July 2010, the Group acquired 25% of the shares in Libost, increasing the Group's shareholding from 55% to 80%. The total purchase price for the 25% stake in Libost was EUR 2.6 million. Libost's results have been consolidated into the Group's results as from 1 July 2010. In 2010 (period of six months ended 31 December 2010), Libost contributed total revenue of EUR 7.2 million and net profit of EUR 0.5 million to the Group's results.

On 17 March 2010, the Group acquired the remaining 14% stake in Grontmij BGS Ingenieurgesellschaft mbH. The total purchase price was EUR 3.0 million. In 2010, Grontmij BGS Ingenieurgesellschaft mbH was fully consolidated for 12 months.

On 30 June 2010, the Group sold Kontrola GmbH and Kontrola GmbH & Co KG, Germany to Bouwfonds Property Development. The net proceeds were EUR 15.7 million (proceeds from sale of EUR 10.9 million and net debt of EUR 4.8 million) and the result was nil.

### ***Acquisitions and divestments in 2009***

In February 2009, the Group transferred its remaining 20% shareholding in A&G Holding B.V. and its remaining 40% shareholding in Afvalverwerking Maasvlakte B.V. to its former partner in this joint venture project for EUR 6.4 million; the first tranche was sold in 2008 for EUR 9.5 million.

## **13.4 Year ended 31 December 2011 compared to 2010**

### *Revenue*

Total revenue in 2011 increased to EUR 933.5 million from EUR 841.3 million in 2010, primarily due to a full-year consolidation of Ginger (the 2010 results include Ginger only as from 18 June 2010). The total increase of 11% includes an increase of 12% due to that acquisition, an organic decline of -1.3% and a favourable currency effect of +0.4%. ("Organic" growth or decline means the growth or decline excluding effects of acquisitions and disposals and excluding currency effects). The largest organic growth was in Belgium followed by Sweden, offset however by organic decline in the Netherlands and the UK.

Net revenue in 2011 was up by 8.9% to EUR 749.6 million (2010: EUR 688.6 million), the organic decline was -2.8% and the currency effect was 0.4%. Gross margin decreased to 24.5% (2010: 27.3%), due to difficult trading conditions in the Netherlands and the United Kingdom and actions were taken to reduce surplus direct resources.

### *Employee expenses*

In 2011, employee expenses increased by 11.3% to EUR 596.2 million (2010: EUR 535.6 million). This was mainly due to Ginger being included for 12 months (2010: as of 18 June 2010).

### *Amortisation*

The 2011 amortisation charges of EUR -8.8 million were above the level of 2010 (EUR -7.1 million) mainly because of one-off charges of EUR 0.9 million relating to write-downs of capitalised IT-system software.

### *Impairment losses*

For the full year 2011, EUR 28.4 million of impairment losses of non-current assets have been recognised. In 2011, both revenue and profitability in the United Kingdom did not recover in line with expectations. For the full year 2011, an impairment loss of EUR 19.9 million was necessary on goodwill, predominantly in the UK. In addition, impairments of EUR 4.2 million have been taken on brand names no longer in use and EUR 4.3 million on the book value of non-core assets in the Netherlands.

### *Results from investments in equity accounted investees or "EAI"*

The 2011 share of results of investments in EAI of EUR 3.1 million relates to results from joint-ventures in the Netherlands, Belgium and the UK. Results rose to EUR 3.1 million (2010: EUR 1.7 million) mainly because of strong results of a UK joint-venture (EUR 1.1 million).

The 2011 results on sale of EAI of EUR -2.4 million relate to a write-down of a conditional receivable recognised on the sale of an investment in 2008. This loss is part of the non-recurring costs incurred in 2011.

### *Net finance expenses*

The 2011 finance result of EUR -13.6 million was below 2010 (EUR -9.1 million) principally due to a higher average debt level in 2011 combined with a higher interest margin after the acquisition of Ginger in June 2010. In addition, the finance result includes approximately EUR 0.6 million of waiver fees expensed in 2011, EUR 1.4 million (2010: EUR 0.7 million) of amortisation charges in relation to capitalised arrangement fees, and EUR 0.5 million (2010: EUR 0.2 million) commitment fees on the Group's revolving credit facility.

### *Income tax expenses*

Taxation in 2011 of EUR -7.5 million increased relative to EUR -5.2 million in 2010, despite a loss before tax from continuing operations of EUR -55.3 million in 2011 compared to a profit before tax from continuing operations of EUR 19.1 million in 2010. This is mainly due to write-downs on prior year deferred tax assets, not recognising any deferred tax assets on current year losses, and non-tax-deductibility of the one-off impairment and restructuring costs.

Overall, the net loss in 2011 was EUR -55.9 million compared to EUR 17.3 million net profit in 2010.

### ***Non-IFRS reporting measures: EBITA and EBITA excluding non-recurring items***

The Company reports EBITA and EBITA excluding non-recurring items. These are non-IFRS reporting measures and should not be considered as an alternative to the applicable IFRS measures. In particular, they should not be considered as a measure of financial performance under IFRS, as alternative to revenue, operating income or any other performance measures derived in accordance with IFRS. EBITA and EBITA excluding non-recurring items have limitations as an analytical tool and should not be considered in isolation from, or as a substitute for, analysis of the Company's results of operations as reported under IFRS. Other companies in the Company's industry may calculate these measures differently than the Company, limiting

their usefulness as a comparative measure. Because of these limitations, investors should rely on the consolidated financial statements prepared in accordance with IFRS and treat the EBITA and EBITA excluding non-recurring items as supplemental information only.

EBITA stands for earnings before interest, tax and amortisation and is defined as the operating result for the period, adding back amortisation and impairment losses. EBITA excluding non-recurring items stands for EBITA before non-recurring items and results from EAI. Non-recurring items relate to non-core asset write-offs, one-off restructuring costs incurred in connection with cost reduction programmes and other one-off charges. This prospectus reports EBITA and EBITA excluding non-recurring items because they are a basis upon which management assesses business and financial performance and identifies controllable expenses. EBITA excluding non-recurring items is helpful as it eliminates the impact of items that the Company does not consider indicative of its core operating performance, facilitating comparison of operating performance from period to period and company to company by disregarding potential variations in items such as the amortisation of acquired intangibles.

In evaluating EBITA excluding non-recurring items, the Company stresses that in the future the Company may incur expenses similar to the adjustments reflected below. The presentation of EBITA excluding non-recurring items should not be construed as an inference that future results will be unaffected by amortisations or any unusual or non-recurring items similar to those incurred in previous years.

The following table presents a reconciliation of EBITA and EBITA excluding non-recurring items to operating result, the most comparable IFRS measure, for each of the periods indicated.

<i>(EUR million, unless otherwise indicated)</i>	<b>Year ended 31 December</b>	
	<b>2011</b>	<b>2010</b>
<b>Operating result</b>	<b>-41.8</b>	<b>28.2</b>
Add back: amortisation	8.8	7.1
Add back: impairment losses	28.4	-
<b>EBITA</b>	<b>-4.5</b>	<b>35.3</b>
Non-core asset write-offs	5.7	-
Restructuring costs	19.2	7.2
Other non-recurring items	7.7	0.6
Pension provision release	-	-6.0
<b>Add back: non-recurring items</b>	<b>32.6</b>	<b>1.8</b>
<b>Less: share in results of EAI<sup>26 27</sup></b>	<b>-3.1</b>	<b>-1.5</b>
<b>EBITA excluding non-recurring items</b>	<b>25.0</b>	<b>35.6</b>

#### ***Discussion on 2011 EBITA and EBITA excluding non-recurring items***

EBITA excluding non-recurring items in 2011 was down 30.0% on 2010 mainly as a result of difficult trading conditions in the Netherlands and in the UK. The contribution of France to full-year 2011 EBITA of EUR 4.3 million was also lower than in 2010. Initiatives have been started to improve performance in France.

The non-recurring cost items for 2011 consisted of the following:

- Additional write-downs on non-core assets: total write-downs for 2011 on non-core assets were EUR 5.7 million and reflected the expected value of the assets in the prevailing economic environment.

<sup>26</sup> Figures of 2010 are reclassified, see section 3.2 "Presentation of financial and other information".

<sup>27</sup> 2010 includes profits from sale of EAI of 0.5 million presented as revenue in the financial statements.

- Restructuring costs: total restructuring costs for 2011 were EUR 19.2 million, mainly related to the Netherlands, the United Kingdom and the corporate head office.
- One-off charges: the 2011 one-off charges of EUR 7.7 million were mainly incurred in the fourth quarter and related primarily to a pension provision in the Netherlands (EUR 3.3 million) and a provision for IT redesigning costs at head office (EUR 2.5 million).

### ***Performance by country***

In 2010 the Group primarily reported by business line. In 2011 the Company moved away from a business line orientation to a country focus. The information per country is for that reason more elaborate in 2011 than in 2010, and the discussion per business line more limited.

At the end of 2011, Grontmij has restructured the business from four business lines to separate geographic regions and the Executive Board became directly accountable for the Group's different operating countries. Effective 1 January 2012, every country reports directly to one of the Executive Board members. In this respect, the business lines will mainly serve as a platform for leveraging its skills, knowledge and expertise and to drive Group growth activities. The Group recognises eight geographical segments: The Netherlands, France, Denmark, Sweden, United Kingdom, Belgium, Germany and "Other markets" (which groups the operations in Poland, Hungary, Turkey and China). The remainder includes the Group's non-core activities in the Netherlands relating to real-estate projects, landfill sites, and waste management, as well as unallocated activities and elimination of intercompany transactions made in the consolidation process. The Group's operations in a number of other countries – in total less than 3% of the Group's revenue and assets – are reported in the segments whose management is primarily responsible for such operations.

Performance is measured based on geographically segmented operating result, as included in the internal country management reports that are reviewed by the Executive Board. Intersegment transactions are conducted at arm's length.

Total revenue per country is shown in the table below.

*(EUR million)*

	<b>Year ended 31 December</b>	
	<b>2011</b>	<b>2010</b>
The Netherlands	246.0	271.0
France	210.8	111.4
Denmark	147.0	147.1
Sweden	92.6	80.3
United Kingdom	71.3	80.8
Belgium	78.5	64.9
Germany	53.8	51.9
Other markets	17.1	17.8
Non-core and other	16.5	16.1
<b>Total</b>	<b>933.5</b>	<b>841.3</b>

The performance in each country is discussed in more detail below.

### ***The Netherlands***

*(EUR million, unless otherwise indicated)*

	<b>Year ended 31 December</b>		<b>Change</b>	
	<b>2011</b>	<b>2010</b>	<b>%</b>	<b>organic</b>
Total revenue	246.0	271.0	-9.2%	-9.2%
Net revenue	197.7	224.8	-12.1%	-12.1%
EBITA	-3.7	24.1	-115.5%	-115.5%

EBITA margin	-1.5%	8.9%		
EBITA excl non-recurring items*	9.3	20.7	-55.4%	-55.4%
EBITA margin excl non-recurring items	3.8%	7.7%		
# employees (average FTE)	2,219	2,434	-8.8%	

\* included in the non-recurring items in 2010 is the pension provision release in the amount of EUR 6.0 million

Total revenue in the Netherlands decreased by 9.2%, from EUR 271.0 million in 2010 to EUR 246.0 million in 2011. Public sector investment cuts were the primary driver of this decline. EBITA was down from EUR 24.1 million in 2010 to EUR -3.7 million in 2011, due to EUR 14.0 million of non-recurring costs relating to the restructuring activities in the Netherlands and the decline in total revenue. Excluding non-recurring costs and excluding profit from EAI, EBITA was EUR 9.3 million (2010: EUR 20.7 million). Average FTEs were down due to redundancies as Grontmij rationalised its resources.

### France

(EUR million, unless otherwise indicated)

	Year ended 31 December		Change	
	2011	2010*	%	organic
Total revenue	210.8	111.4	89.3%	n/a
Net revenue	161.5	89.0	81.6%	n/a
EBITA	4.3	6.1	-30.0%	n/a
EBITA margin	2.0%	5.5%		
EBITA excl non-recurring items	4.3	6.1	-30.0%	n/a
EBITA margin excl non-recurring items	2.0%	5.5%		
# employees (average FTE)	2,025	2,128	-4.8%	

\* contains results as of the acquisition date, 18 June 2010

Total revenue was EUR 210.8 million (2010: EUR 111.4 million, it being noted that the French operations were included in consolidation only as from 18 June 2010). EBITA was EUR 4.3 million (2010: EUR 6.1 million, as from 18 June 2010), mainly due to write-offs on projects, due to disappointing results in Planning & Design and additional provisions. Average FTEs were down from 2,128 in 2010 to 2,025 in 2011.

### Denmark

(EUR million, unless otherwise indicated)

	Year ended 31 December		Change	
	2011	2010	%	organic
Total revenue	147.0	147.1	-0.1%	-0.1%
Net revenue	118.7	117.3	1.2%	1.3%
EBITA	8.5	3.6	136.4%	136.5%
EBITA margin	5.8%	2.5%		
EBITA excl non-recurring items	8.6	4.2	105.9%	106.0%
EBITA margin excl non-recurring items	5.8%	2.8%		
# employees (average FTE)	1,169	1,240	-5.7%	

Total revenue was stable at EUR 147.0 million (2010: EUR 147.1 million). EBITA increased to EUR 8.5 million, up from EUR 3.6 million in 2010, as the Danish operations suffered less from difficult trading conditions and public sector spending cuts in 2011 than in 2010. The average number of FTEs fell 5.7% from 1,240 in 2010 to 1,169 in 2011.

### Sweden

(EUR million, unless otherwise indicated)

	Year ended 31 December		Change	
	2011	2010	%	organic
Total revenue	92.6	80.3	15.4%	9.7%
Net revenue	80.6	69.6	15.7%	10.1%
EBITA	5.8	4.0	44.0%	38.4%
EBITA margin	6.2%	5.0%		
EBITA excl non-recurring items	5.8	4.4	31.2%	25.5%
EBITA margin excl non-recurring items	6.2%	5.5%		
# employees (average FTE)	713	703	1.4%	

Total revenue rose 15.4% to EUR 92.6 million (2010: EUR 80.3 million), partly due to a favourable currency effect. EBITA grew from EUR 4.0 million in 2010 to EUR 5.8 million in 2011, as the effects of government austerity measures wore off and trading conditions improved. Average FTEs increased slightly to 713 (2010: 703).

### United Kingdom

(EUR million, unless otherwise indicated)

	Year ended 31 December		Change	
	2011	2010	%	organic
Total revenue	71.3	80.8	-11.8%	-10.6%
Net revenue	62.0	70.5	-12.1%	-10.9%
EBITA	-5.3	-1.8	-197%	-198.0%
EBITA margin	-7.5%	-2.2%		
EBITA excl non-recurring items	-2.1	0.0		
EBITA margin excl non-recurring items	-3.0%	0.0%		
# employees (average FTE)	880	911	-3.0%	

Total revenue was down 11.8%, from EUR 80.8 million in 2010 to EUR 71.3 million in 2011. EBITA fell to EUR -5.3 million from EUR -1.8 million in the previous year due to the poor trading in 2011 and restructuring costs relating to staff reductions and reductions in the number of offices. The reduction in the number of FTEs began to show the effect of cost savings programs implemented towards the end of 2011.

### Belgium

(EUR million, unless otherwise indicated)

	Year ended 31 December		Change	
	2011	2010	%	organic
Total revenue	78.5	64.9	21.0%	10.8%
Net revenue	71.1	58.8	20.8%	11.5%
EBITA	4.9	6.3	-22.5%	-24.8%
EBITA margin	6.2%	9.7%		

EBITA excl non-recurring items	5.7	5.6	2.3%	-0.4%
EBITA margin excl non-recurring items	7.2%	8.6%		
# employees (average FTE)	757	629	20.0%	

Total revenue increased significantly, from EUR 64.9 million in 2010 to EUR 78.5 million in 2011. Organic growth was 10.8% which was mainly achieved in Water & Energy. EBITA decreased from EUR 6.3 million to EUR 4.9 million due to non-recurring costs. EBITA excluding non-recurring remained in line with last year. The average number of FTEs grew mainly due to an acquisition (Libost) in the second half of 2010 from 629 in 2010 to 757 in 2011.

### Germany

(EUR million, unless otherwise indicated)

	Year ended 31 December		Change	
	2011	2010	%	organic
Total revenue	53.8	51.9	3.7%	3.8%
Net revenue	45.6	44.1	3.5%	3.5%
EBITA	4.6	4.4	5.7%	5.7%
EBITA margin	8.5%	8.4%		
EBITA excl non-recurring items	4.8	4.6	4.6%	4.6%
EBITA margin excl non-recurring items	9.0%	8.9%		
# employees (average FTE)	574	573	0%	

Total revenue was up slightly to EUR 53.8 million (2010: EUR 51.9 million). EBITA rose by EUR 0.2 million compared to 2010, due to a more profitable turnover in Planning & Design, more than compensating for the lower results in Transportation & Mobility. Average number of FTEs was stable at 574 (2010: 573).

### Other markets

Grontmij has small positions in a number of other markets in Europe: Hungary, Poland and Turkey and an emerging presence in China. This segment also includes activities outside Europe.

(EUR million, unless otherwise indicated)

	Year ended 31 December		Change	
	2011	2010	%	organic
Total revenue	17.1	17.8	-4.0%	-0.9%
Net revenue	9.1	9.9	-8.2%	-4.9%
EBITA	-0.4	0.3	-203.9%	-156.5%
EBITA margin	-2.1%	1.9%		
EBITA excl non-recurring items*	-0.2	0.3	-146.0%	-138.5%
EBITA margin excl non-recurring items	-0.9%	1.9%		
# employees (average FTE)	257	246	4.0%	

\* only relates to Poland

Total revenue was down 4.0% to EUR 17.1 million (2010: EUR 17.8 million). EBITA declined to EUR -0.4 million (2010: EUR 0.3 million), due in part to tough markets in Poland and Hungary. Average FTEs grew to 257 (2010: 246).

## ***Performance by business line***

The table below shows the performance per business line on a total revenue basis.

(EUR million)

	<b>Year ended 31 December</b>		<b>Change</b>	
	<b>2011</b>	<b>2010</b>	<b>%</b>	<b>organic</b>
Planning & Design	367.2	348.9	5.2%	-7.3%
Transportation & Mobility	203.7	188.9	7.8%	5.0%
Water & Energy	186.8	180.2	3.7%	3.0%
Monitoring & Testing	137.8	79.0	74.4%	0.1%
Other	38.0	44.3	-14.2%	
<b>Total</b>	<b>933.5</b>	<b>841.3</b>	<b>11.0%</b>	

### **13.5 Year ended 31 December 2010 compared to 2009**

#### *Revenue*

Total revenue in 2010 increased to EUR 841.3 million, from EUR 799.8 million in 2009. The increase was primarily due to the consolidation of revenue of Ginger as of 18 June 2010. The total increase of 5.2% consists of an increase of 12.7% due to the acquisition, an organic decline of 9.2% and a currency effect of 1.7%. Net revenue was up 9.3% in total to EUR 688.6 million from EUR 629.9 million in 2009, the organic decline was 7.2% and the currency effect was 1.8%. Gross margin increased by 9.7% to EUR 229.4 million, despite difficult trading conditions, due to actions taken to reduce surplus direct resources.

#### *Employee expenses*

In 2010, employee expenses increased by 9.2% to EUR 535.6 million (2009: EUR 490.2 million). This was mainly due to the acquisition of Ginger. In 2010, the average number of FTEs was 8,938 (2009: 7,249). The increase was partly offset by a decrease in agency staff costs and in other employee expenses.

#### *Amortisation*

The 2010 amortisation of EUR -7.1 million slightly exceeded the level of 2009 of EUR -7.0 million and included EUR 0.4 million of amortisation of intangible assets following the acquisition of Ginger.

#### *Other operating expenses*

In 2010, other operating expenses increased by 7.7% to EUR 106.7 million (2009: EUR 99.1 million). This was mainly due to an increase in housing expenses.

#### *Results from investments in equity accounted investees or "EAI"*

Results from investments in EAI of EUR 1.7 million remained below the level of EUR 2.0 million from 2009 due to divestments during 2009 and early 2010.

Divestments of financial assets and EAI during 2010 netted a small loss of EUR 0.7 million compared to a profit of EUR 5.3 million for divestments during 2009.

#### *Non-recurring items*

Restructuring costs in 2010 of EUR 7.2 million were below the level of 2009 of EUR 11.7 million and consisted mainly of redundancies and cost reductions executed in the Netherlands and the UK.

Acquisition and refinancing costs for the acquisition of Ginger of EUR 2.6 million were all incurred in the



first half of 2010. In accordance with IFRS, the transaction costs together with the write-off of unamortised capitalised arrangement fees related to the term loans that were refinanced, were expensed.

#### *Net finance expenses*

In 2010, net finance expenses increased by 72.0% to EUR 9.1 million (2009: EUR 5.3 million). This was mainly due to an increase of interest expense on the acquisition debt for the purchase of Ginger, Ginger's loans and borrowings and of foreign exchange losses. In addition, there was EUR 0.9 million of commitment fees and amortisation of the arrangement fees for the Current Facility described in more detail in paragraph 13.7 "Existing Borrowings".

#### *Income tax expenses*

Taxation of EUR 5.2 million was lower than the EUR 7.6 million in 2009, whilst the effective tax rate was slightly higher at 27.5% compared to 27.2% in 2009. This was caused mainly by proportionally more profit coming from higher tax territories, and lower tax exempt profit from divestments and equity accounted investees.

Overall, profit after tax from continuing and discontinued operations was EUR 17.3 million compared to EUR 20.4 million for 2009.

#### ***Performance by country***

In 2010 the Group primarily reported by business line. The information per country is for that reason more limited than in 2011, and the discussion per business line more elaborate. The following table illustrates the Company's revenue split by country for the years ended 31 December 2010 and 2009.

(EUR million)

	<b>Year ended 31 December</b>	
	<b>2010</b>	<b>2009</b>
The Netherlands	271.0	301.2
France	111.4	-
Denmark	147.1	163.7
Sweden	80.3	77.7
United Kingdom	80.8	93.1
Belgium	64.9	54.7
Germany	51.9	55.7
Other markets	17.8	12.3
Non-core and other	16.1	41.4
<b>Total</b>	<b>841.3</b>	<b>799.8</b>

In the Netherlands, the Company implemented a significant restructuring in 2010, reducing surplus direct resource and structurally reducing levels of indirect resource while creating a single shared service centre for all of the business lines.

In France, the Company generated in 2010 revenue of EUR 111.4 million as a result of the acquisition of Ginger. In 2009, it did not generate revenue in France.

In Denmark and Sweden, the Company had a particularly bad start to 2010 with a substantial reduction in demand from public sector customers. Demand was also affected by the particularly harsh winter, and overall there were substantial reductions in revenue and profitability. During the year, the situation stabilised, and by the end of the year, the forward order situation and levels of productivity were recovering well.

Revenue and profitability were significantly down in the United Kingdom due to continued delayed start to AMP5 work (AMP5 stands for the Water Services Regulation Authority's "Asset Management Plan" for the period 2010 – 2015, which monitors the water utilities' efficiency in a large range of categories). Towards the

end of the year performance in the United Kingdom was recovering slightly.

In Belgium, trading was strong, with pickup in activity in Planning & Design. Transportation & Mobility showed continuing strong performance, which was mainly caused by the small acquisition of a controlling interest in engineering company Libost.

Revenue generated by other activities fell by 61.1 % to EUR 16.1 million (2009: EUR 41.4 million), mainly due to the sale of non-core operations in Germany. Towards the end of the year performance in Germany remained strong.

Revenue and profitability were up in Poland (Other markets).

Apart from the core engineering business, there was also good progress in divesting further non-core assets and activities from the asset management part of the Netherlands business.

### ***Performance by business line***

The following table illustrates the revenue generated by the Company's business lines for the year ended 31 December 2010 and 2009. This is followed by the performance per business line.

(EUR million)

	Year ended 31 December	
	2010	2009
Planning & Design	348.9	327.0
Transportation & Mobility	188.9	187.7
Water & Energy	180.2	197.5
Monitoring & Testing	79.0	23.3
Other	44.3	64.3
<b>Total</b>	<b>841.3</b>	<b>799.8</b>

### ***Planning & Design***

(EUR million)

	Year ended 31 December		Change
	2010*	2009	
Total revenue	348.9	327.0	6.7%
Net revenue	279.8	268.0	4.4%

\* including Ginger total revenue of EUR 60.5 million and net revenue of EUR 45.2 million

Revenue generated by Planning & Design increased by 6.7% to EUR 348.9 million (2009: EUR 327.0 million). This was mainly due to the acquisition of Ginger, although the increase as a result of the acquisition of Ginger was partly set off by weak demand from the private sector for new developments and demand from municipalities.

Demand for new buildings from private sector customers, and demand from municipality customers in some regions remained weak in 2010.

### ***Transportation & Mobility***

(EUR million)

	Year ended 31 December		Change
	2010	2009	
Total revenue	188.9	187.7	0.6%
Net revenue	159.2	152.2	4.6%

Total revenue for Transportation and Mobility remained relatively flat, while net revenue increased by 4.6% to EUR 159.2 million. Denmark, Sweden, Belgium and the Netherlands showed increases in net revenue over 2010. Overall demand remained strong for this business line, except for the United Kingdom where the new government made considerable spending cuts to the transport budget.

## Water & Energy

(EUR million)

	Year ended 31 December		Change
	2010	2009	
Total revenue	180.2	197.5	-8.8%
Net revenue	153.1	162.0	-5.6%

Revenue generated by Water & Energy decreased by 8.8% to EUR 180.2 million (2009: EUR 197.5 million). Net revenue decreased by 5.6%.

In Denmark and Sweden, the particularly slow start to the year impacted activities significantly, and in the United Kingdom the slow pickup of AMP5 had a severe impact. In Belgium, the Netherlands, Germany and Poland activity was relatively flat.

## Monitoring & Testing

(EUR million)

	Year ended 31 December		Change
	2010	2009	
Total revenue	79.0	23.3	239.1%
Net revenue	68.0	20.1	238.3%

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

## 13.6 Liquidity and capital resources

The following table provides a summary of cash flows from the Group's operations for the years ended 31 December 2011, 2010 and 2009.

### Condensed consolidated statement of cash flows

(EUR thousands)

	Year ended 31 December		
	2011	2010	2009
Result after income tax	-55,941	17,252	20,409
Result from discontinued operations	-6,911	-3,408	-
Result after income tax continuing operations	-62,852	13,844	20,409
Net cash from operating activities	8,846	31,242	52,279
Net cash from/(used in) investing activities	11,667	-58,127	-17,826
Net cash from/(used in) financing activities	-44,494	90,482	-47,644
<b>Movements in net cash position for the year of continuing operations</b>	<b>-23,981</b>	<b>63,597</b>	<b>-13,191</b>
Movements in net cash position for the year of discontinued operations	-10,663	11,626	-
<b>Movements in net cash position for the year of continuing and discontinued operations</b>	<b>-34,644</b>	<b>75,223</b>	<b>-13,191</b>

### Net cash flow from operating activities

In 2011, net cash flow from operating activities was EUR 8.8 million (2010: EUR 31.2 million, 2009: EUR 52.3 million). The change in net cash flow from operating activities in comparison to 2010 was mainly due to a lower result (loss) and higher interest payments in 2011.

### ***Net cash used in investing activities***

In 2011, net cash flow from investing activities was EUR 11.7 million (2010: EUR -58.1 million, 2009: EUR -17.8 million). The change in net cash flow from investing activities in 2011 compared to 2010 was mainly due to proceeds from the sale of the Ginger telecom division in 2011. There were no material acquisitions in 2011. The change in net cash flow from investing activities in 2010 compared to 2009 is mainly due to the acquisition of Ginger and the stakes in Libost and BGS. The net effect of the acquisition costs was partly offset by the proceeds from the sale of Kontrola GmbH and Kontrola GmbH & Co KG (see also section 13.3 "Acquisitions and divestments").

### ***Net cash from financing activities***

In 2011, net cash flow used in financing activities was EUR -44.5 million (2010: EUR 90.5 million, 2009: EUR -47.6 million). The change in net cash flow from financing activities in comparison to 2010 was mainly attributable to repayments of loans and borrowings with the proceeds from the sale of the Ginger telecom division in 2011. The change in net cash flow from financing activities in 2010 compared to 2009 was mainly attributable to the entering into of the Current Facility (under which an amount of EUR 32 million was available as at 31 December 2010) with the Group's core relationship banks. The amounts made available under the Current Facility were partly used to repay outstanding bank loans.

### ***Working capital and cash***

Trade working capital improved slightly in 2011 and stood at EUR 165.5 million compared to EUR 173.9 million in 2010. On a 12-months basis, the Company's trade working capital as a percentage of total revenue remained relatively flat at 16.3%. However, the improvement of the Company's trade working capital at year end 2011 was impacted by a seasonal peak in cash collection from trade debtors and delayed payments of creditors. The total impact of this was approximately EUR 20 million.

### ***Interest coverage and net debt/EBITDA ratios and covenants***

The Company was acting under a waiver from its lending banks at year-end 2011, as it otherwise would have been in breach of the interest cover ratio and net debt/EBITDA ratio at 31 December 2011 of 4 (interest cover ratio) and 2.50 (net debt/EBITDA ratio), respectively and in default of a EUR 15 million repayment obligation due 15 December 2011, all pursuant to its Current Facility.

### **13.7 Existing borrowings**

As at the date of this Prospectus, the Company has a EUR 260 million credit facilities agreement (the **Current Facility**) in place which consists of:

- a EUR 140 million revolving credit facility;
- a EUR 85 million A1 term loan facility; and
- a EUR 35 million A2 term loan facility.

The final maturity date of these remaining credit facilities is 11 May 2013.

The Company repaid the EUR 35 million A2 term loan facility. Most of this amount was repaid with the proceeds received from the sale of the Ginger telecom division.

The total outstanding amounts under the Current Facility as at 31 December 2011 were EUR 191 million.

The obligation to repay EUR 15 million of the term loans due on 15 December 2011 was waived by the lenders and postponed to 15 June 2012.

The current repayment schedule under the Current Facility provides for repayments in an aggregate amount of EUR 50 million during the course of 2012 and a final repayment of the outstanding amount on 11 May 2013.

The interest on the term loans and the revolving loans under the Current Facility is based on the prevailing base rate (EURIBOR or LIBOR) plus a margin plus mandatory costs (when applicable). The base rate is linked to the interest period chosen by the Company and may in principle range from one month to six months. The margin depends on the ratio of the Company's consolidated total net borrowings to adjusted consolidated earnings before interest, taxes, depreciation and amortisation (EBITDA) adjusted by, among other adjustments, excluding exceptional items, including the EBITDA of new Group companies acquired and excluding the EBITDA of Group companies sold in each case during the relevant period. The margin range as set out in the Current Facility originally was between 1.5% per annum and 3.25% per annum. The latest waiver letter dated 8 March 2012 set the margin at 3.25% per annum. It also imposed an additional margin, if the effective date of the amendment and restatement agreement relating to the Current Facility does not occur on or before 15 June 2012 (or another date otherwise agreed between the lenders and the Company). This additional margin is 6.25% per annum payable from 1 January 2012 until such later effective date of the amendment agreement related to the Current Facility. The margin as at the date of this Prospectus is 3.25% per annum with no additional margin.

The Group has pledged a number of security and bank accounts to accommodate the acquisition process of Ginger. In addition, 11 Group companies are giving a guarantee to secure the repayment of the term loan facility and the revolving credit facility.

The financial covenants under the Current Facility include a maximum leverage ratio (multiple of consolidated total net borrowings to adjusted consolidated EBITDA) and minimum interest cover ratio (ratio of consolidated EBITA to consolidated net finance costs). The financial covenants are calculated in accordance with generally accepted accounting principles (GAAP) and specific definitions in the documentation and tested by reference to the relevant consolidated financial statements.

On 30 December 2011 the Company obtained a waiver from the lenders on these covenants on the condition that the Company, among other things, complied with the amended leverage ratio and interest cover ratio covenants. The leverage ratio for 31 December 2011 was set at a maximum of 4.75 (where this was originally capped at 2.5 in the Current Facility). The interest cover ratio for 31 December 2011 was set at a minimum of 2.25 (where it was originally 4.0). In a subsequent waiver letter dated 8 March 2012, there were no restrictions on the leverage ratio and the interest cover ratio.

In addition, the Group has approx. EUR 61 million of other financing facilities in place:

<b>Financing</b>	<b>Approx. amount as at 31 December 2011</b>
	<i>(EUR million)</i>
Uncommitted lines for credit on holding level	18
Uncommitted lines for credit on local level	4
Factoring facilities France	28
Mortgage loans	5
Financial lease	6
<b>Total</b>	<b>61</b>

### 13.8 New financing

On 8 March 2012, the Company reached an in-principle agreement with its major shareholders, the banks underwriting the Offering and the Group's lending banks on the Company's revised capital structure. This revised capital structure consists of:

- (a) a EUR 120 million term loan facility with a maturity date of around May 2016;
- (b) a EUR 60 million revolving loan facility with a maturity date of around May 2016;
- (c) a EUR 10 million short term working capital facility with a maturity date of 15 December 2012 (although the Company may notify the lenders on or before 9 May 2012 that it does not need this facility); and
- (d) approximately EUR 80 million gross proceeds of the Offering.

The repayment schedule of the term loans under the New Credit Agreement ((a) and (b) above) is:

31 December 2013	EUR 15,000,000
31 March 2014	EUR 2,000,000
30 June 2014	EUR 2,000,000
30 September 2014	EUR 2,000,000
31 December 2014	EUR 9,000,000
31 March 2015	EUR 2,000,000
30 June 2015	EUR 2,000,000
30 September 2015	EUR 2,000,000
31 December 2015	EUR 11,500,000
31 March 2016	EUR 2,000,000
On or about 29 May 2016	EUR 70,500,000

The revolving loans are to be repaid in full on the maturity date of the revolving loan facility. Loans under the short term working capital facility must be repaid in full on 15 December 2012.

The interest on the term loans, the revolving loans and the short term working capital loans under the New Credit Agreement is based on the prevailing base rate (EURIBOR) plus a margin plus mandatory costs (when applicable). The base rate is linked to the interest period chosen by the Company and may in principle range from one month to six months. The margin for a term loan and a revolving loan depends on the ratio of the Company's consolidated total net borrowings to adjusted consolidated earnings before interest, taxes, depreciation and amortisation (EBITDA) adjusted by, among other things, excluding exceptional items, including the EBITDA of new group companies acquired during the relevant period and excluding the EBITDA of group companies sold in each case during the relevant period.

The margin range for a term loan and a revolving loan ((a) and (b) above) under the New Credit Agreement is between 2.5% per annum and 5.25% per annum, subject to the net debt/EBITDA ratio. The margin for the short term working capital facility is 9% per annum. These margins increase if an event of default is continuing.

An arrangement fee of 2.25% over the total amount of the facilities under the New Credit Agreement must be paid. A term facility fee of 5% over the first EUR 20 million repaid or prepaid on the term facility is payable on the date of repayment or prepayment (as applicable). A commitment fee of 40% of the applicable margin is payable quarterly in arrears on the unused portion of the revolving facility. A commitment fee of 4% per annum is payable quarterly in arrears on the unused portion of the short term working capital facility.

For the New Credit Agreement, share pledges of three members of the Group are being provided to the lenders. The same 11 Group companies that guaranteed the existing credit facilities are giving a guarantee under the New Credit Agreement to secure the repayment of loans drawn under the New Credit Agreement. There may be other members of the group that are required to accede to the New Credit Agreement on 1 March 2013.

The financial covenants under the New Credit Agreement include new maximum leverage ratios (multiple of consolidated total net borrowings to adjusted consolidated EBITDA) and new minimum interest cover ratios (ratio of consolidated EBITA to consolidated net finance costs). The financial covenants are calculated in accordance with GAAP (i.e. IFRS) and tested by reference to the relevant consolidated financial statements.

The range of the maximum leverage ratios during the life of the facilities under the New Credit Agreement is between 2.5 and 4. The range of the minimum interest cover ratios is between 1.75 and 4.00. Also, the aggregate of EBITDA of the guarantors to the consolidated EBITDA of the Group must not be less than 75% and the gross assets of the guarantors to the consolidated gross assets of the Group must not be less than 75%.

The New Credit Agreement is subject to the completion of the Offering and certain other market standard conditions precedent being met.

The New Credit Agreement also imposes a number of obligations, including a restriction on the Company making any distributions (including dividends) unless in relation to annual dividends in any Dividend Payment Year in respect of profits generated in the immediately preceding financial year, provided that (i) the Company shall not make any such distribution unless the net debt/EBITDA ratio on the last day of each of the two last financial quarters of the Company in the immediately preceding financial year was less than 2.00:1, (ii) the dividend is declared and paid out before 30 June of the Dividend Payment Year, (iii) the maximum amount of dividend is determined by the leverage headroom and (iv) no event of default has occurred or will result from the payment of such dividend.

### **13.9 Commitments, contingencies and contractual obligations**

As at 31 December 2011, the guarantees issued by financial institutions for the Group's obligations amounted to EUR 44.6 million. In the first quarter of 2012, the Group has posted collateral of approximately EUR 1.4 million with a third party guarantee provider. This guarantee provider grants guarantees to the Group's customers on behalf of the Group relating to inter alia project completion, in the ordinary course of the Group's business.

The Group is party to various legal disputes, generally incidental to its business. The various individual amounts of the claims are generally considered not significant. The amounts of some claims are significant but taking into account the merits of the claim, the Group considers these claims as low risk. On the basis of legal and other advice, the Executive Board is of the view that the outcome of pending legal disputes will not have a significant impact on the consolidated financial position of Grontmij because adequate provisions have been recognised as well as the related insurance reimbursement receivables.

Grontmij is entitled to a receivable under the condition that a municipality grants a third party the possibility to continue certain landfill activities after 2016 and this third party in its turn accepts this possibility. The value as at 31 December 2011 is EUR 2.4 million (nominal value: EUR 3.3 million).

The Group has entered into a number of operational lease contracts relating to the use of office buildings, cars and office machinery. The lease contracts typically run for an initial period of one to 15 years. The value as per 31 December 2011 amounts to EUR 112.8 million.

### **13.10 Working capital statement**

The Group's current cash resources, together with its existing borrowings, do not provide it with sufficient working capital for its present requirements for the next 12 months following the date of this Prospectus.

If the Refinancing does not complete, the Group has sufficient working capital for its present requirements until the date on which the latest waiver letter, dated 8 March 2012, lapses or is terminated (see section 13.7 "Existing borrowings"). This waiver letter will lapse on the earlier of (i) 15 June 2012 (the date on which the conditions of the New Credit Agreement must be fulfilled) or (ii) the date on which the lending banks terminate the waiver letter in accordance with its terms, for instance if the Company breaches any of its conditions. If this waiver letter lapses or is terminated and no additional waiver is granted, the Company will be in breach of certain of the covenants set out in the Current Facility. In that case, the lending banks may declare that all or part of the amounts outstanding under the Current Facility become due and payable immediately, resulting in a shortfall of up to EUR 270 million in the Group's working capital. The Company would then need to enter into discussions with its existing or other lending banks to (re)negotiate the Current Facility or new credit facilities and with its existing major shareholders or potential new investors to raise approximately EUR 270 million to cover such shortfall. If these proposed actions were to be unsuccessful, the continuity of the Group could not be ensured.

However, if the Refinancing completes, the Group's cash resources, together with its borrowings under the New Credit Agreement, will provide it with sufficient working capital for its present requirements for the next 12 months following the date of this Prospectus.

The Committed BDR Holders have committed themselves to subscribe for a number of Offer BDRs equal to 48.51% of the total number of Offer BDRs, subject to certain conditions (see section 7.1 "Irrevocable commitment major BDR Holders"), and the Joint Global Coordinators have underwritten 51.49% of the total number of Offer BDRs, on the terms of and subject to the conditions of the Underwriting Agreement (see section 7.2 "Underwriting Agreement"). Taking this into account, the Company expects the Offering to complete on the Settlement Date and therefore believes that it will be able to fulfil the conditions of the New Credit Agreement and to complete the Refinancing.

### **13.11 Current trading and outlook**

For the financial results achieved in the first quarter of 2012, the Company refers to the appendix.

By focusing on the Group's core markets, maintaining a strong relationship with the Group's customers, continuing to deliver an excellent service and transforming the Group's operations to make them more efficiently managed, the Company aims to improve the Group's long-term performance and provide sustainable returns to the Group's shareholders. Starting in 2012, the Company will rebalance the Group's operations to position itself for growth in the years to come. As such, 2012 will be a transitional year and as a consequence the Company does not expect an improvement of EBITA excluding non-recurring items relative to 2011. Following the announced restructuring measures, the Company expects very limited cash flow generation in 2012. This excludes an expected cash out of EUR 10 – 12 million for implementing the comprehensive financial solution and approximately EUR 3 million for additional restructuring necessary in France.



## 14. DESCRIPTION OF SHARE CAPITAL AND CORPORATE STRUCTURE

Set out below is a summary of relevant information concerning the Company, the BDRs, the Shares and the Current Articles of Association and a brief summary of certain provisions of Dutch corporate law. The Current Articles of Association will be amended to facilitate the Offering and to reflect the proposed termination of the administration of the Ordinary Shares through bearer depository receipts. The Current Articles of Association are amended by two separate amendments: the first amendment concerns the increase of the authorised capital and will be effected on or about Settlement Date and the second amendment concerns *inter alia* the termination of the administration of the Ordinary Shares which will be effected at some point in time after completion of the Offering.

This summary does not purport to be complete and is qualified in its entirety by reference to, and should be read in conjunction with, the Current Articles of Association and Dutch law. The full text of the Current Articles of Association is incorporated in this Prospectus by reference and is available, in Dutch and in English, at the Company's website (see section 19.4 "Availability of documents").

### 14.1 General

Grontmij N.V. is a public company (*naamloze vennootschap*) and was incorporated under Dutch law by a notarial deed dated 29 December 1915. The Company operates under Dutch law. The Company has its statutory seat in De Bilt, the Netherlands, with its registered office at De Holle Bilt 22, 3732 HM De Bilt, the Netherlands. The Company is registered with the Trade Register in the Netherlands-Central. (*Kamer van Koophandel Midden-Nederland*), the Netherlands, under number 30029428. The telephone number of the Company is + 31 (0)30 2207911. The Company trades under the name Grontmij.

### 14.2 Corporate objects

The Company's corporate objects, as set out in article 3 of the Current Articles of Association, are the participation in, the management, administration and financing of other enterprises and companies, the provision of services to enterprises and companies that are part of the Group, the provision of security for the debts of third parties and doing all such acts as are conducive or incidental to the attainment of the above objects, all in the broadest sense of the word, more particularly in relation to enterprises active in the field of the planning of rural and urban areas as well as the management and commercial exploitation of movable property and registered property. The Company is active both in the Netherlands and abroad.

Within the limits set by its social activities the Company is geared towards the continuous cost-effectiveness of the enterprises and the company, taking into consideration the interests of the groupings involved in its activities, more particularly those employed by the Company and its Group companies, as well as the interests of its BDR Holders and its customers.

### 14.3 Large company regime

The large company regime (*structuurregime*) is applicable to companies that for three consecutive years: (i) had combined issued capital and reserves of at least EUR 16 million, (ii) are required to establish, and have established, a works council and (iii) regularly employ at least 100 employees in the Netherlands. If these three criteria are met by a company, that company is obliged to file for the application of the large company regime at the Trade Register in the Netherlands. If, after the filing, all criteria continue to be met for three consecutive years, the company becomes a large company regime company.

The large company regime company does not apply to the Company, nor did the Company file for application of the large company regime because the Company can make use of an exemption for international holding companies. However, the Company's subsidiary Grontmij Nederland Holding B.V. has applied the mitigated large company regime since 2007.

#### 14.4 History of share capital

Set out below is an overview of the Company's authorised and issued share capital on 31 March 2012 and 31 December 2011, 2010 and 2009. The Ordinary Shares and the Preference Shares each have a nominal value of EUR 0.25.

<i>(number of Shares)</i>	31 March 2012		31 December 2011		31 December 2010		31 December 2009	
	share capital		share capital		share capital		share capital	
	authorised	issued	authorised	issued	authorised	issued	authorised	issued
Ordinary Shares	30,000,000	21,322,500	30,000,000	21,322,500	30,000,000	20,825,724	30,000,000	17,764,920
Preference Shares	30,000,000	nil	30,000,000	nil	30,000,000	nil	30,000,000	nil
<b>Total</b>	<b>60,000,000</b>	<b>21,322,500</b>	<b>60,000,000</b>	<b>21,322,500</b>	<b>60,000,000</b>	<b>20,825,724</b>	<b>60,000,000</b>	<b>17,764,920</b>

In 2011, the Company issued 496,776 Ordinary Shares as stock dividend.

In 2010, the Company issued 369,801 Ordinary Shares as stock dividend. The Company also made a 9.99% equity offering and a private placement. Under the equity offering the Company offered 1,785,080 Ordinary Shares which was equal to 9.99% of the total amount of the then outstanding BDRs. The private placement comprised the placement of 905,923 new Ordinary Shares to Ginger's CEO at that time, Jean-Luc Schnoebelen, as part of the acquisition of Ginger, which were converted into BDRs.

At the date of this Prospectus, the Company's authorised share capital amounts to EUR 15,000,000, divided into:

- (a) 30,000,000 Ordinary Shares with a nominal value of EUR 0.25 each, of which 21,322,500 Ordinary Shares are issued and outstanding; and
- (b) 30,000,000 Preference Shares with a nominal value of EUR 0.25 each, of which none has been issued.

At the date of this Prospectus, neither the Company nor any of its subsidiaries hold any of the BDRs or Ordinary Shares. All outstanding Ordinary Shares are paid up.

#### 14.5 Authorised and issued share capital – the Offering

The Company's authorised share capital will be increased significantly in order to facilitate the Offering. The necessary increase of the authorised share capital will be effected by amending the Current Articles of Association on or about the Settlement Date on the basis of the resolution by the General Meeting taken on 9 May 2012. After the Settlement Date, the Company's authorised share capital will amount to EUR 35,000,000 divided into 70,000,000 Ordinary Shares with a nominal value of EUR 0.25 each, and 70,000,000 Preference Shares with a nominal value of EUR 0.25 each.

The Company's issued share capital will be increased significantly as a result of the Offering. After the settlement of the Offering, the issued share capital will be EUR 15,991,875 consisting of 63,967,500 Ordinary Shares.

#### 14.6 Issue of Shares

The Executive Board has the authority to issue Shares, subject to the Supervisory Board's approval. The scope of the Executive Board's authority to issue Shares is determined by a resolution of the General Meeting and relates at most to all unissued Shares of the authorised capital, as applicable now or at any time in the future. The duration of this authority is also determined by a resolution of the General Meeting and is usually for 18 months but for five years at most. Designation of the Executive Board as the body competent to issue Shares may be extended by a resolution of the General Meeting for a period up to five years in each case.

The number of Shares that may be issued will be determined at the time of designation. Designation by resolution of the General Meeting cannot be revoked unless determined otherwise at the time of designation. If the authority to issue Shares is not delegated upon termination or expiration of the authority of the Executive Board, the General Meeting may decide to issue Shares, unless another corporate body has been designated by the General Meeting. See also section 2.6 "Risks related to the Offering, Rights, the Offer BDRs".

During the annual general meeting of 9 May 2012, the General Meeting authorised the Executive Board for a period of 18 months to issue Shares and rights to subscribe for Shares up to an amount of 10% of the then outstanding share capital and an additional 10% in case of a merger or acquisition. This General Meeting also authorised the Executive Board, having obtained the approval of the Supervisory Board, to issue Ordinary Shares in respect of the Offering up to a number of Ordinary Shares required to reinforce the Company's equity with an effective amount of circa EUR 80 million.

#### **14.7 Statutory pre-emptive rights**

Shareholders have a statutory pre-emptive right (*wettelijk voorkeursrecht*) in the event of an issue of Ordinary Shares. The Executive Board has the authority to restrict or exclude the Shareholders' pre-emptive right in the context of an issue of Ordinary Shares, subject to the Supervisory Board's approval. Shareholders do not have pre-emptive rights in the event of an issue of Preference Shares. Designation of the Executive Board as the body competent to restrict or exclude the pre-emptive right may be extended by a resolution of the General Meeting for a period of usually 18 months but not exceeding five years in each case. In this event, if 50% of the Ordinary Shares are not represented, then a  $66\frac{2}{3}$  majority vote is required. Designation by resolution of the General Meeting cannot be withdrawn unless determined otherwise at the time of designation.

During the annual general meeting of 9 May 2012, the General Meeting authorised the Executive Board for a period of 18 months to restrict or exclude the Shareholders' pre-emptive right in the context of an issue of Ordinary Shares and rights to subscribe for Ordinary Shares up to an amount of 10% of the then outstanding share capital and an additional 10% in case of a merger or acquisition. This General Meeting also authorised the Executive Board, having obtained the approval of the Supervisory Board, to exclude the pre-emptive rights on the Ordinary Shares to be issued in respect of the Offering.

#### **14.8 Share repurchase**

The Company may acquire fully paid-up Shares or BDRs, but only for no consideration or if (i) the distributable part of the shareholders' equity is at least equal to the total purchase price of the repurchased Shares or BDRs and (ii) the nominal value of the Shares, or the BDRs for those Shares, which the Company acquires, holds or holds as pledge or which are held by a subsidiary does not exceed 10% of the issued capital. The Executive Board needs authorisation by the General Meeting for the repurchase of Shares, or BDRs. The authorisation is not required if the Shares or BDRs are acquired for free. The General Meeting's authorisation is valid for a maximum of 18 months. As part of the authorisation, the General Meeting must specify the number of Shares and BDRs that may be acquired, the manner in which the Shares and BDRs may be acquired and the price range within which the Shares and BDRs may be acquired. A resolution of the Executive Board to repurchase Shares or BDRs is subject to the approval of the Supervisory Board.

No authorisation from the General Meeting is required for the acquisition of fully paid up Shares or BDRs for the purpose of transferring these Shares or BDRs to employees pursuant to any share option plan. The Company may not cast votes on Shares or BDRs held by it nor will such Shares or BDRs be counted for the purpose of calculating a voting quorum.

During the annual general meeting of 9 May 2012, the General Meeting authorised the Executive Board for a period of 18 months to acquire, though Euronext Amsterdam or otherwise, up to such number of Shares or BDRs equal to 10% of the issued share capital for a period of 18 months. The maximum purchase price is 110% of the share price on Euronext Amsterdam.

## **14.9 Capital reduction**

The General Meeting may resolve to reduce the issued capital by cancelling Shares or by reducing the nominal value of each Share by amending the Company's articles of association. The General Meeting may only resolve this upon proposal of the Executive Board which proposal is subject to the Supervisory Board's approval. Only Shares, or Shares underlying BDRs, held by the Company may be cancelled or all Preference Shares with reimbursement to the holder of Preference Shares of all paid in amounts. The General Meeting may only take a decision to reduce the capital with a majority of at least  $\frac{2}{3}$  of the votes cast, if less than half the issued capital is represented.

## **14.10 Form and transfer of Shares**

All Shares are in registered form. The Trust Office holds nearly all of the Ordinary Shares. The number of Ordinary Shares for which BDRs were issued amounted to 21,043,948 Ordinary Shares as at 31 December 2011 (2010: 20,541,541). The remaining 278,552 Ordinary Shares for which no BDRs were issued were held directly by Shareholders. A transfer of a share or a restricted right thereto requires a deed of transfer and the acknowledgement by the Company of the transfer in writing. The latter condition is not required if the Company itself is party to the transfer.

On 24 March 2012, the board of the Trust Office decided, with the approval of the Executive Board, to abolish the administration of the Ordinary Shares through bearer depository receipts as of the date on which the New Articles of Association become effective in accordance with the relevant proposal that was approved by the General Meeting of 9 May 2012. After implementation of the decision to abolish the administration (which is expected to occur after completion of the Offering), the Ordinary Shares will no longer be represented by bearer depository receipts and will be replaced by deposit shares (*girale aandelen*). The Ordinary Shares will be in registered form and traded through the book-entry facilities of Euroclear Netherlands. All Ordinary Shares (except for those Ordinary Shares held by Shareholders who are currently registered in the register of shareholders which will remain registered Ordinary Shares) will be embodied in a global share certificate, which will be held in custody by Euroclear Nederland. The Shareholders will be entitled to such part of the global share certificate that corresponds with their shareholding.

## **14.11 Bearer Depository Receipts for Ordinary Shares**

The Trust Office has issued, and issues, BDRs. It holds the Ordinary Shares underlying these BDRs. The BDRs are represented by a single depository receipt certificate (*certificaatbewijs*). Euroclear Nederland keeps this single depository receipt certificate in custody. The BDRs are listed on Euronext Amsterdam. On the date of this Prospectus 21,043,948 BDRs are issued. The administration of the Ordinary Shares through bearer depository receipts will be abolished (see also section 14.10 "Form and transfer of Shares"). The BDRs will be replaced by deposit shares (*girale aandelen*).

## **14.12 Trust Office**

The Trust Office was established on 20 December 1985 under the laws of the Netherlands. The Trust Office has its statutory seat in De Bilt, the Netherlands, with its head office at De Holle Bilt 22, 3732 HM De Bilt, the Netherlands. The Trust Office is registered with the Trade Register in the Netherlands – Central, the Netherlands, under number 41181820. The telephone number of the Trust Office is +31 (0)30 2207911.

The Trust Office will lose its function as a result of the decision to abolish the administration of the Ordinary Shares (which will take place following the completion of the Offering).

The objects of the Trust Office are:

- (a) to issue exchangeable depository receipts in return for acquiring, holding and administering in trust Ordinary Shares;

- (b) to manage Ordinary Shares acquired in trust;
- (c) to exercise all the rights attaching to the Ordinary Shares, including voting rights;
- (d) to perform all acts related to, ensuing from or that can be conducive to the foregoing.

When exercising the rights attaching to the Ordinary Shares, the Trust Office's primary aim is the interest of the holders of the BDRs, taking into account the interests of the Company, the business affiliated with it and all parties involved.

Mr B. van Nederveen (chairman), Mr A.G.M.L. van der Kolk and Mr L.M.J. van Halderen together form the board of the Trust Office.

The Trust Office will be wound up as soon as legally possible after termination of the administration of the Ordinary Shares through bearer depository receipts.

#### **14.13 Rights of holders of BDRs**

The Holders of BDRs are entitled to dividends and other distributions by the Company. The Trust Office collects, on behalf of the holders of BDRs, dividends and other distributions made payable on the Ordinary Shares. The Trust Office pays the collected dividends and other distributions to the holders of corresponding BDRs without any deduction for commission or costs.

If Shareholders have a pre-emptive right in respect of an issue of Ordinary Shares, the Trust Office must give the holders of BDRs an opportunity to exercise a similar pre-emptive right with respect to their BDRs.

Holders of BDRs or their proxy holders have the right to attend any General Meeting. The Trust Office exercises the voting rights attached to the Ordinary Shares held by it in accordance with its objects. However, at the request of any holder of BDRs the Trust Office grants a proxy to such holder of BDRs, with the power of substitution, to exercise the voting rights attached to the Ordinary Shares underlying the BDRs held by that holder of BDRs. Upon receipt of the proxy, the holder of BDRs is free to determine how to vote.

All acts in respect of the BDRs must be announced on the section of the Company's website that is reserved for the Trust Office.

The holders of BDRs may request the Trust Office in writing to transfer to their name an equal nominal amount of Ordinary Shares. The Trust Office shall comply with such requests at all times.

#### **14.14 General Meetings**

The annual General Meeting must be held within six months following the end of each financial year. Typical agenda items are a discussion of the Company's annual report, the adoption of the annual accounts, the determination of dividends and the granting of discharge to members of the Executive Board and to members of the Supervisory Board.

General Meetings must be convened by the Executive Board or the Supervisory Board. The convening notice must be given no later than the 42nd day before the date of the General Meeting, or, if allowed by law, on a shorter period at the discretion of the Executive Board. The convening notice must be given no later than the 42nd day before the date of the General Meeting. The General Meetings must be held in De Bilt, Utrecht, Amsterdam, Amersfoort, Zeist or Soest, the Netherlands. The notice of a General Meeting is given on the Company's website ([www.grontmij.com](http://www.grontmij.com)). The notice of a General Meeting must include an agenda indicating the items for discussion, the procedure for participating in the meeting and the requirements for admission to the meeting.

Under the Current Articles of Association, BDR Holders representing solely or jointly at least 1% of the Company's issued capital, or whose Shares, or BDRs, represent at least a value of EUR 2 million, have a right to request the Executive Board and the Supervisory Board to include items on the agenda of the General Meeting. The Executive Board and the Supervisory Board must agree to these requests, provided that (i) there are no grave interests of the company which resist against the placing on the agenda, and (ii) the request was filed with the Executive Board or the chairman of the Supervisory Board at least 60 days prior the date of the General Meeting. Under the New Articles of Association, Shareholders representing solely or jointly at least 1% of the Company's issued capital have a right to request the Executive Board and the Supervisory Board to include items on the agenda of the General Meeting, provided that the request was (i) made in writing and motivated, and (ii) filed with the Executive Board or the chairman of the Supervisory Board at least sixty days prior the date of the General Meeting.

Other General Meetings are held as often as the Executive Board or the Supervisory Board deems necessary. In addition, one or more Shareholders, who jointly represent at least one-tenth of the issued share capital may, on its or their application, be authorised by the court in interlocutory proceedings of the District Court to convene a General Meeting.

Each Shareholder and holder of BDRs may 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. Shareholders and holders of BDRs may exercise these rights, if they are the holders of Shares or BDRs on the record date which is the 28th day before the day of the meeting, and entered as such in a register designated for that purpose by the Executive Board and they registered for the meeting in the manner set out in the notice for the meeting.

Each Shareholder may cast one vote for each Ordinary Share held. Each holder of BDRs may cast one vote for each Ordinary Share underlying the BDRs held (see also section 14.13 "Rights of holders of BDRs"). The General Meeting may adopt resolutions by a simple majority of the votes cast, except where a larger majority is prescribed by law or the Company's articles of association. Members of the Executive Board and members of the Supervisory Board may attend a General Meeting in which they have an advisory role.

#### **14.15 Annual accounts, semi-annual accounts and quarterly statements**

Annually, within four months after the end of the financial year, the Executive Board must prepare the annual accounts and make them available for inspection by the Shareholders at the office of the Company. The annual accounts must be accompanied by an auditor's statement, an annual report and certain other information required under Dutch law and a report of the Supervisory Board. The annual accounts must be signed by the members of the Executive Board and the Supervisory Board.

The annual accounts, the annual report, the other information required under Dutch law, the report of the Supervisory Board and the auditor's statement must be made available to the Shareholders for review as from the day of the notice convening the annual General Meeting. The annual accounts must be adopted by the General Meeting. The Executive Board must send the adopted annual accounts to the AFM within five business days after adoption.

Within two months after the end of the first six months of the financial year, the Executive Board 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 statement 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 Executive Board 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 will be obliged to publish the annual, semi-annual and quarterly statements and comply with other reporting obligations, including those resulting from the listing of the BDRs on Euronext Amsterdam, in accordance with the relevant Dutch laws.

#### **14.16 Dividends**

If there are profits, the Company must first pay a dividend from its profit realised in the last financial year on the Preference Shares (if any are outstanding). Subsequently, the Executive Board will, subject to the approval of the Supervisory Board, determine which part of the remaining profit will be allocated to the reserves. The General Meeting may dispose over the part of the profit remaining after the reservation.

The Company may only make distributions to the Shareholders and other persons entitled to the profit capable of distribution insofar as the Company's equity is larger than the amount of the paid-up part of the capital increased with the reserves that should be maintained pursuant to the law or the Company's articles of association (both the Current Articles of Association and the New Articles of Association).

Subject to approval of the Supervisory Board, the Executive Board may resolve to distribute an interim dividend insofar as the Company's equity is larger than the amount of the paid-up part of the capital increased with the reserves that should be maintained pursuant to the law or the Company's articles of association (both the Current Articles of Association and the New Articles of Association). For this purpose, the Executive Board must prepare an interim statement of assets and liabilities.

At the proposal of the Executive Board which has been approved by the Supervisory Board, the General Meeting may resolve that a payment of dividend on Ordinary Shares be wholly or partly not in cash, but in Shares or BDRs.

Shareholders are entitled to share in the profit *pro rata* to their share holding. Any entitlement to a dividend distribution by a Shareholder expires five years after the date those dividends were released for payment. The Trust Office must collect the dividends and other distributions made payable on the Ordinary Shares represented by BDRs. Such collection and all other acts prescribed with respect to the Ordinary Shares represented by BDRs must be undertaken on behalf of the holders of BDRs. The payment of dividend and other distributions are made by an announcement on the section of the Company's website that is reserved for the Trust Office. Where a choice is given between a distribution in cash and a distribution in other securities, the Trust Office announces this in advance by announcement through the Company's website, and it must as far as possible give the holders of BDRs in said announcement an opportunity to make their own choice, up to the day before the day on which the Trust Office has to state this choice.

The Company is also subject to certain financial covenants under its borrowings which may restrict it from paying out dividends or from making other distributions (see also section 13.8 "New financing"). See also chapter 4 "Dividend Policy".

#### **14.17 Dissolution and liquidation**

A resolution of the General Meeting to dissolve the Company may only be taken upon proposal by the Executive Board which has been approved by the Supervisory Board. If the General Meeting has resolved to dissolve the Company, the members of the Executive Board will be charged with the liquidation of the business of the Company and the Supervisory Board with the supervision thereof.

From the balance remaining after payment of debts the Company must first distribute to the holders of Preference Shares (if any) any outstanding dividend and the nominal amount paid on these Preference Shares.

The balance then remaining will be distributed to the holders of Ordinary Shares in proportion to the total amount of Ordinary Shares held by each of them. The Trust Office pays the collected distributions to the holders of BDRs without any deduction for commission or costs.

#### **14.18 Amendment of the Company's articles of association**

A resolution of the General Meeting to amend the Company's articles of association may only be taken upon proposal by the Executive Board which has been approved by the Supervisory Board. The decision to amend the Company's articles of association may be taken by the General Meeting with an absolute majority of the votes, irrespective of the represented capital.

#### **14.19 Foundation preference shares Grontmij**

The Foundation preference shares Grontmij (*Stichting preferente aandelen Grontmij*, the **Foundation**) was established on 20 December 1985 under the laws of the Netherlands. The Foundation has its statutory seat in De Bilt, the Netherlands, with its head office at De Holle Bilt 22, 3732 HM De Bilt, the Netherlands. The Foundation is registered with the Trade Register in the Netherlands – Central, the Netherlands, under the number 41181841. The telephone number of the Foundation is +31 (0)30 220 7911.

The Foundation's objects are to promote the interests of the Company, the enterprise associated with it and all parties involved, and also fending off the influences that could affect the continuity, the independence or the identity in contrariety of those interests as much as possible. The Foundation endeavours to achieve these objects by acquiring Preference Shares and by exercising the rights attaching to those Preference Shares. These objects do not include alienating, encumbering or otherwise disposing of Preference Shares, other than alienation to the Company itself or a company associated with it in a group to be designated by the Company, and cooperating with repayment on shares and the cancellation of shares.

The possibility of issuing preference shares is an anti-takeover measure. Preference shares can be issued in case of (the threat of) an undesired acquisition of the majority of the (depository receipts for) Grontmij ordinary shares by one party or several parties acting in concert, in case of (the threat of) an undesired concentration of (depository receipts for) Grontmij ordinary shares with one party or several parties acting in concert and/or to prevent any undesired disruption of independent management of the Group. This protective measure, when taken, is temporary in nature and would enable Grontmij to judge any (hostile) situation on its merits and/or to explore alternatives.

The Company and the Foundation entered into a call option agreement which was last amended on 6 April 2010. Under the call option agreement, the Foundation is entitled to subscribe for Preference Shares up to a maximum corresponding with one hundred per cent (100%) of the issued share capital in the form of Ordinary Shares, as outstanding immediately prior to the exercise of the call option, less one Preference Share. The Foundation has a credit facility to enable it to pay the amount to be paid up on the Preference Shares. The Preference Shares must be paid up for 25% of the nominal value.

If Preference Shares are issued, the Company must convene a General Meeting, to be held not later than 12 months after the date on which the Preference Shares were issued for the first time. The agenda for that General Meeting must include a resolution to repurchase or cancel the Preference Shares. If this resolution is not adopted, the Company must convene another General Meeting, held in each case within 12 months of the previous meeting. The agenda of that meeting must include a resolution to repurchase or cancel the Preference Shares. This must be repeated until no Preference Shares remain outstanding. This obligation does not apply, if the Preference Shares are issued pursuant to a resolution of, or with cooperation by, the General Meeting.

The members of the board of the Foundation are Mr R.J.M. de Beaufort (chairman), Mr S.C. Peij and Mr A.J. ten Cate.

#### **14.20 Rules governing obligations to make a public offer**

Based on Directive 2004/25/EC of the European Parliament and of the Council of the European Union (the **Takeover Directive**) each Member State should ensure the protection of minority shareholders by obliging the person that acquires control of a company to make an offer to all the holders of that company's voting



securities for all their holdings at an equitable price. The Takeover Directive applies to all companies governed by the laws of a Member State of which all or some voting securities are admitted to trading on a regulated market in one or more Member States. The laws of each Member State provide a percentage that forms the threshold for control over companies.

Under Dutch law, the threshold is 30%. A person, whether acting alone or in concert, who acquires 30% or more of the voting rights of a company whose shares are admitted to trading on a regulated market must make an offer for the remaining shares of that company. The obligation to make a public offer does not apply to the Trust Office, and, subject to conditions, not to the Foundation.

#### **14.21 Squeeze-out procedures**

If a person or company holds a total of at least 95% of a company's issued share capital by nominal value for its own account (a **Controlling Entity**), Dutch law allows such Controlling Entity to acquire the remaining shares in the company by initiating proceedings against the remaining shareholders. The price to be paid for those shares will be determined by the Enterprise Chamber of the Amsterdam Court of Appeal (*Ondernemingskamer van het Gerechtshof te Amsterdam*).

Minority shareholders that have not previously tendered their shares under a public offer have a right to sell their shares, if the Controlling Entity has acquired at least 95% of the class of shares as a result of a public offer and represents at least 95% of the total voting rights attached to these shares.

#### **14.22 Obligations to disclose holdings and transactions**

BDR Holders are subject to disclosure requirements under the Dutch Financial Supervision Act. The most important disclosure requirements for the BDR Holders are:

- (a) any person who, directly or indirectly, acquires or disposes of a capital interest or voting rights in the Company must forthwith give written notice to the AFM of such capital interest and/or voting rights. This notification obligation will exist if an acquisition or disposal causes the total percentage of the capital interest and/or voting rights held to reach, exceed or fall below the following thresholds: 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%; and
- (b) 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.

Any person with a capital interest or voting rights in the Company reaching or exceeding 5% will be required to notify the AFM of any changes in the composition (actual or potential) of this interest annually within four weeks after the year's end.

For the purpose of calculating the percentage of capital interest or voting rights, the following interests must be taken into account: (i) Shares or BDRs directly held (or acquired or disposed of) by any person; (ii) Shares or BDRs held (or acquired or disposed of) by such person's subsidiaries 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; and (iii) Shares or BDRs which such person, or any subsidiary or third party referred to above, may acquire pursuant to any option or other right held by such person (or acquired or disposed of including, but not limited to, on the basis of convertible bonds). Special rules apply to attribution of community of property. A holder of a pledge or right of usufruct in respect of the Shares or BDRs can also be subject to the reporting obligations, if such person has, or can acquire, the right to vote on the Shares. If a pledge holder or holder of a right of usufruct acquires such (conditional) voting rights, this may trigger reporting obligations for the holder of the Shares or BDRs.

Furthermore, each member of the Management Board 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 or BDRs and voting rights in the Company.

#### **14.23 Market abuse regime**

The Company's insiders as described in article 5:60 of the Dutch Financial Supervision Act are obliged to notify the AFM when they carry out or cause to be carried out, for their own account, a transaction in Shares, BDRs or in securities of which the value is at least in part determined by the value of the Shares or BDRs. Insiders of the Company as described in article 5:60 of the Dutch Financial Supervision Act include (i) members of the Executive Board, (ii) members of the Supervisory Board and (iii) 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 who have access to inside information on a regular basis.

In addition, persons designated by the Dutch Market Abuse Decree who are closely associated with the members of the Executive Board, the 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, the BDRs or securities of which the value is at least in part determined by the value of such Shares or BDRs. 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 Executive Board, the 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, reaches or exceeds an amount of EUR 5,000 in the calendar year in question. Non-compliance with the reporting obligations under the Dutch Financial Supervision Act could lead to criminal fines, administrative fines, imprisonment or other sanctions. In addition, non-compliance with the reporting obligations under the Dutch Financial Supervision Act may lead to civil sanctions.

## **15. EXECUTIVE BOARD, SUPERVISORY BOARD AND EMPLOYEES**

This chapter summarises the relevant information concerning the Executive Board and the Supervisory Board, as well as highlights of certain relevant provisions of the Current Articles of Association and Dutch corporate law. This chapter also summarises relevant information concerning the employees, incentives, pension plans and works councils.

### **15.1 Introduction**

The Company has a two-tier board structure. The Executive Board is the statutory executive body (*raad van bestuur*) and is responsible for managing the Company, including, amongst other things, drawing up and achieving the Company's objectives, its strategy and policy. The Executive Board is chaired by the Company's CEO. The Supervisory Board (*raad van commissarissen*) supervises and advises the Executive Board. In addition, Supervisory Board approval is required for certain important decisions of the Executive Board.

### **15.2 Executive Board**

#### ***Powers, responsibilities and functioning***

The Executive Board may perform all acts necessary or useful for achieving the Company's corporate purposes, except for those expressly attributed to the General Meeting or the Supervisory Board as a matter of Dutch law or pursuant to the Company's articles of association. If no larger majority is stipulated by law, the Company's articles of association or the Executive Board Regulations, the Executive Board may adopt resolutions with an absolute voting majority. In addition, the Executive Board is only entitled to make decisions, if a majority of its members, who still hold office, are present or represented. In the event of a tied vote, the chairman of the Executive Board has a casting vote. The Executive Board may also make decisions in writing, provided that the relevant proposal is presented to all members who still hold office and none of them object to this manner of decision-making.

The Executive Board as a whole is entitled to represent the Company. Additionally, each member of the Executive Board is individually authorised to represent the Company.

In the event of a conflict of interest between the Company and a member of the Executive Board, the Company must be represented by the member of the Executive Board or Supervisory Board appointed for that purpose by the Supervisory Board. The General Meeting may also always appoint someone for this purpose.

The members of the Executive Board are collectively responsible for the management of the Company, including drawing up and achieving the Company's objectives, its strategy and policy.

According to the Company's articles of association (both the Current Articles of Association and the New Articles of Association) and Executive Board Regulations each of the individual members of the Executive Board may be charged with the performance of specific managerial duties. The managerial duties have been divided between members of the Executive Board, being responsible for evaluating and executing strategy, innovation and day-to-day operations of each region, country and staff department, and the members of the Executive Board together being responsible for the day-to-day management of the Company, determining and realising the Group's objectives, its strategy and policy. The division of specific managerial duties to individual members of the Executive Boards does not affect the collective responsibility of the Executive Board as a whole. The Executive Board continues to bear collective responsibility for its decisions, even if they are prepared by its individual members.

The Executive Board is required to keep the Supervisory Board informed and to consult the Supervisory Board on important matters, and must submit certain important decisions to the Supervisory Board or

General Meeting, as applicable, for prior approval, see section headed "Executive Board resolutions requiring prior approval" below.

For internal purposes regulations concerning the Executive Board have been drawn up. The Executive Board Regulations are published on the Company's website and describe the procedure of holding meetings and decision-making by the Executive Board, and its operating procedures.

#### ***Appointment, term and dismissal***

The Supervisory Board determines the number of members of the Executive Board. The Executive Board consists of at least one member.

The General Meeting appoints the members of the Executive Board. The Supervisory Board will make a nomination for each vacancy. A resolution of the General Meeting in line with the nomination may be taken by an absolute majority of the votes cast. A resolution of the General Meeting to appoint someone not recommended by the Supervisory Board requires an absolute majority of the votes cast representing more than one-third of the Company's issued capital.

The General Meeting may suspend or dismiss Executive Board members at any time. A decision to suspend or dismiss other than upon recommendation of the Supervisory Board requires an absolute majority of the votes cast representing more than one-third of the company's issued capital. The Supervisory Board can also suspend a member of the Executive Board at any time. A suspension by the Supervisory Board may at all times be lifted by the General Meeting.

#### ***Executive Board resolutions requiring prior approval***

Certain resolutions of the Executive Board require the approval of the Supervisory Board. These include:

- (a) the issue and acquisition of Shares in and debentures at the expense of the Company or of debentures at the expense of a limited partnership, or a general partnership, in respect of which the Company is a fully liable partner;
- (b) cooperation in the issue of BDRs;
- (c) application for listing or withdrawal of listing of the securities referred to under (a) and (b) on any regulated market or multilateral trading facility as referred to in Article 1.1 of the Dutch Financial Supervision Act or another system comparable to these in a non-member state;
- (d) the entering into or the termination of long-term cooperation of the Company or a subsidiary with any other company or legal entity or as a fully liable partner in a limited partnership or general partnership, if such cooperation or termination is of fundamental importance for the Company;
- (e) the entering by the Company or a subsidiary in participation in the capital of another company if the value of such participation is at least one quarter of the amount of the issued share capital, plus reserves of the Company according to its balance sheet with explanatory notes as well as the significant increase or reduction of such participation;
- (f) investments requiring an amount equal to at least one quarter of the issued capital plus reserves of the Company according to its balance sheet and explanatory notes;
- (g) a proposal to amend the Company's articles of association;
- (h) a proposal to dissolve the Company;

- (i) a petition for bankruptcy or request for suspension of payments;
- (j) termination of the employment of a considerable number of the Company's employees or of a subsidiary's employees simultaneously or within a short period of time;
- (k) radical change in the employment conditions of a considerable number of the Company's employees or of a subsidiary's employees;
- (l) a proposal to reduce the issued share capital of the Company; and
- (m) a proposal for a merger or demerger within the meaning of Title 7, Book 2 Dutch Civil Code.

The Supervisory Board may require other resolutions of the Executive Board, in addition to those specified above, to be subject to its approval. The Supervisory Board Regulations provide that certain other Executive Board resolutions require the approval of the Supervisory Board.

Additionally, resolutions of the Executive Board entailing a significant change in the identity or character of the Company or its business are subject to the approval of the General Meeting, including in any case:

- (a) the transfer of the entire business or nearly the entire business of the company to a third party;
- (b) entering into or terminating a long term cooperation between the Company or a subsidiary and another legal entity or company or as a fully liable partner in a limited partnership or general partnership, if such cooperation or termination is of fundamental importance for the Company;
- (c) acquiring or disposing of a participation in the capital of a company if the value of such participation is at least one third of the sum of the assets of the Company according to its balance sheet and explanatory notes or, if the Company prepares a consolidated balance sheet, its consolidated balance sheet and explanatory notes according to the last adopted annual accounts of the Company, by the Company or a subsidiary.

### ***Members of the Executive Board***

The Executive Board is composed of the following members:

Name	Year of birth	Position	Member since
Michiel Jaski	1959	Chairman CEO	Chairman since 9 March 2012 Acting CEO since 19 December 2011
Frits Vervoort	1962	Member CFO	Member since 9 March 2012 Acting CFO since 1 December 2011
Gert Dral	1955	Member	Member since 1 June 2011

The business address of the members of the Executive Board is De Holle Bilt 22, 3732 HM De Bilt, the Netherlands.

#### ***Michiel Jaski – Chief Executive Officer***

Michiel Jaski is Dutch and has been with the Company since 19 December 2011 when he was appointed acting CEO. He was appointed as member of the Executive Board on 9 March 2012.

Prior to joining the Company, Michiel was a member of the management board of Arcadis N.V., which is also a design, engineering and management consultancy firm, for ten years. Prior to that he fulfilled various management roles at Shell and was a project leader at Philips.

He is also chairman of the monitoring board at the 'Delta Stichting', board member of the 'Stichting Toekomstbeeld der Techniek', member of the advisory board of the 'Stichting Het Nationale Park de Hoge Veluwe' and member of the supervisory board of Synbra Holding B.V.

*Frits Vervoort – Chief Financial Officer*

Frits Vervoort is Dutch and has been with the Company since 1 December 2011 when he was appointed acting CFO. He was appointed as member of the Executive Board on 9 March 2012.

Prior to joining the Company, Frits was a partner at Deloitte Consulting B.V. and prior to that he was CFO at Vedior N.V., finance director and corporate controller at Vedior Holding B.V., finance manager at Vendex Food Groep B.V. and head of the business economics department at Vendex International N.V. He started his career as auditor with Ernst & Young.

*Gert Dral*

Gert Dral is Dutch and has been a member of the Executive Board since 1 June 2011. He joined Grontmij in 1976 and has since held various management positions. Gert Dral has been a member of the Executive Board as from 1 May 2003 until 12 January 2010 and has been re-appointed as a member of the Executive Board as per 1 June 2011.

Gert holds a degree in civil engineering and urban planning and has undertaken studies in law, finance and management and holds a diploma from the breakthrough program for senior executives at IMD Business School. He has been chairman of the supervisory board of Rabobank Zaanstreek and vice chairman of the board of NLIingenieurs. Gert Dral is a member of the board of the foundation 'Vernieuwing Bouw', a member of the board (treasurer) of the foundation 'Nieuw Holland' and chairman of the board of the foundation of the 'Vrienden van het Oostzaner Veld' (from 2011).

***Employment and severance agreements of members of the Executive Board***

*Term of employment*

Members of the Executive Board have entered into employment contracts for a four-year term after which the contracts are renewable. The employment contract ends four years after appointment by the General Meeting or at the latest on 31 May 2016 in respect of the CEO and CFO or by notice of either party. Gert Dral's employment contract terminates four years after appointment as a member of the Executive Board. Termination by a member of the Executive Board of its employment contract requires a notice period of two months. The Company may terminate such employment contracts with a four-month notice period.

*Term of appointment*

Members of the Executive Board are appointed for a four-year term. On expiry of the four-year term, a member of the Executive Board may be reappointed.

*Severance payments*

If an employment contract with a member of the Executive Board is terminated early without this being imputable to that member, he is entitled to a severance payment of an amount equal to one year's gross salary. No specific agreements have been entered into between any member of the Executive Board and the Company providing for compensation in the event of termination of employment or dismissal as member of the Executive Board following a public bid for the Group.

### *Loans and guarantees*

The Company does not grant loans or guarantees, including mortgage loans, to the members of the Executive Board. At the date of this Prospectus, no such loans are outstanding.

### *Claw-back*

A "claw-back" clause is included in the employment contracts of the members of the Executive Board, applicable in the situation that the financial or other information on which the pay-out of variable remuneration was based is determined to be incorrect.

## **15.3 Supervisory Board**

### ***Powers, responsibilities and functioning***

The Supervisory Board is responsible for supervising the policy pursued by the Executive Board and the general course of affairs of the Company and the enterprise connected with the Company. The Supervisory Board will also advise the Executive Board. The Executive Board must timely provide the Supervisory Board with the information necessary for the performance of its duties. At least once a year, the Executive Board must inform the Supervisory Board of the main aspects of the strategic policy, the general and financial risks and the Company's management and control systems in writing. In performing its duties, the Supervisory Board is required to act in the interests of the Company and its business as a whole. The members of the Supervisory Board are generally not authorised to represent the Company in dealings with third parties.

The Supervisory Board must appoint one of its members as a chairman and a vice-chairman. The Supervisory Board must also appoint a secretary. The Supervisory Board will meet whenever deemed necessary by the chairman, another member of the Supervisory Board or of the Executive Board. The Supervisory Board may adopt resolutions by absolute majority of the votes cast at a meeting if no larger majority is stipulated by the law, the Company's articles of association or the Supervisory Board Regulations. In addition, the Supervisory Board is only entitled to make decisions, if a majority of its members, who still hold an office, are present or represented. In the event of a tied vote, the chairman of the Supervisory Board has a casting vote. The Supervisory Board may also adopt resolutions in writing without holding a meeting, provided that all of the members have given their approval to this manner of adopting a resolution.

For internal purposes regulations concerning the Supervisory Board have been drawn up. The Supervisory Board Regulations are published on the Company's website and describe the procedure of holding meetings and decision-making by the Supervisory Board, and its operating procedures.

### ***Appointment, term and dismissal***

Only natural persons (not legal entities) may be elected as member of the Supervisory Board. The Supervisory Board must consist of at least three and a maximum six members as determined by the Supervisory Board. The Supervisory Board adopts a profile on its size and composition, taking into account the character of the business, its activities and the desired expertise and background of the members of the board.

The General Meeting appoints the members of the Supervisory Board. The Supervisory Board nominates one or more candidates for each vacant seat. The nomination will state the reasons on which it is based. If only one candidate is nominated, the General Meeting may reject a nomination by an absolute majority of the votes cast representing more than one-third of the Company's issued share capital. If two or more candidates are nominated, the nomination is binding, and the vacancy must be filled by one of the persons nominated. In that case, the General Meeting may only reject the nomination by a majority of two thirds of the votes cast representing more than half of the Company's issued share capital.

Under the Supervisory Board Regulations, a member of the Supervisory Board is appointed for four years, of which the appointment can be renewed, provided that the term of office cannot be longer than three terms of four years. The members of the Supervisory Board retire periodically in accordance with a rotation plan prepared by the board.

A member of the Supervisory Board may be suspended or dismissed by the General Meeting. A resolution by the General Meeting to suspend or remove a member of the Supervisory Board other than in accordance with a proposal by the board requires an absolute majority of the votes cast representing at least one-third of the issued capital. If at least one-third of the issued capital is not present at the meeting, another meeting cannot be convened.

### ***Members of the Supervisory Board***

The Supervisory Board is composed of the following members:

<u>Name</u>	<u>Year of birth</u>	<u>Position</u>	<u>Member since</u>	<u>Re-appointed</u>	<u>Resignation or re-appointment</u>
Jan van der Zouw	1954	Chairman	2012	First seat	2016
Jan Zegeering Hadders	1946	Member	2005	2009	2013
René van der Bruggen	1947	Member	2010	First seat	2015
Philippe Montagner	1942	Member	2010	First seat	2015

The business address of the members of the Supervisory Board is De Holle Bilt 22, 3732 HM De Bilt, the Netherlands.

#### *Jan van der Zouw*

Jan van der Zouw is Dutch and was appointed as a member of the Supervisory Board on 9 March 2012. He is chairman of the Supervisory Board as of 9 May 2012. Besides his function as a chairman of the Supervisory Board, he is an advisor to the board of Eriks N.V. and is a member of the supervisory boards of Van Wijnen Holding N.V., Den Helder Airport and HGG and non-executive chairman of Europart GmbH. Jan van der Zouw is also a member of the advisor board of Ammeraal Beltech Holding. He is former CEO of Eriks N.V. and holds a bachelor degree in mechanical engineering.

#### *Jan Zegeering Hadders*

Jan Zegeering Hadders is Dutch and has been a member of the Supervisory Board since 2005. He was re-elected in 2009. Besides his function as a member of the Supervisory Board, he is a non-executive board member of AGEAS S.A./N.V. and AGEAS UK, a supervisory board member of GE Artesia Bank and a member of the Bussum Municipal Council and chairman of Stichting Nieuw Holland. He is former CEO of ING Nederland, former director of Exploitiemaatschappij Tunnel onder de Noord and Exploitiemaatschappij Wijkertunnel.

Mr Zegeering Hadders was chairman from 9 November 2011 until 9 May 2012.

#### *René van der Bruggen*

René van der Bruggen is Dutch and has been a member of the Supervisory Board since 2010. Besides his function as a member of the Supervisory Board, he is CEO of Imtech N.V. He has held several senior management positions at Bredero Group. In addition, he is a member of the supervisory board of Aalberts Industries N.V., a member of the advisory board of Cisco and 'Gelderse Vallei Ziekenhuis', a member of the Exchange Council of NYSE Euronext, a member of the board of trustees Construction Industry of TSM Business School and a member of the board of the 'Niederländisch-Deutsche Handelskammer'.



## *Philippe Montagner*

Philippe Montagner is French and has been a member of the Supervisory Board since 2010. Besides his function as a member of the Supervisory Board, he is a non-executive member of the board of Bouygues Telecom. He has held several senior management positions as well as the position as internal auditor at Bouygues S.A. He is former chairman and CEO of the board of Bouygues Telecom, non-executive chairman of the Board of Bouygues Telecom and former chairman of the supervisory board of Ginger, which was acquired by the Group in 2010. He currently still is a member of Ginger's board.

### ***Supervisory Board committees and advisors***

According to the Supervisory Board Regulations, the Supervisory Board may appoint permanent and ad hoc committees made up of its members and may require them to perform any duties. As the Supervisory Board has only four members, it has not installed committees.

The Supervisory Board remains collectively responsible for any decisions which are prepared by the committees, if any.

## **15.4 Remuneration**

### ***Remuneration of the Executive Board***

#### *Remuneration policy*

The remuneration of the members of the Executive Board must be determined by the Supervisory Board in accordance with the remuneration policy adopted by the General Meeting.

The Supervisory Board is responsible for assessing and preparing the remuneration policy for the members of the Executive Board. The Supervisory Board approves the proposals and submits, in case of policy changes, the proposed remuneration policy to the General Meeting for adoption.

The aim of the remuneration policy is to attract, motivate and retain qualified members of the Executive Board and the Supervisory Board who will contribute to the long-term success of the Group. The policy is designed to reward members of the Executive Board for their contribution to the Group's performance and shareholder value. The policy for the Executive Board and the Supervisory Board is reviewed every two years, most recently in 2012.

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

The remuneration package for members of the Executive Board consists of a fixed remuneration and a variable remuneration.

#### *Fixed remuneration*

The fixed annual salary bandwidths were set in 2006 and confirmed in 2009. The Supervisory Board sets the fixed annual salaries for the members of the Executive Board within these bandwidths. In principle, these bandwidths are indexed annually. In 2009, 2010 and 2011 no indexation was applied to the existing

bandwidths. The bandwidths are currently as follows:

- Chairman of the Executive Board: EUR 364.000 – 437.000
- Other members of the Executive Board: 260.000 – 333.000

#### *Variable remuneration*

In designing this remuneration policy, the Supervisory Board analysed the possible outcome of the variable remuneration components and the effect thereof on remuneration. The variable remuneration consists of two elements: a performance-cash dependent bonus and a value-dependent bonus in the form of a share plan. As described below, the variable remuneration is linked to predetermined, assessable targets that can be influenced by performance. These targets underpin the Company's strategy because they relate to the strategic and financial targets set to 2015. The maximum variable cash remuneration for the chairman of the Executive Board amounts to 60% of the fixed annual salary. The maximum variable cash remuneration for the other members of the Executive Board amounts to 45% of the fixed annual salary with a one-off additional cash bonus of 20% for all members of the Executive Board (see also below).

##### (a) Performance-dependent bonus

For the CEO, the performance dependent cash bonus represents a maximum of 60% of the fixed annual salary, two-thirds of which (40%) is based on operational objectives and one-third (20%) on individual objectives. For other members of the Executive Board, this part represents a maximum of 45% of the fixed annual salary, two-thirds of which (30%) is based on operational objectives and one-third (15%) on individual objectives. For commercial and strategic reasons, the operational targets are only disclosed ex post whilst of the individual targets only the subject is given ex post.

In 2011, the criteria for operational targets were as follows:

- (i) Profit after income tax (weighting: 30% in the case of the chairman and 20% for the other members). The target was to achieve a net profit after income tax of >20% higher than in 2010. No bonus is paid if the result is under 90%; if above 90% but under 100% bonus will be paid proportionally. In 2011, the company reported a net loss (2010: net profit after tax of EUR 17.3 million); therefore the target was not achieved.
- (ii) Return on equity (RoE): return on equity excluding goodwill and restructuring provisions (weighting: 10% for all members). The target is a RoE of 15% (100% pay out when 15% is realised, no payout when RoE is below 10%). RoE amounted to -69.9% in 2011 (2010: 10.9%), thereby not achieving the set target. Individual performance criteria are based on the individual responsibilities of the members of the Executive Board. There are four to five targets, some quantitative and others qualitative. Given the circumstances and the overall result of the company, no variable remuneration for individual targets was paid in 2011.

##### (b) Value-dependent bonus

As part of Grontmij's new strategy, the Supervisory Board, with the approval of the General Meeting, has replaced the former value dependent cash bonus system with a long term share plan to better align the interest of members of the Executive Board with the interest of BDR Holders and to stimulate long term commitment to Grontmij. The long term share plan is adopted by the General Meeting of 9 May 2012 and will apply retroactively as of 1 January 2012.

Under the long term share plan the Executive Board members are entitled to receive conditional Ordinary Shares (*voorwaardelijke aandelen*) subject to achieving a long-term target relating to the stock performance (total shareholder return including reinvested dividend) relative to a selected peer group (i.e. the target). The peer group consists of European peers and comparable companies quoted

on NYSE Amsterdam. The target will be measured annually on an average basis over a rolling period of three calendar years.

Ordinary Shares will be granted for no financial consideration subject to achieving the set target and will vest after three years if and when the target is met. The Executive Board members are not entitled to the shareholders' rights including the right to dividends during this three year period. After vesting, the Ordinary Shares are subject to a lock-up of two years, after which the members of the Executive Board obtain unrestricted control. Granting will take place each year on the first business day after the announcement of the annual results. In 2012, granting will take place on the first business day after the announcement of the half year results.

The number of Ordinary Shares conditionally granted is based on a percentage of the fixed annual salary divided by the average share price of the BDRs (or Ordinary Shares, as the case may be) during the last quarter of the calendar year preceding the start of the three year reference period<sup>28</sup>. For the CEO, the percentage amounts to 30% of the fixed annual salary, whilst for the other members of the Executive Board the percentage amounts to 20% (both percentages similar to the former value dependent bonus scheme). If the set target is outperformed additional Ordinary Shares may be granted by the Supervisory Board and vest up to a maximum of 150% of the originally granted Ordinary Shares. 100% of the Ordinary Shares granted will vest if Grontmij ranks position 4 of the peer group list. No shares will vest if Grontmij ranks below position 7 of the peer group list. If Grontmij ranks as number 1, the maximum of 150% of the Ordinary Shares granted will vest. In between these positions, the Ordinary Shares will vest proportionally. For the granting in 2012, the number of Ordinary Shares is calculated using the average share price during the period from 1 June up to and including 31 August 2012. As a result the maximum percentage of variable remuneration in shares amounts to 45% for the CEO and 30% for the other members of the Executive Board.

Shares under the long term share plan will either be issued or repurchased by the Company depending on the Company's financial position, in particular the cash available within the Company. The maximum number of Ordinary Shares that may be issued under the long term share plan will not exceed 1% of the number of outstanding Ordinary Shares<sup>29</sup>.

An addition in the remuneration policy envisaged by the Supervisory Board is the one-off cash bonus, relating to the new dividend policy as described in section 4.3 "Dividend policy". An initial proposal for that purpose has been withdrawn from the agenda for the General Meeting of 9 May 2012 upon the request of some major shareholders, but will be put in amended form on the agenda for the next General Meeting.

### *Pension*

Per 1 January 2012, the pension scheme for members of the Executive Board was changed to a defined-contribution scheme. No pension premiums are paid over fixed income above a maximum of EUR 300,000 and no pension premiums are paid over variable income. In addition, the Group's maximum annual pension contributions will not exceed EUR 75,000 per member of the Executive Board.

- (a) up to EUR 66,433 of a member's fixed salary – a collective defined contribution plan (via Stichting Pensioenfonds Grontmij);
- (b) from EUR 66,433 to EUR 112,168 – an individual defined contribution plan (via Stichting Pensioenfonds Grontmij);

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<sup>28</sup> The original proposal presented by the Supervisory Board to the General Meeting included the possibility for the Supervisory Board to apply a discount on the average share price when calculating the number of Ordinary Shares to be granted conditionally. Upon request of some major shareholders at the General Meeting held 9 May 2012, the Supervisory Board agreed not to make use of the possibility to apply such discount.

<sup>29</sup> See footnote 28.

- (c) from EUR 112,168 to EUR 300,000 – an additional individual defined-contribution plan based on 25% of the fixed income from EUR 112,168 to EUR 300,000 of the relevant member.

#### *Other benefits*

Since 1999, members of the Executive Board have had the opportunity to invest in the company through Stichting Medewerkersparticipatie Grontmij without incurring transaction or custody fees. The plan of ESPP introduced in 2008 is not open to members of the Executive Board.

#### *Remuneration in 2011*

The total 2011 remuneration of the individual members of the Executive Board is set out in the table below: (EUR thousands)

	<u>Base salary</u>	<u>Pension contribution</u>	<u>Total</u>
<i>Current members:</i>			
Michiel Jaski (from 19 December 2011; member Executive Board as of 9 March 2012)	18	3	<b>21</b>
Frits Vervoort (from 1 December 2011; member Executive Board as of 9 March 2012)	28	6	<b>34</b>
Gert Dral (from 1 June 2011)	185	44	<b>229</b>
<i>Former members:</i>			
Sylvo Thijsen (until 9 March 2012)	428	75	<b>503</b>
Mel Zuydam (until 23 November 2011)	335	66	<b>401</b>
Jean-Luc Schnoebelen (until 8 March 2012)	433	-	<b>433</b>
Annemieke Nijhof (until 9 January 2012)	47	12	<b>59</b>
<i>Accrued costs for payment notice period, severance and other costs</i>			
Sylvo Thijsen, notice period	143	37	<b>180</b>
Sylvo Thijsen, severance payment*	780	64	<b>844</b>
Mel Zuydam, notice period	108	-	<b>108</b>
Mel Zuydam, severance payment**	355	-	<b>355</b>
<b>Total</b>	<b>2,860</b>	<b>307</b>	<b>3,167</b>

\* including holiday days paid out and other costs (legal and outplacement)

\*\* including other costs (legal)

Given the circumstances and the overall result of the company, no variable remuneration for individual targets was paid in 2011.

#### *Remuneration of the Supervisory Board*

The Supervisory Board periodically assesses the remuneration for the members of the Supervisory Board (most recently in 2009). The General Meeting decides on the actual remuneration. The members of the Supervisory Board receive a fixed compensation not related to the results of the Group.

In 2007, the General Meeting approved a proposal to fix the remuneration of the members of the Supervisory Board at EUR 28,000 per annum and at EUR 40,000 per annum for its chairman. In addition, a proposal was approved to pay an amount of EUR 1,000 per meeting to those members of the Supervisory Board who are required to attend such meetings outside the country in which they are domiciled. Supervisory Board remuneration has remained unchanged since 2007.

The total 2011 remuneration by the Company and its affiliates of the individual members of the Supervisory Board is set out below:

<i>(EUR thousands)</i>	<b>2011</b>
<i>Current members:</i>	
J.H.J. Zegering Hadders (chairman)	33
R.J.A. van der Bruggen	30
P.P. Montagner	33
J. van der Zouw (nominated candidate member as from 28 November 2011)	3
<i>Former members:</i>	
F.L.V. Meysman (until 9 November 2011)	47
S.E. Eisma (until 9 November 2011)	26
P.E. Lindquist (until 24 May 2011)	14
<b>Total</b>	<b>186</b>

No member of the Supervisory Board is entitled to a contractual severance payment in the event of resignation or removal by the General Meeting.

### **15.5 Equity holdings**

As of the date of this Prospectus there is only one current member of the Executive Board or the Supervisory Board that holds any BDRs: Gert Dral holds 1,587 participations through Stichting Medewerkersparticipatie Grontmij and 2,671 BDRs. Gert intends to participate in the Offering by exercising the Rights he will be granted in connection with his 1,587 participations and the 2,671 BDRs he holds.

#### ***Employee share purchase plan***

##### *Former share purchase plan*

The Company introduced an employee share-ownership plan in 1999. This plan offers the Company's Dutch employees the opportunity to invest in the Group through Stichting Medewerkersparticipatie Grontmij without incurring transaction or custody fees. Participations are represented by BDRs purchased by the Foundation on Euronext Amsterdam. At the end of 2011, 1,570 members of staff (2010: 2,401) jointly held 66,059 participations (2010: 82,246). From 2008, it is no longer possible to acquire participations through Stichting Medewerkersparticipatie Grontmij.

##### *Current share purchase plan*

The Group offers employees of the Company and its subsidiaries in Germany, the Netherlands, Poland and the United Kingdom on a permanent employment contract the opportunity to acquire participations in BDRs. Stichting ESPP Grontmij (**ESPP**) acquires and holds the BDRs. The plan of ESPP was introduced in 2008. For each BDR, one participation is issued. Eligible employees may purchase participations, in the amount of up to 5% of the annual fixed gross salary at a discount, which is currently set at 15%, on the market value of BDRs. Participations must be held for a period of three years after which period one participation is granted free of charge for every four participations held (a matching participation), provided that the participants hold these matching participations for two years and the participant is still employed by the Group at the end of that period. Under the Offering, eligible employees may, through the ESPP, exercise the Rights that relate to the BDRs they hold through the ESPP.

Participants may sell their participations to the ESPP after expiry of the relevant restriction period and are obliged to do so upon termination of the participant's employment with the Group at market value or below, depending on the reason for termination.

The number of participations available under the plan of ESPP, together with the plan of Stichting Medewerkersparticipatie Grontmij, may not exceed 5% of the total issued BDRs. The Group may adjust the number of participations or the terms and conditions of the share purchase plan upon changes in the

Company's equity. The Company does not intend to make such changes as a direct result of the Offering. The share purchase plan contains a right for ESPP to sell BDRs and a right for the Company to demand this, both upon a change of control in the Company.

As at 31 December 2011, 36,105 (2010: 25,342) participations have been subscribed for (excluding any matching participations).

#### **15.6 Potential conflicts of interest**

There are no arrangements or understandings in place with major shareholders, customers, suppliers or others, pursuant to which any member of the Executive Board or of the Supervisory Board was appointed.

No member of the Executive Board or of the Supervisory Board has a conflict of interest (actual or potential) between any duties to the Company and his private interests and/or other duties. There is no family relationship between any member of the Executive Board or of the Supervisory Board.

#### **15.7 Liability of the members of the Executive Board and the Supervisory Board**

Under Dutch law, members of the Executive Board and the Supervisory Board may be liable towards the Company for damages in the event of improper or negligent performance of their duties. They may be jointly and severally liable for damages towards the Company and towards third parties for breach of the Company's articles of association or of certain provisions of the Dutch Civil Code. In certain circumstances, they may also incur additional specific civil and criminal liabilities.

The liability of members of the Executive Board and of the Supervisory Board is covered by a directors and officers liability insurance policy. This policy contains limitations and exclusions, such as wilful misconduct or intentional recklessness (*opzet of bewuste roekeloosheid*).

#### **15.8 Indemnification**

Pursuant to the Company's articles of association (both the Current Articles of Association and the New Articles of Association), the Company shall indemnify each member of the Executive Board and of the Supervisory Board against any and all liabilities, claims, judgments, fines and penalties incurred by them as a result of any threatened, pending or completed action, investigation or other proceeding, whether civil, criminal or administrative, brought by any party other than the Company itself or its group companies, in relation to acts or omissions in or related to his capacity as a member of the Executive Board or of the Supervisory Board. The Company shall not indemnify them with respect to claims insofar as they relate to the gaining in fact of personal profit, advantages or remuneration to which the relevant person was not legally entitled, or if the relevant person will have been adjudged to be liable for wilful misconduct or intentional recklessness.

#### **15.9 Other information in relation to members of the Executive Board and Supervisory Board**

At the date of this Prospectus, no member of the Executive Board or of the Supervisory Board has, in the previous five years, (i) been convicted of any offences relating to fraud, (ii) held an executive function at any company at the time of or immediately preceding any bankruptcy, receivership or liquidation, (iii) been subject to any official public sanction by any statutory or regulatory authority (including any designated professional body), and (iv) been the subject of any official public incrimination or been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

#### **15.10 Employees**

As for 2011, the average number of FTEs in the Group was 8,672, of which 8,250 were employed by the Group and 422 were agency staff.

The table below shows the total average number of FTEs in the Group for the years ending 31 December 2011, 2010 and 2009 as well as the geographic distribution.

Labour force in FTEs	Year ended 31 December		
	2011	2010	2009
The Netherlands	2,088	2,252	2,351
France	1,916	2,128	-
Denmark	1,169	1,138	1,296
Sweden	713	703	714
United Kingdom	819	862	1,056
Belgium	648	570	523
Germany	574	573	578
Other Markets	252	246	209
None-Core and Other	71	65	155
	<hr/> 8,250	<hr/> 8,537	<hr/> 6,882
Agency staff	422	401	367
<b>Total average number</b>	<b>8,672</b>	<b>8,938</b>	<b>7,249</b>

### 15.11 Pension schemes

The Company has established pension plans for its employees in accordance with the relevant regulations and practice in each of its regions. In the Netherlands, the Company has a separate pension fund. Despite the downturn of the financial markets, Stichting Pensioenfonds Grontmij complies with the guidelines of the Dutch Central Bank in terms of its cover ratio (104.3%) as per the end of 2011 (2010: 113.6%).

During 2011, the Stichting Pensioenfonds Grontmij decided to change the hybrid plan in the Netherlands, which entailed a final-pay scheme up to a gross salary of EUR 66,433, combined with a defined contribution scheme for the salary above this amount up to a gross salary of EUR 112,169. A new hybrid plan was created with a collective defined contribution system based on average gross salary up to a gross salary of EUR 66,433, combined with an individual defined contribution scheme for the salary above this amount up to a gross salary of EUR 112,169. As a result of the final-pay scheme, the Company was sensitive to the fund's performance in 2011. The changed scheme took effect on 1 January 2012. As the changed scheme is a collective defined contribution scheme, this sensitivity is removed.

In the Netherlands, a small collective defined contribution plan is in place which consists of a final pay pre-pension scheme for a limited number of employees.

A combination of a (limited, 20%) final-pay and a (80%) defined-contribution plan applies in Germany, while Belgium, Denmark and the United Kingdom have defined-contribution schemes (the United Kingdom also has a small defined benefit scheme). Sweden has a final-pay scheme involving multiple employers – the ITP plan. However, there is no consistent, reliable basis to allocate assets or liabilities to the entities participating in the ITP pension insurance scheme with the result that it is treated as a defined-contribution plan.

### 15.12 Works council

The Group has established works councils or similar employee representation bodies in most major countries where the Group is active. The Group's European works council consists in principal of one member for each European Union Member State in which more than 250 Grontmij employees are employed. At present the European works council consists of members from Belgium, Denmark, Germany, the Netherlands, Sweden and the United Kingdom. A representative for France has not yet been elected. The European works council is consulted on issues which are of importance for the Grontmij companies based in the EU as a whole or Grontmij companies in at least two different EU Member States. The result of the consultation is non-binding.

There are two regular annual meetings of the European works council with the chairman of the Executive Board. The content of regular meetings is based on the annual report of the Company and Grontmij's strategy

on the development of the activities and the prospects of Grontmij's activities in the European Union. The information and consultation can be on the following issues: the general strategy, the structure of Grontmij Group, dismissal and appointment of the CEO of the Company, its economic and financial situation, possible changes in its activities, investments, substantial changes in organisation, the introduction of new working methods, mergers, reduction in size or closure of companies, collective dismissals and occupational health and safety issues. In the following exceptional situations an extraordinary meeting shall be called for: (i) an offer on Grontmij shares, (ii) investments or divestments (in and outside the main-countries) larger than one-third of the balance sheet, (iii) closure or reduction in size of establishments, (iv) change establishment the Company's headquarters to outside the Netherlands and (v) collective dismissals, all to the extent that these situations have grave implications for the employment in each of at least two countries covered by this Agreement.

Disputes on the interpretation and/or application of the European works council agreement are in general settled amicably. If such settlement has not been reached, the Enterprise Chamber of the Amsterdam Court of Appeal is the competent court.

In the Netherlands, a works council is a representative body of the employees of the Dutch business and its members are elected by the employees. The management board of any company that runs a business with a works council must seek the non-binding advice of the works council before implementing certain decisions with respect to the business, such as those related to a major restructuring, a change of control, or the appointment or dismissal of a member of the management board. If the decision to be implemented is not in line with the advice of the works council, the implementation of the relevant decision must be suspended for one month, during which period the works council may appeal against the decision at the Enterprise Chamber of the Amsterdam Court of Appeal. Certain other decisions directly involving employment conditions that apply either to all employees or to certain groups of employees may only be taken with the works council's consent. In the absence of such prior consent, the decision may nonetheless be taken with the prior consent of the sector cantonal of the district court.



## 16. CORPORATE GOVERNANCE

On 9 December 2003, the Dutch Corporate Governance Committee published the Dutch Corporate Governance Code. Following a review by the Dutch Corporate Governance Monitoring Committee, the Dutch Corporate Governance Code was updated in December 2008. The Dutch Corporate Governance Code entered into force on 1 January 2009. It contains 22 principles and 129 best practice provisions regarding executive boards, supervisory boards, shareholders and general meetings, financial reporting, auditors, disclosure, compliance and enforcement standards. Dutch companies whose shares are listed on a government recognised stock exchange (such as Euronext Amsterdam) are required to disclose in their annual reports whether or not they comply with the provisions of the Dutch Corporate Governance Code and if they do not comply, to explain the reasons why.

The Company complies with the relevant best practice provisions of the Dutch Corporate Governance Code, except for:

- (a) **Best practice provision II.2.10:** The Supervisory Board retains the option of a so-called fairness review only on the variable remuneration related to individual targets. All other parts of the remuneration are fixed or related to predetermined and assessable targets and based on Dutch labour law and the applicable labour contracts not subject to a discretionary review by the Supervisory Board;
- (b) **Best practice provision II.2.13 f, g & h:** Performance criteria and individual targets (relating to the discretionary component of variable remuneration) are described in general terms but not fully disclosed as they contain competition-sensitive information. In addition, the description of the methods used to determine whether these criteria have been fulfilled and the description of the relation between those criteria and the strategic objectives applied and the relationship between remuneration and performance is omitted; and
- (c) **Best practice provision III.3.1:** The Supervisory Board has a profile that includes aspects of diversity. There are no specific diversity objectives.

## 17. MAJOR BDR HOLDERS AND RELATED PARTY TRANSACTIONS

### 17.1 Major BDR Holders

The following table contains information about major BDR Holders on the date of this Prospectus. The table is based on the percentages held by those major BDR Holders as set out in their irrevocable commitments.

Holder of Ordinary Shares	Type interest	Ordinary Shares notified in AFM register
Stichting Administratiekantoor van aandelen Grontmij N.V.	Direct	21,043,948 Ordinary Shares

BDR Holder	Type interest	Capital interest
Delta Lloyd N.V. (indirectly through Delta Lloyd Levensverzekeringen N.V.)	Indirect	6.10 %
ING Groep N.V.	Indirect	15.88 %
Darlin N.V.	Direct	5.02 %
Kempen Oranje Participaties N.V. <sup>30</sup>	Direct	5.30 %
C.A.C.M. Oomen (indirectly through Optiverder B.V.)	Indirect	5.63 %
Delta Lloyd Deelnemingen Fonds N.V.	Direct	10.04 %

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 5% or more in the Company's share capital. The Company's major BDR Holders do not have other voting rights than other BDR holders.

The Company is not aware of any party, or any parties acting in concert, that directly or indirectly control the vote at any General Meeting, nor is the Company aware of any arrangement the operation of which may result in a change of control of Grontmij.

### 17.2 Related party transactions

The Company is not aware that any related party has an interest in any material transaction to which the Company is a party since 1 January 2009, or in any transactions which the Company entered into prior thereto and under which the Company or the other parties still have ongoing obligations, other than those listed below.

The transactions listed below are on an arm's length basis. Furthermore the outstanding balances with related parties are priced on an arm's length basis and are settled in cash. None of the balances are secured.

Grontmij's related parties are subsidiaries, joint ventures, associates, the Executive Board, the Supervisory Board, Stichting Pensioenfonds Grontmij (the **Pension Foundation**), the Trust Office, Stichting Medewerkersparticipatie Grontmij and Stichting Employee Share Purchase Plan.

#### *Subsidiaries*

<sup>30</sup> An affiliate of Kempen Oranje Participaties N.V., Kempen Orange Fund N.V., has a capital interest of 0.55%.

Transactions between the Company and its subsidiaries in 2011 concerned an amount of EUR 2 million in management fees (2010 and 2009: EUR nil), EUR 0.5 million in operational transactions (2010 and 2009: EUR nil) and EUR -0.9 million in financing (2010: EUR -2.5 million and 2009: EUR -4.1 million).

The Company's subsidiaries are due to the Company an amount of EUR 238.4 million (2010: EUR 258.5 million and 2009: EUR 151.6 million) as at 31 December 2011. Furthermore, the Company is due to subsidiaries an amount of EUR 86.6 million (2010: EUR 99.4 million and 2009: EUR 98.1 million) as at 31 December 2011.

### ***Joint ventures***

As at 31 December 2011, transactions between the Group and its joint ventures concerned an amount of EUR 6.8 million (2010: EUR 7.4 million and in 2009: EUR 8.4 million). In 2011, dividends to an amount of EUR 0.7 million (2010: EUR 1.9 million and in 2009: EUR 2.8 million) were received from joint ventures.

As at 31 December 2011, amounts totalling EUR 1.2 million are due to the Group from its joint ventures (2010: EUR 3.9 million and 2009: EUR 3.4 million) and amounts totalling EUR 1.8 million are due to its joint ventures from the Group (2010: EUR 1.8 million and 2009: EUR 1.8 million).

### ***Associates***

As at 31 December 2011, transactions between the Group and its associates concerned an amount of EUR 0.1 million (2010: EUR 2.4 million and 2009: EUR 2.7 million). In 2011, dividends to an amount of EUR nil (2010 and 2009: EUR nil) were received from associates.

At year-end 2011, amounts totalling EUR 0.5 million are due to the Group from its associates (2010: EUR nil and 2009: EUR 0.3 million) and amounts totalling EUR nil are due to its associates from the Group (2010 and 2009: EUR nil).

### ***Pension Foundation***

The Pension Foundation is charged with administering the committed pension rights allocated to the employees of the Company and its Dutch subsidiaries (see also section 15.11 "Pension schemes"). Transactions between the Group and the Pension Foundation are mainly the transfer of pension premiums. In 2011, an amount of EUR 16.4 million was paid by the Company and its Dutch subsidiaries in respect of pension premiums (2010: EUR 15.8 million and 2009: EUR 17.2 million). On 31 December 2011, Grontmij owed the Pension Foundation a nominal amount of EUR 1.8 million (2010: EUR 3.1 million and 2009: EUR 3.8 million). On 31 December 2011, the Pension Foundation did not hold any BDRs or Ordinary Shares (2010 and 2009: nil).

### ***Trust Office***

The Trust Office holds at the end of 2011 approximately 98.7% (2010: 98.6% and 2009: 98.5%) of the total number of outstanding Ordinary Shares. Usually, the majority of the transactions between Grontmij and the Trust Office relates to dividend payments. In 2011, the Company paid EUR 2.7 million net dividend over 2010 (2010: EUR 10.5 million net and 2009: EUR 17.1 million). Grontmij bears the Trust Office's operational expenses. On 31 December 2011, Grontmij did not owe the Trust Office any amount nor did the Trust Office owe any amount to Grontmij (2010 and 2009: EUR nil).

### ***Stichting Medewerkersparticipatie Grontmij***

Stichting Medewerkersparticipatie Grontmij offered employees the opportunity to acquire participations. Since 2008, it is no longer possible to acquire participations through Stichting Medewerkersparticipatie Grontmij. On 31 December 2011, Stichting Medewerkersparticipatie Grontmij held 0.31% of the total number of BDRs (2010: 0.39% and 2009: 0.5%). Generally, transactions between Grontmij and Stichting

Medewerkersparticipatie Grontmij concern financing and dividend payments. In 2011, Grontmij paid EUR 3,000 net dividend over 2010 to Stichting Medewerkersparticipatie Grontmij (2010: EUR 73,000 net and 2009: EUR 91,934 net). On 31 December 2011, Stichting Medewerkersparticipatie Grontmij did not owe any amount to Grontmij (2010 and 2009: EUR nil). At 31 December 2011 Grontmij owes to Stichting Medewerkersparticipatie Grontmij an amount of EUR 79,000 (2010 and 2009: EUR nil).

### ***ESPP***

ESPP holds 0.17% of the total number of BDRs (2010: 0.16% and 2009: 0.1%). Generally, transactions between Grontmij and ESPP concern financing and dividend payments. In 2011, Grontmij paid EUR 16,494 gross dividend over 2010 to ESPP (2010: EUR 22,971 gross and 2009: EUR nil). Grontmij bears ESPP's operational expenses. At 31 December 2011, ESPP owes Grontmij EUR 12,000 (2010: EUR 91,000 and 2009: EUR 260,000).

### ***Executive Board and Supervisory Board***

The Company has no knowledge of any transactions with the Executive Board members and the Supervisory Board members, with the exception of the remuneration of the Executive Board members and the Supervisory Board members (see also section 15.4 "Remuneration"). The Company has entered into a settlement agreement with Mr J.L. Schnoebelen (see section 10.17 "Material contracts").

### ***Major shareholders***

The Committed BDR Holders have entered into an irrevocable commitment with the Company in connection with the Offering (see also section 7.1 "Irrevocable commitment major BDR Holders").

## 18. TAXATION

### 18.1 Introduction

The following summary outlines the principal Dutch tax consequences of the acquisition, holding, redemption and disposal of BDRs and Rights, but does not purport to be a comprehensive description of all Dutch tax considerations that may be relevant. This summary is intended as general information only and each potential investor should consult a professional tax adviser about the tax consequences of an investment in BDRs or Rights.

This summary is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Prospectus, and does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not address the Dutch tax consequences for:

- (a) holders of BDRs or Rights holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Company and holders of BDRs or Rights of whom a certain related person holds a substantial interest in the Company. Generally speaking, a substantial interest in the Company arises if a person, alone or, where such person is an individual, together with his or her partner (a statutory defined term), directly or indirectly, holds or is deemed to hold (i) an interest of 5% or more of the total issued capital of the Company or of 5% or more of the issued capital of a certain class of shares of the Company, (ii) rights to acquire, directly or indirectly, such interest, or (iii) certain profit sharing rights in the Company;
- (b) investment institutions (*fiscale beleggingsinstellingen*);
- (c) pension funds, exempt investment institutions (*vrijgestelde beleggingsinstellingen*) or other entities that are exempt from Dutch corporate income tax;
- (d) persons to whom the BDRs or Rights and the income there from are attributed based on the separated private assets (*afgezonderd particulier vermogen*) provisions of the Netherlands income tax Act 2001 (*Wet inkomstenbelasting 2001*) and the Netherlands gift and inheritance tax Act (*Successiewet 1956*); and
- (e) corporate holders of BDRs who qualify for the participation exemption (*deelnemingsvrijstelling*). Generally speaking, a shareholding is considered to qualify as a participation for the participation exemption if it represents an interest of 5% or more of the nominal paid-up share capital.

Where this summary refers to the Netherlands, such reference is restricted to the part of the Kingdom of the Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom.

### 18.2 Dividend tax

#### *Withholding requirement*

The issuance of Rights by the Company and the Unexercised Rights Payment should not be subject to Netherlands dividend withholding tax.

The Company is required to withhold 15% Netherlands dividend tax in respect of dividends paid on the BDRs. Under the Netherlands Dividend Tax Act of 1965 (*Wet op de dividendbelasting 1965*), dividends are defined as the proceeds from BDRs, which include:

- (a) proceeds in cash or in kind including direct or indirect distributions of profit;
- (b) liquidation proceeds, proceeds on redemption of the BDRs (or the underlying shares) and, as a rule, the consideration for the repurchase of the BDRs (or the underlying shares) by the Company in excess of its average paid-in capital recognised for Netherlands dividend tax purposes, unless a particular statutory exemption applies;
- (c) the nominal value of BDRs (or the underlying shares) issued to a holder of BDRs or an increase in the nominal value of the BDRs (or the underlying shares), except when the (increase in the) nominal value of the BDRs (or the underlying shares) is funded out of the Company's paid-in capital as recognised for Netherlands dividend tax purposes; and
- (d) partial repayments of paid-in capital for tax purposes, if and to the extent there are qualifying profit (*zuivere winst*), unless the General Meeting has resolved in advance to make such repayment and provided that the nominal value of the shares underlying the BDRs concerned has been reduced by an equal amount by way of an amendment of the Company's articles of association and the paid-in capital is recognised as capital for Netherlands dividend tax purposes.

### ***Residents of the Netherlands***

If a holder is a resident of the Netherlands, is a deemed resident of the Netherlands or is an individual who has opted to be treated as a resident for the purposes of the Netherlands Income Tax Act 2001 (*Wet inkomstenbelasting 2001*), Netherlands dividend tax, which is withheld with respect to proceeds from the BDRs will generally be creditable for Netherlands corporate income tax or Netherlands income tax purposes if the holder is the beneficial owner (as described below) thereof.

### ***Non-residents of the Netherlands***

If a holder is a resident of a country other than the Netherlands, and if a treaty for the avoidance of double taxation with respect to taxes on income is in effect between the Netherlands and that country, and such holder is the beneficial owner (as described below) of the proceeds from the BDRs, and a resident for the purposes of such treaty, the holder may, depending on the terms of that particular treaty, qualify for full or partial relief at source or for a refund in whole or in part of the Netherlands dividend tax.

A refund of the Netherlands dividend tax is available to entities resident in another EU member state, Norway, Iceland, or Liechtenstein provided (i) these entities are not subject to corporate income tax there and (ii) these entities would not be subject to Netherlands corporate income tax, if these entities would be tax resident in the Netherlands and (iii) these entities are not comparable to investment institutions (*fiscale beleggingsinstellingen*) or exempt investment institutions (*vrijgestelde beleggingsinstellingen*).

### ***Beneficial owner***

A recipient of proceeds from the BDRs will not be entitled to any exemption, reduction, refund or credit of Netherlands dividend tax if such recipient is not considered to be the beneficial owner of such proceeds. The recipient will not be considered the beneficial owner of these proceeds, if, in connection with such proceeds, the recipient has paid a consideration as part of a series of transactions in respect of which it is likely:

- (a) that the proceeds have in whole or in part accumulated, directly or indirectly, to a person or legal entity that would:
  - (i) as opposed to the recipient paying the consideration, not be entitled to an exemption from dividend tax; or

- (ii) in comparison to the recipient paying the consideration, to a lesser extent be entitled to a lower rate or refund of dividend tax; and
- (b) that such person or legal entity has, directly or indirectly, retained or acquired an interest in BDRs, profit-sharing certificates or loans, comparable to the interest it had in similar instruments prior to the series of transactions being initiated.

### ***Netherlands Withholding Tax upon Redistribution of Foreign Dividends***

Provided certain conditions are met, the Company may retain part of the withholding tax imposed on certain qualifying dividends distributed by the Company, if the Company has itself received dividends from certain qualifying non-Netherlands subsidiaries, which dividends were subject to withholding tax upon distribution to the Company. The Netherlands withholding tax which the Issuer may retain, is equal to the lesser of:

- (i) 3% of the amount of the dividends distributed by the Company that are subject to withholding tax; and
- (ii) 3% of the gross amount of the dividends received during a certain period from the qualifying non-Netherlands subsidiaries.

The reduction is applied to the Netherlands dividend tax that the Issuer must pay to the Netherlands tax authorities and not to the amount of the Netherlands dividend tax that the Company must withhold.

## **18.3 Corporate and individual income tax**

### ***Residents of the Netherlands***

If a holder of BDRs or Rights is a resident or deemed to be a resident of the Netherlands for Netherlands tax purposes and is fully subject to Netherlands corporate income tax or is only subject to Netherlands corporate income tax in respect of an enterprise to which the BDRs or Rights are attributable, income derived from the BDRs and gains realised upon the redemption or disposal of the BDRs or Rights (including the receipt of Unexercised Rights Payments) is generally taxable in the Netherlands (at up to a maximum rate of 25%).

If an individual holder of BDRs or Rights is a resident or deemed to be a resident of the Netherlands for Netherlands tax purposes (including an individual holder who has opted to be taxed as a resident of the Netherlands), income derived from the BDRs and gains realised upon the redemption or disposal of the BDRs or Rights is taxable at the progressive rates (at up to a maximum rate of 52%) under the Netherlands Income Tax Act 2001 (*Wet inkomstenbelasting 2001*) if:

- (a) the holder is an entrepreneur (*ondernemer*) and has an enterprise to which the BDRs or Rights are attributable or the holder has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the BDRs or Rights are attributable; or
- (b) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which include the performance of activities with respect to the BDRs or Rights that exceed regular, active portfolio management (*normaal actief vermogensbeheer*).

If neither condition (a) nor (b) above applies to the holder of the BDRs or Rights, taxable income with regard to the BDRs or Rights will be determined on the basis of a deemed return on income from savings and investments (*sparen en beleggen*) rather than on the basis of income actually earned or realised. This deemed return on income from savings and investments has been fixed at a rate of 4% of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year (1 January), insofar as the individual's yield basis exceeds a certain threshold. The individual's yield basis is determined as the fair market value of certain qualifying assets held by the holder of the BDRs or Rights less the fair market value of certain

qualifying liabilities on 1 January. The fair market value of the BDRs or Rights will be included as an asset in the individual's yield basis. The 4% deemed return on income from savings and investments will be taxed at a rate of 30%.

### ***Non-residents of the Netherlands***

If a holder is not a resident nor is deemed to be a resident of the Netherlands for Netherlands tax purposes (nor has opted to be taxed as a resident of the Netherlands), such holder is not liable to Netherlands income tax in respect of income derived from the BDRs and gains realised upon the redemption or disposal of the BDRs or Rights (including the receipt of Unexercised Rights Payments), unless:

- (a) the holder is not an individual and such holder (i) has an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or a permanent representative the BDRs or Rights are attributable, or (ii) is (other than by way of securities) entitled to a share in the profit of an enterprise or a co-entitlement to the net worth of an enterprise which is effectively managed in the Netherlands and to which enterprise the BDRs or Rights are attributable.

This income is subject to Netherlands corporate income tax at up to a maximum rate of 25%, unless:

- (b) the holder is an individual and such holder (i) has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the BDRs or Rights are attributable, or (ii) realises income or gains with respect to the BDRs or Rights that qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*) in the Netherlands with respect to the BDRs or Rights which exceed regular, active portfolio management (*normaal actief vermogensbeheer*), or (iii) is (other than by way of securities) entitled to a share in the profit of an enterprise which is effectively managed in the Netherlands and to which enterprise the BDRs or Rights are attributable.

Income derived from the BDRs or Rights as specified under (i) and (ii) by an individual is subject to individual income tax at up to a maximum rate of 52%. Income derived from a share in the profit as specified under (iii) that is not already included under (i) or (ii) will be taxed on the basis of a deemed return on income from savings and investments (as described above under "Residents of the Netherlands"). The fair market value of the share in the profit of the enterprise (which includes the BDRs or Rights) will be part of the individual's Netherlands yield basis.

## **18.4 Gift and inheritance tax**

### ***Residents of the Netherlands***

Generally, gift and inheritance tax will be due in the Netherlands in respect of the acquisition of BDRs or Rights by way of a gift by, or on behalf of, or on the death of, a holder that is a resident or deemed to be a resident of the Netherlands for the purposes of Netherlands gift and inheritance tax at the time of the gift or his or her death. A gift made under a condition precedent is deemed to be made at the time the condition precedent is fulfilled and is subject to Netherlands gift and inheritance tax if the donor is, or is deemed to be, a resident of the Netherlands at that time.

A holder of Netherlands nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift and inheritance tax if he or she has been resident in the Netherlands and dies or makes a gift within ten years after leaving the country. A holder of any other nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift tax if he or she has been resident in the Netherlands and makes a gift within a 12-month period after leaving the Netherlands. The same 12-month rule may apply to



entities that have transferred their seat of residence out of the country.

### ***Non-residents of the Netherlands***

No gift or inheritance taxes will arise in the Netherlands in respect of the acquisition of BDRs or Rights by way of a gift by, or as a result of the death of a holder that is neither a resident nor deemed to be a resident of the Netherlands for the purposes of Netherlands gift and inheritance tax, unless in the case of a gift of the BDRs or Rights by, or on behalf of, a holder who at the date of the gift was neither a resident nor deemed to be a resident of the Netherlands, such holder dies within 180 days after the date of the gift, and at the time of his or her death is a resident or deemed to be a resident of the Netherlands. A gift made under a condition precedent is deemed to be made at the time the condition precedent is fulfilled.

### ***Value added tax***

In general, no value added tax will arise in respect of payments in consideration for the issue of the BDRs or Rights (including the receipt of Unexercised Rights Payments) or in respect of a cash payment made under the BDRs or Rights, or in respect of a transfer of BDRs or Rights.

### ***Other taxes and duties***

No registration tax, customs duty, transfer tax, stamp duty, capital tax or any other similar documentary tax or duty will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the BDRs or Rights (including the receipt of Unexercised Rights Payments).

## 19. GENERAL INFORMATION

### 19.1 Corporate resolutions

The Offering was authorised by resolutions of the Executive Board on 8 May 2012 and the Supervisory Board on 8 May 2012. On 9 May 2012, the General Meeting granted the authority to the Executive Board to issue the Ordinary Shares underlying the Offer BDRs and the Rights, to exclude the statutory pre-emptive rights of Shareholders and to amend the Current Articles of Association to, among other things, increase the authorised share capital.

### 19.2 Statement of significant change

There has been no significant change in the financial or trading position of the Group since 31 March 2012 up to the date of this Prospectus.

### 19.3 Material subsidiaries

The Company is the holding company of a group that includes the following material subsidiaries (held directly or indirectly by the Company), all of which are engaged in the Company's business:

<u>Name</u>	<u>Country of incorporation</u>	<u>Percentage of capital and voting rights held by the Company (directly or indirectly)</u>
Ginger S.A., Paris	France	100
Grontmij A/S, Glostrup	Denmark	100
Grontmij AB, Stockholm	Sweden	100
Grontmij Assetmanagement Holding B.V., De Bilt	Netherlands	100
Grontmij Business Services B.V., De Bilt	Netherlands	100
Grontmij Canor Kft., Budapest	Hungary	100
Grontmij GmbH, Bremen	Germany	100
Grontmij Hubei Engineering Consulting Co. Ltd., Wuhan	China	100
Grontmij Belgium NV, Mechelen	Belgium	100
Grontmij Ltd., Leeds	United Kingdom	100
Grontmij Nederland B.V., De Bilt	Netherlands	100
Grontmij Polska Sp. Z.o.o., Poznan	Poland	100
Grontmij Mühendislik Müsavirlik ve Tasarım Limited Sirketi, Istanbul	Turkey	100

### 19.4 Availability of documents

For the life of this Prospectus, copies of the following documents will be available for inspection:

- The Current Articles of Association;
- Consolidated Financial Statements, including the auditor's report; and
- Prospectus and any supplement to this Prospectus (if any).

Copies (in print) of the Consolidated Financial Statements and the Current Articles of Association are available free of charge at the Company's head office at De Holle Bilt 22, 3732 HM De Bilt, the Netherlands, during normal business hours and in electronic form from the Company's website at [www.grontmij.com](http://www.grontmij.com).

Copies (in print) of this Prospectus and any supplement to this Prospectus (if any) may be obtained at no cost from the date of this Prospectus at the Company's head office. Alternatively, this Prospectus can also be

found electronically on the website of the Company at [www.grontmij.com](http://www.grontmij.com) or on the website of AFM at [www.afm.nl](http://www.afm.nl) (Dutch residents only).

### **19.5 Independent auditor**

The Consolidated Financial Statements for 2011 of the Group as of and for the years ended 31 December 2011, incorporated in this Prospectus by reference, have been audited by Deloitte Accountants B.V., independent auditors, as stated in their auditor's report appearing therein. The auditor's report is unqualified, whereby the 2011 auditor's report included an emphasis of uncertainty with respect to the going concern assumption. The Consolidated Financial Statements for 2010 and 2009 of the Group for the years ended 31 December 2010 and 2009, respectively, incorporated in this Prospectus by reference, have been audited by KPMG Accountants N.V. The auditor's reports for 2010 and 2009 are unqualified.

The auditor of the Company is independent of the Company.

The address of Deloitte Accountants B.V. is Orlyplein 10, 1043 DP Amsterdam, the Netherlands. The auditor, who signs on behalf of Deloitte Accountants B.V., is a member of the Royal Dutch Institute for Registered Accountants (*Koninklijk Nederlands Instituut van Register Accountants*). The address of KPMG Accountants N.V. is Laan van Langerhuize, 1186 DS Amstelveen, the Netherlands. The auditor, who signed on behalf of KPMG Accountants N.V., is a member of the Royal Dutch Institute for Registered Accountants (*Koninklijk Nederlands Instituut van Register Accountants*). Deloitte Accountants B.V. and KPMG Accountants N.V. have given, and have not withdrawn, its consent to the inclusion or incorporation by reference of its report in this Prospectus in the form and context in which they are included.

## 20. DEFINITIONS

The following definitions are used throughout this Prospectus.

<b>2010 PD Amending Directive</b>	The Directive 2010/73/EC of the European Parliament and of the Council of the European Union amending the Prospectus Directive, including all relevant implementing measures.
<b>AFM</b>	The Dutch Authority for the Financial Markets ( <i>Autoriteit Financiële Markten</i> ).
<b>BDR Holders</b>	Holder of BDRs or Ordinary Shares, other than the Trust Office.
<b>BDRs</b>	Bearer depositary receipts for Ordinary Shares.
<b>CET</b>	Central European time.
<b>Committed BDR Holders</b>	The following BDR Holders that have irrevocably committed themselves to subscribe for number of Offer BDRs, <i>pro rata</i> to their capital interest at the time of entering into such irrevocable commitment: Kempen Orange Fund N.V. (0.55%), Kempen Oranje Participaties N.V. (5.30%), Delta Lloyd Deelnemingen Fonds N.V. (10.04%), Delta Lloyd Levensverzekering N.V. (6.10%), Darlin N.V. (5.02%), Optiverder B.V. (5.63%) and ING AM Insurance Companies B.V., acting as manager of ING Dochterfonds (15.88%).
<b>Company</b>	Grontmij N.V.
<b>Consolidated Financial Statements</b>	Audited consolidated financial statements (including the notes and auditor's report) of the Group as of and for the years ended 31 December 2011, 2010 and 2009.
<b>Current Articles of Association</b>	The articles of association of the Company as applicable on the date of this Prospectus.
<b>Current Facility</b>	The EUR 260 million credit facilities agreement as effective on the date of this Prospectus.
<b>Dutch Civil Code</b>	The Dutch Civil Code ( <i>Burgerlijk Wetboek</i> ) and rules promulgated hereunder.
<b>Dutch Corporate Governance Code</b>	The Dutch Corporate Governance Code ( <i>Nederlandse Corporate Governance Code</i> ) published by the Dutch Corporate Governance Committee on 9 December 2003, including amendments after that date.
<b>Dutch Financial Supervision Act</b>	The Dutch Financial Supervision Act ( <i>Wet op het financieel toezicht</i> ) and the rules promulgated thereunder.
<b>Dutch Market Abuse Decree</b>	The Dutch Decree on Market Abuse pursuant to the Dutch Financial Supervision Act ( <i>Besluit Marktmisbruik Wft</i> ).
<b>Eligible Persons</b>	Any person who is not an Ineligible Person.
<b>EMU</b>	Economic and Monetary Union.

<b>ESPP</b>	Stichting Employee Share Purchase Plan Grontmij
<b>EU</b>	The European Union.
<b>EUR</b>	The currency of the European Monetary Union.
<b>Euroclear</b>	Euroclear Bank S.A./N.V. as operator of the Euroclear System.
<b>Euroclear Nederland</b>	Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. trading as Euroclear Nederland, the Dutch depository and settlement institute, a subsidiary of Euroclear.
<b>Euronext</b>	Euronext Amsterdam N.V.
<b>Euronext Amsterdam</b>	NYSE Euronext in Amsterdam.
<b>Excess Amount</b>	The difference between the aggregate proceeds for the Rump BDRs offered and sold in the Rump Offering, minus any expenses related to procuring such purchasers (including any non-recoverable value added tax) and the total Issue Price for such Rump BDRs.
<b>Executive Board</b>	The executive board ( <i>raad van bestuur</i> ) of the Company.
<b>Executive Board Regulations</b>	The internal regulations of the Executive Board, as amended on 7 November 2007.
<b>Exercise Period</b>	Period from 09:00 CET on 11 May until 15:00 CET on 23 May 2012.
<b>First Trading Date</b>	The date that trading in the Offer BDRs on Euronext Amsterdam is expected to commence, which is 29 May 2012.
<b>Foundation</b>	Foundation preference shares Grontmij ( <i>Stichting Preferente aandelen Grontmij</i> ).
<b>FTEs</b>	Full-time equivalents.
<b>General Meeting</b>	The general meeting of Shareholders.
<b>Ginger / Ginger Group</b>	Ginger S.A. and its subsidiaries acquired by the Group in 2010.
<b>Group</b>	The Company, its subsidiaries and the business conducted by them.
<b>IFRS</b>	International Financial Reporting Standards as adopted by the European Union.
<b>Ineligible Jurisdiction</b>	Jurisdictions outside the Netherlands wherein the Rights and the Offer BDRs may not be offered at all, including, without limitation, the United States, Australia, Canada and Japan.
<b>Ineligible Person</b>	Any person residing in an Ineligible Jurisdiction or with a citizenship from an Ineligible Jurisdiction such that he cannot lawfully participate in the Offering; or any BDR Holder or any other person residing in a jurisdiction outside the Netherlands wherein the Rights and the Offer BDRs may be offered, but to whom certain

restrictions apply, as set out in chapter 8 "Selling and Transfer Restrictions", as a result of which he cannot lawfully participate in the Offering.

<b>Issue Price</b>	EUR 1.87.
<b>Joint Bookrunners</b>	ING Bank N.V. and Nordea Bank Danmark A/S.
<b>Joint Global Coordinators</b>	ING Bank N.V. and Nordea Bank Danmark A/S.
<b>Libost</b>	Libost Groep N.V.
<b>Member State</b>	A member state of the European Economic Area.
<b>New Articles of Association</b>	The Company's articles of association as applicable after the two amendments in accordance with the two proposals approved by the General Meeting on 9 May 2012 have become effective.
<b>New Credit Agreement</b>	The credit facilities agreement as amended by an amendment and restatement agreement dated 8 May 2012 between the Company and its current lending banks, consisting of a EUR 120 million term loan facility with a maturity date of around May 2016, a EUR 60 million revolving loan facility with a maturity date of around June 2016 and a EUR 10 million short term working capital facility with a maturity date of 15 December 2012 (although the Company may notify the lenders on or before 9 May 2012 that it does not need this facility).
<b>Offer BDRs</b>	42,645,000 new BDRs issued under the Offering.
<b>Offering</b>	The Rights Offering together with the Rump Offering.
<b>Ordinary Shares</b>	Ordinary shares in the capital of the Company with a nominal value of EUR 0.25 each.
<b>Preference Shares</b>	Preference shares in the capital of the Company with a nominal value of EUR 0.25 each.
<b>Prospectus</b>	This prospectus dated 10 May 2012.
<b>Prospectus Directive</b>	The Directive 2003/71/EC of the European Parliament and of the Council of the European Union (and amendments thereto, including the 2010 PD Amendment Directive, to the extent implemented in the Relevant Member State), including all relevant implementing measures.
<b>Q1 2011</b>	The first three months of 2011.
<b>Q1 2012</b>	The first three months of 2012.
<b>Q1 Figures</b>	The unaudited consolidated interim financial information of the Group as of and for the three-month periods ended 31 March 2012 and 2011.
<b>Record Date</b>	10 May 2012.
<b>Refinancing</b>	The entering into a EUR 120 million term loan facility with a

maturity date of around June 2016; a EUR 60 million revolving loan facility with a maturity date of around June 2016 and a EUR 10 million short term working capital facility with a maturity date of 15 December 2012 (although the Company may notify the lenders on or before 9 May 2012 that it does not need this facility) and approximately EUR 80 million gross proceeds of the Offering.

<b>Regulation S</b>	Regulation S under the Securities Act.
<b>Relevant Implementation Date</b>	The date on which the Prospective Directive is implemented in the Relevant Member State.
<b>Relevant Member State</b>	Each Member State that has implemented the Prospectus Directive.
<b>Rights</b>	Transferable subscription entitlements to subscribe for Offer BDRs.
<b>Rights Offering</b>	The offering of Offer BDRs through the grant of Rights to BDR Holders who are Eligible Persons to subscribe for Offer BDRs against the Issue Price.
<b>Rump BDRs</b>	The Offer BDRs that have not been subscribed for during the Exercise Period.
<b>Rump Offering</b>	Private placements of the Rump BDRs in the Netherlands and elsewhere.
<b>Securities Act</b>	The United States Securities Act of 1933, as amended from time to time.
<b>Settlement Date</b>	29 May 2012.
<b>Shareholders</b>	The holders of Shares.
<b>Shares</b>	The Ordinary Shares and the Preference Shares.
<b>Subscription, Listing and Settlement Agent</b>	ING Bank N.V. in connection with the listing and admission of the Offer BDRs on Euronext Amsterdam only.
<b>Supervisory Board</b>	The supervisory board ( <i>raad van commissarissen</i> ) of the Company.
<b>Supervisory Board Regulations</b>	The internal regulations of the Supervisory Board, as amended on 7 November 2007.
<b>Takeover Directive</b>	Directive 2004/25/EC of the European Parliament and of the Council of the European Union.
<b>Trust Office</b>	The Grontmij share administration trust ( <i>Stichting Administratiekantoor van aandelen Grontmij N.V.</i> ).
<b>Underwriting Agreement</b>	The underwriting agreement between the Company and the Joint Global Coordinators dated 9 May 2012.
<b>Unexercised Rights Payment</b>	The payment to each eligible holder of a Right that was not exercised at the end of the Exercise Period of a part of the Excess Amount in cash proportional to the number of unexercised Rights reflected in such holder's securities account as long as that amount is

equal to or exceeds EUR 0.01 per unexercised Right.

**United States or US**

The United States of America, its territories and possessions, any state of the United States of America and the District of Columbia.



**APPENDIX 1**  
**FINANCIAL PRESS RELEASE (Q1 2012)**

# Financial press release

## Results Q1 2012 in line with Grontmij expectations First steps on implementing new strategy

**De Bilt, 9 May 2012 – Grontmij N.V. today reports its results for the first quarter of 2012 and provides an update on its 'Back on Track' strategy as set out in the press release of 9 March 2012.**

### Key points first quarter 2012:

- Total revenue <sup>1</sup> decreased by 3.1% to € 228.4 million (Q1 2011: € 235.6 million), with organic decline <sup>2</sup> of 3.3%
- EBITA excluding exceptional items <sup>3</sup> decreased by 13.3% to € 8.4 million (Q1 2011: € 9.7 million), with an EBITA margin of 3.7% (Q1 2011: 4.1%)
- Net result from continuing operations of – € 4.1 million (Q1 2011: € 2.9 million) in line with Grontmij's expectations, partially reflecting the expenses of the restructuring plan Grontmij is executing
- Net debt at the end of the first quarter is € 204.5 million (Q4 2011: € 177.9 million)
- Update on 'Back on Track' strategy:
- Implementation process commenced on a Group-wide level
- Restructuring plan in France in place, first results not expected to become visible before the second half of 2012
- Rights offering of approximately € 80 million to be proposed at Annual General Meeting of shareholders (AGM) today, completion envisaged by mid-2012
- Outlook for 2012 reiterated

*Michiel Jaski, CEO Grontmij N.V.: 'Following the announcement of our new 'Back on Track' strategy on the 9th of March, we have started to take action right away. Today, we are pleased to announce the early steps in the execution of our restructuring agenda, with measures for cost reductions being implemented and a strong involvement of our people in the process. The results are in line with our expectations, as we have indicated earlier that 2012 will become a year of restructuring for Grontmij. By rebalancing both our operations and our financial household in the short term, we are working to reposition Grontmij for margin*

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Note 1, 2 and 3: see appendix for full overview of definitions

*improvement and future growth. With a community of dedicated and energetic professionals, ready to build on strong customer relationships, we are convinced we have the right strategy in place.'*

## Key financials Q1 2012

€ million, unless otherwise indicated	Q1 2012	Q1 2011	% change	% organic growth
Total revenue	228.4	235.6	-3.1%	-3.3%
Net revenue	193.5	197.7	-2.1%	-2.4%
EBITA	3.1	9.2	-66.7%	-66.6%
Exceptional items	-5.3	-0.5		
EBITA excluding exceptional items	8.4	9.7	-13.3%	-13.4%
Net result from continuing operations	-4.1	2.9	-239.5%	
Net result from discontinued operations	-1.8	0.8		
Net result	-5.8	3.7	-259.2%	
EBITA margin	1.3%	3.9%		
EBITA margin excluding exceptional items	3.7%	4.1%		
# employees (average FTE)	8,504	8,552	-0.6%	

*The Exceptional items in Q1 2011 were previously reported as 'Non-recurring items'. Reference is made to the Appendices 'Non-IFRS reporting measures: EBITA, EBITA excluding non-recurring items and EBITA excluding exceptional items'.*

## Strategy update

'Back on Track', the new strategy of Grontmij for the period up to 2015, is based on two pillars: restructuring and realising profitable organic growth. The emphasis in 2012 will be on restructuring. In the period 2013 – 2015 there will be greater focus on realising profitable organic growth. 'Back on Track' is clearly inspired by the country operations and aims to take advantage of the opportunities in the European markets.

Immediately after the announcement of 'Back on Track' on 9 March 2012, the management of Grontmij started preparations to implement the new strategy. Over 150 people across the Grontmij Group are now involved through 37 implementation teams. The execution of the new strategy commenced by installing the International Programme Management Office, overseen by a Steering Committee in which the Executive Board is fully represented. Progress is going as planned and implementation of the restructuring has started.

### Restructuring

The restructuring program in 2012 is aimed at realising cost reductions, operational excellence improvements, selected divestments and at strengthening governance and controls.

### *Cost reductions*

Since the announcement on 9 March 2012, Grontmij has taken the first steps on the path towards the identified targeted cumulative cost savings of € 43 million by the end of 2015 (€ 36 million excluding

France). This path is aimed at total annual cost reductions of € 18 million (€ 15 million excluding France) from 2015 onwards.

The cost reductions will be realised both in the country operations and by streamlining the Group headquarters. Over the past few weeks, the implementation plans for the countries have been further refined. Mid-April Grontmij started a reorganisation at Group headquarters. The first results are not expected to become visible before the third quarter of 2012.

In France, implementation of the reorganisation has started with a focus on reducing costs. This has resulted in a reduction of FTEs at the French headquarters and a planned relocation of offices. The plans for additional restructuring as announced on 9 March 2012 have been developed, focussing on the restructuring of the Planning & Design business line. The first results of the restructuring are not expected to become visible before the second half of 2012.

#### *Operational excellence improvements*

Three operational initiatives have been identified; 'Steering on trade working capital', 'Project management excellence' and 'Commercial excellence'. For each initiative, teams have been formed in each country and implementation plans have been developed. For working capital improvement the initial focus is on starting the reduction of trade working capital as quickly as possible. 'Project management excellence' mainly revolves around managing project profitability. The implementation teams started conducting further analysis per country to address local differences, sharing internal best practices and planning the implementation of these across the Group. In 'Commercial excellence' Grontmij concentrates even more on client needs, implements clear bid/no-bid procedures and focuses on higher price realisation by further enhancing its market positioning.

#### *Selected divestments*

On 9 March 2012, Grontmij announced its intention to divest or discontinue a selection of assets. These assets generated ~ € 65 million of total revenue in 2011:

- Blue collar maintenance work and services ⇒ total revenue in 2011 ~ € 29 million
- Other services ⇒ total revenue in 2011 ~ € 16 million
- Non-core assets ⇒ total revenue in 2011 ~ € 20 million

Grontmij has classified Trett Consulting in the UK ('Other services') as held for sale, pending its intended divestment later this year. The non-core assets consist mainly of real estate development projects and waste management activities; they are part of a portfolio of assets that has been identified for divestment earlier. Their divestment is an ongoing process and timing largely depends on market conditions.

#### *Strengthening governance & control processes*

For governance & control, the new strategy makes a distinction between items to be addressed on a Group level and specifically in France:

<b>Group</b>	<b>France</b>
<ul style="list-style-type: none"><li>■ Steering as one company</li><li>■ Improve reporting and financial processes</li><li>■ Executive Board directly responsible for countries, business lines secondary</li><li>■ Alignment of Strategy and Incentives</li></ul>	<ul style="list-style-type: none"><li>■ Enhance governance</li><li>■ Restructure Planning &amp; Design / HQ</li><li>■ Improve reporting and financial controls</li></ul>

On a Group level, teams have been formed to address 1) Consolidation and KPIs, 2) Incentives and 3) IT policy. Implementation plans are in place and are being executed. As per 1 January 2012, the Executive Board members have been made directly responsible for the countries. The process to improve the financial and reporting processes is on its way. The first results of this process are not expected to become visible before the second half of 2012.

Grontmij aims to align the incentive structures for both the Executive Board and Country Managing Directors with the new strategy. The Supervisory Board will discuss with the shareholders at the AGM today its proposal for a conditional share plan for management based on the long-term creation of shareholder value, replacing the current value dependent cash bonus.

In France a new Country Managing Director and a new interim CFO have been appointed. The new French management under the leadership of Jan Bosschem, the former Country Managing Director of Belgium, has developed a restructuring plan for the French headquarters and the Planning & Design business line. For the headquarters this involves a reduction in staff and a relocation of offices within the city of Paris, in order to achieve cost reductions. The Planning & Design business line, with a new director, will merge a large number of smaller and separate entities into two larger units: 'construction' and 'environment'. Furthermore, a reduction in staff in the Planning & Design business line is part of the restructuring plan.

#### Realising profitable organic growth

The second pillar of 'Back on Track', realising profitable organic growth, is intended to allow Grontmij to tap the national and cross border possibilities of five selected Group growth activities.

The five Group growth activities are based on Grontmij's specific expertise and leading positions in its European main markets: energy (business line Water & Energy), highways & roads, light rail (both business line Transportation & Mobility), sustainable buildings (business line Planning & Design) and monitoring & asset management (business line Monitoring & Testing). Grontmij aims to create cross-country synergies in higher growth and higher margin segments by working closer together across borders, focusing on these five growth activities.

In the first months of this year new contracts that may serve as an example of this focus have been won in Belgium (redevelopment Antwerp ring road) and Germany (the planning of a new gas turbine with a capacity of approximately 32MW and a waste heat boiler at a power plant in Erfurt East). In these examples, group-wide knowledge has been shared and used in the tendering process. This highlights the potential for growth in the selected activities and business lines.

### **Capital structure**

On 9 March 2012, Grontmij announced, as part of the comprehensive financial solution, a new capital structure comprising of a new debt financing and an approximately € 80 million rights offering.

#### New debt financing

Grontmij signed a new debt facility of € 180 million with a four year tenor plus an additional short term working capital facility (due end of 2012) of € 10 million, which are subject to a successful completion of the rights offering and certain other customary conditions. The new facility will provide financial flexibility. With a tenor of 4 years, the new facilities are aligned with the period during which the 'Back on Track' strategy is envisaged to be carried out. The net debt/EBITDA and Interest Cover covenant schedules can be found in the appendix.

#### Equity financing

At today's AGM, Grontmij proposes a rights offering aimed at raising approximately € 80 million in gross proceeds. Grontmij expects to announce the terms and timetable of the rights offering as soon as possible after shareholder approval is obtained. The Company aims to complete the rights offering by mid-2012.

## **Financial performance first quarter 2012**

### **Key points Q1 2012**

- Total revenue decreased by 3.1% to € 228.4 million (Q1 2011: € 235.6 million), with organic decline of 3.3%
- EBITA excluding exceptional items decreased by 13.3% to € 8.4 million (Q1 2011: € 9.7 million), with an EBITA margin of 3.7% (Q1 2011: 4.1%)
- Exceptional items of € 5.3 million, related to restructuring including the settlement arrangement as announced on 9 March 2012 and one-off costs relating to the review of Grontmij's financial structure
- Net result from continuing operations of – € 4.1 million (Q1 2011: € 2.9 million) in line with Grontmij's expectations, partially reflecting the expenses of the restructuring plan Grontmij is executing
- Net debt at the end of the first quarter was € 204.5 million (Q4 2011: € 177.9 million)

## **Revenue**

Total revenue on a Group level in the first quarter of 2012 was € 228.4 million, slightly lower than last year (Q1 2011: € 235.6 million). Lower total revenue in the Netherlands and France is partially offset by increased total revenue in Denmark, Sweden, Belgium and other markets. Total revenue in the Netherlands dropped in line with with lower activities in Planning & Design and Transportation & Mobility. France showed lagging performance in Planning & Design, prompting the additional restructuring as announced on 9 March 2012. This restructuring has started recently.

## **Operating result and EBITA**

As announced on 9 March 2012, during the current year Grontmij will focus on restructuring and restructuring costs will be reported as exceptional items if and when they meet certain criteria (see appendix on definitions and criteria).

EBITA excluding exceptional items in the first quarter of 2012 is in line with Grontmij's expectations, and lower than the first quarter of last year. For Q1 2012, EBITA excluding exceptional items was € 8.4 million, a 13.3% decrease compared to last year (Q1 2011: € 9.7 million). Profitability differs in the various countries, as will be discussed in the performance per country section of this press release.

### Exceptional items in the first quarter 2012:

Exceptional items in Q1 2012 are € 5.3 million, and relate to restructuring costs incurred in the first quarter. These are discussed in more detail below.

#### *Settlement arrangement*

An amount of € 2.7 million in exceptional items relates to the settlement arrangement with Mr. Schnoebelen as announced on 9 March 2012. Of this amount, € 2.2 million is allocated to the Group headquarters and € 0.5 million is allocated to Grontmij France.

#### *Advisory fees business review*

Additionally, € 1.6 million of exceptional costs in the first quarter of 2012 relate to the independent business review (€ 1.3 million) and consulting fees regarding the implementation of the new strategy (€ 0.3 million). These costs are part of the additional cash-out of € 10 – 12 million included in the outlook for 2012.

#### *Restructuring costs*

On 9 March 2012 Grontmij announced that it would incur a cash-out of € 3 million in additional restructuring expenses in France for the year 2012. Of this amount, Grontmij spent € 1.0 million in the first quarter.

**EBITA margin**

The EBITA margin excluding exceptional items in the first quarter of 2012 was 3.7% (Q1 2011: 4.1%). The margin deterioration in Q1 2012 versus Q1 2011 in the Netherlands, France and Belgium, was partially offset by strong margin improvements in Denmark, the UK and other markets. Margin developments in Sweden and Denmark remained relatively stable.

**Net result**

Net result from continuing operations in the first quarter of 2012 decreased to – € 4.1 million (Q1 2011: € 2.9 million) mainly as a result of the expenses of the restructuring plan Grontmij is executing, a lower operating result, increased interest costs and tax expenses. Net result from discontinued operations (net of income tax) was – € 1.8 million in the first quarter of 2012 compared to € 0.8 million in the first quarter of 2011. Net result from discontinued operations in the first quarter 2012 relates to the net result of Trett Consulting in the UK of – € 0.4 million and an impairment on the carrying value of Trett Consulting in the amount of € 1.4 million in relation to its intended disposal. Discontinued operations in Q1 2011 relate to Trett Consulting in the UK and the Telecom business in France. The latter was divested in October 2011.

**Trade working capital and net debt**

Trade working capital increased to € 172.0 million compared to € 151.5 million at the end of Q4 2011. The increase relative to year-end 2011 is explained by the traditional seasonal peak in cash collection from trade debtors and delayed payments to creditors at year-end 2011. The first results of the working capital reduction program are not expected to become visible before the end of 2012.

Mainly as a result of the increase in working capital and investments (€ 4.4 million) Group net debt increased from € 177.9 million at the end of Q4 2011 to € 204.5 million at the end of Q1 2012.

**Interest coverage and net debt/EBITDA ratios and covenants**

As the newly signed debt facility will take effect subject to a successful completion of the rights offering (and certain other customary conditions), Grontmij is currently operating under a waiver under its current debt facility which does not require any covenant testing at the end of the first quarter 2012.



## Performance by country

Country performance is leading over the business lines. Grontmij reports its results on a country basis for the seven core countries with separate segments for 'Other markets' (including: Poland, Turkey and Hungary, and an emerging presence in China) and 'Non-core and other unallocated'. Grontmij also reports revenue numbers per business line (see appendix).

### The Netherlands

€ million, unless otherwise indicated	Q1 2012	Q1 2011	% change	% organic growth
Total revenue	57.5	68.8	-16.4%	-16.4%
Net revenue	49.8	56.6	-12.1%	-12.1%
EBITA	3.6	5.0	-27.3%	-27.3%
EBITA margin	6.3%	7.2%		
Exceptional items	-	-0.2		
EBITA excluding exceptional items	3.6	5.2	-30.1%	-30.1%
EBITA margin excluding exceptional items	6.3%	7.5%		
# employees (average FTE)	2,061	2,274	-9.4%	

*The Exceptional items in Q1 2011 were previously reported as 'Non-recurring items'. Reference is made to the Appendices 'Non-IFRS reporting measures: EBITA, EBITA excluding non-recurring items and EBITA excluding exceptional items'.*

*As per 1 January 2012 the subsidiary Grontmij Vastgoedmanagement (VGM) was transferred from The Netherlands to Non-core and other unallocated. In relation to VGM with respect to The Netherlands, Q1 2011 includes total revenue €1.3m, EBITA nil and average FTEs of 58. Excluding VGM the decline in total revenue in Q1 2012 is -14.5%.*

In Q1 2012 Grontmij Netherlands performed satisfactorily, albeit at lower levels than Q1 2011. Total revenue was lower in Planning & Design and Transportation & Mobility and was also impacted by the workforce reduction resulting from the restructuring measures that were taken in 2011. The forward order book remained stable in the first quarter.

The decline in EBITA from € 5.0 million in Q1 2011 to € 3.6 million in Q1 2012 is mainly caused by the lower revenue and a somewhat lower margin due to price pressure, although partly offset by lower costs due to rationalisation of the resources.

In the first quarter of 2012, Grontmij appointed a new interim Country Managing Director. In 2011 Grontmij announced its intention to reduce office space in the Netherlands from 22 to 8 offices. Per 31 March 2012, the number of offices has already been reduced by 8, so 14 offices remain.

## France

€ million, unless otherwise indicated	Q1 2012	Q1 2011	% change	% organic growth
Total revenue	47.8	50.4	-5.1%	-5.1%
Net revenue	39.1	42.4	-7.9%	-7.9%
EBITA	-1.0	1.8	-153.7%	-153.7%
EBITA margin	-2.1%	3.6%		
Exceptional items	-1.5	-		
EBITA excluding exceptional items	0.6	1.8	-69.4%	-69.4%
EBITA margin excluding exceptional items	1.2%	3.6%		
# employees (average FTE)	1,943	1,953	-4.8%	

*The Exceptional items in Q1 2011 were previously reported as 'Non-recurring items'. Reference is made to the Appendices 'Non-IFRS reporting measures: EBITA, EBITA excluding non-recurring items and EBITA excluding exceptional items'.*

France saw varying results in its two business lines Planning & Design and Monitoring & Testing in Q1 2012. Monitoring & Testing performed satisfactorily, even though it had a relatively slow start of the year due to the weather conditions. Planning & Design however underperformed, directly impacting profitability. Additional restructuring as announced on 9 March 2012 remains necessary and the implementation of the restructuring plan has started recently.

Total revenue in Q1 2012 was 5.1% lower compared to Q1 2011, due to lower revenues from the Planning & Design activities.

Exceptional items in the first quarter of 2012 are € 1.5 million of which € 1.0 million relates to the redundancies following the restructuring plan for the French headquarters and € 0.5 million relates to the settlement arrangement as announced on 9 March 2012.

The Q1 2012 EBITA excluding exceptional items was € 0.6 million, a decrease of 69% compared to last year (Q1 2011 € 1.8 million) mainly attributable to a significantly lower performance in Planning & Design. Grontmij expects the first results of cost reductions not to become visible before the second half of this year. Grontmij is planning real estate cost reductions for the second half of 2012, when office leases expire which will not be extended.

## Denmark

€ million, unless otherwise indicated	Q1 2012	Q1 2011	% change	% organic growth
Total revenue	39.4	38.3	3.0%	2.7%
Net revenue	32.4	31.4	3.1%	2.8%
EBITA	2.9	1.4	110.2%	109.9%
EBITA margin	7.3%	3.6%		
Exceptional items	-	-		
EBITA excluding exceptional items	2.9	1.4	110.2%	109.9%
EBITA margin excluding exceptional items	7.3%	3.6%		
# employees (average FTE)	1,155	1,188	-2.8%	

The Exceptional items in Q1 2011 were previously reported as 'Non-recurring items'. Reference is made to the Appendices 'Non-IFRS reporting measures: EBITA, EBITA excluding non-recurring items and EBITA excluding exceptional items'.

Denmark showed solid results in the first quarter of 2012, with slightly higher total revenue of € 39.4 million (Q1 2011: € 38.3 million) and an EBITA margin improvement from 3.6% in Q1 2011 to 7.3% in Q1 2012. The improvement is mainly explained by positive developments in Planning & Design and Water & Energy.

## Sweden

€ million, unless otherwise indicated	Q1 2012	Q1 2011	% change	% organic growth
Total revenue	26.4	23.5	12.2%	12.0%
Net revenue	22.7	20.4	11.0%	10.7%
EBITA	1.8	1.7	7.8%	7.6%
EBITA margin	6.9%	7.2%		
Exceptional items	-	-		
EBITA excluding exceptional items	1.8	1.7	7.8%	7.6%
EBITA margin excluding exceptional items	6.9%	7.2%		
# employees (average FTE)	741	688	7.7%	

The Exceptional items in Q1 2011 were previously reported as 'Non-recurring items'. Reference is made to the Appendices 'Non-IFRS reporting measures: EBITA, EBITA excluding non-recurring items and EBITA excluding exceptional items'.

The results in the first quarter in Sweden are solid compared to last year. Total revenue increased to € 26.4 million in Q1 2012 (Q1 2011: € 23.5 million), while EBITA increased by € 0.1 million. EBITA margin decreased slightly to 6.9% (Q1 2011: 7.2%) due to a lower productivity which is expected to recover in the remainder of the year.

## UK

€ million, unless otherwise indicated	Q1 2012	Q1 2011	% change	% organic growth
Total revenue	15.8	15.4	2.2%	-0.1%
Net revenue	13.3	13.0	2.6%	0.3%
EBITA	0.6	-1.1	159.5%	161.8%
EBITA margin	4.0%	-6.9%		
Exceptional items	-	-0.3		
EBITA excluding exceptional items	0.6	-0.8	180.9%	183.1%
EBITA margin excluding exceptional items	4.0%	-5.1%		
# employees (average FTE)	779	800	-2.6%	

The Exceptional items in Q1 2011 were previously reported as 'Non-recurring items'. Reference is made to the Appendices 'Non-IFRS reporting measures: EBITA, EBITA excluding non-recurring items and EBITA excluding exceptional items'.

For the first quarter 2012, Grontmij UK (excluding Trett Consulting, which is reported as discontinued operations) turned to profitability and delivered EBITA of € 0.6 million (Q1 2011: – € 1.1 million). The improved performance is attributable to the restructuring measures taken in 2011 to reduce costs and improve commercial excellence.

Planning & Design in the UK showed strong results with a 17% increase in net revenue. Also, Grontmij UK showed improved productivity and profitability in all business lines as a result of the restructuring measures taken in 2011. Grontmij has classified Trett Consulting as held for sale, pending its intended divestment later this year.

## Belgium

€ million, unless otherwise indicated	Q1 2012	Q1 2011	% change	% organic growth
Total revenue	21.5	20.0	7.3%	7.3%
Net revenue	19.6	18.9	3.4%	3.4%
EBITA	1.1	1.8	-41.3%	-41.3%
EBITA margin	5.0%	9.2%		
Exceptional items	-	-		
EBITA excluding exceptional items	1.1	1.8	-41.3%	-41.3%
EBITA margin excluding exceptional items	5.0%	9.2%		
# employees (average FTE)	839	736	14.0%	

The Exceptional items in Q1 2011 were previously reported as 'Non-recurring items'. Reference is made to the Appendices 'Non-IFRS reporting measures: EBITA, EBITA excluding non-recurring items and EBITA excluding exceptional items'.

Belgium showed organic growth compared to last year with an increase of total revenue by 7.3% to € 21.5 million (Q1 2011: € 20.0 million) with higher revenues in Transportation & Mobility and Water & Energy. EBITA is down from € 1.8 million in Q1 2011 to € 1.1 million in Q1 2012. This is caused by lower revenues and project results in Planning & Design and lower productivity.

On 25 April 2012, Grontmij announced the commissioning of project Oosterweel. Grontmij will, together with Witteveen+Bos, conduct project preparations for the combined Oosterweel link. This large-scale project consists of three sub-contracts, each of which contributes to the completion of the Antwerp Ring road (R1). The project combines Grontmij's local know-how and global expertise in the design and construction of tunnels and complicated integrated projects.

## Germany

€ million, unless otherwise indicated	Q1 2012	Q1 2011	% change	% organic growth
Total revenue	12.9	13.2	-1.8%	-3.9%
Net revenue	11.5	11.6	-0.4%	-2.8%
EBITA	0.8	0.7	8.7%	8.7%
EBITA margin	5.9%	5.3%		
Exceptional items	-	-0.6		
EBITA excluding exceptional items	0.8	1.3	-40.3%	-40.3%
EBITA margin excluding exceptional items	5.9%	9.7%		
# employees (average FTE)	579	572	1%	

*The Exceptional items in Q1 2011 were previously reported as 'Non-recurring items'. Reference is made to the Appendices 'Non-IFRS reporting measures: EBITA, EBITA excluding non-recurring items and EBITA excluding exceptional items'.*

Performance in Germany was mixed, with a solid performance in Planning and Design and the Energy sector whilst the Transportation & Mobility sector was impacted by lower productivity. The forward order book is strong, and some high profile projects have been won in the first quarter.

One of the projects recently won in Germany, in line with the new strategy and the identified Group growth segments, is the assignment for the planning of a new gas turbine and waste heat boiler at a power plant in Erfurt East. Grontmij will assume the design services, the tendering, and the preparation of the permit application for the new plant. The supervision of the construction process and the commissioning are also part of the assignment. The new gas turbine will have an electrical power capacity of approx. 32 MW, whereas the heat storage tank will have a volume of approximately 7,000 m<sup>3</sup>.

## Other markets

€ million, unless otherwise indicated	Q1 2012	Q1 2011	% change	% organic growth
Total revenue	4.5	4.3	3.2%	10.0%
Net revenue	2.5	2.3	10.2%	17.2%
EBITA	0.2	-0.2	178.8%	175.0%
EBITA margin	3.8%	-5.0%		
Exceptional items	-	-		
EBITA excluding exceptional items	0.2	-0.2	178.8%	175.0%
EBITA margin excluding exceptional items	3.8%	-5.0%		
# employees (average FTE)	269	264	1.9%	

The Exceptional items in Q1 2011 were previously reported as 'Non-recurring items'. Reference is made to the Appendices 'Non-IFRS reporting measures: EBITA, EBITA excluding non-recurring items and EBITA excluding exceptional items'.

Grontmij has small but growing positions in a number of other markets in Europe, including Poland Turkey and Hungary. It also has an emerging presence in China. Except for Poland, the segment Other markets performed well in the first quarter of 2012, with increased total revenue of € 4.5 million (Q1 2011: € 4.3 million). EBITA turned positive to € 0.2 million in Q1 2012 (Q1 2011: – € 0.2 million), mainly due to the growth of the business in Turkey.

## Non-core and other unallocated

€ million, unless otherwise indicated	Q1 2012	Q1 2011
Total revenue	2.6	1.7
Net revenue	2.6	1.0
EBITA	-6.9	-1.9
Exceptional items	-3.8	0.6
EBITA excluding exceptional items	-3.1	-2.4
# employees (average FTE)	138	77

The Exceptional items in Q1 2011 were previously reported as 'Non-recurring items'. Reference is made to the Appendices 'Non-IFRS reporting measures: EBITA, EBITA excluding non-recurring items and EBITA excluding exceptional items'.

As per 1 January 2012 the subsidiary Grontmij Vastgoedmanagement (VGM) was transferred from The Netherlands to Non-core and other unallocated. In relation to VGM with respect to Non-core and other unallocated, Q1 2012 includes total revenue € 1.3m, EBITA - € 0.1m and average FTEs of 61.

Non-core and other unallocated: This segment reports on the non-core activities and other unallocated like the Group head office. The table above is used to reconcile the geographic tables shown before with the consolidated Group numbers.

## Outlook 2012 reiterated

The results of Grontmij in Q1 2012 are in line with Group expectations and therefore do not lead to a change in the outlook for 2012. As stated on 9 March 2012 Grontmij is working towards an important milestone: in 2015 we will celebrate our 100th anniversary. By focusing on our core markets, maintaining a strong relationship with our customers, continuing to deliver an excellent service and transforming our operations to make them more efficiently managed, we aim to improve our long-term performance and provide sustainable returns to our shareholders. Starting in 2012 we will rebalance our operations, to position ourselves for growth in the years to come. From a financial perspective, 2012 will therefore be a transitional year and the results are not expected to already show an improvement of EBITA (excluding exceptional items) compared to 2011. Cash flow generation in 2012 is expected to be limited as a consequence of the announced restructuring measures. This excludes an expected cash out of € 10 – 12 million for implementing the comprehensive financial solution and approximately € 3 million for additional restructuring necessary in France.

## Financial Calendar 2012

9 May 2012	Annual General Meeting of Shareholders - 14:00
30 August 2012	Publication Half Year Results / Analyst meeting - Audio webcast
15 November 2012	Financial results Q3 2012

### Invitation to attend audio webcast of presentation of Q1 2012 figures

We are pleased to invite you to listen to the audio webcast of Grontmij's presentation of the financial results today, 9 May 2012 at 10.00 CET via [www.grontmij.com](http://www.grontmij.com). The presentation is then also available on our website.

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Note to editors

Grontmij is the third largest engineering consultancy in Europe with nearly 9,000 professionals. At the heart of our business is the sustainability by design principle. It is a leading value proposition for our customers delivered by four business lines: Planning & Design, Transportation & Mobility, Water & Energy, Monitoring & Testing.

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## Appendices

Definitions and exceptional items criteria

Performance by business line

Total revenue and EBITA per country

Exceptional items and reconciliation

Covenants

Condensed consolidated income statement

Condensed consolidated statement of financial position

## Definitions

### **Total revenue**

The major part of the Group's revenue relates to contracts for services in the areas of design, consultancy, project management, engineering and contracting. Revenue from services based on fixed-price contracts is recognised in profit or loss pro rata of the services rendered on the reporting date in proportion to the total of the contracted services; the stage of completion is assessed on the reporting date by reference to surveys of actual work performed. Revenue from services based on cost plus contracts is recognised in profit or loss pro rata of the time spent and based on the contractual net hourly rates. Revenue from contract work relates mainly to assignments for the construction of buildings, bridges, roads and infrastructural projects such as sport fields, parks and sewages. Revenue from contract work and the relating expenses are recognised in profit or loss in proportion to the stage of completion of the contract on the reporting date; the stage of completion is determined based on the technical completeness proportionate to the project as a whole. Revenue from contract work include the initial amount agreed upon plus any variations in contract work, claims and incentive payments to the extent that it is probable they will result in revenue and can be measured reliably. Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable.

### **Net revenue**

Net revenue relates to Total Revenue excluding third party expenses for costs of services and materials relating directly to contracts carried out for the Group's customers.

### **EBITA**

EBITA stands for earnings before interest, tax and amortisation and is defined as the operating result for the period, adding back amortisation and impairment losses.

### **Non-IFRS reporting measures: EBITA, EBITA excluding non-recurring items and EBITA excluding exceptional items**

In 2011 and before, the Company reported "EBITA excluding non-recurring items". Starting 2012 the Company will report "EBITA excluding exceptional items" instead of "EBITA excluding non-recurring items". These are (as is EBITA) non-IFRS reporting measures and should not be considered as an alternative to the applicable IFRS measures. In particular, they should not be considered as a measure of financial performance under IFRS, as alternative to revenue, operating income or any other performance measures derived in accordance with IFRS. EBITA, EBITA excluding non-recurring items and EBITA excluding exceptional items have limitations as an analytical tool and should not be considered in isolation from, or as a substitute for, analysis of the Company's results of operations as reported under IFRS. Other companies in the Company's industry may calculate these measures differently than the Company, limiting their usefulness as a comparative measure. Because of these limitations, investors should rely on the condensed consolidated financial statements prepared in accordance with IFRS and treat the EBITA, EBITA excluding

non-recurring items and EBITA excluding exceptional items as supplemental information only. Non-recurring items related to non-core asset write-offs, one-off restructuring costs incurred in connection with cost reduction programmes and other one-off charges. Starting 2012, the Company will restrict the scope of items to be excluded from EBITA, and will call these "exceptional items". Exceptional items in 2012 relate to costs for restructuring which are part of a formally approved restructuring plan, special items following a material change of accounting principles or results which are of an exceptional nature in relation to the normal business activities and are in general more than 10% of the reported EBITA on a segment level.

The Company has not re-calculated the non-recurring items reported in 2011 to accord with the new definition of exceptional items. Therefore, EBITA excluding exceptional items shown for periods in 2011 is in fact the EBITA excluding non-recurring items reported in 2011.

The following table presents a reconciliation of EBITA and EBITA excluding exceptional items to operating result, the most comparable IFRS measure, for each of the periods indicated.

### **Discontinued operations**

In 2010, the Telecom division within Ginger S.A. (France) was presented as held for sale following the commitment of the Executive Board, in December 2010, to a plan to sell the Telecom division. The sale has been successfully completed on 19 October 2011. Grontmij has classified Trett Consulting in the UK as held for sale in Q1 2012, pending its intended divestment later this year.

### **Organic growth / decline**

Organic growth or decline is measured excluding the impact of currency effects, acquisitions and disposals.

## Business lines performance

€ million, unless otherwise indicated	Q1 2012	Q1 2011	% change	% organic growth
<b>Planning &amp; Design</b>				
Total revenue	85.7	97.0	-11.6%	-11.8%
Net revenue	73.8	78.7	-6.2%	-6.2%
<b>Transportation &amp; Mobility</b>				
Total revenue	52.5	54.9	-4.4%	-4.9%
Net revenue	44.5	46.8	-4.9%	-5.5%
<b>Water &amp; Energy</b>				
Total revenue	49.3	49.1	0.4%	0.2%
Net revenue	43.0	42.7	0.7%	0.4%
<b>Monitoring &amp; Testing</b>				
Total revenue	34.4	31.8	8.2%	8.3%
Net revenue	28.6	28.3	1.1%	0.9%
<b>Other</b>				
Total revenue	6.5	2.8	130.7%	
Net revenue	3.6	1.2	201.3%	
<b>Total Group</b>				
Total revenue	228.4	235.6	-3.1%	-3.3%
Net revenue	193.5	197.7	-2.1%	-2.4%

The table above shows the performance per business line on a total and net revenue basis.

## Total revenue and EBITA per country

€ million, unless otherwise indicated	Total revenue		EBITA		EBITA excluding exceptional items		EBITA excluding exceptional items margin %	
	Q1 2012	Q1 2011	Q1 2012	Q1 2011	Q1 2012	Q1 2011	Q1 2012	Q1 2011
The Netherlands	57.5	68.8	3.6	5.0	3.6	5.2	6.3%	7.5%
France	47.8	50.4	-1.0	1.8	0.6	1.8	1.2%	3.6%
Denmark	39.4	38.3	2.9	1.4	2.9	1.4	7.3%	3.6%
Sweden	26.4	23.5	1.8	1.7	1.8	1.7	6.9%	7.2%
UK	15.8	15.4	0.6	-1.1	0.6	-0.8	4.0%	-5.1%
Belgium	21.5	20.0	1.1	1.8	1.1	1.8	5.0%	9.2%
Germany	12.9	13.2	0.8	0.7	0.8	1.3	5.9%	9.7%
Other markets	4.5	4.3	0.2	-0.2	0.2	-0.2	3.8%	-5.0%
Non-core and other unallocated	2.6	1.7	-6.9	-1.9	-3.1	-2.4		
<b>Total Group</b>	<b>228.4</b>	<b>235.6</b>	<b>3.1</b>	<b>9.2</b>	<b>8.4</b>	<b>9.7</b>	<b>3.7%</b>	<b>4.1%</b>

## Reconciliation to non-IFRS measures

€ million, unless otherwise indicated	Q1 2012	Q1 2011
<b>Operating result</b>	<b>1.4</b>	<b>7.4</b>
Add back amortisation	1.7	1.9
<b>EBITA</b>	<b>3.1</b>	<b>9.2</b>
Add back: exceptional items	5.3	0.5
<b>EBITA before exceptional items</b>	<b>8.4</b>	<b>9.7</b>
Less: share in results of EAI	-0.2	-0.1
Add: EBITA Telecom division		1.4
Add: EBITA Trett (classified as asset held for sale)		-0.1
Add: Trett exceptional costs		0.5
<b>Underlying EBITA comparable with presentation 2011</b>	<b>8.3</b>	<b>11.4</b>

The Exceptional items in Q1 2011 were previously reported as 'Non-recurring items'. Reference is made to the Appendices 'Non-IFRS reporting measures: EBITA, EBITA excluding non-recurring items and EBITA excluding exceptional items'.

The table above presents a reconciliation of EBITA and EBITA excluding exceptional items/non-recurring items to operating result, the most comparable IFRS measure, for each of the periods indicated.

## Net debt/EBITDA covenant schedule

	March	June	September	December
<b>2012</b>				4.00x
<b>2013</b>	4.00x	3.50x	3.50x	3.00x
<b>2014</b>	3.00x	2.75x	2.75x	2.50x
<b>2015</b>	2.50x	2.50x	2.50x	2.50x
<b>2016</b>	2.50x	2.50x	2.50x	2.50x

## Interest cover covenant schedule

	March	June	September	December
<b>2012</b>				1.75:1
<b>2013</b>	2.00:1	2.50:1	2.75:1	3.00:1
<b>2014</b>	3.25:1	3.50:1	3.75:1	4.00:1
<b>2015</b>	4.00:1	4.00:1	4.00:1	4.00:1
<b>2016</b>	4.00:1	4.00:1	4.00:1	4.00:1

## Condensed consolidated income statement

In thousands of € for the three months period ended 31 March	2012 (unaudited)	2011 (unaudited)
Revenue from services	225,873	228,257
Revenue from contract work	2,470	7,362
Revenue from sale of goods	60	0
<b>Total revenue</b>	<b>228,403</b>	<b>235,619</b>
Third-party project expenses	-34,946	-37,924
<b>Net revenue</b>	<b>193,457</b>	<b>197,695</b>
Direct employee expenses	-128,152	-130,095
Direct other expenses	-1,473	-1,380
<b>Total direct expenses</b>	<b>-129,625</b>	<b>-131,475</b>
<b>Gross margin</b>	<b>63,832</b>	<b>66,220</b>
Other income	107	1,664
Indirect employee expenses	-20,259	-19,457
Amortisation	-1,694	-1,853
Depreciation	-3,474	-3,862
Indirect other operating expenses	-37,297	-35,423
<b>Total indirect expenses</b>	<b>-62,724</b>	<b>-60,595</b>
Share of results of investments in equity accounted investees	168	101
Result on sale of equity accounted investees (net of income tax)	3	0
	<b>171</b>	<b>101</b>
<b>Operating result</b>	<b>1,386</b>	<b>7,390</b>
Finance income	1,276	1,538
Finance expenses	-5,400	-5,050
<b>Net finance expenses</b>	<b>-4,124</b>	<b>-3,512</b>
<b>Result before income tax</b>	<b>-2,738</b>	<b>3,878</b>
Income tax expense	-1,331	-962
<b>Result after income tax from continuing operations</b>	<b>-4,069</b>	<b>2,916</b>
Result from discontinued operations (net of income tax)	-1,772	753
<b>Total result for the period</b>	<b>-5,841</b>	<b>3,669</b>
Attributable to:		
Equity holders of Grontmij	-5,814	3,649
Non-controlling interest	-27	20
<b>Total result for the period</b>	<b>-5,841</b>	<b>3,669</b>

## Condensed consolidated statement of financial position

In thousands of € (before appropriation of result)	31 March 2012 (unaudited)	31 December 2011
Goodwill	166,936	165,984
Intangible assets	60,085	62,825
Property, plant and equipment	48,597	49,506
Investments in equity accounted investees	7,387	7,244
Other financial assets	17,968	18,797
Derivatives used for hedging	-	-
Deferred tax assets	3,509	2,953
<b>Non-current assets</b>	<b>304,482</b>	<b>307,309</b>
Receivables	394,537	371,099
Inventories	17,270	16,358
Income taxes	4,454	7,053
Cash and cash equivalents	52,916	44,371
Assets classified as held for sale	2,935	-
<b>Current assets</b>	<b>472,112</b>	<b>438,881</b>
<b>Total assets</b>	<b>776,594</b>	<b>746,190</b>
Share capital	5,331	5,331
Share premium	96,391	96,391
Reserves	-11,701	44,950
Result for the period	-5,814	-55,860
<b>Total equity attributable to equity holders of Grontmij</b>	<b>84,207</b>	<b>90,812</b>
Non-controlling interest	15	41
<b>Total Group equity</b>	<b>84,222</b>	<b>90,853</b>
Loans and borrowings	161,209	147,253
Employee benefits	13,233	13,018
Derivatives used for hedging	6,308	4,873
Provisions	40,811	41,402
Deferred tax liabilities	31,374	30,958
<b>Non-current liabilities</b>	<b>252,935</b>	<b>237,504</b>
Bank overdrafts	43,991	22,595
Loans and borrowings	52,246	52,417
Income taxes	6,966	3,718
Trade and other payables	322,703	325,100
Provisions	12,453	14,003
Liabilities classified as held for sale	1,078	-
<b>Current liabilities</b>	<b>439,437</b>	<b>417,833</b>
<b>Total equity and liabilities</b>	<b>776,594</b>	<b>746,190</b>

This press release includes the unaudited condensed consolidated financial information of the Group as of and for the three-month periods ended 31 March 2012 and 2011 which has been prepared in accordance with International Financial Reporting Standards as endorsed by the European Union.

This press release includes statements that are forward-looking in nature. By their nature, forward-looking statements involve risks, uncertainties and assumptions because they relate to events and depend on circumstances that will occur in the future whether or not outside the control of the Company and are provisional only and for indicative, preliminary and illustrative purposes only. Actual results and developments and projected or targeted results may differ materially from those expressed in such statement and from historical trends, depending on a variety of factors. Such factors may cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. The Company expresses no view, estimate or assessment whatsoever on the likelihood that targets will be achieved. The Company reserves the right, but does not have any obligation, to amend or change projections, assumptions or targets if it deems it appropriate to do so. Certain figures contained in this press release, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances the sum of the numbers in a column or row of a table contained in this press release may not conform exactly to the total figure given for that column or row.

These materials are not for release, distribution or publication, whether directly or indirectly and whether in whole or in part, into or in the United States, Australia, Canada or Japan. These materials are for information purposes only and are not intended to constitute, and should not be construed as, an offer to sell or a solicitation of any offer to buy the securities of the Company (such securities, the "Securities") in the United States, Canada, Australia, Japan or in any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, exemption from registration or qualification under the securities laws of such jurisdiction.

The Securities are not and will not be registered under the U.S. Securities Act of 1933, as amended (the "US Securities Act") and will also not be registered with any authority competent with respect to securities in any state or other jurisdiction of the United States of America. The Securities may not be offered or sold in the United States of America without either registration of the securities or an exemption from registration under the US Securities Act being applicable. The Company has registered no part of the offering of the Securities in the United States of America or any other jurisdiction, nor has it the intention to do so. The Company has no intention to make a public offering of Securities in the United States.

The Company has not authorised any offer to the public of Securities in any Member State of the European Economic Area other than the Netherlands. With respect to any Member State of the European Economic Area, other than the Netherlands, and which has implemented the Prospectus Directive (each a "Relevant Member State"), no action has been undertaken or will be undertaken to make an offer to the public of Securities requiring publication of a prospectus in any Relevant Member State. As a result, the Securities may only be offered in Relevant Member States (i) to any legal entity which is a qualified investor as defined in the Prospectus Directive; or (ii) in any other circumstances falling within Article 3(2) of the Prospectus Directive. For the purpose of this paragraph, the expression "offer of securities to the public" means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable the investor to decide to exercise, purchase or subscribe for the securities, as the same may be varied in that Member State by any measure implementing the Prospectus



Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State.

No action has been taken by the Company that would permit an offer of Securities or the possession or distribution of these materials or any other offering or publicity material relating to such Securities in any jurisdiction where action for that purpose is required. The release, publication or distribution of these materials in certain jurisdictions may be restricted by law and therefore persons in such jurisdictions into which they are released, published or distributed, should inform themselves about, and observe, such restrictions.

Any offer to acquire Securities pursuant to the proposed offering will be made, and any investor should make his investment, solely on the basis of information that will be contained in the prospectus to be made generally available in the Netherlands in connection with such offering.

ING and Nordea act exclusively for the Company and no-one else in connection with any offering of Securities and will not be responsible to anyone other than the Company for providing the protections afforded to the customers of ING and Nordea or for providing advice in relation to any offering or any transaction or arrangement referred to herein.

We refer here to Chapter 2 'Risk factors' of the Prospectus for the risks and uncertainties. Should one or more of these risks or uncertainties materialise, or should any underlying assumptions prove to be incorrect, the Company's actual financial condition or results of operations could differ materially from those described in this press release.

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